

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012**

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

DOUGLAS, ARIZONA

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

Issued by:
Business and Finance Department

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	i
ASBO Certificate of Excellence	vi
GFOA Certificate of Achievement	vii
Organizational Chart	viii
List of Principal Officials	ix

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) (Required Supplementary Information)	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Assets	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Assets	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	28

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION</u> (Cont'd)	<u>Page</u>
BASIC FINANCIAL STATEMENTS (Concl'd)	
Statement of Fiduciary Assets and Liabilities	29
Notes to Financial Statements	31
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL (Required Supplementary Information)	
General Fund	50
Title I Grants Fund	51
Note to Required Supplementary Information	52
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	56
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	57
Special Revenue Funds:	
Combining Balance Sheet	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	66
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	72
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	96

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

TABLE OF CONTENTS (Cont'd)

<u>FINANCIAL SECTION (Concl'd)</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES (Concl'd)	
Capital Projects Funds:	
Combining Balance Sheet	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	100
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	102
Agency Funds:	
Combining Statement of Fiduciary Assets and Liabilities	108
Combining Statement of Changes in Fiduciary Assets and Liabilities	109
 <u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Assets by Component	113
Expenses, Program Revenues, and Net (Expense)/Revenue	114
General Revenues and Total Changes in Net Assets	116
Fund Balances – Governmental Funds	118
Governmental Funds Revenues	120
Governmental Funds Expenditures and Debt Service Ratio	122
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	124

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

TABLE OF CONTENTS (Concl'd)

<u>STATISTICAL SECTION (Concl'd)</u>	<u>Page</u>
Revenue Capacity:	
Assessed Value and Estimated Actual Value of Taxable Property	125
Direct and Overlapping Property Tax Rates	126
Principal Property Taxpayers	127
Property Tax Levies and Collections	128
Debt Capacity:	
Outstanding Debt by Type	129
Direct and Overlapping Governmental Activities Debt	130
Legal Debt Margin Information	131
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	132
Principal Employers	133
Operating Information:	
Full-Time Equivalent District Employees by Type	134
Operating Statistics	136
Capital Assets Information	137

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INTRODUCTORY SECTION

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DOUGLAS UNIFIED SCHOOL DISTRICT # 27

Administrative Offices ~ 1132 12th Street

Douglas, Arizona 85607

(520) 364-2447 ~ Fax: (520) 224-2470

Sheila A. Rogers
Superintendent

Cesar Soto
Business Manager

Gloria “Bonnie” Lopez
Assistant Superintendent

December 17, 2012

Citizens and Governing Board
Douglas Unified School District No. 27
1132 12th St.
Douglas, AZ 85607

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America 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 Douglas Unified School District No. 27 (District) for the fiscal year ended June 30, 2012.

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

The District’s financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting

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

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

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

PROFILE OF THE DISTRICT

The District is one of 24 public school districts located in Cochise County, Arizona. It provides a program of public education from preschool through grade twelve with an estimated current enrollment of 4,026 students.

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

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

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

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

Douglas lies in a southeastern corner of Arizona on the border with Agua Prieta, Sonora, Mexico, at an elevation of nearly 3,990 feet. Its citizens enjoy a quiet, rural lifestyle and one of the best climates in the nation.

The population of Douglas is approximately 18,000 people, and the population of Agua Prieta is over 150,000. The two cities, separated by a chain link fence, share an interdependent economy and culture.

The Douglas area is composed of a population in which approximately 88% of the people are Hispanic. The Douglas Unified School District serves 4,026 students, 15% of whom are considered English Language Learners (ELL). The District has developed a strong English As A Second Language (ESL) program to serve these students. The District also has a Free and Reduced Lunch student population of 86%, which allows for eligibility for Federal grant funding.

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. Douglas, on the Mexican border, is 118 miles southeast of Tucson, and is reached via Interstate 10 to U.S. 80. Across the border from Douglas is Agua Prieta, Sonora, Mexico. Douglas, at an elevation of 3,990 feet, was founded in 1901 as a site for a copper smelter and was incorporated in 1905. However, the smelter curtailed operations in 1987. Originally, it was an annual round-up spot for ranchers. Agriculture and ranching are still important segments of the area's economy.

Because of its location on the U.S.-Mexico border, international commerce is an important part of the local economy. Douglas has three manufacturing plants; and Agua Prieta has 23, many of the latter operating under the twin-plant concept. The lure of shopping and sight-seeing in “Old Mexico” and the nearness to several outdoor recreation areas have made tourism and retirement significant to Douglas’ economy.

Major private employers include Wal-Mart Stores, Inc., Southeast Arizona Medical Center, Bashas’, and Safeway. Major public employers include Cochise County, Arizona Department of Corrections, Douglas Unified School District No. 27, U.S. Border Patrol, Cochise College, City of Douglas, U.S. Customs, and Homeland Security: Field Operations.

Long-term Financial Planning. By planning for long range goals of maintaining facilities, the District is able to optimize the use of building renewal money to upgrade and maintain existing buildings in an ongoing plan. Systematic improvements allow the District to improve sites to minimize utility usage and provide a safe and upgraded environment for student learning. The average age of school buildings is 70 years.

By benefiting from an 86% E-rate funded technology, the District is upgrading technology to students and staff. Communication systems throughout the District are being upgraded to allow for prompt and efficient communications between classrooms, offices and the public.

AWARDS AND ACKNOWLEDGMENTS


Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the seventh consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 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,



Sheila Rogers
Superintendent



Cesar Soto
Business Manager

Association of School Business Officials International



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

Douglas Unified School District No. 27

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2011*

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



Brian L. Mee, SFO, RSBA
President

John D. Musso, CAE, RSBA
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Douglas Unified
School District No. 27
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

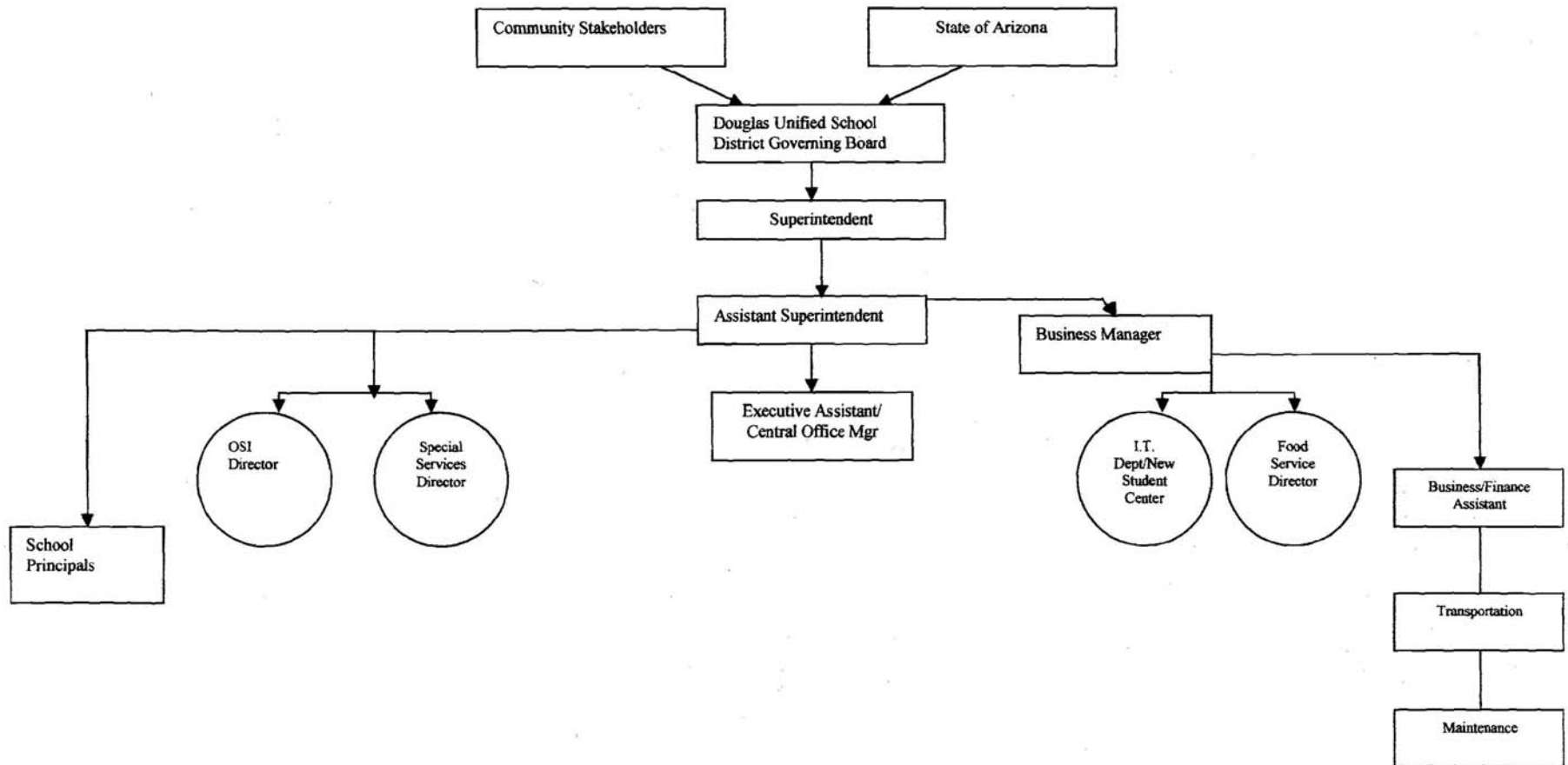
President

Jeffrey R. Enen

Executive Director

Douglas Unified School District No. 27
Organizational Chart 2011-12

VIII



DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Mario Ramos
President

Susan Kramer
Member

Patricia Lopez
Member

Dr. Ed Gomez
Member

Mike Ortega
Member

ADMINISTRATIVE STAFF

Sheila A. Rogers, Superintendent

Gloria “Bonnie” Lopez, Assistant Superintendent/Human Resources Director

Cesar Soto, Business Manager

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

Governing Board
Douglas Unified School District No. 27

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Douglas Unified School District No. 27 (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 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 Douglas Unified School District No. 27, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2012, on our consideration of the Douglas Unified School District No. 27's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 50 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Heinfeld, Meech & Co., P.C.

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

December 17, 2012

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

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012

As management of the Douglas Unified School District No. 27 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the current fiscal year. 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 decreased \$3.2 million which represents an 8 percent decrease from the prior fiscal year due to the utilization of beginning net assets and unfunded depreciation expense.
- General revenues accounted for \$18.0 million in revenue, or 66 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9.3 million or 34 percent of total current fiscal year revenues.
- The District had approximately \$30.5 million in expenses related to governmental activities, a decrease of 8 percent from the prior fiscal year due to a decrease in state funding and cuts to capital allocations.
- Among major funds, the General Fund had \$16.2 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$18.3 million in expenditures. The General Fund's fund balance decrease from \$7.5 million at the prior fiscal year end to \$5.8 million at the end of the current fiscal year was primarily due to the utilization of fund balance through the reduction in the tax rate of property taxes levied for general purposes.
- The Title I Grants Fund had \$3.2 million in current fiscal year revenues, which consisted entirely of federal grants, and \$3.2 million in expenditures.
- The Debt Service Fund had \$609,810 in current fiscal year revenues, which primarily consisted of property taxes, and \$602,138 in expenditures.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012

OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)

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, Title I Grants, and Debt Service Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$38.8 million as the current fiscal year end.

The largest portion of the District's net assets reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net assets are restricted for special purposes, debt service repayment, and capital outlay investment.

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

	As of June 30, 2012	As of June 30, 2011
Current and other assets	\$ 11,936,036	\$ 13,950,901
Capital assets, net	<u>37,761,875</u>	<u>39,252,918</u>
Total assets, net	<u>49,697,911</u>	<u>53,203,819</u>
Current and other liabilities	1,928,850	1,912,389
Long-term liabilities	<u>8,952,969</u>	<u>9,293,239</u>
Total liabilities	<u>10,881,819</u>	<u>11,205,628</u>
Net assets:		
Invested in capital assets, net of related debt	29,276,531	30,572,945
Restricted	3,558,660	3,897,010
Unrestricted	<u>5,980,901</u>	<u>7,528,236</u>
Total net assets	<u>\$ 38,816,092</u>	<u>\$ 41,998,191</u>

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

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

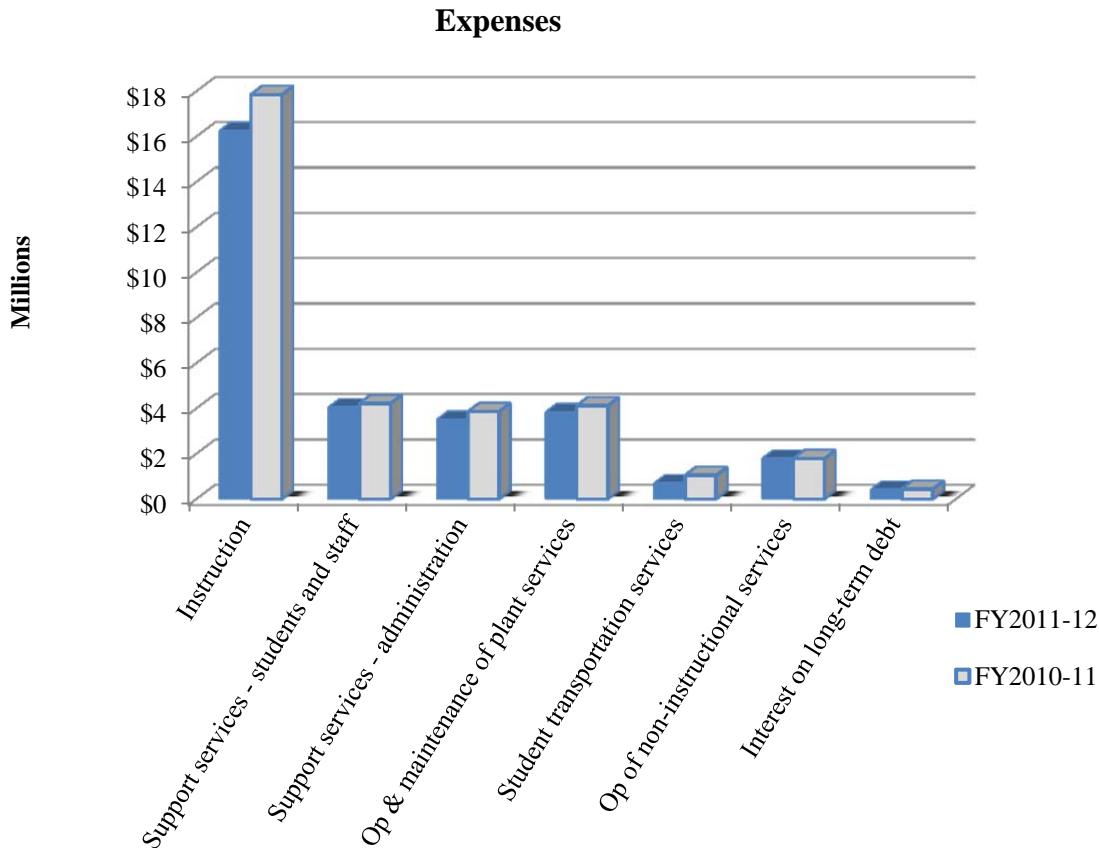
- The principal retirement of \$200,000 of bonds.
- The addition of \$462,044 in capital assets through school improvements and purchases of vehicles, furniture and equipment.
- The addition of \$2.0 million in accumulated depreciation.

Changes in net assets. The District's total revenues for the current fiscal year were \$27.4 million. The total cost of all programs and services was \$30.5 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.

	Fiscal Year Ended June 30, 2012	Fiscal Year Ended June 30, 2011
Revenues:		
Program revenues:		
Charges for services	\$ 1,775,914	\$ 1,268,810
Operating grants and contributions	7,013,310	7,004,441
Capital grants and contributions	533,701	665,494
General revenues:		
Property taxes	2,107,328	5,403,926
Investment income	39,679	43,212
Unrestricted county aid	987,121	835,422
Unrestricted state aid	14,895,290	16,886,641
Unrestricted federal aid	180,880	180,880
Total revenues	<u>27,352,343</u>	<u>32,288,826</u>
Expenses:		
Instruction	16,260,656	17,841,561
Support services – students and staff	4,044,306	4,213,389
Support services – administration	3,506,391	3,852,387
Operation and maintenance of plant services	3,835,953	4,113,500
Student transportation services	688,064	1,037,984
Operation of non-instructional services	1,790,705	1,776,853
Interest on long-term debt	408,367	431,757
Total expenses	<u>30,534,442</u>	<u>33,267,431</u>
Change in net assets	<u>(3,182,099)</u>	<u>(978,605)</u>
Net assets, beginning	<u>41,998,191</u>	<u>42,976,796</u>
Net assets, ending	<u>\$ 38,816,092</u>	<u>\$ 41,998,191</u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)



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

- The decrease of \$3.3 million in property tax revenue was due to a reduction in the overall tax rate.
- The \$2.0 million decrease in unrestricted state aid was due to state-wide budget cuts.
- The \$2.7 million decrease in total expenditures was due to a decrease in state funding.

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)

	<u>Year Ended June 30, 2012</u>		<u>Year Ended June 30, 2011</u>	
	Total	Net	Total	Net
	Expenses	(Expense)/ Revenue	Expenses	(Expense)/ Revenue
Instruction	\$ 16,260,656	\$(11,872,919)	\$ 17,841,561	\$(13,132,638)
Support services – students and staff	4,044,306	(2,013,948)	4,213,389	(2,078,281)
Support services – administration	3,506,391	(3,284,108)	3,852,387	(3,654,612)
Operation and maintenance of plant services	3,835,953	(3,417,311)	4,113,500	(4,051,454)
Student transportation services	688,064	(682,561)	1,037,984	(1,034,314)
Operation of non-instructional services	1,790,705	398,235	1,776,853	54,370
Interest on long-term debt	408,367	(338,905)	431,757	(431,757)
Total	<u>\$ 30,534,442</u>	<u>\$(21,211,517)</u>	<u>\$ 33,267,431</u>	<u>\$(24,328,686)</u>

- The cost of all governmental activities this year was \$30.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$9.3 million.
- Net cost of governmental activities of \$21.2 million was financed by general revenues, which are made up of primarily property taxes of \$2.1 million and state aid of \$14.9 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$9.1 million, a decrease of \$1.3 million primarily due to the utilization of significant fund balances through the reduction in property tax rates.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012

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

The General Fund comprises 63 percent of the total fund balance. Approximately \$5.1 million, or 88 percent of the General Fund's fund balance constitutes unassigned fund balance. The remainder represents nonspendable fund balance for prepaid items.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$1.7 million to \$5.8 million as of fiscal year end was a result of a \$3.3 million reduction in property tax revenue from the prior fiscal year. General Fund revenues decreased \$4.8 million and General Fund expenditures increased \$1.3 million.

The Debt Service Fund's fund balance increased \$7,996. Debt Service revenues decreased \$60,937 as a result of a reduction in the property tax rate. Debt Service expenditures increased \$4,120 from the prior year.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$363,772 decrease, or 2 percent.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. 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 favorable variance of \$386,592 in support services – administration was a result of turnover at the administration level and vacant positions unfilled.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$57.2 million in capital assets, including land, school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$426,624 from the prior fiscal year, primarily due to the purchase of District vehicles and upgrades made to the HVAC system. Total depreciation expense for the current fiscal year was \$2.0 million.

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

	As of June 30, 2012	As of June 30, 2011
Capital assets – non-depreciable	\$ 59,000	\$ 59,000
Capital assets – depreciable, net	37,702,875	39,193,918
Total	<u>\$ 37,761,875</u>	<u>\$ 39,252,918</u>

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

Debt Administration. At year end, the District had \$8.5 million in long-term debt outstanding, \$395,683 due within one year.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$22.8 million and the Class B debt limit is \$7.6 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2012

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 (\$587,699).
- K-3 reading increase (\$131,992).

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

Budgeted expenditures in the General Fund increased 6 percent to \$18.6 million in fiscal year 2012-13. State aid and property taxes are expected to be the primary funding sources.

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, Douglas Unified School District No. 27, 1132 12th Street, Douglas, Arizona 85607.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 3,516,163
Property taxes receivable	490,246
Accounts receivable	4,110
Due from governmental entities	6,951,687
Prepaid items	682,028
Other assets	59,847
Total current assets	<u>11,704,081</u>
Noncurrent assets:	
Deferred charges	231,955
Land	59,000
Land improvements	2,572,070
Buildings and improvements	48,656,186
Vehicles, furniture and equipment	5,941,385
Accumulated depreciation	<u>(19,466,766)</u>
Total noncurrent assets	<u>37,993,830</u>
Total assets	<u>49,697,911</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	300,148
Accrued payroll and employee benefits	1,396,593
Compensated absences payable	289,285
Accrued interest payable	148,569
Unearned revenues	83,540
Obligations under capital leases	90,683
Bonds payable	305,000
Total current liabilities	<u>2,613,818</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>8,268,001</u>
Total noncurrent liabilities	<u>8,268,001</u>
Total liabilities	<u>10,881,819</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	29,276,531
Restricted for:	
Federal and state projects	796,208
Food service	523,609
Other local initiatives	838,991
Debt service	331,441
Capital outlay	1,068,411
Unrestricted	5,980,901
Total net assets	<u>\$ 38,816,092</u>

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 16,260,656	\$ 1,325,996	\$ 2,823,019	\$ 238,722	\$ (11,872,919)
Support services - students and staff	4,044,306		2,030,358		(2,013,948)
Support services - administration	3,506,391		222,283		(3,284,108)
Operation and maintenance of plant services	3,835,953	29,769	163,356	225,517	(3,417,311)
Student transportation services	688,064		5,503		(682,561)
Operation of non-instructional services	1,790,705	420,149	1,768,791		398,235
Interest on long-term debt	408,367			69,462	(338,905)
Total governmental activities	<u>\$ 30,534,442</u>	<u>\$ 1,775,914</u>	<u>\$ 7,013,310</u>	<u>\$ 533,701</u>	<u>(21,211,517)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					397,877
Property taxes, levied for debt service					585,907
Property taxes, levied for capital outlay					1,123,544
Investment income					39,679
Unrestricted county aid					987,121
Unrestricted state aid					14,895,290
Total general revenues					<u>18,029,418</u>
Changes in net assets					(3,182,099)
Net assets, beginning of year					<u>41,998,191</u>
Net assets, end of year					<u>\$ 38,816,092</u>

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

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FUND FINANCIAL STATEMENTS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	<u>General</u>	<u>Title I Grants</u>	<u>Debt Service</u>
<u>ASSETS</u>			
Cash and investments	\$ 572,338	\$	\$ 669,956
Property taxes receivable	228,673		115,054
Accounts receivable	4,110		
Due from governmental entities	5,624,322	338,733	
Due from other funds			
Prepaid items	682,028		
Other assets			
Total assets	<u><u>\$ 7,111,471</u></u>	<u><u>\$ 338,733</u></u>	<u><u>\$ 785,010</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 96,366	\$ 137,963	\$
Due to other funds		20,286	
Accrued payroll and employee benefits	1,052,981	180,484	
Deferred revenues	210,293		92,423
Bonds payable			305,000
Bond interest payable			148,569
Total liabilities	<u><u>1,359,640</u></u>	<u><u>338,733</u></u>	<u><u>545,992</u></u>
Fund balances (deficits):			
Nonspendable	682,028		
Restricted			239,018
Unassigned	5,069,803		
Total fund balances	<u><u>5,751,831</u></u>	<u><u></u></u>	<u><u>239,018</u></u>
Total liabilities and fund balances	<u><u>\$ 7,111,471</u></u>	<u><u>\$ 338,733</u></u>	<u><u>\$ 785,010</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 2,273,869	\$ 3,516,163
146,519	490,246
	4,110
988,632	6,951,687
183,846	183,846
	682,028
59,847	59,847
<u>\$ 3,652,713</u>	<u>\$ 11,887,927</u>

\$ 65,819	\$ 300,148
163,560	183,846
163,128	1,396,593
188,414	491,130
	305,000
	148,569
<u>580,921</u>	<u>2,825,286</u>

	682,028
3,149,283	3,388,301
(77,491)	4,992,312
<u>3,071,792</u>	<u>9,062,641</u>
<u>\$ 3,652,713</u>	<u>\$ 11,887,927</u>

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

Total governmental fund balances	\$ 9,062,641
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Amounts reported for *governmental activities* in the Statement of Net Asset are different because:

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

Governmental capital assets	\$ 57,228,641	
Less accumulated depreciation	<u>(19,466,766)</u>	37,761,875

Property tax revenue will not be available to pay for current period expenditures and, therefore, are deferred in the funds.	407,590
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Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.	231,955
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Compensated absences payable	(440,687)	
Obligations under capital leases	(1,112,282)	
Bonds payable	<u>(7,095,000)</u>	<u>(8,647,969)</u>

Net assets of governmental activities	\$ <u>38,816,092</u>
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The notes to the basic financial statements are an integral part of this statement.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	<u>General</u>	<u>Title I Grants</u>	<u>Debt Service</u>
Revenues:			
Other local	\$ 1,386,797	\$	\$ 2,935
Property taxes	667,052		606,875
State aid and grants	14,145,580		
Federal aid, grants and reimbursements	46,655	3,210,017	
Total revenues	<u>16,246,084</u>	<u>3,210,017</u>	<u>609,810</u>
Expenditures:			
Current -			
Instruction	10,230,664	1,890,962	
Support services - students and staff	1,368,925	1,179,229	
Support services - administration	2,972,002	109,533	
Operation and maintenance of plant services	3,234,147		
Student transportation services	490,017		
Operation of non-instructional services	22,198		
Capital outlay		25,670	
Debt service -			
Principal retirement			305,000
Interest and fiscal charges			297,138
Total expenditures	<u>18,317,953</u>	<u>3,205,394</u>	<u>602,138</u>
Excess (deficiency) of revenues over expenditures	<u>(2,071,869)</u>	<u>4,623</u>	<u>7,672</u>
Other financing sources (uses):			
Transfer in	169,761		324
Transfer out		(4,623)	
Total other financing sources (uses):	<u>169,761</u>	<u>(4,623)</u>	<u>324</u>
Changes in fund balances	<u>(1,902,108)</u>		<u>7,996</u>
Fund balances, beginning of year	7,475,254		231,022
Increase (decrease) in reserve for prepaid items	178,685		
Fund balances, end of year	<u>\$ 5,751,831</u>	<u>\$</u>	<u>\$ 239,018</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,564,304	\$ 2,954,036
1,101,816	2,375,743
1,491,528	15,637,108
3,943,092	7,199,764
<u>8,100,740</u>	<u>28,166,651</u>
2,608,159	14,729,785
1,364,663	3,912,817
145,620	3,227,155
535	3,234,682
3,982	493,999
1,733,221	1,755,419
1,497,162	1,522,832
77,298	382,298
97,585	394,723
<u>7,528,225</u>	<u>29,653,710</u>
<u>572,515</u>	<u>(1,487,059)</u>
	170,085
<u>(165,462)</u>	<u>(170,085)</u>
<u>(165,462)</u>	
<u>407,053</u>	<u>(1,487,059)</u>
2,664,739	10,371,015
	178,685
<u>\$ 3,071,792</u>	<u>\$ 9,062,641</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

Net changes in fund balances - total governmental funds **\$ (1,308,374)**

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

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

Expenditures for capitalized assets	\$ 462,044	
Less current year depreciation	<u>(1,951,866)</u>	(1,489,822)

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

Property taxes	(268,415)	
Intergovernmental	<u>(545,893)</u>	(814,308)

Repayments of long-term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

Capital lease principal retirement	77,298	
Bond principal retirement	<u>305,000</u>	382,298

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

Loss on disposal of capital assets	(1,221)	
Amortization of deferred bond items	(13,644)	
Compensated absences	<u>62,972</u>	<u>48,107</u>

Change in net assets in governmental activities **\$ (3,182,099)**

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2012

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 532,776
Total assets	<u><u>\$ 532,776</u></u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 449,892
Due to student groups	82,884
Total liabilities	<u><u>\$ 532,776</u></u>

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

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Douglas Unified School District No. 27 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

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

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

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

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

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Property taxes, unrestricted State and County aid, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Deferred revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

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

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund as well as the Medicaid Reimbursement, School Plant, Auxiliary Operations, Gifts and Donations, Indirect Costs, Advertisement, Litigation Recovery, Insurance Proceeds and Soft Capital Allocation Funds. These funds are maintained as separate funds for accounting and budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

Additionally, the District reports the following fund type:

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

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

D. Cash and Investments

A.R.S. require the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash of the Debt Service and Bond Building Funds that may be invested separately. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are reported at fair value.

E. Investment Income

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

F. Receivables and Payables

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

G. Property Tax Calendar

The County levies real property taxes on or before the third Monday in August, which become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

H. Prepaid Items

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

I. Capital Assets

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

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

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

Land improvements	15 – 50 years
Buildings and improvements	10 – 50 years
Vehicles, furniture and equipment	5 – 20 years

J. Compensated Absences

Compensated absences consist of vacation leave and a calculated amount of sick leave earned by employees based on services already rendered. Generally, sick leave benefits provide for ordinary sick pay and are cumulative but do not vest with employees and therefore, are not accrued. However, for employees with ten years of service and 80 points toward retirement, sick leave benefits do vest and, therefore, are accrued. 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 or retirements. Generally, resources from the General Fund are used to pay for compensated absences.

K. Long-term Obligations

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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

L. Interfund Activity

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

M. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)

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

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

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

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

	General Fund	Debt Service Fund	Non-Major Governmental Funds
Fund Balances:			
Nonspendable:			
Prepaid items	\$ 682,028	\$	\$
Restricted:			
Debt service		239,018	
Capital projects			963,537
Bond building projects			26,938
Voter approved initiatives			750,839
Federal and State projects			45,369
Extracurricular activities			51,218
Food service			523,609
Other purposes			787,773
Unassigned	5,069,803		(77,491)
Total fund balances	<u>\$ 5,751,831</u>	<u>\$ 239,018</u>	<u>\$ 3,071,792</u>

The July 1, 2011 fund balances of the General and Non-Major Governmental funds do not agree to the prior year financial statements due to the reclassification of certain funds.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the E-Rate Fund, a non-major governmental fund, reported a deficit in fund balance of \$77,491.

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2012-13 are expected to eliminate the deficit.

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

NOTE 4 – CASH AND INVESTMENTS

A.R.S. authorize the District to invest public monies in the State Treasurer's local government investment pools, the County Treasurer's investment pool, obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District's investments.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$725,230 and the bank balance was \$1,271,188.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 – CASH AND INVESTMENTS (Concl'd)

The State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant's position in the State Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. No regulatory oversight is provided for the County Treasurer's investment pool and that pool's structure does not provide for shares.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	2.6 years	\$3,323,709

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 – RECEIVABLES

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

	<u>General Fund</u>	<u>Title I Grants Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from Federal government	\$ 3,147	\$ 338,733	\$ 410,725
Due from State government	5,485,140		259,115
Due from County government	136,035		
Due from other districts			318,792
Net due from governmental entities	<u>\$5,624,322</u>	<u>\$ 338,733</u>	<u>\$ 988,632</u>

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

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$ 210,293	\$
Delinquent property taxes receivable (Debt Service Fund)	92,423	
Delinquent property taxes receivable (Non-Major Governmental Funds)	104,874	
Grant drawdowns prior to meeting all eligibility requirements (Non-Major Governmental Funds)		83,540
Total deferred revenue for governmental funds	<u>\$ 407,590</u>	<u>\$ 83,540</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 59,000	\$	\$	\$ 59,000
Total capital assets, not being depreciated	59,000			59,000
Capital assets, being depreciated:				
Land improvements	2,572,070			2,572,070
Buildings and improvements	48,530,550	125,636		48,656,186
Vehicles, furniture and equipment	5,640,397	336,408	35,420	5,941,385
Total capital assets being depreciated	56,743,017	462,044	35,420	57,169,641
Less accumulated depreciation for:				
Land improvements	(684,126)	(115,945)		(800,071)
Buildings and improvements	(14,127,692)	(1,405,146)		(15,532,838)
Vehicles, furniture and equipment	(2,737,281)	(430,775)	(34,199)	(3,133,857)
Total accumulated depreciation	(17,549,099)	(1,951,866)	(34,199)	(19,466,766)
Total capital assets, being depreciated, net	39,193,918	(1,489,822)	1,221	37,702,875
Governmental activities capital assets, net	<u>\$ 39,252,918</u>	<u>\$(1,489,822)</u>	<u>\$ 1,221</u>	<u>\$ 37,761,875</u>

Depreciation expense was charged to governmental functions as follows.

Instruction	\$1,196,798
Support Services – students and staff	11,162
Support Services – administration	26,277
Operation and maintenance of plant services	592,542
Student transportation services	93,683
Operation of non-instructional services	31,404
Total depreciation expense – governmental activities	<u>\$1,951,866</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired utility management equipment under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the Energy and Water Savings Fund, a non-major governmental fund, will be used to pay the capital lease obligations as they come due. The gross amount of assets acquired through the capital lease at the inception of the lease was \$1,680,000.

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

Year Ending June 30:	Governmental Activities
2013	\$ 174,883
2014	174,883
2015	174,883
2016	174,883
2017	174,883
2018-21	<u>699,532</u>
Total minimum lease payments	1,573,947
Less: amount representing interest	<u>461,665</u>
Present value of minimum lease payments	<u>\$ 1,112,282</u>
Due within one year	<u>\$ 90,683</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2012</u>	<u>Due Within One Year</u>
Governmental activities:					
School Improvement Bonds, Projects of 2009, Series 2010 (Class B)	\$7,648,000	2.5-4.75%	7/1/12-7/1/29	\$ 7,400,000	\$ 305,000
Total				<u>\$ 7,400,000</u>	<u>\$ 305,000</u>

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

<u>Year ending June 30:</u>		<u>Governmental Activities</u>	
		<u>Principal</u>	<u>Interest</u>
	2013	\$ 305,000	\$ 293,325
	2014	310,000	285,638
	2015	320,000	276,963
	2016	330,000	267,213
	2017	335,000	257,028
	2018-22	1,880,000	1,089,169
	2023-27	2,285,000	660,316
	2028-30	1,635,000	118,869
Total		<u>\$ 7,400,000</u>	<u>\$ 3,248,521</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the current fiscal year was as follows.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable	\$ 7,600,000	\$	\$ 200,000	\$7,400,000	\$ 305,000
Obligations under capital leases	1,189,580		77,298	1,112,282	90,683
Compensated absences payable	503,659	289,413	352,385	440,687	289,285
Governmental activity long-term liabilities	<u>\$ 9,293,239</u>	<u>\$ 289,413</u>	<u>\$ 629,683</u>	<u>\$8,952,969</u>	<u>\$ 684,968</u>

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds – At year end, the Title I Grants Fund and several non-major governmental funds had negative cash balances of \$20,286 and \$163,560, respectively in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with other funds. All interfund balances are expected to be paid within one year.

Interfund transfers:

	<u>Transfers in</u>		
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
<u>Transfers out</u>			
Title I Grants Fund	\$ 4,623	\$	\$ 4,623
Non-Major Governmental Funds	165,138	324	165,462
Total	<u>\$ 169,761</u>	<u>\$ 324</u>	<u>\$ 170,085</u>

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund and (2) to move Federal grant funds restricted for indirect costs.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 11 – CONTINGENT LIABILITIES

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

NOTE 12 – RISK MANAGEMENT

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

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The District contributes to the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

Plan Description – Benefits are established by state statute and the plan generally provides retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The ASRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778. The report is also available on the ASRS' website at www.azasrs.gov.

Funding Policy – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 10.74 percent (10.50 percent for retirement and 0.24 percent for long-term disability) of the members' annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 10.74 percent (9.87 percent for retirement, 0.63 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

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

	Retirement Fund	Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2012	\$ 1,369,700	\$ 87,428	\$ 33,306
2011	1,311,286	85,867	36,384
2010	1,404,175	111,122	67,347

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**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
(Required Supplementary Information)**

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 985,284	\$ 985,284
Property taxes			612,812	612,812
State aid and grants			13,455,118	13,455,118
Total revenues			<u>15,053,214</u>	<u>15,053,214</u>
Expenditures:				
Current -				
Instruction	9,149,508	8,950,192	8,966,588	(16,396)
Support services - students and staff	1,318,742	1,303,837	1,325,075	(21,238)
Support services - administration	3,576,280	3,114,865	2,728,273	386,592
Operation and maintenance of plant services	3,084,517	3,453,904	3,233,675	220,229
Student transportation services	641,752	577,713	484,861	92,852
Operation of non-instructional services	37,974	44,490	22,198	22,292
Total expenditures	<u>17,808,773</u>	<u>17,445,001</u>	<u>16,760,670</u>	<u>684,331</u>
Excess (deficiency) of revenues over expenditures	<u>(17,808,773)</u>	<u>(17,445,001)</u>	<u>(1,707,456)</u>	<u>15,737,545</u>
Other financing sources (uses):				
Transfer out			1,300,000	1,300,000
Total other financing sources (uses):			<u>1,300,000</u>	<u>1,300,000</u>
Changes in fund balances	<u>(17,808,773)</u>	<u>(17,445,001)</u>	<u>(407,456)</u>	<u>17,037,545</u>
Fund balances, beginning of year			3,678,040	3,678,040
Increase (decrease) in reserve for prepaid items			178,685	178,685
Fund balances (deficits), end of year	<u>\$ (17,808,773)</u>	<u>\$ (17,445,001)</u>	<u>\$ 3,449,269</u>	<u>\$ 20,894,270</u>

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TITLE I GRANTS
YEAR ENDED JUNE 30, 2012

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 3,210,017	\$ 3,210,017
Total revenues			<u>3,210,017</u>	<u>3,210,017</u>
Expenditures:				
Current -				
Instruction	4,710,209	7,530,767	1,890,962	5,639,805
Support services - students and staff			1,179,229	(1,179,229)
Support services - administration			109,533	(109,533)
Capital outlay			25,670	(25,670)
Total expenditures	<u>4,710,209</u>	<u>7,530,767</u>	<u>3,205,394</u>	<u>4,325,373</u>
Excess (deficiency) of revenues over expenditures	<u>(4,710,209)</u>	<u>(7,530,767)</u>	<u>4,623</u>	<u>7,535,390</u>
Other financing sources (uses):				
Transfer out			(4,623)	(4,623)
Total other financing sources (uses):			<u>(4,623)</u>	<u>(4,623)</u>
Changes in fund balances	<u>(4,710,209)</u>	<u>(7,530,767)</u>		<u>7,530,767</u>
Fund balances, beginning of year				
Fund balances (deficits), end of year	<u>\$ (4,710,209)</u>	<u>\$ (7,530,767)</u>	<u>\$</u>	<u>\$ 7,530,767</u>

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2012

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

	<u>Total</u> <u>Expenditures</u>	<u>Increase for</u> <u>Prepaid Items</u>	<u>Fund Balance,</u> <u>June 30, 2012</u>	<u>Fund Balance,</u> <u>July 1, 2011</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 18,317,953	\$ 178,685	\$ 5,751,831	\$ 7,475,254
Fiscal year 2011-12 activity budgeted as special revenue and capital projects funds	(707,283)		(2,302,562)	(2,947,214)
Fiscal year 2011-12 insurance payments budgeted in 2010-11	<u>(850,000)</u>	<u> </u>	<u> </u>	<u>(850,000)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 16,760,670</u>	<u>\$ 178,685</u>	<u>\$ 3,449,269</u>	<u>\$ 3,678,040</u>

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

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GOVERNMENTAL FUNDS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,307,765	\$ 966,104	\$ 2,273,869
Property taxes receivable		146,519	146,519
Due from governmental entities	987,631	1,001	988,632
Due from other funds	183,846		183,846
Other assets	59,847		59,847
Total assets	<u><u>\$ 2,539,089</u></u>	<u><u>\$ 1,113,624</u></u>	<u><u>\$ 3,652,713</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 47,544	\$ 18,275	\$ 65,819
Due to other funds	163,560		163,560
Accrued payroll and employee benefits	163,128		163,128
Deferred revenues	83,540	104,874	188,414
Total liabilities	<u>457,772</u>	<u>123,149</u>	<u>580,921</u>
Fund balances (deficits):			
Restricted	2,158,808	990,475	3,149,283
Unassigned	(77,491)		(77,491)
Total fund balances	<u>2,081,317</u>	<u>990,475</u>	<u>3,071,792</u>
Total liabilities and fund balances	<u><u>\$ 2,539,089</u></u>	<u><u>\$ 1,113,624</u></u>	<u><u>\$ 3,652,713</u></u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2012

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 1,427,562	\$ 136,742	\$ 1,564,304
Property taxes		1,101,816	1,101,816
State aid and grants	1,488,131	3,397	1,491,528
Federal aid, grants and reimbursements	<u>3,778,943</u>	<u>164,149</u>	<u>3,943,092</u>
Total revenues	<u>6,694,636</u>	<u>1,406,104</u>	<u>8,100,740</u>
Expenditures:			
Current -			
Instruction	2,608,159		2,608,159
Support services - students and staff	1,364,663		1,364,663
Support services - administration	145,620		145,620
Operation and maintenance of plant services	535		535
Student transportation services	3,982		3,982
Operation of non-instructional services	1,733,221		1,733,221
Capital outlay	290,265	1,206,897	1,497,162
Debt service -			
Principal retirement		77,298	77,298
Interest and fiscal charges		<u>97,585</u>	<u>97,585</u>
Total expenditures	<u>6,146,445</u>	<u>1,381,780</u>	<u>7,528,225</u>
Excess (deficiency) of revenues over expenditures	<u>548,191</u>	<u>24,324</u>	<u>572,515</u>
Other financing sources (uses):			
Transfer out	<u>(165,138)</u>	<u>(324)</u>	<u>(165,462)</u>
Total other financing sources (uses):	<u>(165,138)</u>	<u>(324)</u>	<u>(165,462)</u>
Changes in fund balances	<u>383,053</u>	<u>24,000</u>	<u>407,053</u>
Fund balances, beginning of year	1,698,264	966,475	2,664,739
Fund balances, end of year	<u>\$ 2,081,317</u>	<u>\$ 990,475</u>	<u>\$ 3,071,792</u>

SPECIAL REVENUE FUNDS

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

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

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

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

Compensatory Instruction - to account for monies received for programs in addition to normal classroom instruction to improve the English proficiency of current English language learners.

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

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

Johnson-O'Malley - to account for financial assistance received to meet the unique educational needs of eligible Indian children.

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

Homeless Education - to account for financial assistance received for the needs of homeless children.

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

E-Rate - to account for monies received to reimburse the District for broadband internet and telecommunications costs.

Other Federal Projects - to account for financial assistance received for other supplemental federal projects.

State Vocational Education - to account for financial assistance received for the preparation of individuals for employment.

Academic Contests - to account for financial assistance received for participation in academic contests.

Gifted - to account for financial assistance received for programs for gifted students.

Other State Projects - to account for financial assistance received for other State projects.

School Plant - to account for proceeds from the sale or lease of school property.

Food Service - to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

Civic Center - to account for monies received from the rental of school facilities for civic activities.

Community School - to account for activity related to academic and skill development for all citizens.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

Extracurricular Activities Fees Tax Credit - to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

Gifts and Donations - to account for activity related to gifts, donations, bequests and private grants made to the District.

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

Textbooks - to account for monies received from students to replace or repair lost or damaged textbooks.

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

Indirect Costs - to account for monies transferred from Federal projects for administrative costs.

Grants and Gifts to Teachers - to account for grants and gifts under \$1,500 received from private sources that are designated for use by a teacher for instructional purposes.

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 395,027	\$ 101,882	\$ 5,456
Due from governmental entities	184,039	74,075	
Due from other funds			
Other assets			
Total assets	<u><u>\$ 579,066</u></u>	<u><u>\$ 175,957</u></u>	<u><u>\$ 5,456</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits		4,184	
Deferred revenues			
Total liabilities	<u>4,184</u>	<u>4,184</u>	
Fund balances (deficits):			
Restricted	579,066	171,773	5,456
Unassigned			
Total fund balances	<u><u>579,066</u></u>	<u><u>171,773</u></u>	<u><u>5,456</u></u>
Total liabilities and fund balances	<u><u>\$ 579,066</u></u>	<u><u>\$ 175,957</u></u>	<u><u>\$ 5,456</u></u>

Structured English Immersion	Compensatory Instruction	Professional Development and Technology Grants	Special Education Grants	Vocational Education	E-Rate
\$ 29,496	\$ 6,068	\$ 79,810	\$ 129,123	\$ 13,037	\$ 7,371
<u>\$ 29,496</u>	<u>\$ 6,068</u>	<u>\$ 79,810</u>	<u>\$ 129,123</u>	<u>\$ 13,037</u>	<u>\$ 7,371</u>
\$	\$	\$	\$	\$	\$
15,102		43,390	6,332		36,474
14,394	6,068	36,420	71,782		48,388
<u>29,496</u>	<u>6,068</u>	<u>79,810</u>	<u>129,123</u>	<u>13,037</u>	<u>84,862</u>
					(77,491)
					(77,491)
<u>\$ 29,496</u>	<u>\$ 6,068</u>	<u>\$ 79,810</u>	<u>\$ 129,123</u>	<u>\$ 13,037</u>	<u>\$ 7,371</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Academic Contests</u>
<u>ASSETS</u>			
Cash and investments	\$ 70,991	\$ 27,443	\$ 872
Due from governmental entities	9,378		
Due from other funds			
Other assets			
Total assets	<u><u>\$ 80,369</u></u>	<u><u>\$ 27,443</u></u>	<u><u>\$ 872</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,198	\$	\$
Due to other funds			
Accrued payroll and employee benefits	11,281		
Deferred revenues	<u>21,521</u>	<u>27,443</u>	<u>872</u>
Total liabilities	<u><u>35,000</u></u>	<u><u>27,443</u></u>	<u><u>872</u></u>
Fund balances (deficits):			
Restricted	45,369		
Unassigned			
Total fund balances	<u><u>45,369</u></u>	<u><u></u></u>	<u><u></u></u>
Total liabilities and fund balances	<u><u>\$ 80,369</u></u>	<u><u>\$ 27,443</u></u>	<u><u>\$ 872</u></u>

Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Textbooks
\$ 205	\$ 290,164 185,043	\$ 22,027	\$ 162,588	\$ 51,218	\$ 66,479
	59,847				
<u>\$ 205</u>	<u>\$ 535,054</u>	<u>\$ 22,027</u>	<u>\$ 162,588</u>	<u>\$ 51,218</u>	<u>\$ 66,479</u>
\$	\$ 2,540	\$	\$	\$	\$
	8,905				
205					
<u>205</u>	<u>11,445</u>				
	523,609	22,027	162,588	51,218	66,479
	<u>523,609</u>	<u>22,027</u>	<u>162,588</u>	<u>51,218</u>	<u>66,479</u>
<u>\$ 205</u>	<u>\$ 535,054</u>	<u>\$ 22,027</u>	<u>\$ 162,588</u>	<u>\$ 51,218</u>	<u>\$ 66,479</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	<u>Grants and Gifts to Teachers</u>	<u>Joint Technical Education</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,991	\$ 62,821	\$ 1,307,765
Due from governmental entities		318,792	987,631
Due from other funds		183,846	183,846
Other assets			59,847
Total assets	<u>\$ 1,991</u>	<u>\$ 565,459</u>	<u>\$ 2,539,089</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 47,544
Due to other funds			163,560
Accrued payroll and employee benefits		36,227	163,128
Deferred revenues			83,540
Total liabilities		<u>36,227</u>	<u>457,772</u>
Fund balances (deficits):			
Restricted	1,991	529,232	2,158,808
Unassigned			(77,491)
Total fund balances	<u>1,991</u>	<u>529,232</u>	<u>2,081,317</u>
Total liabilities and fund balances	<u>\$ 1,991</u>	<u>\$ 565,459</u>	<u>\$ 2,539,089</u>

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 4,358	\$ 1,133	\$ 9
State aid and grants	1,122,020	170,186	
Federal aid, grants and reimbursements			
Total revenues	<u>1,126,378</u>	<u>171,319</u>	<u>9</u>
Expenditures:			
Current -			
Instruction	1,079,353	200,307	
Support services - students and staff	39,013	4,224	
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,118,366</u>	<u>204,531</u>	
Excess (deficiency) of revenues over expenditures	<u>8,012</u>	<u>(33,212)</u>	<u>9</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>8,012</u>	<u>(33,212)</u>	<u>9</u>
Fund balances, beginning of year	571,054	204,985	5,447
Fund balances (deficits), end of year	<u><u>\$ 579,066</u></u>	<u><u>\$ 171,773</u></u>	<u><u>\$ 5,456</u></u>

Structured English Immersion	Compensatory Instruction	Professional Development and Technology Grants	Special Education Grants	Vocational Education	E-Rate
\$	\$	\$	\$	\$	\$
135,025	1,737				371
		487,370	1,103,005	81,210	162,890
135,025	1,737	487,370	1,103,005	81,210	163,261
135,025	1,737	35,974	502,107	11,451	
		377,674	508,452	17,491	267,032
		51,345	8,651		
		11,309	58,567	52,268	
135,025	1,737	476,302	1,077,777	81,210	267,032
		11,068	25,228		(103,771)
		(11,068)	(25,228)		
		(11,068)	(25,228)		
					(103,771)
					26,280
\$	\$	\$	\$	\$	\$
					(77,491)

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Other Federal Projects	State Vocational Education	Academic Contests
Revenues:			
Other local	\$ 73	\$	\$
State aid and grants		52,286	3,983
Federal aid, grants and reimbursements	133,391		
Total revenues	<u>133,464</u>	<u>52,286</u>	<u>3,983</u>
Expenditures:			
Current -			
Instruction	62,203	8,760	3,983
Support services - students and staff	64,817	9,418	
Support services - administration	1,609		
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		34,108	
Total expenditures	<u>128,629</u>	<u>52,286</u>	<u>3,983</u>
Excess (deficiency) of revenues over expenditures	<u>4,835</u>		
Other financing sources (uses):			
Transfer out	(709)		
Total other financing sources (uses):	<u>(709)</u>		
Changes in fund balances	<u>4,126</u>		
Fund balances, beginning of year	41,243		
Fund balances, end of year	<u>\$ 45,369</u>	<u>\$</u>	<u>\$</u>

Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Textbooks
\$ 2,894	\$ 184,963	\$ 1,966	\$ 30,467	\$ 20,335	\$ 2,664
	1,768,791				
<u>2,894</u>	<u>1,953,754</u>	<u>1,966</u>	<u>30,467</u>	<u>20,335</u>	<u>2,664</u>
2,894			32,320	14,283	
			986	206	
		1,321		185	
		236		3,982	
	1,733,221			20,072	
	77,213			38,728	
<u>2,894</u>	<u>1,810,434</u>	<u>1,557</u>	<u>33,306</u>		
	143,320	409	(2,839)	(18,393)	2,664
	(92,264)				
	<u>(92,264)</u>				
	51,056	409	(2,839)	(18,393)	2,664
	472,553	21,618	165,427	69,611	63,815
<u>\$</u>	<u>\$ 523,609</u>	<u>\$ 22,027</u>	<u>\$ 162,588</u>	<u>\$ 51,218</u>	<u>\$ 66,479</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Grants and Gifts to Teachers	Joint Technical Education	Totals
Revenues:			
Other local	\$ 4	\$ 1,181,219	\$ 1,427,562
State aid and grants			1,488,131
Federal aid, grants and reimbursements		42,286	3,778,943
Total revenues	<u>4</u>	<u>1,223,505</u>	<u>6,694,636</u>
Expenditures:			
Current -			
Instruction	333	520,323	2,608,159
Support services - students and staff		72,456	1,364,663
Support services - administration		82,694	145,620
Operation and maintenance of plant services		114	535
Student transportation services			3,982
Operation of non-instructional services			1,733,221
Capital outlay		36,728	290,265
Total expenditures	<u>333</u>	<u>712,315</u>	<u>6,146,445</u>
Excess (deficiency) of revenues over expenditures	<u>(329)</u>	<u>511,190</u>	<u>548,191</u>
Other financing sources (uses):			
Transfer out		(35,869)	(165,138)
Total other financing sources (uses):		<u>(35,869)</u>	<u>(165,138)</u>
Changes in fund balances	<u>(329)</u>	<u>475,321</u>	<u>383,053</u>
Fund balances, beginning of year	2,320	53,911	1,698,264
Fund balances, end of year	<u>\$ 1,991</u>	<u>\$ 529,232</u>	<u>\$ 2,081,317</u>

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 4,358	\$ 4,358
State aid and grants		1,122,020	1,122,020
Federal aid, grants and reimbursements			
Total revenues		<u>1,126,378</u>	<u>1,126,378</u>
Expenditures:			
Current -			
Instruction	1,739,726	1,079,353	660,373
Support services - students and staff	84,812	39,013	45,799
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,824,538</u>	<u>1,118,366</u>	<u>706,172</u>
Excess (deficiency) of revenues over expenditures	<u>(1,824,538)</u>	<u>8,012</u>	<u>1,832,550</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,824,538)</u>	<u>8,012</u>	<u>1,832,550</u>
Fund balances, beginning of year		571,054	571,054
Fund balances (deficits), end of year	<u>\$ (1,824,538)</u>	<u>\$ 579,066</u>	<u>\$ 2,403,604</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,133 170,186	\$ 1,133 170,186	\$	\$ 9	\$ 9
	171,319	171,319		9	9
664,099	200,307 4,224	463,792 (4,224)			
664,099	204,531	459,568			
(664,099)	(33,212)	630,887		9	9
(664,099)	(33,212)	630,887		9	9
	204,985	204,985		5,447	5,447
\$ (664,099)	\$ 171,773	\$ 835,872	\$	\$ 5,456	\$ 5,456

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Structured English Immersion		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		135,025	135,025
Federal aid, grants and reimbursements			
Total revenues		<u>135,025</u>	<u>135,025</u>
Expenditures:			
Current -			
Instruction	149,415	135,025	14,390
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>149,415</u>	<u>135,025</u>	<u>14,390</u>
Excess (deficiency) of revenues over expenditures	<u>(149,415)</u>		<u>149,415</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(149,415)</u>		<u>149,415</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (149,415)</u>	<u>\$</u>	<u>\$ 149,415</u>

Compensatory Instruction			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,737	1,737			
	1,737	1,737		487,370	487,370
				487,370	487,370
7,787	1,737	6,050	1,191,567	35,974	1,155,593
				377,674	(377,674)
				51,345	(51,345)
				11,309	(11,309)
7,787	1,737	6,050	1,191,567	476,302	715,265
(7,787)		7,787	(1,191,567)	11,068	1,202,635
				(11,068)	(11,068)
				(11,068)	(11,068)
(7,787)		7,787	(1,191,567)		1,191,567
\$ (7,787)	\$	\$ 7,787	\$ (1,191,567)	\$	\$ 1,191,567

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,103,005	1,103,005
Total revenues		<u>1,103,005</u>	<u>1,103,005</u>
Expenditures:			
Current -			
Instruction	1,078,955	502,107	576,848
Support services - students and staff		508,452	(508,452)
Support services - administration		8,651	(8,651)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		58,567	(58,567)
Total expenditures	<u>1,078,955</u>	<u>1,077,777</u>	<u>1,178</u>
Excess (deficiency) of revenues over expenditures	<u>(1,078,955)</u>	<u>25,228</u>	<u>1,104,183</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(25,228)	(25,228)
Total other financing sources (uses):		<u>(25,228)</u>	<u>(25,228)</u>
Changes in fund balances	<u>(1,078,955)</u>		<u>1,078,955</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (1,078,955)</u>	<u>\$</u>	<u>\$ 1,078,955</u>

Johnson O'Malley			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				81,210	81,210
				81,210	81,210
578,083		578,083	227,314	11,451 17,491	215,863 (17,491)
578,083		578,083	227,314	52,268 81,210	(52,268) 146,104
(578,083)		578,083	(227,314)		227,314
(578,083)		578,083	(227,314)		227,314
\$ (578,083)	\$	\$ 578,083	\$ (227,314)	\$	\$ 227,314

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Homeless Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	1,009		1,009
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,009		1,009
Excess (deficiency) of revenues over expenditures	(1,009)		1,009
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	(1,009)		1,009
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (1,009)	\$	\$ 1,009

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 640	\$ 640	\$	\$ 371	\$ 371
	46,655	46,655		162,890	162,890
	47,295	47,295		163,261	163,261
301,629	1,530	300,099			
	19,106	(19,106)	467,109	267,032	200,077
	42,235	(42,235)			
	2,750	(2,750)			
301,629	65,621	236,008	467,109	267,032	200,077
(301,629)	(18,326)	283,303	(467,109)	(103,771)	363,338
(301,629)	(18,326)	283,303	(467,109)	(103,771)	363,338
	290,307	290,307		26,280	26,280
\$ (301,629)	\$ 271,981	\$ 573,610	\$ (467,109)	\$ (77,491)	\$ 389,618

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Other Federal Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 73	\$ 73
State aid and grants			
Federal aid, grants and reimbursements		133,391	133,391
Total revenues		<u>133,464</u>	<u>133,464</u>
Expenditures:			
Current -			
Instruction	814,499	62,203	752,296
Support services - students and staff		64,817	(64,817)
Support services - administration		1,609	(1,609)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>814,499</u>	<u>128,629</u>	<u>685,870</u>
Excess (deficiency) of revenues over expenditures	<u>(814,499)</u>	<u>4,835</u>	<u>819,334</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(709)	(709)
Total other financing sources (uses):		<u>(709)</u>	<u>(709)</u>
Changes in fund balances	<u>(814,499)</u>	<u>4,126</u>	<u>818,625</u>
Fund balances, beginning of year		41,243	41,243
Fund balances (deficits), end of year	<u>\$ (814,499)</u>	<u>\$ 45,369</u>	<u>\$ 859,868</u>

State Vocational Education			Academic Contests		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	52,286	52,286		3,983	3,983
	52,286	52,286		3,983	3,983
79,677	8,760 9,418	70,917 (9,418)	6,912	3,983	2,929
	34,108	(34,108)			
79,677	52,286	27,391	6,912	3,983	2,929
(79,677)		79,677	(6,912)		6,912
(79,677)		79,677	(6,912)		6,912
\$ (79,677)	\$	\$ 79,677	\$ (6,912)	\$	\$ 6,912

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Gifted		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	4,965		4,965
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	4,965		4,965
Excess (deficiency) of revenues over expenditures	(4,965)		4,965
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	(4,965)		4,965
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (4,965)	\$	\$ 4,965

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	2,894	2,894		28,816	28,816
	2,894	2,894		28,816	28,816
2,950	2,894	56			
			165,986		165,986
2,950	2,894	56	165,986		165,986
(2,950)		2,950	(165,986)	28,816	194,802
(2,950)		2,950	(165,986)	28,816	194,802
				138,498	138,498
\$ (2,950)	\$	\$ 2,950	\$ (165,986)	\$ 167,314	\$ 333,300

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Food Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 184,963	\$ 184,963
State aid and grants			
Federal aid, grants and reimbursements		1,768,791	1,768,791
Total revenues		<u>1,953,754</u>	<u>1,953,754</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	2,439,188	1,733,221	705,967
Capital outlay		77,213	(77,213)
Total expenditures	<u>2,439,188</u>	<u>1,810,434</u>	<u>628,754</u>
Excess (deficiency) of revenues over expenditures	<u>(2,439,188)</u>	<u>143,320</u>	<u>2,582,508</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(92,264)	(92,264)
Total other financing sources (uses):		<u>(92,264)</u>	<u>(92,264)</u>
Changes in fund balances	<u>(2,439,188)</u>	<u>51,056</u>	<u>2,490,244</u>
Fund balances, beginning of year		472,553	472,553
Fund balances (deficits), end of year	<u>\$ (2,439,188)</u>	<u>\$ 523,609</u>	<u>\$ 2,962,797</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,966	\$ 1,966	\$	\$ 30,467	\$ 30,467
	1,966	1,966		30,467	30,467
20,734	1,321 236	19,413 (236)	184,823	32,320 986	152,503 (986)
20,734	1,557	19,177	184,823	33,306	151,517
(20,734)	409	21,143	(184,823)	(2,839)	181,984
(20,734)	409	21,143	(184,823)	(2,839)	181,984
	21,618	21,618		165,427	165,427
\$ (20,734)	\$ 22,027	\$ 42,761	\$ (184,823)	\$ 162,588	\$ 347,411

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 235,906	\$ 235,906
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>235,906</u>	<u>235,906</u>
Expenditures:			
Current -			
Instruction	450,000	191,418	258,582
Support services - students and staff		3,019	(3,019)
Support services - administration		3,288	(3,288)
Operation and maintenance of plant services		150	(150)
Student transportation services		1,906	(1,906)
Operation of non-instructional services			
Capital outlay		<u>19,402</u>	<u>(19,402)</u>
Total expenditures	<u>450,000</u>	<u>219,183</u>	<u>230,817</u>
Excess (deficiency) of revenues over expenditures	<u>(450,000)</u>	<u>16,723</u>	<u>466,723</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(450,000)</u>	<u>16,723</u>	<u>466,723</u>
Fund balances, beginning of year		123,471	123,471
Fund balances (deficits), end of year	<u>\$ (450,000)</u>	<u>\$ 140,194</u>	<u>\$ 590,194</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 20,335	\$ 20,335	\$	\$ 73,150	\$ 73,150
	20,335	20,335		73,150	73,150
250,000	14,283	235,717	87,582	10,028	77,554
	206	(206)		4,438	(4,438)
	185	(185)		3,839	(3,839)
	3,982	(3,982)		500	(500)
	20,072	(20,072)		11,200	(11,200)
250,000	38,728	211,272	87,582	30,005	57,577
(250,000)	(18,393)	231,607	(87,582)	43,145	130,727
(250,000)	(18,393)	231,607	(87,582)	43,145	130,727
	69,611	69,611		81,881	81,881
\$ (250,000)	\$ 51,218	\$ 301,218	\$ (87,582)	\$ 125,026	\$ 212,608

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 123	\$ 123
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		123	123
Expenditures:			
Current -			
Instruction	69,390		69,390
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	69,390		69,390
Excess (deficiency) of revenues over expenditures	(69,390)	123	69,513
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	(69,390)	123	69,513
Fund balances, beginning of year		68,542	68,542
Fund balances (deficits), end of year	\$ (69,390)	\$ 68,665	\$ 138,055

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,664	\$ 2,664	\$	\$ 170	\$ 170
	2,664	2,664		170	170
60,929		60,929	85,317		85,317
60,929		60,929	85,317		85,317
(60,929)	2,664	63,593	(85,317)	170	85,487
(60,929)	2,664	63,593	(85,317)	170	85,487
	63,815	63,815		308,660	308,660
\$ (60,929)	\$ 66,479	\$ 127,408	\$ (85,317)	\$ 308,830	\$ 394,147

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Indirect Costs		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	261,791	169,761	92,030
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	261,791	169,761	92,030
Excess (deficiency) of revenues over expenditures	(261,791)	(169,761)	92,030
Other financing sources (uses):			
Transfer in		169,761	169,761
Transfer out			
Total other financing sources (uses):		169,761	169,761
Changes in fund balances	(261,791)		261,791
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (261,791)	\$	\$ 261,791

Grants and Gifts to Teachers			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 4	\$ 4	\$	\$ 25	\$ 25
	4	4		25	25
2,316	333	1,983	13,689		13,689
2,316	333	1,983	13,689		13,689
(2,316)	(329)	1,987	(13,689)	25	13,714
(2,316)	(329)	1,987	(13,689)	25	13,714
	2,320	2,320		13,714	13,714
\$ (2,316)	\$ 1,991	\$ 4,307	\$ (13,689)	\$ 13,739	\$ 27,428

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2012

	Joint Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,181,219	\$ 1,181,219
State aid and grants			
Federal aid, grants and reimbursements		42,286	42,286
Total revenues		<u>1,223,505</u>	<u>1,223,505</u>
Expenditures:			
Current -			
Instruction	801,322	520,323	280,999
Support services - students and staff		72,456	(72,456)
Support services - administration		82,694	(82,694)
Operation and maintenance of plant services		114	(114)
Student transportation services			
Operation of non-instructional services			
Capital outlay		36,728	(36,728)
Total expenditures	<u>801,322</u>	<u>712,315</u>	<u>89,007</u>
Excess (deficiency) of revenues over expenditures	<u>(801,322)</u>	<u>511,190</u>	<u>1,312,512</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(35,869)	(35,869)
Total other financing sources (uses):		<u>(35,869)</u>	<u>(35,869)</u>
Changes in fund balances	<u>(801,322)</u>	<u>475,321</u>	<u>1,276,643</u>
Fund balances, beginning of year		53,911	53,911
Fund balances (deficits), end of year	<u>\$ (801,322)</u>	<u>\$ 529,232</u>	<u>\$ 1,330,554</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,766,392	\$ 1,766,392
	1,488,131	1,488,131
	3,825,598	3,825,598
	7,080,121	7,080,121
8,851,005	2,811,135	6,039,870
554,871	1,391,226	(836,355)
282,525	364,743	(82,218)
	685	(685)
	9,138	(9,138)
2,605,174	1,733,221	871,953
	320,867	(320,867)
12,293,575	6,631,015	5,662,560
(12,293,575)	449,106	12,742,681
	169,761	169,761
	(165,138)	(165,138)
	4,623	4,623
(12,293,575)	453,729	12,747,304
	2,723,337	2,723,337
\$ (12,293,575)	\$ 3,177,066	\$ 15,470,641

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DEBT SERVICE FUND

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2012

	Debt Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 2,935	\$ 2,935
Property taxes		606,875	606,875
Total revenues		609,810	609,810
Expenditures:			
Debt service -			
Principal retirement		305,000	(305,000)
Interest and fiscal charges		297,138	(297,138)
Total expenditures		602,138	(602,138)
Excess (deficiency) of revenues over expenditures		7,672	7,672
Other financing sources (uses):			
Transfer in		324	324
Total other financing sources (uses):		324	324
Changes in fund balances		7,996	7,996
Fund balances, beginning of year		231,022	231,022
Fund balances, end of year	\$	\$ 239,018	\$ 239,018

CAPITAL PROJECTS FUNDS

Unrestricted Capital Outlay - to account for transactions relating to the acquisition of capital items.

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

Soft Capital Allocation - to account for transactions relating to the acquisition of short-term capital items required to meet academic adequacy standards.

Bond Building - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites, construction or renovation of school buildings, improving school grounds, or purchasing pupil transportation vehicles.

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2012

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Bond Building</u>
<u>ASSETS</u>			
Cash and investments	\$ 596,709	\$ 259,055	\$ 26,938
Property taxes receivable	123,543	22,976	
Due from governmental entities	1,001		
Total assets	<u><u>\$ 721,253</u></u>	<u><u>\$ 282,031</u></u>	<u><u>\$ 26,938</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 18,275	\$	\$
Deferred revenues	89,930	14,944	
Total liabilities	<u>108,205</u>	<u>14,944</u>	
Fund balances:			
Restricted	613,048	267,087	26,938
Total fund balances	<u>613,048</u>	<u>267,087</u>	<u>26,938</u>
Total liabilities and fund balances	<u><u>\$ 721,253</u></u>	<u><u>\$ 282,031</u></u>	<u><u>\$ 26,938</u></u>

Energy and Water Savings	Building Renewal	Totals
\$ 25,707	\$ 57,695	\$ 966,104
		146,519
		1,001
<u>\$ 25,707</u>	<u>\$ 57,695</u>	<u>\$ 1,113,624</u>
\$	\$	\$ 18,275
		104,874
		123,149
<u>25,707</u>	<u>57,695</u>	<u>990,475</u>
<u>25,707</u>	<u>57,695</u>	<u>990,475</u>
<u>\$ 25,707</u>	<u>\$ 57,695</u>	<u>\$ 1,113,624</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 3,680	\$ 844	\$ 324
Property taxes	893,045	208,771	
State aid and grants	3,397		
Federal aid, grants and reimbursements			
Total revenues	<u>900,122</u>	<u>209,615</u>	<u>324</u>
Expenditures:			
Capital outlay	688,721		82,589
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>688,721</u>	<u></u>	<u>82,589</u>
Excess (deficiency) of revenues over expenditures	<u>211,401</u>	<u>209,615</u>	<u>(82,265)</u>
Other financing sources (uses):			
Transfer out			(324)
Total other financing sources (uses):			<u>(324)</u>
Changes in fund balances	<u>211,401</u>	<u>209,615</u>	<u>(82,589)</u>
Fund balances, beginning of year	401,647	57,472	109,527
Fund balances, end of year	<u>\$ 613,048</u>	<u>\$ 267,087</u>	<u>\$ 26,938</u>

Energy and Water Savings	Building Renewal	Totals
\$ 131,145	\$ 749	\$ 136,742
		1,101,816
		3,397
164,149		164,149
<u>295,294</u>	<u>749</u>	<u>1,406,104</u>
363,328	72,259	1,206,897
77,298		77,298
97,585		97,585
<u>538,211</u>	<u>72,259</u>	<u>1,381,780</u>
<u>(242,917)</u>	<u>(71,510)</u>	<u>24,324</u>
		(324)
		<u>(324)</u>
<u>(242,917)</u>	<u>(71,510)</u>	<u>24,000</u>
268,624	129,205	966,475
<u>\$ 25,707</u>	<u>\$ 57,695</u>	<u>\$ 990,475</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3,680	\$ 3,680
Property taxes		893,045	893,045
State aid and grants		3,397	3,397
Federal aid, grants and reimbursements			
Total revenues		<u>900,122</u>	<u>900,122</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Capital outlay	1,631,813	688,721	943,092
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>1,631,813</u>	<u>688,721</u>	<u>943,092</u>
Excess (deficiency) of revenues over expenditures	<u>(1,631,813)</u>	<u>211,401</u>	<u>1,843,214</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,631,813)</u>	<u>211,401</u>	<u>1,843,214</u>
Fund balances, beginning of year		401,647	401,647
Fund balances (deficits), end of year	<u>\$ (1,631,813)</u>	<u>\$ 613,048</u>	<u>\$ 2,244,861</u>

Adjacent Ways			Soft Capital Allocation		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 844 208,771	\$ 844 208,771	\$	\$ 62,683 54,240 690,462	\$ 62,683 54,240 690,462
	209,615	209,615		807,385	807,385
334,044		334,044	790,159	178,803 17,173 26,737	(178,803) (17,173) 763,422
334,044		334,044	790,159	222,713	567,446
(334,044)	209,615	543,659	(790,159)	584,672	1,374,831
				(1,300,000)	(1,300,000)
				(1,300,000)	(1,300,000)
(334,044)	209,615	543,659	(790,159)	(715,328)	74,831
	57,472	57,472		1,922,141	1,922,141
\$ (334,044)	\$ 267,087	\$ 601,131	\$ (790,159)	\$ 1,206,813	\$ 1,996,972

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Bond Building		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 324	\$ 324
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		324	324
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Capital outlay	6,648,247	82,589	6,565,658
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	6,648,247	82,589	6,565,658
Excess (deficiency) of revenues over expenditures	(6,648,247)	(82,265)	6,565,982
Other financing sources (uses):			
Transfer out		(324)	(324)
Total other financing sources (uses):		(324)	(324)
Changes in fund balances	(6,648,247)	(82,589)	6,565,658
Fund balances, beginning of year		109,527	109,527
Fund balances (deficits), end of year	\$ (6,648,247)	\$ 26,938	\$ 6,675,185

Energy and Water Savings			Building Renewal		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 131,145	\$ 131,145	\$	\$ 749	\$ 749
	164,149	164,149			
	295,294	295,294		749	749
218,762	363,328	(144,566)	163,079	72,259	90,820
	77,298	(77,298)			
	97,585	(97,585)			
218,762	538,211	(319,449)	163,079	72,259	90,820
(218,762)	(242,917)	(24,155)	(163,079)	(71,510)	91,569
(218,762)	(242,917)	(24,155)	(163,079)	(71,510)	91,569
	268,624	268,624		129,205	129,205
\$ (218,762)	\$ 25,707	\$ 244,469	\$ (163,079)	\$ 57,695	\$ 220,774

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2012

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 199,425	\$ 199,425
Property taxes		1,156,056	1,156,056
State aid and grants		693,859	693,859
Federal aid, grants and reimbursements		164,149	164,149
Total revenues		<u>2,213,489</u>	<u>2,213,489</u>
Expenditures:			
Current -			
Instruction		178,803	(178,803)
Support services - students and staff		17,173	(17,173)
Capital outlay	9,786,104	1,233,634	8,552,470
Debt service -			
Principal retirement		77,298	(77,298)
Interest and fiscal charges		97,585	(97,585)
Total expenditures	<u>9,786,104</u>	<u>1,604,493</u>	<u>8,181,611</u>
Excess (deficiency) of revenues over expenditures	<u>(9,786,104)</u>	<u>608,996</u>	<u>10,395,100</u>
Other financing sources (uses):			
Transfer out		(1,300,324)	(1,300,324)
Total other financing sources (uses):		<u>(1,300,324)</u>	<u>(1,300,324)</u>
Changes in fund balances	<u>(9,786,104)</u>	<u>(691,328)</u>	<u>9,094,776</u>
Fund balances, beginning of year		2,888,616	2,888,616
Fund balances (deficits), end of year	<u>\$ (9,786,104)</u>	<u>\$ 2,197,288</u>	<u>\$ 11,983,392</u>

AGENCY FUNDS

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

Employee Insurance - to account for unremitted insurance deductions held by the District as an agent.

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2012

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 82,884	\$ 449,892	\$ 532,776
Total assets	<u>\$ 82,884</u>	<u>\$ 449,892</u>	<u>\$ 532,776</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 449,892	\$ 449,892
Due to student groups	82,884		82,884
Total liabilities	<u>\$ 82,884</u>	<u>\$ 449,892</u>	<u>\$ 532,776</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUNDS
YEAR ENDED JUNE 30, 2012

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 66,604	\$ 107,298	\$ 91,018	\$ 82,884
Total assets	\$ 66,604	\$ 107,298	\$ 91,018	\$ 82,884
<u>Liabilities</u>				
Due to student groups	\$ 66,604	\$ 107,298	\$ 91,018	\$ 82,884
Total liabilities	\$ 66,604	\$ 107,298	\$ 91,018	\$ 82,884
<u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$	\$ 4,324,308	\$ 3,874,416	\$ 449,892
Total assets	\$	\$ 4,324,308	\$ 3,874,416	\$ 449,892
<u>Liabilities</u>				
Deposits held for others	\$	\$ 4,324,308	\$ 3,874,416	\$ 449,892
Total liabilities	\$	\$ 4,324,308	\$ 3,874,416	\$ 449,892
<u>EMPLOYEE WITHHOLDING FUND</u>				
<u>Assets</u>				
Cash and investments	\$	\$ 668,495	\$ 668,495	\$
Total assets	\$	\$ 668,495	\$ 668,495	\$
<u>Liabilities</u>				
Deposits held for others	\$	\$ 668,495	\$ 668,495	\$
Total liabilities	\$	\$ 668,495	\$ 668,495	\$
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 66,604	\$ 5,100,101	\$ 4,633,929	\$ 532,776
Total assets	\$ 66,604	\$ 5,100,101	\$ 4,633,929	\$ 532,776
<u>Liabilities</u>				
Deposits held for others	\$	\$ 4,992,803	\$ 4,542,911	\$ 449,892
Due to student groups	66,604	107,298	91,018	82,884
Total liabilities	\$ 66,604	\$ 5,100,101	\$ 4,633,929	\$ 532,776

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 29,276,531	\$ 30,572,945	\$ 34,850,360	\$ 30,817,230	\$ 30,074,988
Restricted	3,558,660	3,897,010	2,189,507	1,285,491	2,945,518
Unrestricted	5,980,901	7,528,236	5,936,929	5,491,455	4,498,888
Total net assets	<u>\$ 38,816,092</u>	<u>\$ 41,998,191</u>	<u>\$ 42,976,796</u>	<u>\$ 37,594,176</u>	<u>\$ 37,519,394</u>
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net Assets:					
Invested in capital assets, net of related debt	\$ 30,056,109	\$ 29,270,589	\$ 28,089,399	\$ 26,087,717	\$ 11,022,878
Restricted	4,228,481	2,657,505	2,383,785	2,554,986	3,015,565
Unrestricted	2,474,019	5,761,993	4,733,339	3,913,896	2,935,313
Total net assets	<u>\$ 36,758,609</u>	<u>\$ 37,690,087</u>	<u>\$ 35,206,523</u>	<u>\$ 32,556,599</u>	<u>\$ 16,973,756</u>

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Instruction	\$ 16,260,656	\$ 17,841,561	\$ 17,193,268	\$ 17,343,288	\$ 17,834,162
Support services - students and staff	4,044,306	4,213,389	4,909,283	3,377,009	2,879,445
Support services - administration	3,506,391	3,852,387	4,278,874	4,161,607	3,664,508
Operation and maintenance of plant services	3,835,953	4,113,500	3,781,781	4,413,063	4,311,968
Student transportation services	688,064	1,037,984	696,240	644,805	617,619
Operation of non-instructional services	1,790,705	1,776,853	2,111,085	2,019,035	1,908,757
Interest on long-term debt	408,367	431,757	92,143	123,043	153,544
Total expenses	<u>30,534,442</u>	<u>33,267,431</u>	<u>33,062,674</u>	<u>32,081,850</u>	<u>31,370,003</u>
Program Revenues					
Charges for services:					
Instruction	1,325,996	1,077,451	992,987	1,068,210	1,038,252
Operation of non-instructional services	420,149	161,359	398,342	49,981	281,964
Other activities	29,769	30,000	429,339	384,528	45,114
Operating grants and contributions	7,013,310	7,004,441	9,497,217	6,822,564	6,014,897
Capital grants and contributions	533,701	665,494	4,623,246	1,006,217	430,206
Total program revenues	<u>9,322,925</u>	<u>8,938,745</u>	<u>15,941,131</u>	<u>9,331,500</u>	<u>7,810,433</u>
Net (Expense)/Revenue	<u>\$ (21,211,517)</u>	<u>\$ (24,328,686)</u>	<u>\$ (17,121,543)</u>	<u>\$ (22,750,350)</u>	<u>\$ (23,559,570)</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses					
Instruction	\$ 19,063,940	\$ 16,820,718	\$ 15,810,974	\$ 16,833,993	\$ 15,743,915
Support services - students and staff	2,728,216	2,670,700	2,129,529	2,045,518	1,886,556
Support services - administration	3,343,558	3,281,778	3,446,740	3,208,522	2,817,350
Operation and maintenance of plant services	4,099,917	3,620,249	3,448,839	2,769,928	2,674,302
Student transportation services	547,154	482,146	470,117	454,475	338,942
Operation of non-instructional services	1,759,754	1,478,780	1,249,514	1,448,525	1,442,825
Interest on long-term debt	180,909	205,395	238,292	268,127	215,545
Total expenses	<u>31,723,448</u>	<u>28,559,766</u>	<u>26,794,005</u>	<u>27,029,088</u>	<u>25,119,435</u>
Program Revenues					
Charges for services:					
Instruction	888,597	837,764	570,685	200,106	302,576
Operation of non-instructional services	272,112	410,206	297,373	188,658	255,060
Other activities	17,831	13,643	233,583	51,540	
Operating grants and contributions	5,464,554	5,733,337	5,052,553	4,347,401	4,643,374
Capital grants and contributions	260,781	764,779	1,240,431	2,407,164	291,742
Total program revenues	<u>6,903,875</u>	<u>7,759,729</u>	<u>7,394,625</u>	<u>7,194,869</u>	<u>5,492,752</u>
Net (Expense)/Revenue	<u>\$ (24,819,573)</u>	<u>\$ (20,800,037)</u>	<u>\$ (19,399,380)</u>	<u>\$ (19,834,219)</u>	<u>\$ (19,626,683)</u>

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (21,211,517)	\$ (24,328,686)	\$ (17,121,543)	\$ (22,750,350)	\$ (23,559,570)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	397,877	4,061,894	1,918,514	2,011,783	1,747,944
Property taxes, levied for debt service	585,907	677,328	593,885	1,211,057	1,112,759
Property taxes, levied for capital outlay	1,123,544	664,704	1,215,963		59,363
Investment income	39,679	43,212	63,807	110,593	352,938
Unrestricted county aid	987,121	835,422	722,029	669	4,037
Unrestricted state aid	14,895,290	16,886,641	15,907,279	19,491,030	21,043,314
Unrestricted federal aid		180,880	2,082,686		
Total general revenues	<u>18,029,418</u>	<u>23,350,081</u>	<u>22,504,163</u>	<u>22,825,132</u>	<u>24,320,355</u>
Changes in Net Assets	<u>\$ (3,182,099)</u>	<u>\$ (978,605)</u>	<u>\$ 5,382,620</u>	<u>\$ 74,782</u>	<u>\$ 760,785</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net (Expense)/Revenue	\$ (24,819,573)	\$ (20,800,037)	\$ (19,399,380)	\$ (19,834,219)	\$ (19,626,683)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	705,729	1,154,847	2,145,942	2,107,271	1,403,568
Property taxes, levied for debt service	868,837	640,847	817,745	984,040	1,105,628
Property taxes, levied for capital outlay	1,715,755	1,244,032	169,873	15,300	594,711
Investment income	257,928	190,707	67,605	77,241	(56,393)
Unrestricted county aid	16,886	577,687	566,811	544,935	540,850
Unrestricted state aid	20,322,960	19,179,853	18,281,328	31,657,457	20,769,353
Unrestricted federal aid					
Total general revenues	<u>23,888,095</u>	<u>22,987,973</u>	<u>22,049,304</u>	<u>35,386,244</u>	<u>24,357,717</u>
Changes in Net Assets	<u>\$ (931,478)</u>	<u>\$ 2,187,936</u>	<u>\$ 2,649,924</u>	<u>\$ 15,552,025</u>	<u>\$ 4,731,034</u>

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

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable	\$ 682,028	\$ 503,343	\$	\$	\$
Unassigned	5,069,803	6,594,709			
Reserved			333,882	322,881	480,181
Unreserved			850,466	(158,614)	314,448
Total General Fund	<u>\$ 5,751,831</u>	<u>\$ 7,098,052</u>	<u>\$ 1,184,348</u>	<u>\$ 164,267</u>	<u>\$ 794,629</u>
All Other Governmental Funds:					
Restricted	\$ 3,388,301	\$ 3,272,963	\$	\$	\$
Unassigned	(77,491)				
Reserved				7,526	10,524
Unreserved, reported in:					
Special revenue funds			3,034,201	2,715,339	2,297,125
Capital projects funds			8,101,938	796,388	2,664,402
Debt service fund			144,222	256,958	136,972
Total all other governmental funds	<u>\$ 3,310,810</u>	<u>\$ 3,272,963</u>	<u>\$ 11,280,361</u>	<u>\$ 3,776,211</u>	<u>\$ 5,109,023</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
General Fund:					
Reserved	\$ 125,846	\$ 162,973	\$ 155,402	\$ 211,999	\$ 437,081
Unreserved	195,064	1,367,162	1,664,108	1,784,700	607,468
Total General Fund	<u>\$ 320,910</u>	<u>\$ 1,530,135</u>	<u>\$ 1,819,510</u>	<u>\$ 1,996,699</u>	<u>\$ 1,044,549</u>
All Other Governmental Funds:					
Reserved	\$ 12,528	\$ 17,267	\$ 20,777	\$	\$
Unreserved, reported in:					
Special revenue funds	1,279,780	2,782,126	2,112,524	944,016	1,079,258
Capital projects funds	3,945,363	2,195,063	1,533,514	1,671,195	2,117,900
Debt service fund	100,645	251,813	665,157	705,625	649,984
Total all other governmental funds	<u>\$ 5,338,316</u>	<u>\$ 5,246,269</u>	<u>\$ 4,331,972</u>	<u>\$ 3,320,836</u>	<u>\$ 3,847,142</u>

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

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 5,377,822	\$ 5,320,653	\$ 11,396,212	\$ 5,002,016	\$ 4,620,887
State Fiscal Stabilization (ARRA)		180,880	2,082,686		
Education Jobs	53,151	707,913			
National School Lunch Program	1,768,791	1,669,864	1,773,698	1,646,185	1,510,340
Total federal sources	<u>7,199,764</u>	<u>7,879,310</u>	<u>15,252,596</u>	<u>6,648,201</u>	<u>6,131,227</u>
State sources:					
State equalization assistance	14,148,977	15,751,557	16,097,611	16,553,192	18,442,289
State grants	195,925	90,601	234,667	2,078,367	383,990
School Facilities Board					352,670
Other revenues	1,292,206	1,157,726	1,214,935	32,980	2,248,355
Total state sources	<u>15,637,108</u>	<u>16,999,884</u>	<u>17,547,213</u>	<u>18,664,539</u>	<u>21,427,304</u>
Local sources:					
Property taxes	2,375,743	5,180,392	3,671,680	3,157,114	2,877,938
County aid	987,121	835,422	722,029	669	4,037
Food service sales	185,369	161,359	184,889	202,739	188,051
Investment income	39,679	43,212	63,809	110,593	352,938
Other revenues	1,741,867	1,205,416	1,721,349	1,582,957	1,376,895
Total local sources	<u>5,329,779</u>	<u>7,425,801</u>	<u>6,363,756</u>	<u>5,054,072</u>	<u>4,799,859</u>
Total revenues	<u><u>\$ 28,166,651</u></u>	<u><u>\$ 32,304,995</u></u>	<u><u>\$ 39,163,565</u></u>	<u><u>\$ 30,366,812</u></u>	<u><u>\$ 32,358,390</u></u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Federal sources:					
Federal grants	\$ 4,080,218	\$ 4,572,004	\$ 4,876,135	\$ 5,452,897	\$ 3,539,302
National School Lunch Program	1,344,709	1,281,516	1,162,495	1,069,506	1,187,855
Total federal sources	<u>5,424,927</u>	<u>5,853,520</u>	<u>6,038,630</u>	<u>6,522,403</u>	<u>4,727,157</u>
State sources:					
State equalization assistance	17,735,350	15,984,916	15,186,853	15,386,141	15,395,848
State grants	245,059	207,961	254,354	232,163	207,959
School Facilities Board	713,339	1,082,701	1,605,273	15,200,662	4,203,463
Other revenues	<u>1,874,271</u>	<u>2,118,795</u>	<u>1,566,917</u>	<u>1,065,578</u>	<u>1,170,743</u>
Total state sources	<u>20,568,019</u>	<u>19,394,373</u>	<u>18,613,397</u>	<u>31,884,544</u>	<u>20,978,013</u>
Local sources:					
Property taxes	3,402,374	3,141,544	3,085,780	3,166,646	3,194,870
County aid	16,886	577,687	566,811	544,935	540,850
Food service sales	202,802	195,114	163,038	111,375	162,913
Investment income	257,928	190,707	67,605	77,241	(56,137)
Other revenues	<u>975,738</u>	<u>1,066,499</u>	<u>938,603</u>	<u>328,928</u>	<u>394,721</u>
Total local sources	<u>4,855,728</u>	<u>5,171,551</u>	<u>4,821,837</u>	<u>4,229,125</u>	<u>4,237,217</u>
Total revenues	<u>\$ 30,848,674</u>	<u>\$ 30,419,444</u>	<u>\$ 29,473,864</u>	<u>\$ 42,636,072</u>	<u>\$ 29,942,387</u>

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

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

		Fiscal Year Ended June 30				
		<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:						
Current -						
Instruction	\$	14,729,785	\$ 13,523,776	\$ 15,731,136	\$ 15,102,110	\$ 15,898,466
Support services - students and staff		3,912,817	3,613,733	4,858,762	3,295,576	2,759,700
Support services - administration		3,227,155	3,560,419	3,756,522	3,758,653	3,687,157
Operation and maintenance of plant services		3,234,682	3,259,655	3,313,024	3,632,650	3,477,072
Student transportation services		493,999	527,036	605,059	542,207	485,546
Operation of non-instructional services		1,755,419	1,648,569	1,910,702	1,859,046	1,807,614
Capital outlay		1,522,832	8,997,027	7,092,311	2,878,248	3,201,447
Debt service -						
Claims and judgments			29,497		16,248	
Interest, premium and fiscal charges		394,723	350,018	24,050	54,950	85,451
Principal retirement		382,298	248,000	740,000	1,030,000	1,063,842
Payment to refunded bond escrow agent						
Bond issuance costs				189,834		
Total expenditures		<u>\$ 29,653,710</u>	<u>\$ 35,757,730</u>	<u>\$ 38,221,400</u>	<u>\$ 32,169,688</u>	<u>\$ 32,466,295</u>
Expenditures for capitalized assets		\$ 462,044	\$ 4,294,000	\$ 5,983,990	\$ 1,076,419	\$ 417,468
Debt service as a percentage of noncapital expenditures		3%	2%	2%	4%	4%

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenditures:					
Current -					
Instruction	\$ 16,297,105	\$ 14,755,818	\$ 13,889,562	\$ 13,756,825	\$ 13,560,078
Support services - students and staff	2,607,179	2,599,809	2,035,646	1,564,137	1,851,468
Support services - administration	3,251,906	3,174,986	3,003,802	2,386,376	2,992,452
Operation and maintenance of plant services	3,547,550	3,153,788	3,085,509	2,654,541	2,551,767
Student transportation services	449,169	326,570	261,740	295,364	254,653
Operation of non-instructional services	1,628,702	1,378,282	1,185,610	1,344,808	1,420,918
Capital outlay	2,988,582	3,343,787	4,051,404	18,988,392	5,955,016
Debt service -					
Claims and judgments					
Interest, premium and fiscal charges	112,816	137,302	170,199	200,034	215,545
Principal retirement	1,040,977	928,241	920,625	857,764	750,000
Payment to refunded bond escrow agent					1,000,000
Bond issuance costs					126,498
Total expenditures	<u><u>\$ 31,923,986</u></u>	<u><u>\$ 29,798,583</u></u>	<u><u>\$ 28,604,097</u></u>	<u><u>\$ 42,048,241</u></u>	<u><u>\$ 30,678,395</u></u>
Expenditures for capitalized assets	\$ 1,154,667	\$ 1,680,135	\$ 2,236,029	\$ 15,110,391	\$ 4,041,785
Debt service as a percentage of noncapital expenditures	4%	4%	4%	4%	7%

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (1,487,059)	\$ (3,452,735)	\$ 942,165	\$ (1,802,876)	\$ (107,905)
Other financing sources (uses):					
School improvement bonds issued			7,648,000		
Discount on sale of bonds			(69,409)		
Capital lease agreements		1,189,580			
Transfers in	170,085	179,723	203,394	1,471,552	702,599
Transfers out	<u>(170,085)</u>	<u>(179,723)</u>	<u>(203,394)</u>	<u>(1,471,552)</u>	<u>(702,599)</u>
Total other financing sources (uses)		<u>1,189,580</u>	<u>7,578,591</u>		
Changes in fund balances	<u>\$ (1,487,059)</u>	<u>\$ (2,263,155)</u>	<u>\$ 8,520,756</u>	<u>\$ (1,802,876)</u>	<u>\$ (107,905)</u>
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Excess (deficiency) of revenues over expenditures	\$ (1,075,312)	\$ 620,861	\$ 869,767	\$ 587,831	\$ (736,008)
Other financing sources (uses):					
Refunding bonds issued					6,280,000
Premium on sale of bonds					77,028
Capital lease agreements				63,095	238,354
Transfers in	229,962		148,177	66,704	41,434
Transfers out	<u>(229,962)</u>		<u>(148,177)</u>	<u>(66,704)</u>	<u>(41,434)</u>
Payment to refunded bond escrow agent					(6,230,530)
Total other financing sources (uses)				<u>63,095</u>	<u>364,852</u>
Changes in fund balances	<u>\$ (1,075,312)</u>	<u>\$ 620,861</u>	<u>\$ 869,767</u>	<u>\$ 650,926</u>	<u>\$ (371,156)</u>

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Real Property		Personal Property	Less: Tax Exempt Real Property	Total Taxable Assessed Valuation	Total Direct Rate	Estimated Actual Value	Ratio of Net Assessed to Estimated Actual Value	
	Residential Property	Commercial Property							
2012	\$ 41,824,298	\$ 41,968,989	\$ 7,556,206	\$ 15,301,638	\$ 76,047,855	3.32	\$ 694,974,282	10.94	%
2011	42,294,793	43,089,500	8,065,860	15,250,534	78,199,619	8.74	701,419,679	11.15	
2010	40,294,137	37,923,590	8,761,135	12,672,843	74,306,019	6.12	647,530,839	11.48	
2009					74,722,856	5.16	635,863,021	11.75	
2008					69,113,326	4.68	572,506,151	12.07	
2007					66,492,699	6.37	537,953,409	12.36	
2006					57,595,672	6.16	474,089,819	12.15	
2005					52,243,317	6.81	407,543,842	12.82	
2004					50,673,005	6.88	393,789,594	12.87	
2003					47,983,683	7.20	374,033,554	12.83	

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

Note: Total taxable assessed valuation is displayed by major component beginning with fiscal year ended June 30, 2010.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Overlapping Rates								District Direct Rates		
	State	County	County	Flood	Community	Fire	Joint	City			
	Equalization		Free	Control	College	District	Technology	of	Primary	Secondary	Total
			Library	District	District	Assistance	District	Douglas			
2012	0.43	2.63	0.15	0.26	1.67	0.08	0.05	0.98	2.53	0.79	3.32
2011	0.36	2.63	0.15	0.26	1.60	0.08	0.05	0.98	7.86	0.88	8.74
2010	0.33	2.64	0.15	0.26	1.60	0.09	0.05	1.00	5.30	0.82	6.12
2009		2.68	0.16	0.26	1.66	0.08	0.05	1.02	3.51	1.65	5.16
2008		2.87	0.16	0.26	1.74	0.09	0.05	0.99	3.10	1.58	4.68
2007		2.92	0.16	0.26	1.79	0.09	0.05	1.05	4.94	1.43	6.37
2006		2.94	0.16	0.26	1.79	0.09	0.05	1.09	5.33	0.83	6.16
2005		2.94	0.16	0.26	1.79	0.10	0.05	1.09	4.91	1.90	6.81
2004		2.94	0.16	0.26	1.79	0.10	0.05	1.09	4.93	1.95	6.88
2003		2.94	0.16	0.26	1.79	0.10	0.05	1.09	4.90	2.30	7.20

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Taxpayer	2012			2003	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation		Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Arizona Public Service Company	\$ 3,755,764	4.94 %		\$ 3,396,808	7.08 %
Wal-Mart Stores Inc.	2,294,016	3.02		908,007	1.89
Phelps Dodge Corporation	1,223,598	1.61		779,430	1.62
Qwest Corporation	721,952	0.95		1,108,239	2.31
DHD LLC	634,720	0.83			
Southwest Gas Corporation	570,104	0.75		1,127,347	2.35
Safeway Inc.	531,492	0.70		833,802	1.74
El Paso Natural Gas Corporation	526,032	0.69			
SFP Pool Five Shopping Centers LLC	477,733	0.63			
FAE Holdings 356216R LLC	452,000	0.59			
Douglas Customs LLC	402,319	0.53			
General Motors Corporation				812,310	1.69
Newhall Douglas Limited Partnership				523,075	1.09
J C Penney Co. Inc.				481,626	1.00
Borane Ronald J. & Rona				450,514	0.94
Total	<u>\$ 11,589,730</u>	<u>15.24 %</u>		<u>\$ 10,421,158</u>	<u>21.71 %</u>

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 2,115,717	\$ 1,903,366	89.96 %	\$	\$ 1,903,366	89.96 %
2011	5,248,055	4,702,230	89.60	444,395	5,146,625	98.07
2010	3,640,145	3,258,319	89.51	338,150	3,596,469	98.80
2009	3,115,816	2,795,410	89.72	297,994	3,093,404	99.28
2008	2,668,469	2,400,827	89.97	257,055	2,657,882	99.60
2007	3,326,693	3,119,942	93.79	196,162	3,316,104	99.68
2006	2,904,085	2,647,543	91.17	247,307	2,894,850	99.68
2005	2,929,609	2,643,174	90.22	277,741	2,920,915	99.70
2004	2,879,255	2,563,528	89.03	307,136	2,870,664	99.70
2003	2,916,899	2,599,299	89.11	310,402	2,909,701	99.75

Source: The source of this information is the 2012 Cochise County Treasurer's records.

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less:	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
		Amounts Restricted for Principal									
2012	\$ 7,400,000	\$ 331,441	\$ 7,068,559	1.02 %	\$ 393	\$ 1,112,282	\$ 8,180,841	1.18 %	\$ 454	N/A %	
2011	7,600,000	344,413	7,255,587	1.03	403	1,189,580	8,445,167	1.20	469	1.74	
2010	8,388,000	248,030	8,139,970	1.26	452		8,139,970	1.26	452	1.90	
2009	1,770,000	396,409	1,373,591	0.22	76		1,373,591	0.22	76	1.91	
2008	2,770,000	253,787	2,516,213	0.44	140		2,516,213	0.44	140	0.36	
2007	3,750,000	183,151	3,566,849	0.66	210	63,842	3,630,691	0.67	214	0.70	
2006	4,620,000	349,958	4,270,042	0.90	251	124,819	4,394,861	0.93	259	1.07	
2005	5,485,000		5,485,000	1.35	323	183,060	5,668,060	1.39	333	1.42	
2004	6,280,000		6,280,000	1.59	369	238,685	6,518,685	1.66	383	2.03	
2003	7,030,000		7,030,000	1.88	391	238,354	7,268,354	1.94	404	2.45	

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2012

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Cochise County	\$ 5,200,000	8.66 %	\$ 450,320
City of Douglas	14,553,140	100.00	14,553,140
			<u>15,003,460</u>
Direct:			
Douglas Unified School District No. 27			<u>8,180,841</u>
Total Direct and Overlapping Debt			<u><u>\$ 23,184,301</u></u>

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2011 is presented for the overlapping governments as this is the most recent available information.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2012:

Secondary assessed valuation	\$ 76,047,855
Debt limit (10% of assessed value)	7,604,786
Debt applicable to limit	<u>7,400,000</u>
Legal debt margin	<u><u>\$ 204,786</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2012:

Secondary assessed valuation	\$ 76,047,855
Debt limit (30% of assessed value)	22,814,357
Debt applicable to limit	<u>7,400,000</u>
Legal debt margin	<u><u>\$ 15,414,357</u></u>

	Fiscal Year Ended June 30				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Total Debt limit	\$ 22,814,357	\$ 23,459,886	\$ 29,722,408	\$ 22,416,857	\$ 20,733,998
Total net debt applicable to limit	<u>7,400,000</u>	<u>7,600,000</u>	<u>8,388,000</u>	<u>1,770,000</u>	<u>2,770,000</u>
Legal debt margin	<u><u>\$ 15,414,357</u></u>	<u><u>\$ 15,859,886</u></u>	<u><u>\$ 21,334,408</u></u>	<u><u>\$ 20,646,857</u></u>	<u><u>\$ 17,963,998</u></u>
Total net debt applicable to the limit as a percentage of debt limit	32%	32%	28%	8%	13%
	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limit	\$ 19,947,810	\$ 17,278,702	\$ 15,672,995	\$ 15,201,902	\$ 14,395,105
Total net debt applicable to limit	<u>3,750,000</u>	<u>4,620,000</u>	<u>5,485,000</u>	<u>6,280,000</u>	<u>7,030,000</u>
Legal debt margin	<u><u>\$ 16,197,810</u></u>	<u><u>\$ 12,658,702</u></u>	<u><u>\$ 10,187,995</u></u>	<u><u>\$ 8,921,902</u></u>	<u><u>\$ 7,365,105</u></u>
Total net debt applicable to the limit as a percentage of debt limit	19%	27%	35%	41%	49%

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2011	130,537	\$ N/A	\$ N/A	8.8 %	18,000
2010	142,000	4,688,309	35,592	8.0	18,000
2009	140,263	4,435,021	34,243	7.4	18,000
2008	139,434	4,271,255	33,259	5.6	18,000
2007	137,200	3,823,812	29,890	4.0	18,000
2006	135,150	3,570,455	28,166	4.4	17,000
2005	131,790	3,383,842	26,958	4.8	17,000
2004	129,600	3,097,128	25,097	4.9	17,000
2003	125,430	2,794,617	23,045	5.6	17,000
2002	123,945	2,658,448	22,186	5.9	18,000

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.
The source of the "Population" and "Unemployment Rate" information is University of Arizona, Eller College of Management, Economic and Business Research Center.

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Employer	2012			2003		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Arizona State Prison Complex	648	11.28	%	666	12.62	%
Advanced Call Center Technologies, L.L.C.	537	9.35				
Douglas Unified School District	516	8.98		617	11.69	
Wal-Mart Stores, Inc.	295	5.13		235	4.45	
Cochise College	218	3.79		166	3.14	
City of Douglas	197	3.43		234	4.43	
Chiricahua Community Health Centers	106	1.85				
Southeast Arizona Medical Center	77	1.34		120	2.27	
Cochise County	64	1.11				
Basha's, Inc.	62	1.08		117	2.22	
US Customs				70	1.33	
Gadsden Hotel				65	1.23	
JC Penney				48	0.91	
Total	2,720	47.34	%	2,338	44.29	%
Total employment	5,745			5,279		

Source: The source of this information is the records of the Cochise College Center for Economic Research.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

Full-time Equivalent Employees as of June 30					
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Supervisory					
Superintendent	1				
Assistant superintendents	1				
Consultants/supervisors of instruction	2				3
Principals	8	8	7	8	8
Assistant principals	4	4	4	4	2
Total supervisory	<u>16</u>	<u>12</u>	<u>11</u>	<u>12</u>	<u>13</u>
Instruction					
Teachers	180	187	198	203	189
Other professionals (instructional)	16	16	14	14	14
Aides	116	112	96	110	118
Total instruction	<u>312</u>	<u>315</u>	<u>308</u>	<u>327</u>	<u>321</u>
Student Services					
Nurses	4				
Counselors/Advisors	7				
Librarians	1	1	2	2	2
Technicians	6	6	8	9	8
Total student services	<u>18</u>	<u>7</u>	<u>10</u>	<u>11</u>	<u>10</u>
Support and Administration					
Clerical workers	24				
Maintenance workers	16				
Bus Drivers	7				
Service workers	4	34	38	42	42
Unskilled laborers	75	107	80	84	87
Total support and administration	<u>126</u>	<u>141</u>	<u>118</u>	<u>126</u>	<u>129</u>
Total	<u><u>472</u></u>	<u><u>475</u></u>	<u><u>447</u></u>	<u><u>476</u></u>	<u><u>473</u></u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Supervisory					
Superintendent					
Assistant superintendents					
Consultants/supervisors of instruction		5	5	5	6
Principals	8	8	8	7	7
Assistant principals	3	3	3	3	3
Total supervisory	<u>11</u>	<u>16</u>	<u>16</u>	<u>15</u>	<u>16</u>
Instruction					
Teachers	206	174	174	176	186
Other professionals (instructional)	7	8	8	8	8
Aides	127	90	90	90	93
Total instruction	<u>340</u>	<u>272</u>	<u>272</u>	<u>274</u>	<u>287</u>
Student Services					
Nurses					
Counselors/Advisors					
Librarians	2	2	2	2	2
Technicians	10	6	6	5	5
Total student services	<u>12</u>	<u>8</u>	<u>8</u>	<u>7</u>	<u>7</u>
Support and Administration					
Clerical workers					
Maintenance workers					
Bus Drivers					
Service workers	39	31	31	31	28
Unskilled laborers	80	83	83	83	68
Total support and administration	<u>119</u>	<u>114</u>	<u>114</u>	<u>114</u>	<u>96</u>
Total	<u><u>482</u></u>	<u><u>410</u></u>	<u><u>410</u></u>	<u><u>410</u></u>	<u><u>406</u></u>

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2012	3,919	\$ 27,353,857	\$ 6,980	6.33 %	\$ 30,534,442	\$ 7,791	(6.76) %	180	21.8	85 %
2011	3,981	26,133,188	6,564	(12.79)	33,267,431	8,357	1.33	187	21.3	85
2010	4,009	30,175,205	7,527	4.69	33,062,674	8,247	0.80	198	20.2	86
2009	3,921	28,190,242	7,190	1.60	32,081,850	8,182	3.63	203	19.3	83
2008	3,973	28,115,555	7,077	1.74	31,370,003	7,896	(0.59)	189	21.0	79
2007	3,994	27,781,611	6,956	13.53	31,723,448	7,943	15.25	206	19.4	76
2006	4,144	25,389,253	6,127	5.13	28,559,766	6,892	3.55	174	23.8	76
2005	4,026	23,461,869	5,828	3.64	26,794,005	6,655	(3.65)	174	23.1	74
2004	3,913	22,002,051	5,623	2.19	27,029,088	6,908	13.10	176	22.2	74
2003	4,113	22,631,336	5,502	4.27	25,119,435	6,107	N/A	186	22.1	68

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

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

2) N/A indicates that the information is not available.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Schools</u>										
Elementary										
Buildings	22	22	22	22	22	22	22	22	21	18
Square feet	180,233	180,233	180,233	180,233	180,233	180,233	180,233	180,233	130,734	89,994
Capacity	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251	1,633	1,188
Enrollment	1,616	1,698	1,675	1,696	1,803	1,785	1,904	1,860	1,850	1,403
Middle										
Buildings	14	14	14	14	14	14	14	14	14	14
Square feet	135,538	135,538	135,538	135,538	135,538	135,538	135,538	135,538	135,538	135,538
Capacity	1,694	1,694	1,694	1,694	1,694	1,694	1,694	1,694	1,694	1,694
Enrollment	940	944	919	918	976	988	1,041	1,037	1,014	1,028
High										
Buildings	23	23	23	23	23	23	23	23	23	23
Square feet	157,335	157,335	157,335	157,335	157,335	157,335	157,335	157,335	157,335	157,335
Capacity	1,967	1,967	1,967	1,967	1,967	1,967	1,967	1,967	1,967	1,967
Enrollment	1,353	1,324	1,269	1,145	1,217	1,241	1,379	1,271	1,210	1,145
Other										
Buildings	4	4	4	4	4	4	4	4	3	3
Square feet	28,561	28,561	28,561	28,561	28,561	28,561	28,561	28,561	23,974	23,974
Capacity	352	352	352	352	352	357	357	357	293	293
Enrollment	47	146	146	162	172	191	211	236	242	123
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	48,400	48,400	48,400	48,400	48,400	48,400	48,400	48,400	48,400	48,400
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	16	17	17	16	16	16	16	16	14	18
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	7	7	7	7	7	7	7	7	7	7
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	18	18	18	18	18	18	18	18	16	16

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

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