

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE**

**EAST VALLEY INSTITUTE OF TECHNOLOGY  
SCHOOL DISTRICT NO. 401**

**MESA, ARIZONA**

**FOR THE**

**YEAR ENDED JUNE 30, 2012**

Issued By:

Business and Finance Department

THIS PAGE BLANK

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2012**

**INTRODUCTORY SECTION**

|                                 |   |
|---------------------------------|---|
| LETTER OF TRANSMITTAL           | 1 |
| LIST OF PRINCIPAL OFFICIALS     | 6 |
| ORGANIZATIONAL CHART            | 7 |
| GFOA CERTIFICATE OF ACHIEVEMENT | 8 |
| ASBO CERTIFICATE OF EXCELLENCE  | 9 |

**FINANCIAL SECTION**

|   |    |
|---|----|
| INDEPENDENT AUDITORS' REPORT  | 10 |
| REQUIRED SUPPLEMENTARY INFORMATION  |    |
| MANAGEMENT'S DISCUSSION AND ANALYSIS  | 12 |
| BASIC FINANCIAL STATEMENTS  |    |
| STATEMENT OF NET ASSETS   | 19 |
| STATEMENT OF ACTIVITIES   | 20 |
| BALANCE SHEET – GOVERNMENTAL FUNDS  | 21 |
| RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS<br>TO THE STATEMENT OF NET ASSETS   | 22 |
| STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – GOVERNMENTAL FUNDS  | 23 |
| RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES,<br>AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE<br>STATEMENT OF ACTIVITIES | 24 |
| STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – FIDUCIARY<br>FUNDS  | 25 |
| NOTES TO BASIC FINANCIAL STATEMENTS   | 26 |
| REQUIRED SUPPLEMENTARY INFORMATION  |    |
| STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL<br>FUND                       | 41 |
| STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL (BUDGETARY BASIS) – SPECIAL<br>PROJECTS FUND              | 42 |
| NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  | 43 |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 TABLE OF CONTENTS (CONTINUED)  
 YEAR ENDED JUNE 30, 2012**

|  |    |
|--|----|
| COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES   |    |
| NONMAJOR GOVERNMENTAL FUNDS  |    |
| COMBINING BALANCE SHEET  | 44 |
| COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE<br>IN FUND BALANCE  | 46 |
| SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – UNRESTRICTED CAPITAL OUTLAY<br>FUND | 48 |
| SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – CLASSROOM SITE FUND                 | 49 |
| SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – INSTRUCTIONAL IMPROVEMENT<br>FUND   | 50 |
| SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – OTHER SPECIAL REVENUE FUND          | 51 |
| SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – ADJACENT WAYS FUND                  | 52 |
| SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND<br>BALANCE – BUDGET AND ACTUAL – GIFTS AND DONATIONS FUND            | 53 |
| AGENCY FUNDS   |    |
| COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  | 54 |
| COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES   | 55 |
| <b>STATISTICAL SECTION (UNAUDITED)</b>   |    |
| FINANCIAL TRENDS   |    |
| NET ASSETS BY COMPONENT  | 56 |
| CHANGES IN NET ASSETS  | 57 |
| FUND BALANCES OF GOVERNMENTAL FUNDS  | 59 |
| CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS   | 60 |
| REVENUE CAPACITY   |    |
| ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE<br>PROPERTY   | 62 |
| DIRECT AND OVERLAPPING PROPERTY TAX RATES  | 63 |
| PRINCIPAL PROPERTY TAXPAYERS   | 65 |
| PROPERTY TAX LEVIES AND COLLECTIONS  | 66 |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2012**

|  |    |
|--|----|
| DEBT CAPACITY  |    |
| RATIO OF OUTSTANDING DEBT BY TYPE                        | 67 |
| DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT      | 68 |
| LEGAL DEBT MARGIN INFORMATION                            | 69 |
| CALCULATION OF LEGAL DEBT MARGIN                         | 70 |
| DEMOGRAPHIC AND ECONOMIC INFORMATION                     |    |
| MARICOPA COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS | 71 |
| PINAL COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS    | 72 |
| PRINCIPAL EMPLOYERS                                      | 73 |
| OPERATING INFORMATION                                    |    |
| FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION               | 74 |
| OPERATING STATISTICS                                     | 75 |
| CAPITAL ASSETS INFORMATION                               | 76 |

THIS PAGE BLANK

## **INTRODUCTORY SECTION**

THIS PAGE BLANK





January 7, 2013

***SUPERINTENDENT***  
Sally E. Downey, Ed.D.

***CAMPUS DIRECTOR***  
Paul Johnson

Citizens and Governing Board  
East Valley Institute of Technology School District No. 401  
1601 West Main Street  
Mesa, Arizona 85201

***GOVERNING BOARD***

***President***  
Robert C. Covington

***Clerk***  
Dolores M. Watkins

Norman L. Colbert

Wayne H. Taysom

A. Keith Crandell, Ed.D

Erwin C. Heimbuck

A. Russell Nielson

James M. Candland

Garry D. Hays

State law requires all school districts with a Maintenance and Operations (M&O) budget greater than \$2 million undergo an annual audit and 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 East Valley Institute of Technology School District No. 401 (District) for the fiscal year ended June 30, 2012.

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

1601 West Main Street  
Mesa, Arizona 85201  
(480) 461-4000  
FAX: (480) 461-4089  
www.evit.com

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

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

## **PROFILE OF THE DISTRICT**

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from grades nine through 12, with an estimated current enrollment of approximately 3,000 students or 1,968 ADM on main campus and approximately 23,000 students or 6,837 ADM including satellite campuses.

In Fiscal Year 2012, Senate Bill 1617 amended A.R.S. §15-393 to exclude 9<sup>th</sup> grade students from JTED funding. The result of this amendment was a loss of 1707 ADM of 9<sup>th</sup> grade students in satellite programs with a budget reduction of \$6,768,376. The projected enrollment for the 2012-2013 school year is an increase in students in grades ten through 12 by 5% at the main campus, east campus and satellite campuses. The District's mission is to provide a productive, technically trained work force that meets the market-driven needs of business and technology.

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

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

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

The District's major operations include education, construction and maintenance of District facilities and bookstore.

The East Valley Institute of Technology School District No. 401 (EVIT) covers the eastern portion of Maricopa County and the Northwestern portion of Pinal County. These counties are in Central Arizona and include the cities that are generally considered part of the Greater Phoenix area. They include Mesa, Scottsdale, Fountain Hills, Tempe, Chandler, Gilbert, Higley, Queen Creek, San Tan Valley and Apache Junction.

This region's economy was historically based in agriculture, but is now quite diverse. Primary industries include high technology, light manufacturing, service industries, tourism, and government. Manufacturers include Motorola, Intel, Boeing, and Honeywell. Non-manufacturing employers include Wells Fargo Bank, US Airways, AT&T, Banner Health Systems, Pinnacle West Capital and Wal-Mart Stores, Inc.

The EVIT school district boundaries encompass 600 square miles, and overlap the boundaries of ten other school districts including Apache Junction, Chandler, Fountain Hills, Gilbert, Higley, Mesa, Queen Creek, Scottsdale, Tempe and J.O. Combs. The high school student population in the combined districts is approximately 60,000.

EVIT provides career and technical training for high school students and adults in over 40 different disciplines. It is anticipated that enrollment will continue to grow annually for the next five years.

Factors that appear to impact enrollment include: an increasing demand by students for technical training, the increasing demand for skilled labor by business and industry, an unemployment rate in Mesa of 7.6% (lower than the Greater Phoenix unemployment rate of 8.4%), and an increasing labor force demand by the influx of Industries of opportunity such as Healthcare, Aerospace/Aviation, Cosmetology, Massage Therapy, and the Automotive Technologies. The basic sense of all stakeholders is that education that prepares the student for the technical needs of today's employers is contributing to the economic value of the community.

The revenue base of EVIT is unique in that it is funded by a secondary tax. Specifically, the operating budget is funded by a secondary tax upon property within District boundaries. Given that the District encompasses a large, urban geographic area, the property base is quite large. The 2011-12 secondary assessed valuation of \$15.3 billion resulted in a secondary tax rate of \$0.05 per \$100 assessed value. This rate funded the District's 2011-12 operating budget. Other significant revenue sources include state and federal grant dollars.

In order to meet student and industry demands for training, the East Valley Institute of Technology completed a \$46,000,000 career and technical high school campus in 1998. The District's buildings range in age from 1 year to 15 years old with several of the buildings receiving renovations as needed to remain current by industry standards for training.

The main campus located at 1601 W. Main Street was renamed the Dr. A. Keith Crandell Campus in December 2011. It is located in west Mesa near Main Street and Dobson. The proximity of the METRO light rail affords the opportunity of transportation to those that may not otherwise be able to commute to a campus. The campus spans 65 acres, features more than 15 buildings, and houses the Administrative and District offices along with The Adult Education Center.

The East Campus located at 6625 South Power Road opened in August 2011. The 10-acre, \$17 million dollar campus adjacent to ASU Polytechnic, is focused on health, aviation and cosmetology programs for high school students.

A long-term initiative of EVIT is the integration of open entry, open exit, and competency-based instruction within existing course offerings. This flexible course structure enhances students' opportunity to enroll, and enables students to gain the training they need at their own pace. In support of this effort, there is a strong emphasis upon curriculum development and technology. Self-paced, competency based instruction is a long-term project that ties directly back to the District's continuous improvement process. All of the program offerings at EVIT are market driven and operate with a Business and Industry Advisory Council.

Also, in support of increasing demand for CTE courses, EVIT is now offering to students over the age of 22 short-term training and industry-specific training delivered on a need/demand basis. There has been recent growth in evening classes at EVIT for the most part serving adult students.

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

### **Local Economy**

The Phoenix metropolitan area and the rest of Maricopa County, like the rest of the United States, experienced a downturn in growth measured by decreasing retail sales, negative consumer net financial investing, and plummeting housing prices, while wages and income were stagnant in 2010. Indicators of economic activity in 2012 show improvement for Arizona. As reported by University of Arizona's Eller College of Management, personal income, wages and employment are growing. Unemployment is declining as are bankruptcies and residential foreclosures.

The Arizona economy continues to expand at a painfully-slow pace. Key themes that are being monitored during this growth-challenged recovery include lethargic job growth, high unemployment, miniscule income gains, cautious spending on the part of consumers, depressed migration flows, and high inventories of vacant housing.

Hangover from the Great Recession continues to throttle growth, but it is expected that Arizona will eventually rank amongst the fastest-growing states once again. Projections by decade show Arizona's anticipated population growing by 18% in the next 10 years and available jobs growing by 30%.

### **Long-term Financial Planning**

As the Greater Phoenix and East Valley areas continue to experience high unemployment, business and industry are able to demand skilled entry-level employees to fill the decreasing number of open positions. EVIT was established to provide career and technical training of the highest quality for high school students in over 40 different programs.

In order to meet student and industry demands for training in the health field, EVIT opened a \$12.0 million Health Science Center in August 2007, with over 900 students housed in the facility. This new facility has been designed to house several new Allied Health programs including a Surgical Technology Program and a Biotech Program. Due to a high demand, a \$10 million addition to the Health Science Center was completed in August 2012.

## **AWARDS AND ACKNOWLEDGMENTS**

### **Awards**

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

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

### **Acknowledgments**

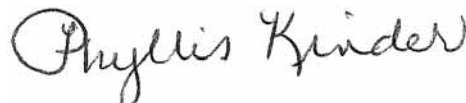
The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,



Sally E. Downey, Ed.D.  
Superintendent



Phyllis Kinder  
Business Manager

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2012**

**GOVERNING BOARD**

Robert T. Covington  
President

Dolores M. Watkins  
Clerk

Erwin C. Heimbuck  
Member

Garry D. Hays  
Member

A. Russell Nielson  
Member

Norman L. Colbert  
Member

James M. Candland  
Member

Dr. A. Keith Crandell  
Member

Wayne H. Taysom  
Member

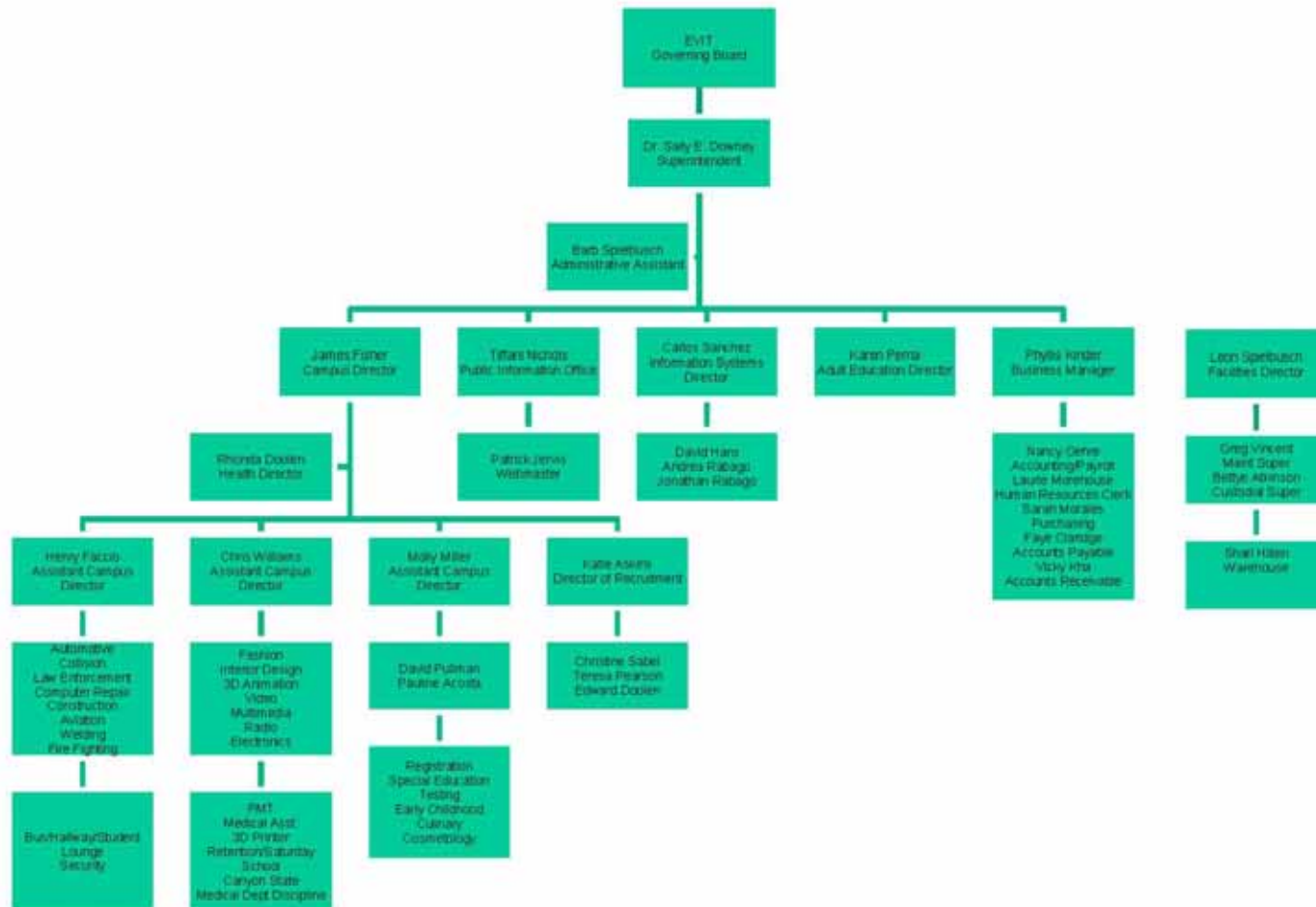
**ADMINISTRATIVE STAFF**

Sally E. Downey, Ed.D., Superintendent

Phyllis Kinder, Business Manager

James Fisher, Campus Director

# EAST VALLEY INSTITUTE OF TECHNOLOGY ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

East Valley Institute  
of Technology School District  
No. 401, 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. Emmer*

Executive Director



**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**

**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

THIS PAGE BLANK

## **FINANCIAL SECTION**

THIS PAGE BLANK



CliftonLarsonAllen

CliftonLarsonAllen LLP  
www.cliftonlarsonallen.com

## INDEPENDENT AUDITORS' REPORT

Governing Board  
East Valley Institute of Technology School District No. 401  
Mesa, Arizona

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Valley Institute of Technology School District No. 401 (District), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the East Valley Institute of Technology School District No. 401, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3.E., a prior period adjustment was recorded to correct an error in the previously issued financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2013 on our consideration of the District'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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic 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 any assurance on them.



**CliftonLarsonAllen LLP**

Phoenix, Arizona  
January 7, 2013

## **REQUIRED SUPPLEMENTARY INFORMATION**

THIS PAGE BLANK



**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2012**

As management of the East Valley Institute of Technology School District No. 401 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- ◆ The District's total net assets of governmental activities increased \$5.0 million, which represents a 4.0% increase from the prior fiscal year, as a result of the District carrying over funds to the next fiscal year.
- ◆ General revenues accounted for \$34.7 million in revenue, or 88% of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4.7 million or 12% of total current fiscal year revenues.
- ◆ The District had approximately \$34.4 million in expenses related to governmental activities, a decrease of 11.5% from the prior fiscal year.
- ◆ Among major funds, the General Fund had \$32.6 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$26.7 million in expenditures. The General Fund's fund balance increase from \$22.3 million (as restated) at the prior fiscal year end to \$28.3 million at the end of the current fiscal year was primarily a result of a reduction in tuition payments to participating districts.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements**

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

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

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

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2012**

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

**Fund Financial Statements**

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

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

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

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

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

**Notes to 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 basic financial statements can be found immediately following the basic financial statements.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2012**

**Other Information**

The combining and individual fund financial statements are presented immediately following the notes to the basic financial statements.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Assets**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$131.5 million at the current fiscal year end.

The largest portion of the District's net assets (61%) reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. An additional portion of the District's net assets (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (31%) may be used to meet the District's ongoing obligation to citizens and creditors.

The following table presents a summary of the District's net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

**Table A-1  
The District's Net Assets**

|  | Governmental Activities |                |
|--|-------------------------|----------------|
|  | 2012                    | 2011           |
| Current and Other Assets                           | \$ 57,939,226           | \$ 61,782,667  |
| Capital Assets                                     | 80,325,934              | 81,190,890     |
| Total Assets                                       | 138,265,160             | 142,973,557    |
| Current Liabilities                                | 6,375,791               | 16,090,796     |
| Noncurrent Liabilities                             | 379,931                 | 385,035        |
| Total Liabilities                                  | 6,755,722               | 16,475,831     |
| Net Assets:  |                         |                |
| Invested in Capital Assets, Net<br>of Related Debt | 80,288,820              | 81,121,175     |
| Restricted   | 11,016,662              | 11,105,715     |
| Unrestricted                                       | 40,203,956              | 34,270,836     |
| Total Net Assets                                   | \$ 131,509,438          | \$ 126,497,726 |

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

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2012**

The District's financial position is the product of several financial transactions including the net results of activities, the payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

A decrease in tuition payments to other districts was the primary reason for the increase in net assets. Other districts are allocated tuition payments based upon each district's average daily membership (ADM). There was a decrease in ADM at the other districts, which resulted in a proportionate decrease in tuition payments.

**Changes in Net Assets**

The District's total revenues for the current fiscal year, were \$39.4 million. The total cost of all programs and services was \$34.4 million. The following table presents a summary of the changes in net assets for the fiscal years ended June 30, 2012 and June 30, 2011.

**Table A-2  
Changes in Net Assets**

|  | Governmental Activities |                       |                     |                   |
|--|-------------------------|-----------------------|---------------------|-------------------|
|  | 2012                    | 2011                  | Annual<br>Change    | Percent<br>Change |
| <b>REVENUES</b>  |                         |                       |                     |                   |
| Program Revenues:  |                         |                       |                     |                   |
| Charges for Services   | \$ 1,981,035            | \$ 1,687,303          | \$ 293,732          | 17.4 %            |
| Operating Grants and Contributions                               | 2,752,477               | 2,157,141             | 595,336             | 27.6              |
| General Revenues:  |                         |                       |                     |                   |
| Property Taxes   | 8,696,694               | 11,070,617            | (2,373,923)         | (21.4)            |
| Grants and Contributions Not Restricted to<br>Specific Programs: |                         |                       |                     |                   |
| State Equalization   | 21,639,935              | 24,131,043            | (2,491,108)         | (10.3)            |
| County Equalization  | 2,541,699               | 3,033,562             | (491,863)           | (16.2)            |
| Federal, Not Restricted  | 1,574,393               | 646,310               | 928,083             | 100.0             |
| Investment Earnings  | 238,574                 | 616,769               | (378,195)           | (61.3)            |
| Total Revenues   | <u>39,424,807</u>       | <u>43,342,745</u>     | <u>(3,917,938)</u>  | <u>(9.0)</u>      |
| <b>EXPENSES</b>  |                         |                       |                     |                   |
| Instruction  | 27,658,857              | 32,921,191            | (5,262,334)         | (16.0)            |
| Support Services:  |                         |                       |                     |                   |
| Students and Instructional Staff                                 | 1,058,074               | 956,229               | 101,845             | 10.7              |
| Administration   | 2,688,998               | 2,493,524             | 195,474             | 7.8               |
| Operation and Maintenance of Plant                               | 2,533,165               | 2,082,508             | 450,657             | 21.6              |
| Operation of Noninstructional Services                           | 471,381                 | 356,289               | 115,092             | 32.3              |
| Interest on Long-Term Debt                                       | 2,620                   | 96,415                | (93,795)            | (97.3)            |
| Total Expenses   | <u>34,413,095</u>       | <u>38,906,156</u>     | <u>(4,493,061)</u>  | <u>(11.5)</u>     |
| <b>CHANGE IN NET ASSETS</b>                                      | 5,011,712               | 4,436,589             | 575,123             | 13.0              |
| Net Assets - Beginning of Year, Restated                         | <u>126,497,726</u>      | <u>122,061,137</u>    | <u>4,436,589</u>    | <u>3.6</u>        |
| <b>NET ASSETS - END OF YEAR</b>                                  | <u>\$ 131,509,438</u>   | <u>\$ 126,497,726</u> | <u>\$ 5,011,712</u> | <u>4.0</u>        |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2012**

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

- ◆ Increase in federal funding for PELL grants.
- ◆ Decreases in state and county equalization revenues of \$2.5 million and \$0.5 million, respectively. State and county equalization are allocated based on the District's average daily membership (ADM). Due to ADM decreases, the revenues decreased accordingly.
- ◆ The cost of all governmental activities this year was \$34.4 million, a decrease of \$4.5 million in the current year.
- ◆ Decrease in property taxes of \$2.4 million. The decrease was due to a decrease in the tax levy caused by a decrease in assessed valuation.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$51.4 million, an increase of \$6.0 million due primarily to a decrease in tuition payments to other districts.

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

**Table A-3  
Fund Balances**

| Fund                        | Balance       | Increase<br>(Decrease)<br>2010-11 |
|-----------------------------|---------------|-----------------------------------|
| General Fund                | \$ 28,288,897 | \$ 5,965,463                      |
| Unrestricted Capital Outlay | 15,615,257    | 121,721                           |
| Special Projects Fund       | 3,814,978     | 25,620                            |
| Nonmajor Governmental Funds | 3,638,134     | (116,062)                         |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2012**

The General Fund comprises 55% of the total fund balance. Approximately \$24.7 million or 87.1% of the General Fund's fund balance constitutes unassigned fund balance. The remaining fund balance constitutes nonspendable and restricted fund balance to indicate that it is not available for spending because it has already been committed as follows:

- ◆ \$75,150 for inventory
- ◆ \$3,563,550 for future insurance payments

The General Fund is the principal operating fund of the District. The increase in fund balance from \$22.3 million to \$28.3 million as of fiscal year end was primarily a result of the decrease in tuition payments to other districts. Other districts are allocated tuition payments based upon each district's average daily membership (ADM). There was a decrease in ADM at the other districts, which resulted in a proportionate decrease in tuition payments.

The Unrestricted Capital Outlay Fund balance increased slightly from \$15.5 million to \$15.6 million and the Special Projects Fund increased slightly from \$3,789,358 to \$3,814,978. Lastly, the Nonmajor Governmental Funds balance decreased \$0.1 million. None of these changes was significant.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget for the reduction in state aid funding. The difference between the original budget and the final amended budget was a \$4.4 million decrease, or 13.7%.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. The significant variances are summarized as follows:

- ◆ The favorable variance of \$2.2 million in special education-instruction was due to the District not revising its budget for a portion of the reduction in tuition payments to other districts. The unfavorable variance in support services- business and other support services was due to the District prepaying insurance during the current year.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2012**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2012, the District had invested \$80.3 million in capital assets, including school buildings, and other vehicles, computers, and other equipment. This amount represents a net decrease of \$1.0 million from the prior fiscal year. Total depreciation expense for the current fiscal year was \$2.3 million.

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

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

|                                     | Governmental Activities |               |
|-------------------------------------|-------------------------|---------------|
|                                     | 2012                    | 2011          |
| Land                                | \$ 3,055,808            | \$ 3,055,808  |
| Construction in Progress            | -                       | 31,154,343    |
| Land Improvements                   | 333,958                 | 369,615       |
| Buildings and Building Improvements | 75,482,951              | 45,134,175    |
| Furniture, Equipment, and Vehicles  | 1,453,217               | 1,476,949     |
| Total Capital Assets, Net           | \$ 80,325,934           | \$ 81,190,890 |

Additional information on the District's capital assets can be found in Note 3.A.4.

**Debt Administration**

At year end the District had \$37,114 in long-term debt outstanding, \$34,191 due within one year due to a capital lease agreement. At fiscal year-end, the District had no outstanding general obligation debt.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2012-13 budget. Among them:

- ◆ Fiscal year 2011-12 budget balance carry forward (estimated \$1.2 million).
- ◆ District student population (estimated 6,836 ADM).
- ◆ Employee salaries (an additional 3% increase per employee).

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, East Valley Institute of Technology School District No. 401, 1601 West Main Street, Mesa, Arizona 85201.

THIS PAGE BLANK



## **BASIC FINANCIAL STATEMENTS**

THIS PAGE BLANK

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

|   | Governmental<br>Activities |
|---|----------------------------|
| <b>ASSETS</b>                                   |                            |
| Cash and Investments                            | \$ 47,336,232              |
| Restricted Assets                               | 3,563,550                  |
| Receivables                                     |                            |
| Accounts Receivable                             | 22,415                     |
| Property Taxes (Net of Allowance of \$101,075)  | 270,979                    |
| Intergovernmental                               | 6,670,900                  |
| Inventory                                       | 75,150                     |
| Capital Assets:                                 |                            |
| Non-Depreciable                                 | 3,055,808                  |
| Depreciable, net                                | 77,270,126                 |
| Total Assets                                    | 138,265,160                |
| <b>LIABILITIES</b>                              |                            |
| Accounts Payable                                | 5,623,599                  |
| Accrued Wages and Benefits                      | 752,192                    |
| Long-Term Liabilities:                          |                            |
| Due Within One Year                             | 179,025                    |
| Due in More Than One Year                       | 200,906                    |
| Total Liabilities                               | 6,755,722                  |
| <b>NET ASSETS</b>                               |                            |
| Invested in Capital Assets, Net of Related Debt | 80,288,820                 |
| Restricted for:                                 |                            |
| Classroom Site                                  | 1,257,035                  |
| Instructional Improvements                      | 622,926                    |
| Special Projects                                | 3,814,978                  |
| Insurance Payments                              | 3,563,550                  |
| Capital Projects                                | 2,149                      |
| Community Programs                              | 1,670,004                  |
| Instructional Aides                             | 5,011                      |
| Noninstructional Programs                       | 81,009                     |
| Unrestricted                                    | 40,203,956                 |
| Total Net Assets                                | \$ 131,509,438             |

See accompanying Notes to Basic Financial Statements.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2012**

| Functions/Programs   | Expenses      | Program Revenues        |  | Net (Expense)<br>Revenue and Changes<br>in Net Assets |
|--|---------------|-------------------------|--|---|
|  |               | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Governmental<br>Activities                            |
| <b>Primary Government:</b>                                   |               |                         |  |   |
| Governmental Activities:                                     |               |                         |  |   |
| Instruction  | \$ 27,658,857 | \$ 138,968              | \$ 1,953,741                             | \$ (25,566,148)                                       |
| Support Services:  |               |                         |  |   |
| Students   | 616,281       | -                       | 44,813                                   | (571,468)   |
| Instructional Staff  | 441,793       | -                       | 38,553                                   | (403,240)   |
| General Administration                                       | 546,271       | -                       | -  | (546,271)   |
| School Administration  | 934,918       | -                       | -  | (934,918)   |
| Business and Other Support Services                          | 1,207,809     | -                       | 628,794                                  | (579,015)   |
| Operation and Maintenance of Plant                           | 2,533,165     | 1,560,305               | 86,576                                   | (886,284)   |
| Operation of Noninstructional Services                       | 471,381       | 281,762                 | -  | (189,619)   |
| Interest on Long-Term Debt                                   | 2,620         | -                       | -  | (2,620)   |
| Total  | \$ 34,413,095 | \$ 1,981,035            | \$ 2,752,477                             | (29,679,583)  |
| General Revenues:  |               |                         |  |   |
| Property Taxes   |               |                         |  | 8,696,694   |
| Grants and Contributions Not Restricted to Specific Programs |               |                         |  |   |
| State Equalization   |               |                         |  | 21,639,935  |
| County Equalization  |               |                         |  | 2,541,699   |
| Federal, Not Restricted                                      |               |                         |  | 1,574,393   |
| Investment Earnings  |               |                         |  | 238,574   |
| Total General Revenues                                       |               |                         |  | 34,691,295  |
| Change in Net Assets   |               |                         |  | 5,011,712   |
| Net Assets - Beginning, Restated                             |               |                         |  | 126,497,726   |
| Net Assets - Ending  |               |                         |  | \$ 131,509,438  |

See accompanying Notes to Basic Financial Statements.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

|   | General<br>Fund             | Unrestricted<br>Capital<br>Outlay | Special<br>Projects        | Nonmajor                   | Totals                      |
|---|-----------------------------|-----------------------------------|----------------------------|----------------------------|-----------------------------|
| <b>Assets</b>                                     |                             |                                   |                            |                            |                             |
| Cash and Investments                              | \$ 24,322,689               | \$ 15,393,627                     | \$ 3,670,147               | \$ 3,949,769               | \$ 47,336,232               |
| Restricted Assets                                 | 3,563,550                   | -                                 | -                          | -                          | 3,563,550                   |
| Receivables                                       |                             |                                   |                            |                            |                             |
| Accounts Receivable                               | 22,415                      | -                                 | -                          | -                          | 22,415                      |
| Property Taxes (Net of Allowance of<br>\$101,075) | 270,979                     | -                                 | -                          | -                          | 270,979                     |
| Intergovernmental                                 | 6,033,796                   | 394,710                           | 157,376                    | 85,018                     | 6,670,900                   |
| Inventories                                       | 75,150                      | -                                 | -                          | -                          | 75,150                      |
| <b>Total Assets</b>                               | <b><u>\$ 34,288,579</u></b> | <b><u>\$ 15,788,337</u></b>       | <b><u>\$ 3,827,523</u></b> | <b><u>\$ 4,034,787</u></b> | <b><u>\$ 57,939,226</u></b> |
| <b>Liabilities and Fund Balance</b>               |                             |                                   |                            |                            |                             |
| <b>Liabilities</b>                                |                             |                                   |                            |                            |                             |
| Accounts Payable                                  | \$ 5,436,235                | \$ 173,080                        | \$ 8,194                   | \$ 6,090                   | \$ 5,623,599                |
| Accrued Wages and Benefits                        | 357,278                     | -                                 | 4,351                      | 390,563                    | 752,192                     |
| Deferred Revenue                                  | 206,169                     | -                                 | -                          | -                          | 206,169                     |
| <b>Total Liabilities</b>                          | <b><u>5,999,682</u></b>     | <b><u>173,080</u></b>             | <b><u>12,545</u></b>       | <b><u>396,653</u></b>      | <b><u>6,581,960</u></b>     |
| <b>Fund Balance</b>                               |                             |                                   |                            |                            |                             |
| Nonspendable                                      | 75,150                      | -                                 | -                          | -                          | 75,150                      |
| Restricted  | 3,563,550                   | -                                 | 3,814,978                  | 3,638,134                  | 11,016,662                  |
| Assigned  | -                           | 15,615,257                        | -                          | -                          | 15,615,257                  |
| Unassigned  | 24,650,197                  | -                                 | -                          | -                          | 24,650,197                  |
| <b>Total Fund Balance</b>                         | <b><u>28,288,897</u></b>    | <b><u>15,615,257</u></b>          | <b><u>3,814,978</u></b>    | <b><u>3,638,134</u></b>    | <b><u>51,357,266</u></b>    |
| <b>Total Liabilities and Fund Balance</b>         | <b><u>\$ 34,288,579</u></b> | <b><u>\$ 15,788,337</u></b>       | <b><u>\$ 3,827,523</u></b> | <b><u>\$ 4,034,787</u></b> | <b><u>\$ 57,939,226</u></b> |

See accompanying Notes to Basic Financial Statements.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012**

Total Fund Balances for Governmental Funds \$ 51,357,266

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

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

|  |              |
|--|--------------|
| Governmental Capital Assets                    | 97,635,094   |
| Less: Accumulated Depreciation                 | (17,309,160) |
| Capital Assets Used in Governmental Activities | 80,325,934   |

|   |         |
|---|---------|
| Property taxes not collected within 60 days subsequent to fiscal year-end are deferred in the governmental funds. | 206,169 |
|---|---------|

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

|                             |           |
|-----------------------------|-----------|
| Capital Lease Payable       | (37,114)  |
| Compensated Absence Payable | (342,817) |
|                             | (379,931) |

|   |                |
|---|----------------|
| Total Net Assets of Governmental Activities | \$ 131,509,438 |
|---|----------------|

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012**

|  | General<br>Fund      | Unrestricted<br>Capital<br>Outlay | Special<br>Projects | Nonmajor            | Totals               |
|--|----------------------|-----------------------------------|---------------------|---------------------|----------------------|
| <b>Revenue</b>                         |                      |                                   |                     |                     |                      |
| Property Taxes                         | \$ 8,821,872         | \$ -                              | \$ -                | \$ -                | \$ 8,821,872         |
| Intergovernmental                      | 22,736,267           | 1,445,367                         | 3,653,798           | 673,072             | 28,508,504           |
| Tuition                                | 69,185               | -                                 | -                   | -                   | 69,185               |
| Auxiliary Operations                   | 281,762              | -                                 | -                   | -                   | 281,762              |
| Contributions and Donations            | 41,761               | -                                 | -                   | -                   | 41,761               |
| Investment Earnings                    | 153,569              | 53,560                            | 10,246              | 21,202              | 238,577              |
| Other                                  | 541,932              | -                                 | -                   | 1,046,395           | 1,588,327            |
| Total Revenue                          | <u>32,646,348</u>    | <u>1,498,927</u>                  | <u>3,664,044</u>    | <u>1,740,669</u>    | <u>39,549,988</u>    |
| <b>Expenditures</b>                    |                      |                                   |                     |                     |                      |
| <b>Current</b>                         |                      |                                   |                     |                     |                      |
| Instruction                            | 20,671,297           | 101,405                           | 3,090,414           | 1,230,553           | 25,093,669           |
| <b>Support Services</b>                |                      |                                   |                     |                     |                      |
| Students                               | 562,466              | -                                 | 21,920              | 11,127              | 595,513              |
| Instructional Staff                    | 342,110              | 16,448                            | 26,902              | 35,527              | 420,987              |
| General Administration                 | 536,114              | -                                 | -                   | 1,373               | 537,487              |
| School Administration                  | 566,687              | -                                 | -                   | 376,259             | 942,946              |
| Business and Other Support Services    | 1,140,009            | 66,628                            | 438,775             | 146,102             | 1,791,514            |
| Operation and Maintenance of Plant     | 2,353,672            | 9,535                             | 60,413              | 55,790              | 2,479,410            |
| Operation of Noninstructional Services | 466,186              | -                                 | -                   | -                   | 466,186              |
| <b>Debt Service</b>                    |                      |                                   |                     |                     |                      |
| Principal Retirement                   | 32,601               | -                                 | -                   | -                   | 32,601               |
| Interest on Long-Term Debt             | 2,620                | -                                 | -                   | -                   | 2,620                |
| <b>Capital Outlay</b>                  |                      |                                   |                     |                     |                      |
| Facilities Acquisition                 | -                    | 1,183,190                         | -                   | -                   | 1,183,190            |
| Total Expenditures                     | <u>26,673,762</u>    | <u>1,377,206</u>                  | <u>3,638,424</u>    | <u>1,856,731</u>    | <u>33,546,123</u>    |
| Net Change in Fund Balance             | 5,972,586            | 121,721                           | 25,620              | (116,062)           | 6,003,865            |
| <b>Fund Balance</b>                    |                      |                                   |                     |                     |                      |
| Beginning of Year, Restated            | 22,323,434           | 15,493,536                        | 3,789,358           | 3,754,196           | 45,360,524           |
| Decrease in Inventories                | (7,123)              | -                                 | -                   | -                   | (7,123)              |
| End of Year                            | <u>\$ 28,288,897</u> | <u>\$ 15,615,257</u>              | <u>\$ 3,814,978</u> | <u>\$ 3,638,134</u> | <u>\$ 51,357,266</u> |

See accompanying Notes to Basic Financial Statements.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
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 \$ 6,003,865

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 depreciation exceeded capital outlay in the current period.

|   |                  |
|---|------------------|
| Expenditure for Capital Assets                | 1,790,286        |
| Depreciation Expense                          | (2,305,156)      |
| Excess Depreciation Over Capital Expenditures | <u>(514,870)</u> |

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. (350,086)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal 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 principal on long-term debt reduces long-term debt on the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when the debt is first issued, whereas these items are deferred and amortized over the term of the long-term debt in the statement of activities.

|                                      |        |
|--------------------------------------|--------|
| Principal Payments on Capital Leases | 32,601 |
|--------------------------------------|--------|

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

|                |           |
|----------------|-----------|
| Property Taxes | (125,178) |
|----------------|-----------|

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 | (27,497)       |
| Change in Inventory Balances   | <u>(7,123)</u> |

|   |                            |
|---|----------------------------|
| Change in Net Assets of Governmental Activities | <u><u>\$ 5,011,712</u></u> |
|---|----------------------------|



**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2012**

|                       | <u>Agency Funds</u> |
|-----------------------|---------------------|
| Assets                |                     |
| Current Assets        |                     |
| Cash and Investments  | \$ 89,178           |
| Total Current Assets  | \$ 89,178           |
| Liabilities           |                     |
| Due to Student Groups | \$ 83,971           |
| Due to Other Entities | 5,207               |
| Total Liabilities     | \$ 89,178           |

See accompanying Notes to Basic Financial Statements.

THIS PAGE BLANK

## **NOTES TO BASIC FINANCIAL STATEMENTS**

THIS PAGE BLANK

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the East Valley Institute of Technology School District No. 401 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

**A. Reporting Entity**

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, construction and maintenance of District facilities, and bookstore functions.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. *Governmental activities*, 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 does not have any business-type activities.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**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)**

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. Compensated absences are recorded only when payment is due.

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

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

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 A.R.S.

Unrestricted Capital Outlay Fund

The Unrestricted Capital Outlay Fund, a capital projects fund, accounts for transactions relating to the acquisition of capital items.

Special Projects Fund

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

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**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:

Agency Funds

The Agency Funds are custodial in nature and do not present results of operations or a measurement focus and are 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.

The Insurance Fund accounts for monies held to pay insurance premiums of the District and District employees.

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 investments are considered to be cash on hand, demand deposits, and cash and investments held by the County Treasurer.

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

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.



**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**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)**

**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.

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

**3. Inventories**

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the average cost 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.

**4. Capital Assets**

Capital assets, which include land and improvements, buildings and improvements, vehicles, furniture, equipment and construction in progress, 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. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

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

|                                   |               |
|-----------------------------------|---------------|
| Land improvements                 | 20 Years      |
| Buildings and improvements        | 20 - 50 Years |
| Vehicles, furniture and equipment | 5 - 15 Years  |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**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. Compensated Absences**

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Full-time certified employees earn eleven days of sick leave each contract year. Full-time classified employees earn sick leave at the rate of one day per month. In the event of termination, an employee is reimbursed for accrued sick leave at varying rates depending on position of classified or certified and the number of sick days accumulated. All full-time employees earn vacation at a rate of one to one and three quarters days per month, depending on length of service. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

**6. 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.

**7. 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.

**8. 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.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**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)**

**8. Fund Balance Classifications (Continued)**

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 appointed the Superintendent and Business Manager 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.

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. All appropriations lapse at year end.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

Budgetary control over expenditures is exercised at the fund level.

A budget of revenue from all sources for the fiscal year is not prepared by the District.

No supplementary budgetary appropriations were necessary during the year.

**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                          | \$ | 339,530    |
| Investments                           |    |            |
| Cash on Deposit with County Treasurer |    | 47,085,880 |
| Total Deposits and Investments        |    | 47,425,410 |
| Less: Fiduciary Funds                 |    | (89,178)   |
| Total Cash and Investments            | \$ | 47,336,232 |

**Deposits**

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

**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.

*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.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

**1. Deposits and Investments (Continued)**

*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. Restricted Cash and Investments**

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

|                           |    |           |
|---------------------------|----|-----------|
| Future Insurance Payments | \$ | 3,563,550 |
|---------------------------|----|-----------|

**3. 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                         | \$ 206,169  |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

**4. Capital Assets**

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

|  | Beginning<br>Balance | Increases            | Decreases              | Ending<br>Balance    |
|--|----------------------|----------------------|------------------------|----------------------|
| <b>Governmental Activities:</b>              |                      |                      |                        |                      |
| Capital Assets, Not Being Depreciated:       |                      |                      |                        |                      |
| Land   | \$ 3,055,808         | \$ -                 | \$ -                   | \$ 3,055,808         |
| Construction in Progress                     | 31,154,343           | 1,382,496            | (32,536,839)           | -                    |
| Total Capital Assets, Not Being Depreciated  | 34,210,151           | 1,382,496            | (32,536,839)           | 3,055,808            |
| Capital Assets, Being Depreciated:           |                      |                      |                        |                      |
| Land Improvements                            | 793,578              | -                    | -                      | 793,578              |
| Buildings and Building Improvements          | 56,686,793           | 32,332,313           | -                      | 89,019,106           |
| Furniture, Equipment, and Vehicles           | 4,506,773            | 268,316              | (8,487)                | 4,766,602            |
| Total Capital Assets, Being Depreciated      | 61,987,144           | 32,600,629           | (8,487)                | 94,579,286           |
| Accumulated Depreciation for:                |                      |                      |                        |                      |
| Land Improvements                            | (423,963)            | (35,657)             | -                      | (459,620)            |
| Buildings and Building Improvements          | (11,552,618)         | (1,983,537)          | -                      | (13,536,155)         |
| Furniture, Equipment, and Vehicles           | (3,029,824)          | (285,962)            | 2,401                  | (3,313,385)          |
| Total Accumulated Depreciation               | (15,006,405)         | (2,305,156)          | 2,401                  | (17,309,160)         |
| Total Capital Assets, Being Depreciated, Net | 46,980,739           | 30,295,473           | (6,086)                | 77,270,126           |
| Governmental Activities Capital Assets, Net  | <u>\$ 81,190,890</u> | <u>\$ 31,677,969</u> | <u>\$ (32,542,925)</u> | <u>\$ 80,325,934</u> |

Depreciation expense was charged to functions as follows:

|  |                     |
|--|---------------------|
| <b>Governmental Activities:</b>        |                     |
| Instruction                            | \$ 2,157,460        |
| Support Services:                      |                     |
| Students                               | 5,028               |
| Instructional Staff                    | 8,734               |
| General Administration                 | 24,013              |
| School Administration                  | 1,520               |
| Business and Other Support Services    | 40,799              |
| Operation and Maintenance of Plant     | 62,407              |
| Operation of Noninstructional Services | 5,195               |
|  | <u>\$ 2,305,156</u> |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**B. Obligations Under Leases**

Capital Leases

The District has acquired copiers under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

|                                   | Governmental<br>Activities |
|-----------------------------------|----------------------------|
| Asset:                            |                            |
| Furniture, Equipment and Vehicles | \$ 157,021                 |
| Less: Accumulated Depreciation    | (70,109)                   |
| Total                             | \$ 86,912                  |

The future minimum lease payments under the capital leases to be paid from the General Fund, together with the present value of the net minimum lease payments as of June 30, 2012 are as follows:

| <u>Year Ending June 30,</u>                            | Governmental<br>Activities |
|--|----------------------------|
| 2013   | \$ 35,220                  |
| 2014   | 2,935                      |
| Net Minimum Lease Payments                             | 38,155                     |
| Less: Amount Representing Interest                     | (1,041)                    |
| Present Value of Net Minimum<br>Capital Lease Payments | \$ 37,114                  |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Long-Term Obligations**

The liability for compensated absences is paid by the applicable fund where each employee is regularly paid, primarily the General Fund.

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

|                                    | <u>Beginning<br/>of Year</u> | <u>Additions</u>             | <u>Retirements</u>             | <u>End of<br/>Year</u>       | <u>Due Within<br/>One Year</u> |
|------------------------------------|------------------------------|------------------------------|--------------------------------|------------------------------|--------------------------------|
| Governmental Activities:           |                              |                              |                                |                              |                                |
| Other Liabilities:                 |                              |                              |                                |                              |                                |
| Capital Lease                      | \$ 69,715                    | \$ -                         | \$ (32,601)                    | \$ 37,114                    | \$ 34,191                      |
| Compensated Absences               | <u>315,320</u>               | <u>165,527</u>               | <u>(138,030)</u>               | <u>342,817</u>               | <u>144,834</u>                 |
| <br>Total Long-Term<br>Obligations | <br><u><u>\$ 385,035</u></u> | <br><u><u>\$ 165,527</u></u> | <br><u><u>\$ (170,631)</u></u> | <br><u><u>\$ 379,931</u></u> | <br><u><u>\$ 179,025</u></u>   |



**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Fund Balance Classification of Governmental Funds**

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

|   | General<br>Fund             | Unrestricted<br>Capital Outlay | Nonmajor                   | Total                       |
|---|-----------------------------|--------------------------------|----------------------------|-----------------------------|
| Fund Balances:  |                             |                                |                            |                             |
| Nonspendable:   |                             |                                |                            |                             |
| Inventories   | \$ 75,150                   | \$ -                           | \$ -                       | \$ 75,150                   |
| Restricted for:   |                             |                                |                            |                             |
| Future Insurance Payments   | 3,563,550                   | -                              | -                          | 3,563,550                   |
| Capital Outlay  | -                           | -                              | 2,149                      | 2,149                       |
| Teacher Compensation and<br>Other Qualified Programs<br>(A.R.S. 15-977) | -                           | -                              | 1,257,035                  | 1,257,035                   |
| Instructional Improvement<br>Programs                                   | -                           | -                              | 622,926                    | 622,926                     |
| Federal and State<br>Instructional Programs                             | -                           | -                              | 3,814,978                  | 3,814,978                   |
| Community Programs  | -                           | -                              | 1,670,004                  | 1,670,004                   |
| Instructional Aides   | -                           | -                              | 5,011                      | 5,011                       |
| Noninstructional Programs   | -                           | -                              | 81,009                     | 81,009                      |
| Total Restricted  | <u>3,563,550</u>            | <u>-</u>                       | <u>7,453,112</u>           | <u>11,016,662</u>           |
| Assigned  | -                           | 15,615,257                     | -                          | 15,615,257                  |
| Unassigned  | <u>24,650,197</u>           | <u>-</u>                       | <u>-</u>                   | <u>24,650,197</u>           |
| Total Fund Balances   | <u><u>\$ 28,288,897</u></u> | <u><u>\$ 15,615,257</u></u>    | <u><u>\$ 7,453,112</u></u> | <u><u>\$ 51,357,266</u></u> |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2012**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Prior Period Adjustment**

A prior period adjustment is presented to correct an error in the previously issued financial statements. Prepaid insurance premiums paid in prior years were recognized as assets of the Agency Fund rather than in the General Fund at year end, therefore understating assets and fund balance/net assets of the General Fund and Governmental Activities. Fund balances/net assets at the beginning of the year were restated as follows:

|  | General Fund  | Governmental<br>Activities |
|--|---------------|----------------------------|
| Beginning Fund Balance/Beginning Net Assets (as previously stated) | \$ 18,761,273 | \$ 122,935,565             |
| Prior Period Adjustment:   |               |                            |
| Prepaid Insurance Understatement                                   | 3,562,161     | 3,562,161                  |
| Beginning Fund Balance/Beginning Net Assets (as restated)          | \$ 22,323,434 | \$ 126,497,726             |

**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 did not have any reduction in their insurance coverage or any settlements that exceeded the insurance coverage in the current or previous two fiscal years.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2012**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. 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.

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

| <u>Year Ended June 30,</u> | Retirement<br>Fund | Health Benefit<br>Supplement<br>Fund | Long-Term<br>Disability<br>Fund |
|----------------------------|--------------------|--------------------------------------|---------------------------------|
| 2012                       | \$ 757,972         | \$ 48,381                            | \$ 18,431                       |
| 2011                       | 664,480            | 43,512                               | 18,437                          |
| 2010                       | 536,211            | 42,434                               | 25,718                          |

THIS PAGE BLANK

## **REQUIRED SUPPLEMENTARY INFORMATION**

THIS PAGE BLANK

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**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<br>Final Budget |
|---|------------------------|------------------------|----------------------|-------------------------------|
|   | Original               | Final                  |                      |                               |
| <b>Revenue</b>  |                        |                        |                      |                               |
| Property Taxes  | \$ -                   | \$ -                   | \$ 8,821,872         | \$ 8,821,872                  |
| Intergovernmental   | -                      | -                      | 21,845,899           | 21,845,899                    |
| Tuition   | -                      | -                      | 69,185               | 69,185                        |
| Investment Earnings                                       | -                      | -                      | 106,420              | 106,420                       |
| Other   | -                      | -                      | 8,205                | 8,205                         |
| Total Revenue   | <u>-</u>               | <u>-</u>               | <u>30,851,581</u>    | <u>30,851,581</u>             |
| <b>Expenditures</b>                                       |                        |                        |                      |                               |
| Special Education   |                        |                        |                      |                               |
| Instruction   | 26,936,387             | 21,609,236             | 19,400,035           | 2,209,201                     |
| Support Services - Students                               | 412,875                | 474,356                | 587,344              | (112,988)                     |
| Support Services - Instructional Staff                    | 393,362                | 407,512                | 326,892              | 80,620                        |
| Support Services - General Administration                 | 531,413                | 518,160                | 499,473              | 18,687                        |
| Support Services - School Administration                  | 482,162                | 555,191                | 566,647              | (11,456)                      |
| Support Services - Business and Other<br>Support Services | 1,028,808              | 1,107,049              | 1,697,015            | (589,966)                     |
| Operation and Maintenance of Plant                        | <u>2,053,858</u>       | <u>2,808,266</u>       | <u>2,784,077</u>     | <u>24,189</u>                 |
| Total Expenditures  | <u>31,838,865</u>      | <u>27,479,770</u>      | <u>25,861,483</u>    | <u>1,618,287</u>              |
| Net Change in Fund Balance                                | (31,838,865)           | (27,479,770)           | 4,990,098            | 32,469,868                    |
| <b>Fund Balance</b>                                       |                        |                        |                      |                               |
| Beginning of Year, Restated                               | -                      | -                      | 10,391,203           | 10,391,203                    |
| Decrease in Inventories                                   | -                      | -                      | (7,771)              | (7,771)                       |
| End of Year   | <u>\$ (31,838,865)</u> | <u>\$ (27,479,770)</u> | <u>\$ 15,373,530</u> | <u>\$ 42,853,300</u>          |

See Note to Required Supplementary Information.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
BUDGETARY BASIS – SPECIAL PROJECTS  
YEAR ENDED JUNE 30, 2012**

|                                     | Budgeted Amounts             |                              | Actual                     | Variance With<br>Final Budget |
|-------------------------------------|------------------------------|------------------------------|----------------------------|-------------------------------|
|                                     | Original                     | Final                        |                            |                               |
| Revenue                             |                              |                              |                            |                               |
| Intergovernmental                   | \$ -                         | \$ -                         | \$ 3,653,798               | \$ 3,653,798                  |
| Investment Earnings                 | -                            | -                            | 10,246                     | 10,246                        |
| Total Revenue                       | <u>-</u>                     | <u>-</u>                     | <u>3,664,044</u>           | <u>3,664,044</u>              |
| Expenditures                        |                              |                              |                            |                               |
| Current                             |                              |                              |                            |                               |
| Instruction                         | 5,249,220                    | 4,517,346                    | 3,090,414                  | 1,426,932                     |
| Support Services                    |                              |                              |                            |                               |
| Students                            | -                            | -                            | 21,920                     | (21,920)                      |
| Instructional Staff                 | -                            | -                            | 26,902                     | (26,902)                      |
| Business and Other Support Services | -                            | -                            | 438,775                    | (438,775)                     |
| Operation and Maintenance of Plant  | -                            | -                            | 60,413                     | (60,413)                      |
| Total Expenditures                  | <u>5,249,220</u>             | <u>4,517,346</u>             | <u>3,638,424</u>           | <u>878,922</u>                |
| Net Change in Fund Balance          | (5,249,220)                  | (4,517,346)                  | 25,620                     | 4,542,966                     |
| Fund Balance                        |                              |                              |                            |                               |
| Beginning of Year                   | <u>-</u>                     | <u>-</u>                     | <u>3,789,358</u>           | <u>3,789,358</u>              |
| End of Year                         | <u><u>\$ (5,249,220)</u></u> | <u><u>\$ (4,517,346)</u></u> | <u><u>\$ 3,814,978</u></u> | <u><u>\$ 8,332,324</u></u>    |

See Note to Required Supplementary Information.



**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**YEAR ENDED 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: prepaid insurance payments were charged against the budget in the year in which the payment was made. In addition, 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, 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<br>Revenues    | Total<br>Expenditures | Beginning<br>Fund<br>Balance | Ending Fund<br>Balance |
| Combined Statement of Revenues,<br>Expenditures and Changes in<br>Fund Balance             | \$ 32,646,348        | \$ 26,673,762         | 22,323,434                   | \$ 28,288,897          |
| Insurance Prepayment in Prior Years  | -                    | -                     | (3,562,161)                  | (3,562,161)            |
| Insurance Prepayment in Current Year   | -                    | 924,907               | -                            | (924,907)              |
| Activities Budgeted in Separate Funds  | <u>(1,794,767)</u>   | <u>(1,737,186)</u>    | <u>(8,370,070)</u>           | <u>(8,428,299)</u>     |
| Statement of Revenues,<br>Expenditures and Changes in<br>Fund Balances - Budget and Actual | <u>\$ 30,851,581</u> | <u>\$ 25,861,483</u>  | <u>\$ 10,391,203</u>         | <u>\$ 15,373,530</u>   |

THIS PAGE BLANK

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

THIS PAGE BLANK

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Nonmajor special revenue funds are used to account for revenue derived from specific revenue sources that are legally restricted to expenditures for specific purposes.

*Classroom Site Fund* - Used to account for the revenues and expenditures of State apportioned education sales tax monies.

*Instructional Improvement Fund* - Used to account for the revenues and expenditures for State apportioned Indian Gaming monies.

*Other Special Revenue Fund* - Used to account for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular activity fee tax credit, career and technical education and vocational education projects, fingerprint, textbooks, and insurance refund.

### **CAPITAL PROJECTS FUNDS**

Nonmajor capital projects funds are used to account for revenue derived from specific revenue sources that are legally restricted to expenditures for capital purposes.

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

*Gifts and Donations Fund* - Used to account for gifts and donations to be expended for capital acquisitions.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

|   | Special Revenue     |                              |                          | Total Special<br>Revenue Funds |
|---|---------------------|------------------------------|--------------------------|--------------------------------|
|   | Classroom<br>Site   | Instructional<br>Improvement | Other Special<br>Revenue |                                |
| <b>Assets</b>                                 |                     |                              |                          |                                |
| Cash and Investments                          | \$ 1,561,146        | \$ 587,278                   | \$ 1,799,196             | \$ 3,947,620                   |
| Receivables                                   |                     |                              |                          |                                |
| Intergovernmental                             | 49,370              | 35,648                       | -                        | 85,018                         |
| <b>Total Assets</b>                           | <u>\$ 1,610,516</u> | <u>\$ 622,926</u>            | <u>\$ 1,799,196</u>      | <u>\$ 4,032,638</u>            |
| <b>Liabilities and Fund Balance</b>           |                     |                              |                          |                                |
| <b>Liabilities</b>                            |                     |                              |                          |                                |
| Accounts Payable                              | \$ 315              | \$ -                         | \$ 5,775                 | \$ 6,090                       |
| Accrued Wages and Benefits                    | 353,166             | -                            | 37,397                   | 390,563                        |
| <b>Total Liabilities</b>                      | 353,481             | -                            | 43,172                   | 396,653                        |
| <b>Fund Balance</b>                           |                     |                              |                          |                                |
| Restricted                                    | 1,257,035           | 622,926                      | 1,756,024                | 3,635,985                      |
| <b>Total Fund Balance</b>                     | <u>1,257,035</u>    | <u>622,926</u>               | <u>1,756,024</u>         | <u>3,635,985</u>               |
| <b>Total Liabilities and Fund<br/>Balance</b> | <u>\$ 1,610,516</u> | <u>\$ 622,926</u>            | <u>\$ 1,799,196</u>      | <u>\$ 4,032,638</u>            |

| <u>Capital Projects</u> |                                | <u>Total Capital<br/>Projects Funds</u> | <u>Total Nonmajor<br/>Governmental<br/>Funds</u> |
|-------------------------|--------------------------------|---|--|
| <u>Adjacent Ways</u>    | <u>Gifts and<br/>Donations</u> |   |  |
| \$ 1,168                | \$ 981                         | \$ 2,149                                | \$ 3,949,769                                     |
| -                       | -                              | -                                       | 85,018   |
| <u>\$ 1,168</u>         | <u>\$ 981</u>                  | <u>\$ 2,149</u>                         | <u>\$ 4,034,787</u>                              |
| \$ -                    | \$ -                           | \$ -                                    | \$ 6,090   |
| -                       | -                              | -                                       | 390,563  |
| -                       | -                              | -                                       | 396,653  |
| 1,168                   | 981                            | 2,149                                   | 3,638,134  |
| <u>1,168</u>            | <u>981</u>                     | <u>2,149</u>                            | <u>3,638,134</u>                                 |
| <u>\$ 1,168</u>         | <u>\$ 981</u>                  | <u>\$ 2,149</u>                         | <u>\$ 4,034,787</u>                              |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGE IN FUND BALANCE  
YEAR ENDED JUNE 30, 2012**

|  | Special Revenue     |                              |                          | Total Special<br>Revenue Funds |
|--|---------------------|------------------------------|--------------------------|--------------------------------|
|  | Classroom<br>Site   | Instructional<br>Improvement | Other Special<br>Revenue |                                |
| Revenue                                |                     |                              |                          |                                |
| Intergovernmental                      | \$ 592,433          | \$ 80,639                    | \$ -                     | \$ 673,072                     |
| Investment Earnings                    | 7,904               | 2,634                        | 10,652                   | 21,190                         |
| Other                                  | -                   | -                            | 1,046,395                | 1,046,395                      |
| Total Revenue                          | <u>600,337</u>      | <u>83,273</u>                | <u>1,057,047</u>         | <u>1,740,657</u>               |
| Expenditures                           |                     |                              |                          |                                |
| Current                                |                     |                              |                          |                                |
| Instruction                            | 617,530             | -                            | 613,023                  | 1,230,553                      |
| Support Services                       |                     |                              |                          |                                |
| Students                               | 2,273               | -                            | 8,854                    | 11,127                         |
| Instructional Staff                    | -                   | -                            | 35,527                   | 35,527                         |
| General Administration                 | -                   | -                            | 1,373                    | 1,373                          |
| School Administration                  | -                   | -                            | 376,259                  | 376,259                        |
| Business and Other Support<br>Services | -                   | -                            | 146,102                  | 146,102                        |
| Operation and Maintenance<br>of Plant  | -                   | -                            | 55,790                   | 55,790                         |
| Total Expenditures                     | <u>619,803</u>      | <u>-</u>                     | <u>1,236,928</u>         | <u>1,856,731</u>               |
| Net Change in Fund Balance             | (19,466)            | 83,273                       | (179,881)                | (116,074)                      |
| Fund Balance                           |                     |                              |                          |                                |
| Beginning of Year                      | <u>1,276,501</u>    | <u>539,653</u>               | <u>1,935,905</u>         | <u>3,752,059</u>               |
| End of Year                            | <u>\$ 1,257,035</u> | <u>\$ 622,926</u>            | <u>\$ 1,756,024</u>      | <u>\$ 3,635,985</u>            |



| Capital Projects |                        | Total Capital<br>Projects Funds | Total Nonmajor<br>Governmental<br>Funds |
|------------------|------------------------|---------------------------------|---|
| Adjacent Ways    | Gifts and<br>Donations |                                 |   |
| \$ -             | \$ -                   | \$ -                            | \$ 673,072                              |
| 7                | 5                      | 12                              | 21,202                                  |
| -                | -                      | -                               | 1,046,395                               |
| <u>7</u>         | <u>5</u>               | <u>12</u>                       | <u>1,740,669</u>                        |
| -                | -                      | -                               | 1,230,553                               |
| -                | -                      | -                               | 11,127                                  |
| -                | -                      | -                               | 35,527                                  |
| -                | -                      | -                               | 1,373                                   |
| -                | -                      | -                               | 376,259                                 |
| -                | -                      | -                               | 146,102                                 |
| -                | -                      | -                               | 55,790                                  |
| <u>-</u>         | <u>-</u>               | <u>-</u>                        | <u>1,856,731</u>                        |
| 7                | 5                      | 12                              | (116,062)                               |
| <u>1,161</u>     | <u>976</u>             | <u>2,137</u>                    | <u>3,754,196</u>                        |
| <u>\$ 1,168</u>  | <u>\$ 981</u>          | <u>\$ 2,149</u>                 | <u>\$ 3,638,134</u>                     |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
UNRESTRICTED CAPITAL OUTLAY FUND  
YEAR ENDED JUNE 30, 2012**

|                                     | Budgeted Amounts |                 | Actual        | Variance With<br>Final Budget |
|-------------------------------------|------------------|-----------------|---------------|-------------------------------|
|                                     | Original         | Final           |               |                               |
| Revenue                             |                  |                 |               |                               |
| Intergovernmental                   | \$ -             | \$ -            | \$ 1,445,367  | \$ 1,445,367                  |
| Investment Earnings                 | -                | -               | 53,560        | 53,560                        |
| Total Revenue                       | -                | -               | 1,498,927     | 1,498,927                     |
| Expenditures                        |                  |                 |               |                               |
| Current                             |                  |                 |               |                               |
| Instruction                         | 10,500,000       | 10,506,500      | 101,405       | 10,405,095                    |
| Support Services                    |                  |                 |               |                               |
| Students                            | 3,000,000        | 3,019,000       | -             | 3,019,000                     |
| Instructional Staff                 | -                | -               | 16,448        | (16,448)                      |
| General Administration              | 2,000,000        | 1,974,500       | -             | 1,974,500                     |
| Business and Other Support Services | -                | -               | 66,628        | (66,628)                      |
| Operation and Maintenance of Plant  | 11,000,000       | 19,219,021      | 9,535         | 19,209,486                    |
| Capital Outlay                      |                  |                 |               |                               |
| Facilities Acquisition              | 10,887,461       | 10,887,461      | 1,183,190     | 9,704,271                     |
| Total Expenditures                  | 37,387,461       | 45,606,482      | 1,377,206     | 44,229,276                    |
| Net Change in Fund Balance          | (37,387,461)     | (45,606,482)    | 121,721       | 45,728,203                    |
| Fund Balance                        |                  |                 |               |                               |
| Beginning of Year                   | -                | -               | 15,493,536    | 15,493,536                    |
| End of Year                         | \$ (37,387,461)  | \$ (45,606,482) | \$ 15,615,257 | \$ 61,221,739                 |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
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<br>Final Budget |
|----------------------------|-----------------------|-----------------------|---------------------|-------------------------------|
|                            | Original              | Final                 |                     |                               |
| Revenue                    |                       |                       |                     |                               |
| Intergovernmental          | \$ -                  | \$ -                  | \$ 592,433          | \$ 592,433                    |
| Investment Earnings        | -                     | -                     | 7,904               | 7,904                         |
| Total Revenue              | <u>-</u>              | <u>-</u>              | <u>600,337</u>      | <u>600,337</u>                |
| Expenditures               |                       |                       |                     |                               |
| Current                    |                       |                       |                     |                               |
| Instruction                | 917,704               | 933,765               | 617,530             | 316,235                       |
| Support Services           |                       |                       |                     |                               |
| Students                   | 144,430               | 123,726               | 2,273               | 121,453                       |
| Total Expenditures         | <u>1,062,134</u>      | <u>1,057,491</u>      | <u>619,803</u>      | <u>437,688</u>                |
| Net Change in Fund Balance | (1,062,134)           | (1,057,491)           | (19,466)            | 1,038,025                     |
| Fund Balance               |                       |                       |                     |                               |
| Beginning of Year          | -                     | -                     | 1,276,501           | 1,276,501                     |
| End of Year                | <u>\$ (1,062,134)</u> | <u>\$ (1,057,491)</u> | <u>\$ 1,257,035</u> | <u>\$ 2,314,526</u>           |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
INSTRUCTIONAL IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2012**

|                            | Budgeted Amounts    |                     | Actual            | Variance With<br>Final Budget |
|----------------------------|---------------------|---------------------|-------------------|-------------------------------|
|                            | Original            | Final               |                   |                               |
| Revenue                    |                     |                     |                   |                               |
| Intergovernmental          | \$ -                | \$ -                | \$ 80,639         | \$ 80,639                     |
| Investment Earnings        | -                   | -                   | 2,634             | 2,634                         |
| Total Revenue              | <u>-</u>            | <u>-</u>            | <u>83,273</u>     | <u>83,273</u>                 |
| Expenditures               |                     |                     |                   |                               |
| Current                    |                     |                     |                   |                               |
| Instruction                | 508,000             | 540,925             | -                 | 540,925                       |
| Total Expenditures         | <u>508,000</u>      | <u>540,925</u>      | <u>-</u>          | <u>540,925</u>                |
| Net Change in Fund Balance | (508,000)           | (540,925)           | 83,273            | 624,198                       |
| Fund Balance               |                     |                     |                   |                               |
| Beginning of Year          | -                   | -                   | 539,653           | 539,653                       |
| End of Year                | <u>\$ (508,000)</u> | <u>\$ (540,925)</u> | <u>\$ 622,926</u> | <u>\$ 1,163,851</u>           |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
OTHER SPECIAL REVENUE FUND  
YEAR ENDED JUNE 30, 2012**

|                                     | Budgeted Amounts      |                       | Actual              | Variance With<br>Final Budget |
|-------------------------------------|-----------------------|-----------------------|---------------------|-------------------------------|
|                                     | Original              | Final                 |                     |                               |
| Revenue                             |                       |                       |                     |                               |
| Investment Earnings                 | \$ -                  | \$ -                  | \$ 10,652           | \$ 10,652                     |
| Other                               | -                     | -                     | 1,046,395           | 1,046,395                     |
| Total Revenue                       | <u>-</u>              | <u>-</u>              | <u>1,057,047</u>    | <u>1,057,047</u>              |
| Expenditures                        |                       |                       |                     |                               |
| Current                             |                       |                       |                     |                               |
| Instruction                         | 2,732,900             | 2,948,200             | 613,023             | 2,335,177                     |
| Support Services                    |                       |                       |                     |                               |
| Students                            | -                     | -                     | 8,854               | (8,854)                       |
| Instructional Staff                 | -                     | -                     | 35,527              | (35,527)                      |
| General Administration              | -                     | -                     | 1,373               | (1,373)                       |
| School Administration               | -                     | -                     | 376,259             | (376,259)                     |
| Business and Other Support Services | -                     | -                     | 146,102             | (146,102)                     |
| Operation and Maintenance of Plant  | -                     | -                     | 55,790              | (55,790)                      |
| Total Expenditures                  | <u>2,732,900</u>      | <u>2,948,200</u>      | <u>1,236,928</u>    | <u>1,711,272</u>              |
| Net Change in Fund Balance          | (2,732,900)           | (2,948,200)           | (179,881)           | 2,768,319                     |
| Fund Balance                        |                       |                       |                     |                               |
| Beginning of Year                   | -                     | -                     | 1,935,905           | 1,935,905                     |
| End of Year                         | <u>\$ (2,732,900)</u> | <u>\$ (2,948,200)</u> | <u>\$ 1,756,024</u> | <u>\$ 4,704,224</u>           |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
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>Actual</u>   | <u>Variance With<br/>Final Budget</u> |
|----------------------------|-------------------------|-------------------|-----------------|---------------------------------------|
|                            | <u>Original</u>         | <u>Final</u>      |                 |                                       |
| Revenue                    |                         |                   |                 |                                       |
| Investment Earnings        | \$ -                    | \$ -              | \$ 7            | \$ 7                                  |
| Expenditures               |                         |                   |                 |                                       |
| Capital Outlay             |                         |                   |                 |                                       |
| Facilities Acquisition     | <u>598</u>              | <u>1,200</u>      | <u>-</u>        | <u>1,200</u>                          |
| Net Change in Fund Balance | (598)                   | (1,200)           | 7               | 1,207                                 |
| Fund Balance               |                         |                   |                 |                                       |
| Beginning of Year          | -                       | -                 | 1,161           | 1,161                                 |
| End of Year                | <u>\$ (598)</u>         | <u>\$ (1,200)</u> | <u>\$ 1,168</u> | <u>\$ 2,368</u>                       |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL  
GIFTS AND DONATIONS FUND  
YEAR ENDED JUNE 30, 2012**

|                            | Budgeted<br>Amounts<br>Original and<br>Final | Actual        | Variance With<br>Final Budget |
|----------------------------|--|---------------|-------------------------------|
| Revenue                    |  |               |                               |
| Investment Earnings        | \$ -   | \$ 5          | \$ 5                          |
| Expenditures               |  |               |                               |
| Current                    |  |               |                               |
| Instruction                | <u>980</u>                                   | <u>-</u>      | <u>980</u>                    |
| Net Change in Fund Balance | (980)  | 5             | 985                           |
| Fund Balance               |  |               |                               |
| Beginning of Year          | -  | 976           | 976                           |
| End of Year                | <u>\$ (980)</u>                              | <u>\$ 981</u> | <u>\$ 1,961</u>               |

THIS PAGE BLANK



## **AGENCY FUNDS**

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

*Insurance Fund* - Used to account for monies held to pay insurance premiums of the District and District employees.

THIS PAGE BLANK

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
 AGENCY FUNDS  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 JUNE 30, 2012**

|                       | <u>Student Activities</u> | <u>Insurance</u> | <u>Total</u>     |
|-----------------------|---------------------------|------------------|------------------|
| Assets                |                           |                  |                  |
| Current Assets        |                           |                  |                  |
| Cash and Investments  | \$ 83,971                 | \$ 5,207         | \$ 89,178        |
| Total Current Assets  | <u>\$ 83,971</u>          | <u>\$ 5,207</u>  | <u>\$ 89,178</u> |
| Liabilities           |                           |                  |                  |
| Due to Student Groups | \$ 83,971                 | \$ -             | \$ 83,971        |
| Due to Other Entities | -                         | 5,207            | 5,207            |
| Total Liabilities     | <u>\$ 83,971</u>          | <u>\$ 5,207</u>  | <u>\$ 89,178</u> |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**YEAR ENDED JUNE 30, 2012**

|                                | <u>Balance</u><br><u>July 01, 2011</u> | <u>Additions</u>    | <u>Deductions</u>     | <u>Balance</u><br><u>June 30, 2012</u> |
|--------------------------------|--|---------------------|-----------------------|--|
| <b>Student Activities Fund</b> |  |                     |                       |  |
| Assets                         |  |                     |                       |  |
| Cash and Investments           | \$ 74,980                              | \$ 112,426          | \$ (103,435)          | \$ 83,971                              |
| Total Assets                   | <u>\$ 74,980</u>                       | <u>\$ 112,426</u>   | <u>\$ (103,435)</u>   | <u>\$ 83,971</u>                       |
| Liabilities                    |  |                     |                       |  |
| Due to Student Groups          | \$ 74,980                              | \$ 112,426          | \$ (103,435)          | \$ 83,971                              |
| Total Liabilities              | <u>\$ 74,980</u>                       | <u>\$ 112,426</u>   | <u>\$ (103,435)</u>   | <u>\$ 83,971</u>                       |
| <b>Insurance</b>               |  |                     |                       |  |
| Assets                         |  |                     |                       |  |
| Cash and Investments           | \$ 236,166                             | \$ 3,418,521        | \$ (3,649,480)        | \$ 5,207                               |
| Total Assets                   | <u>\$ 236,166</u>                      | <u>\$ 3,418,521</u> | <u>\$ (3,649,480)</u> | <u>\$ 5,207</u>                        |
| Liabilities                    |  |                     |                       |  |
| Due to Other Entities          | \$ 236,166                             | \$ 3,418,521        | \$ (3,649,480)        | \$ 5,207                               |
| Total Liabilities              | <u>\$ 236,166</u>                      | <u>\$ 3,418,521</u> | <u>\$ (3,649,480)</u> | <u>\$ 5,207</u>                        |
| <b>Total Agency Funds</b>      |  |                     |                       |  |
| Assets                         |  |                     |                       |  |
| Cash and Investments           | \$ 311,146                             | \$ 3,530,947        | \$ (3,752,915)        | \$ 89,178                              |
| Total Assets                   | <u>\$ 311,146</u>                      | <u>\$ 3,530,947</u> | <u>\$ (3,752,915)</u> | <u>\$ 89,178</u>                       |
| Liabilities                    |  |                     |                       |  |
| Due to Student Groups          | \$ 74,980                              | \$ 112,426          | \$ (103,435)          | \$ 83,971                              |
| Due to Other Entities          | 236,166                                | 3,418,521           | (3,649,480)           | 5,207                                  |
| Total Liabilities              | <u>\$ 311,146</u>                      | <u>\$ 3,530,947</u> | <u>\$ (3,752,915)</u> | <u>\$ 89,178</u>                       |

## **STATISTICAL SECTION (UNAUDITED)**

This section of the East Valley Institute of Technology School District No. 401'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.*

THIS PAGE BLANK

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**NET ASSETS BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

|  | Fiscal Year          |                      |                      |                      |                      |                      |                       |                       |                       |                       |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2003                 | 2004                 | 2005                 | 2006                 | 2007                 | 2008                 | 2009                  | 2010                  | 2011                  | 2012                  |
| Governmental Activities                  |                      |                      |                      |                      |                      |                      |                       |                       |                       |                       |
| Invested in Capital Assets, Net of       |                      |                      |                      |                      |                      |                      |                       |                       |                       |                       |
| Related Debt                             | \$ 21,820,003        | \$ 26,728,505        | \$ 31,684,790        | \$ 38,112,535        | \$ 48,507,434        | \$ 47,386,442        | \$ 47,545,496         | \$ 48,959,371         | \$ 81,121,175         | \$ 80,288,820         |
| Restricted                               | 6,694,689            | 13,365,763           | 23,407,840           | 35,908,094           | 28,781,988           | 36,265,848           | 39,242,114            | 49,127,061            | 7,543,554             | 11,016,662            |
| Unrestricted                             | <u>13,135,012</u>    | <u>15,447,338</u>    | <u>18,135,472</u>    | <u>8,148,145</u>     | <u>8,760,687</u>     | <u>10,980,952</u>    | <u>20,888,300</u>     | <u>20,412,544</u>     | <u>34,270,836</u>     | <u>40,203,956</u>     |
| Total Governmental Activities Net Assets | <u>\$ 41,649,704</u> | <u>\$ 55,541,606</u> | <u>\$ 73,228,102</u> | <u>\$ 82,168,774</u> | <u>\$ 86,050,109</u> | <u>\$ 94,633,242</u> | <u>\$ 107,675,910</u> | <u>\$ 118,498,976</u> | <u>\$ 122,935,565</u> | <u>\$ 131,509,438</u> |

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

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**CHANGES IN NET ASSETS**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

|   | Fiscal Year       |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2003              | 2004              | 2005              | 2006              | 2007              | 2008              | 2009              | 2010              | 2011              | 2012              |
| <b>Expenses</b>                                       |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Governmental Activities:                              |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Instruction   | \$ 11,563,024     | \$ 16,766,914     | \$ 19,885,606     | \$ 25,407,273     | \$ 28,954,294     | \$ 30,288,659     | \$ 26,707,379     | \$ 26,015,034     | \$ 32,921,191     | \$ 27,658,857     |
| Support Services:                                     |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Support Services - Students and Staff                 | 868,852           | 1,047,441         | 980,867           | 1,366,269         | 764,261           | 827,675           | 938,846           | 1,105,248         | 956,229           | 1,058,074         |
| Support Services - Administration                     | 1,975,235         | 1,835,607         | 1,861,990         | 2,027,543         | 2,431,727         | 1,937,709         | 1,737,902         | 2,356,738         | 2,493,524         | 2,688,998         |
| Operation and Maintenance of Plant                    | 1,506,683         | 1,538,300         | 1,532,248         | 1,794,997         | 2,278,564         | 2,804,074         | 2,293,459         | 2,021,534         | 2,082,508         | 2,533,165         |
| Operation of Noninstructional Services                | 336,531           | 382,258           | 515,866           | 466,788           | 469,215           | 434,741           | 625,664           | 536,390           | 356,289           | 471,381           |
| Interest on Long-term Debt                            | 873,195           | 617,318           | 342,394           | 405               | -                 | -                 | 5,706             | 5,581             | 96,415            | 2,620             |
| <b>Total Governmental Activities</b>                  | <b>17,123,520</b> | <b>22,187,838</b> | <b>25,118,971</b> | <b>31,063,275</b> | <b>34,898,061</b> | <b>36,292,858</b> | <b>32,308,956</b> | <b>32,040,525</b> | <b>38,906,156</b> | <b>34,413,095</b> |
| <b>Program Revenues</b>                               |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Governmental Activities:                              |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Charges for Services:                                 |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Instruction   | 309,893           | 503,768           | 417,651           | 499,309           | 366,731           | 1,222,904         | 1,290,241         | 466,244           | 152,642           | 138,968           |
| Operation and Maintenance of Plant                    | -                 | -                 | -                 | -                 | -                 | -                 | -                 | 1,150,237         | 1,234,338         | 1,560,305         |
| Operation of Noninstructional Services                | 401,306           | 421,273           | 753,684           | 534,169           | 268,821           | 607,422           | 270,273           | 303,563           | 300,323           | 281,762           |
| Other Activities                                      | 186,425           | 88,120            | 44,395            | 196,215           | 444,605           | 33,113            | 41,708            | -                 | -                 | -                 |
| Capital Grants and Contributions                      | 213,804           | 131,525           | 233,118           | 275,117           | 297,911           | 333,554           | 1,174,660         | -                 | -                 | -                 |
| Operating Grants and Contributions                    | 1,025,344         | 1,689,781         | 1,072,864         | 894,768           | 741,127           | 748,628           | 4,820,615         | 7,084,978         | 2,157,141         | 2,752,477         |
| <b>Total Governmental Activities Program Revenues</b> | <b>2,136,772</b>  | <b>2,834,467</b>  | <b>2,521,712</b>  | <b>2,399,578</b>  | <b>2,119,195</b>  | <b>2,945,621</b>  | <b>7,597,497</b>  | <b>9,005,022</b>  | <b>3,844,444</b>  | <b>4,733,512</b>  |



**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**CHANGES IN NET ASSETS**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

| (Concluded)   | Fiscal Year     |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   | 2003            | 2004            | 2005            | 2006            | 2007            | 2008            | 2009            | 2010            | 2011            | 2012            |
| <b>Net (Expense)/Revenue</b>                            |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities                                 | \$ (14,986,748) | \$ (19,353,371) | \$ (22,597,259) | \$ (28,663,697) | \$ (32,778,866) | \$ (33,347,237) | \$ (24,711,459) | \$ (23,035,503) | \$ (35,061,712) | \$ (29,679,583) |
| <b>General Revenues and Other Changes in Net Assets</b> |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities:                                |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Taxes   |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Property Taxes, Levied for General Purposes             | 3,271,627       | 764,640         | 110,540         | 128,376         | 7,718,793       | 10,762,151      | 12,712,247      | 12,662,097      | 11,070,617      | 8,696,694       |
| Property Taxes, Levied for Debt Service                 | 6,122,144       | 6,358,589       | 6,596,808       | 55,641          | 640             | -               | -               | -               | -               | -               |
| Property Taxes, Levied for Capital Outlay               | 2,813,845       | 4,804,760       | 7,286,828       | 8,158,983       | -               | 100,083         | 9,121           | 15,566          | -               | -               |
| Investment Earnings                                     | 298,543         | 436,055         | 818,884         | 1,418,014       | 1,998,725       | 2,146,469       | 1,485,137       | 759,414         | 616,769         | 238,574         |
| Unrestricted County Aid                                 | 1,010,599       | 1,308,259       | 2,068,293       | 2,195,239       | 29,971          | -               | -               | -               | 3,033,562       | 2,541,699       |
| Unrestricted State Aid                                  | 11,531,284      | 19,828,249      | 23,402,402      | 25,648,116      | 26,912,072      | 28,921,667      | 23,547,622      | 20,421,492      | 24,131,043      | 21,639,935      |
| Federal, Not Restricted                                 | -               | -               | -               | -               | -               | -               | -               | -               | 646,310         | 1,574,393       |
| Other   | -               | -               | -               | -               | -               | -               | -               | -               | -               | -               |
| Total Governmental Activities:                          | 25,048,042      | 33,500,552      | 40,283,755      | 37,604,369      | 36,660,201      | 41,930,370      | 37,754,127      | 33,858,569      | 39,498,301      | 34,691,295      |
| <b>Change in Net Assets</b>                             |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Governmental Activities                                 | \$ 10,061,294   | \$ 14,147,181   | \$ 17,686,496   | \$ 8,940,672    | \$ 3,881,335    | \$ 8,583,133    | \$ 13,042,668   | \$ 10,823,066   | \$ 4,436,589    | \$ 5,011,712    |

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

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

|   | Fiscal Year         |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|---|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2003                | 2004                 | 2005                 | 2006                 | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                 |
| General Fund                              |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved                                  | \$ 850,063          | \$ 665,530           | \$ 779,571           | \$ 811,843           | \$ 251,181           | \$ 87,696            | \$ 601,209           | \$ 62,880            | \$ -                 | \$ -                 |
| Unreserved                                | 4,381,250           | 6,225,015            | 8,056,125            | 3,483,494            | 4,093,083            | 5,501,638            | 8,431,247            | 20,262,521           | -                    | -                    |
| Nonspendable                              | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 82,273               | 75,150               |
| Restricted                                | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 3,563,550            |
| Unassigned                                | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 18,679,000           | 24,650,197           |
| <b>Total General Fund</b>                 | <b>\$ 5,231,313</b> | <b>\$ 6,890,545</b>  | <b>\$ 8,835,696</b>  | <b>\$ 4,295,337</b>  | <b>\$ 4,344,264</b>  | <b>\$ 5,589,334</b>  | <b>\$ 9,032,456</b>  | <b>\$ 20,325,401</b> | <b>\$ 18,761,273</b> | <b>\$ 28,288,897</b> |
| All other governmental funds              |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Reserved                                  | \$ 6,256            | \$ 8,237             | \$ 10,202            | \$ 11,063            | \$ 3,273             | \$ 24,559            | \$ 13,921            | \$ 12,564            | \$ -                 | \$ -                 |
| Unreserved, Reported in:                  |                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special Revenue Funds                     | 2,504,935           | 2,908,445            | 3,303,059            | 3,845,906            | 4,474,452            | 5,826,081            | 10,204,232           | 10,959,192           | -                    | -                    |
| Debt Service Funds                        | 184,272             | 257,196              | 332,309              | 399,235              | -                    | -                    | -                    | -                    | -                    | -                    |
| Capital Projects Funds                    | 6,107,917           | 12,912,975           | 22,763,244           | 35,164,869           | 28,781,988           | 36,265,848           | 39,076,028           | 38,155,305           | -                    | -                    |
| Restricted                                | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 7,543,554            | 7,453,112            |
| Assigned                                  | -                   | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 15,493,536           | 15,615,257           |
| <b>Total All Other Governmental Funds</b> | <b>\$ 8,803,380</b> | <b>\$ 16,086,853</b> | <b>\$ 26,408,814</b> | <b>\$ 39,421,073</b> | <b>\$ 33,259,713</b> | <b>\$ 42,116,488</b> | <b>\$ 49,294,181</b> | <b>\$ 49,127,061</b> | <b>\$ 23,037,090</b> | <b>\$ 23,068,369</b> |

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

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

THIS PAGE BLANK

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

|  | Fiscal Year |            |            |            |            |            |              |              |              |              |
|--|-------------|------------|------------|------------|------------|------------|--------------|--------------|--------------|--------------|
|  | 2003        | 2004       | 2005       | 2006       | 2007       | 2008       | 2009         | 2010         | 2011         | 2012         |
| <b>Federal Sources</b>                 |             |            |            |            |            |            |              |              |              |              |
| Federal Grants                         | \$ 636,354  | \$ 662,207 | \$ 409,086 | \$ 380,828 | \$ 428,435 | \$ 381,110 | \$ 4,288,192 | \$ 5,193,470 | \$ 1,551,868 | \$ 1,574,393 |
| Total Federal Sources                  | 636,354     | 662,207    | 409,086    | 380,828    | 428,435    | 381,110    | 4,288,192    | 5,193,470    | 1,551,868    | 1,574,393    |
| <b>State Sources</b>                   |             |            |            |            |            |            |              |              |              |              |
| State Equalization Assistance          | 11,095,366  | 19,377,218 | 22,788,032 | 24,860,012 | 26,058,960 | 27,925,889 | 21,197,128   | 22,104,197   | 24,131,043   | 21,639,935   |
| State Grants                           | 1,035,440   | 1,582,638  | 1,551,066  | 1,569,312  | 610,603    | 701,072    | 1,664,195    | 771,289      | 671,216      | 2,079,405    |
| Other Revenues                         | -           | -          | -          | -          | 853,112    | 995,778    | 667,789      | 1,120,219    | 580,367      | 673,072      |
| Total State Sources                    | 12,130,806  | 20,959,856 | 24,339,098 | 26,429,324 | 27,522,675 | 29,622,739 | 23,529,112   | 23,995,705   | 25,382,626   | 24,392,412   |
| <b>Local Sources</b>                   |             |            |            |            |            |            |              |              |              |              |
| Property Taxes                         | 12,109,734  | 12,033,523 | 13,921,254 | 8,311,297  | 7,858,510  | 10,798,276 | 12,616,283   | 12,658,778   | 11,132,111   | 8,821,872    |
| County Aid                             | 1,010,599   | 1,308,259  | 2,068,293  | 2,195,239  | 29,971     | -          | -            | -            | 3,033,562    | 2,541,699    |
| Investment Income                      | 298,543     | 402,604    | 820,566    | 1,418,014  | 1,998,725  | 2,146,469  | 1,485,137    | 759,414      | 616,769      | 238,577      |
| Other Revenues                         | 901,659     | 1,060,873  | 1,214,048  | 1,237,542  | 1,193,310  | 1,863,439  | 1,645,110    | 1,920,044    | 1,687,303    | 1,981,035    |
| Total Local Sources                    | 14,320,535  | 14,805,259 | 18,024,161 | 13,162,092 | 11,080,516 | 14,808,184 | 15,746,530   | 15,338,236   | 16,469,745   | 13,583,183   |
| Total Revenues                         | 27,087,695  | 36,427,322 | 42,772,345 | 39,972,244 | 39,031,626 | 44,812,033 | 43,563,834   | 44,527,411   | 43,404,239   | 39,549,988   |
| <b>Expenditures</b>                    |             |            |            |            |            |            |              |              |              |              |
| Current                                |             |            |            |            |            |            |              |              |              |              |
| Instruction                            | 9,631,580   | 14,178,194 | 17,383,179 | 22,747,425 | 24,537,457 | 27,126,827 | 24,077,296   | 24,355,573   | 31,646,104   | 25,093,669   |
| Support Services - Students and Staff  | 898,175     | 993,268    | 982,975    | 1,370,428  | 778,713    | 802,107    | 817,587      | 1,106,640    | 941,633      | 1,016,500    |
| Support Services - Administration      | 1,992,487   | 1,746,645  | 1,856,508  | 2,006,926  | 2,405,577  | 1,931,548  | 2,069,474    | 2,330,199    | 2,659,159    | 3,271,947    |
| Services                               | 1,564,749   | 1,494,406  | 1,640,159  | 1,753,614  | 2,278,355  | 1,806,653  | 2,405,872    | 1,997,531    | 2,062,480    | 2,479,410    |
| Student Transportation Services        | -           | -          | -          | -          | 311        | -          | -            | -            | -            | -            |
| Operation of Noninstructional Services | 336,531     | 382,258    | 499,703    | 441,090    | 450,947    | 427,452    | 621,165      | 531,063      | 348,927      | 466,186      |
| Capital Outlay                         | 1,724,629   | 2,069,976  | 1,681,321  | 3,213,589  | 14,124,247 | 2,473,402  | 3,501,885    | 2,505,673    | 33,279,363   | 1,183,190    |
| Debt Service                           |             |            |            |            |            |            |              |              |              |              |
| Judgments against District             | -           | -          | -          | -          | -          | -          | 77,350       | -            | -            | -            |
| Interest, Premium, and Fiscal Charges  | 873,195     | 617,318    | 342,394    | 405        | -          | -          | 5,706        | 5,581        | 96,415       | 2,620        |
| Principal Retirement                   | 5,665,000   | 5,820,000  | 6,235,000  | -          | -          | -          | 26,583       | 29,640       | 4,243,230    | 32,601       |
| Total Expenditures                     | 22,686,346  | 27,302,065 | 30,621,239 | 31,533,477 | 44,575,607 | 34,567,989 | 33,602,918   | 32,861,900   | 75,277,311   | 33,546,123   |

(Continued)

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

| (Concluded)  | Fiscal Year  |              |               |              |                |               |               |               |                 |              |
|--|--------------|--------------|---------------|--------------|----------------|---------------|---------------|---------------|-----------------|--------------|
|  | 2003         | 2004         | 2005          | 2006         | 2007           | 2008          | 2009          | 2010          | 2011            | 2012         |
| Excess of Revenues   |              |              |               |              |                |               |               |               |                 |              |
| Over (Under) Expenditures                                  | \$ 4,401,349 | \$ 9,125,257 | \$ 12,151,106 | \$ 8,438,767 | \$ (5,543,981) | \$ 10,244,044 | \$ 9,960,916  | \$ 11,665,511 | \$ (31,873,072) | \$ 6,003,865 |
| <b>Other Financing Sources (Uses)</b>                      |              |              |               |              |                |               |               |               |                 |              |
| Capital Lease Agreements                                   | -            | -            | -             | -            | -              | -             | 157,024       | -             | 4,212,144       | -            |
| Transfers In   | 48,672       | -            | 49,948        | -            | 414,618        | 287,518       | 177,241       | -             | 15,000,000      | -            |
| Transfers out  | (48,672)     | -            | (49,948)      | -            | (414,618)      | (287,518)     | (177,241)     | -             | (15,000,000)    | -            |
| Total Other Financing Sources (Uses)                       | -            | -            | -             | -            | -              | -             | 157,024       | -             | 4,212,144       | -            |
| Net Change in Fund Balance                                 | \$ 4,401,349 | \$ 9,125,257 | \$ 12,151,106 | \$ 8,438,767 | \$ (5,543,981) | \$ 10,244,044 | \$ 10,117,940 | \$ 11,665,511 | \$ (27,660,928) | \$ 6,003,865 |
| Debt Service as a Percentage of<br>Noncapital Expenditures | 31.19%       | 25.51%       | 22.73%        | 0.00%        | 0.00%          | 0.00%         | 0.36%         | 0.12%         | 10.33%          | 0.11%        |

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

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

| <u>Fiscal Year</u> | <u>Secondary Assessed Value</u> | <u>Total Direct Tax Rate</u> | <u>Estimated Actual Value</u> | <u>Assessed Value as a Percentage of Actual Value</u> |
|--------------------|---------------------------------|------------------------------|-------------------------------|---|
| 2003               | \$ 10,906,144,686               | \$ 0.170                     | \$ 90,029,130,754             | 12.11 %   |
| 2004               | 11,754,182,355                  | 0.100                        | 99,374,153,684                | 11.83   |
| 2005               | 12,752,735,194                  | 0.100                        | 107,653,797,707               | 11.85   |
| 2006               | 14,048,333,333                  | 0.060                        | 118,847,290,375               | 11.82   |
| 2007               | 15,105,792,464                  | 0.050                        | 127,786,930,531               | 11.82   |
| 2008               | 20,859,728,880                  | 0.050                        | 184,821,187,172               | 11.29   |
| 2009               | 24,064,055,556                  | 0.050                        | 215,682,825,852               | 11.16   |
| 2010               | 24,437,715,883                  | 0.050                        | 220,781,969,479               | 11.07   |
| 2011               | 21,554,843,123                  | 0.050                        | 195,108,944,960               | 11.05   |
| 2012               | 20,028,848,229                  | 0.050                        | 158,168,797,579               | 12.66   |

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

Note: Assessed values by major component were not available.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES\***  
**(PER \$100 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

|   | Fiscal Years |         |         |         |         |         |         |         |         |         |
|---|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2002-03      | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
| State of Arizona                                | -            | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| Maricopa County                                 | 1.29         | 1.21    | 1.21    | 1.20    | 1.18    | 1.10    | 1.03    | 1.16    | 1.24    | 1.24    |
| Maricopa County CCD                             | 1.11         | 1.04    | 1.04    | 0.89    | 1.06    | 0.98    | 0.94    | 0.88    | 0.97    | 1.38    |
| Maricopa County Library District                | 0.04         | 0.05    | 0.05    | 0.05    | 0.05    | 0.04    | 0.04    | 0.04    | 0.04    | 0.05    |
| Maricopa County Fire District                   | 0.01         | 0.01    | 0.01    | 0.01    | 0.01    | 0.01    | 0.01    | 0.01    | 0.01    | 0.01    |
| Maricopa County Flood Control District          | 0.21         | 0.21    | 0.21    | 0.21    | 0.20    | 0.15    | 0.14    | 0.14    | 0.15    | 0.18    |
| Central AZ Water Conservation District          | 0.13         | 0.12    | 0.12    | 0.12    | 0.12    | 0.10    | 0.10    | 0.10    | 0.10    | 0.10    |
| City of Chandler                                | 1.28         | 1.28    | 1.28    | 1.28    | 1.25    | 1.20    | 1.18    | 1.18    | 1.18    | 1.27    |
| Town of Fountain Hills                          | 0.51         | 0.42    | 0.42    | 0.35    | 0.30    | 0.21    | 0.20    | 0.23    | 0.16    | 0.27    |
| Town of Gilbert                                 | 1.15         | 1.15    | 1.15    | 1.15    | 1.15    | 1.15    | 1.15    | 1.15    | 1.15    | 1.15    |
| City of Phoenix                                 | 1.82         | 1.82    | 1.82    | 1.82    | 1.81    | 1.82    | 1.82    | 1.82    | 1.82    | 1.82    |
| Fountain Hills Road District Nos. 9, 10, 11, 12 | N/A          | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     | N/A     |
| Fountain Hills Sanitary District                | 1.29         | N/A     | 1.13    | 1.04    | 0.99    | 0.78    | 0.78    | 0.74    | 0.61    | 0.71    |
| Sun Lakes Fire District                         | 2.14         | 2.68    | N/A     | 2.68    | 2.68    | 2.17    | 2.17    | 2.33    | 2.60    | 3.09    |
| Chandler Unified School District No. 80         | 7.79         | 6.90    | 6.99    | 6.33    | 6.33    | 5.16    | 4.59    | 4.48    | 4.84    | 6.20    |
| Fountain Hills Unified School District No. 98   | 6.12         | 5.57    | 5.57    | 5.12    | 4.68    | 3.90    | 3.16    | 3.04    | 3.02    | 3.03    |
| Gilbert Unified School District No. 41          | 8.35         | 7.88    | 7.88    | 6.18    | 6.82    | 4.97    | 5.13    | 5.04    | 5.26    | 7.20    |
| Higley Elementary School District No. 60        | 6.47         | 6.46    | 6.46    | 5.45    | 5.99    | 5.91    | 5.76    | 4.87    | 4.77    | 7.28    |
| Mesa Unified School District No. 4              | 7.79         | 6.67    | 6.67    | 6.38    | 6.37    | 5.43    | 5.11    | 4.92    | 5.22    | 6.87    |
| Queen Creek Unified School District No. 95      | 6.27         | 9.11    | 9.11    | 8.57    | 10.04   | 8.07    | 5.46    | 5.01    | 4.92    | 7.61    |
| Scottsdale Unified School District No. 48       | 5.30         | 5.03    | 5.03    | 4.68    | 4.70    | 4.71    | 3.89    | 3.78    | 3.75    | 4.43    |
| Kyrene Elementary School District No. 28        | 4.18         | 3.04    | 3.04    | 2.65    | 3.97    | 2.51    | 2.89    | 2.91    | 3.21    | 3.93    |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES\***  
**(PER \$100 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

|   | Fiscal Years |         |         |         |         |         |         |         |         |         |
|---|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2002-03      | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
| Tempe Elementary School District No. 3                      | 4.27         | 3.98    | 3.04    | 2.65    | 3.99    | 3.82    | 3.51    | 3.28    | 3.60    | 5.57    |
| Tempe Union High School District No. 213                    | 3.33         | 3.04    | 3.04    | 3.98    | 2.63    | 2.51    | 2.28    | 2.22    | 2.30    | 2.41    |
| Pinal County  | 4.60         | 4.60    | 4.60    | 4.59    | 4.43    | 4.14    | 3.56    | 3.23    | 3.58    | 3.86    |
| Pinal County CCD  | 2.17         | 2.15    | 2.15    | 2.10    | 2.05    | 1.80    | 1.41    | 1.38    | 1.47    | 1.47    |
| Pinal County Library District                               | 0.06         | 0.06    | 0.06    | 0.06    | 0.06    | 0.08    | 0.10    | 0.10    | 0.10    | 0.10    |
| Pinal County Fire District                                  | N/A          | 0.09    | 0.09    | 0.09    | 0.09    | 0.05    | 0.04    | 0.04    | 0.05    | 0.05    |
| Pinal County Flood Control District                         | 0.09         | 0.09    | 0.09    | 0.09    | 0.11    | 0.13    | 0.15    | 0.17    | 0.17    | 0.17    |
| Central AZ Water Conservation District                      | 0.13         | 0.12    | 0.12    | 0.12    | 0.12    | 0.10    | 0.10    | 0.10    | 0.10    | 0.10    |
| Apache Junction Fire District                               | 2.53         | 2.48    | 2.48    | 2.48    | 2.43    | 2.29    | 2.00    | 2.00    | 2.35    | 2.35    |
| Queen Valley Fire District                                  | 3.00         | 3.00    | 3.00    | 3.00    | 3.25    | 3.10    | 2.92    | 3.05    | 3.22    | 3.22    |
| Queen Valley Sanitary District                              | 1.81         | 2.68    | 2.68    | 1.69    | 1.98    | 1.98    | 1.98    | 1.98    | 1.98    | 1.98    |
| Apache Junction Unified School District No. 43              | 7.67         | 6.75    | 6.75    | 6.28    | 5.99    | 5.85    | 4.75    | 4.24    | 4.23    | 4.23    |
| J.O. Combs Elementary School District No. 44                | 7.11         | 6.17    | 6.17    | 6.17    | 6.04    | 9.90    | 7.50    | 5.13    | 5.08    | 5.08    |
| East Valley Institute of Technology School District No. 401 | 0.17         | 0.10    | 0.10    | 0.06    | 0.05    | 0.05    | 0.05    | 0.05    | 0.05    | 0.05    |

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

Note 1: The City of Mesa, Town of Guadalupe, City of Apache Junction, Town of Paradise Valley and Town of Queen Creek are not included as they operate without a tax rate.

Note 2: N/A indicates information is not available.



**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
PRINCIPAL PROPERTY TAXPAYERS  
JUNE 30, 2012 AND 2002  
(UNAUDITED)**

| Taxpayer                                 | 2012                    |   | 2002                    |   |
|--|-------------------------|---|-------------------------|---|
|  | Secondary Valuation     | Percentage of Total County Assessed Value | Secondary Valuation     | Percentage of Total County Assessed Value |
| Arizona Public Service Company           | \$ 1,087,402,081        | 2.19%                                     | \$ 692,140,346          | 3.02%                                     |
| Salt River Project                       | 653,895,628             | 1.32%                                     |                         |   |
| Qwest Corporation                        | 230,780,585             | 0.46%                                     | 365,985,185             | 1.60%                                     |
| Southwest Gas Corporation                | 167,366,070             | 0.34%                                     | 121,237,144             | 0.53%                                     |
| Southern California Edison Co.           | 154,343,927             | 0.31%                                     | 169,400,620             | 0.74%                                     |
| El Paso Electric Co.                     | 135,952,234             | 0.27%                                     | 142,067,483             | 0.62%                                     |
| Intel Corporation                        | 121,184,466             | 0.24%                                     | 108,498,798             | 0.47%                                     |
| Gila River Power, LP                     | 116,665,501             | 0.23%                                     |                         |   |
| Mesquite Power, LLC                      | 105,238,560             | 0.21%                                     |                         |   |
| Wal-Mart Stores, Inc.                    | 92,460,164              | 0.19%                                     | 41,375,709              | 0.18%                                     |
| Public Service Company of New Mexico     | 86,220,216              | 0.17%                                     | 80,746,508              | 0.35%                                     |
| Target Corporation                       | 80,940,958              | 0.16%                                     | 41,312,611              | 0.18%                                     |
| Federal National Mortgage Association    | 74,688,609              | 0.15%                                     |                         |   |
| New Harquahala Generating Co., LLC       | 72,006,394              | 0.14%                                     |                         |   |
| Host Kierland, LLC                       | 63,927,591              | 0.13%                                     |                         |   |
| Scottsdale Fashion Square Partnership    | 61,195,003              | 0.12%                                     | 49,837,135              | 0.22%                                     |
| Safeway Inc                              | 55,088,390              | 0.11%                                     | 42,791,179              | 0.19%                                     |
| Southern Cal Public Pwr Auth(Palo Verde) | 54,750,079              | 0.11%                                     | 65,570,107              | 0.29%                                     |
| Smiths Food & Drug Centers Inc.          | 52,084,549              | 0.10%                                     |                         |   |
| Verizon Wireless                         | 51,270,946              | 0.10%                                     |                         |   |
| A T & T/Wireless Service                 |                         |   | 77,432,255              | 0.34%                                     |
| Motorola Computer Group, SPS, GEG        |                         |   | 142,149,454             | 0.62%                                     |
| Cox Communication                        |                         |   | 65,991,170              | 0.29%                                     |
| MCI Telecommunication Corp.              |                         |   | 44,653,734              | 0.19%                                     |
| Sheraton Corp                            |                         |   | 37,484,477              | 0.16%                                     |
| Albertson's                              |                         |   | 36,233,223              | 0.16%                                     |
| Wells Fargo & Company                    |                         |   | 35,717,589              | 0.16%                                     |
| Arizona MSA                              |                         |   | 34,472,010              | 0.16%                                     |
| Totals                                   | <u>\$ 3,517,461,951</u> | <u>7.05%</u>                              | <u>\$ 2,395,096,737</u> | <u>10.47%</u>                             |

Source: The source of this information is the Maricopa and Pinal County's Assessor's records.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| Fiscal Year | Taxes Levied for the Fiscal Year | Current Collections     |                                    |                                 | Collections to Date |                    |
|-------------|----------------------------------|-------------------------|------------------------------------|---------------------------------|---------------------|--------------------|
|             |                                  | Current Tax Collections | Percent of Current Taxes Collected | Collections in Subsequent Years | Total to Date       | Percentage of Levy |
| 2003        | \$ 11,634,202                    | \$ 11,264,836           | 96.83                              | \$ 362,023                      | \$ 11,626,859       | 99.94              |
| 2004        | 11,453,396                       | 11,198,729              | 97.78                              | 247,609                         | 11,446,338          | 99.94              |
| 2005        | 13,461,685                       | 13,061,597              | 97.03                              | 367,283                         | 13,428,880          | 99.76              |
| 2006        | 8,027,945                        | 7,791,084               | 97.05                              | 232,798                         | 8,023,882           | 99.95              |
| 2007        | 7,717,574                        | 7,528,636               | 97.55                              | 185,716                         | 7,714,352           | 99.96              |
| 2008        | 10,519,539                       | 10,229,494              | 97.24                              | 285,295                         | 10,514,789          | 99.95              |
| 2009        | 12,237,254                       | 11,831,936              | 96.69                              | 396,463                         | 12,228,399          | 99.93              |
| 2010        | 12,190,798                       | 11,693,942              | 95.92                              | 482,551                         | 12,176,493          | 99.88              |
| 2011        | 10,623,422                       | 10,322,074              | 97.16                              | 291,337                         | 10,613,411          | 99.91              |
| 2012        | 8,398,795                        | 8,212,259               | 97.78                              | -                               | 8,212,259           | 97.78              |

Source: The source of this information is the Maricopa County Treasurer's records.

Note 1: Amounts collected are on a cash basis.

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

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

| Fiscal Year | General Obligation Bonds | Less: Amounts Restricted for Principal | Total         | Percentage of Estimated Actual Value | Percentage of Personal Income | Per Capita | Capital Leases | Total Outstanding Debt |                                      |            |
|-------------|--------------------------|--|---------------|--------------------------------------|-------------------------------|------------|----------------|------------------------|--------------------------------------|------------|
|             |                          |  |               |                                      |                               |            |                | Total                  | Percentage of Estimated Actual Value | Per Capita |
| 2003        | \$ 17,720,000            | \$ 5,665,000                           | \$ 12,055,000 | 0.01 %                               | 11.33%                        | \$ 8       | \$ -           | \$ 12,055,000          | 0.01 %                               | \$ 3       |
| 2004        | 12,055,000               | 5,820,000                              | 6,235,000     | 0.01                                 | 5.39                          | 4          | -              | 6,235,000              | 0.01                                 | 2          |
| 2005        | 6,235,000                | 6,235,000                              | -             | -                                    | -                             | -          | -              | -                      | -                                    | -          |
| 2006        | -                        | -                                      | -             | -                                    | -                             | -          | -              | -                      | -                                    | -          |
| 2007        | -                        | -                                      | -             | -                                    | -                             | -          | -              | -                      | -                                    | -          |
| 2008        | -                        | -                                      | -             | -                                    | -                             | -          | -              | -                      | -                                    | -          |
| 2009        | -                        | -                                      | -             | -                                    | -                             | -          | 130,441        | 130,441                | 0.00                                 | 14         |
| 2010        | -                        | -                                      | -             | -                                    | -                             | -          | 100,801        | 100,801                | 0.00                                 | 15         |
| 2011        | -                        | -                                      | -             | -                                    | -                             | -          | 69,715         | 69,715                 | 0.00                                 | 14         |
| 2012        | -                        | -                                      | -             | -                                    | -                             | -          | 37,114         | -                      | -                                    | 15         |

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

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2010**  
**(UNAUDITED)**

| Governmental Unit  | Outstanding<br>Debt | Estimated<br>Percentage<br>Applicable | Estimated Share<br>of Overlapping<br>Debt |
|--|---------------------|---------------------------------------|---|
| <b>Debt Repaid with Property Taxes</b>                         |                     |                                       |   |
| Maricopa County  | \$ 145,035,000      | 42.76%                                | \$ 62,016,966                             |
| Maricopa County CCD  | 601,930,000         | 42.76                                 | 257,385,268                               |
| City of Chandler   | 449,790,000         | 100.00                                | 449,790,000                               |
| Town of Fountain Hills   | 5,415,000           | 100.00                                | 5,415,000                                 |
| Town of Gilbert  | 195,320,000         | 100.00                                | 195,320,000                               |
| City of Scottsdale   | 578,190,000         | 63.38                                 | 366,456,822                               |
| City of Tempe  | 475,833,706         | 100.00                                | 475,833,706                               |
| Fountain Hills Sanitary District                               | N/A                 | 100.00                                | N/A                                       |
| Scottsdale Mountain Community Facilities District              | 3,005,000           | 100.00                                | 3,005,000                                 |
| McDowell Mountain Ranch Community Facilities                   | 13,265,000          | 100.00                                | 13,265,000                                |
| Eagle Mountain Community Facilities District                   | 3,630,000           | 100.00                                | 3,630,000                                 |
| Chandler Unified School District No. 80                        | 182,080,000         | 100.00                                | 182,080,000                               |
| Fountain Hills Unified School District No.98                   | 16,205,000          | 100.00                                | 16,205,000                                |
| Gilbert Unified School District No. 41                         | 188,720,000         | 100.00                                | 188,720,000                               |
| Higley Elementary School District No.41                        | 68,540,000          | 100.00                                | 68,540,000                                |
| Mesa Unified School District No. 4                             | 262,845,000         | 100.00                                | 262,845,000                               |
| Queen Creek Unified School District No.95                      | 39,735,000          | 100.00                                | 39,735,000                                |
| Scottsdale Unified School District No. 48                      | 251,860,000         | 100.00                                | 251,860,000                               |
| Kyrene Elementary School District No.28                        | 115,435,000         | 100.00                                | 115,435,000                               |
| Tempe Elementary School District No.3                          | 124,850,000         | 100.00                                | 124,850,000                               |
| Tempe Union High School District No. 213                       | 85,410,000          | 100.00                                | 85,410,000                                |
| Pinal County CCD   | 45,405,000          | 30.40                                 | 13,803,120                                |
| Apache Junction Unified School District No. 43                 | 54,640,000          | 100.00                                | 54,640,000                                |
| Subtotal, Overlapping Debt                                     |                     |                                       | 3,236,240,882                             |
| East Valley Institute of Technology School District<br>No. 401 |                     |                                       | 37,114                                    |
| Total Direct and Overlapping Debt                              |                     |                                       | <u>\$ 3,236,277,996</u>                   |

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

N/A: Not available

Note: Information for FY 2012 was not available.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

|  | Fiscal Year           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2003                  | 2004                  | 2005                  | 2006                  | 2007                  | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  |
| Debt Limit   | \$ 117,541,824        | \$ 117,541,824        | \$ 127,527,352        | \$ 140,483,333        | \$ 151,057,925        | \$ 208,597,289        | \$ 240,640,556        | \$ 244,377,159        | \$ 215,548,431        | \$ 200,288,482        |
| Total<br>Applicable to<br>Limit  | 12,055,000            | 6,235,000             | -                     | -                     | -                     | -                     | -                     | -                     | -                     | -                     |
| Legal Debt<br>Margin   | <u>\$ 105,486,824</u> | <u>\$ 111,306,824</u> | <u>\$ 127,527,352</u> | <u>\$ 140,483,333</u> | <u>\$ 151,057,925</u> | <u>\$ 208,597,289</u> | <u>\$ 240,640,556</u> | <u>\$ 244,377,159</u> | <u>\$ 215,548,431</u> | <u>\$ 200,288,482</u> |
| <br>Total Net Debt<br>Applicable to<br>the Limit as a<br>Percentage of<br>the Debt Limit | 10.26%                | 5.30%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 | 0.00%                 |

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

Note 1: In fiscal years 2011-12, 2010-11, 2009-10, 2008-09, 2007-08, 2006-07, 2005-06, and 2004-05, the District had no debt that was applicable to the debt limit.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**CALCULATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2012**  
**(UNAUDITED)**

|  |    |                   |
|--|----|-------------------|
| Net Secondary Assessed Value   |    | \$ 20,028,848,229 |
| Legal Debt Margin:   |    |                   |
| Debt Limitation - 1% of Assessed Value                               |    | 200,288,482       |
| Amount of Debt Applicable to Debt Limit:                             |    |                   |
| General Obligation and Refunding Bonds Outstanding                   | \$ | -                 |
| Less: Assets in Debt Service Fund Available for Payment of Principal |    | -                 |
|  |    |                   |
| Total Amount of Debt Applicable to Debt Limit                        |    | -                 |
| Legal Debt Margin  |    | \$ 200,288,482    |

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
MARICOPA COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS  
(UNAUDITED)**

**Maricopa County**

| <u>Calendar<br/>Year</u> | <u>Population</u> | <u>Personal<br/>Income (in<br/>Thousands)</u> | <u>Per Capita<br/>Personal<br/>Income</u> | <u>Unemployment<br/>Rate</u> | <u>Estimated<br/>District<br/>Population</u> |
|--------------------------|-------------------|---|---|------------------------------|--|
| 2002                     | 3,346,900         | \$ 96,998,974                                 | \$ 29,117                                 | 5.30%                        | 1,453,372                                    |
| 2003                     | 3,396,875         | 102,277,852                                   | 29,020                                    | 4.90%                        | 1,526,041                                    |
| 2004                     | 3,524,175         | 111,103,576                                   | 30,160                                    | 4.40%                        | 1,526,041                                    |
| 2005                     | 3,648,545         | 110,278,789                                   | 31,523                                    | 4.10%                        | 1,598,710                                    |
| 2006                     | 3,792,675         | 120,716,738                                   | 33,178                                    | 3.50%                        | 1,678,646                                    |
| 2007                     | 3,907,492         | 132,423,154                                   | 35,046                                    | 3.20%                        | 1,628,744                                    |
| 2008                     | 3,987,942         | 139,665,253                                   | 36,135                                    | 4.80%                        | 1,317,338                                    |
| 2009                     | 3,958,263         | 147,122,078                                   | 37,168                                    | 8.30%                        | 1,419,633                                    |
| 2010                     | 4,023,132         | 142,091,618                                   | 35,319                                    | 9.10%                        | 1,577,958                                    |
| 2011                     | 3,880,244         | 154,230,500                                   | 39,748                                    | 4.70%                        | 1,577,958                                    |

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

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
 PINAL COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS  
 (UNAUDITED)**

**Pinal County**

| Calendar<br>Year | Population | Personal<br>Income (in<br>Thousands) | Per Capita<br>Personal<br>Income | Unemployment<br>Rate |
|------------------|------------|--------------------------------------|----------------------------------|----------------------|
| 2002             | 194,800    | \$ 3,806,125                         | \$ 15,028                        | 7.10%                |
| 2003             | 201,565    | 4,107,473                            | 19,356                           | 6.50%                |
| 2004             | 218,285    | 4,500,589                            | 20,153                           | 5.80%                |
| 2005             | 246,660    | 4,646,779                            | 20,941                           | 5.40%                |
| 2006             | 299,875    | 5,001,332                            | 20,835                           | 5.00%                |
| 2007             | 327,670    | 6,041,934                            | 22,518                           | 4.70%                |
| 2008             | 350,558    | 6,912,473                            | 22,975                           | 6.80%                |
| 2009             | 239,060    | 7,892,358                            | 23,985                           | 11.40%               |
| 2010             | 340,962    | 8,259,897                            | 24,225                           | 12.00%               |
| 2011             | 382,992    | 8,860,496                            | 23,135                           | 8.30%                |

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



**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
 PRINCIPAL EMPLOYERS  
 JUNE 30, 2012 AND 2002  
 (UNAUDITED)**

| Employer                 | 2012           |                                | 2002           |                                |
|--------------------------|----------------|--------------------------------|----------------|--------------------------------|
|                          | Employees      | Percentage of Total Employment | Employees      | Percentage of Total Employment |
| State of Arizona         | 49,282         | 3.02 %                         | 49,973         | 3.22                           |
| Wal-Mart Stores Inc.     | 30,608         | 1.88 %                         | 17,500         | 1.13 %                         |
| Banner Health Systems    | 28,220         | 1.78 %                         | 14,000         | 0.90 %                         |
| City of Phoenix          | 15,544         | 0.95 %                         | 13,298         | 0.86 %                         |
| Wells Fargo Company      | 13,100         | 0.80 %                         |                |                                |
| Apollo Group Inc.        | 13,000         | 0.80 %                         | 15,523         | 1.00 %                         |
| Maricopa County          | 12,458         | 0.76 %                         |                |                                |
| Arizona State University | 12,221         | 0.75 %                         |                |                                |
| Bank of America          | 12,000         | 0.74 %                         |                |                                |
| Raytheon Co.             | 12,000         | 0.74 %                         |                |                                |
| Honeywell Aerospace      |                |                                | 16,000         | 1.03 %                         |
| Motorola                 |                |                                | 15,100         | 0.97 %                         |
| The Kroger Co.           |                |                                | 13,500         | 0.87 %                         |
| American Express         |                |                                | 11,000         | 0.71 %                         |
| American West Holdings   |                |                                | 10,270         | 0.66 %                         |
|                          | <u>198,433</u> | <u>9.20%</u>                   | <u>176,164</u> | <u>8.13%</u>                   |

Source: This information is for Maricopa County. The source of this information is The Business Journal, Book of Lists.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

| Full-Time Equivalent Employees          |               |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Function                                | 2003          | 2004          | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          |
| <b>Supervisory</b>                      |               |               |               |               |               |               |               |               |               |               |
| Consultants/Supervisors of Instruction  | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 2.00          | 3.00          | 3.00          | 4.00          | 4.00          |
| Principals                              | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| Assistant Principals                    | 3.00          | 3.00          | 2.00          | 2.00          | 4.00          | 2.00          | 3.00          | 3.00          | 3.00          | 4.00          |
| <b>Total Supervisory</b>                | <b>5.00</b>   | <b>5.00</b>   | <b>4.00</b>   | <b>4.00</b>   | <b>6.00</b>   | <b>5.00</b>   | <b>7.00</b>   | <b>7.00</b>   | <b>8.00</b>   | <b>9.00</b>   |
| <b>Instruction</b>                      |               |               |               |               |               |               |               |               |               |               |
| Teachers                                | 52.00         | 63.00         | 60.00         | 55.00         | 55.00         | 54.00         | 57.00         | 57.00         | 62.00         | 61.68         |
| Other Teachers (Adult)                  | 2.00          | 2.00          | 3.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 11.00         | 11.34         |
| Other Professionals (Instructional)     | 1.00          | 5.00          | 5.00          | 3.00          | 5.00          | 4.00          | 2.00          | 2.00          | -             | 0.00          |
| Aides                                   | 6.00          | 7.00          | 8.00          | 10.00         | 9.00          | 10.00         | 10.00         | 10.00         | 6.00          | 4.73          |
| <b>Total Instruction</b>                | <b>61.00</b>  | <b>77.00</b>  | <b>76.00</b>  | <b>70.00</b>  | <b>71.00</b>  | <b>70.00</b>  | <b>71.00</b>  | <b>71.00</b>  | <b>79.00</b>  | <b>77.75</b>  |
| <b>Student Services</b>                 |               |               |               |               |               |               |               |               |               |               |
| Technicians                             | 17.00         | 16.00         | 14.00         | 15.00         | 14.00         | 12.00         | 13.00         | 13.00         | 9.00          | 7.82          |
| <b>Total Student Services</b>           | <b>17.00</b>  | <b>16.00</b>  | <b>14.00</b>  | <b>15.00</b>  | <b>14.00</b>  | <b>12.00</b>  | <b>13.00</b>  | <b>13.00</b>  | <b>9.00</b>   | <b>7.82</b>   |
| <b>Support and Administration</b>       |               |               |               |               |               |               |               |               |               |               |
| Service Workers                         | 27.00         | 23.00         | 23.00         | 18.00         | 15.00         | 16.00         | 23.00         | 23.00         | 41.00         | 48.23         |
| Unskilled Laborers                      | 18.00         | 16.00         | 18.00         | 20.00         | 17.00         | 20.00         | 22.00         | 22.00         | 23.00         | 24.90         |
| <b>Total Support and Administration</b> | <b>45.00</b>  | <b>39.00</b>  | <b>41.00</b>  | <b>38.00</b>  | <b>32.00</b>  | <b>36.00</b>  | <b>45.00</b>  | <b>45.00</b>  | <b>64.00</b>  | <b>73.13</b>  |
| <b>Total</b>                            | <b>128.00</b> | <b>137.00</b> | <b>135.00</b> | <b>127.00</b> | <b>123.00</b> | <b>123.00</b> | <b>136.00</b> | <b>136.00</b> | <b>160.00</b> | <b>167.70</b> |

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

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| <u>Fiscal Year</u> | <u>Enrollment</u> | <u>Operating Expenditures</u> | <u>Cost per Pupil</u> | <u>Percentage Change</u> | <u>Total Expenditures</u> | <u>Cost Per Pupil</u> | <u>Percentage Change</u> | <u>Teaching Staff</u> | <u>Pupil-Teacher Ratio</u> |
|--------------------|-------------------|-------------------------------|-----------------------|--------------------------|---------------------------|-----------------------|--------------------------|-----------------------|----------------------------|
| 2003               | 4,003             | \$ 14,423,522                 | \$ 3,603              | (12.63)%                 | \$ 17,123,520             | \$ 4,278              | N/A                      | 222.00                | 18.03                      |
| 2004               | 4,951             | 18,794,771                    | 3,796                 | 5.36                     | 22,187,838                | 4,481                 | 4.76                     | 275.00                | 18.00                      |
| 2005               | 7,117             | 22,362,524                    | 3,142                 | (17.23)                  | 25,118,971                | 3,529                 | (21.24)                  | 375.00                | 18.98                      |
| 2006               | 6,903             | 28,319,483                    | 4,102                 | 30.56                    | 31,063,275                | 4,500                 | 27.50                    | 363.00                | 19.02                      |
| 2007               | 7,549             | 30,451,360                    | 4,034                 | (1.67)                   | 34,898,061                | 4,623                 | 2.73                     | 182.00                | 41.48                      |
| 2008               | 6,870             | 32,094,587                    | 4,672                 | 15.81                    | 36,292,858                | 5,283                 | 14.28                    | 122.00                | 56.31                      |
| 2009               | 6,394             | 29,991,394                    | 4,691                 | 0.40                     | 32,308,956                | 5,053                 | (4.35)                   | 138.00                | 46.33                      |
| 2010               | 7,924             | 30,321,006                    | 3,826                 | (18.42)                  | 32,861,900                | 4,147                 | (17.93)                  | 149.00                | 53.18                      |
| 2011               | 8,119             | 37,658,303                    | 4,638                 | 21.22                    | 75,277,311                | 9,272                 | 123.57                   | 163.00                | 49.81                      |
| 2012               | 6,837             | 32,327,712                    | 4,729                 | 1.95                     | 33,546,123                | 4,907                 | (47.08)                  | 138.41                | 49.39                      |

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

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

N/A indicates that the information is not available or not applicable.

**EAST VALLEY INSTITUTE OF TECHNOLOGY SCHOOL DISTRICT NO. 401**  
**CAPITAL ASSETS INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

|                              | Fiscal Year |         |         |         |         |         |         |         |         |         |
|------------------------------|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                              | 2003        | 2004    | 2005    | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    |
| <b><u>Schools</u></b>        |             |         |         |         |         |         |         |         |         |         |
| <b>High</b>                  |             |         |         |         |         |         |         |         |         |         |
| Buildings                    | 10          | 10      | 10      | 10      | 10      | 11      | 11      | 11      | 11      | 16      |
| Square Feet                  | 333,471     | 335,424 | 335,424 | 335,424 | 335,424 | 399,440 | 399,440 | 399,440 | 399,440 | 557,974 |
| Capacity                     | 2,139       | 2,940   | 2,940   | 2,940   | 2,940   | 3,440   | 3,440   | 3,440   | 3,440   | 6,953   |
| Enrollment                   | 1,551       | 1,710   | 1,794   | 1,733   | 1,733   | 1,804   | 1,854   | 2,363   | 2,363   | 2,952   |
| <b>Other</b>                 |             |         |         |         |         |         |         |         |         |         |
| Buildings                    | 4           | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 4       | 4       |
| Square Feet                  | 6,168       | 6,168   | 6,168   | 6,168   | 6,168   | 6,168   | 6,168   | 6,168   | 6,168   | 6,168   |
| Capacity                     | 60          | 60      | 60      | 60      | 60      | 60      | 60      | 60      | 60      | 60      |
| <b><u>Administrative</u></b> |             |         |         |         |         |         |         |         |         |         |
| Buildings                    | 1           | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Square Feet                  | 9,034       | 9,034   | 9,034   | 9,034   | 9,034   | 9,034   | 9,034   | 9,034   | 9,034   | 9,034   |
| <b><u>Transportation</u></b> |             |         |         |         |         |         |         |         |         |         |
| * Buses                      | 2           | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       | 2       |

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

\* Limited to field trip use only.