

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

TUCSON, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Issued by:
Business and Finance Department

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

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INTRODUCTORY SECTION

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January 31, 2017

Citizens and Governing Board
Altar Valley Elementary School District No. 51
10105 South Sasabe Road
Tucson, AZ 85736

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Altar Valley Elementary School District No. 51 (District) for the fiscal year ended June 30, 2016.

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, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 18 public school districts located in Pima County, Arizona. It provides a program of public education from preschool through grade eight with average daily membership of 594. Estimated enrollment for fiscal year 2016-17 is 612 students. The average age of school buildings is 23 years.

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

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

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

The District is located 20 miles south of downtown Tucson on Route 86, Ajo Way and spreads over 680 square miles to the west and south. The District is a mixture of residential development, large ranches and farm land. There are large tracts of Bureau of Land Management and State land within the boundaries of the District. Several attractions are near the District including the Saguaro National Monument, the Arizona Sonora Desert Museum, Old Tucson, and the San Xavier del Bac Mission. The internationally known Kitt Peak National Observatory frames the background for the Altar Valley School District. Growth in residential development is anticipated in the next five years. Many large tracts of land were approved for development in prior years and improvements are now being made. The District is located in the one quadrant of metropolitan Tucson that has not seen explosive growth. The rugged natural beauty of the land and affordability of property make the area attractive for future development.

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. The economy of the District mirrors that of the Tucson Metropolitan area and Pima County as a whole. Growth in the region has been stimulated by a combination of warm climate, a substantial well-educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment. At the present time the Altar Valley School District is the largest employer within District boundaries with approximately 96 employees.

Long-term Financial Planning. During the 2015-16 school year, the District's average student membership declined slightly, enrolling approximately 637 students. The high school population has maintained at 252. The District's teacher turnover rate continues to be sporadic in recent years, however, the District continues to maintain emphasis on professional development, administrative, support, and competitive salaries. The District was awarded \$1,033,112 in federal grants, \$27,027 in the federal E-Rate program, \$17,963 in Federal Medicaid Reimbursement Program. The reauthorization of the 10 percent override in November 2014 resulted in funding of \$434,898.

The District is operating under a seven year, 10 percent maintenance and operations override that voters re-approved in 2014. The continuance of the 10 percent override will be beneficial in the long term plans of the District. This outcome will allow us to continue to support the advancement and growth of the educational initiatives that include, full-day kindergarten, athletic programs, maintaining class sizes, attracting and retaining the highest quality teaching staff, and maintaining special programs.

District administrators will continue to be active in the Pima County Collaborative which is composed of school board members and administrators from each district in Pima County. Active participation in the Southern Arizona School Business Officials, Arizona Association of School Business Officials, and Arizona School Administrators organizations will allow District to meet with their respective professional groups to share training, interests, and concerns.

Major initiatives of the District. The local funds that have been authorized will be critical to advancing the District's plan, especially in the current economic situation and uncertainty of stability with regular state funding streams. The District financial plan is to support the Altar Valley 2020 plan and in full filing our promise that we make decisions in the best interest of kids.

In addition to advancing initiatives that include, full-day kindergarten, athletic programs, maintaining class sizes, attracting and retaining the highest quality teaching staff, and maintaining special programs. The Altar Valley School District is engaged in the continued implementation of "Beyond Textbook Initiative." In brief, this program takes the Vail School District's proven curriculum, assessments, and instructional strategies and makes those strategies very easily accessible via a web-based distribution system. The Initiative also makes it possible for teachers to share lesson plans and materials directly linked to the standard being taught by the teacher, in addition to making successful strategies and resources more easily accessible to teachers.

This year we will continue to expand the scope of the Paxton Patterson STEM Action LABS Programs in grades 5-8. The goal is to help prepare the Altar Valley Middle School students for the workforce of tomorrow. Our program encourages students to think about science, technology, engineering, and math in a connected way rather than viewing each discipline as a separate subject. Critical thinking, reading, and writing are integrated into the Paxton Patterson Lab through Integrated Instructional Unit modules. Each module is completed in our Paxton Patterson Computer Lab utilizing the latest technology to enhance their learning.

In brief our focus will be on improving teacher instruction and ensuring that our students receive the best education possible.

AWARDS AND ACKNOWLEDGMENTS

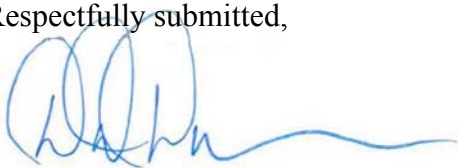
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the tenth year that the District has received this prestigious 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, 2015. 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.

We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2016 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,



Dr. David Dumon
Superintendent



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Altar Valley Elementary School District No. 51

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

Altar Valley

Elementary School District No. 51

Arizona

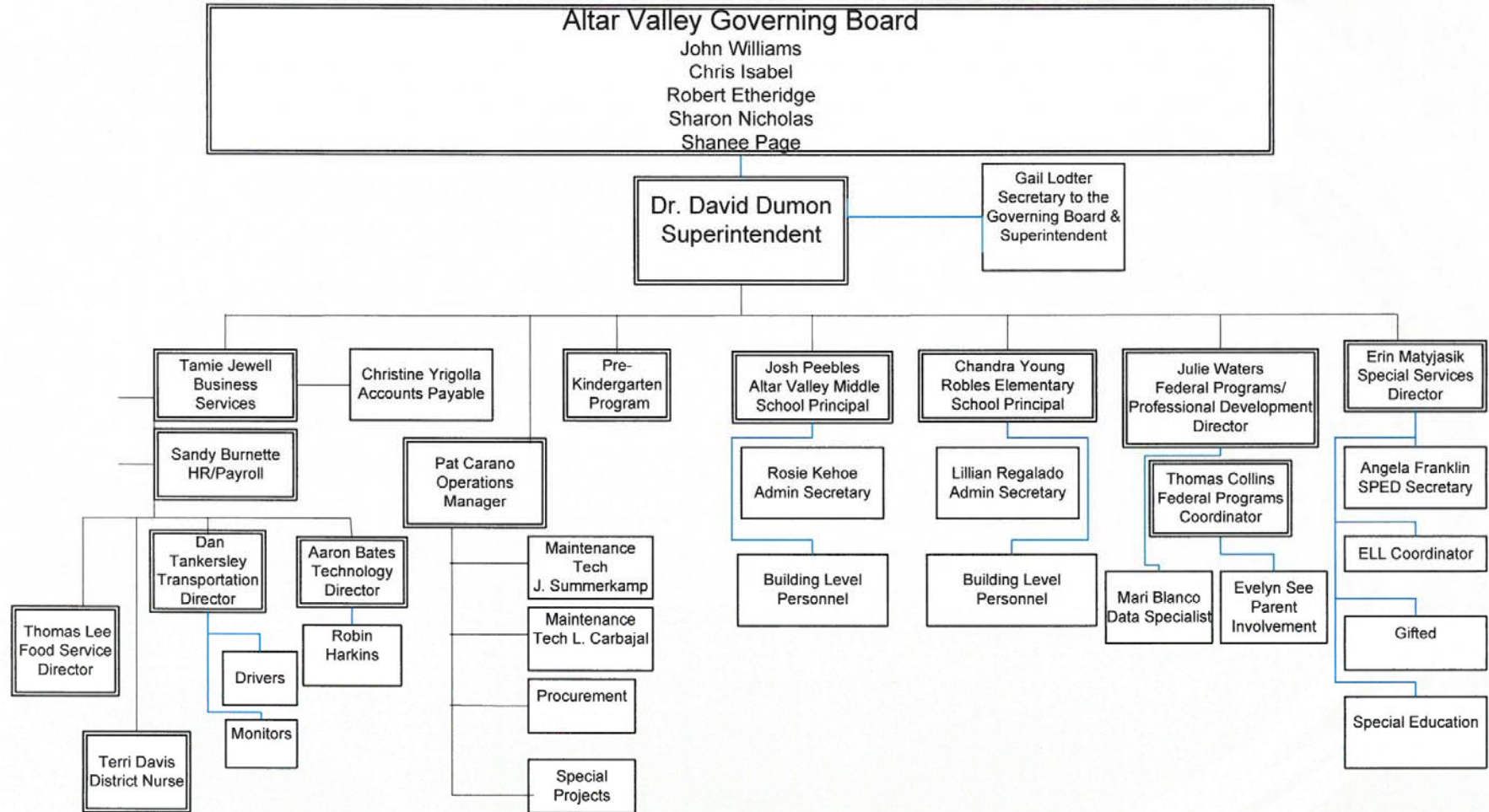
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



Altar Valley School District Organizational Chart



ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

W. John Williams, President

Robert Etheridge, Vice President

Chris Isabel, Member

Sharon Nicholas, Member

Shanee Page, Member

ADMINISTRATIVE STAFF

Dr. David Dumon, Superintendent

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Altar Valley Elementary School District No. 51

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Altar Valley Elementary School District No. 51 (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Altar Valley Elementary School District No. 51, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2017, on our consideration of Altar Valley Elementary School District No. 51's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Altar Valley Elementary School District No. 51's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
January 31, 2017

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

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**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

As management of the Altar Valley Elementary School District No. 51 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$877,238 which represents a 16 percent increase from the prior fiscal year primarily due to changes in pension related accounts.
- General revenues accounted for \$7.3 million in revenue, or 80 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1.8 million or 20 percent of total current fiscal year revenues.
- The District had approximately \$8.3 million in expenses related to governmental activities, a decrease of eight percent from the prior fiscal year as a result of a reduction in spending on technological equipment.
- Among major funds, the General Fund had \$6.4 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$6.3 million in expenditures. The General Fund's fund balance increase from \$1.4 million at the prior fiscal year end to \$1.6 million at the end of the current fiscal year was primarily due to an increase in state equalization revenues due to an increase in the state's funding formula.

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.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing 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.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. 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 the Other State Projects Fund as required supplementary information. Schedules for the pension plan have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$6.4 million at the current fiscal year end.

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

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2016 and June 30, 2015. The prior year table has not been updated for the effects of Note 10.

	As of June 30, 2016	As of June 30, 2015
Current assets	\$ 4,146,379	\$ 3,374,982
Capital assets, net	9,211,223	8,569,951
Total assets	<u>13,357,602</u>	<u>11,944,933</u>
Deferred outflows	<u>585,116</u>	<u>824,738</u>
Current liabilities	445,970	386,492
Long-term liabilities	<u>6,037,521</u>	<u>5,986,195</u>
Total liabilities	<u>6,483,491</u>	<u>6,372,687</u>
Deferred inflows	<u>1,048,596</u>	<u>966,798</u>
Net position:		
Net investment in capital assets	8,166,436	8,159,709
Restricted	1,451,599	1,035,904
Unrestricted	<u>(3,207,404)</u>	<u>(3,765,427)</u>
Total net position	<u>\$ 6,410,631</u>	<u>\$ 5,430,186</u>

At the end of the current fiscal year, the District reported a negative unrestricted net position of \$3.2 million as a result of an unfunded pension liability. Positive net position was reported in the other two categories.

The following are significant current year transactions that had an impact on the Statement of Net Position.

- The issuance of \$234,006 in capital lease obligations.
- The addition of \$383,917 in capital assets primarily through the purchase of new buses and technology upgrades.
- The decrease of \$565,582 in pension liabilities.
- The depreciation of existing assets resulting in the addition of \$448,596 in accumulated depreciation.
- The principal retirement of \$330,937 of capital lease obligations.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

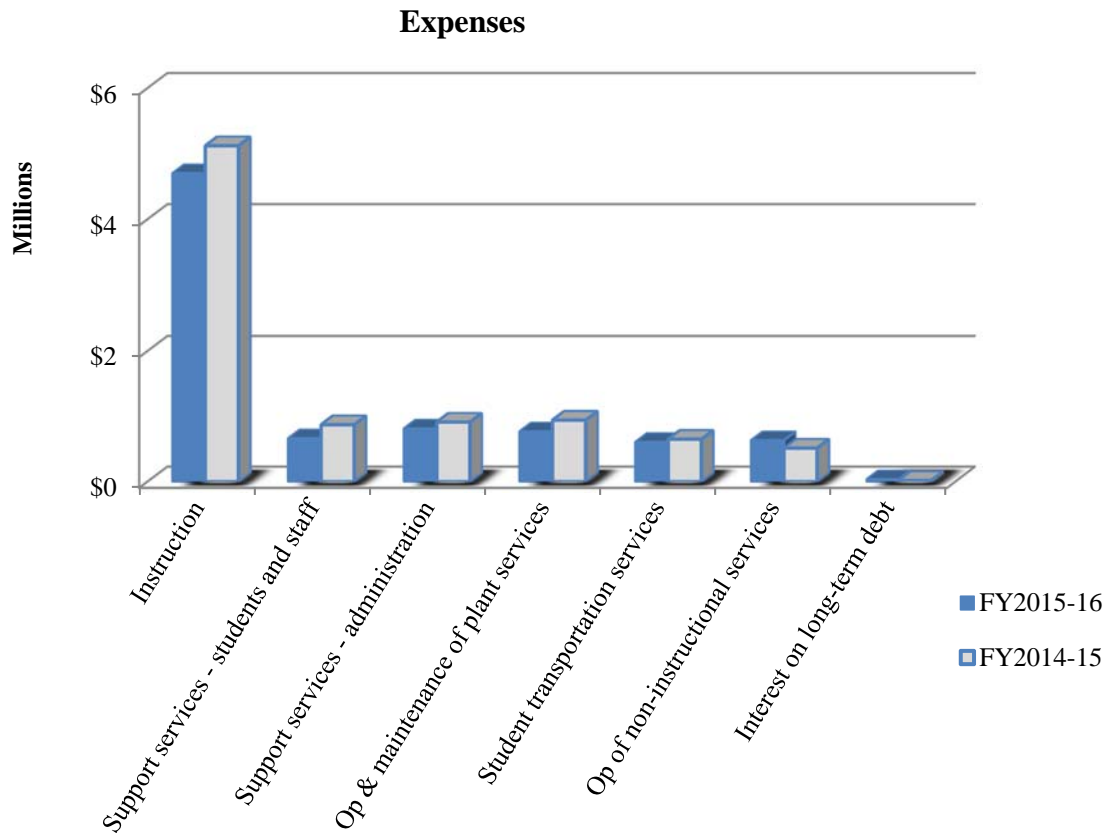
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$9.1 million. The total cost of all programs and services was \$8.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	Fiscal Year Ended <u>June 30, 2016</u>	Fiscal Year Ended <u>June 30, 2015</u>
Revenues:		
Program revenues:		
Charges for services	\$ 55,775	\$ 48,544
Operating grants and contributions	1,629,866	1,715,969
Capital grants and contributions	155,652	175,056
General revenues:		
Property taxes	1,946,740	1,771,922
Investment income	9,589	8,669
Unrestricted county aid	529,420	484,473
Unrestricted state aid	4,793,849	4,476,255
Unrestricted federal aid	17,521	29,359
Total revenues	<u>9,138,412</u>	<u>8,710,247</u>
Expenses:		
Instruction	4,617,871	5,118,827
Support services – students and staff	664,224	871,129
Support services – administration	815,047	911,283
Operation and maintenance of plant services	770,648	941,641
Student transportation services	724,422	649,294
Operation of non-instructional services	633,973	512,258
Interest on long-term debt	34,989	14,086
Total expenses	<u>8,261,174</u>	<u>9,018,518</u>
Changes in net position	<u>877,238</u>	<u>(308,271)</u>
Net position, beginning	5,430,186	5,738,457
Net effect of prior period adjustments	103,207	
Net position, beginning as restated	<u>5,533,393</u>	
Net position, ending	<u>\$ 6,410,631</u>	<u>\$ 5,430,186</u>

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- State aid revenues increased \$317,594 due to an increase in state equalization revenues due to an increase in the state's funding formula.
- The increase in property tax revenues of \$174,818 was due to an increase in the primary tax rate.
- An overall decrease in expenses of \$757,344 was primarily due to a reduction in spending on technological equipment.

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.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	<u>Year Ended June 30, 2016</u>		<u>Year Ended June 30, 2015</u>	
	Total	Net (Expense)/ Revenue	Total	Net (Expense)/ Revenue
	<u>Expenses</u>		<u>Expenses</u>	
Instruction	\$ 4,617,871	\$ (3,882,353)	\$ 5,118,827	\$ (4,089,504)
Support services – students and staff	664,224	(368,910)	871,129	(584,393)
Support services – administration	815,047	(774,916)	911,283	(840,998)
Operation and maintenance of plant services	770,648	(633,052)	941,641	(892,092)
Student transportation services	724,422	(716,028)	649,294	(640,930)
Operation of non-instructional services	633,973	(9,633)	512,258	(16,946)
Interest on long-term debt	34,989	(34,989)	14,086	(14,086)
Total	<u>\$ 8,261,174</u>	<u>\$ (6,419,881)</u>	<u>\$ 9,018,518</u>	<u>\$ (7,078,949)</u>

- The cost of all governmental activities this year was \$8.3 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$1.8 million.
- Net cost of governmental activities of \$6.4 million was financed by general revenues, which are made up of primarily property taxes of \$1.9 million and state aid of \$4.8 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 \$3.1 million an increase of \$648,266 from the prior fiscal year primarily due to an increase in state equalization revenues due to an increase in the state's funding formula.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 52 percent of the total fund balance. Approximately \$1.3 million or 82 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$202,332 in the General Fund to \$1.6 million as of fiscal year end. General Fund revenues increased \$290,446 as a result of an increase in state equalization revenues due to an increase in the state's funding formula. General Fund expenditures increased \$148,592.

The Other State Projects Fund revenues and expenditures decreased \$20,992.

The Unrestricted Capital Outlay Fund's fund balance increased \$244,907 to \$586,987 at fiscal year end primarily due to efforts by the District to maximize budget and cash carryforward for future year expenditures.

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 \$154,503 decrease, or two percent.

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. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The favorable variance of \$230,703 in instruction expense was a result of additional funding as a result of Proposition 123 that will be expended in the subsequent year.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$14.0 million in capital assets, including school buildings, athletic facilities, vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$46,112 from the prior fiscal year. Total depreciation expense for the current fiscal year was \$448,596.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2016 and June 30, 2015.

	As of <u>June 30, 2016</u>	As of <u>June 30, 2015</u>
Capital assets – non-depreciable	\$ 9,000	\$ 9,000
Capital assets – depreciable, net	<u>9,202,223</u>	<u>8,560,951</u>
Total	<u><u>\$ 9,211,223</u></u>	<u><u>\$ 8,569,951</u></u>

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

Debt Administration. At year end, the District had \$1.0 million in long-term debt outstanding, \$320,512 due within one year. Long-term debt decreased by \$96,931.

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 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the total net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$4.4 million and the Class B debt limit is \$2.9 million. At fiscal year end, the District had no outstanding general obligation debt.

Additional information on the District's long-term liabilities can be found in Notes 7 and 8.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

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 2016-17 budget. Among them:

- Fiscal year 2016-17 budget balance carry forward (estimated \$301,988).
- District student population (estimated 640).
- Increase in fuel and utility costs.
- Increase in employee benefits.

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 \$408,562 to \$7.0 million in fiscal year 2016-17. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2016-17 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Altar Valley Elementary School District No. 51, 10105 South Sasabe Road, Tucson, Arizona 85736.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 1,055,267
Property taxes receivable	711,693
Accounts receivable	44,657
Due from governmental entities	1,937,011
Prepaid items	382,473
Inventory	15,278
Total current assets	<u>4,146,379</u>
Noncurrent assets:	
Capital assets not being depreciated	9,000
Capital assets, net of accumulated depreciation	<u>9,202,223</u>
Total noncurrent assets	<u>9,211,223</u>
Total assets	<u><u>13,357,602</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	<u>585,116</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	49,300
Accrued payroll and employee benefits	127,418
Compensated absences payable	26,793
Unearned revenues	269,252
Obligations under capital leases	<u>320,512</u>
Total current liabilities	<u>793,275</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>5,690,216</u>
Total noncurrent liabilities	<u>5,690,216</u>
Total liabilities	<u><u>6,483,491</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	<u>1,048,596</u>
<u>NET POSITION</u>	
Net investment in capital assets	8,166,436
Restricted for:	
Voter approved initiatives	372,570
Federal and state projects	79,053
Food service	152,909
Other local initiatives	65,391
Capital outlay	781,676
Unrestricted	<u>(3,207,404)</u>
Total net position	<u><u>\$ 6,410,631</u></u>

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 4,617,871	\$ 11,540	\$ 695,866	\$ 28,112	\$ (3,882,353)
Support services - students and staff	664,224		295,314		(368,910)
Support services - administration	815,047		40,131		(774,916)
Operation and maintenance of plant services	770,648	9,976	80	127,540	(633,052)
Student transportation services	724,422		8,394		(716,028)
Operation of non-instructional services	633,973	34,259	590,081		(9,633)
Interest on long-term debt	34,989				(34,989)
Total governmental activities	<u>\$ 8,261,174</u>	<u>\$ 55,775</u>	<u>\$ 1,629,866</u>	<u>\$ 155,652</u>	<u>(6,419,881)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	1,506,832
Property taxes, levied for capital outlay	439,908
Investment income	9,589
Unrestricted county aid	529,420
Unrestricted state aid	4,793,849
Unrestricted federal aid	17,521
Total general revenues	<u>7,297,119</u>

Changes in net position 877,238

Net position, beginning of year, as restated 5,533,393

Net position, end of year \$ 6,410,631

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

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FUND FINANCIAL STATEMENTS

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	<u>General</u>	<u>Other State Projects</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 269,252	\$ 85,084
Property taxes receivable	590,499		115,441
Accounts receivable			
Due from governmental entities	1,620,335		57,313
Due from other funds			428,485
Prepaid items	279,254	13,200	
Inventory			
Total assets	<u>\$ 2,490,088</u>	<u>\$ 282,452</u>	<u>\$ 686,323</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 27,240	\$	\$
Due to other funds	275,234		
Accrued payroll and employee benefits	57,301		
Unearned revenues		269,252	
Total liabilities	<u>359,775</u>	<u>269,252</u>	
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>534,909</u>		<u>99,336</u>
Fund balances:			
Nonspendable	279,254	13,200	
Restricted			586,987
Unassigned	1,316,150		
Total fund balances	<u>1,595,404</u>	<u>13,200</u>	<u>586,987</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,490,088</u>	<u>\$ 282,452</u>	<u>\$ 686,323</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 700,931	\$ 1,055,267
5,753	711,693
44,657	44,657
259,363	1,937,011
	428,485
90,019	382,473
15,278	15,278
<u>\$ 1,116,001</u>	<u>\$ 4,574,864</u>

\$ 22,060	\$ 49,300
153,251	428,485
70,117	127,418
	269,252
<u>245,428</u>	<u>874,455</u>

<u>5,753</u>	<u>639,998</u>
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105,297	397,751
759,523	1,346,510
	1,316,150
<u>864,820</u>	<u>3,060,411</u>

<u>\$ 1,116,001</u>	<u>\$ 4,574,864</u>
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ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total governmental fund balances	\$	3,060,411
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 14,038,738	
Less accumulated depreciation	<u>(4,827,515)</u>	9,211,223

Some property tax receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		639,998
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	585,116	
Deferred inflows of resources related to pensions	<u>(1,048,596)</u>	(463,480)

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

Compensated absences payable	(29,624)	
Obligations under capital leases	(1,044,787)	
Net pension liability	<u>(4,963,110)</u>	<u>(6,037,521)</u>

Net position of governmental activities	\$	<u>6,410,631</u>
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The notes to the basic financial statements are an integral part of this statement.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	General	Other State Projects	Unrestricted Capital Outlay
Revenues:			
Other local	\$ 604,617	\$	\$ 19,782
Property taxes	1,457,084		416,678
State aid and grants	4,369,217	109,428	154,660
Federal aid, grants and reimbursements	17,521		
Total revenues	<u>6,448,439</u>	<u>109,428</u>	<u>591,120</u>
Expenditures:			
Current -			
Instruction	3,680,060	98,121	
Support services - students and staff	422,491	497	
Support services - administration	801,706	1,991	
Operation and maintenance of plant services	828,821	76	
Student transportation services	517,535		
Operation of non-instructional services	9,571		
Capital outlay	1,393	8,743	251,121
Debt service -			
Principal retirement			307,455
Interest and fiscal charges			21,643
Total expenditures	<u>6,261,577</u>	<u>109,428</u>	<u>580,219</u>
Excess (deficiency) of revenues over expenditures	<u>186,862</u>		<u>10,901</u>
Other financing sources (uses):			
Transfers in	56,543		
Transfers out	(36,828)		
Capital lease agreements			234,006
Total other financing sources (uses):	<u>19,715</u>		<u>234,006</u>
Changes in fund balances	<u>206,577</u>		<u>244,907</u>
Fund balances, beginning of year	1,393,072	4,600	342,080
Increase (decrease) in reserve for prepaid items	(4,245)	8,600	
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 1,595,404</u>	<u>\$ 13,200</u>	<u>\$ 586,987</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 162,179	\$ 786,578
31	1,873,793
269,972	4,903,277
1,493,590	1,511,111
<u>1,925,772</u>	<u>9,074,759</u>
603,918	4,382,099
282,930	705,918
39,772	843,469
	828,897
8,024	525,559
610,783	620,354
166,919	428,176
23,482	330,937
13,346	34,989
<u>1,749,174</u>	<u>8,700,398</u>
<u>176,598</u>	<u>374,361</u>
36,828	93,371
(56,543)	(93,371)
	234,006
<u>(19,715)</u>	<u>234,006</u>
<u>156,883</u>	<u>608,367</u>
672,393	2,412,145
32,519	36,874
3,025	3,025
<u>\$ 864,820</u>	<u>\$ 3,060,411</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Changes in fund balances - total governmental funds **\$ 608,367**

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	\$ 383,917	
Less current year depreciation	<u>(448,596)</u>	(64,679)

Issuance of obligations under capital leases provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position. (234,006)

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

Property taxes	72,947	
Intergovernmental	<u>(9,294)</u>	63,653

Repayments of capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 330,937

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

Current year pension contributions	323,231	
Pension expense	<u>(79,069)</u>	244,162

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.

Prepaid items	36,874	
Inventory	3,025	
Loss on disposal of assets	(128,732)	
Compensated absences	<u>17,637</u>	<u>(71,196)</u>

Changes in net position in governmental activities **\$ 877,238**

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 204,612
Total assets	<u>\$ 204,612</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 193,164
Due to student groups	11,448
Total liabilities	<u>\$ 204,612</u>

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Altar Valley Elementary School District No. 51 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2016, the District implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements and establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also enhances accountability and transparency through revised note disclosures.

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, and food services.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

Property taxes, federal, 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. Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

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

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

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund as well as certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Other State Projects Fund – The Other State Projects Fund accounts for financial assistance received for other State projects.

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Additionally, the District reports the following fund type:

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

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

D. Cash and Investments

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

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

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August, that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies and food service items held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

I. Prepaid Items

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

J. Capital Assets

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

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

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

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

Land improvements	10 - 25 years
Buildings and improvements	5 - 80 years
Vehicles, furniture and equipment	4 - 20 years

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

M. Pensions

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

N. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

O. 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.

P. Net Position Flow Assumption

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

Q. 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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

The table below provides detail of the major components of the District's fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds.

	General Fund	Other State Projects Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$	\$	\$	\$ 15,278
Prepaid items	279,254	13,200		90,019
Restricted:				
Capital projects			586,987	89,600
Voter approved initiatives				372,570
Federal and state projects				79,053
Food service				152,909
Extracurricular activities				41,712
Other purposes				23,679
Unassigned	1,316,150			
Total fund balances	<u>\$ 1,595,404</u>	<u>\$ 13,200</u>	<u>\$ 586,987</u>	<u>\$ 864,820</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$208,458 and the bank balance was \$218,784.

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	203 days	<u>\$ 1,051,421</u>

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 fund and non-major governmental funds in the aggregate were as follows:

	General Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$	\$	\$ 232,145
Due from state government	1,608,780	57,313	27,218
Due from county government	11,555		
Net due from governmental entities	<u>\$ 1,620,335</u>	<u>\$ 57,313</u>	<u>\$ 259,363</u>

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance (as restated)	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 9,000	\$	\$	\$ 9,000
Total capital assets, not being depreciated	<u>9,000</u>	<u></u>	<u></u>	<u>9,000</u>
Capital assets, being depreciated:				
Land improvements	1,141,240			1,141,240
Buildings and improvements	11,116,196	125,143	77,003	11,164,336
Vehicles, furniture and equipment	1,726,190	258,774	260,802	1,724,162
Total capital assets being depreciated	<u>13,983,626</u>	<u>383,917</u>	<u>337,805</u>	<u>14,029,738</u>
Less accumulated depreciation for:				
Land improvements	(488,724)	(44,032)		(532,756)
Buildings and improvements	(3,381,833)	(204,710)	(58,250)	(3,528,293)
Vehicles, furniture and equipment	(717,435)	(199,854)	(150,823)	(766,466)
Total accumulated depreciation	<u>(4,587,992)</u>	<u>(448,596)</u>	<u>(209,073)</u>	<u>(4,827,515)</u>
Total capital assets, being depreciated, net	9,395,634	(64,679)	128,732	9,202,223
Governmental activities capital assets, net	<u>\$ 9,404,634</u>	<u>\$ (64,679)</u>	<u>\$ 128,732</u>	<u>\$ 9,211,223</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 208,593
Support services – administration	10,833
Operation and maintenance of plant services	25,631
Student transportation services	185,728
Operation of non-instructional services	17,811
Total depreciation expense – governmental activities	<u>\$ 448,596</u>

NOTE 7 – OBLIGATIONS UNDER LEASES

Capital Leases – The District has acquired buses and energy efficient upgrades under the provisions of long-term lease agreements classified as capital leases. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund are used to pay the capital lease obligations on the buses. Revenues from the General Fund are transferred to the Energy and Water Savings Fund to pay the capital lease obligations on the energy efficiency upgrades when due. Amortization of assets recorded under capital leases is included with depreciation expense.

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

	<u>Governmental Activities</u>
Asset:	
Building improvements	\$ 176,134
Vehicles, furniture and equipment	1,336,821
Less: Accumulated depreciation	<u>(213,640)</u>
Total	<u>\$ 1,299,315</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 – OBLIGATIONS UNDER LEASES

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

Year Ending June 30:	Governmental Activities
2017	\$ 353,592
2018	207,855
2019	178,558
2020	106,828
2021	36,828
2022-26	184,141
2027-31	<u>110,485</u>
Total minimum lease payments	1,178,287
Less: amount representing interest	<u>133,500</u>
Present value of minimum lease payments	<u>\$ 1,044,787</u>
Due within one year	<u>\$ 320,512</u>

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance (as restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Obligations under capital leases	\$ 1,141,718	\$ 234,006	\$ 330,937	\$1,044,787	\$ 320,512
Net pension liability	5,528,692		565,582	4,963,110	
Compensated absences payable	<u>47,261</u>	<u>29,418</u>	<u>47,055</u>	<u>29,624</u>	<u>26,793</u>
Governmental activity long-term liabilities	<u>\$ 6,717,671</u>	<u>\$ 263,424</u>	<u>\$ 943,574</u>	<u>\$6,037,521</u>	<u>\$ 347,305</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the General Fund and several non-major governmental funds had negative cash balances of \$275,234 and \$153,251, respectively in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the Unrestricted Capital Outlay Fund. All interfund balances are expected to be paid within one year.

Interfund transfers – Transfers between funds were used primarily to (1) move federal grant funds of \$56,543 restricted for indirect costs to the General Fund and (2) move resources of \$36,828 to the Energy and Water Savings Fund, a non-major governmental fund, for capital lease payments.

NOTE 10 – PRIOR PERIOD ADJUSTMENT

The July 1, 2015, government-wide net position does not agree to the prior year financial statements due to the reclassification of bus leases from operating to capital.

	<u>Statement of Activities</u>
Net position, June 30, 2015, as previously reported	\$ 5,430,186
Capital assets (net) related to bus leases	834,683
Long-term liabilities related to bus leases	(731,476)
Net position, July 1, 2015, as restated	<u>\$ 5,533,393</u>

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.

Performance Audit - The District has been selected by the State Office of the Auditor General to have a performance audit pursuant to A.R.S. §41-1279.03.A. for the fiscal year ended June 30, 2015. This performance audit has begun, and although the results are unknown at this time, the District expects the results to be immaterial to the financial statement.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2016 were \$323,231.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.36 percent (9.17 for retirement, 0.13 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS. The District's contributions to the pension plan for retired members for the year ended June 30, 2016 were \$20,754.

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

		Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2016	\$	14,895	\$ 3,575
2015		17,339	3,527
2014		20,143	8,057

Pension Liability. At June 30, 2016, the District reported a liability of \$5.0 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District's proportion was 0.032 percent, which was a decrease of 0.006 from its proportion measured as of June 30, 2014.

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2016, the District recognized pension expense of \$79,069 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 135,433	\$ 260,072
Net difference between projected and actual earnings on pension plan investments		159,057
Changes in proportion and differences between contributions and proportionate share of contributions	126,452	629,467
Contributions subsequent to the measurement date	323,231	
Total	<u>\$ 585,116</u>	<u>\$ 1,048,596</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

2017	\$ (294,178)
2018	(435,193)
2019	(172,159)
2020	114,819

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

Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	58%	6.79%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.93
Total	<u>100%</u>	

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

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$6,503,370	\$4,963,110	\$3,907,527

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

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REQUIRED SUPPLEMENTARY INFORMATION

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 514,299	\$ 514,299
Property taxes			1,457,084	1,457,084
State aid and grants			4,369,217	4,369,217
Total revenues			<u>6,340,600</u>	<u>6,340,600</u>
Expenditures:				
Current -				
Instruction	3,950,330	3,830,634	3,599,931	230,703
Support services - students and staff	491,523	446,189	419,802	26,387
Support services - administration	819,340	848,219	796,581	51,638
Operation and maintenance of plant services	874,173	870,850	828,821	42,029
Student transportation services	609,702	594,432	517,535	76,897
Operation of non-instructional services	12,159	12,400	9,571	2,829
Total expenditures	<u>6,757,227</u>	<u>6,602,724</u>	<u>6,172,241</u>	<u>430,483</u>
Excess (deficiency) of revenues over expenditures	<u>(6,757,227)</u>	<u>(6,602,724)</u>	<u>168,359</u>	<u>6,771,083</u>
Other financing sources (uses):				
Transfers out			(36,828)	(36,828)
Total other financing sources (uses):			<u>(36,828)</u>	<u>(36,828)</u>
Changes in fund balances	<u>(6,757,227)</u>	<u>(6,602,724)</u>	<u>131,531</u>	<u>6,734,255</u>
Fund balances, beginning of year			1,060,650	1,060,650
Increase (decrease) in reserve for prepaid items			3,612	3,612
Fund balances (deficits), end of year	<u>\$ (6,757,227)</u>	<u>\$ (6,602,724)</u>	<u>\$ 1,195,793</u>	<u>\$ 7,798,517</u>

See accompanying notes to this schedule.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER STATE PROJECTS
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
State aid and grants	\$	\$	\$ 109,428	\$ 109,428
Total revenues			109,428	109,428
Expenditures:				
Current -				
Instruction	192,183	313,835	98,121	215,714
Support services - students and staff	973	1,590	497	1,093
Support services - administration	3,900	6,368	1,991	4,377
Operation and maintenance of plant services	149	243	76	167
Capital outlay	17,124	27,964	8,743	19,221
Total expenditures	214,329	350,000	109,428	240,572
Changes in fund balances	(214,329)	(350,000)		350,000
Fund balances, beginning of year			4,600	4,600
Increase (decrease) in reserve for prepaid items			8,600	8,600
Fund balances (deficits), end of year	\$ (214,329)	\$ (350,000)	\$ 13,200	\$ 363,200

See accompanying notes to this schedule.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.032%	0.037%
District's proportionate share of the net pension liability (asset)	\$ 4,963,110	\$ 5,528,692
District's covered payroll	\$ 2,938,760	\$ 2,990,944
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	168.88%	184.85%
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 323,231	\$ 320,031
Contributions in relation to the actuarially determined contribution	<u>323,231</u>	<u>320,031</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 2,979,088	\$ 2,938,760
Contributions as a percentage of covered payroll	10.85%	10.89%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 6,261,577	\$ 1,595,404
Activity budgeted as special revenue funds	<u>(89,336)</u>	<u>(399,611)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 6,172,241</u>	<u>\$ 1,195,793</u>

NOTE 2 – PENSION PLAN SCHEDULES

Change in Accounting Principle. For the year ended June 30, 2016, the District implemented the provisions of GASB Statement No. 82, *Pension Issues*. The statement changed the measure of payroll that is required to be presented in required supplementary information from covered-employee payroll to covered payroll. Accordingly, payroll amounts presented in the pension plan schedules and related ratios for prior periods have been restated.

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

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GOVERNMENTAL FUNDS

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 611,331	\$ 89,600	\$ 700,931
Property taxes receivable		5,753	5,753
Accounts receivable	44,657		44,657
Due from governmental entities	259,363		259,363
Prepaid items	90,019		90,019
Inventory	15,278		15,278
Total assets	<u>\$ 1,020,648</u>	<u>\$ 95,353</u>	<u>\$ 1,116,001</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 22,060	\$	\$ 22,060
Due to other funds	153,251		153,251
Accrued payroll and employee benefits	70,117		70,117
Total liabilities	<u>245,428</u>		<u>245,428</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		5,753	5,753
Fund balances:			
Nonspendable	105,297		105,297
Restricted	669,923	89,600	759,523
Total fund balances	<u>775,220</u>	<u>89,600</u>	<u>864,820</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,020,648</u>	<u>\$ 95,353</u>	<u>\$ 1,116,001</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 154,646	\$ 7,533	\$ 162,179
Property taxes		31	31
State aid and grants	269,972		269,972
Federal aid, grants and reimbursements	1,493,590		1,493,590
Total revenues	<u>1,918,208</u>	<u>7,564</u>	<u>1,925,772</u>
Expenditures:			
Current -			
Instruction	603,918		603,918
Support services - students and staff	282,930		282,930
Support services - administration	39,772		39,772
Student transportation services	8,024		8,024
Operation of non-instructional services	610,783		610,783
Capital outlay	158,913	8,006	166,919
Debt service -			
Principal retirement		23,482	23,482
Interest and fiscal charges		13,346	13,346
Total expenditures	<u>1,704,340</u>	<u>44,834</u>	<u>1,749,174</u>
Excess (deficiency) of revenues over expenditures	<u>213,868</u>	<u>(37,270)</u>	<u>176,598</u>
Other financing sources (uses):			
Transfers in		36,828	36,828
Transfers out	(56,543)		(56,543)
Total other financing sources (uses):	<u>(56,543)</u>	<u>36,828</u>	<u>(19,715)</u>
Changes in fund balances	<u>157,325</u>	<u>(442)</u>	<u>156,883</u>
Fund balances, beginning of year	582,351	90,042	672,393
Increase (decrease) in reserve for prepaid items	32,519		32,519
Increase (decrease) in reserve for inventory	3,025		3,025
Fund balances, end of year	<u>\$ 775,220</u>	<u>\$ 89,600</u>	<u>\$ 864,820</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.

Student Success - to account for student success monies.

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

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

Title IV Grants - to account for financial assistance received for chemical abuse awareness programs and expanding projects that benefit educational and health needs of the communities.

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

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.

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

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

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 234,265	\$ 111,087	\$ 10,916
Accounts receivable			24,897
Due from governmental entities	20,230	6,988	
Prepaid items			
Inventory			
Total assets	<u><u>\$ 254,495</u></u>	<u><u>\$ 118,075</u></u>	<u><u>\$ 35,813</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 1,611
Due to other funds			
Accrued payroll and employee benefits			32,146
Total liabilities			<u>33,757</u>
Fund balances:			
Nonspendable			
Restricted	254,495	118,075	2,056
Total fund balances	<u>254,495</u>	<u>118,075</u>	<u>2,056</u>
Total liabilities and fund balances	<u><u>\$ 254,495</u></u>	<u><u>\$ 118,075</u></u>	<u><u>\$ 35,813</u></u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>
\$	\$	\$	\$	\$ 60,380	\$
138,297 71,619	1,133	19,194	30,453 18,400	18,673	12,574
<u>\$ 209,916</u>	<u>\$ 1,133</u>	<u>\$ 19,194</u>	<u>\$ 48,853</u>	<u>\$ 79,053</u>	<u>\$ 12,574</u>
\$ 7,605 113,242 17,450 138,297	\$ 1,133	\$ 1,060 14 18,120 19,194	\$ 1,764 28,689 30,453	\$	\$ 10,173 2,401 12,574
71,619			18,400	79,053	
<u>71,619</u>			<u>18,400</u>	<u>79,053</u>	
<u>\$ 209,916</u>	<u>\$ 1,133</u>	<u>\$ 19,194</u>	<u>\$ 48,853</u>	<u>\$ 79,053</u>	<u>\$ 12,574</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
<u>ASSETS</u>			
Cash and investments	\$ 131,348	\$ 18,452	\$ 2,030
Accounts receivable	19,760		
Due from governmental entities	11,821		
Prepaid items			
Inventory	15,278		
Total assets	<u><u>\$ 178,207</u></u>	<u><u>\$ 18,452</u></u>	<u><u>\$ 2,030</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 10,020	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Total liabilities	<u>10,020</u>		
Fund balances:			
Nonspendable	15,278		
Restricted	152,909	18,452	2,030
Total fund balances	<u>168,187</u>	<u>18,452</u>	<u>2,030</u>
Total liabilities and fund balances	<u><u>\$ 178,207</u></u>	<u><u>\$ 18,452</u></u>	<u><u>\$ 2,030</u></u>

Extracurricular Activities Fees Tax Credit	Textbooks	Totals
\$ 41,712	\$ 1,141	\$ 611,331
		44,657
		259,363
		90,019
		15,278
<u>\$ 41,712</u>	<u>\$ 1,141</u>	<u>\$ 1,020,648</u>
\$	\$	\$ 22,060
		153,251
		70,117
		<u>245,428</u>
		105,297
<u>41,712</u>	<u>1,141</u>	<u>669,923</u>
<u>41,712</u>	<u>1,141</u>	<u>775,220</u>
<u>\$ 41,712</u>	<u>\$ 1,141</u>	<u>\$ 1,020,648</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 1,096	\$ 686	\$ 94,809
State aid and grants	242,750	27,222	
Federal aid, grants and reimbursements			
Total revenues	<u>243,846</u>	<u>27,908</u>	<u>94,809</u>
Expenditures:			
Current -			
Instruction	117,344		
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services			116,158
Capital outlay			
Total expenditures	<u>117,344</u>	<u></u>	<u>116,158</u>
Excess (deficiency) of revenues over expenditures	<u>126,502</u>	<u>27,908</u>	<u>(21,349)</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>126,502</u>	<u>27,908</u>	<u>(21,349)</u>
Fund balances, beginning of year	127,993	90,167	23,405
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 254,495</u>	<u>\$ 118,075</u>	<u>\$ 2,056</u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>
\$	\$	\$	\$	\$ 212	\$
516,756	46,856	89,782	195,490	127,540	12,578
<u>516,756</u>	<u>46,856</u>	<u>89,782</u>	<u>195,490</u>	<u>127,752</u>	<u>12,578</u>
235,461		74,457	163,835		597
207,748	44,233	15,325	14,498		
26,334			6,221	3,400	3,817
					8,024
19,369				138,986	
<u>488,912</u>	<u>44,233</u>	<u>89,782</u>	<u>184,554</u>	<u>142,386</u>	<u>12,438</u>
27,844	2,623		10,936	(14,634)	140
(27,844)	(2,623)		(10,936)		(140)
<u>(27,844)</u>	<u>(2,623)</u>		<u>(10,936)</u>		<u>(140)</u>
				(14,634)	
43,700			13,800	93,687	
27,919			4,600		
<u>\$ 71,619</u>	<u>\$</u>	<u>\$</u>	<u>\$ 18,400</u>	<u>\$ 79,053</u>	<u>\$</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Food Service	Civic Center	Community School
Revenues:			
Other local	\$ 35,227	\$ 3,368	\$ 15
State aid and grants			
Federal aid, grants and reimbursements	504,588		
Total revenues	<u>539,815</u>	<u>3,368</u>	<u>15</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services	494,625		
Capital outlay	558		
Total expenditures	<u>495,183</u>		
Excess (deficiency) of revenues over expenditures	<u>44,632</u>	<u>3,368</u>	<u>15</u>
Other financing sources (uses):			
Transfers out	(15,000)		
Total other financing sources (uses):	<u>(15,000)</u>		
Changes in fund balances	<u>29,632</u>	<u>3,368</u>	<u>15</u>
Fund balances, beginning of year	135,530	15,084	2,015
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory	3,025		
Fund balances, end of year	<u>\$ 168,187</u>	<u>\$ 18,452</u>	<u>\$ 2,030</u>

Extracurricular Activities Fees Tax Credit	Textbooks	Totals
\$ 19,087	\$ 146	\$ 154,646
		269,972
		1,493,590
<u>19,087</u>	<u>146</u>	<u>1,918,208</u>
12,224		603,918
1,118	8	282,930
		39,772
		8,024
		610,783
		158,913
<u>13,342</u>	<u>8</u>	<u>1,704,340</u>
<u>5,745</u>	<u>138</u>	<u>213,868</u>
		(56,543)
		(56,543)
<u>5,745</u>	<u>138</u>	<u>157,325</u>
35,967	1,003	582,351
		32,519
		3,025
<u>\$ 41,712</u>	<u>\$ 1,141</u>	<u>\$ 775,220</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,096	\$ 1,096
State aid and grants		242,750	242,750
Federal aid, grants and reimbursements			
Total revenues		<u>243,846</u>	<u>243,846</u>
Expenditures:			
Current -			
Instruction	369,349	117,344	252,005
Support services - students and staff	1,392		1,392
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>370,741</u>	<u>117,344</u>	<u>253,397</u>
Excess (deficiency) of revenues over expenditures	<u>(370,741)</u>	<u>126,502</u>	<u>497,243</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(370,741)</u>	<u>126,502</u>	<u>497,243</u>
Fund balances, beginning of year		127,993	127,993
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (370,741)</u>	<u>\$ 254,495</u>	<u>\$ 625,236</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 686 27,222	\$ 686 27,222	\$	\$ 94,809	\$ 94,809
	27,908	27,908		94,809	94,809
132,500		132,500			
			81,360	116,158	(34,798)
132,500		132,500	81,360	116,158	(34,798)
(132,500)	27,908	160,408	(81,360)	(21,349)	60,011
(132,500)	27,908	160,408	(81,360)	(21,349)	60,011
	90,167	90,167		23,405	23,405
\$ (132,500)	\$ 118,075	\$ 250,575	\$ (81,360)	\$ 2,056	\$ 83,416

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Student Success		
	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			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances, beginning of year		9,250	9,250
Increase (decrease) in reserve for prepaid items		(9,250)	(9,250)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$	\$

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	516,756	516,756		46,856	46,856
	516,756	516,756		46,856	46,856
653,485	235,461	418,024			
	207,748	(207,748)	65,257	44,233	21,024
	26,334	(26,334)			
	19,369	(19,369)			
653,485	488,912	164,573	65,257	44,233	21,024
(653,485)	27,844	681,329	(65,257)	2,623	67,880
	(27,844)	(27,844)		(2,623)	(2,623)
	(27,844)	(27,844)		(2,623)	(2,623)
(653,485)		653,485	(65,257)		65,257
	43,700	43,700			
	27,919	27,919			
\$ (653,485)	\$ 71,619	\$ 725,104	\$ (65,257)	\$	\$ 65,257

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Title IV Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		89,782	89,782
Total revenues		<u>89,782</u>	<u>89,782</u>
Expenditures:			
Current -			
Instruction	90,000	74,457	15,543
Support services - students and staff		15,325	(15,325)
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>90,000</u>	<u>89,782</u>	<u>218</u>
Excess (deficiency) of revenues over expenditures	<u>(90,000)</u>		<u>90,000</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(90,000)</u>		<u>90,000</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (90,000)</u>	<u>\$</u>	<u>\$ 90,000</u>

Special Education Grants			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 442	\$ 442
	195,490	195,490		17,521	17,521
	195,490	195,490		17,963	17,963
235,000	163,835	71,165	185,000	2,498	182,502
	14,498	(14,498)			
	6,221	(6,221)		85	(85)
				1,393	(1,393)
235,000	184,554	50,446	185,000	3,976	181,024
(235,000)	10,936	245,936	(185,000)	13,987	198,987
	(10,936)	(10,936)			
	(10,936)	(10,936)			
(235,000)		235,000	(185,000)	13,987	198,987
	13,800	13,800		161,169	161,169
	4,600	4,600		1,393	1,393
\$ (235,000)	\$ 18,400	\$ 253,400	\$ (185,000)	\$ 176,549	\$ 361,549

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	E-Rate		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 212	\$ 212
State aid and grants			
Federal aid, grants and reimbursements		127,540	127,540
Total revenues		<u>127,752</u>	<u>127,752</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		3,400	(3,400)
Student transportation services			
Operation of non-instructional services			
Capital outlay	104,362	138,986	(34,624)
Total expenditures	<u>104,362</u>	<u>142,386</u>	<u>(38,024)</u>
Excess (deficiency) of revenues over expenditures	<u>(104,362)</u>	<u>(14,634)</u>	<u>89,728</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(104,362)</u>	<u>(14,634)</u>	<u>89,728</u>
Fund balances, beginning of year		93,687	93,687
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (104,362)</u>	<u>\$ 79,053</u>	<u>\$ 183,415</u>

Other Federal Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 6,753	\$ 6,753
	12,578	12,578			
	12,578	12,578		6,753	6,753
	597	(597)			
	3,817	(3,817)			
15,000	8,024	6,976			
15,000	12,438	2,562			
(15,000)	140	15,140		6,753	6,753
	(140)	(140)			
	(140)	(140)			
(15,000)		15,000		6,753	6,753
\$ (15,000)	\$	\$ 15,000	\$	\$ 6,753	\$ 6,753

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Food Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 35,227	\$ 35,227
State aid and grants			
Federal aid, grants and reimbursements		504,588	504,588
Total revenues		<u>539,815</u>	<u>539,815</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services	580,000	494,625	85,375
Capital outlay		558	(558)
Total expenditures	<u>580,000</u>	<u>495,183</u>	<u>84,817</u>
Excess (deficiency) of revenues over expenditures	<u>(580,000)</u>	<u>44,632</u>	<u>624,632</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(15,000)	(15,000)
Total other financing sources (uses):		<u>(15,000)</u>	<u>(15,000)</u>
Changes in fund balances	<u>(580,000)</u>	<u>29,632</u>	<u>609,632</u>
Fund balances, beginning of year		135,530	135,530
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory		3,025	3,025
Fund balances (deficits), end of year	<u>\$ (580,000)</u>	<u>\$ 168,187</u>	<u>\$ 748,187</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,368	\$ 3,368	\$	\$ 15	\$ 15
	3,368	3,368		15	15
			2,200		2,200
19,500		19,500			
19,500		19,500	2,200		2,200
(19,500)	3,368	22,868	(2,200)	15	2,215
(19,500)	3,368	22,868	(2,200)	15	2,215
	15,084	15,084		2,015	2,015
\$ (19,500)	\$ 18,452	\$ 37,952	\$ (2,200)	\$ 2,030	\$ 4,230

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3	\$ 3
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>3</u>	<u>3</u>
Expenditures:			
Current -			
Instruction	700		700
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>700</u>		<u>700</u>
Excess (deficiency) of revenues over expenditures	<u>(700)</u>	<u>3</u>	<u>703</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(700)</u>	<u>3</u>	<u>703</u>
Fund balances, beginning of year		514	514
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (700)</u>	<u>\$ 517</u>	<u>\$ 1,217</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 19,087	\$ 19,087	\$	\$ 78,644	\$ 78,644
	19,087	19,087		78,644	78,644
52,331	12,224 1,118	40,107 (1,118)	162,880	77,631 420 1,019	85,249 (420) (1,019)
52,331	13,342	38,989	162,880	79,070	83,810
(52,331)	5,745	58,076	(162,880)	(426)	162,454
(52,331)	5,745	58,076	(162,880)	(426)	162,454
	35,967	35,967		44,205	44,205
\$ (52,331)	\$ 41,712	\$ 94,043	\$ (162,880)	\$ 43,779	\$ 206,659

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 146	\$ 146
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		146	146
Expenditures:			
Current -			
Instruction			
Support services - students and staff	1,200	8	1,192
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,200	8	1,192
Excess (deficiency) of revenues over expenditures	(1,200)	138	1,338
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(1,200)	138	1,338
Fund balances, beginning of year		1,003	1,003
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,200)	\$ 1,141	\$ 2,341

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 3,624	\$ 3,624	\$	\$ 852	\$ 852
	3,624	3,624		852	852
5,000		5,000		2,269	(2,269)
			162,500	3,922	158,578
5,000		5,000	162,500	6,191	156,309
(5,000)	3,624	8,624	(162,500)	(5,339)	157,161
				56,543	56,543
				56,543	56,543
(5,000)	3,624	8,624	(162,500)	51,204	213,704
	1,987	1,987		115,162	115,162
\$ (5,000)	\$ 5,611	\$ 10,611	\$ (162,500)	\$ 166,366	\$ 328,866

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Advertisement		
	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	135	99	36
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	135	99	36
Excess (deficiency) of revenues over expenditures	(135)	(99)	36
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(135)	(99)	36
Fund balances, beginning of year		135	135
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (135)	\$ 36	\$ 171

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 244,964	\$ 244,964
	269,972	269,972
	1,511,111	1,511,111
	2,026,047	2,026,047
1,888,445	684,047	1,204,398
67,849	285,619	(217,770)
162,635	44,897	117,738
15,000	8,024	6,976
680,860	610,783	70,077
104,362	160,306	(55,944)
2,919,151	1,793,676	1,125,475
(2,919,151)	232,371	3,151,522
	56,543	56,543
	(56,543)	(56,543)
(2,919,151)	232,371	3,151,522
	914,773	914,773
	24,662	24,662
	3,025	3,025
\$ (2,919,151)	\$ 1,174,831	\$ 4,093,982

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CAPITAL PROJECTS FUNDS

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

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.

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2016

	<u>Insurance Proceeds</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
<u>ASSETS</u>			
Cash and investments	\$ 32,812	\$ 56,786	\$ 2
Property taxes receivable		5,753	
Total assets	<u>\$ 32,812</u>	<u>\$ 62,539</u>	<u>\$ 2</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Deferred inflows of resources:			
Unavailable revenues - property taxes	\$	\$ 5,753	\$
Fund balances:			
Restricted	32,812	56,786	2
Total fund balances	<u>32,812</u>	<u>56,786</u>	<u>2</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,812</u>	<u>\$ 62,539</u>	<u>\$ 2</u>

Totals	
\$	89,600
	<u>5,753</u>
\$	<u>95,353</u>

\$ 5,753

89,600
89,600

\$ 95,353

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	Insurance Proceeds	Adjacent Ways	Energy and Water Savings
Revenues:			
Other local	\$ 7,221	\$ 312	\$
Property taxes		31	
Total revenues	<u>7,221</u>	<u>343</u>	<u></u>
Expenditures:			
Capital outlay	8,006		
Debt service -			
Principal retirement			23,482
Interest and fiscal charges			13,346
Total expenditures	<u>8,006</u>	<u></u>	<u>36,828</u>
Excess (deficiency) of revenues over expenditures	<u>(785)</u>	<u>343</u>	<u>(36,828)</u>
Other financing sources (uses):			
Transfers in			36,828
Total other financing sources (uses):			<u>36,828</u>
Changes in fund balances	<u>(785)</u>	<u>343</u>	<u></u>
Fund balances, beginning of year	33,597	56,443	2
Fund balances, end of year	<u>\$ 32,812</u>	<u>\$ 56,786</u>	<u>\$ 2</u>

Totals	
\$	7,533
	31
	<u>7,564</u>

8,006

23,482
<u>13,346</u>
<u>44,834</u>

(37,270)

<u>36,828</u>
<u>36,828</u>

(442)

90,042

<u>\$</u>	<u>89,600</u>
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ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	Insurance Proceeds		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$ 7,221	\$ 7,221
Property taxes			
State aid and grants			
Total revenues		<u>7,221</u>	<u>7,221</u>
Expenditures:			
Capital outlay	42,000	8,006	33,994
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>42,000</u>	<u>8,006</u>	<u>33,994</u>
Excess (deficiency) of revenues over expenditures	<u>(42,000)</u>	<u>(785)</u>	<u>41,215</u>
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):			
Changes in fund balances	<u>(42,000)</u>	<u>(785)</u>	<u>41,215</u>
Fund balances, beginning of year		33,597	33,597
Fund balances (deficits), end of year	<u>\$ (42,000)</u>	<u>\$ 32,812</u>	<u>\$ 74,812</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 19,782	\$ 19,782	\$	\$ 312	\$ 312
	416,678	416,678		31	31
	154,660	154,660			
	591,120	591,120		343	343
1,027,711	17,115	1,010,596	57,500		57,500
307,455	307,455				
21,643	21,643				
1,356,809	346,213	1,010,596	57,500		57,500
(1,356,809)	244,907	1,601,716	(57,500)	343	57,843
(1,356,809)	244,907	1,601,716	(57,500)	343	57,843
	342,080	342,080		56,443	56,443
\$ (1,356,809)	\$ 586,987	\$ 1,943,796	\$ (57,500)	\$ 56,786	\$ 114,286

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	Energy and Water Savings		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Total revenues			
Expenditures:			
Capital outlay			
Debt service -			
Principal retirement	23,482	23,482	
Interest and fiscal charges	13,346	13,346	
Total expenditures	36,828	36,828	
Excess (deficiency) of revenues over expenditures	(36,828)	(36,828)	
Other financing sources (uses):			
Transfers in		36,828	36,828
Total other financing sources (uses):		36,828	36,828
Changes in fund balances	(36,828)		36,828
Fund balances, beginning of year		2	2
Fund balances (deficits), end of year	\$ (36,828)	\$ 2	\$ 36,830

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 27,315	\$ 27,315
	416,709	416,709
	154,660	154,660
	598,684	598,684
1,127,211	25,121	1,102,090
330,937	330,937	
34,989	34,989	
1,493,137	391,047	1,102,090
(1,493,137)	207,637	1,700,774
	36,828	36,828
	36,828	36,828
(1,493,137)	244,465	1,737,602
	432,122	432,122
\$ (1,493,137)	\$ 676,587	\$ 2,169,724

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2016

	Student Activities	Employee Withholding	Totals
<u>ASSETS</u>			
Cash and investments	\$ 11,448	\$ 193,164	\$ 204,612
Total assets	<u>\$ 11,448</u>	<u>\$ 193,164</u>	<u>\$ 204,612</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 193,164	\$ 193,164
Due to student groups	11,448		11,448
Total liabilities	<u>\$ 11,448</u>	<u>\$ 193,164</u>	<u>\$ 204,612</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES</u>				
<u>Assets</u>				
Cash and investments	\$ 16,889	\$ 63,790	\$ 69,231	\$ 11,448
Total assets	<u>\$ 16,889</u>	<u>\$ 63,790</u>	<u>\$ 69,231</u>	<u>\$ 11,448</u>
<u>Liabilities</u>				
Due to student groups	\$ 16,889	\$ 63,790	\$ 69,231	\$ 11,448
Total liabilities	<u>\$ 16,889</u>	<u>\$ 63,790</u>	<u>\$ 69,231</u>	<u>\$ 11,448</u>
 <u>EMPLOYEE WITHHOLDING</u>				
<u>Assets</u>				
Cash and investments	\$ 98,080	\$ 194,297	\$ 99,213	\$ 193,164
Total assets	<u>\$ 98,080</u>	<u>\$ 194,297</u>	<u>\$ 99,213</u>	<u>\$ 193,164</u>
<u>Liabilities</u>				
Deposits held for others	\$ 98,080	\$ 194,297	\$ 99,213	\$ 193,164
Total liabilities	<u>\$ 98,080</u>	<u>\$ 194,297</u>	<u>\$ 99,213</u>	<u>\$ 193,164</u>
 <u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 114,969	\$ 258,087	\$ 168,444	\$ 204,612
Total assets	<u>\$ 114,969</u>	<u>\$ 258,087</u>	<u>\$ 168,444</u>	<u>\$ 204,612</u>
<u>Liabilities</u>				
Due to student groups	\$ 16,889	\$ 63,790	\$ 69,231	\$ 11,448
Deposits held for others	<u>98,080</u>	<u>194,297</u>	<u>99,213</u>	<u>193,164</u>
Total liabilities	<u>\$ 114,969</u>	<u>\$ 258,087</u>	<u>\$ 168,444</u>	<u>\$ 204,612</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader evaluate the District's current levels of outstanding debt as well as assess the District's ability to make debt payments and/or issue additional debt in the future. The District does not have any outstanding debt.

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.

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 8,166,436	\$ 8,159,709	\$ 8,334,043	\$ 8,491,990	\$ 8,586,230
Restricted	1,451,599	1,035,904	1,034,557	733,758	838,062
Unrestricted	(3,207,404)	(3,765,427)	1,899,552	2,216,551	1,943,895
Total net position	<u>\$ 6,410,631</u>	<u>\$ 5,430,186</u>	<u>\$ 11,268,152</u>	<u>\$ 11,442,299</u>	<u>\$ 11,368,187</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Position:					
Net investment in capital assets	\$ 8,779,174	\$ 8,993,968	\$ 9,222,832	\$ 9,291,659	\$ 9,461,840
Restricted	494,753	286,974	205,128	159,127	139,788
Unrestricted	1,277,377	1,079,417	501,845	703,968	499,546
Total net position	<u>\$ 10,551,304</u>	<u>\$ 10,360,359</u>	<u>\$ 9,929,805</u>	<u>\$ 10,154,754</u>	<u>\$ 10,101,174</u>

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Instruction	\$ 4,617,871	\$ 5,118,827	\$ 5,233,349	\$ 4,787,739	\$ 4,910,353
Support services - students and staff	664,224	871,129	743,570	676,033	705,684
Support services - administration	815,047	911,283	941,777	874,091	1,045,304
Operation and maintenance of plant services	770,648	941,641	794,173	974,015	728,500
Student transportation services	724,422	649,294	651,389	727,866	603,929
Operation of non-instructional services	633,973	512,258	528,648	530,410	519,620
Interest on long-term debt	34,989	14,086			
Total expenses	<u>8,261,174</u>	<u>9,018,518</u>	<u>8,892,906</u>	<u>8,570,154</u>	<u>8,513,390</u>
Program Revenues					
Charges for services:					
Instruction	11,540	8,660	16,576	4,380	77,554
Operation of non-instructional services	34,259	36,884	39,645	28,052	46,114
Other activities	9,976	3,000	3,957	4,177	3,600
Operating grants and contributions	1,629,866	1,715,969	1,742,447	1,711,427	1,575,524
Capital grants and contributions	155,652	175,056	55,780	92,700	136,640
Total program revenues	<u>1,841,293</u>	<u>1,939,569</u>	<u>1,858,405</u>	<u>1,840,736</u>	<u>1,839,432</u>
Net (Expense)/Revenue	<u>\$ (6,419,881)</u>	<u>\$ (7,078,949)</u>	<u>\$ (7,034,501)</u>	<u>\$ (6,729,418)</u>	<u>\$ (6,673,958)</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses					
Instruction	\$ 5,183,400	\$ 5,694,804	\$ 5,759,937	\$ 5,498,739	\$ 5,501,539
Support services - students and staff	889,720	816,181	855,312	603,774	676,078
Support services - administration	834,587	830,356	868,961	896,899	898,354
Operation and maintenance of plant services	888,166	839,153	873,385	914,178	1,063,702
Student transportation services	1,031,291	711,239	967,446	1,075,439	989,171
Operation of non-instructional services	474,728	457,600	551,955	555,098	444,715
Interest on long-term debt					559
Total expenses	<u>9,301,892</u>	<u>9,349,333</u>	<u>9,876,996</u>	<u>9,544,127</u>	<u>9,574,118</u>
Program Revenues					
Charges for services:					
Instruction	74,342	757	18,502	12,649	29,710
Operation of non-instructional services	19,442	55,667	67,929	66,322	79,308
Other activities	2,950	5,981	2,350	2,564	132,698
Operating grants and contributions	1,935,945	1,900,668	1,724,387	1,715,388	1,652,332
Capital grants and contributions	417	117,906	224,225		39,781
Total program revenues	<u>2,033,096</u>	<u>2,080,979</u>	<u>2,037,393</u>	<u>1,796,923</u>	<u>1,933,829</u>
Net (Expense)/Revenue	<u>\$ (7,268,796)</u>	<u>\$ (7,268,354)</u>	<u>\$ (7,839,603)</u>	<u>\$ (7,747,204)</u>	<u>\$ (7,640,289)</u>

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

(Concluded)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (6,419,881)	\$ (7,078,949)	\$ (7,034,501)	\$ (6,729,418)	\$ (6,673,958)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	1,506,832	1,393,888	1,697,436	1,485,762	2,066,132
Property taxes, levied for capital outlay	439,908	378,034		450,626	69,929
Investment income	9,589	8,669	6,804	13,256	2,980
Unrestricted county aid	529,420	484,473	479,432	405,031	429,507
Unrestricted state aid	4,793,849	4,476,255	4,663,217	4,422,243	4,885,210
Unrestricted federal aid	17,521	29,359	13,465	26,612	37,083
Total general revenues	<u>7,297,119</u>	<u>6,770,678</u>	<u>6,860,354</u>	<u>6,803,530</u>	<u>7,490,841</u>
Changes in Net Position	<u>\$ 877,238</u>	<u>\$ (308,271)</u>	<u>\$ (174,147)</u>	<u>\$ 74,112</u>	<u>\$ 816,883</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (Expense)/Revenue	\$ (7,268,796)	\$ (7,268,354)	\$ (7,839,603)	\$ (7,747,204)	\$ (7,640,289)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	1,628,108	1,750,181	1,415,340	1,301,796	1,167,238
Property taxes, levied for debt service				1,872	
Property taxes, levied for capital outlay	359,690	112,448	132,304	175,413	133,438
Investment income	847	8,494	3,294	18,372	38,447
Unrestricted county aid	265,905	340,565	2,635		2,501
Unrestricted state aid	5,152,539	4,662,562	6,061,081	6,303,331	5,571,947
Unrestricted federal aid	52,652	824,658			
Total general revenues	<u>7,459,741</u>	<u>7,698,908</u>	<u>7,614,654</u>	<u>7,800,784</u>	<u>6,913,571</u>
Changes in Net Position	<u>\$ 190,945</u>	<u>\$ 430,554</u>	<u>\$ (224,949)</u>	<u>\$ 53,580</u>	<u>\$ (726,718)</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)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nondisposable	\$ 279,254	\$ 283,499	\$ 416,515	\$ 445,270	\$ 421,690
Unassigned	1,316,150	1,109,573	1,013,002	1,390,208	1,102,904
Total General Fund	<u>\$ 1,595,404</u>	<u>\$ 1,393,072</u>	<u>\$ 1,429,517</u>	<u>\$ 1,835,478</u>	<u>\$ 1,524,594</u>
All Other Governmental Funds:					
Nondisposable	\$ 118,497	\$ 74,353	\$ 86,745	\$ 18,944	\$ 40,909
Restricted	1,346,510	944,720	886,669	620,465	759,324
Assigned					
Unassigned					(10,796)
Total all other governmental funds	<u>\$ 1,465,007</u>	<u>\$ 1,019,073</u>	<u>\$ 973,414</u>	<u>\$ 639,409</u>	<u>\$ 789,437</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:					
Nondspendable	\$ 232,012	\$	\$	\$	\$
Unassigned	371,493				
Reserved		8,731	5,882	4,421	5,063
Unreserved		527,679	(68,066)	359,595	270,388
Total General Fund	<u>\$ 603,505</u>	<u>\$ 536,410</u>	<u>\$ (62,184)</u>	<u>\$ 364,016</u>	<u>\$ 275,451</u>
All Other Governmental Funds:					
Nondspendable	\$ 32,997	\$	\$	\$	\$
Restricted	388,741				
Assigned	304,739				
Reserved		16,922	7,950	7,584	18,396
Unreserved, reported in:					
Special revenue funds		259,364	67,990	162,285	167,997
Capital projects funds		252,357	161,487	142,900	122,208
Debt service fund				24	
Total all other governmental funds	<u>\$ 726,477</u>	<u>\$ 528,643</u>	<u>\$ 237,427</u>	<u>\$ 312,793</u>	<u>\$ 308,601</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: nondspendable, restricted, committed, assigned, and unassigned fund balance.

(Concluded)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal sources:					
Federal grants	\$ 1,006,523	\$ 1,201,551	\$ 1,053,789	\$ 1,098,251	\$ 1,088,151
Education Jobs					3,620
National School Lunch Program	504,588	369,039	415,267	387,048	375,669
Total federal sources	<u>1,511,111</u>	<u>1,570,590</u>	<u>1,469,056</u>	<u>1,485,299</u>	<u>1,467,440</u>
State sources:					
State equalization assistance	4,523,877	4,235,538	4,401,749	4,207,004	4,699,533
State grants	109,428	130,420	150,188	171,164	126,351
Other revenues	269,972	240,717	261,568	215,356	185,677
Total state sources	<u>4,903,277</u>	<u>4,606,675</u>	<u>4,813,505</u>	<u>4,593,524</u>	<u>5,011,561</u>
Local sources:					
Property taxes	1,873,793	1,781,392	1,685,589	1,912,617	2,104,018
County aid	624,207	564,568	557,022	452,233	529,737
Food service sales	14,854	36,884	34,447	28,052	32,714
Investment income	9,589	8,669	6,804	13,256	2,980
Other revenues	137,928	141,645	120,694	135,514	149,780
Total local sources	<u>2,660,371</u>	<u>2,533,158</u>	<u>2,404,556</u>	<u>2,541,672</u>	<u>2,819,229</u>
Total revenues	<u><u>\$ 9,074,759</u></u>	<u><u>\$ 8,710,423</u></u>	<u><u>\$ 8,687,117</u></u>	<u><u>\$ 8,620,495</u></u>	<u><u>\$ 9,298,230</u></u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Federal sources:					
Federal grants	\$ 1,207,076	\$ 1,435,177	\$ 1,107,940	\$ 1,142,791	\$ 1,194,137
State Fiscal Stabilization (ARRA)	52,652	824,658			
Education Jobs	235,880				
National School Lunch Program	325,355	347,259	346,095	335,176	319,542
Total federal sources	<u>1,820,963</u>	<u>2,607,094</u>	<u>1,454,035</u>	<u>1,477,967</u>	<u>1,513,679</u>
State sources:					
State equalization assistance	4,995,490	4,793,666	5,506,304	5,940,264	5,236,629
State grants	24,031	19,766	367,094	412,480	85,078
School Facilities Board					43,785
Other revenues	170,000	188,030	222,692	20,257	291,533
Total state sources	<u>5,189,521</u>	<u>5,001,462</u>	<u>6,096,090</u>	<u>6,373,001</u>	<u>5,657,025</u>
Local sources:					
Property taxes	1,823,577	1,796,241	1,496,696	1,420,468	1,282,032
County aid	265,905	340,565	2,635		2,501
Food service sales	19,442	55,667	67,929	66,322	79,308
Investment income	847	8,494	3,294	18,372	38,447
Other revenues	221,312	223,110	183,113	163,895	345,395
Total local sources	<u>2,331,083</u>	<u>2,424,077</u>	<u>1,753,667</u>	<u>1,669,057</u>	<u>1,747,683</u>
Total revenues	<u><u>\$ 9,341,567</u></u>	<u><u>\$ 10,032,633</u></u>	<u><u>\$ 9,303,792</u></u>	<u><u>\$ 9,520,025</u></u>	<u><u>\$ 8,918,387</u></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)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Current -					
Instruction	\$ 4,382,099	\$ 4,443,167	\$ 4,721,828	\$ 4,451,118	\$ 4,608,163
Support services - students and staff	705,918	755,677	701,545	638,287	706,259
Support services - administration	843,469	824,661	856,244	881,338	891,921
Operation and maintenance of plant services	828,897	802,876	832,676	883,888	713,643
Student transportation services	525,559	562,142	588,128	703,188	634,984
Operation of non-instructional services	620,354	459,506	516,488	485,244	502,231
Capital outlay	428,176	1,103,928	581,210	418,191	454,570
Debt service -					
Interest and fiscal charges	34,989	14,086			
Principal retirement	330,937	22,726			
Bond issuance costs					
Total expenditures	<u><u>\$ 8,700,398</u></u>	<u><u>\$ 8,988,769</u></u>	<u><u>\$ 8,798,119</u></u>	<u><u>\$ 8,461,254</u></u>	<u><u>\$ 8,511,771</u></u>
Expenditures for capitalized assets	\$ 383,917	\$ 496,868	\$ 86,213	\$ 148,694	\$ 80,077
Debt service as a percentage of noncapital expenditures	4%	0%	0%	0%	0%

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenditures:					
Current -					
Instruction	\$ 4,933,500	\$ 5,269,196	\$ 5,384,919	\$ 5,215,006	\$ 5,150,728
Support services - students and staff	887,045	781,616	824,800	602,359	606,541
Support services - administration	977,121	797,950	832,197	885,131	877,316
Operation and maintenance of plant services	921,566	814,972	836,536	852,610	910,488
Student transportation services	784,081	670,821	712,239	779,516	764,143
Operation of non-instructional services	472,992	441,096	528,503	525,084	426,573
Capital outlay	339,689	378,993	679,267	556,108	635,606
Debt service -					
Interest and fiscal charges			8,724		
Principal retirement					559
Bond issuance costs					7,788
Total expenditures	<u>\$ 9,315,994</u>	<u>\$ 9,154,644</u>	<u>\$ 9,807,185</u>	<u>\$ 9,415,814</u>	<u>\$ 9,379,742</u>
Expenditures for capitalized assets	\$ 23,475	\$ 25,331	\$ 208,484	\$ 115,264	\$ 95,196
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%

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

(Concluded)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ 374,361	\$ (278,346)	\$ (111,002)	\$ 159,241	\$ 786,459
Other financing sources (uses):					
Capital lease agreements	234,006	432,968			
Transfers in	93,371	90,591	499,952	30,243	52,250
Transfers out	(93,371)	(90,591)	(499,952)	(30,243)	(52,250)
Total other financing sources (uses)	<u>234,006</u>	<u>432,968</u>			
Changes in fund balances	<u>\$ 608,367</u>	<u>\$ 154,622</u>	<u>\$ (111,002)</u>	<u>\$ 159,241</u>	<u>\$ 786,459</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (deficiency) of revenues over expenditures	\$ 25,573	\$ 877,989	\$ (503,393)	\$ 104,211	\$ (461,355)
Other financing sources (uses):					
Transfers in	8,449	43,387	2,502	6,585	62,663
Transfers out	(8,449)	(43,387)	(2,502)	(6,585)	(62,663)
Total other financing sources (uses)					
Changes in fund balances	<u>\$ 25,573</u>	<u>\$ 877,989</u>	<u>\$ (503,393)</u>	<u>\$ 104,211</u>	<u>\$ (461,355)</u>

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 3,615,752	\$ 4,116,079	\$ 4,113,391	\$ 4,218,479	\$ 4,293,660
Agricultural and Vacant	8,063,721	8,405,992	9,496,473	10,975,815	11,565,319
Residential (Owner Occupied)	12,398,247	13,807,705	15,461,323	17,671,867	19,398,998
Residential (Rental)	<u>4,789,641</u>	<u>3,848,256</u>	<u>2,206,880</u>	<u>2,060,304</u>	<u>1,266,800</u>
Total	<u>\$ 28,867,361</u>	<u>\$ 30,178,032</u>	<u>\$ 31,278,067</u>	<u>\$ 34,926,465</u>	<u>\$ 36,524,777</u>
Gross Full Cash Value	\$ 487,670,802	\$ 493,633,075	\$ 493,775,756	\$ 528,626,147	\$ 548,635,237
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6%	6%	6%	7%	7%
Total Direct Rate	7.63	6.73	6.27	6.44	6.57

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 6,658,689	\$ 4,597,814	\$ 4,532,122	\$ 4,443,473	\$ 4,097,736
Agricultural and Vacant	11,546,550	10,854,541	9,255,738	6,959,465	6,526,389
Residential (Owner Occupied)	21,049,230	20,138,554	18,739,896	16,832,751	15,570,950
Residential (Rental)	<u>1,187,948</u>	<u>1,110,490</u>	<u>1,028,543</u>	<u>904,118</u>	<u>681,689</u>
Total	<u>\$ 40,442,417</u>	<u>\$ 36,701,399</u>	<u>\$ 33,556,299</u>	<u>\$ 29,139,807</u>	<u>\$ 26,876,764</u>
Gross Full Cash Value	\$ 583,577,646	\$ 577,578,708	\$ 567,741,827	\$ 363,336,483	\$ 340,688,953
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	6%	6%	8%	8%
Total Direct Rate	6.04	6.05	5.75	5.81	5.77

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. Primary taxes are used for general District operations. Secondary taxes are used to service District bonded debt requirements and other voter-approved overrides.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 3,633,306	\$ 4,258,744	\$ 4,113,392	\$ 4,226,101	\$ 4,311,058
Agricultural and Vacant	8,436,359	8,493,925	9,586,223	11,251,064	12,676,137
Residential (Owner Occupied)	12,547,590	13,860,846	15,485,408	17,722,981	19,546,847
Residential (Rental)	<u>4,865,722</u>	<u>3,889,070</u>	<u>2,217,108</u>	<u>2,080,934</u>	<u>1,279,732</u>
Total	<u>\$ 29,482,977</u>	<u>\$ 30,502,585</u>	<u>\$ 31,402,131</u>	<u>\$ 35,281,080</u>	<u>\$ 37,813,774</u>
Gross Full Cash Value	\$ 487,670,802	\$ 493,633,075	\$ 493,775,756	\$ 528,626,147	\$ 548,635,237
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	6%	6%	6%	7%	7%
Total Direct Rate	7.63	6.73	6.27	6.44	6.57

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 7,171,375	\$ 4,707,182	\$ 4,694,575	\$ 4,559,268	\$ 4,143,705
Agricultural and Vacant	14,043,970	16,045,044	15,345,616	7,724,879	7,172,717
Residential (Owner Occupied)	21,505,972	21,114,078	20,930,159	17,572,191	16,145,206
Residential (Rental)	<u>1,231,712</u>	<u>1,195,616</u>	<u>1,183,148</u>	<u>965,746</u>	<u>725,112</u>
Total	<u>\$ 43,953,029</u>	<u>\$ 43,061,920</u>	<u>\$ 42,153,498</u>	<u>\$ 30,822,084</u>	<u>\$ 28,186,740</u>
Gross Full Cash Value	\$ 583,577,646	\$ 577,578,708	\$ 567,741,827	\$ 363,336,483	\$ 340,688,953
Ratio of Net Full Cash Assessed Value to Gross Full Cash	8%	7%	7%	8%	8%
Total Direct Rate	6.04	6.05	5.75	5.81	5.77

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	19 %	19 %	20 %	20 %	20 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	16	15	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	21 %	22 %	23 %	24 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	17	18	20	21	22

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State		County	Flood	Community	Fire	Central			
	Equalization	County	Free Library	Control District	College District	District Assistance	Arizona Water	Primary	Secondary	Total
2016	0.51	5.09	0.52	0.31	1.37	0.05	0.14	6.12	1.51	7.63
2015	0.51	4.98	0.44	0.30	1.33	4.75	0.14	5.82	0.91	6.73
2014	0.51	4.45	0.38	0.26	1.29	4.75	0.10	4.86	1.41	6.27
2013	0.47	4.20	0.35	0.26	1.17	4.75	0.10	5.18	1.26	6.44
2012	0.43	4.20	0.35	0.26	1.11	4.75	0.10	5.40	1.17	6.57
2011	0.36	4.06	0.31	0.26	1.08	4.63	0.10	5.06	0.98	6.04
2010	0.33	4.02	0.26	0.26	1.08	4.44	0.10	5.09	0.96	6.05
2009		4.00	0.34	0.29	1.13	4.40	0.10	5.25	0.50	5.75
2008		4.29	0.40	0.34	1.18	0.04	0.10	4.87	0.94	5.81
2007		4.56	0.37	0.37	1.24	0.04	0.12	4.78	0.99	5.77

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

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2016			2007	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation		Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Trico Electric Co-Op Inc.	\$ 1,332,443	4.62 %		\$	%
Price Gregory International	607,651	2.10			
Southwest Transmission	465,089	1.61			
Unisource Energy Corporation	258,492	0.90			
SBH Sendero LP	193,560	0.67			
Sadlier Living Trust	185,775	0.64			
Qwest Corporation	174,259	0.60		284,686	1.01
Flag Car Wash	173,502	0.60			
CFG Broadway & Rooks LLLP	145,137	0.50			
Elkhorn Ranch	142,966	0.50			
Tucon Mall				448,169	1.59
El Conquistador Hotel Associates				321,329	1.14
Tucson Electric Power Co.				273,411	0.97
Southwest Gas Corporation				270,593	0.96
Feldman Foothills Mall				264,955	0.94
HDP Northwest LLC				208,582	0.74
Tucson Place Partners, LLC				202,945	0.72
Walmart				174,758	0.62
Sierra Health Styles, LLC				163,483	0.58
Total	<u>\$ 3,678,874</u>	<u>12.74 %</u>		<u>\$ 2,612,911</u>	<u>9.27 %</u>

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
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
2016	\$ 1,804,646	\$ 1,505,874	83.44 %	\$	\$ 1,505,874	83.44 %
2015	1,777,607	1,498,225	84.28	230,522	1,728,747	97.25
2014	1,703,013	1,413,005	82.97	239,743	1,652,748	97.05
2013	1,885,522	1,560,572	82.77	264,327	1,824,899	96.78
2012	2,041,116	1,791,504	87.77	184,040	1,975,544	96.79
2011	1,919,599	1,540,337	80.24	309,850	1,850,187	96.38
2010	1,878,044	1,554,450	82.77	276,071	1,830,521	97.47
2009	1,519,561	1,258,107	82.79	236,837	1,494,944	98.38
2008	1,311,012	1,089,590	83.11	212,636	1,302,226	99.33
2007	1,196,208	1,036,685	86.66	151,886	1,188,571	99.36

Source: The source of this information is the 2016 Pima 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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2016	\$	\$	\$	%	\$	\$ 1,044,787	\$ 1,044,787	0.21 %	\$ 148	0.00 %
2015						410,242	410,242	0.08	46	0.00
2014										
2013										
2012										
2011										
2010										
2009										
2008										
2007										

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2016

<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:			
Pima County	\$ 383,985,000	0.43 %	<u>\$ 1,651,136</u>
Direct:			
Altar Valley Elementary School District No. 51	1,044,787	100.00	<u>1,044,787</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 2,695,923</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	-	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 234	
As a Percentage of Net Limited Assessed Valuation	5.72	%
As a Percentage of Gross Full cash Value	0.34	%

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 a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2015 is presented for the overlapping governments as this is the most recent available information.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2016:

Net full cash assessed valuation	\$ 29,482,977
Debt limit (10% of assessed value)	2,948,298
Debt applicable to limit	
Legal debt margin	<u><u>\$ 2,948,298</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2016:

Net full cash assessed valuation	\$ 29,482,977
Debt limit (15% of assessed value)	4,422,447
Debt applicable to limit	
Legal debt margin	<u><u>\$ 4,422,447</u></u>

Fiscal Year Ended June 30

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 4,422,447	\$ 4,575,388	\$ 4,710,320	\$ 5,292,162	\$ 5,672,066
Total net debt applicable to limit	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Legal debt margin	<u><u>\$ 4,422,447</u></u>	<u><u>\$ 4,575,388</u></u>	<u><u>\$ 4,710,320</u></u>	<u><u>\$ 5,292,162</u></u>	<u><u>\$ 5,672,066</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	\$ 6,592,954	\$ 6,459,288	\$ 6,323,025	\$ 4,623,313	\$ 3,982,252
Total net debt applicable to limit	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Legal debt margin	<u><u>\$ 6,592,954</u></u>	<u><u>\$ 6,459,288</u></u>	<u><u>\$ 6,323,025</u></u>	<u><u>\$ 4,623,313</u></u>	<u><u>\$ 3,982,252</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

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.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Year	Population		Personal Income (thousands)		Per Capita Income	Unemployment Rate	Estimated District Population
2015	1,009,371	\$	38,603,900	\$	38,697	5.6 %	7,069
2014	1,007,162		37,198,714		37,031	6.2	8,905
2013	996,046		36,935,363		37,063	7.0	8,895
2012	990,380		36,058,871		36,335	7.3	8,872
2011	986,081		34,931,620		35,371	9.1	8,872
2010	980,263		34,360,759		34,987	9.0	8,450
2009	1,018,012		34,516,424		33,833	8.3	8,450
2008	1,012,018		34,392,945		34,058	5.1	8,400
2007	1,003,235		31,646,777		31,755	3.7	8,350
2006	981,280		29,806,619		31,418	4.0	8,107

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2006 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2015, the source of the information is the Arizona Office of Employment and Population Statistics.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Employer	2016			2007		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
University of Arizona	11,251	2.71	%	10,282	2.66	%
Raytheon Missile Systems	9,600	2.31		11,000	2.85	
State of Arizona	8,580	2.07		9,927	2.57	
Davis Monthan AFB	8,406	2.03		8,230	2.13	
Pima County	7,060	1.70		6,765	1.75	
Tucson Unified School District	6,770	1.63		7,600	1.97	
University of Arizona Health Network	6,272	1.51				
US Border Patrol	5,739	1.38				
Freeport-McMoran Mining	5,530	1.33				
Wal-Mart Stores, Inc.	5,500	1.33		3,020	0.78	
Fort Huachuca	5,477	1.32				
City of Tucson	4,595	1.11		5,325	1.38	
Carondelet Health Network	3,860	0.93				
U.S Army Intelligence Center				13,090	3.39	
University Medical Center				2,950	0.76	
Total	88,640	21.36	%	78,189	20.24	%
Total employment	415,048			386,119		

Source: The information was obtained from the Arizona Daily Star and Pima County.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

Full-time Equivalent Employees as of June 30					
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Supervisory					
Principals	2	2	2	2	1
NCLB Coordinator	1	1	1	1	1
SPED Director	1	1	1	1	1
Total supervisory	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>
Instruction					
Teachers	33	35	42	41	39
Other professionals (instructional)				3	3
Aides	17	17	17	20	22
Total instruction	<u>50</u>	<u>52</u>	<u>59</u>	<u>64</u>	<u>64</u>
Student Services					
Nurses	1	1	1	1	1
Counselors/Advisors	1	1	1	1	1
Librarians					
Library Technician	2	2	2	2	2
Total student services	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Support and Administration					
Superintendent	1	1	1	1	1
District Office	3	4	5	4	5
Transportation	18	18	16	21	22
Health Office	2	2	2	2	2
School Secretaries	2	2	2	4	4
NCLB Secretary		1	1	1	1
SPED Secretaries	1	1	1	1	1
Other professionals	2	2	2	2	2
Other classified	8	8	8	1	1
Total support and administration	<u>37</u>	<u>39</u>	<u>38</u>	<u>37</u>	<u>39</u>
Total	<u>95</u>	<u>99</u>	<u>105</u>	<u>109</u>	<u>110</u>

(Continued)

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Supervisory					
Principals	2	2	2	2	2
NCLB Coordinator	1	1	1	1	1
SPED Director	1	1	1	1	1
Total supervisory	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Instruction					
Teachers	44	44	41	44	46
Other professionals (instructional)	3	3	2	3	3
Aides	24	24	24	24	22
Total instruction	<u>71</u>	<u>71</u>	<u>67</u>	<u>71</u>	<u>71</u>
Student Services					
Nurses					
Counselors/Advisors					
Librarians		1	1	1	1
Library Technician	2	1	2	1	1
Total student services	<u>2</u>	<u>2</u>	<u>3</u>	<u>2</u>	<u>2</u>
Support and Administration					
Superintendent	1	1	1	1	1
District Office	5	6	5	5	5
Transportation	22	23	20	20	20
Health Office	3	3	3	3	3
School Secretaries	4	4	3	3	3
NCLB Secretary	1	1	1	1	1
SPED Secretaries	1	2	2	2	2
Other professionals	2	2			
Other classified	1	1			
Total support and administration	<u>40</u>	<u>43</u>	<u>35</u>	<u>35</u>	<u>35</u>
Total	<u>117</u>	<u>120</u>	<u>109</u>	<u>112</u>	<u>112</u>

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

(Concluded)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
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
2016	601	\$ 7,906,296	\$ 13,155	6.61 %	\$ 8,261,174	\$ 13,746	(3.06) %	50	12.0	58.5 %
2015	636	7,848,029	12,340	(10.50)	9,018,518	14,180	(4.97)	52	12.2	74.5
2014	596	8,216,909	13,787	11.59	8,892,906	14,921	13.34	59	10.1	84.0
2013	651	8,043,063	12,355	3.20	8,570,154	13,165	4.07	64	10.2	88.2
2012	673	8,057,201	11,972	(15.97)	8,513,390	12,650	(14.32)	64	10.5	86.9
2011	630	8,976,305	14,248	8.29	9,301,892	14,765	5.34	71	8.9	85.9
2010	667	8,775,651	13,157	(0.45)	9,349,333	14,017	(2.08)	71	9.4	77.3
2009	690	9,119,194	13,216	1.74	9,876,996	14,314	2.29	67	10.3	82.2
2008	682	8,859,706	12,991	(2.75)	9,544,127	13,994	(4.41)	71	9.6	72.8
2007	654	8,735,789	13,357	5.89	9,574,118	14,639	7.14	71	9.2	79.6

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Schools</u>										
<u>Elementary</u>										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	46,597	46,597	46,597	46,597	46,597	46,597	46,597	46,597	46,597	46,597
Capacity	620	620	620	620	620	620	620	620	620	620
Enrollment	315	420	431	410	373	369	408	443	441	419
<u>Middle</u>										
Buildings	9	9	9	9	9	9	9	9	9	9
Square feet	60,074	60,074	59,575	59,575	59,575	59,575	59,575	59,575	59,575	59,575
Capacity	428	428	428	428	428	428	428	428	428	428
Enrollment	306	297	307	301	314	301	312	313	313	323
<u>Administrative</u>										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330
<u>Transportation</u>										
Buses	14	14	14	17	17	16	17	16	16	19
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Baseball/softball	1	1	1	1	1	1	1	1	1	1
Swimming pools									2	2

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

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