

COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
PHOENIX, ARIZONA
FOR THE
YEAR ENDED JUNE 30, 2012

PREPARED BY:
FINANCIAL SERVICES DEPARTMENT

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INTRODUCTORY SECTION

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CARTWRIGHT SCHOOL DISTRICT #83

3401 N. 67TH Avenue Phoenix, AZ 85033 Phone: (623) 691-4000 Fax: (623) 691-5920
www.csd83.org

"Learning for all. Every child, every school, every day."

ADMINISTRATION

December 19, 2012

Dr. Jacob A. Chávez
Superintendent

Zeek Ojeh
*Assistant Superintendent
Financial Services*

Dr. Edward Murphy
*Assistant Superintendent
Human Resources*

Dr. Rebecca M. Osuna
*Assistant Superintendent
Administrative Services*

LeeAnn Aguilar Lawlor
*Assistant Superintendent
Educational Services*

Governing Board and Citizens of
Cartwright Elementary School District No. 83
3401 N. 67th Avenue
Phoenix, Arizona 85033

State law requires that school districts receiving over \$500,000 of federal monies 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 Cartwright Elementary School District No. 83 for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of the Cartwright Elementary School District No. 83. 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 Cartwright Elementary School District No. 83 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 Cartwright Elementary School District No. 83'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 Cartwright Elementary School District No. 83's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from 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 Cartwright Elementary School District No. 83's financial statements have been audited by CliftonLarsonAllen LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Cartwright Elementary School District No. 83 for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Cartwright Elementary School District No. 83's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Cartwright Elementary School District No. 83 was part of a broader, federally mandated "Single Audit" 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 audited 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 Cartwright Elementary School District No. 83's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

The Cartwright Elementary School District No. 83 is an independent governmental entity located in central Maricopa County, Arizona, encompassing the western portion of metropolitan Phoenix, Arizona, and employing approximately 2,500 employees. The District was founded in the late 1800's and has undergone many periods of growth over the past 110 years. As a result, the majority of facilities across the District were built as new structures in the 1950's with additional facilities added in the past 10 years. Currently the older facilities are scheduled for renovation and remodel over the next six years. Major renovations of an existing K-8 and two K-5 schools have been completed. Another K-8 school is the next scheduled for major renovation to begin in December of 2012 with a target completion date of July 2013.

The District's student enrollment decline has turned the corner. The enrollment as of June 2012 was 18,556 which is 442 higher than June 2011. This represents an approximate 2.5% increase in the student population. The increase in student population is a reflection of the upswing in the housing market that is now being seen in the Greater Metropolitan Phoenix area. Affordable housing and the strength of the Cartwright School District's grade as a "B" through the Arizona Accountability ranking system serves as a major attraction to families looking to relocate to the West Phoenix area.

Once dependent upon an agricultural-based economy, the economic base of the County has become more diversified through the location of service, wholesale and retail trade, high technology industries and construction. Today, the County's economy is based on high technology manufacturing, light manufacturing, and commercial activities (including construction and trade), tourism, government, and agriculture. Due to the County's strong dependence on real estate and construction, economists predict it will take more time for the local economy to rebound from the downturn as compared to the national recovery. Current economic indicators reflect both national and local recovery is occurring but that the recovery is occurring at a slow pace.

This report includes the funds of all organizational entities over which the District's Governing Board is financially accountable. The District provides a full range of services. These services include: education, pupil transportation, construction and maintenance of district facilities, food services, as well as activities associated with community and student organizations.

Each year an operating budget for expenditures is prepared and adopted by the District for the General, Special Revenue, and Capital Projects Funds. Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. Although an annual budget of revenue is not prepared, revenues are estimated. The expenditure budget can be revised annually, per Arizona Revised Statutes. Therefore, a deficit budgeted fund balance in some funds can occur when the expenditure budget is increased during a revision. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

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 – According to Arizona Department of Economic Security statistics, service is the largest employment sector in the County. Approximately thirty-nine percent of all County businesses provide a service. The tourism industry contributes strongly to service employment in the County with a majority of dollars spent for food, lodging, and gasoline. The County has developed into a major tourist center. Excellent tourist accommodations, diverse cultural activities, and a favorable climate attract millions of visitors to the area annually. Major league sports teams such as Arizona Diamondbacks, Arizona Cardinals, Phoenix Coyotes, and Phoenix Suns as well as spring training baseball have enhanced the existing tourism industry and provided a benefit to the local economy.

The local economy has suffered as a result of the economic downturn of 2008, 2009, 2010 and 2011. As a result, sales tax revenues have declined and the state budget has been adversely impacted. The District's Maintenance and Operation budget was reduced by approximately 1.9% as mandated by the State of Arizona. In addition, the Soft Capital Outlay Budget was reduced approximately 80%. The Classroom Site Fund had a modest revenue decline but through the District's effort to conservatively budget funds, administration continued to provide opportunities for teacher performance compensation. Over the past several years, the District has increased performance pay opportunities to all teachers beyond the original scope of the Classroom Site Fund. In 2012 the local economy does show signs of recovery from the Great Recession. Recovery is occurring at a slow pace but is expected to pick up momentum by mid decade. The long term outlook is that Arizona and the Greater Phoenix area will, once again, rank as one of the fastest growing areas in the nation.

Long-term Financial Planning – District-wide efforts have been made to reduce utility costs. Drop ceilings and additional insulation were placed in older schools in the District. Energy management systems were installed on all HVAC systems to monitor and control usage and efficiency. With the new HVAC systems implemented and with the energy management controls in place, we have seen increased efficiency from those newer units with increased SEER ratings. Another direct result of the improved HVAC systems and energy management systems along with annual review of all electrical usage, is a savings in energy costs of approximately \$200,000 annually.

Additional efforts have been implemented to reduce energy consumption with the advent of an energy education specialist. The specialist position educates all District employees on current energy conservation practices and monitors the use of energy district-wide. As a result, the District has reduced energy consumption by 9% in the first year of implementation.

In November, 2010, the voters in Cartwright Elementary School District No. 83 approved a bond issue of \$27,820,000 for facility improvements and bus fleet enhancements over the next six years. Three major renovations of school sites have been completed as of June 30, 2012 and the next is slated for the summer of 2013. Several sites have received HVAC replacements and replacement school buses were purchased.

Cartwright Elementary School District No. 83 is a bedroom community to the Phoenix Metropolitan area. Salaries and fringe benefits represent nearly ninety percent of the operating budget. The beginning certified salary is \$35,800, and the top salary is \$75,700 with additional performance compensation available up to \$2,700 per teacher.

The District continues to utilize State purchasing services and cooperative purchasing with other public entities for price advantages on school supplies and equipment. Efforts are also made to make purchases on a seasonal basis when appropriate. The District has signed intergovernmental agreements with other school districts and public entities in order to reduce transaction costs and increase economies of scale. Expansion of warehouse facilities has increased its ability to further reduce costs through both economies of scale and timing of purchases.

Major Initiatives

During the past several years, the District's primary focus was improving student achievement in literacy and mathematics. The District successfully implemented a teacher coach/mentor model which has positively impacted student test scores. Curriculum specialists were added at each school site to further support student achievement goals. Supplemental student assessment software was implemented in to assess student achievement in mathematics and literacy. The assessment tool has proved to be useful in identifying students' strengths and weaknesses during the school year as the assessments are conducted quarterly and allow for immediate feedback to classroom teachers and site administrators. The District employed teacher mentors to provide guidance, support, and staff development for newly hired teachers. Retention of new teachers is a challenge for the District and the addition of teacher mentors has assisted in providing greater teacher retention. In 2012-13 the District is adding "Success Maker" software which will be used for student remediation in common core subject areas. A major goal of the District is to move from a "B" to "A" grade in Arizona accountability framework. The Success Maker program is anticipated to provide major assistance in reaching this goal.

In addition, a Professional Learning Community model was implemented District-wide. The model has taken several years to implement and is now systemically operational throughout the District. The results of the District-wide endeavor are apparent in the continued improvement in students' standardized test scores.

The District has a large bilingual student population with specific needs in the area of English language development. In order to address this challenge, the District has added a language acquisition specialist at each school site and developed a strong English language development curriculum with assessments conducted throughout the year. In addition, the District has developed a program to provide intensive instruction to English language learners delivered daily during a four hour time period utilizing the existing curriculum. The program was developed in 2006-07 and implemented in 2007-08. The Arizona Department of Education mandated a similar program be implemented state wide in the 2008-09 fiscal year and it is still required today.

AWARDS AND ACKNOWLEDGMENTS

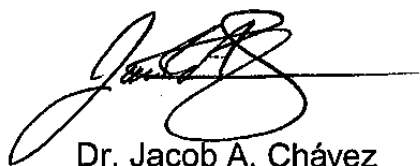
Awards - The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. In addition, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cartwright Elementary School District No. 83 for the fiscal year ended June 30, 2011. In order to be awarded these Certificates of Achievement and Excellence, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

The Certificates of Achievement and Excellence are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificates of Achievement and Excellence Program's requirements and we are submitting it to both GFOA and ASBO to determine its eligibility for continuing certificates.

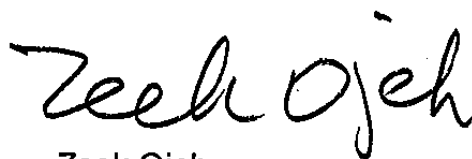
Acknowledgments - The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Business Services Department. Each member of the department has our sincere appreciation for the contributions made in the preparation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

Sincerely,



Dr. Jacob A. Chávez
Superintendent



Zeek Ojeh
Assistant Superintendent for
Financial and Auxiliary
Services

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2012**

Governing Board

Lydia Hernandez
President

Rosa Cantu
Vice President

Debra Stone
Member

Terrence McTier
Member

Steve Gallardo
Member

Principal School District Officials

Dr. Jacob A. Chavez
Superintendent

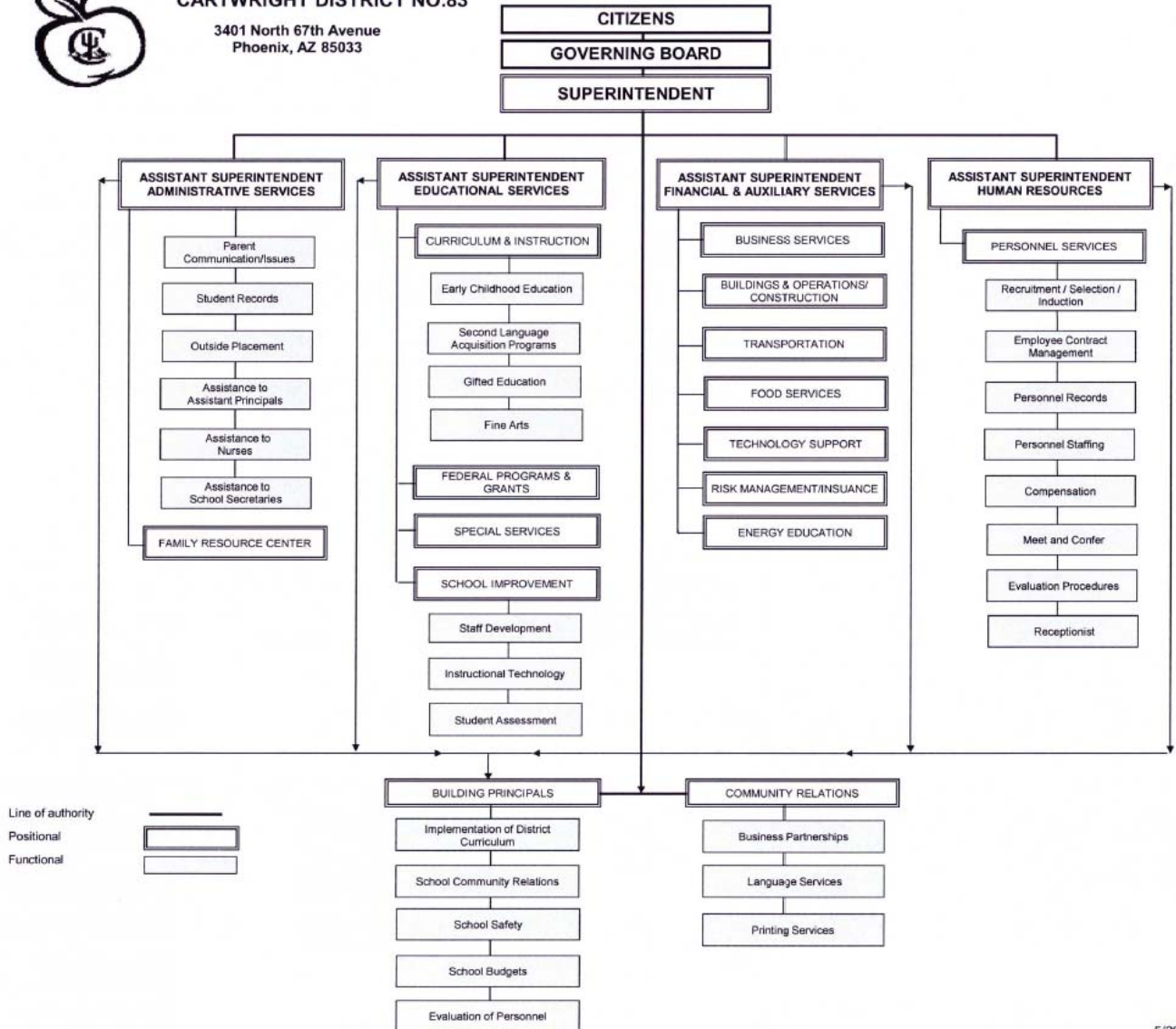
Zeek Ojeh
Assistant Superintendent for
Financial and Auxiliary Services

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83 ORGANIZATIONAL CHART JUNE 30, 2012



CARTWRIGHT DISTRICT NO.83

3401 North 67th Avenue
Phoenix, AZ 85033



5/29/2012

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2011

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

President

Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Cartwright Elementary
School District No. 83, Arizona

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

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



Christopher P. Moynell

President

Jeffrey R. Emen

Executive Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Governing Board
Cartwright Elementary School District No. 83
Phoenix, Arizona

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cartwright Elementary School District No. 83, as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cartwright Elementary School District No. 83's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

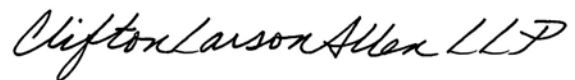
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cartwright Elementary School District No. 83, as of June 30, 2012, and the respective changes in financial position, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior period adjustments were reported in Note 3.F. to correct errors in the previously issued financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012, on our consideration of the Cartwright Elementary School District No. 83's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 12 through 20 and 49 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cartwright Elementary School District No. 83's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide assurance on them.



CliftonLarsonAllen LLP

Phoenix, Arizona
December 19, 2012

REQUIRED SUPPLEMENTARY INFORMATION

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**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

As management of the Cartwright Elementary School District No. 83 (District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on in the introductory section of this report and the District's basic financial statements which begin on page 21.

FINANCIAL HIGHLIGHTS

- ◆ The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$158.0 million (net assets).
- ◆ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$23.6 million, a decrease of \$13.7 million in comparison with the prior year.
- ◆ At the end of the current fiscal year, unassigned fund balance for the general fund was \$11.0 million, or 11.4 percent of total general fund expenditures.
- ◆ The District's total long-term liabilities consisted of compensated absences, school improvement bonds payable, and capital leases. Compensated absences had an increase of \$70,204. School Improvement bonds showed a decrease of \$14,003. Capital lease increased \$72,356 due to a new lease agreement.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. Changes in net assets are reported when 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 result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements present functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District are for public education.

The government-wide financial statements can be found immediately following this MD&A.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

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, like other state and local governments, 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 focus on near-term inflows and outflows 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 a government'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 government'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.

The District maintains thirteen individual governmental funds. 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, Special Projects, and Bond Building Funds, all of which are considered to be major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation.

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General, Special Revenue and Capital Projects Funds. Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. The expenditure budget can be revised annually, per Arizona Revised Statutes; however, the District is not required to adopt an annual revenue budget. Therefore, a deficit budgeted fund balance is presented for all funds in which the District adopts a budget. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The basic governmental fund financial statements can be found on pages 23 - 26 of this report.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

- ◆ *Proprietary Fund* – The District maintains an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for its employee benefit trust. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 27 - 29 of this report.

- ◆ *Fiduciary Fund* – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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. The District reports two agency funds which are custodial in nature and do not present results of operation or a measurement focus.

The basic fiduciary fund financial statement can be found on page 30 of this report.

Notes to Basic 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 basic financial statements can be found on pages 31 - 48 of this report.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 52 - 65 of this report.

The statistical section includes selected financial demographic information, generally presented on a multi-year basis. The statistical section can be found on pages 66 - 90 of this report.

Government-Wide Financial Analysis

Net Assets

As noted earlier, changes in net assets over time may serve as useful indicators of a government's financial position. In the case of the District, assets exceeded liabilities by \$158.0 million at the close of the most recent fiscal year.

By far the largest portion of the District's net assets reflects its investment in capital assets (e.g., land, buildings, furniture, equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. The District's investments in its capital assets are not reported net of related debt, as the District had no related outstanding debt. An additional portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the District's ongoing obligations to its citizens and creditors.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

The following is a summary of the District's statement of net assets:

**Table A-1
The District's Net Assets
June 30, 2012 and 2011**

	Governmental Activities	
	2012	Restated 2011
Current and Other Assets	\$ 47,865,338	\$ 59,119,244
Capital Assets	150,646,868	145,601,005
Total Assets	198,512,206	204,720,249
Current Liabilities	16,550,148	11,099,153
Long-Term Liabilities	24,004,851	23,876,294
Total Liabilities	40,554,999	34,975,447
Net Assets:		
Invested in Capital Assets	138,470,045	144,163,867
Restricted	6,706,425	6,563,916
Unrestricted	12,780,737	19,017,019
Total Net Assets	\$ 157,957,207	\$ 169,744,802

At the end of the current fiscal year, the District was able to report positive balances in all three categories of net assets. The decrease in invested for capital assets was primarily due to a decline in the Bond Building ending balance as well as an increase in capital lease debt related to capital assets.

Restricted net assets increased \$0.1 million and unrestricted net assets decreased \$6.2 million mainly due to the reclassification of assets that were purchased related to capital assets.

Current and Other Assets decreased \$11.3 million mostly due to the spending of resources to purchases capital assets which lead to an increase in capital assets of \$5.0 million.

Current liabilities increased \$5.5 million mainly due to an increase in current liabilities due to other governments for short-term borrowing due to deficit cash balances at fiscal year end.

Long-Term liabilities increased \$128,557 mainly due to an increase in the compensated absences balances as well as a new capital lease.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

Change in Net Assets

Overall, net assets decreased \$11.8 million or 6.9%. The factors accounting for this decrease are summarized on the following pages.

**Table A-2
Change in Net Assets
Years Ended June 30, 2012 and 2011**

	Governmental Activities			
	2012	Restated 2011	Annual Change	Percent Change
REVENUES				
Program Revenues:				
Charges for Services	\$ 632,096	\$ 630,431	\$ 1,665	0.26 %
Operating Grants and Contributions	30,043,483	31,347,322	(1,303,839)	(4.16)
General Revenues:				
Property Taxes	20,796,745	20,917,836	(121,091)	(0.58)
Grants and Contributions Not Restricted to Specific Programs:				
State Equalization and Additional State Aid	71,498,287	71,723,805	(225,518)	(0.31)
Federal, Not Restricted	537,248	4,338,575	(3,801,327)	(87.62)
Unrestricted Investment Earnings	179,014	155,009	24,005	15.49
Other - Non Program	242,729	327,507	(84,778)	(25.89)
Total Revenues	<u>123,929,602</u>	<u>129,440,485</u>	<u>(5,510,883)</u>	<u>(4.26)</u>
EXPENSES				
Instruction	77,822,282	83,845,592	(6,023,310)	(7.18)
Support Services	48,008,487	44,782,338	3,226,149	7.20
Operation of Noninstructional Services	9,886,428	8,666,969	1,219,459	14.07
Total Expenses	<u>135,717,197</u>	<u>137,294,899</u>	<u>(1,577,702)</u>	<u>(1.15)</u>
CHANGE IN NET ASSETS	(11,787,595)	(7,854,414)	(3,933,181)	(50.08)
Net Assets - Beginning of Year, Restated	169,744,802	177,599,216	(7,854,414)	(4.42)
NET ASSETS - END OF YEAR	<u>\$ 157,957,207</u>	<u>\$ 169,744,802</u>	<u>\$ (11,787,595)</u>	<u>(6.94)</u>

Program revenues made up of charges for services and operating grants and contributions decreased from the prior year by \$1.3 million. The net decrease in program revenues was the net result of a \$1.3 million decrease in operating grants and contributions.

Operating grants and contributions accounted for the most significant decrease over the prior year (\$1.3 million). Operating grants composed of federal and state funded programs decreased due to the phase out of Federal stimulus funds from the American Recovery and Reinvestment Act of 2009 and the decline in available federal funding.

General revenues reported a decrease of \$4.2 million. The decrease was due to a decrease in property tax revenues (\$0.12 million), a decrease in federal aid, not restricted (\$3.8 million), and a decrease in state equalization (\$0.23 million).

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

State equalization and additional state aid decreased \$0.23 million due to increased reductions from the Legislature to the District's capital funding. Negative adjustments in FY 2012 to equalization were larger than the adjustments made in FY 2011 which offset any additional equalization the District was slated to receive from growth.

Federal, not restricted revenues decreased \$3.8 million due to funding received by the District for ARRA Education Jobs, ARRA Education Stabilization and Medicaid revenues that were extinguished or substantially cut for the current fiscal year.

Interest revenues increased due to an increase in investment earnings received with funds held on deposit at the county treasurer. Other non-program revenue decreased \$0.08 million from various school programs.

District expenses decreased over the prior fiscal year. Instruction expenses decreased \$6.0 million due to a reduction in teaching positions District-wide as a result of declining student enrollment and reduced state equalization. Conversely, support services increased \$3.2 million due to an increase in services provided by support service staff specifically within Special Education services. Operation of noninstructional services increased \$1.2 million due to an increase in utility, insurance, and other noninstructional related service costs.

FINANCIAL ANALYSIS OF THE GOVERNMENT'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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$23.6 million, a decrease of \$13.7 million in comparison with the prior year. Approximately 47% of this total amount (\$11.0 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted or nonspendable to indicate that it is not available for new spending.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

At fiscal year-end 2011-12, fund balances were as follows:

**Table A-3
Fund Balances**

Fund	Balance	Increase (Decrease) From 2010-11
General Fund	\$ 11,935,089	\$ (3,153,668)
Special Projects Fund	33,487	(508,015)
Bond Building Fund	4,962,918	(10,681,332)
Nonmajor Governmental Funds	6,657,337	675,579

The net decrease in the General Fund was due to the decrease in intergovernmental revenues related to ARRA funding.

The Special Projects Fund had a net decrease as a result of spending funds carried forward from the prior year.

The Bond Building Fund reported a significant decrease due to the spending of bond proceeds from bonds issued in the prior fiscal year.

The Nonmajor Governmental Funds increased from the previous year mainly due to the District carrying over funds in the Food Service Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget totaled \$3.1 million. This significant change was due to the District receiving \$2.7 million in additional funding as a result of growth and the elimination of the negative adjustment of \$0.5 million for the Arizona State Retirement refund to the state.

Actual expenditures were less than budget by just over \$500,000. The regular education subsection fell below budget by \$2.8 million. This was the result of the significant increased need for special education services and transportation services. It was necessary to reserve budget capacity from the regular education subsection to assist in these other subsections.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2012, amount to \$150.6 million (net of accumulated depreciation). This investment in capital assets includes land, land and improvements, buildings and improvements, and furniture, equipment and vehicles.

Major capital asset events during the current fiscal year included the following:

- ◆ Remodel and renovation projects and Holiday and Sunset Elementary schools.
- ◆ A/C repair and replacement projects at various school sites.
- ◆ Ballpark lighting at various school sites.
- ◆ School bus purchases.

**Table A-4
Capital Assets (Net)**

	Governmental Activities	
	2012	2011
Land and Land Improvements	\$ 16,288,022	\$ 15,646,457
Building and Improvements	122,520,807	121,032,182
Machinery, Equipment and Vehicles	7,175,977	7,229,270
Construction in Progress	4,662,062	1,693,096
Total Capital Assets, Net	<u>\$ 150,646,868</u>	<u>\$ 145,601,005</u>

Additional information on the District's capital assets can be found in Note 3.B.3 of this report.

Long-Term Obligations

At the end of the current fiscal year, the District had total long-term obligations outstanding of \$24.0 million.

**Table A-5
Outstanding Obligations**

	Governmental Activities	
	2012	2011
School Improvement Bonds	\$ 17,067,385	\$ 17,081,388
Compensated Absences	6,865,110	6,794,906
Capital Leases	72,356	-
Total	<u>\$ 24,004,851</u>	<u>\$ 23,876,294</u>

The District's long-term obligations increased by \$128,557 during the current fiscal year. The increase was due to a new capital lease entered into during the year and an increase in compensated absences.

Additional information on the District's long-term obligations can be found in Note 3.D. of this report.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2012**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The national and state economies have turned the corner and are now stable. The current growth trend is slow but appears to be consistent. The growth trend is also reflected in the District's increase in student population for FY 2012. The District is anticipating that the trend will continue and expects to see continued modest gains in student population and in the operating budgets for FY 2013 and FY 2014. The State did make additional cuts in FY 2012 to the capital budgets. As a result, the District's ability to continue the regular textbook adoption schedule was impacted and some of the minor facility remodeling/repair projects were canceled. The bond program is funding all of the major facility remodeling projects.

All of these factors were considered in preparing the District's budget for the 2013 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Cartwright Elementary School District No. 83 Administration Center, Office of Business Services, 3401 N. 67th Ave., Phoenix, Arizona 85033.

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BASIC FINANCIAL STATEMENTS

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CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities
ASSETS	
Cash and Investments	\$ 15,757,036
Receivables:	
Property Taxes	2,598,494
Intergovernmental	28,235,144
Inventory	1,041,367
Deferred Charges	233,297
Capital Assets:	
Non-Depreciable	14,516,800
Depreciable, net	136,130,068
Total Assets	198,512,206
LIABILITIES	
Accounts Payable	3,878,667
Accrued Wages and Benefits	380,527
Accrued Interest	420,138
Claims Payable	595,000
Due to Other Governmental Units	11,275,816
Long-Term Liabilities:	
Due Within One Year	3,516,913
Due in More Than One Year	20,487,938
Total Liabilities	40,554,999
NET ASSETS	
Invested in Capital Assets	138,470,045
Restricted for:	
Instructional Improvements	729,903
Classroom Site	580,118
Special Projects	33,487
Food Services	3,111,690
Community Programs	1,275,257
Instructional Aides	47,544
Noninstructional Programs	202,234
Debt Service	84,011
Capital Projects	642,181
Unrestricted	12,780,737
Total Net Assets	\$ 157,957,207

See accompanying Notes to Basic Financial Statements.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Primary Government:					
Governmental Activities:					
Instruction	\$ 77,822,282	\$ 56,378	\$ 10,864,150	\$ -	\$ (66,901,754)
Support Services:					
Students	9,187,921	3,890	2,657,826	-	(6,526,205)
Instructional Staff	10,792,996	-	5,476,791	-	(5,316,205)
General Administration	853,977	-	13,367	-	(840,610)
School Administration	6,913,088	4,094	856,086	-	(6,052,908)
Business and Other Support Services	3,854,861	35,495	-	-	(3,819,366)
Operation and Maintenance of Plant	12,111,909	-	874,943	-	(11,236,966)
Student Transportation	4,293,735	25,861	-	-	(4,267,874)
Operation of Noninstructional Services	9,046,699	506,378	9,300,320	-	759,999
Interest on Long-Term Debt	839,729	-	-	-	(839,729)
Total	<u>\$ 135,717,197</u>	<u>\$ 632,096</u>	<u>\$ 30,043,483</u>	<u>\$ -</u>	<u>(105,041,618)</u>
		General Revenues:			
		Property Taxes			20,796,745
		Grants and Contributions Not Restricted to Specific Programs			
		State Equalization and Additional State Aid			71,498,287
		Federal, Not Restricted			537,248
		Investment Earnings			179,014
		Other			242,729
		Total General Revenues			<u>93,254,023</u>
		Change in Net Assets			(11,787,595)
		Net Assets - Beginning, Restated			169,744,802
		Net Assets - Ending			<u>\$ 157,957,207</u>

See accompanying Notes to Basic Financial Statements.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Special Projects	Bond Building	Nonmajor Governmental Funds	Totals
Assets					
Cash and Investments	\$ -	\$ -	\$ 4,511,708	\$ 5,400,296	\$ 9,912,004
Receivables					
Property Taxes	2,515,200	-	-	83,294	2,598,494
Intergovernmental	23,388,917	3,191,373	-	1,654,854	28,235,144
Inventories	958,844	-	-	82,523	1,041,367
Due from Other Funds	-	-	3,051,060	-	3,051,060
Total Assets	\$ 26,862,961	\$ 3,191,373	\$ 7,562,768	\$ 7,220,967	\$ 44,838,069
Liabilities and Fund Balance					
Liabilities					
Accounts Payable	\$ 1,160,176	\$ 74,181	\$ 2,599,850	\$ 44,460	\$ 3,878,667
Accrued Wages and Benefits	316,543	32,645	-	31,339	380,527
Accrued Interest	-	-	-	420,138	420,138
Due to Other Funds	-	3,051,060	-	-	3,051,060
Intergovernmental Payable	11,275,816	-	-	-	11,275,816
Deferred Revenue	2,175,337	-	-	67,693	2,243,030
Total Liabilities	14,927,872	3,157,886	2,599,850	563,630	21,249,238
Fund Balance					
Nonspendable	958,844	-	-	82,523	1,041,367
Restricted	-	33,487	4,962,918	6,574,814	11,571,219
Unassigned	10,976,245	-	-	-	10,976,245
Total Fund Balance	11,935,089	33,487	4,962,918	6,657,337	23,588,831
Total Liabilities and Fund Balance	\$ 26,862,961	\$ 3,191,373	\$ 7,562,768	\$ 7,220,967	\$ 44,838,069

See accompanying Notes to Basic Financial Statements.

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**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012**

Total Fund Balances for Governmental Funds \$ 23,588,831

Total net assets reported for governmental activities in the statement of net assets is different because:

Revenues not collected within 60 days subsequent to fiscal year end are deferred in the governmental funds.

Property taxes	2,197,339
State Equalization	45,691

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Land	
Construction in Progress	
Land Improvements	
Buildings and Building Improvements	
Furniture, Equipment, and Vehicles	
Equipment and Furniture	
Governmental Capital Assets	254,527,590
Less: Accumulated Depreciation	<u>(103,880,722)</u>
	150,646,868

Bond issuance costs are reported as expenditures in the governmental funds and are shown net of accumulated amortization on the statement of net assets. 233,297

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

Compensated Absence Payable	(6,865,110)
School Improvement Bonds	(16,820,000)
Premium on Outstanding Bonds	(247,385)
Capital Leases	(72,356)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. 5,250,032

Total Net Assets of Governmental Activities \$ 157,957,207

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	General Fund	Special Projects	Bond Building	Nonmajor	Totals
Revenue:					
Property Taxes	\$ 19,838,426	\$ -	\$ -	\$ 1,129,082	\$ 20,967,508
Intergovernmental	71,753,877	16,119,169	-	14,160,281	102,033,327
Food Service Sales	-	-	-	506,378	506,378
Investment Earnings (Loss)	71,636	41	-	97,509	169,186
Other	238,256	2,956	-	127,240	368,452
Total Revenue	<u>91,902,195</u>	<u>16,122,166</u>	<u>-</u>	<u>16,020,490</u>	<u>124,044,851</u>
Expenditures:					
Current:					
Instruction	59,614,312	6,193,844	-	5,098,173	70,906,329
Support Services:					
Students	6,009,435	2,713,355	-	46,177	8,768,967
Instructional Staff	4,659,083	5,581,258	-	89,412	10,329,753
General Administration	703,713	13,473	-	-	717,186
School Administration	5,807,963	862,856	-	-	6,670,819
Business and Other Support Services	3,632,928	-	-	6,164	3,639,092
Operation and Maintenance of Plant	10,421,505	881,863	-	53,448	11,356,816
Student Transportation	2,971,368	-	900,305	-	3,871,673
Operation of Noninstructional Services	323,579	-	-	8,434,888	8,758,467
Debt Service:					
Principal Retirement	21,598	-	-	-	21,598
Interest on Long-Term Debt	-	-	-	840,526	840,526
Capital Outlay:					
Facilities Acquisition	2,113,558	-	9,781,027	-	11,894,585
Total Expenditures	<u>96,279,042</u>	<u>16,246,649</u>	<u>10,681,332</u>	<u>14,568,788</u>	<u>137,775,811</u>
Excess (Deficiency) of Revenue Over Expenditures	(4,376,847)	(124,483)	(10,681,332)	1,451,702	(13,730,960)
Other Financing Sources (Uses):					
Transfers In	1,083,532	-	-	-	1,083,532
Transfers Out	-	(383,532)	-	(700,000)	(1,083,532)
Proceeds from Capital Lease	93,954	-	-	-	93,954
Total Other Financing Sources (Uses)	<u>1,177,486</u>	<u>(383,532)</u>	<u>-</u>	<u>(700,000)</u>	<u>93,954</u>
Net Change in Fund Balances	(3,199,361)	(508,015)	(10,681,332)	751,702	(13,637,006)
Fund Balance:					
Beginning of Year	15,088,757	541,502	15,644,250	5,981,758	37,256,267
Increase (Decrease) in Reserve for Inventories	45,693	-	-	(76,123)	(30,430)
End of Year	<u>\$ 11,935,089</u>	<u>\$ 33,487</u>	<u>\$ 4,962,918</u>	<u>\$ 6,657,337</u>	<u>\$ 23,588,831</u>

See accompanying Notes to Basic Financial Statements.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012**

Net Change in Fund Balances-Total Governmental Funds \$ (13,637,006)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Expenditure for Capital Assets	12,880,051
Less Depreciation Expense	<u>(7,575,511)</u>
Excess Capital Expenditures over Depreciation	5,304,540

The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on disposals of capital assets. (258,677)

Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in governmental funds.

Property Tax Revenue	(170,763)
State Equalization Revenue	45,691

The issuance of long-term debt (e.g. bonds, leases) provide current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. The issuance of long-term debt increases long-term liabilities on the statement of net assets and the repayment of principle on long-term debt reduces long-term debt on the statement of net assets.

Proceeds from Capital Lease	(93,954)
Principal payments on Capital Lease	21,598
Amortization of Bond Premium	14,003
Amortization of Deferred Bond Issuance Costs	(13,206)

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 the governmental funds.

Change in Compensated Absences	(70,204)
Change in Inventory Balances	(30,430)

Internal service funds are used by the District to charge the costs of insurance to individual funds. The net revenue of the Internal Service Funds is reported with governmental activities. (2,899,187)

Change in Net Assets of Governmental Activities \$ (11,787,595)

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2012**

	<u>Governmental Activities - Internal Service Funds</u>
Assets	
Current Assets	
Cash and Investments	\$ 5,845,032
 Liabilities	
Current Liabilities	
Claims Payable	595,000
 Net Assets	
Unrestricted	<u>5,250,032</u>
Total Net Assets	<u><u>\$ 5,250,032</u></u>

See accompanying Notes to Basic Financial Statements.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2012

	Governmental Activities - Internal Service Funds
Operating Revenues	
Charges for Services	\$ 6,840,630
Operating Expenses	
Claims	6,791,165
Premiums	2,034,469
Administration and Other	924,006
Total Operating Expenses	9,749,640
Operating loss	(2,909,010)
Nonoperating Revenues	
Investment Earnings	9,823
Change in Net Assets	(2,899,187)
Total Net Assets, Beginning of Year, Restated	8,149,219
Total Net Assets, End of year	\$ 5,250,032

See accompanying Notes to Basic Financial Statements.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2012**

	<u>Governmental Activities - Internal Service Funds</u>
Cash Flows from Operating Activities	
Receipts from Charges for Services	\$ 6,840,630
Payments to Suppliers	(2,958,475)
Payments for Claims	(6,711,165)
Net Cash Used for Operating Activities	<u>(2,829,010)</u>
 Cash Flows from Investing Activities	
Investment Earnings	<u>9,823</u>
 Net Change in Cash and Cash Equivalents	(2,819,187)
 Cash and Cash Equivalents, Beginning of Year	<u>8,664,219</u>
 Cash and Cash Equivalents, End of Year	<u>\$ 5,845,032</u>
 Reconciliation of cash and cash equivalents to the statement of net assets	
Cash and Investments	\$ 5,845,032
Total Cash and Cash Equivalents	<u>\$ 5,845,032</u>
	<u>Governmental Activities Internal Service Funds</u>
 Reconciliation of Operating Loss to Net Cash Provided by Operating Activities	
Operating Loss	\$ (2,909,010)
 Change in Assets/Liabilities:	
Claims Payable	80,000
Net Cash Used for Operating Activities	<u>\$ (2,829,010)</u>

See accompanying Notes to Basic Financial Statements.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
 STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 FIDUCIARY FUNDS
 JUNE 30, 2012**

		<u>Agency Funds</u>
	Assets	
Current Assets		
Cash and Investments		\$ 142,730
Total Current Assets		<u>\$ 142,730</u>
	Liabilities	
Due to Student Groups		\$ 142,730
Total Liabilities		<u>\$ 142,730</u>

See accompanying Notes to Basic Financial Statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

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CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Cartwright Elementary School District No. 83 (District) have been prepared in conformity with U.S. generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

A. Reporting Entity

The District is a special purpose government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements present only the funds of those organizational entities for which its elected governing board is financially accountable.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District had no business-type activities during the fiscal year.

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 and other items not properly 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.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide financial statements and the proprietary fund 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 provider have been met.

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

Property taxes, intergovernmental grants and aid and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

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. It is described as the Maintenance and Operation Fund by Arizona Revised Statutes (A.R.S.) and is budgeted within five subsections titled regular education programs, special education programs, pupil transportation, desegregation and special K-3 program override.

Special Projects Fund

The Special Projects Fund, a special revenue fund, accounts for the revenues and expenditures of state and federally funded projects.

Bond Building Fund

The Bond Building Fund, a capital projects fund, accounts for proceeds from district bond issues that are used for constructing or renovating school buildings.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Additionally, the District reports the following fund type:

Proprietary Funds

The Internal Service Fund accounts for the financing of the District's self-insurance for employee benefits.

Agency Funds

The Agency Fund is custodial in nature and does not present results of operations or a measurement focus and is described as follows:

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

When both restricted and unrestricted resources are available for use, for governmental activities it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the County Treasurer, and highly liquid investments with maturities of three months or less from the date of acquisition.

A.R.S. require the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

1. Deposits and Investments (Continued)

A.R.S. authorize the District to invest public monies in the State and County Treasurer's investment pools; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories.

The State Board of Deposit provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

2. Receivables

Maricopa County levies real 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. During the year, the County also levies various personal property taxes that are due the second Monday of the month following receipt of the tax notice and become delinquent 30 days later. However, a lien against real and personal property assessed attaches on the first day of January preceding assessment and levy thereof.

3. Short-Term Interfund Receivables/Payables

During the course of operations, individual funds within the District's pooled cash accounts may borrow money from the other funds within the pool on a short-term basis. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements.

4. Inventories

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded in the fund financial statements as expenditures at the time of purchase and in the government-wide financial statements as expenditures when consumed rather than when purchased.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

5. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Land Improvements	5-25 Years
Buildings and Improvements	50 Years
Machinery, Equipment and Vehicles	5-15 Years

6. Intergovernmental Payable

The liability for intergovernmental payable represents funds borrowed from the County Treasurer as a result of State Equalization payments that were delayed by the State of Arizona. Until such funds were received, the District drew upon funds of the County Treasurer.

7. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated leave balances and salary related payments. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

9. Net Assets

In the government-wide financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt is separately reported because the District reports all District assets which make up a significant portion of total net assets. Restricted net assets account for the portion of net assets restricted by parties outside the District. Unrestricted net assets are the remaining net assets not included in the previous two categories.

10. 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, committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

Committed fund balances are self-imposed limitations approved by the District's Governing Board, which is the highest level of decision-making authority within the District. Only the District Governing Board can remove or change the constraints placed on committed fund balances.

Assigned fund balances are resources constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The District's Governing Board has not appointed any one particular District employee to make assignments of resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

10. Fund Balance Classifications (Continued)

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the District's policy to use restricted fund balance first. For the disbursement of unrestricted fund balances, it is the District's policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The District adopts an annual operating budget for expenditures for all governmental fund types on essentially the same modified accrual basis of accounting used to record actual expenditures. The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted the budget can be increased or decreased only for specific reasons set forth in the A.R.S. The District amended its budgets during the fiscal year; however none of the amendments were significant. All appropriations lapse at year end.

Budgetary control over expenditures is exercised at the fund level. However, the General Fund is budgeted within five subsections (see preceding description of General Fund), any of which may be overexpended with the prior approval of the Governing Board at a public meeting, providing the expenditures for all subsections do not exceed the General Fund's total budget.

The District is not required to prepare a revenue budget; therefore a budget for all revenues is not presented. The District did not prepare a budget for the Deficiencies Correction and Capital Equity Nonmajor Funds.

No supplementary budgetary appropriations were necessary during the year.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following fund:

General Fund	
Special Education	\$ 1,556,998
Student Transportation	763,820

Cash was available to meet the overexpenditures listed above.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

Deposits and investments at June 30, 2012 consist of the following:

Deposits:	
Cash in Bank	\$ 5,991,397
Investments:	
Cash on Deposit with County Treasurer	9,908,369
Total Deposits and Investments	<u>15,899,766</u>
Less: Fiduciary Funds	<u>(142,730)</u>
Total Cash and Investments	<u><u>\$ 15,757,036</u></u>

Deposits

The District's deposits at June 30, 2012, were entirely covered by federal depository insurance.

The District had a negative cash balance in the General Fund of \$11,275,816 at June 30, 2012 due to delays in the June 2012 state equalization payments. This deficit cash balance was reported as an intergovernmental payable on the Statement of Net Assets and Governmental Funds Balance Sheet.

Investments

At June 30, 2012, the District's investments were reported at fair value. The District's investment in the County Treasurer's investment pools represents a proportionate interest in those pools' portfolios; however, the District's portion is not identified with a specific investment and is not subject to custodial credit risk.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Interest Rate Risk – In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the average maturity of its investments to one year or less. The County Treasurer’s investment pool has an average maturity of less than one year.

Credit Risk – In accordance with the District’s investment policy, the District only invests in the State or County Treasurer investment pools, U.S. government securities or state or local bonds. The District’s cash on deposit with the County Treasurer did not receive a credit quality rating from a national credit rating agency.

Concentration of Credit Risk – The District does not have a formal investment policy that addresses concentration of credit risk; all investments are recorded with the County Treasurer.

2. Receivables

Property taxes are recognized as revenues in the fiscal year they are levied in the government-wide financial statements and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as deferred revenues.

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

	Unavailable
Delinquent Property Taxes Receivable:	
General Fund	\$ 2,129,646
Nonmajor Governmental Funds	
Adjacent Ways Fund	32,154
Debt Service Fund	35,539
State Equalization Receivable:	
General Fund	45,691
	\$ 2,243,030

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 9,854,738	\$ -	\$ -	\$ 9,854,738
Construction in progress	<u>1,693,096</u>	<u>10,820,966</u>	<u>(7,852,000)</u>	<u>4,662,062</u>
Total Capital Assets, Not Being Depreciated	11,547,834	10,820,966	(7,852,000)	14,516,800
Capital Assets, Being Depreciated:				
Land Improvements	13,073,377	1,165,291	-	14,238,668
Buildings and Building Improvements	202,155,770	7,640,315	-	209,796,085
Machinery, Equipment, and Vehicles	<u>15,491,996</u>	<u>1,105,479</u>	<u>(621,438)</u>	<u>15,976,037</u>
Total Capital Assets, Being Depreciated	230,721,143	9,911,085	(621,438)	240,010,790
Accumulated Depreciation for:				
Land Improvements	(7,281,658)	(523,726)	-	(7,805,384)
Buildings and Building Improvements	(81,123,588)	(6,151,690)	-	(87,275,278)
Machinery, Equipment, and Vehicles	<u>(8,262,726)</u>	<u>(900,095)</u>	<u>362,761</u>	<u>(8,800,060)</u>
Total Accumulated Depreciation	<u>(96,667,972)</u>	<u>(7,575,511)</u>	<u>362,761</u>	<u>(103,880,722)</u>
Total Capital Assets, Being Depreciated, Net	<u>134,053,171</u>	<u>2,335,574</u>	<u>(258,677)</u>	<u>136,130,068</u>
Governmental Activities Capital Assets, Net	<u>\$ 145,601,005</u>	<u>\$ 13,156,540</u>	<u>\$ (8,110,677)</u>	<u>\$ 150,646,868</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Instruction	\$ 6,612,032
Support Services:	
Students	726
Instructional Staff	154,309
General Administration	3,025
School Administration	752
Business and Other Support Services	93,995
Operations and Maintenance of Plant	387,194
Student Transportation	277,191
Operation of Noninstructional Services	46,287
	<u>\$ 7,575,511</u>

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

4. Construction Commitments

The District has active construction projects at June 30, 2012. At fiscal year end the District's commitments with contractors were as follows:

Project	Governmental Activities	
	Spent-to-Date	Estimated Remaining
Cartwright Elementary Remodel/Renovation	\$ 75,206	\$ 155,874
Holiday Elementary Remodel/Renovation	4,002,880	2,582,066
Atkinson Middle School Interior Lighting	198,875	28,668
Tarver Elementary Interior Lighting/HVAC Replacement	385,101	243,887
Totals	\$ 4,662,062	\$ 3,010,495

B. Interfund Receivables, Payables and Transfers

As of June 30, 2012, interfund receivables and payables were as follows:

Due To	Due From Special Projects Fund
Bond Building Fund	\$ 3,051,060

The above interfund receivables and payables reflect short-term loans to the Special Projects Fund.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Interfund Receivables, Payables and Transfers (Continued)

Interfund transfers for the year ended June 30, 2012 consisted of the following:

Transfers To	Transfers From		Total
	Special Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ 383,532	\$ 700,000	\$ 1,083,532

The transfer from the Special Projects Fund and the Nonmajor Governmental Funds to the General Fund was recorded to account for the indirect costs on federal grants and food service fund. For the fiscal year ended June 30, 2012, the Arizona Department of Education approved a maximum restricted indirect cost rate of 2.41% for federal grants and a maximum non restricted indirect cost rate of 15.14% for the food service fund. The District did not exceed the maximum indirect cost rates during the fiscal year.

C. Capital Leases

The District has entered into a lease agreement as a lessee for financing the acquisition of copiers. This lease agreement qualifies as a capital lease for accounting purposes and; therefore, has been recorded at the present value of their future minimum lease payments as of the inception date providing they meet the capitalization threshold.

The assets acquired through capital leases are as follows:

Asset:	
Furniture, Equipment, and Vehicles	\$ 93,954
Less: Accumulated Depreciation	(18,791)
Total	<u>\$ 75,163</u>

The future minimum lease payment's under the capital lease as of June 30, 2012 was as follows:

Year Ended June 30,	Governmental Activities
2013	\$ 21,598
2014	21,598
2015	21,598
2016	21,598
Total Minimum Lease Payments	86,392
Less: Amount Representing Interest	(14,036)
Present Value of Minimum Lease Amounts	<u>\$ 72,356</u>

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations

The liability for compensated absences is paid by the applicable fund where each employee is regularly paid, primarily the General Fund. The District issued School improvement bonds to provide funds for the construction and improvements of major school site facilities. The District will use levied property tax to pay all principal, interest, and costs of administration for the bonds. The school improvement bond principal and interest are paid out of the Debt Service Fund. The scheduled payment of principal and interest on the Bonds when due are guaranteed under an insurance policy issued in the current year.

Changes in long-term obligations for the year ended June 30, 2012 are as follows:

	Beginning of Year	Additions	Retirements	End of Year	Due Within One Year
Governmental Activities:					
Bonds Payable:					
School Improvement Bonds	\$ 16,820,000	\$ -	\$ -	\$ 16,820,000	\$ 460,000
Premium on Bonds	261,388	-	(14,003)	247,385	-
Total Bonds Payable	<u>17,081,388</u>	<u>-</u>	<u>(14,003)</u>	<u>17,067,385</u>	<u>460,000</u>
Other Liabilities:					
Capital Lease	-	93,954	(21,598)	72,356	16,178
Compensated Absences	<u>6,794,906</u>	<u>3,061,448</u>	<u>(2,991,244)</u>	<u>6,865,110</u>	<u>3,040,735</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 23,876,294</u>	<u>\$ 3,155,402</u>	<u>\$ (3,026,845)</u>	<u>\$ 24,004,851</u>	<u>\$ 3,516,913</u>

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Fund Balance Classification of Governmental Funds

The District has classified its fund balances with the following hierarchy:

Nonspendable: The District classified \$1,041,367 as nonspendable funds for inventories.

Spendable: The District has classified the spendable fund balances as Restricted, Assigned, Unassigned or Committed. The District currently has no funds classified as assigned or committed.

Restricted:

The District classified \$11,571,219 of fund balance as restricted due to externally imposed restrictions as follows:

Restricted for:

Teacher compensation and other qualified programs (A.R.S. 15-977)	\$ 580,118
Instructional Improvement Programs	729,903
Federal Instructional Programs	2,051
State Instructional Programs	31,436
Food Services	3,029,167
Community Programs	1,275,257
Instructional Aides	47,544
Noninstructional Programs	202,234
Capital Outlay	5,602,802
Debt Service	70,707
Total Restricted Fund Balance	<u>\$ 11,571,219</u>

Unassigned:

The unassigned fund balances in the General Fund is \$10,976,245.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Restatement

A prior period adjustment is presented to correct errors in the previously issued financial statements. The Districts' self insurance activity was recorded in the Agency Fund. As a result, net assets at the beginning of the year were restated as follows:

	Governmental Activities
Net Assets, July 1, 2011 as Previously Stated	\$ 161,595,583
Internal Service Fund Not Previously Reported	8,149,219
Net Assets, July 1, 2011 as Restated	\$ 169,744,802

NOTE 4 OTHER INFORMATION

A. 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; and natural disasters. The District's insurance protection is provided by the Arizona School Risk Retention Trust, of which the District is a participating member. The limit for basic coverage is \$10 million per occurrence on a claims made basis. Excess coverage is for an additional \$10 million per occurrence on a follow form, claims made basis.

The Arizona School Risk Retention Trust is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its member's additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

The District is insured by Arizona School Alliance (ASA) public entity risk pool to cover its risks of loss for workers compensations.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

The Unemployment Insurance Fund accounts for risk financing of certain unemployment insurance claims serviced by the Arizona Department of Economic Security.

The District is self-insured for risks of loss related to employee health and accidents. The District established an Employee Benefit Trust Fund, reported as an internal service fund, to account for risks of loss. Under this program, the Employee Benefit Trust Fund provides coverage up to a maximum of \$100,000 per claim. Coverage in excess of the maximum is provided by a re-insurance policy that is purchased by the trust funds.

Liabilities for claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not yet reported (IBNR's). The result of the process to estimate the claims liability is not an exact amount as it depends on many factors, including inflation, changes in legal doctrines, and damage awards. Accordingly claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of the amounts specified above. Settlements have not exceeded coverage for each of the past three fiscal years.

Changes in the balances of claims liabilities during the past two fiscal years are as follows:

	Insurance Fund	
	2012	2011
Beginning of Fiscal Year	\$ 515,000	\$ 504,000
Claims Incurred	6,791,165	6,344,282
Claims Paid	(6,711,165)	(6,333,282)
Fiscal Year-End	\$ 595,000	\$ 515,000

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Contingent Liabilities

Ground Lease

In January 2004 and May 2004, the District executed ground leases, granting leasehold interests in parcels of real property to a bank (Trustee). The Trustee, in turn, leased the property to the Arizona School Facilities Board (SFB) and committed to provide additional funding to construct new facilities for use by the District. The SFB is obligated to make lease payments to the Trustee, subject to receiving legislative appropriations, until the obligation to the Trustee is satisfied. Once the obligation to the Trustee is satisfied, all rights, title and interest in the property (land and buildings) become the property of the District. However, if legislative appropriations are not received, the SFB is relieved of any subsequent obligation and the obligation is considered in default. The District may assume the lease in order to maintain its right to the property; however, if the District does not assume the lease, the District has agreed that the Trustee may terminate the lease and take possession of the property.

C. Retirement Plans

Arizona State Retirement System

Plan Descriptions

The District contributes to a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health care plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan, all of which are administered by the Arizona State Retirement System. The Arizona State Retirement System (through its Retirement Fund) provides retirement (i.e., pension), death, and survivor benefits; the Health Benefit Supplement Fund provides health insurance premium benefits (i.e., a monthly subsidy); and the Long-Term Disability Fund provides long-term disability benefits. Benefits are established by state statute. The System is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

The System issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the System, 3300 North Central Avenue, P.O. Box 33910, Phoenix, AZ 85067-3910 or by calling (602) 240-2000 or (800) 621-3778.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2012**

NOTE 4 OTHER INFORMATION (CONTINUED)

C. Retirement Plans (Continued)

Funding Policy

The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the year ended June 30, 2012, active plan members were required by statute to contribute at the actuarially determined rate of 10.74 percent (10.50 percent for retirement, and 0.24 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 10.74 percent (9.87 percent for retirement, 0.63 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll. The District's contributions to this plan for fiscal year ended June 30, 2012 and prior two years, which were equal to the required contributions, were as follows:

**Arizona State Retirement System
 Last Three Fiscal Years**

Years Ended June 30,	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
2012	\$ 7,326,737	\$ 467,664	\$ 178,158
2011	7,040,931	461,060	195,364
2010	6,719,194	531,735	322,263

REQUIRED SUPPLEMENTARY INFORMATION

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue:				
Property Taxes	\$ -	\$ -	\$ 17,722,712	\$ 17,722,712
Intergovernmental	-	-	65,601,486	65,601,486
Investment Earnings	-	-	19	19
Other	-	-	17,716	17,716
Total Revenue	-	-	83,341,933	83,341,933
Expenditures:				
Regular Education:				
Instruction	39,691,451	42,984,583	40,526,112	2,458,471
Support Services - Students	1,729,826	1,729,826	1,509,572	220,254
Support Services - Instructional Staff	2,985,534	2,985,534	3,172,334	(186,800)
Support Services - General Administration	649,486	649,486	616,716	32,770
Support Services - School Administration	5,753,652	5,511,215	5,598,342	(87,127)
Support Services - Business and Other Support Services	2,381,040	2,381,040	3,230,924	(849,884)
Operation and Maintenance of Plant Services	11,360,037	11,360,037	10,117,015	1,243,022
Operation of Noninstructional Services	270,000	270,000	270,000	-
Total Regular Education	64,821,026	67,871,721	65,041,015	2,830,706
Special Education:				
Instruction	8,380,536	7,504,536	8,482,639	(978,103)
Support Services - Students	3,201,614	3,977,614	4,494,883	(517,269)
Support Services - Instructional Staff	390,572	490,572	551,818	(61,246)
Operation and Maintenance of Plant Services	-	-	380	(380)
Total Special Education	11,972,722	11,972,722	13,529,720	(1,556,998)
Pupil Transportation:				
Student Transportation Services	1,862,883	1,862,883	2,626,703	(763,820)
Desegregation:				
Instruction	4,628,061	4,628,061	3,799,449	828,612
Support Services - Instructional Staff	-	-	623,591	(623,591)
Support Services - General Administration	-	-	42,037	(42,037)
Support Services - School Administration	-	-	162,984	(162,984)
Total Desegregation	4,628,061	4,628,061	4,628,061	-
Special K-3 Program Override:				
Instruction	4,027,862	4,027,862	4,027,860	2
Total Expenditures	87,312,554	90,363,249	89,853,359	509,890
Excess (Deficiency) of Revenue Over Expenditures	(87,312,554)	(90,363,249)	(6,511,426)	83,851,823
Fund Balance:				
Beginning of Year	-	-	(364,240)	(364,240)
Increase in Reserve for Inventories	-	-	45,693	45,693
End of Year	\$ (87,312,554)	\$ (90,363,249)	\$ (6,829,973)	\$ 83,533,276

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenue:			
Intergovernmental	\$ -	\$ 16,119,169	\$ 16,119,169
Investment Earnings	-	41	41
Other	-	2,956	2,956
Total Revenue	<u>-</u>	<u>16,122,166</u>	<u>16,122,166</u>
Expenditures:			
Current:			
Instruction	27,968,920	6,193,844	21,775,076
Support Services:			
Students	-	2,713,355	(2,713,355)
Instructional Staff	-	5,581,258	(5,581,258)
General Administration	-	13,473	(13,473)
School Administration	-	862,856	(862,856)
Operation and Maintenance of Plant	-	881,863	(881,863)
Total Expenditures	<u>27,968,920</u>	<u>16,246,649</u>	<u>11,722,271</u>
Excess (Deficiency) of Revenue Over Expenditures	(27,968,920)	(124,483)	27,844,437
Other Financing Sources (Uses):			
Transfers Out	<u>-</u>	<u>(383,532)</u>	<u>(383,532)</u>
Net Change in Fund Balance	(27,968,920)	(508,015)	27,460,905
Fund Balance, Beginning of Year	-	541,502	541,502
Fund Balance, End of Year	<u>\$ (27,968,920)</u>	<u>\$ 33,487</u>	<u>\$ 28,002,407</u>

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012**

A. Budgetary Basis of Accounting

The District's adopted budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the following exceptions: the General Fund as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances includes the District's Maintenance and Operation Fund in addition to several other District funds as required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. However, for budgetary purposes, the District prepares a separate Maintenance and Operation Fund budget. Therefore, the following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District's Maintenance and Operation Fund for budgetary purposes.

	General Fund				
	Total Revenues	Total Expenditures	Other Financing Sources/Uses	Beginning Fund Balance	Ending Fund Balance
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 91,902,195	\$ 96,279,042	\$ 1,177,486	\$ 15,088,757	\$ 11,935,089
Non Maintenance and Operation Funds included in General Fund for GASB Statement No. 54 purposes	(8,560,262)	(6,425,683)	(1,177,486)	(15,452,997)	(18,765,062)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Budgetary Basis	<u>\$ 83,341,933</u>	<u>\$ 89,853,359</u>	<u>\$ -</u>	<u>\$ (364,240)</u>	<u>\$ (6,829,973)</u>

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Classroom Site Fund - accounts for the revenues and expenditures of state apportioned Proposition 301 funds.

Instructional Improvement Fund - accounts for the revenues and expenditures of state apportioned tribal gaming monies.

Food Service Fund - accounts for the financial operations of preparing and serving regular and incidental meals and snacks in connection with school functions.

Other Special Revenue – accounts for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular activity fee tax credit, fingerprinting, and textbooks.

CAPITAL PROJECTS FUNDS

Adjacent Ways Fund - accounts for monies received to finance such improvements as public streets or alleys adjacent to school property.

Gifts and Donations Fund - accounts for gifts and donations received for the acquisition of capital items.

Capital Equity Fund - accounts for grants and loans received from the State Board for Capital Facilities. These monies may be used for land, buildings, capital improvements, pupil transportation vehicles, equipment and technology.

Deficiencies Correction Fund - accounts for monies received from the School Facilities Board that are used to correct deficiencies in square footage and in quality of facilities and equipment.

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

DEBT SERVICE FUND

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

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012

	Special Revenue				Total Special Revenue Funds
	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue	
Assets					
Cash and Investments	\$ 257,094	\$ 446,094	\$ 2,041,064	\$ 1,540,916	\$ 4,285,168
Receivables:					
Property Taxes	-	-	-	-	-
Intergovernmental	350,003	287,404	1,017,447	-	1,654,854
Inventories	-	-	82,523	-	82,523
Total Assets	<u>\$ 607,097</u>	<u>\$ 733,498</u>	<u>\$ 3,141,034</u>	<u>\$ 1,540,916</u>	<u>\$ 6,022,545</u>
Liabilities and Fund Balance					
Liabilities:					
Accounts Payable	\$ 7,905	\$ 3,070	\$ 17,832	\$ 15,653	\$ 44,460
Accrued Wages and Benefits	19,074	525	11,512	228	31,339
Accrued Interest	-	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>26,979</u>	<u>3,595</u>	<u>29,344</u>	<u>15,881</u>	<u>75,799</u>
Fund Balance:					
Nonspendable	-	-	82,523	-	82,523
Restricted	580,118	729,903	3,029,167	1,525,035	5,864,223
Total Fund Balance	<u>580,118</u>	<u>729,903</u>	<u>3,111,690</u>	<u>1,525,035</u>	<u>5,946,746</u>
Total Liabilities and Fund Balances	<u><u>\$ 607,097</u></u>	<u><u>\$ 733,498</u></u>	<u><u>\$ 3,141,034</u></u>	<u><u>\$ 1,540,916</u></u>	<u><u>\$ 6,022,545</u></u>

Capital Projects						Debt Service	Total Nonmajor Governmental Funds
Adjacent Ways	Gifts and Donations	Capital Equity	Deficiencies Correction	Building Renewal	Total Capital Projects Funds	Debt Service Fund	
\$ 595,425	\$ 29,735	\$ 6,032	\$ 6,199	\$ 196	\$ 637,587	\$ 477,541	\$ 5,400,296
34,451	-	-	-	-	34,451	48,843	83,294
-	-	-	-	-	-	-	1,654,854
-	-	-	-	-	-	-	82,523
<u>\$ 629,876</u>	<u>\$ 29,735</u>	<u>\$ 6,032</u>	<u>\$ 6,199</u>	<u>\$ 196</u>	<u>\$ 672,038</u>	<u>\$ 526,384</u>	<u>\$ 7,220,967</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,460
-	-	-	-	-	-	-	31,339
-	-	-	-	-	-	420,138	420,138
32,154	-	-	-	-	32,154	35,539	67,693
32,154	-	-	-	-	32,154	455,677	563,630
-	-	-	-	-	-	-	82,523
597,722	29,735	6,032	6,199	196	639,884	70,707	6,574,814
<u>597,722</u>	<u>29,735</u>	<u>6,032</u>	<u>6,199</u>	<u>196</u>	<u>639,884</u>	<u>70,707</u>	<u>6,657,337</u>
<u>\$ 629,876</u>	<u>\$ 29,735</u>	<u>\$ 6,032</u>	<u>\$ 6,199</u>	<u>\$ 196</u>	<u>\$ 672,038</u>	<u>\$ 526,384</u>	<u>\$ 7,220,967</u>

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGE IN FUND BALANCE
YEAR ENDED JUNE 30, 2012**

	Special Revenue				Total Special Revenue Funds
	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue	
Revenue:					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,200,030	659,931	9,300,320	-	14,160,281
Food Service Sales	-	-	506,378	-	506,378
Investment Earnings	3,749	3,512	11,972	9,084	28,317
Other	302	-	-	126,938	127,240
Total Revenue	<u>4,204,081</u>	<u>663,443</u>	<u>9,818,670</u>	<u>136,022</u>	<u>14,822,216</u>
Expenditures:					
Current:					
Instruction	4,458,184	555,095	-	84,894	5,098,173
Support Services:					
Students	37,184	8,993	-	-	46,177
Instructional Staff	65,891	17,664	-	5,857	89,412
Business and Other					
Support Services	-	-	-	6,164	6,164
Operation and					
Maintenance of Plant	-	-	-	53,448	53,448
Operation of Noninstructional					
Services	-	-	8,395,947	38,941	8,434,888
Debt Service:					
Interest on Long-Term Debt	-	-	-	-	-
Total Expenditures	<u>4,561,259</u>	<u>581,752</u>	<u>8,395,947</u>	<u>189,304</u>	<u>13,728,262</u>
Excess (Deficiency) of Revenue over Expenditures	(357,178)	81,691	1,422,723	(53,282)	1,093,954
Other Financing Sources (Uses):					
Transfers Out	-	-	(700,000)	-	(700,000)
Net Change in Fund Balance	(357,178)	81,691	722,723	(53,282)	393,954
Fund Balance:					
Beginning of Year	937,296	648,212	2,465,090	1,578,317	5,628,915
Decrease in					
Reserve for Inventories	-	-	(76,123)	-	(76,123)
End of Year	<u>\$ 580,118</u>	<u>\$ 729,903</u>	<u>\$ 3,111,690</u>	<u>\$ 1,525,035</u>	<u>\$ 5,946,746</u>

Capital Projects					Debt Service		Total Nonmajor Governmental Funds
Adjacent Ways	Gifts and Donations	Capital Equity	Deficiencies Correction	Building Renewal	Total Capital Projects Funds	Debt Service	
\$ 84,625	\$ -	\$ -	\$ -	\$ -	\$ 84,625	\$ 1,044,457	\$ 1,129,082
-	-	-	-	-	-	-	14,160,281
-	-	-	-	-	-	-	506,378
3,078	-	-	35	1	3,114	66,078	97,509
-	-	-	-	-	-	-	127,240
87,703	-	-	35	1	87,739	1,110,535	16,020,490
-	-	-	-	-	-	-	5,098,173
-	-	-	-	-	-	-	46,177
-	-	-	-	-	-	-	89,412
-	-	-	-	-	-	-	6,164
-	-	-	-	-	-	-	53,448
-	-	-	-	-	-	-	8,434,888
-	-	-	-	-	-	-	-
-	-	-	-	-	-	840,526	840,526
-	-	-	-	-	-	840,526	14,568,788
87,703	-	-	35	1	87,739	270,009	1,451,702
-	-	-	-	-	-	-	(700,000)
87,703	-	-	35	1	87,739	270,009	751,702
510,019	29,735	6,032	6,164	195	552,145	(199,302)	5,981,758
-	-	-	-	-	-	-	(76,123)
<u>\$ 597,722</u>	<u>\$ 29,735</u>	<u>\$ 6,032</u>	<u>\$ 6,199</u>	<u>\$ 196</u>	<u>\$ 639,884</u>	<u>\$ 70,707</u>	<u>\$ 6,657,337</u>

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 BOND BUILDING FUND
 YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Expenditures:			
Current:			
Student Transportation	\$ 1,500,000	\$ 900,305	\$ 599,695
Debt Service			
Facilities Acquisition	15,320,000	9,781,027	5,538,973
Total Expenditures	<u>16,820,000</u>	<u>10,681,332</u>	<u>6,138,668</u>
Excess (Deficiency) of Revenue Over Expenditures	(16,820,000)	(10,681,332)	6,138,668
Fund Balance, Beginning of Year	-	15,644,250	15,644,250
Fund Balance, End of Year	<u>\$ (16,820,000)</u>	<u>\$ 4,962,918</u>	<u>\$ 21,782,918</u>

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CLASSROOM SITE FUND
YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
Revenue:				
Intergovernmental	\$ -	\$ -	\$ 4,200,030	\$ 4,200,030
Investment Earnings	-	-	3,749	3,749
Other	-	-	302	302
Total Revenue	-	-	4,204,081	4,204,081
Expenditures:				
Current:				
Instruction	7,641,126	7,969,328	4,458,184	3,511,144
Support Services:				
Students	-	-	37,184	(37,184)
Instructional Staff	-	-	65,891	(65,891)
Total Expenditures	7,641,126	7,969,328	4,561,259	3,408,069
Net Change in Fund Balance	(7,641,126)	(7,969,328)	(357,178)	7,612,150
Fund Balance, Beginning of Year	-	-	937,296	937,296
Fund Balance, End of Year	\$ (7,641,126)	\$ (7,969,328)	\$ 580,118	\$ 8,549,446

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
INSTRUCTIONAL IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenue:			
Intergovernmental	\$ -	\$ 659,931	\$ 659,931
Investment Earnings	-	3,512	3,512
Total Revenue	<u>-</u>	<u>663,443</u>	<u>663,443</u>
Expenditures:			
Current:			
Instruction	1,300,000	555,095	744,905
Support Services:			
Students	-	8,993	(8,993)
Instructional Staff	-	17,664	(17,664)
Total Expenditures	<u>1,300,000</u>	<u>581,752</u>	<u>718,248</u>
Net Change in Fund Balance	(1,300,000)	81,691	1,381,691
Fund Balance, Beginning of Year	<u>-</u>	<u>648,212</u>	<u>648,212</u>
Fund Balance, End of Year	<u>\$ (1,300,000)</u>	<u>\$ 729,903</u>	<u>\$ 2,029,903</u>

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE FUND
YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenue:			
Intergovernmental	\$ -	\$ 9,300,320	\$ 9,300,320
Food Service Sales	-	506,378	506,378
Investment Earnings	-	11,972	11,972
Total Revenue	<u>-</u>	<u>9,818,670</u>	<u>9,818,670</u>
Expenditures:			
Current:			
Operation of Noninstructional Services	<u>10,200,000</u>	<u>8,395,947</u>	<u>1,804,053</u>
Excess (Deficiency) of Revenue Over Expenditures	(10,200,000)	1,422,723	11,622,723
Other Financing Sources (Uses):			
Transfers Out	<u>-</u>	<u>(700,000)</u>	<u>(700,000)</u>
Net Change in Fund Balance	(10,200,000)	722,723	10,922,723
Fund Balance, Beginning of Year	-	2,465,090	2,465,090
Increase in Reserve for Inventories		<u>(76,123)</u>	<u>(76,123)</u>
Fund Balance, End of Year	<u>\$ (10,200,000)</u>	<u>\$ 3,111,690</u>	<u>\$ 13,311,690</u>

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenue:			
Investment Earnings	\$ -	\$ 9,084	\$ 9,084
Other	-	126,938	126,938
Total Revenue	<u>-</u>	<u>136,022</u>	<u>136,022</u>
Expenditures:			
Current:			
Instruction	559,000	84,894	474,106
Support Services			
Instructional Staff	-	5,857	(5,857)
Business and Other Support Services	-	6,164	(6,164)
Operation and Maintenance of Plant	1,200,000	53,448	1,146,552
Operation of Noninstructional Services	-	38,941	(38,941)
Total Expenditures	<u>1,759,000</u>	<u>189,304</u>	<u>1,569,696</u>
Net Change in Fund Balance	(1,759,000)	(53,282)	1,705,718
Fund Balance, Beginning of Year	-	1,578,317	1,578,317
Fund Balance, End of Year	<u>\$ (1,759,000)</u>	<u>\$ 1,525,035</u>	<u>\$ 3,284,035</u>

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
ADJACENT WAYS FUND
YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenue:			
Property Taxes	\$ -	\$ 84,625	\$ 84,625
Investment Earnings	-	3,078	3,078
Total Revenue	<u>-</u>	<u>87,703</u>	<u>87,703</u>
Expenditures:			
Facilities Acquisition	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Net Change in Fund Balance	(600,000)	87,703	687,703
Fund Balance, Beginning of Year	-	510,019	510,019
Fund Balance, End of Year	<u>\$ (600,000)</u>	<u>\$ 597,722</u>	<u>\$ 1,197,722</u>

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
 BUDGET AND ACTUAL
 GIFTS AND DONATIONS FUND
 YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Over (Under)</u> <u>Final Budget</u>
Expenditures:			
Current:			
Instruction	\$ 30,000	\$ -	\$ 30,000
Net Change in Fund Balance	(30,000)	-	30,000
Fund Balance, Beginning of Year	-	29,735	29,735
Fund Balance, End of Year	<u>\$ (30,000)</u>	<u>\$ 29,735</u>	<u>\$ 59,735</u>

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
BUILDING RENEWAL FUND
YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenue:			
Investment Earnings	\$ -	\$ 1	\$ 1
Expenditures:			
Facilities Acquisition	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Total Expenditures	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Net Change in Fund Balance	(350,000)	1	350,001
Fund Balance, Beginning of Year	<u>-</u>	<u>195</u>	<u>195</u>
Fund Balance, End of Year	<u>\$ (350,000)</u>	<u>\$ 196</u>	<u>\$ 350,196</u>

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance With</u> <u>Final Budget</u>
Revenue			
Property Taxes	\$ -	\$ 1,044,457	\$ 1,044,457
Investment Earnings	-	66,078	66,078
Total Revenue	-	1,110,535	1,110,535
Expenditures			
Interest on Long-term Debt	1,000,000	840,526	159,474
Net Change in Fund Balance	-	270,009	270,009
Fund Balance, Beginning of Year	-	(199,302)	(199,302)
Fund Balance, End of Year	\$ -	\$ 70,707	\$ 70,707

AGENCY FUNDS

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

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CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Student Activities Fund				
Assets				
Cash and Investments	\$ 112,977	\$ 338,359	\$ (308,606)	\$ 142,730
Total Assets	<u>\$ 112,977</u>	<u>\$ 338,359</u>	<u>\$ (308,606)</u>	<u>\$ 142,730</u>
Liabilities				
Cartwright	\$ 1,955	\$ 7,762	\$ (5,744)	\$ 3,973
Downs	3,128	9,027	(8,947)	3,208
Long	4,853	3,459	(4,422)	3,890
Spitalny	1,548	-	-	1,548
Holiday Park	5,220	10,634	(9,278)	6,576
Sunset	3,629	12,467	(13,259)	2,837
Starlight Park	6,403	26,305	(22,621)	10,087
Harris	9,693	10,168	(11,505)	8,356
Desert Sands	10,158	26,695	(20,318)	16,535
Borman	194	24,912	(20,074)	5,032
Heatherbrea	1,711	2,306	(2,595)	1,422
Estrella	19,995	52,161	(46,216)	25,940
Palm Lane	2,880	6,189	(5,603)	3,466
Peralta	760	2,045	(2,479)	326
Tomahawk	1,927	2,725	(3,141)	1,511
Davidson	3,101	20,834	(21,063)	2,872
Atkinson	8,801	48,031	(47,834)	8,998
Tarver	14,159	33,968	(30,352)	17,775
Pena	6,770	6,576	(4,642)	8,704
Castro	6,092	32,095	(28,513)	9,674
Total Liabilities	<u>\$ 112,977</u>	<u>\$ 338,359</u>	<u>\$ (308,606)</u>	<u>\$ 142,730</u>

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STATISTICAL SECTION (UNAUDITED)

This section of the Cartwright Elementary School District No. 83's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

See the table of contents for page numbers of the schedules that encompass the above sections.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2003	2004	2005	2006
Governmental Activities:				
Invested in Capital Assets, Net of Related Debt	\$ 123,200,141	\$ 130,894,326	\$ 139,772,020	\$ 139,107,821
Restricted	18,722,420	1,881,973	3,591,770	6,202,987
Unrestricted	845,537	13,642,341	13,353,567	18,077,272
Total Governmental Activities Net Assets	<u>\$ 142,768,098</u>	<u>\$ 146,418,640</u>	<u>\$ 156,717,357</u>	<u>\$ 163,388,080</u>

Source: District's Business and Finance Department.

Note 1: The District only reports governmental activities.

Fiscal Year

2007	2008	2009	2010	2011	2012
\$ 144,936,726	\$ 150,372,088	\$ 153,892,788	\$ 148,972,747	\$ 144,163,867	\$ 138,470,045
20,260,480	20,006,455	13,824,010	21,071,964	6,563,916	6,706,425
(73,159)	841,803	4,936,604	(58,212)	10,867,800	12,780,737
<u>\$ 165,124,047</u>	<u>\$ 171,220,346</u>	<u>\$ 172,653,402</u>	<u>\$ 169,986,499</u>	<u>\$ 161,595,583</u>	<u>\$ 157,957,207</u>

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2003	2004	2005	2006
EXPENSES				
Governmental Activities:				
Instruction	\$ 68,607,691	\$ 72,366,484	\$ 78,922,164	\$ 83,433,828
Support Services	34,582,883	40,612,744	39,074,192	42,121,544
Operation of Noninstructional Services	6,945,102	7,186,745	7,741,702	8,173,443
Judgments Against the District	-	-	-	-
Interest on Long-Term Debt	179,749	131,637	51,866	33,370
Total Governmental Activities	<u>110,315,425</u>	<u>120,297,610</u>	<u>125,789,924</u>	<u>133,762,185</u>
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
Instruction	-	313,643	308,395	129,623
Support Services	-	1,107,365	1,454,266	1,110,175
Operation of Noninstructional Services	890,656	721,474	896,943	998,826
Operating Grants and Contributions	23,804,300	20,931,462	22,215,909	22,832,875
Capital Grants and Contributions	24,168,277	18,184,694	10,939,453	1,906,968
Total Governmental Activities	<u>48,863,233</u>	<u>41,258,638</u>	<u>35,814,966</u>	<u>26,978,467</u>
Program Revenues	<u>48,863,233</u>	<u>41,258,638</u>	<u>35,814,966</u>	<u>26,978,467</u>
NET (EXPENSE)/REVENUE				
Governmental Activities	(61,452,192)	(79,038,972)	(89,974,958)	(106,783,718)
GENERAL REVENUES AND OTHER				
CHANGES IN NET ASSETS				
Governmental Activities:				
Taxes				
Property Taxes	16,486,895	19,831,203	18,215,009	21,722,681
State Equalization and Additional State Aid	65,538,103	72,042,508	75,020,541	84,738,988
County Equalization	5,823,259	6,262,619	6,565,150	6,565,447
Building Renewal	464,315	743	-	-
Federal, Not Restricted	-	-	-	-
Investment Earnings	383,626	260,653	472,975	699,990
Other	587,216	646,812	-	-
Special Item - Proceeds from Sale of Capital Assets	-	-	-	(272,665)
Total Governmental Activities	<u>89,283,414</u>	<u>99,044,538</u>	<u>100,273,675</u>	<u>113,454,441</u>
CHANGE IN NET ASSETS				
Governmental Activities	<u>\$ 27,831,222</u>	<u>\$ 20,005,566</u>	<u>\$ 10,298,717</u>	<u>\$ 6,670,723</u>

Source: The District's Business and Finance Department.

Fiscal Year

2007	2008	2009	2010	2011	2012
\$ 93,905,908	\$ 94,319,536	\$ 95,152,374	\$ 86,487,461	\$ 84,018,753	\$ 77,822,282
47,361,828	47,161,707	48,366,239	45,358,099	45,072,117	48,008,487
8,149,892	8,891,547	9,539,983	8,710,145	8,454,835	9,046,699
-	-	569,122	-	-	-
18,752	-	-	-	244,815	839,729
<u>149,436,380</u>	<u>150,372,790</u>	<u>153,627,718</u>	<u>140,555,705</u>	<u>137,790,520</u>	<u>135,717,197</u>
159,776	311,784	317,184	67,251	61,146	56,378
1,012,904	385,928	238,551	300,830	73,076	69,340
1,013,704	959,964	706,963	532,261	496,209	506,378
34,565,160	35,473,659	32,698,742	41,185,656	31,347,322	30,043,483
6,097,381	6,163,260	6,498,662	40,519	-	-
<u>42,848,925</u>	<u>43,294,595</u>	<u>40,460,102</u>	<u>42,126,517</u>	<u>31,977,753</u>	<u>30,675,579</u>
(106,587,455)	(107,078,195)	(113,167,616)	(98,429,188)	(105,812,767)	(105,041,618)
18,710,461	19,625,725	23,042,242	22,992,597	20,917,836	20,796,745
86,306,781	91,775,636	85,215,970	72,053,388	71,723,805	71,498,287
53,244	-	-	-	-	-
1,010,308	491,452	-	-	-	-
-	-	-	-	4,338,575	537,248
1,018,487	1,203,618	654,334	234,233	114,128	179,014
1,224,141	78,063	1,139,101	482,067	327,507	242,729
-	-	-	-	-	-
<u>108,323,422</u>	<u>113,174,494</u>	<u>110,051,647</u>	<u>95,762,285</u>	<u>97,421,851</u>	<u>93,254,023</u>
<u>\$ 1,735,967</u>	<u>\$ 6,096,299</u>	<u>\$ (3,115,969)</u>	<u>\$ (2,666,903)</u>	<u>\$ (8,390,916)</u>	<u>\$ (11,787,595)</u>

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2003	2004	2005	2006
General Fund				
Reserved	\$ 488,175	\$ 511,975	\$ 581,866	\$ 656,609
Unreserved	5,126,621	6,820,344	6,214,900	8,625,670
Nonspendable	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	<u>\$ 5,614,796</u>	<u>\$ 7,332,319</u>	<u>\$ 6,796,766</u>	<u>\$ 9,282,279</u>
All Other Governmental Funds				
Reserved	\$ 247,172	\$ 179,642	\$ 159,219	\$ 179,787
Unreserved, Reported in:				
Special Revenue Funds	9,727,108	9,761,613	10,805,245	12,790,419
Capital Projects Funds	8,748,140	2,988,013	3,898,516	8,113,806
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 18,722,420</u>	<u>\$ 12,929,268</u>	<u>\$ 14,862,980</u>	<u>\$ 21,084,012</u>

Source: The District's Business and Finance Department.

Note 1: The District adopted GASBS No. 54 during the fiscal year ended June 30, 2011.

Fiscal Year

2007	2008	2009	2010	2011	2012
\$ 904,498	\$ 1,001,010	\$ 954,435	\$ 914,689	\$ -	\$ -
4,550,644	4,093,019	770,071	3,219,391	-	-
-	-	-	-	913,151	958,844
-	-	-	-	14,175,606	10,976,245
<u>\$ 5,455,142</u>	<u>\$ 5,094,029</u>	<u>\$ 1,724,506</u>	<u>\$ 4,134,080</u>	<u>\$ 15,088,757</u>	<u>\$ 11,935,089</u>
\$ 106,759	\$ 126,956	\$ 119,467	\$ 147,619	\$ -	\$ -
16,889,690	16,960,178	15,982,388	13,204,177	-	-
9,294,472	7,712,508	3,244,089	7,433,620	-	-
-	-	-	-	158,646	82,523
-	-	-	-	22,207,166	11,571,219
-	-	-	-	(199,302)	-
<u>\$ 26,290,921</u>	<u>\$ 24,799,642</u>	<u>\$ 19,345,944</u>	<u>\$ 20,785,416</u>	<u>\$ 22,166,510</u>	<u>\$ 11,653,742</u>

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2003	2004	2005	2006
REVENUES				
Property Taxes	\$ 16,516,022	\$ 19,877,093	\$ 17,962,500	\$ 21,312,060
Intergovernmental	119,798,254	116,516,758	111,990,677	115,695,690
Food Services Sales	890,656	721,474	809,289	929,995
Investment Earnings	383,626	260,653	472,975	699,990
Other	587,216	646,812	2,072,833	1,623,224
Total Revenues	<u>138,175,774</u>	<u>138,022,790</u>	<u>133,308,274</u>	<u>140,260,959</u>
EXPENDITURES				
Instruction	67,389,525	70,620,514	71,345,276	76,267,388
Support Services	33,943,391	40,177,447	36,697,393	40,494,485
Operation of Noninstructional Services	6,641,067	7,074,468	7,583,090	7,902,021
Debt Service:				
Principal	3,282,771	873,201	1,168,167	665,000
Interest and Fiscal Charges	179,749	131,637	51,866	33,370
Issuance Costs	-	-	-	-
Judgments Against the District	-	-	-	-
Facilities Acquisition	26,734,381	23,177,422	15,120,679	6,123,542
Total Expenditures	<u>138,170,884</u>	<u>142,054,689</u>	<u>131,966,471</u>	<u>131,485,806</u>
Excess of Revenues Over (Under)				
Expenditures	4,890	(4,031,899)	1,341,803	8,775,153
OTHER FINANCE SOURCES (USES)				
Reversions	-	-	-	(175,004)
Proceeds of Issuance of Long-Term Debt	-	-	-	-
Premium on Issuance of Long-Term Debt	-	-	-	-
Proceeds from Capital Leases	1,580,643	-	-	-
Sales of Capital Assets	-	-	6,889	11,085
Transfers In	1,004,172	-	418,831	500,000
Transfers out	(1,004,172)	-	(418,831)	(500,000)
Total Other Finance Sources (Uses)	<u>1,580,643</u>	<u>-</u>	<u>6,889</u>	<u>(163,919)</u>
Net Change in Fund Balance	<u>\$ 1,585,533</u>	<u>\$ (4,031,899)</u>	<u>\$ 1,348,692</u>	<u>\$ 8,611,234</u>
Debt Service as a Percentage of Noncapital Expenditures	3.11%	0.85%	1.04%	0.56%

Source: The District's Business and Finance Department.

Fiscal Year

2007	2008	2009	2010	2011	2011
\$ 18,905,872	\$ 19,432,924	\$ 22,930,869	\$ 21,776,194	\$ 21,000,597	\$ 20,967,508
124,606,594	133,904,007	121,508,549	116,099,546	107,494,544	102,033,327
894,184	829,831	706,963	532,261	496,209	506,378
1,018,487	1,203,618	654,334	234,233	114,128	169,186
2,723,619	905,908	1,694,836	850,148	461,729	368,452
<u>148,148,756</u>	<u>156,276,288</u>	<u>147,495,551</u>	<u>139,492,382</u>	<u>129,567,207</u>	<u>124,044,851</u>
83,426,845	89,768,121	89,597,672	79,618,786	75,370,236	70,906,329
43,447,722	46,817,633	47,513,232	45,499,585	44,234,770	45,354,306
7,964,030	8,770,213	8,985,129	8,902,859	8,433,458	8,758,467
330,000	-	-	-	-	21,598
18,752	-	-	-	245,080	840,526
-	-	-	-	250,905	-
-	-	569,122	-	-	-
14,147,803	10,814,270	9,599,553	1,610,512	5,791,531	11,894,585
<u>149,335,152</u>	<u>156,170,237</u>	<u>156,264,708</u>	<u>135,631,742</u>	<u>134,325,980</u>	<u>137,775,811</u>
(1,186,396)	106,051	(8,769,157)	3,860,640	(4,758,773)	(13,730,960)
-	-	-	-	-	-
-	-	-	-	16,820,000	-
-	-	-	-	266,055	-
-	-	-	-	-	93,954
35,221	-	-	-	-	-
1,073,891	693,782	901,819	647,185	689,512	1,083,532
(1,073,891)	(693,782)	(901,819)	(647,185)	(689,512)	(1,083,532)
<u>35,221</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,086,055</u>	<u>93,954</u>
<u>\$ (1,151,175)</u>	<u>\$ 106,051</u>	<u>\$ (8,769,157)</u>	<u>\$ 3,860,640</u>	<u>\$ 12,327,282</u>	<u>\$ (13,637,006)</u>
0.26%	0.00%	0.00%	0.00%	0.39%	0.67%

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CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Estimated Actual Value</u>			<u>Total Direct Rate</u>	<u>Assessed Value as a Percentage of Actual Value</u>
	<u>Real/Personal Property Less Exemptions</u>	<u>Net Secondary Assessed Value</u>			
2003	\$ 2,300,202,925	\$ 275,274,103		\$ 6.80	11.97 %
2004	2,818,386,553	316,841,714		7.37	11.24
2005	2,516,726,659	328,893,452		6.24	13.07
2006	2,805,210,327	357,864,449		6.77	12.76
2007	3,774,030,436	375,889,150		5.62	9.96
2008	4,660,189,838	464,166,488		4.90	9.96
2009	5,276,883,416	575,126,578		4.85	10.90
2010	4,966,254,362	556,385,800		4.75	11.20
2011	2,593,610,281	363,349,836		6.45	14.01
2012	2,367,212,031	249,322,739		10.45	10.53

Source: Estimated Actual valuations were obtained from Maricopa County Treasurer and are presented net of the estimated Actual Value of exempt property.

Note: Information on the assessed value of taxable property by class of real and personal property was not available.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Cartwright Elementary School District No. 83			Overlapping Rates		
	Primary	Secondary	Total	Phoenix Union High School District No. 210	Flood Control District	Central Arizona Water Conservation District
2003	\$ 6.80	\$ -	\$ 6.80	\$ 4.37	\$ 0.21	\$ 0.13
2004	7.37	-	7.37	4.11	0.21	0.12
2005	6.24	-	6.24	3.94	0.21	0.12
2006	6.77	-	6.77	3.87	0.21	0.12
2007	5.62	-	5.62	3.79	0.20	0.12
2008	4.90	-	4.90	3.42	0.15	0.10
2009	4.85	-	4.85	2.94	0.14	0.10
2010	4.75	-	4.75	2.95	0.14	0.04
2011	6.45	-	6.45	3.25	0.15	0.04
2012	4.52	5.93	10.45	4.27	0.18	0.10

Source: The Maricopa County Treasurer.

Note 1: Primary tax rates include the maintenance and operation fund and the capital projects funds. The secondary tax rates include the maintenance and operation override and debt service.

Overlapping Rates

Community College District	Total Including					
	Maricopa County	City of Glendale	City of Phoenix	City of Glendale	City of Phoenix	
1.11	\$ 1.89	\$ 1.71	\$ 1.82	\$ 16.22	\$ 16.33	
1.04	1.21	1.72	1.82	15.78	15.88	
1.04	1.47	1.72	1.82	14.74	14.84	
1.03	1.46	1.72	1.82	15.18	15.28	
1.06	1.43	1.72	1.82	13.94	14.04	
0.98	1.30	1.62	1.82	12.47	12.67	
0.88	0.99	1.60	1.82	11.50	11.72	
0.88	0.99	1.60	1.82	11.35	11.57	
0.91	1.05	1.60	1.82	13.45	13.67	
1.38	1.24	1.90	1.82	19.52	19.44	

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
VHS Acquisition Corporation	\$ 5,726,891	1	2.30%			
Wal-Mart Stores	5,077,357	2	2.04%			
Desert Sky Mall LLC	4,556,985	3	1.83%			
Abraxis Bioscience Inc.	3,877,163	4	1.56%			
Qwest Corporation	3,304,302	5	1.33%			
River Oaks Apartments	3,292,600	6	1.32%			
Del Mar Terrace Apartments	2,482,587	7	1.00%			
Desert Sky Esplanade LLC	2,029,470	8	0.81%			
Vintage Apartments	1,985,780	9	0.80%			
Red Mountain Asset Fund I LLC	1,853,247	10	0.74%			
Qwest Corporation	-	-	-	6,772,373	1	2.14%
Westpen Associates	-	-	-	5,577,685	2	1.76%
John F. Long	-	-	-	3,944,909	3	1.25%
River Oak Apartments	-	-	-	3,208,235	4	1.01%
Southwest Gas Corporation	-	-	-	2,829,037	5	0.89%
Del Mar Terrace Apartments	-	-	-	2,780,466	6	0.88%
Wal-Mart Stores	-	-	-	2,654,240	7	0.84%
VHS Acquisition Corporation	-	-	-	2,499,459	8	0.79%
C-Acquisition Co. Inc.	-	-	-	2,353,264	9	0.74%
Vintage Apartments	-	-	-	2,293,468	10	0.72%
Totals	<u>\$ 34,186,382</u>		<u>13.71%</u>	<u>\$ 34,913,136</u>		<u>11.02%</u>

Source: The Maricopa County Treasurer.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Taxes Levied for the Fiscal Year	Current Collections			Total Collections	
		Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections (1)	Total to Date	Percentage of Levy
2003	\$ 17,845,253	\$ 16,858,443	94.47 %	\$ 985,312	\$ 17,843,755	99.99 %
2004	21,587,402	20,615,678	95.50	926,516	21,542,194	99.79
2005	19,715,049	18,829,573	95.51	884,400	19,713,973	99.99
2006	23,222,917	21,972,406	94.62	1,197,549	23,169,955	99.77
2007	20,661,950	19,614,361	94.93	1,040,052	20,654,413	99.96
2008	21,007,306	19,802,723	94.27	1,198,506	21,001,229	99.97
2009	24,266,993	22,295,431	91.88	1,726,463	24,021,894	98.99
2010	24,261,470	22,312,376	91.97	1,198,287	23,510,663	96.91
2011	22,673,450	21,181,739	93.42	1,452,285	22,634,024	99.83
2012	21,333,891	20,111,187	94.27	-	20,111,187	94.27

Source: The Maricopa County Treasurer's Office.

Note 1: Unsecured personal property taxes are not included in this schedule.

(1) The amount levied and collected is net of resolutions.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Source: The District's Business and Finance Department for long-term debt. Population is county-wide, since it is not available at the District-level.

Governmental Activities					
Fiscal Year	Certificates of Participation	Loans Payable	General Obligation Bonds	Capital Leases	Total Primary Government
2003	\$ 1,560,000	\$ 249,725	\$ -	\$ 1,226,643	\$ 3,036,368
2004	980,000	249,725	-	933,442	2,163,167
2005	335,000	-	-	660,000	995,000
2006	-	-	-	330,000	330,000
2007	-	-	-	-	-
2008	-	-	-	-	-
2009	-	-	-	-	-
2010	-	-	-	-	-
2011	-	-	16,820,000	-	16,820,000
2012	-	-	16,820,000	72,356	16,892,356

<u>Per Capita</u>	<u>County Population</u>	<u>Percentage of Personal Income</u>
\$ 1	3,296,250	104 %
1	3,396,875	71
-	3,532,750	32
-	3,674,060	10
-	3,768,123	0
-	3,881,166	0
-	3,954,598	0
-	4,033,689	0
4	3,817,117	494
4	3,880,244	621

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CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2012
(UNAUDITED)

Governmental Unit	2011/12 Secondary Assessed Valuation (thousands)	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes:				
	\$ 38,760,297	\$ 671,250,000	0.64%	\$ 4,296,000
Maricopa County Community College District				
City of Phoenix	12,343,774	1,656,419,698	2.02%	33,459,678
	5,325,305	244,430,000	4.68%	
Phoenix Union High School District No. 210				<u>11,439,324</u>
Subtotal, Overlapping Debt				49,195,002
Cartwright Elementary School District				
Direct Debt	249,323	16,820,000		<u>16,820,000</u>
Total Direct and Overlapping Debt				<u><u>\$ 66,015,002</u></u>

Source: The Maricopa County Treasurer's Office.

(1) Proportion applicable to the Cartwright Elementary School District No. 83, is computed on the ratio of secondary assessed valuation for 2011-12.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2003	2004	2005	2006
Class A Bonded Debt				
Debt Limit	\$ 41,291,115	\$ 47,526,257	\$ 49,334,018	\$ 53,679,667
Total Applicable to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 41,291,115</u>	<u>\$ 47,526,257</u>	<u>\$ 49,334,018</u>	<u>\$ 53,679,667</u>
 Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	 0.00%	 0.00%	 0.00%	 0.00%

	Fiscal Year			
	2003	2004	2005	2006
Class B Bonded Debt				
Debt Limit	\$ 27,784,500	\$ 27,789,000	\$ 28,113,000	\$ 28,759,500
Total Applicable to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 27,784,500</u>	<u>\$ 27,789,000</u>	<u>\$ 28,113,000</u>	<u>\$ 28,759,500</u>
 Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	 0.00%	 0.00%	 0.00%	 0.00%

Source: The District's Business and Finance Department for long-term debt.

Fiscal Year

2007	2008	2009	2010	2011	2012
\$ 56,383,373	\$ 69,624,973	\$ 86,268,987	\$ 83,457,870	\$ 54,502,475	\$ 37,398,411
-	-	-	-	-	-
<u>\$ 56,383,373</u>	<u>\$ 69,624,973</u>	<u>\$ 86,268,987</u>	<u>\$ 83,457,870</u>	<u>\$ 54,502,475</u>	<u>\$ 37,398,411</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Fiscal Year

2007	2008	2009	2010	2011	2012
\$ 28,786,500	\$ 28,080,000	\$ 28,756,329	\$ 27,819,290	\$ 24,811,323	\$ 25,722,000
-	-	-	-	16,820,000	16,820,000
<u>\$ 28,786,500</u>	<u>\$ 28,080,000</u>	<u>\$ 28,756,329</u>	<u>\$ 27,819,290</u>	<u>\$ 7,991,323</u>	<u>\$ 8,902,000</u>
0.00%	0.00%	0.00%	0.00%	67.79%	65.39%

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
CALCULATION OF LEGAL DEBT MARGIN
JUNE 30, 2012
(UNAUDITED)

Net Secondary Assessed Value		\$ 249,322,739
Class A General Obligation Bonds		
Debt Limit - 15% of Assessed Value		37,398,411
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds Outstanding	\$ -	
Less: Amount Set Aside for Repayment	-	
Net Debt Applicable to Limit	-	-
Legal Debt Margin for Class A Bonded Debt		\$ 37,398,411
Class B General Obligation Bonds		
Debt Limit - the greater of 5% of the net secondary assessed valuation or \$1,500 per student (ADM)		
5% of secondary net assessed valuation		\$ 12,466,137
\$1,500 per student (ADM)		25,722,000
Debt Applicable to Limit:		
General Obligation Bonds Outstanding	\$ 16,820,000	
Qualified Zone Academy Bonds	-	
Less: Amount Set Aside for Repayment	-	
Net Debt Applicable to Limit	-	16,820,000
Legal Debt Margin for Class B Bonded Debt		8,902,000
Total Legal Debt Margin		\$ 46,300,411

Source: Maricopa County Assessor's Office and the District's Business and Finance Department.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
DEMOGRAPHIC AND ECONOMIC STATISTICS
JUNE 30, 2011 AND TEN YEARS PRIOR
(UNAUDITED)

Fiscal Year	County Population	Personal Income (in Thousands)	Per Capita Personal Income	Arizona Unemployment Rate	Average Daily Membership (K-12)	College and University Enrollment
2002	3,192,195	\$ 93,106,752	\$ 29,167	3.80 %	556,691	155,463
2003	3,296,250	100,486,181	30,485	5.00	570,609	165,375
2004	3,396,875	105,629,225	31,096	5.40	599,140	169,509
2005	3,532,750	114,026,572	32,277	4.70	621,906	179,001
2006	3,674,060	123,081,010	33,500	3.90	659,220	189,741
2007	3,768,123	129,973,546	34,493	3.00	707,771	180,254
2008	3,881,166	136,333,718	35,127	3.60	721,926	194,674
2009	3,954,598	137,524,032	34,775	9.30	714,706	198,567
2010	4,033,690	134,773,552	34,080	9.90	729,000	218,424
2011	3,817,117	141,101,550	27,185	9.50	684,028	240,266

Sources: Personal Income and Per Capital information is from the Bureau of Economic Analysis. The source of the Population and Unemployment Rate is the State of Arizona, Department of Economic Security.

Note 1: Information is County-wide, since it is not available at District level.

Note 2: Information was not available for 2012. Therefore 2011 and ten years prior year are presented.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
PRINCIPAL EMPLOYERS
JUNE 30, 2011 AND FIVE YEARS PRIOR
(UNAUDITED)**

Employer	2011			2006		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Wal-Mart Stores, Inc.	30,000	1	1.10 %	19,189	1	1.00 %
Banner Health	28,353	2	1.00	-	-	-
City of Phoenix	15,545	3	0.50	-	-	-
Wells Fargo	14,000	4	0.57	9,100	4	0.47
Bank of America	13,000	5	0.40	7,172	8	0.37
Maricopa County	12,460	6	0.40	-	-	-
Arizona State University	12,220	7	0.40	-	-	-
Apollo Group	12,000	8	0.40	-	-	-
JPMorgan Chase	10,500	9	0.40	9,263	3	0.48
Honeywell Aerospace	9,716	10	0.30	-	-	-
Intel	9,700	11	0.30	-	-	-
U.S. Airways	8,926	12	0.30	-	-	-
Home Depot	-	-	-	9,600	2	0.50
Kroger	-	-	-	9,053	5	0.47
McDonald's	-	-	-	9,050	6	0.47
Target Corporation	-	-	-	8,778	7	0.46
Walgreens	-	-	-	6,465	9	0.34
Circle K	-	-	-	5,820	10	0.30
	<u>176,420</u>		<u>6.07 %</u>	<u>93,490</u>		<u>4.86 %</u>

Source: The Business Journal, the Arizona Department of Economic Security and Elliott D. Pollack & Co.

Note 1: Information was not available at the District level and is therefore presented for the City of Phoenix.

Note 2: Information prior to June 30, 2006 and 2012 was not available and therefore the 2011 and five years prior data is presented.

CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST SEVEN FISCAL YEARS
(UNAUDITED)

Function	Full-Time Equivalent Employees						
	2006	2007	2008	2009	2010	2011	2012
Instruction							
Teachers	1,271	1,291	1,296	1,143	970	967	1,019
Student Services:							
Classified Teachers	168	168	168	148	140	129	245
Administrators	96	98	96	94	73	73	172
Total Student Services	264	266	264	242	213	202	417
Operation of Noninstructional Services:							
Classified Staff	195	195	195	195	195	236	556
Administrators	3	3	3	3	3	3	5
Total Support and Administration	198	198	198	198	198	239	561
Total	1,733	1,755	1,758	1,583	1,381	1,408	1,997

Source: The District's Human Resources Department and Business and Finance Department.

Note 1: Information prior to June 30, 2006 was not readily available.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Maintenance and Operating Expenditures (1)</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>
2003	18,523	\$ 138,170,884	\$ 7,459	22.93 %	977	18.96
2004	18,526	142,054,689	7,668	2.79	1,053	17.59
2005	18,742	131,966,471	7,041	(8.17)	1,104	16.98
2006	19,173	131,485,806	6,858	(2.60)	1,189	16.13
2007	19,191	149,335,152	7,782	13.47	1,291	14.87
2008	18,720	156,170,237	8,342	7.21	1,296	14.44
2009	18,474	156,541,777	8,474	1.57	1,143	16.16
2010	17,188	135,631,742	7,891	(6.87)	970	17.72
2011	16,541	134,325,980	8,121	(4.16)	970	17.05
2012	18,556	137,775,993	7,322	-12.09%	1,243	15.14

Source: The District's Business and Finance Department.

(1) Includes expenditures of all funds.

N/A indicates that information was not available.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
TEACHER BASE SALARIES
LAST SEVEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Average Level of Education	Salary Range		Number of Teachers	District Average Salary
		Minimum Salary	Maximum Salary		
2006	BA00-BA45	\$ 32,010	\$ 55,550	590	\$ 32,340
	MA00-MA75	36,050	63,100	670	47,570
	DOCT-ED15	46,600	63,100	11	60,080
2007	BA00-BA45	33,800	61,980	554	35,230
	MA00-MA75	38,830	70,220	739	49,660
	DOCT-ED15	46,250	70,220	8	54,550
2008	BA00-BA45	34,130	63,890	604	35,785
	MA00-MA75	39,210	73,630	687	50,020
	DOCT-ED15	47,670	73,630	10	66,900
2009	BA00-BA45	34,471	64,529	599	36,143
	MA00-MA75	39,602	74,366	544	53,035
	DOCT-ED15	46,793	74,366	9	56,230
2010	BA00-BA45	34,816	65,174	660	36,504
	MA00-MA75	39,998	75,110	441	53,565
	DOCT-ED15	47,261	75,110	9	56,792
2011	BA00-BA45	35,120	65,880	510	40,696
	MA00-MA75	39,370	74,450	664	45,922
	DOCT-ED15	44,670	75,720	10	54,967
2012	BA00-BA45	35,120	66,539	499	35,882
	MA00-MA75	39,764	75,195	734	45,472
	DOCT-ED15	45,117	76,477	10	60,456

Source: The District's Business and Finance Department.

Note 1: Information prior to June 30, 2006 was not readily available.

**CARTWRIGHT ELEMENTARY SCHOOL DISTRICT NO. 83
CAPITAL ASSET INFORMATION
LAST SEVEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	Site										
	101	102	103	104	105	106	107	108	109	110	111
2012											
Square Feet	85,287	63,226	66,836	67,904	69,728	60,887	124,302	77,931	126,544	122,695	42,804
Enrollment	852	751	865	619	825	627	918	1,107	1,115	1,246	-
2011											
Square Feet	85,287	63,226	66,836	67,904	69,728	60,887	114,897	77,931	126,544	122,695	42,804
Enrollment	766	630	707	573	697	604	760	906	1,046	1,045	-
2010											
Square Feet	69,084	59,226	66,836	67,904	69,728	60,887	114,897	77,931	126,544	122,695	42,804
Enrollment	756	700	818	634	809	749	898	1,016	1,133	1,214	-
2009											
Square Feet	75,084	59,226	66,836	67,904	69,728	60,887	114,897	77,931	126,544	121,735	42,804
Enrollment	857	561	826	678	823	848	865	822	1,181	1,107	309
2008											
Square Feet	69,084	59,226	66,836	67,904	69,728	60,887	14,897	77,931	126,544	121,735	42,804
Enrollment	911	620	903	670	922	821	893	866	1,318	1,410	296
2007											
Square Feet	69,084	59,226	66,836	67,904	69,728	60,759	14,897	77,498	119,575	113,884	42,804
Enrollment	1,020	653	950	723	957	818	1,003	938	1,438	1,548	316
2006											
Square Feet	67,448	59,983	65,046	66,974	69,403	60,933	73,598	75,352	116,239	79,118	43,063
Enrollment	983	687	981	716	916	847	979	985	1,447	1,574	288

Source: The District's facilities records.

Note 1: Enrollment is based on 100th day figures.

Note 2: Information prior to June 30, 2006 was not available.

Site

112	114	115	116	117	118	119	120	121	122	123	129
63,942	138,300	88,767	68,685	56,066	88,951	8,236	76,785	202,426	89,763	97,853	92,600
752	1,298	914	1,007	-	955	-	932	1,264	935	950	884
63,942	138,300	88,767	68,685	56,066	88,951	8,236	76,785	202,426	89,763	97,853	92,600
628	1,239	833	809	-	902	-	822	1,202	776	862	814
63,942	138,300	88,767	68,685	56,066	88,951	8,236	76,785	202,426	89,763	97,853	92,000
699	1,239	931	901	-	991	-	901	1,242	793	884	969
63,942	138,300	88,767	68,685	56,066	88,951	8,236	76,785	202,426	89,763	97,853	92,000
745	1,392	925	850	498	988	13	871	1,271	646	829	569
63,942	138,300	88,767	68,685	56,066	88,951	8,236	76,785	202,426	89,763	97,853	-
812	1,639	927	922	585	1,060	24	952	1,379	679	813	-
63,561	140,796	111,440	68,685	56,066	88,951	8,236	72,742	121,434	85,168	96,971	-
864	1,686	969	1,034	608	1,108	27	1,030	1,422	738	859	-
62,829	127,455	86,528	69,680	54,489	74,220	7,760	77,270	286,505	85,168	96,971	-
880	1,712	939	1,066	630	943	24	1,044	1,496	696	914	-

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