

**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 TO THE STATEMENT OF NET ASSETS	22
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS	23
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	24
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – FIDUCIARY FUNDS	25
NOTES TO BASIC FINANCIAL STATEMENTS	26
REQUIRED SUPPLEMENTARY INFORMATION	
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND	41
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL (BUDGETARY BASIS) – SPECIAL 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 IN FUND BALANCE	46
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – UNRESTRICTED CAPITAL OUTLAY FUND	48
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – CLASSROOM SITE FUND	49
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – INSTRUCTIONAL IMPROVEMENT FUND	50
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – OTHER SPECIAL REVENUE FUND	51
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – ADJACENT WAYS FUND	52
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND 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
STATISTICAL SECTION (UNAUDITED)	
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 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 9th grade students from JTED funding. The result of this amendment was a loss of 1707 ADM of 9th 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. Emery

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 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 Change	Percent Change
REVENUES				
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 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>
EXPENSES				
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>
CHANGE IN NET ASSETS	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>
NET ASSETS - END OF YEAR	<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 (Decrease) 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 Activities
ASSETS	
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
LIABILITIES	
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
NET ASSETS	
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) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Primary Government:				
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 Fund	Unrestricted Capital Outlay	Special Projects	Nonmajor	Totals
Assets					
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 \$101,075)	270,979	-	-	-	270,979
Intergovernmental	6,033,796	394,710	157,376	85,018	6,670,900
Inventories	75,150	-	-	-	75,150
Total Assets	<u>\$ 34,288,579</u>	<u>\$ 15,788,337</u>	<u>\$ 3,827,523</u>	<u>\$ 4,034,787</u>	<u>\$ 57,939,226</u>
Liabilities and Fund Balance					
Liabilities					
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
Total Liabilities	<u>5,999,682</u>	<u>173,080</u>	<u>12,545</u>	<u>396,653</u>	<u>6,581,960</u>
Fund Balance					
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
Total Fund Balance	<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>
Total Liabilities and Fund Balance	<u>\$ 34,288,579</u>	<u>\$ 15,788,337</u>	<u>\$ 3,827,523</u>	<u>\$ 4,034,787</u>	<u>\$ 57,939,226</u>

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	<u>(17,309,160)</u>
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	<u>(342,817)</u>

Total Net Assets of Governmental Activities	<u><u>\$ 131,509,438</u></u>
---	------------------------------

**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 Fund	Unrestricted Capital Outlay	Special Projects	Nonmajor	Totals
Revenue					
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>
Expenditures					
Current					
Instruction	20,671,297	101,405	3,090,414	1,230,553	25,093,669
Support Services					
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
Debt Service					
Principal Retirement	32,601	-	-	-	32,601
Interest on Long-Term Debt	2,620	-	-	-	2,620
Capital Outlay					
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
Fund Balance					
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:

	<u>Unavailable</u>
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 Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
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:

Governmental Activities:	
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 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:

	Governmental Activities
<u>Year Ending June 30,</u>	
2013	\$ 35,220
2014	2,935
Net Minimum Lease Payments	38,155
Less: Amount Representing Interest	(1,041)
Present Value of Net Minimum	
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 of Year</u>	<u>Additions</u>	<u>Retirements</u>	<u>End of Year</u>	<u>Due Within 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>
Total Long-Term Obligations	<u><u>\$ 385,035</u></u>	<u><u>\$ 165,527</u></u>	<u><u>\$ (170,631)</u></u>	<u><u>\$ 379,931</u></u>	<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 Fund	Unrestricted 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 Other Qualified Programs (A.R.S. 15-977)	-	-	1,257,035	1,257,035
Instructional Improvement Programs	-	-	622,926	622,926
Federal and State 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 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 Fund	Health Benefit Supplement Fund	Long-Term Disability 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 Final Budget
	Original	Final		
Revenue				
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>
Expenditures				
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 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
Fund Balance				
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 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 Revenues	Total Expenditures	Beginning Fund Balance	Ending Fund Balance
Combined Statement of Revenues, Expenditures and Changes in 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, Expenditures and Changes in 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 Revenue Funds
	Classroom Site	Instructional Improvement	Other Special Revenue	
Assets				
Cash and Investments	\$ 1,561,146	\$ 587,278	\$ 1,799,196	\$ 3,947,620
Receivables				
Intergovernmental	49,370	35,648	-	85,018
Total Assets	<u><u>\$ 1,610,516</u></u>	<u><u>\$ 622,926</u></u>	<u><u>\$ 1,799,196</u></u>	<u><u>\$ 4,032,638</u></u>
Liabilities and Fund Balance				
Liabilities				
Accounts Payable	\$ 315	\$ -	\$ 5,775	\$ 6,090
Accrued Wages and Benefits	353,166	-	37,397	390,563
Total Liabilities	353,481	-	43,172	396,653
Fund Balance				
Restricted	1,257,035	622,926	1,756,024	3,635,985
Total Fund Balance	<u><u>1,257,035</u></u>	<u><u>622,926</u></u>	<u><u>1,756,024</u></u>	<u><u>3,635,985</u></u>
Total Liabilities and Fund Balance	<u><u>\$ 1,610,516</u></u>	<u><u>\$ 622,926</u></u>	<u><u>\$ 1,799,196</u></u>	<u><u>\$ 4,032,638</u></u>

<u>Capital Projects</u>		<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Adjacent Ways</u>	<u>Gifts and 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 Revenue Funds
	Classroom Site	Instructional Improvement	Other Special 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 Services	-	-	146,102	146,102
Operation and Maintenance 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 Projects Funds	Total Nonmajor Governmental Funds
Adjacent Ways	Gifts and 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 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 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 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 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 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 Amounts Original and Final	Actual	Variance With 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> <u>July 01, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2012</u>
Student Activities Fund				
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>
Insurance				
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>
Total Agency Funds				
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
Expenses										
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 Operation and Maintenance of Plant	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 of Noninstructional Services	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
Interest on Long-term Debt	336,531	382,258	515,866	466,788	469,215	434,741	625,664	536,390	356,289	471,381
	873,195	617,318	342,394	405	-	-	5,706	5,581	96,415	2,620
Total Governmental Activities	17,123,520	22,187,838	25,118,971	31,063,275	34,898,061	36,292,858	32,308,956	32,040,525	38,906,156	34,413,095
Program Revenues										
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
Total Governmental Activities Program Revenues	2,136,772	2,834,467	2,521,712	2,399,578	2,119,195	2,945,621	7,597,497	9,005,022	3,844,444	4,733,512

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
Net (Expense)/Revenue										
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)
General Revenues and Other Changes in Net Assets										
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
Change in Net Assets										
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
Total General Fund	\$ 5,231,313	\$ 6,890,545	\$ 8,835,696	\$ 4,295,337	\$ 4,344,264	\$ 5,589,334	\$ 9,032,456	\$ 20,325,401	\$ 18,761,273	\$ 28,288,897
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
Total All Other Governmental Funds	\$ 8,803,380	\$ 16,086,853	\$ 26,408,814	\$ 39,421,073	\$ 33,259,713	\$ 42,116,488	\$ 49,294,181	\$ 49,127,061	\$ 23,037,090	\$ 23,068,369

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
Federal Sources										
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
State Sources										
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
Local Sources										
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
Expenditures										
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
Other Financing Sources (Uses)										
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 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 Debt	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
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 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 Applicable to Limit	12,055,000	6,235,000	-	-	-	-	-	-	-	-
Legal Debt 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>
 Total Net Debt Applicable to the Limit as a Percentage of 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 Year</u>	<u>Population</u>	<u>Personal Income (in Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Estimated District 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 Year	Population	Personal Income (in Thousands)	Per Capita Personal Income	Unemployment 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
Supervisory										
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
Total Supervisory	<u>5.00</u>	<u>5.00</u>	<u>4.00</u>	<u>4.00</u>	<u>6.00</u>	<u>5.00</u>	<u>7.00</u>	<u>7.00</u>	<u>8.00</u>	<u>9.00</u>
Instruction										
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
Total Instruction	<u>61.00</u>	<u>77.00</u>	<u>76.00</u>	<u>70.00</u>	<u>71.00</u>	<u>70.00</u>	<u>71.00</u>	<u>71.00</u>	<u>79.00</u>	<u>77.75</u>
Student Services										
Technicians	17.00	16.00	14.00	15.00	14.00	12.00	13.00	13.00	9.00	7.82
Total Student Services	<u>17.00</u>	<u>16.00</u>	<u>14.00</u>	<u>15.00</u>	<u>14.00</u>	<u>12.00</u>	<u>13.00</u>	<u>13.00</u>	<u>9.00</u>	<u>7.82</u>
Support and Administration										
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
Total Support and Administration	<u>45.00</u>	<u>39.00</u>	<u>41.00</u>	<u>38.00</u>	<u>32.00</u>	<u>36.00</u>	<u>45.00</u>	<u>45.00</u>	<u>64.00</u>	<u>73.13</u>
Total	<u><u>128.00</u></u>	<u><u>137.00</u></u>	<u><u>135.00</u></u>	<u><u>127.00</u></u>	<u><u>123.00</u></u>	<u><u>123.00</u></u>	<u><u>136.00</u></u>	<u><u>136.00</u></u>	<u><u>160.00</u></u>	<u><u>167.70</u></u>

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
<u>Schools</u>										
High										
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
Other										
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
<u>Administrative</u>										
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
<u>Transportation</u>										
* 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.