

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

TUCSON, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Issued by:
Business and Finance Department

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

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INTRODUCTORY SECTION

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SUPERINTENDENT
10105 SOUTH SASABE ROAD
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FAX: (520) 822-1798
WWW.ALTARVALLEYSCHOOLS.ORG

December 21, 2015

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, 2015.

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, 2015, 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, 2015, 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

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

PROFILE OF THE DISTRICT

The District is one of 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 639.54. Estimated enrollment for fiscal year 2015-16 is 680 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 110 employees.

Long-term Financial Planning. During the 2014-15 school year, the District's average student membership remained stable, enrolling approximately 700 students. The high school population has maintained at 244. 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 complete salaries. The District was awarded \$1,22,450 in federal grants, \$46,781 in the federal E-Rate program, \$29,791 in Federal Medicaid Reimbursement Program. The reauthorization of the 10 percent override will result in \$417,997.

The District is operating under a seven year, 10 percent maintenance and operations override that voters re-approved in 2008 special election. A 10 percent override renewal failed in 2012 and 2013. In 2014 the continuance of the 10 percent override was approved and 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 are expanding the scope of the Paxton Patterson STEM Action LABS Programs into 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

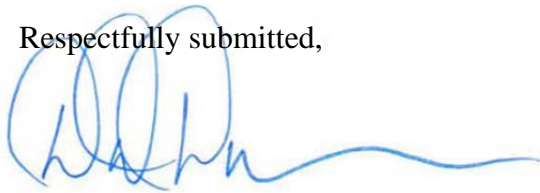
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the ninth year that the District has received this prestigious 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, 2014. 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, 2015 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, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', is written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO
President

A handwritten signature in black ink, appearing to read 'John D. Musso', is written over a horizontal line.

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

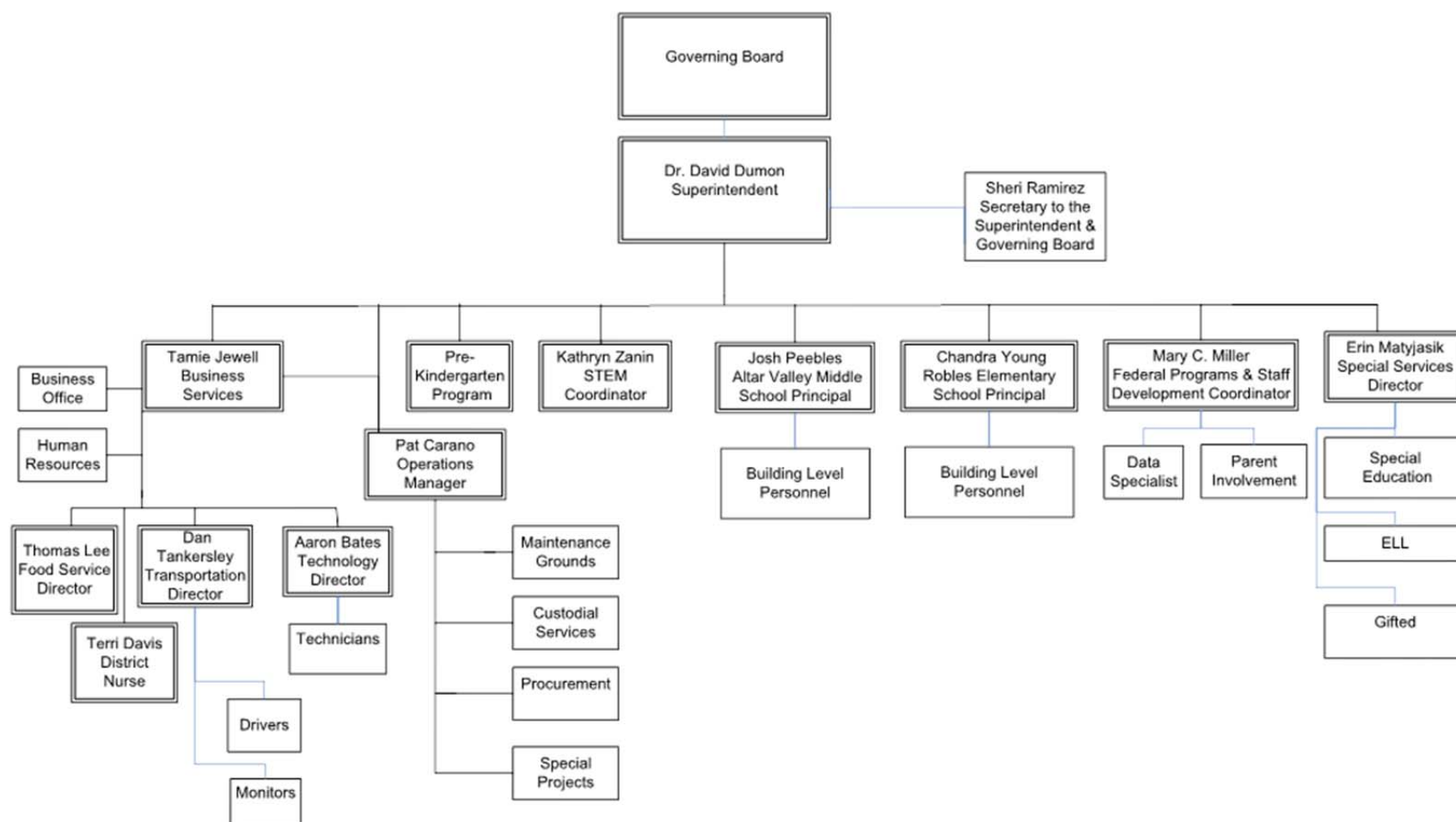
June 30, 2014



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

Chris Isabel, Vice President

Robert Etheridge, 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, 2015, 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, 2015, 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. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, 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 December 21, 2015, 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.
CPAs and Business Consultants

December 21, 2015

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, 2015**

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, 2015. 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 decreased \$308,271 which represents a five percent decrease from the prior fiscal year.
- General revenues accounted for \$6.8 million in revenue, or 78 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1.9 million or 22 percent of total current fiscal year revenues.
- The District had approximately \$9.0 million in expenses related to governmental activities, an increase of one percent from the prior fiscal year.
- Among major funds, the General Fund had \$6.2 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$6.1 million in expenditures. The General Fund's fund balance decreased from \$1.5 million at the prior fiscal year end, to \$1.4 million at the end of the current fiscal year.

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, 2015**

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, 2015**

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. 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.

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 \$5.4 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, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	As of June 30, 2015	As of June 30, 2014
Current assets	\$ 3,374,982	\$ 3,148,594
Capital assets, net	8,569,951	8,334,043
Total assets	<u>11,944,933</u>	<u>11,482,637</u>
Deferred outflows	<u>824,738</u>	
Current liabilities	386,492	174,761
Long-term liabilities	5,986,195	39,724
Total liabilities	<u>6,372,687</u>	<u>214,485</u>
Deferred inflows	<u>966,798</u>	
Net position:		
Net investment in capital assets	8,159,709	8,334,043
Restricted	1,035,904	1,034,557
Unrestricted	(3,765,427)	1,899,552
Total net position	<u>\$ 5,430,186</u>	<u>\$ 11,268,152</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$3.8 million. The deficit arose due to the implementation of GASB Statement No. 68, which required the District to record its proportionate share of the state pension plan unfunded liability. In the prior year, all three categories of net position reported positive balances. The District's financial position is the product of several financial transactions including the net result of activities, the acquisition of capital assets, and the depreciation of capital assets.

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

- The issuance of \$432,968 in capital lease obligations.
- The addition of \$496,868 in capital assets primarily through energy efficient upgrades.
- The addition of \$5.5 million in pension liabilities due to the implementation of new pension reporting standards.
- The depreciation of existing assets resulting in the addition of \$260,960 in accumulated depreciation.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

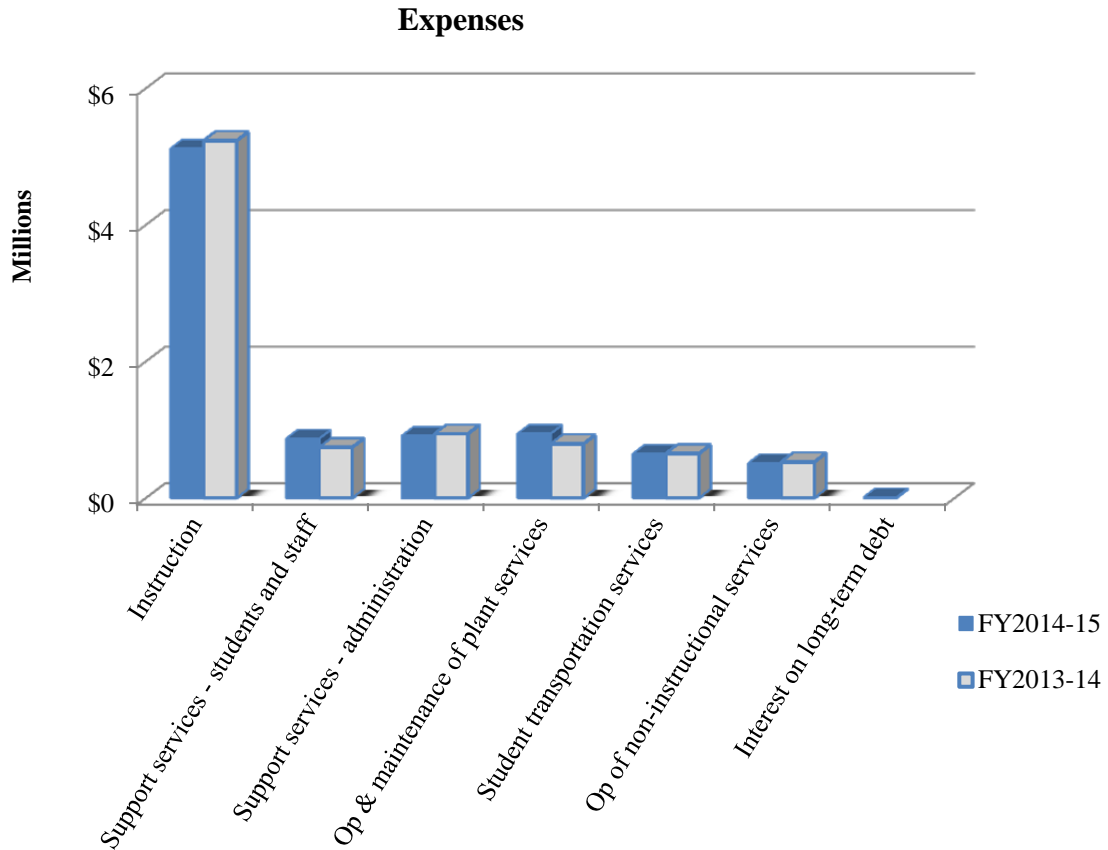
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$8.7 million. The total cost of all programs and services was \$9.0 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>
Revenues:		
Program revenues:		
Charges for services	\$ 48,544	\$ 60,178
Operating grants and contributions	1,715,969	1,742,447
Capital grants and contributions	175,056	55,780
General revenues:		
Property taxes	1,771,922	1,697,436
Investment income	8,669	6,804
Unrestricted county aid	484,473	479,432
Unrestricted state aid	4,476,255	4,663,217
Unrestricted federal aid	29,359	13,465
Total revenues	<u>8,710,247</u>	<u>8,718,759</u>
Expenses:		
Instruction	5,118,827	5,233,349
Support services – students and staff	871,129	743,570
Support services – administration	911,283	941,777
Operation and maintenance of plant services	941,641	794,173
Student transportation services	649,294	651,389
Operation of non-instructional services	512,258	528,648
Interest on long-term debt	14,086	
Total expenses	<u>9,018,518</u>	<u>8,892,906</u>
Changes in net position	<u>(308,271)</u>	<u>(174,147)</u>
Net position, beginning, as restated	<u>5,738,457</u>	<u>11,442,299</u>
Net position, ending	<u>\$ 5,430,186</u>	<u>\$ 11,268,152</u>

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

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 decreased \$186,962 due to a decrease in average daily membership.
- Operation and maintenance of plant services expenses increased \$147,468 due to costly infrastructure repairs at the middle school.

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, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	<u>Year Ended June 30, 2015</u>		<u>Year Ended June 30, 2014</u>	
	Total	Net	Total	Net
	Expenses	(Expense)/ Revenue	Expenses	(Expense)/ Revenue
Instruction	\$ 5,118,827	\$ (4,089,504)	\$ 5,233,349	\$ (4,220,387)
Support services – students and staff	871,129	(584,393)	743,570	(521,679)
Support services – administration	911,283	(840,998)	941,777	(893,954)
Operation and maintenance of plant services	941,641	(892,092)	794,173	(761,571)
Student transportation services	649,294	(640,930)	651,389	(641,106)
Operation of non-instructional services	512,258	(16,946)	528,648	4,196
Interest on long-term debt	14,086	(14,086)		
Total	<u>\$ 9,018,518</u>	<u>\$ (7,078,949)</u>	<u>\$ 8,892,906</u>	<u>\$ (7,034,501)</u>

- The cost of all governmental activities this year was \$9.0 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$1.9 million.
- Net cost of governmental activities of \$7.1 million was financed by general revenues, which are made up of primarily property taxes of \$1.8 million and state aid of \$4.5 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 \$2.4 million an increase of \$9,214 from the prior fiscal year.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 58 percent of the total fund balance. Approximately \$1.1 million or 80 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance decreased \$71,019 in the General Fund to \$1.4 million as of fiscal year end. General Fund revenues decreased \$212,827 as a result of a decrease in the net secondary assessed valuation of taxable property within the District. General Fund expenditures decreased \$239,253 as a result of efforts by the District to maximize budget and cash carry forward for future year expenditures.

The Other State Projects Fund revenues and expenditures decreased \$19,868.

The Unrestricted Capital Outlay Fund's fund balance increased \$11,707 to \$342,080 at fiscal year end.

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 \$82,595 decrease, or one 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 \$74,100 in operation and maintenance of plant services was a result of conservative budgeting for anticipated repairs throughout the District.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$12.7 million in capital assets, including school buildings, athletic facilities, vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$496,868 from the prior fiscal year, primarily due to energy efficiency upgrades. Total depreciation expense for the current fiscal year was \$260,960.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2015 and June 30, 2014.

	As of <u>June 30, 2015</u>	As of <u>June 30, 2014</u>
Capital assets – non-depreciable	\$ 9,000	\$ 9,000
Capital assets – depreciable, net	8,560,951	8,325,043
Total	<u>\$ 8,569,951</u>	<u>\$ 8,334,043</u>

Additional information on the District's capital assets can be found in Note 7.

Debt Administration. At year end, the District had \$410,242 in long-term debt outstanding, \$23,482 due within one year. Long-term debt increased by \$410,242 due to the issuance of \$432,968 in capital lease obligations.

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 secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the total secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$4.6 million and the Class B debt limit is \$3.1 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 8 and 9.

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 2015-16 budget. Among them:

- Fiscal year 2014-15 budget balance carry forward (estimated \$196,065).
- District student population (estimated 680).
- Decrease in capital outlay revenue limit allocation.
- 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 eight percent to \$6.8 million in fiscal year 2015-16. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2015-16 budget.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

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, 2015

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 2,063,454
Property taxes receivable	645,167
Due from governmental entities	308,509
Prepaid items	345,599
Inventory	12,253
Total current assets	<u>3,374,982</u>
Noncurrent assets:	
Capital assets not being depreciated	9,000
Capital assets, net of accumulated depreciation	<u>8,560,951</u>
Total noncurrent assets	<u>8,569,951</u>
Total assets	<u><u>11,944,933</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	<u>824,738</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	198,580
Accrued payroll and employee benefits	11,514
Compensated absences payable	19,487
Unearned revenues	176,398
Obligations under capital leases	<u>23,482</u>
Total current liabilities	<u>429,461</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>5,943,226</u>
Total noncurrent liabilities	<u>5,943,226</u>
Total liabilities	<u><u>6,372,687</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	<u>966,798</u>
<u>NET POSITION</u>	
Net investment in capital assets	8,159,709
Restricted for:	
Voter approved initiatives	218,160
Federal and state projects	93,687
Food service	132,571
Other local initiatives	77,474
Capital outlay	514,012
Unrestricted	<u>(3,765,427)</u>
Total net position	<u><u>\$ 5,430,186</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, 2015

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
Governmental activities:					
Instruction	\$ 5,118,827	\$ 8,660	\$ 892,156	\$ 128,507	\$ (4,089,504)
Support services - students and staff	871,129		286,736		(584,393)
Support services - administration	911,283		70,285		(840,998)
Operation and maintenance of plant services	941,641	3,000		46,549	(892,092)
Student transportation services	649,294		8,364		(640,930)
Operation of non-instructional services	512,258	36,884	458,428		(16,946)
Interest on long-term debt	14,086				(14,086)
Total governmental activities	<u>\$ 9,018,518</u>	<u>\$ 48,544</u>	<u>\$ 1,715,969</u>	<u>\$ 175,056</u>	<u>(7,078,949)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	1,393,888
Property taxes, levied for capital outlay	378,034
Investment income	8,669
Unrestricted county aid	484,473
Unrestricted state aid	4,476,255
Unrestricted federal aid	29,359
Total general revenues	<u>6,770,678</u>

Changes in net position (308,271)

Net position, beginning of year, as restated 5,738,457

Net position, end of year \$ 5,430,186

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, 2015

	<u>General</u>	<u>Other State Projects</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$ 892,811	\$ 176,398	\$ 426,889
Property taxes receivable	546,901		92,151
Due from governmental entities	10,127		
Due from other funds	181,768		
Prepaid items	283,499	4,600	
Inventory			
Total assets	<u><u>\$ 1,915,106</u></u>	<u><u>\$ 180,998</u></u>	<u><u>\$ 519,040</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 25,359	\$	\$ 101,185
Due to other funds			
Accrued payroll and employee benefits	11,514		
Unearned revenues		176,398	
Total liabilities	<u><u>36,873</u></u>	<u><u>176,398</u></u>	<u><u>101,185</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	485,161		75,775
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u><u>485,161</u></u>	<u><u></u></u>	<u><u>75,775</u></u>
Fund balances:			
Nonspendable	283,499	4,600	
Restricted			342,080
Unassigned	1,109,573		
Total fund balances	<u><u>1,393,072</u></u>	<u><u>4,600</u></u>	<u><u>342,080</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,915,106</u></u>	<u><u>\$ 180,998</u></u>	<u><u>\$ 519,040</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 567,356	\$ 2,063,454
6,115	645,167
298,382	308,509
	181,768
57,500	345,599
12,253	12,253
<u>\$ 941,606</u>	<u>\$ 3,556,750</u>
\$ 72,036	\$ 198,580
181,768	181,768
	11,514
	176,398
<u>253,804</u>	<u>568,260</u>
6,115	567,051
9,294	9,294
<u>15,409</u>	<u>576,345</u>
69,753	357,852
602,640	944,720
	1,109,573
<u>672,393</u>	<u>2,412,145</u>
<u>\$ 941,606</u>	<u>\$ 3,556,750</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, 2015

Total governmental fund balances	\$	2,412,145
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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	\$ 12,654,370	
Less accumulated depreciation	<u>(4,084,419)</u>	8,569,951

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	567,051	
Intergovernmental	<u>9,294</u>	576,345

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	824,738	
Deferred inflows of resources related to pensions	<u>(966,798)</u>	(142,060)

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

Compensated absences payable	(47,261)	
Obligations under capital leases	(410,242)	
Net pension liability	<u>(5,528,692)</u>	<u>(5,986,195)</u>

Net position of governmental activities	\$	<u>5,430,186</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, 2015

	General	Other State Projects	Unrestricted Capital Outlay
Revenues:			
Other local	\$ 583,522	\$	\$ 17,827
Property taxes	1,443,900		337,485
State aid and grants	4,101,212	130,420	145,702
Federal aid, grants and reimbursements	29,359		
Total revenues	<u>6,157,993</u>	<u>130,420</u>	<u>501,014</u>
Expenditures:			
Current -			
Instruction	3,495,309	125,141	
Support services - students and staff	482,618	4,785	
Support services - administration	757,474		
Operation and maintenance of plant services	795,336		
Student transportation services	553,333		
Operation of non-instructional services	9,678		
Capital outlay	19,237	494	489,307
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>6,112,985</u>	<u>130,420</u>	<u>489,307</u>
Excess (deficiency) of revenues over expenditures	<u>45,008</u>		<u>11,707</u>
Other financing sources (uses):			
Transfers in	53,782		
Transfers out	(36,793)		
Capital lease agreements			
Total other financing sources (uses):	<u>16,989</u>		
Changes in fund balances	<u>61,997</u>		<u>11,707</u>
Fund balances, beginning of year	1,464,091	9,500	330,373
Increase (decrease) in reserve for prepaid items	(126,234)	(4,900)	
Increase (decrease) in reserve for inventory	(6,782)		
Fund balances, end of year	<u>\$ 1,393,072</u>	<u>\$ 4,600</u>	<u>\$ 342,080</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 150,417	\$ 751,766
7	1,781,392
229,341	4,606,675
1,541,231	1,570,590
<u>1,920,996</u>	<u>8,710,423</u>
822,717	4,443,167
268,274	755,677
67,187	824,661
7,540	802,876
8,809	562,142
449,828	459,506
594,890	1,103,928
22,726	22,726
14,086	14,086
<u>2,256,057</u>	<u>8,988,769</u>
<u>(335,061)</u>	<u>(278,346)</u>
36,809	90,591
(53,798)	(90,591)
432,968	432,968
<u>415,979</u>	<u>432,968</u>
<u>80,918</u>	<u>154,622</u>
598,967	2,402,931
14,750	(116,384)
(22,242)	(29,024)
<u>\$ 672,393</u>	<u>\$ 2,412,145</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, 2015

Net changes in fund balances - total governmental funds **\$ 9,214**

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	\$ 496,868	
Less current year depreciation	<u>(260,960)</u>	235,908

Issuance of obligations under capital leases provide current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(432,968)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(9,470)	
Intergovernmental	<u>(10,501)</u>	(19,971)

Repayments of capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		22,726
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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	320,031	
Pension expense	<u>(461,088)</u>	(141,057)

Compensated absences 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.		<u>17,877</u>
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Changes in net position in governmental activities **\$ (308,271)**

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, 2015

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 114,969
Total assets	<u>\$ 114,969</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 98,080
Due to student groups	16,889
Total liabilities	<u>\$ 114,969</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, 2015

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, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

H. 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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, as well as, the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

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

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, 2015

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, 2015

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	\$	\$	\$	\$ 12,253
Prepaid items	283,499	4,600		57,500
Restricted:				
Capital projects			342,080	90,042
Voter approved initiatives				218,160
Federal and state projects				93,687
Food service				123,277
Extracurricular activities				35,967
Other purposes				41,507
Unassigned	1,109,573			
Total fund balances	<u>\$ 1,393,072</u>	<u>\$ 4,600</u>	<u>\$ 342,080</u>	<u>\$ 672,393</u>

The District reclassified the activity of the Auxiliary Operations, Gifts & Donations, Litigation Recovery, and Advertisement Funds to the General Fund based on the provisions of GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*. The resulting beginning fund balances have been restated from the prior year to reflect the change.

	General Fund	Non-Major Governmental Funds
Fund balance, June 30, 2014, as previously reported	\$ 1,429,517	\$ 633,541
Fund Reclassification	34,574	(34,574)
Fund balance, July 1, 2014, as restated	<u>\$ 1,464,091</u>	<u>\$ 598,967</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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.

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 \$117,468 and the bank balance was \$121,547.

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.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	223 days	\$ 2,060,955
Total		<u>\$ 2,060,955</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, 2015

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	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$ 2,183	\$ 271,053
Due from state government		27,329
Due from county government	7,944	
Net due from governmental entities	<u>\$ 10,127</u>	<u>\$ 298,382</u>

NOTE 6 – DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	General Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Property taxes receivable	\$ 485,161	\$ 75,775	\$ 6,115
Advances of grants			9,294
Total deferred inflows of resources	<u>\$ 485,161</u>	<u>\$ 75,775</u>	<u>\$ 15,409</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 9,000	\$	\$	\$ 9,000
Total capital assets, not being depreciated	<u>9,000</u>			<u>9,000</u>
Capital assets, being depreciated:				
Land improvements	856,083	285,157		1,141,240
Buildings and improvements	10,940,062	176,134		11,116,196
Vehicles, furniture and equipment	<u>352,357</u>	<u>35,577</u>		<u>387,934</u>
Total capital assets being depreciated	<u>12,148,502</u>	<u>496,868</u>		<u>12,645,370</u>
Less accumulated depreciation for:				
Land improvements	(446,127)	(42,597)		(488,724)
Buildings and improvements	(3,178,420)	(203,413)		(3,381,833)
Vehicles, furniture and equipment	<u>(198,912)</u>	<u>(14,950)</u>		<u>(213,862)</u>
Total accumulated depreciation	<u>(3,823,459)</u>	<u>(260,960)</u>		<u>(4,084,419)</u>
Total capital assets, being depreciated, net	<u>8,325,043</u>	<u>235,908</u>		<u>8,560,951</u>
Governmental activities capital assets, net	<u>\$ 8,334,043</u>	<u>\$235,908</u>	<u>\$</u>	<u>\$ 8,569,951</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 212,500
Support services – administration	10,108
Operation and maintenance of plant services	18,143
Student transportation services	2,398
Operation of non-instructional services	<u>17,811</u>
Total depreciation expense – governmental activities	<u>\$ 260,960</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – OBLIGATIONS UNDER LEASES

Capital Leases – The District has acquired energy efficient upgrades under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the General Fund are transferred to the Energy and Water Savings Fund to pay the capital lease obligations 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	256,834
Less: Accumulated depreciation	<u>(20,579)</u>
Total	<u><u>\$ 412,389</u></u>

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:	<u>Governmental Activities</u>
2016	\$ 36,828
2017	36,828
2018	36,828
2019	36,828
2020	36,828
2021-25	184,142
2026-30	<u>147,313</u>
Total minimum lease payments	515,595
Less: amount representing interest	<u>105,353</u>
Present value of minimum lease payments	<u><u>\$ 410,242</u></u>
Due within one year	<u><u>\$ 23,482</u></u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – OBLIGATIONS UNDER LEASES

Operating Leases – The District leases school buses under the provisions of long-term lease agreements classified as operating leases for accounting purposes. Rental expenditures under the terms of the operating leases totaled \$269,024 for the current fiscal year. The operating leases have remaining noncancelable lease terms of one to four years. The future minimum rental payments required under the operating leases at year end were as follows:

Year Ending June 30:		
	2016	\$ 315,368
	2017	239,034
	2018	125,297
	2019	96,000
Total minimum payments required		<u>\$ 775,699</u>

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Obligations under capital leases	\$	\$ 432,968	\$ 22,726	\$ 410,242	\$ 23,482
Net pension liability	5,529,695		1,003	5,528,692	
Compensated absences payable	65,138	6,934	24,811	47,261	19,487
Governmental activity long-term liabilities	<u>\$ 5,594,833</u>	<u>\$ 439,902</u>	<u>\$ 48,540</u>	<u>\$5,986,195</u>	<u>\$ 42,969</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, several non-major governmental funds had negative cash balances of \$181,768 in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General 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 \$53,782 restricted for indirect costs to the General Fund and (2) move resources of \$36,809 to the Energy and Water Savings Fund, a non-major governmental fund, for capital lease payments.

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.

Lawsuits – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12 – RISK MANAGEMENT

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, 2015

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	30 years age 55
	10 years age 62	25 years age 60
	5 years age 50*	10 years age 62
	Any years age 65	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 11.60 percent (11.48 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 11.60 percent (10.89 percent for retirement, 0.59 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, 2015 were \$320,031.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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:		
	2015	\$ 17,339	\$ 3,527
	2014	20,143	8,057
	2013	20,423	7,541

Pension Liability. At June 30, 2015, the District reported a liability of \$5.5 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. 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, 2013, to the measurement date of June 30, 2014. 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, 2014, the District's proportion was 0.04 percent, which was an increase of less than 0.01 percent from its proportion measured as of June 30, 2013.

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2015, the District recognized pension expense of \$461,088 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	\$ 280,984	\$
Net difference between projected and actual earnings on pension plan investments		966,798
Changes in proportion and differences between contributions and proportionate share of contributions	223,723	
Contributions subsequent to the measurement date	320,031	
Total	<u>\$ 824,738</u>	<u>\$ 966,798</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2016. 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:

2016	\$ (22,262)
2017	(22,262)
2018	(175,868)
2019	(241,699)

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

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
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, 2013 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, 2015

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	63%	7.03%
Fixed income	25%	3.20
Real estate	8%	4.75
Commodities	4%	4.50
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	\$6,987,983	\$5,528,692	\$4,736,953

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Beginning Net Position Restatement. The implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, represents a change in accounting principle. Net position as of July 1, 2014, has been restated as follows for this change in accounting principle:

	Statement of Activities
Net position, June 30, 2014, as previously reported	\$ 11,268,152
Net pension liability	<u>(5,529,695)</u>
Net position, July 1, 2014, as restated	<u>\$ 5,738,457</u>

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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, 2015

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 484,465	\$ 484,465
Property taxes			1,443,900	1,443,900
State aid and grants			4,089,836	4,089,836
Total revenues			<u>6,018,201</u>	<u>6,018,201</u>
Expenditures:				
Current -				
Instruction	3,675,258	3,502,498	3,461,328	41,170
Support services - students and staff	440,620	465,807	435,788	30,019
Support services - administration	778,745	802,880	747,418	55,462
Operation and maintenance of plant services	724,542	869,436	795,336	74,100
Student transportation services	709,666	602,702	552,773	49,929
Operation of non-instructional services	9,246	12,159	9,678	2,481
Total expenditures	<u>6,338,077</u>	<u>6,255,482</u>	<u>6,002,321</u>	<u>253,161</u>
Excess (deficiency) of revenues over expenditures	<u>(6,338,077)</u>	<u>(6,255,482)</u>	<u>15,880</u>	<u>6,271,362</u>
Other financing sources (uses):				
Transfers out			(36,793)	(36,793)
Total other financing sources (uses):			<u>(36,793)</u>	<u>(36,793)</u>
Changes in fund balances	<u>(6,338,077)</u>	<u>(6,255,482)</u>	<u>(20,913)</u>	<u>6,234,569</u>
Fund balances, beginning of year			1,223,829	1,223,829
Increase (decrease) in reserve for prepaid items			(135,484)	(135,484)
Increase (decrease) in reserve for inventory			(6,782)	(6,782)
Fund balances (deficits), end of year	<u>\$ (6,338,077)</u>	<u>\$ (6,255,482)</u>	<u>\$ 1,060,650</u>	<u>\$ 7,316,132</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, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
State aid and grants	\$	\$	\$ 130,420	\$ 130,420
Total revenues			130,420	130,420
Expenditures:				
Current -				
Instruction		381,634	125,141	256,493
Support services - students and staff		14,593	4,785	9,808
Capital outlay		1,507	494	1,013
Total expenditures		397,734	130,420	267,314
Changes in fund balances		(397,734)		397,734
Fund balances, beginning of year			9,500	9,500
Increase (decrease) in reserve for prepaid items			(4,900)	(4,900)
Fund balances (deficits), end of year	\$	\$ (397,734)	\$ 4,600	\$ 402,334

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
YEAR ENDED JUNE 30, 2015

2015

District's proportion of the net pension liability (asset)	0.75%
District's proportionate share of the net pension liability (asset)	\$ 5,528,692
District's covered-employee payroll	\$ 3,245,288
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	170.36%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

See accompanying notes to this schedule.

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015

2015

Actuarially determined contribution	\$ 320,031
Contributions in relation to the actuarially determined contribution	<u>320,031</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
District's covered-employee payroll	\$ 2,895,311
Contributions as a percentage of covered-employee payroll	11.05%

See accompanying notes to this schedule.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

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	\$ 6,112,985	\$ 1,393,072
Activity budgeted as special revenue funds	<u>(110,664)</u>	<u>(332,422)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 6,002,321</u>	<u>\$ 1,060,650</u>

NOTE 2 – PENSION PLAN SCHEDULES

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, 2013, 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, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 477,314	\$ 90,042	\$ 567,356
Property taxes receivable		6,115	6,115
Due from governmental entities	298,382		298,382
Prepaid items	57,500		57,500
Inventory	12,253		12,253
Total assets	<u><u>\$ 845,449</u></u>	<u><u>\$ 96,157</u></u>	<u><u>\$ 941,606</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 72,036	\$	\$ 72,036
Due to other funds	181,768		181,768
Total liabilities	<u>253,804</u>		<u>253,804</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		6,115	6,115
Unavailable revenues - intergovernmental	9,294		9,294
Total deferred inflows of resources	<u>9,294</u>	<u>6,115</u>	<u>15,409</u>
Fund balances:			
Nonspendable	69,753		69,753
Restricted	512,598	90,042	602,640
Total fund balances	<u>582,351</u>	<u>90,042</u>	<u>672,393</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 845,449</u></u>	<u><u>\$ 96,157</u></u>	<u><u>\$ 941,606</u></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, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 143,448	\$ 6,969	\$ 150,417
Property taxes		7	7
State aid and grants	229,341		229,341
Federal aid, grants and reimbursements	1,541,231		1,541,231
Total revenues	<u>1,914,020</u>	<u>6,976</u>	<u>1,920,996</u>
Expenditures:			
Current -			
Instruction	822,717		822,717
Support services - students and staff	268,274		268,274
Support services - administration	67,187		67,187
Operation and maintenance of plant services		7,540	7,540
Student transportation services	8,809		8,809
Operation of non-instructional services	449,828		449,828
Capital outlay	161,922	432,968	594,890
Debt service -			
Principal retirement		22,726	22,726
Interest and fiscal charges		14,086	14,086
Total expenditures	<u>1,778,737</u>	<u>477,320</u>	<u>2,256,057</u>
Excess (deficiency) of revenues over expenditures	<u>135,283</u>	<u>(470,344)</u>	<u>(335,061)</u>
Other financing sources (uses):			
Transfers in		36,809	36,809
Transfers out	(53,798)		(53,798)
Capital lease agreements		432,968	432,968
Total other financing sources (uses):	<u>(53,798)</u>	<u>469,777</u>	<u>415,979</u>
Changes in fund balances	<u>81,485</u>	<u>(567)</u>	<u>80,918</u>
Fund balances, beginning of year	508,358	90,609	598,967
Increase (decrease) in reserve for prepaid items	14,750		14,750
Increase (decrease) in reserve for inventory	(22,242)		(22,242)
Fund balances, end of year	<u>\$ 582,351</u>	<u>\$ 90,042</u>	<u>\$ 672,393</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.

Limited English and Immigrant Students - to account for financial assistance received for educational services and costs for limited English and immigrant children.

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.

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.

Insurance Refund - to account for insurance premium payments that are refunded to the District.

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 110,856	\$ 79,975	\$ 23,405
Due from governmental entities	17,137	10,192	
Prepaid items			
Inventory			
Total assets	<u>\$ 127,993</u>	<u>\$ 90,167</u>	<u>\$ 23,405</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	<u></u>	<u></u>	<u></u>
Total liabilities	<u></u>	<u></u>	<u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u></u>	<u></u>	<u></u>
Fund balances:			
Nonspendable			
Restricted	<u>127,993</u>	<u>90,167</u>	<u>23,405</u>
Total fund balances	<u>127,993</u>	<u>90,167</u>	<u>23,405</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 127,993</u>	<u>\$ 90,167</u>	<u>\$ 23,405</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>
\$	\$	\$	\$	\$	\$
71,797	36	54,564	104,261	104,445	713
43,700			13,800	3,218	
<u>\$ 115,497</u>	<u>\$ 36</u>	<u>\$ 54,564</u>	<u>\$ 118,061</u>	<u>\$ 107,663</u>	<u>\$ 713</u>
\$	\$	\$	\$	\$	\$
71,797	36	5,088	44,515	13,976	
<u>71,797</u>	<u>36</u>	<u>49,476</u>	<u>59,746</u>	<u>13,976</u>	<u>713</u>
<u>71,797</u>	<u>36</u>	<u>54,564</u>	<u>104,261</u>	<u>13,976</u>	<u>713</u>
43,700			13,800		
<u>43,700</u>			<u>13,800</u>	<u>93,687</u>	
				<u>93,687</u>	
<u>\$ 115,497</u>	<u>\$ 36</u>	<u>\$ 54,564</u>	<u>\$ 118,061</u>	<u>\$ 107,663</u>	<u>\$ 713</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
<u>ASSETS</u>			
Cash and investments	\$ 104,564	\$ 15,084	\$ 2,015
Due from governmental entities	36,464		
Prepaid items			
Inventory	12,253		
Total assets	<u><u>\$ 153,281</u></u>	<u><u>\$ 15,084</u></u>	<u><u>\$ 2,015</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 8,457	\$	\$
Due to other funds			
Total liabilities	<u>8,457</u>		
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>9,294</u>		
Fund balances:			
Nonspendable	12,253		
Restricted	<u>123,277</u>	<u>15,084</u>	<u>2,015</u>
Total fund balances	<u><u>135,530</u></u>	<u><u>15,084</u></u>	<u><u>2,015</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 153,281</u></u>	<u><u>\$ 15,084</u></u>	<u><u>\$ 2,015</u></u>

Extracurricular Activities Fees Tax Credit	Textbooks	Totals
\$ 35,967	\$ 1,003	\$ 477,314
		298,382
		57,500
		12,253
<u>\$ 35,967</u>	<u>\$ 1,003</u>	<u>\$ 845,449</u>

\$	\$	\$ 72,036
		181,768
		<u>253,804</u>

		<u>9,294</u>
--	--	--------------

		69,753
<u>35,967</u>	<u>1,003</u>	<u>512,598</u>
<u>35,967</u>	<u>1,003</u>	<u>582,351</u>

<u>\$ 35,967</u>	<u>\$ 1,003</u>	<u>\$ 845,449</u>
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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, 2015

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 729	\$ 403	\$ 80,105
State aid and grants	205,645	23,696	
Federal aid, grants and reimbursements			
Total revenues	<u>206,374</u>	<u>24,099</u>	<u>80,105</u>
Expenditures:			
Current -			
Instruction	203,198		
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services			64,596
Capital outlay			
Total expenditures	<u>203,198</u>	<u></u>	<u>64,596</u>
Excess (deficiency) of revenues over expenditures	<u>3,176</u>	<u>24,099</u>	<u>15,509</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>3,176</u>	<u>24,099</u>	<u>15,509</u>
Fund balances, beginning of year	124,817	66,068	7,896
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u><u>\$ 127,993</u></u>	<u><u>\$ 90,167</u></u>	<u><u>\$ 23,405</u></u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>
\$	\$	\$	\$	\$	\$ 232
600,691	63,383	203,645	8,345	208,224	46,549
<u>600,691</u>	<u>63,383</u>	<u>203,645</u>	<u>8,345</u>	<u>208,224</u>	<u>46,781</u>
312,388		146,511	118	132,409	
151,725	53,060	28,099	5,751	12,744	
22,518	8,385	21,070		974	254
		7,965			
75,130			2,476	50,407	30,533
<u>561,761</u>	<u>61,445</u>	<u>203,645</u>	<u>8,345</u>	<u>196,534</u>	<u>30,787</u>
<u>38,930</u>	<u>1,938</u>			<u>11,690</u>	<u>15,994</u>
(38,930)	(1,938)			(11,690)	
<u>(38,930)</u>	<u>(1,938)</u>			<u>(11,690)</u>	
					15,994
38,000				4,750	77,693
5,700				9,050	
<u>\$ 43,700</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 13,800</u>	<u>\$ 93,687</u>

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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, 2015

	Other Federal Projects	Food Service	Civic Center
Revenues:			
Other local	\$	\$ 37,414	\$ 3,075
State aid and grants			
Federal aid, grants and reimbursements	41,355	369,039	
Total revenues	<u>41,355</u>	<u>406,453</u>	<u>3,075</u>
Expenditures:			
Current -			
Instruction	9,250		
Support services - students and staff	16,895		
Support services - administration	13,986		
Student transportation services			
Operation of non-instructional services		385,232	
Capital outlay		3,376	
Total expenditures	<u>40,131</u>	<u>388,608</u>	
Excess (deficiency) of revenues over expenditures	<u>1,224</u>	<u>17,845</u>	<u>3,075</u>
Other financing sources (uses):			
Transfers out	(1,224)		
Total other financing sources (uses):	<u>(1,224)</u>		
Changes in fund balances		<u>17,845</u>	<u>3,075</u>
Fund balances, beginning of year		139,927	12,009
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory		(22,242)	
Fund balances, end of year	<u>\$</u>	<u>\$ 135,530</u>	<u>\$ 15,084</u>

Community School	Extracurricular Activities Fees Tax Credit	Textbooks	Insurance Refund	Grants and Gifts to Teachers	Totals
\$ 10	\$ 21,354	\$ 125	\$ 1	\$	\$ 143,448
					229,341
					1,541,231
<u>10</u>	<u>21,354</u>	<u>125</u>	<u>1</u>		<u>1,914,020</u>
	18,843				822,717
					268,274
	844				67,187
					8,809
					449,828
					161,922
	<u>19,687</u>				<u>1,778,737</u>
<u>10</u>	<u>1,667</u>	<u>125</u>	<u>1</u>		<u>135,283</u>
			(15)	(1)	(53,798)
			(15)	(1)	(53,798)
<u>10</u>	<u>1,667</u>	<u>125</u>	<u>(14)</u>	<u>(1)</u>	<u>81,485</u>
2,005	34,300	878	14	1	508,358
					14,750
					(22,242)
<u>\$ 2,015</u>	<u>\$ 35,967</u>	<u>\$ 1,003</u>	<u>\$</u>	<u>\$</u>	<u>\$ 582,351</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, 2015

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 729	\$ 729
State aid and grants		205,645	205,645
Federal aid, grants and reimbursements			
Total revenues		<u>206,374</u>	<u>206,374</u>
Expenditures:			
Current -			
Instruction	306,028	203,198	102,830
Support services - students and staff	867		867
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>306,895</u>	<u>203,198</u>	<u>103,697</u>
Excess (deficiency) of revenues over expenditures	<u>(306,895)</u>	<u>3,176</u>	<u>310,071</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(306,895)</u>	<u>3,176</u>	<u>310,071</u>
Fund balances, beginning of year		124,817	124,817
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (306,895)</u>	<u>\$ 127,993</u>	<u>\$ 434,888</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 403 23,696	\$ 403 23,696	\$	\$ 80,105	\$ 80,105
	24,099	24,099		80,105	80,105
54,741		54,741			
			81,360	64,596	16,764
54,741		54,741	81,360	64,596	16,764
(54,741)	24,099	78,840	(81,360)	15,509	96,869
(54,741)	24,099	78,840	(81,360)	15,509	96,869
	66,068	66,068		7,896	7,896
\$ (54,741)	\$ 90,167	\$ 144,908	\$ (81,360)	\$ 23,405	\$ 104,765

(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, 2015

	Student Success		
	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$ 16	\$ 16
State aid and grants		11,376	11,376
Federal aid, grants and reimbursements			
Total revenues		<u>11,392</u>	<u>11,392</u>
Expenditures:			
Current -			
Instruction	11,376	9,250	2,126
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay		2,142	(2,142)
Total expenditures	<u>11,376</u>	<u>11,392</u>	<u>(16)</u>
Excess (deficiency) of revenues over expenditures	<u>(11,376)</u>		<u>11,376</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(11,376)</u>		<u>11,376</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for prepaid items		9,250	9,250
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (11,376)</u>	<u>\$ 9,250</u>	<u>\$ 20,626</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	600,691	600,691		63,383	63,383
	600,691	600,691		63,383	63,383
653,485	312,388	341,097			
	151,725	(151,725)	65,257	53,060	12,197
	22,518	(22,518)		8,385	(8,385)
	75,130	(75,130)			
653,485	561,761	91,724	65,257	61,445	3,812
(653,485)	38,930	692,415	(65,257)	1,938	67,195
	(38,930)	(38,930)		(1,938)	(1,938)
	(38,930)	(38,930)		(1,938)	(1,938)
(653,485)		653,485	(65,257)		65,257
	38,000	38,000			
	5,700	5,700			
\$ (653,485)	\$ 43,700	\$ 697,185	\$ (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, 2015

	Title IV Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		203,645	203,645
Total revenues		<u>203,645</u>	<u>203,645</u>
Expenditures:			
Current -			
Instruction	215,991	146,511	69,480
Support services - students and staff		28,099	(28,099)
Support services - administration		21,070	(21,070)
Student transportation services		7,965	(7,965)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>215,991</u>	<u>203,645</u>	<u>12,346</u>
Excess (deficiency) of revenues over expenditures	<u>(215,991)</u>		<u>215,991</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(215,991)</u>		<u>215,991</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>\$ (215,991)</u>	<u>\$</u>	<u>\$ 215,991</u>

Limited English and Immigrant Students			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	8,345	8,345		208,224	208,224
	8,345	8,345		208,224	208,224
	118	(118)	257,518	132,409	125,109
	5,751	(5,751)		12,744	(12,744)
				974	(974)
	2,476	(2,476)		50,407	(50,407)
	8,345	(8,345)	257,518	196,534	60,984
			(257,518)	11,690	269,208
				(11,690)	(11,690)
				(11,690)	(11,690)
			(257,518)		257,518
				4,750	4,750
				9,050	9,050
\$	\$	\$	\$ (257,518)	\$ 13,800	\$ 271,318

(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, 2015

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 433	\$ 433
State aid and grants			
Federal aid, grants and reimbursements		29,359	29,359
Total revenues		<u>29,792</u>	<u>29,792</u>
Expenditures:			
Current -			
Instruction		817	(817)
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay	158,334	1,970	156,364
Total expenditures	<u>158,334</u>	<u>2,787</u>	<u>155,547</u>
Excess (deficiency) of revenues over expenditures	<u>(158,334)</u>	<u>27,005</u>	<u>185,339</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(158,334)</u>	<u>27,005</u>	<u>185,339</u>
Fund balances, beginning of year		134,164	134,164
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (158,334)</u>	<u>\$ 161,169</u>	<u>\$ 319,503</u>

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 232	\$ 232	\$	\$	\$
	46,549	46,549		41,355	41,355
	46,781	46,781		41,355	41,355
				9,250	(9,250)
			31,005	16,895	14,110
254		(254)		13,986	(13,986)
97,914	30,533	67,381			
97,914	30,787	67,127	31,005	40,131	(9,126)
(97,914)	15,994	113,908	(31,005)	1,224	32,229
				(1,224)	(1,224)
				(1,224)	(1,224)
(97,914)	15,994	113,908	(31,005)		31,005
	77,693	77,693			
\$ (97,914)	\$ 93,687	\$ 191,601	\$ (31,005)	\$	\$ 31,005

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, 2015

	Food Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 37,414	\$ 37,414
State aid and grants			
Federal aid, grants and reimbursements		369,039	369,039
Total revenues		<u>406,453</u>	<u>406,453</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services	411,898	385,232	26,666
Capital outlay		3,376	(3,376)
Total expenditures	<u>411,898</u>	<u>388,608</u>	<u>23,290</u>
Excess (deficiency) of revenues over expenditures	<u>(411,898)</u>	<u>17,845</u>	<u>429,743</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(411,898)</u>	<u>17,845</u>	<u>429,743</u>
Fund balances, beginning of year		139,927	139,927
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory		(22,242)	(22,242)
Fund balances (deficits), end of year	<u>\$ (411,898)</u>	<u>\$ 135,530</u>	<u>\$ 547,428</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,075	\$ 3,075	\$	\$ 10	\$ 10
	3,075	3,075		10	10
			2,009		2,009
14,041		14,041			
14,041		14,041	2,009		2,009
(14,041)	3,075	17,116	(2,009)	10	2,019
(14,041)	3,075	17,116	(2,009)	10	2,019
	12,009	12,009		2,005	2,005
\$ (14,041)	\$ 15,084	\$ 29,125	\$ (2,009)	\$ 2,015	\$ 4,024

(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, 2015

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 59	\$ 59
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		59	59
Expenditures:			
Current -			
Instruction	621	125	496
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	621	125	496
Excess (deficiency) of revenues over expenditures	(621)	(66)	555
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(621)	(66)	555
Fund balances, beginning of year		580	580
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (621)	\$ 514	\$ 1,135

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 21,354	\$ 21,354	\$	\$ 97,873	\$ 97,873
	21,354	21,354		97,873	97,873
55,523	18,843	36,680		23,789	(23,789)
	844	(844)	26,097	45,491	(19,394)
				560	(560)
				15,125	(15,125)
55,523	19,687	35,836	26,097	84,965	(58,868)
(55,523)	1,667	57,190	(26,097)	12,908	39,005
(55,523)	1,667	57,190	(26,097)	12,908	39,005
	34,300	34,300		31,297	31,297
\$ (55,523)	\$ 35,967	\$ 91,490	\$ (26,097)	\$ 44,205	\$ 70,302

(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, 2015

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 125	\$ 125
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		125	125
Expenditures:			
Current -			
Instruction	947		947
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	947		947
Excess (deficiency) of revenues over expenditures	(947)	125	1,072
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(947)	125	1,072
Fund balances, beginning of year		878	878
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (947)	\$ 1,003	\$ 1,950

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 251	\$ 251	\$	\$ 419	\$ 419
	251	251		419	419
1,941		1,941		1,339	(1,339)
			71,669	9,224	62,445
1,941		1,941	71,669	10,563	61,106
(1,941)	251	2,192	(71,669)	(10,144)	61,525
				53,782	53,782
				53,782	53,782
(1,941)	251	2,192	(71,669)	43,638	115,307
	1,736	1,736		71,524	71,524
\$ (1,941)	\$ 1,987	\$ 3,928	\$ (71,669)	\$ 115,162	\$ 186,831

(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, 2015

	Insurance Refund		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1	\$ 1
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1</u>	<u>1</u>
Expenditures:			
Current -			
Instruction	15		15
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>15</u>		<u>15</u>
Excess (deficiency) of revenues over expenditures	<u>(15)</u>	<u>1</u>	<u>16</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(15)	(15)
Total other financing sources (uses):		<u>(15)</u>	<u>(15)</u>
Changes in fund balances	<u>(15)</u>	<u>(14)</u>	<u>1</u>
Fund balances, beginning of year		14	14
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (15)</u>	<u>\$</u>	<u>\$ 15</u>

Grants and Gifts to Teachers			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 6	\$ 6
				6	6
			964	832	132
			964	832	132
			(964)	(826)	138
	(1)	(1)			
	(1)	(1)			
	(1)	(1)	(964)	(826)	138
	1	1		961	961
\$	\$	\$	\$ (964)	\$ 135	\$ 1,099

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, 2015

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 242,505	\$ 242,505
State aid and grants		240,717	240,717
Federal aid, grants and reimbursements		1,570,590	1,570,590
Total revenues		<u>2,053,812</u>	<u>2,053,812</u>
Expenditures:			
Current -			
Instruction	1,560,195	856,698	703,497
Support services - students and staff	123,226	315,104	(191,878)
Support services - administration	72,633	77,243	(4,610)
Student transportation services		9,369	(9,369)
Operation of non-instructional services	507,299	449,828	57,471
Capital outlay	256,248	181,159	75,089
Total expenditures	<u>2,519,601</u>	<u>1,889,401</u>	<u>630,200</u>
Excess (deficiency) of revenues over expenditures	<u>(2,519,601)</u>	<u>164,411</u>	<u>2,684,012</u>
Other financing sources (uses):			
Transfers in		53,782	53,782
Transfers out		(53,798)	(53,798)
Total other financing sources (uses):		<u>(16)</u>	<u>(16)</u>
Changes in fund balances	<u>(2,519,601)</u>	<u>164,395</u>	<u>2,683,996</u>
Fund balances, beginning of year		748,620	748,620
Increase (decrease) in reserve for prepaid items		24,000	24,000
Increase (decrease) in reserve for inventory		(22,242)	(22,242)
Fund balances (deficits), end of year	<u>\$ (2,519,601)</u>	<u>\$ 914,773</u>	<u>\$ 3,434,374</u>

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, 2015

	<u>Insurance Proceeds</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
<u>ASSETS</u>			
Cash and investments	\$ 33,597	\$ 56,443	\$ 2
Property taxes receivable		6,115	
Total assets	<u><u>\$ 33,597</u></u>	<u><u>\$ 62,558</u></u>	<u><u>\$ 2</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>\$</u>	<u>\$ 6,115</u>	<u>\$</u>
Fund balances:			
Restricted	<u>33,597</u>	<u>56,443</u>	<u>2</u>
Total fund balances	<u><u>33,597</u></u>	<u><u>56,443</u></u>	<u><u>2</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 33,597</u></u>	<u><u>\$ 62,558</u></u>	<u><u>\$ 2</u></u>

Totals	
\$	90,042
	6,115
\$	96,157

\$	6,115
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	90,042
	90,042

\$	96,157
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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, 2015

	Insurance Proceeds	Adjacent Ways	Energy and Water Savings
Revenues:			
Other local	\$ 6,720	\$ 244	\$ 5
Property taxes		7	
Total revenues	<u>6,720</u>	<u>251</u>	<u>5</u>
Expenditures:			
Current -			
Operation and maintenance of plant services	7,540		
Capital outlay			432,968
Debt service -			
Principal retirement			22,726
Interest and fiscal charges			14,086
Total expenditures	<u>7,540</u>	<u></u>	<u>469,780</u>
Excess (deficiency) of revenues over expenditures	<u>(820)</u>	<u>251</u>	<u>(469,775)</u>
Other financing sources (uses):			
Transfers in			36,809
Capital lease agreements			432,968
Total other financing sources (uses):			<u>469,777</u>
Changes in fund balances	<u>(820)</u>	<u>251</u>	<u>2</u>
Fund balances, beginning of year	34,417	56,192	
Fund balances, end of year	<u>\$ 33,597</u>	<u>\$ 56,443</u>	<u>\$ 2</u>

Totals	
\$	6,969
	7
	<u>6,976</u>

	7,540
	432,968
	22,726
	<u>14,086</u>
	<u>477,320</u>
	<u>(470,344)</u>

	36,809
	<u>432,968</u>
	<u>469,777</u>
	<u>(567)</u>
	90,609
\$	<u><u>90,042</u></u>

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, 2015

	Insurance Proceeds		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 6,720	\$ 6,720
Property taxes			
State aid and grants			
Total revenues		6,720	6,720
Expenditures:			
Current -			
Operation and maintenance of plant services	41,034	7,540	33,494
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	41,034	7,540	33,494
Excess (deficiency) of revenues over expenditures	(41,034)	(820)	40,214
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):			
Changes in fund balances	(41,034)	(820)	40,214
Fund balances, beginning of year		34,417	34,417
Fund balances (deficits), end of year	\$ (41,034)	\$ 33,597	\$ 74,631

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 17,827	\$ 17,827	\$	\$ 244	\$ 244
	337,485	337,485		7	7
	145,702	145,702			
	501,014	501,014		251	251
1,248,390	489,307	759,083	56,306		56,306
1,248,390	489,307	759,083	56,306		56,306
(1,248,390)	11,707	1,260,097	(56,306)	251	56,557
(1,248,390)	11,707	1,260,097	(56,306)	251	56,557
	330,373	330,373		56,192	56,192
\$ (1,248,390)	\$ 342,080	\$ 1,590,470	\$ (56,306)	\$ 56,443	\$ 112,749

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, 2015

	Energy and Water Savings		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 5	\$ 5
Property taxes			
State aid and grants			
Total revenues		5	5
Expenditures:			
Current -			
Operation and maintenance of plant services			
Capital outlay			
Debt service -			
Principal retirement	22,726	22,726	
Interest and fiscal charges	14,102	14,086	16
Total expenditures	36,828	36,812	16
Excess (deficiency) of revenues over expenditures	(36,828)	(36,807)	21
Other financing sources (uses):			
Transfers in		36,809	36,809
Total other financing sources (uses):		36,809	36,809
Changes in fund balances	(36,828)	2	36,830
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (36,828)	\$ 2	\$ 36,830

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 24,796	\$ 24,796
	337,492	337,492
	145,702	145,702
	507,990	507,990
41,034	7,540	33,494
1,304,696	489,307	815,389
22,726	22,726	
14,102	14,086	16
1,382,558	533,659	848,899
(1,382,558)	(25,669)	1,356,889
	36,809	36,809
	36,809	36,809
(1,382,558)	11,140	1,393,698
	420,982	420,982
\$ (1,382,558)	\$ 432,122	\$ 1,814,680

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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, 2015

	Student Activities	Employee Withholding	Totals
<u>ASSETS</u>			
Cash and investments	\$ 16,889	\$ 98,080	\$ 114,969
Total assets	<u>\$ 16,889</u>	<u>\$ 98,080</u>	<u>\$ 114,969</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 98,080	\$ 98,080
Due to student groups	16,889		16,889
Total liabilities	<u>\$ 16,889</u>	<u>\$ 98,080</u>	<u>\$ 114,969</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES</u>				
<u>Assets</u>				
Cash and investments	\$ 16,852	\$ 67,050	\$ 67,013	\$ 16,889
Total assets	\$ 16,852	\$ 67,050	\$ 67,013	\$ 16,889
<u>Liabilities</u>				
Due to student groups	\$ 16,852	\$ 67,050	\$ 67,013	\$ 16,889
Total liabilities	\$ 16,852	\$ 67,050	\$ 67,013	\$ 16,889
<u>EMPLOYEE WITHHOLDING</u>				
<u>Assets</u>				
Cash and investments	\$ 63,317	\$ 205,633	\$ 170,870	\$ 98,080
Total assets	\$ 63,317	\$ 205,633	\$ 170,870	\$ 98,080
<u>Liabilities</u>				
Deposits held for others	\$ 63,317	\$ 205,633	\$ 170,870	\$ 98,080
Total liabilities	\$ 63,317	\$ 205,633	\$ 170,870	\$ 98,080
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 80,169	\$ 272,683	\$ 237,883	\$ 114,969
Total assets	\$ 80,169	\$ 272,683	\$ 237,883	\$ 114,969
<u>Liabilities</u>				
Due to student groups	\$ 16,852	\$ 67,050	\$ 67,013	\$ 16,889
Deposits held for others	63,317	205,633	170,870	98,080
Total liabilities	\$ 80,169	\$ 272,683	\$ 237,883	\$ 114,969

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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.

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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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 8,159,709	\$ 8,334,043	\$ 8,491,990	\$ 8,586,230	\$ 8,779,174
Restricted	1,035,904	1,034,557	733,758	838,062	494,753
Unrestricted	(3,765,427)	1,899,552	2,216,551	1,943,895	1,277,377
Total net position	<u>\$ 5,430,186</u>	<u>\$ 11,268,152</u>	<u>\$ 11,442,299</u>	<u>\$ 11,368,187</u>	<u>\$ 10,551,304</u>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net Position:					
Net investment in capital assets	\$ 8,993,968	\$ 9,222,832	\$ 9,291,659	\$ 9,461,840	\$ 9,642,468
Restricted	286,974	205,128	159,127	139,788	141,747
Unrestricted	1,079,417	501,845	703,968	499,546	1,043,677
Total net position	<u>\$ 10,360,359</u>	<u>\$ 9,929,805</u>	<u>\$ 10,154,754</u>	<u>\$ 10,101,174</u>	<u>\$ 10,827,892</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Instruction	\$ 5,118,827	\$ 5,233,349	\$ 4,787,739	\$ 4,910,353	\$ 5,183,400
Support services - students and staff	871,129	743,570	676,033	705,684	889,720
Support services - administration	911,283	941,777	874,091	1,045,304	834,587
Operation and maintenance of plant services	941,641	794,173	974,015	728,500	888,166
Student transportation services	649,294	651,389	727,866	603,929	1,031,291
Operation of non-instructional services	512,258	528,648	530,410	519,620	474,728
Interest on long-term debt	14,086				
Total expenses	<u>9,018,518</u>	<u>8,892,906</u>	<u>8,570,154</u>	<u>8,513,390</u>	<u>9,301,892</u>
Program Revenues					
Charges for services:					
Instruction	8,660	16,576	4,380	77,554	74,342
Operation of non-instructional services	36,884	39,645	28,052	46,114	19,442
Other activities	3,000	3,957	4,177	3,600	2,950
Operating grants and contributions	1,715,969	1,742,447	1,711,427	1,575,524	1,935,945
Capital grants and contributions	175,056	55,780	92,700	136,640	417
Total program revenues	<u>1,939,569</u>	<u>1,858,405</u>	<u>1,840,736</u>	<u>1,839,432</u>	<u>2,033,096</u>
Net (Expense)/Revenue	<u>\$ (7,078,949)</u>	<u>\$ (7,034,501)</u>	<u>\$ (6,729,418)</u>	<u>\$ (6,673,958)</u>	<u>\$ (7,268,796)</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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses					
Instruction	\$ 5,694,804	\$ 5,759,937	\$ 5,498,739	\$ 5,501,539	\$ 5,205,845
Support services - students and staff	816,181	855,312	603,774	676,078	684,052
Support services - administration	830,356	868,961	896,899	898,354	756,626
Operation and maintenance of plant services	839,153	873,385	914,178	1,063,702	951,120
Student transportation services	711,239	967,446	1,075,439	989,171	844,381
Operation of non-instructional services	457,600	551,955	555,098	444,715	479,705
Interest on long-term debt				559	1,081
Total expenses	<u>9,349,333</u>	<u>9,876,996</u>	<u>9,544,127</u>	<u>9,574,118</u>	<u>8,922,810</u>
Program Revenues					
Charges for services:					
Instruction	757	18,502	12,649	29,710	48,546
Operation of non-instructional services	55,667	67,929	66,322	79,308	105,006
Other activities	5,981	2,350	2,564	132,698	11,205
Operating grants and contributions	1,900,668	1,724,387	1,715,388	1,652,332	1,665,178
Capital grants and contributions	117,906	224,225		39,781	96,838
Total program revenues	<u>2,080,979</u>	<u>2,037,393</u>	<u>1,796,923</u>	<u>1,933,829</u>	<u>1,926,773</u>
Net (Expense)/Revenue	<u>\$ (7,268,354)</u>	<u>\$ (7,839,603)</u>	<u>\$ (7,747,204)</u>	<u>\$ (7,640,289)</u>	<u>\$ (6,996,037)</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (7,078,949)	\$ (7,034,501)	\$ (6,729,418)	\$ (6,673,958)	\$ (7,268,796)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	1,393,888	1,697,436	1,485,762	2,066,132	1,628,108
Property taxes, levied for capital outlay	378,034		450,626	69,929	359,690
Investment income	8,669	6,804	13,256	2,980	847
Unrestricted county aid	484,473	479,432	405,031	429,507	265,905
Unrestricted state aid	4,476,255	4,663,217	4,422,243	4,885,210	5,152,539
Unrestricted federal aid	29,359	13,465	26,612	37,083	52,652
Total general revenues	<u>6,770,678</u>	<u>6,860,354</u>	<u>6,803,530</u>	<u>7,490,841</u>	<u>7,459,741</u>
Changes in Net Position	<u>\$ (308,271)</u>	<u>\$ (174,147)</u>	<u>\$ 74,112</u>	<u>\$ 816,883</u>	<u>\$ 190,945</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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net (Expense)/Revenue	\$ (7,268,354)	\$ (7,839,603)	\$ (7,747,204)	\$ (7,640,289)	\$ (6,996,037)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	1,750,181	1,415,340	1,301,796	1,167,238	1,242,846
Property taxes, levied for debt service			1,872		9,213
Property taxes, levied for capital outlay	112,448	132,304	175,413	133,438	88,777
Investment income	8,494	3,294	18,372	38,447	17,593
Unrestricted county aid	340,565	2,635		2,501	303,998
Unrestricted state aid	4,662,562	6,061,081	6,303,331	5,571,947	5,233,423
Total general revenues	<u>7,698,908</u>	<u>7,614,654</u>	<u>7,800,784</u>	<u>6,913,571</u>	<u>6,895,850</u>
Changes in Net Position	<u>\$ 430,554</u>	<u>\$ (224,949)</u>	<u>\$ 53,580</u>	<u>\$ (726,718)</u>	<u>\$ (100,187)</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nondisposable	\$ 283,499	\$ 416,515	\$ 445,270	\$ 421,690	\$ 232,012
Unassigned	1,109,573	1,013,002	1,390,208	1,102,904	371,493
Total General Fund	<u>\$ 1,393,072</u>	<u>\$ 1,429,517</u>	<u>\$ 1,835,478</u>	<u>\$ 1,524,594</u>	<u>\$ 603,505</u>
All Other Governmental Funds:					
Nondisposable	\$ 74,353	\$ 86,745	\$ 18,944	\$ 40,909	\$ 32,997
Restricted	944,720	886,669	620,465	759,324	388,741
Assigned					304,739
Unassigned				(10,796)	
Total all other governmental funds	<u>\$ 1,019,073</u>	<u>\$ 973,414</u>	<u>\$ 639,409</u>	<u>\$ 789,437</u>	<u>\$ 726,477</u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Reserved	\$ 8,731	\$ 5,882	\$ 4,421	\$ 5,063	\$ 5,001
Unreserved	527,679	(68,066)	359,595	270,388	718,743
Total General Fund	<u>\$ 536,410</u>	<u>\$ (62,184)</u>	<u>\$ 364,016</u>	<u>\$ 275,451</u>	<u>\$ 723,744</u>
All Other Governmental Funds:					
Reserved	\$ 16,922	\$ 7,950	\$ 7,584	\$ 18,396	\$ 17,518
Unreserved, reported in:					
Special revenue funds	259,364	67,990	162,285	167,997	170,568
Capital projects funds	252,357	161,487	142,900	122,208	74,675
Debt service fund			24		57,962
Total all other governmental funds	<u>\$ 528,643</u>	<u>\$ 237,427</u>	<u>\$ 312,793</u>	<u>\$ 308,601</u>	<u>\$ 320,723</u>

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

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

(Concluded)

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 1,201,551	\$ 1,053,789	\$ 1,098,251	\$ 1,088,151	\$ 1,207,076
State Fiscal Stabilization (ARRA)					52,652
Education Jobs				3,620	235,880
National School Lunch Program	369,039	415,267	387,048	375,669	325,355
Total federal sources	<u>1,570,590</u>	<u>1,469,056</u>	<u>1,485,299</u>	<u>1,467,440</u>	<u>1,820,963</u>
State sources:					
State equalization assistance	4,235,538	4,401,749	4,207,004	4,699,533	4,995,490
State grants	130,420	150,188	171,164	126,351	24,031
Other revenues	240,717	261,568	215,356	185,677	170,000
Total state sources	<u>4,606,675</u>	<u>4,813,505</u>	<u>4,593,524</u>	<u>5,011,561</u>	<u>5,189,521</u>
Local sources:					
Property taxes	1,781,392	1,685,589	1,912,617	2,104,018	1,823,577
County aid	564,568	557,022	452,233	529,737	265,905
Food service sales	36,884	34,447	28,052	32,714	19,442
Investment income	8,669	6,804	13,256	2,980	847
Other revenues	141,645	120,694	135,514	149,780	221,312
Total local sources	<u>2,533,158</u>	<u>2,404,556</u>	<u>2,541,672</u>	<u>2,819,229</u>	<u>2,331,083</u>
Total revenues	<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>	<u><u>\$ 9,341,567</u></u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Federal sources:					
Federal grants	\$ 1,435,177	\$ 1,107,940	\$ 1,142,791	\$ 1,194,137	\$ 1,191,226
State Fiscal Stabilization (ARRA)	824,658				
National School Lunch Program	347,259	346,095	335,176	319,542	303,292
Total federal sources	<u>2,607,094</u>	<u>1,454,035</u>	<u>1,477,967</u>	<u>1,513,679</u>	<u>1,494,518</u>
State sources:					
State equalization assistance	4,793,666	5,506,304	5,940,264	5,236,629	4,758,443
State grants	19,766	367,094	412,480	85,078	75,830
School Facilities Board				43,785	29,958
Other revenues	188,030	222,692	20,257	291,533	445,022
Total state sources	<u>5,001,462</u>	<u>6,096,090</u>	<u>6,373,001</u>	<u>5,657,025</u>	<u>5,309,253</u>
Local sources:					
Property taxes	1,796,241	1,496,696	1,420,468	1,282,032	1,384,326
County aid	340,565	2,635		2,501	303,998
Food service sales	55,667	67,929	66,322	79,308	64,102
Investment income	8,494	3,294	18,372	38,447	17,593
Other revenues	223,110	183,113	163,895	345,395	186,983
Total local sources	<u>2,424,077</u>	<u>1,753,667</u>	<u>1,669,057</u>	<u>1,747,683</u>	<u>1,957,002</u>
Total revenues	<u>\$ 10,032,633</u>	<u>\$ 9,303,792</u>	<u>\$ 9,520,025</u>	<u>\$ 8,918,387</u>	<u>\$ 8,760,773</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 4,443,167	\$ 4,721,828	\$ 4,451,118	\$ 4,608,163	\$ 4,933,500
Support services - students and staff	755,677	701,545	638,287	706,259	887,045
Support services - administration	824,661	856,244	881,338	891,921	977,121
Operation and maintenance of plant services	802,876	832,676	883,888	713,643	921,566
Student transportation services	562,142	588,128	703,188	634,984	784,081
Operation of non-instructional services	459,506	516,488	485,244	502,231	472,992
Capital outlay	1,103,928	581,210	418,191	454,570	339,689
Debt service -					
Interest and fiscal charges	14,086				
Principal retirement	22,726				
Bond issuance costs					
Total expenditures	<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>	<u><u>\$ 9,315,994</u></u>
Expenditures for capitalized assets	\$ 496,868	\$ 86,213	\$ 148,694	\$ 80,077	\$ 23,475
Debt service as a percentage of noncapital expenditures	0%	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>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenditures:					
Current -					
Instruction	\$ 5,269,196	\$ 5,384,919	\$ 5,215,006	\$ 5,150,728	\$ 4,835,967
Support services - students and staff	781,616	824,800	602,359	606,541	677,805
Support services - administration	797,950	832,197	885,131	877,316	746,345
Operation and maintenance of plant services	814,972	836,536	852,610	910,488	910,212
Student transportation services	670,821	712,239	779,516	764,143	605,475
Operation of non-instructional services	441,096	528,503	525,084	426,573	461,141
Capital outlay	378,993	679,267	556,108	635,606	431,961
Debt service -					
Interest and fiscal charges		8,724			
Principal retirement				559	1,081
Bond issuance costs				7,788	7,266
Total expenditures	<u>\$ 9,154,644</u>	<u>\$ 9,807,185</u>	<u>\$ 9,415,814</u>	<u>\$ 9,379,742</u>	<u>\$ 8,677,253</u>
Expenditures for capitalized assets	\$ 25,331	\$ 208,484	\$ 115,264	\$ 95,196	\$ 36,384
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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (278,346)	\$ (111,002)	\$ 159,241	\$ 786,459	\$ 25,573
Other financing sources (uses):					
Capital lease agreements	432,968				
Transfers in	90,591	499,952	30,243	52,250	8,449
Transfers out	(90,591)	(499,952)	(30,243)	(52,250)	(8,449)
Total other financing sources (uses)	<u>432,968</u>	<u></u>	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>\$ 154,622</u>	<u>\$ (111,002)</u>	<u>\$ 159,241</u>	<u>\$ 786,459</u>	<u>\$ 25,573</u>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Excess (deficiency) of revenues over expenditures	\$ 877,989	\$ (503,393)	\$ 104,211	\$ (461,355)	\$ 83,520
Other financing sources (uses):					
Transfers in	43,387	2,502	6,585	62,663	9,812
Transfers out	(43,387)	(2,502)	(6,585)	(62,663)	(9,812)
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>\$ 877,989</u>	<u>\$ (503,393)</u>	<u>\$ 104,211</u>	<u>\$ (461,355)</u>	<u>\$ 83,520</u>

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
PRIMARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 4,116,079	\$ 4,113,391	\$ 4,218,479	\$ 4,293,660	\$ 6,658,689
Agricultural and Vacant	8,405,992	9,496,473	10,975,815	11,565,319	11,546,550
Residential (Owner Occupied)	13,807,705	15,461,323	17,671,867	19,398,998	21,049,230
Residential (Rental)	<u>3,848,256</u>	<u>2,206,880</u>	<u>2,060,304</u>	<u>1,266,800</u>	<u>1,187,948</u>
Total	<u>\$ 30,178,032</u>	<u>\$ 31,278,067</u>	<u>\$ 34,926,465</u>	<u>\$ 36,524,777</u>	<u>\$ 40,442,417</u>
Estimated Actual Value (Full Cash Value)	\$ 493,633,075	\$ 493,775,756	\$ 528,626,147	\$ 548,635,237	\$ 583,577,646
Ratio of Primary Assessed Value to Estimated Actual Value	6%	6%	7%	7%	7%
Total Direct Rate	6.73	6.27	6.44	6.57	6.04

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 4,597,814	\$ 4,532,122	\$ 4,443,473	\$ 4,097,736	\$ 4,046,582
Agricultural and Vacant	10,854,541	9,255,738	6,959,465	6,526,389	6,409,762
Residential (Owner Occupied)	20,138,554	18,739,896	16,832,751	15,570,950	14,598,276
Residential (Rental)	<u>1,110,490</u>	<u>1,028,543</u>	<u>904,118</u>	<u>681,689</u>	<u>523,224</u>
Total	<u>\$ 36,701,399</u>	<u>\$ 33,556,299</u>	<u>\$ 29,139,807</u>	<u>\$ 26,876,764</u>	<u>\$ 25,577,844</u>
Estimated Actual Value (Full Cash Value)	\$ 577,578,708	\$ 567,741,827	\$ 363,336,483	\$ 340,688,953	\$ 323,124,880
Ratio of Primary Value to Estimated Actual Value	6%	6%	8%	8%	8%
Total Direct Rate	6.05	5.75	5.81	5.77	6.26

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

Note: The primary assessed value generates revenues for general District operations.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
SECONDARY ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 4,258,744	\$ 4,113,392	\$ 4,226,101	\$ 4,311,058	\$ 7,171,375
Agricultural and Vacant	8,493,925	9,586,223	11,251,064	12,676,137	14,043,970
Residential (Owner Occupied)	13,860,846	15,485,408	17,722,981	19,546,847	21,505,972
Residential (Rental)	<u>3,889,070</u>	<u>2,217,108</u>	<u>2,080,934</u>	<u>1,279,732</u>	<u>1,231,712</u>
Total	<u>\$ 30,502,585</u>	<u>\$ 31,402,131</u>	<u>\$ 35,281,080</u>	<u>\$ 37,813,774</u>	<u>\$ 43,953,029</u>
Ratio of Secondary Assessed Value to Estimated Actual Value	6%	6%	7%	7%	8%
Total Direct Rate	6.73	6.27	6.44	6.57	6.04

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 4,707,182	\$ 4,694,575	\$ 4,559,268	\$ 4,143,705	\$ 4,083,045
Agricultural and Vacant	16,045,044	15,345,616	7,724,879	7,172,717	6,959,953
Residential (Owner Occupied)	21,114,078	20,930,159	17,572,191	16,145,206	14,950,430
Residential (Rental)	<u>1,195,616</u>	<u>1,183,148</u>	<u>965,746</u>	<u>725,112</u>	<u>554,916</u>
Total	<u>\$ 43,061,920</u>	<u>\$ 42,153,498</u>	<u>\$ 30,822,084</u>	<u>\$ 28,186,740</u>	<u>\$ 26,548,344</u>
Ratio of Secondary Assessed Value to Estimated Actual Value	7%	7%	8%	8%	8%
Total Direct Rate	6.05	5.75	5.81	5.77	6.26

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

Note: The secondary assessed value generates revenues to service District bonded debt requirements and other voter-approved overrides.

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
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	16	15	15	15	17

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	22 %	23 %	24 %	25 %	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	18	20	21	22	21

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
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
2006		4.79	0.26	0.37	1.31	0.04	0.12	5.25	1.01	6.26

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	2015			2006	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation		Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Trico Electric Co-Op Inc.	\$ 1,322,563	4.34 %		\$	%
Price Gregory International	607,651	1.99			
Southwest Transmission	465,089	1.52			
Unisource Energy Corporation	258,492	0.85			
SBH Sendero LP	206,390	0.68			
Sadlier Living Trust	185,775	0.61			
Flag Car Wash	169,830	0.56			
Qwest Corporation	174,259	0.57		63,021,573	2.37
CFG Broadway & Rooks LLLP	154,813	0.51			
Elkhorn Ranch	151,371	0.50			
Southwest Gas Corporation				32,707,399	1.23
Tucson Electric Power Co.				80,571,885	3.03
AT&T Wireless Services				16,220,742	0.61
Park Mall Shopping Center				13,295,691	0.50
El Con Shopping Center				11,168,380	0.42
SFPP Limited Partnership				7,977,414	0.30
Reliane Central Limited				6,913,759	0.26
El Dorado Medical Center				5,850,104	0.22
Crescent Real Estate Funding				5,850,104	0.22
Total	<u>\$ 3,696,233</u>	<u>12.13 %</u>		<u>\$ 243,577,051</u>	<u>9.18 %</u>

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

Note: The 2006 data represents the principal property taxpayers for the entire Tucson metropolitan area as this information was not available at that time for District taxpayers only.

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
2015	\$ 1,777,607	\$ 1,498,225	84.28 %	\$	\$ 1,498,225	84.28 %
2014	1,703,013	1,413,005	82.97	231,121	1,644,126	96.54
2013	1,885,522	1,560,572	82.77	324,950	1,885,522	100.00
2012	2,041,116	1,791,504	87.77	181,128	1,972,632	96.64
2011	1,919,599	1,540,337	80.24	307,418	1,847,755	96.26
2010	1,878,044	1,554,450	82.77	274,991	1,829,441	97.41
2009	1,519,561	1,258,107	82.79	236,040	1,494,147	98.33
2008	1,311,012	1,089,590	83.11	212,523	1,302,113	99.32
2007	1,196,208	1,036,685	86.66	151,877	1,188,562	99.36
2006	1,249,940	1,096,284	87.71	145,964	1,242,248	99.38

Source: The source of this information is the 2015 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	
2015	\$	\$	\$	%	\$	\$ 410,242	\$ 410,242	0.08 %	\$ 46	0.00 %	
2014											
2013											
2012											
2011											
2010											
2009											
2008											
2007											
2006						7,788	7,788	0.00	1	0.00	

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, 2015

<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	\$ 1,324,925,019	0.43 %	<u>\$ 5,697,178</u>
Total Overlapping Governmental Activities Debt			<u><u>\$ 5,697,178</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation	-	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 640	
As a Percentage of Net Secondary Assessed Valuation	18.68	%
As a Percentage of Estimated Actual Value (Full Cash Value)	1.15	%

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2014 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 2015:

Secondary assessed valuation	\$ 30,502,585
Debt limit (10% of assessed value)	3,050,259
Debt applicable to limit	
Legal debt margin	<u><u>\$ 3,050,259</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2015:

Secondary assessed valuation	\$ 30,502,585
Debt limit (15% of assessed value)	4,575,388
Debt applicable to limit	
Legal debt margin	<u><u>\$ 4,575,388</u></u>

Fiscal Year Ended June 30

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 4,575,388	\$ 4,710,320	\$ 5,292,162	\$ 5,672,066	\$ 6,592,954
Total net debt applicable to limit					
Legal debt margin	<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>	<u><u>\$ 6,592,954</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 6,459,288	\$ 6,323,025	\$ 4,623,313	\$ 3,982,252	\$ 3,982,252
Total net debt applicable to limit					
Legal debt margin	<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>	<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
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
2005	957,635		26,703,829		28,869	4.6	7,721

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 2005 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2014, 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	2015			2006		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
University of Arizona	12,053	2.59	%	10,282	2.46	%
Raytheon Missile Systems	11,370	2.44		10,756	2.57	
U.S Army Intelligence Center				13,098	3.13	
State of Arizona	4,986	1.07		9,742	2.33	
Davis Monthan AFB	10,869	2.33		8,233	1.97	
Pima County	7,100	1.52				
Tucson Unified School District	6,467	1.39		7,623	1.82	
University of Arizona Health Network	6,462	1.39				
Fort Huachuca	5,096	1.09				
Freeport-McMoran Mining	5,819	1.25				
Wal-Mart Stores, Inc.	4,360	0.94		4,980	1.19	
City of Tucson	4,348	0.93		5,306	1.27	
US Border Patrol	6,800	1.46				
Carondelet Health Network	3,594	0.77		3,751	0.90	
Tucson Medical Center	2,977	0.64				
Phelps Dodge Minig Co				4,123	0.99	
Total	92,301	19.81	%	77,894	18.63	%
Total employment	465,700			418,111		

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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Principals	2	2	2	1	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>3</u>	<u>4</u>
Instruction					
Teachers	35	42	41	39	44
Other professionals (instructional)			3	3	3
Aides	17	17	20	22	24
Total instruction	<u>52</u>	<u>59</u>	<u>64</u>	<u>64</u>	<u>71</u>
Student Services					
Nurses	1	1	1	1	
Counselors/Advisors	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>2</u>
Support and Administration					
Superintendent	1	1	1	1	1
District Office	4	5	4	5	5
Transportation	18	16	21	22	22
Health Office	2	2	2	2	3
School Secretaries	2	2	4	4	4
NCLB Secretary	1	1	1	1	1
SPED Secretaries	1	1	1	1	1
Other professionals	2	2	2	2	2
Other classified	8	8	1	1	1
Total support and administration	<u>39</u>	<u>38</u>	<u>37</u>	<u>39</u>	<u>40</u>
Total	<u>99</u>	<u>105</u>	<u>109</u>	<u>110</u>	<u>117</u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</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	41	44	46	44
Other professionals (instructional)	3	2	3	3	3
Aides	24	24	24	22	21
Total instruction	<u>71</u>	<u>67</u>	<u>71</u>	<u>71</u>	<u>68</u>
Student Services					
Nurses					
Counselors/Advisors					
Librarians	1	1	1	1	1
Library Technician	1	2	1	1	1
Total student services	<u>2</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>2</u>
Support and Administration					
Superintendent	1	1	1	1	1
District Office	6	5	5	5	5
Transportation	23	20	20	20	20
Health Office	3	3	3	3	3
School Secretaries	4	3	3	3	3
NCLB Secretary	1	1	1	1	1
SPED Secretaries	2	2	2	2	2
Other professionals	2				
Other classified	1				
Total support and administration	<u>43</u>	<u>35</u>	<u>35</u>	<u>35</u>	<u>35</u>
Total	<u>120</u>	<u>109</u>	<u>112</u>	<u>112</u>	<u>109</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
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
2006	653	8,236,945	12,614	3.01	8,922,810	13,664	1.71	68	9.6	80.9

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>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>2006</u>
<u>Schools</u>										
Elementary										
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	420	431	410	373	369	408	443	441	419	395
Middle										
Buildings	9	9	9	9	9	9	9	9	9	9
Square feet	60,074	59,575	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	297	307	301	314	301	312	313	313	323	344
<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	17	17	16	17	16	16	19	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	0	0	0	0	0	0	0	2	2	2

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

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