
ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

TUCSON, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Issued by:
Business and Finance Department

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

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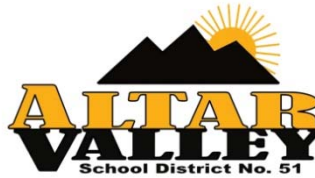
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INTRODUCTORY SECTION

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December 8, 2017

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

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Altar Valley Elementary School District No. 51 (District) for the fiscal year ended June 30, 2017.

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, 2017, 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, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

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

PROFILE OF THE DISTRICT

The District is one of 18 public school districts located in Pima County, Arizona. It provides a program of public education from preschool through grade eight with average daily membership of 579. Estimated enrollment for fiscal year 2017-18 is 580 students. The average age of school buildings is 24 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 105 employees.

Long-term Financial Planning. During the 2016-17 school year, the District's average student membership declined slightly, enrolling approximately 575 students. The high school population has remained steady at approximately 252. The District's teacher turnover rate continues to be sporadic in recent years, however, the District continues to maintain emphasis on professional development, administrative, support, and competitive salaries.

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

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

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

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

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

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

AWARDS AND ACKNOWLEDGMENTS

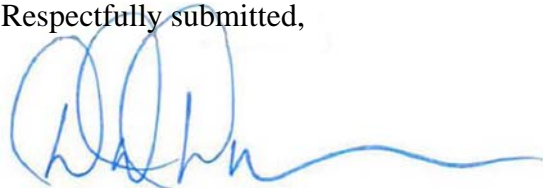
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the eleventh year that the District has received this prestigious 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, 2016. 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, 2017 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
is presented to**

Altar Valley Elementary School District No. 51

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, reading 'Anthony N. Dragona'.

Anthony N. Dragona, Ed.D., RSBA
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE
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, 2016

Christopher P. Morill

Executive Director/CEO



ALTAR VALLEY SCHOOL DISTRICT

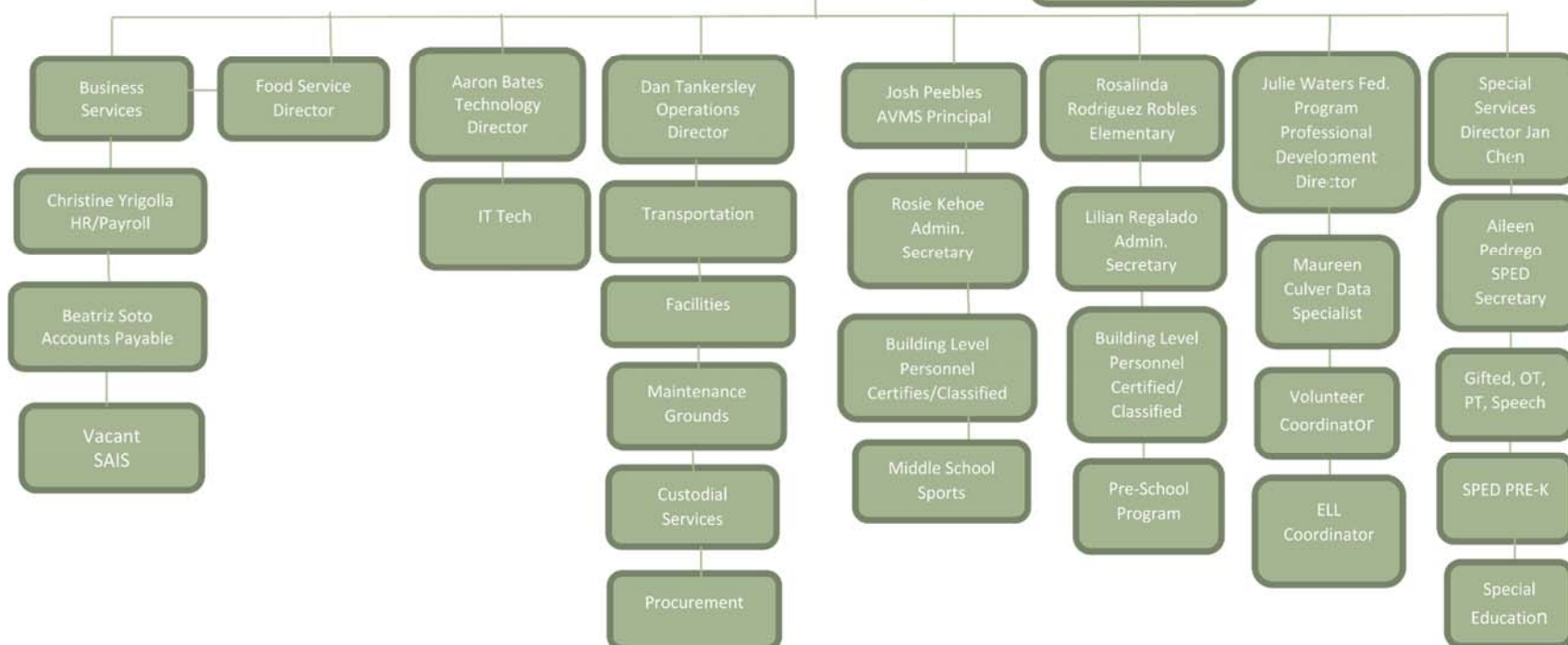
2016-2017

Governing Board

John Williams
Chris Isabel
Robert Ethridge
Shanee Page
Martin Hudecek

Dr. David Dumon
Superintendent

Beatriz Soto Secretary
to Superintendent and
Governing Board



ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

W. John Williams, President

Robert Etheridge, Vice President

Chris Isabel, Member

Martin Hudecek, 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, 2017, 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, 2017, 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.

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 8, 2017, on our consideration of Altar Valley Elementary School District No. 51's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Altar Valley Elementary School District No. 51's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 8, 2017

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

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**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

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, 2017. 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 \$93,297 which represents a one percent decrease from the prior fiscal year.
- General revenues accounted for \$7.0 million in revenue, or 79 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1.8 million or 21 percent of total current fiscal year revenues.
- The District had approximately \$8.9 million in expenses related to governmental activities, an increase of eight percent from the prior fiscal year as a result of an overall salary increase for all positions, primarily for teachers.
- Among major funds, the General Fund had \$6.5 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$6.7 million in expenditures. The General Fund's fund balance decrease from \$1.6 million at the prior fiscal year end to \$1.5 million at the end of the current fiscal year was primarily due to increased personnel costs due to updates to the salary schedule.

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, 2017**

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, 2017**

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 and Unrestricted Capital Outlay Funds, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$6.3 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, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of <u>June 30, 2017</u>	As of <u>June 30, 2016</u>
Current assets	\$ 3,728,964	\$ 4,146,379
Capital assets, net	<u>9,216,631</u>	<u>9,211,223</u>
Total assets	<u>12,945,595</u>	<u>13,357,602</u>
Deferred outflows	<u>992,061</u>	<u>585,116</u>
Current liabilities	225,221	445,970
Long-term liabilities	<u>6,425,515</u>	<u>6,037,521</u>
Total liabilities	<u>6,650,736</u>	<u>6,483,491</u>
Deferred inflows	<u>969,586</u>	<u>1,048,596</u>
Net position:		
Net investment in capital assets	7,971,981	8,166,436
Restricted	1,469,835	1,451,599
Unrestricted	<u>(3,124,482)</u>	<u>(3,207,404)</u>
Total net position	<u>\$ 6,317,334</u>	<u>\$ 6,410,631</u>

At the end of the current fiscal year, the District reported a negative unrestricted net position of \$3.1 million as a result of an unfunded pension liability. Positive net position was reported in the other two categories.

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

- The issuance of \$493,902 in new capital lease obligations, and the retirement of \$294,039 of capital lease obligations.
- The addition of \$663,926 in capital assets primarily through the lease-purchase of new buses.
- The increase of \$182,642 in pension liabilities.
- The depreciation of existing assets resulting in the addition of \$463,092 in accumulated depreciation.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

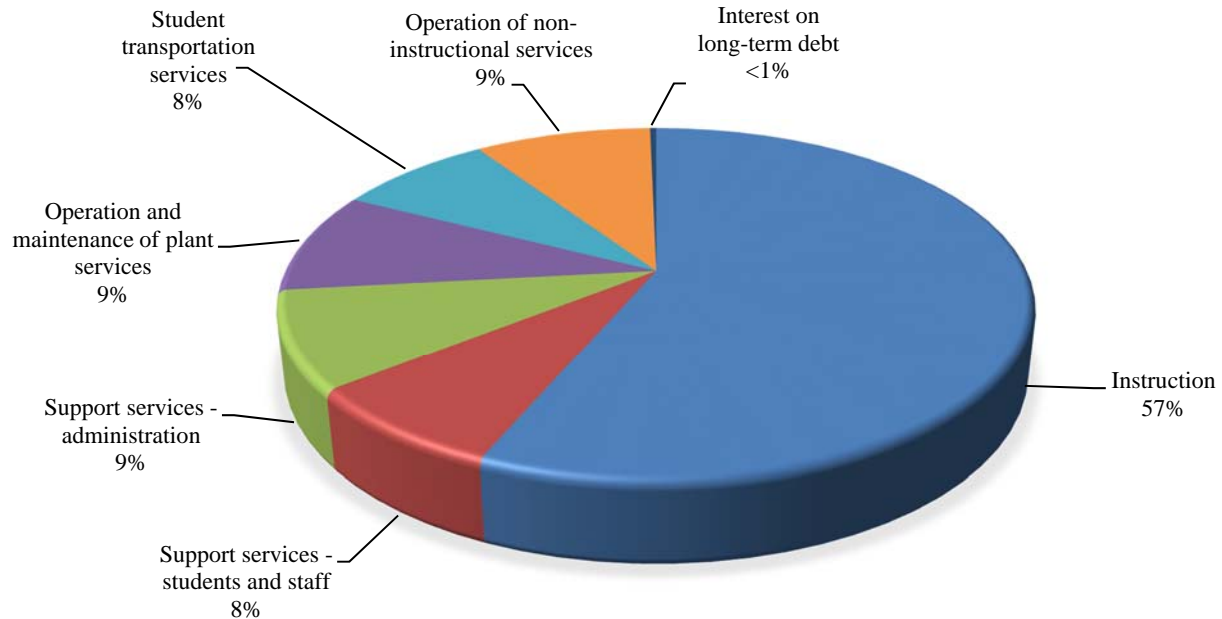
Changes in net position. The District's total revenues for the current fiscal year were \$8.8 million. The total cost of all programs and services was \$8.9 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Revenues:		
Program revenues:		
Charges for services	\$ 20,516	\$ 55,775
Operating grants and contributions	1,755,824	1,629,866
Capital grants and contributions	35,611	155,652
General revenues:		
Property taxes	2,558,297	1,946,740
Investment income	19,150	9,589
Unrestricted county aid	443,920	529,420
Unrestricted state aid	3,967,558	4,793,849
Unrestricted federal aid	4,751	17,521
Total revenues	<u>8,805,627</u>	<u>9,138,412</u>
Expenses:		
Instruction	5,022,444	4,617,871
Support services – students and staff	696,842	664,224
Support services – administration	799,751	815,047
Operation and maintenance of plant services	825,618	770,648
Student transportation services	717,068	724,422
Operation of non-instructional services	808,456	633,973
Interest on long-term debt	28,745	34,989
Total expenses	<u>8,898,924</u>	<u>8,261,174</u>
Changes in net position	<u>(93,297)</u>	<u>877,238</u>
Net position, beginning	6,410,631	5,430,186
Net effect of prior period adjustments		103,207
Net position, beginning restated		<u>5,533,393</u>
Net position, ending	<u>\$ 6,317,334</u>	<u>\$ 6,410,631</u>

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2017



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

- The increase in property tax revenues of \$611,557 was due to an increase in the net full cash assessed valuation of taxable property within the District.
- State aid revenues decreased \$826,291 due to a decrease in state equalization funding due to a decrease in average daily membership.
- The overall increase in expenses of \$637,750 was due to an overall salary increase for all positions.

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, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	<u>Year Ended June 30, 2017</u>		<u>Year Ended June 30, 2016</u>	
	Total	Net (Expense)/ Revenue	Total	Net (Expense)/ Revenue
	<u>Expenses</u>		<u>Expenses</u>	
Instruction	\$ 5,022,444	\$ (4,397,605)	\$ 4,617,871	\$ (3,882,353)
Support services – students and staff	696,842	(394,010)	664,224	(368,910)
Support services – administration	799,751	(778,099)	815,047	(774,916)
Operation and maintenance of plant services	825,618	(774,411)	770,648	(633,052)
Student transportation services	717,068	(711,891)	724,422	(716,028)
Operation of non-instructional services	808,456	(2,212)	633,973	(9,633)
Interest on long-term debt	28,745	(28,745)	34,989	(34,989)
Total	<u>\$ 8,898,924</u>	<u>\$ (7,086,973)</u>	<u>\$ 8,261,174</u>	<u>\$ (6,419,881)</u>

- The cost of all governmental activities this year was \$8.9 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$1.8 million.
- Net cost of governmental activities of \$7.1 million was financed by general revenues, which are made up of primarily property taxes of \$2.6 million and state aid of \$4.0 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 \$2.9 million a decrease of \$160,039 from the prior fiscal year primarily due to increased personnel costs due to updates to the salary schedule.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 51 percent of the total fund balance. Approximately \$1.1 million or 75 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$101,825 to \$1.5 million as of fiscal year end was a result of an increase in personnel costs due to revisions to the salary schedule. General Fund revenues increased \$39,497 and General Fund expenditures increased \$442,689 as a result of an overall salary increase, primarily for teachers.

The Unrestricted Capital Outlay Fund's fund balance decreased \$71,406 to \$515,581 at fiscal year end primarily due to technology purchases and equipment updates in the current year.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$90,915 increase, 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 significant variances are summarized as follows:

- The favorable variance of \$133,134 in instruction was a result of unfilled teacher positions included in the budget.
- The favorable variance of \$100,188 in operation and maintenance of plant services was a result of lower than expected maintenance and repair costs.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$14.1 million in capital assets, including school buildings, athletic facilities, vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$92,541 from the prior fiscal year. Total depreciation expense for the current fiscal year was \$463,092.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of June 30, 2017	As of June 30, 2016
Capital assets – non-depreciable	\$ 9,000	\$ 9,000
Capital assets – depreciable, net	9,207,631	9,202,223
Total	<u>\$ 9,216,631</u>	<u>\$ 9,211,223</u>

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

Debt Administration. At year end, the District had \$1.2 million in long-term debt outstanding, \$291,411 due within one year. Long-term debt increased by \$199,863.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the total net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$7.3 million and the Class B debt limit is \$4.9 million. At fiscal year end, the District had no outstanding general obligation debt.

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

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

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 2017-18 budget. Among them:

- Fiscal year 2016-17 budget balance carry forward (estimated \$427,104).
- District student population (estimated 580).
- 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 decreased \$12,549 to \$7.1 million in fiscal year 2017-18. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2017-18 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 2,331,599
Property taxes receivable	653,287
Due from governmental entities	283,297
Prepaid items	446,339
Inventory	14,442
Total current assets	<u>3,728,964</u>
Noncurrent assets:	
Capital assets not being depreciated	9,000
Capital assets, net of accumulated depreciation	<u>9,207,631</u>
Total noncurrent assets	<u>9,216,631</u>
Total assets	<u><u>12,945,595</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	<u>992,061</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	67,364
Accrued payroll and employee benefits	67,551
Compensated absences payable	10,800
Unearned revenues	90,306
Obligations under capital leases	291,411
Total current liabilities	<u>527,432</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>6,123,304</u>
Total noncurrent liabilities	<u>6,123,304</u>
Total liabilities	<u><u>6,650,736</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	<u>969,586</u>
<u>NET POSITION</u>	
Net investment in capital assets	7,971,981
Restricted for:	
Voter approved initiatives	423,207
Federal and state projects	162,620
Food service	147,934
Other local initiatives	67,141
Capital outlay	668,933
Unrestricted	<u>(3,124,482)</u>
Total net position	<u><u>\$ 6,317,334</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, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 5,022,444	\$ 4,200	\$ 585,028	\$ 35,611	\$ (4,397,605)
Support services - students and staff	696,842		302,832		(394,010)
Support services - administration	799,751		21,652		(778,099)
Operation and maintenance of plant services	825,618	4,195	47,012		(774,411)
Student transportation services	717,068		5,177		(711,891)
Operation of non-instructional services	808,456	12,121	794,123		(2,212)
Interest on long-term debt	28,745				(28,745)
Total governmental activities	<u>\$ 8,898,924</u>	<u>\$ 20,516</u>	<u>\$ 1,755,824</u>	<u>\$ 35,611</u>	<u>(7,086,973)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	2,558,297
Investment income	19,150
Unrestricted county aid	443,920
Unrestricted state aid	3,967,558
Unrestricted federal aid	4,751
Total general revenues	<u>6,993,676</u>

Changes in net position (93,297)

Net position, beginning of year 6,410,631

Net position, end of year \$ 6,317,334

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, 2017

	General	Unrestricted Capital Outlay	Non-Major Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 915,413	\$ 515,256	\$ 900,930
Property taxes receivable	589,581	58,567	5,139
Due from governmental entities	21,545	632	261,120
Due from other funds	172,079		
Prepaid items	369,459		76,880
Inventory			14,442
Total assets	<u><u>\$ 2,068,077</u></u>	<u><u>\$ 574,455</u></u>	<u><u>\$ 1,258,511</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 9,869	\$ 986	\$ 56,509
Due to other funds			172,079
Accrued payroll and employee benefits	24,285		43,266
Unearned revenues			90,306
Total liabilities	<u>34,154</u>	<u>986</u>	<u>362,160</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>540,344</u>	<u>57,888</u>	<u>5,139</u>
Fund balances (deficits):			
Nonspendable	369,459		91,322
Restricted		515,581	799,905
Unassigned	1,124,120		(15)
Total fund balances	<u>1,493,579</u>	<u>515,581</u>	<u>891,212</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 2,068,077</u></u>	<u><u>\$ 574,455</u></u>	<u><u>\$ 1,258,511</u></u>

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

Total
Governmental
Funds

\$	2,331,599
	653,287
	283,297
	172,079
	446,339
	14,442
\$	<u>3,901,043</u>

\$	67,364
	172,079
	67,551
	<u>90,306</u>
	<u>397,300</u>

	<u>603,371</u>
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	460,781
	1,315,486
	<u>1,124,105</u>
	<u>2,900,372</u>

\$	<u>3,901,043</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, 2017

Total governmental fund balances	\$	2,900,372
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 14,131,279	
Less accumulated depreciation	<u>(4,914,648)</u>	9,216,631

Some property tax receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		603,371
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	992,061	
Deferred inflows of resources related to pensions	<u>(969,586)</u>	22,475

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

Compensated absences payable	(35,113)	
Obligations under capital leases	(1,244,650)	
Net pension liability	<u>(5,145,752)</u>	<u>(6,425,515)</u>

Net position of governmental activities	\$	<u>6,317,334</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, 2017

	General	Unrestricted Capital Outlay	Non-Major Governmental Funds
Revenues:			
Other local	\$ 454,676	\$ 34,071	\$ 109,453
Property taxes	2,564,479	30,440	5
State aid and grants	3,464,030	247,950	446,881
Federal aid, grants and reimbursements	4,751		1,485,518
Total revenues	<u>6,487,936</u>	<u>312,461</u>	<u>2,041,857</u>
Expenditures:			
Current -			
Instruction	4,099,320		736,467
Support services - students and staff	419,904		304,667
Support services - administration	812,920		24,316
Operation and maintenance of plant services	775,562		37,292
Student transportation services	588,325		4,760
Operation of non-instructional services	6,842		796,413
Capital outlay	1,393	591,814	36,446
Debt service -			
Principal retirement		269,775	24,264
Interest and fiscal charges		16,180	12,565
Total expenditures	<u>6,704,266</u>	<u>877,769</u>	<u>1,977,190</u>
Excess (deficiency) of revenues over expenditures	<u>(216,330)</u>	<u>(565,308)</u>	<u>64,667</u>
Other financing sources (uses):			
Transfers in	61,125		36,825
Transfers out	(36,825)		(61,125)
Capital lease agreements		493,902	
Total other financing sources (uses):	<u>24,300</u>	<u>493,902</u>	<u>(24,300)</u>
Changes in fund balances	<u>(192,030)</u>	<u>(71,406)</u>	<u>40,367</u>
Fund balances, beginning of year	1,595,404	586,987	878,020
Increase (decrease) in reserve for prepaid items	90,205		(26,339)
Increase (decrease) in reserve for inventory			(836)
Fund balances, end of year	<u>\$ 1,493,579</u>	<u>\$ 515,581</u>	<u>\$ 891,212</u>

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

Total
Governmental
Funds

\$ 598,200
2,594,924
4,158,861
1,490,269
8,842,254

4,835,787
724,571
837,236
812,854
593,085
803,255
629,653

294,039

28,745

9,559,225

(716,971)

97,950

(97,950)

493,902

493,902

(223,069)

3,060,411

63,866

(836)

\$ 2,900,372

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, 2017

Changes in fund balances - total governmental funds **\$ (223,069)**

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	\$ 663,926	
Less current year depreciation	<u>(463,092)</u>	200,834

Issuance of obligations under capital leases provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.	(493,902)
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Some property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(36,627)
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Repayments of capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	294,039
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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	372,030	
Pension expense	<u>(68,717)</u>	303,313

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

Prepaid items	63,866	
Inventory	(836)	
Loss on disposal of assets	(195,426)	
Compensated absences	<u>(5,489)</u>	<u>(137,885)</u>

Changes in net position in governmental activities **\$ (93,297)**

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, 2017

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 239,040
Total assets	<u>\$ 239,040</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 232,187
Due to student groups	6,853
Total liabilities	<u>\$ 239,040</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, 2017

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.

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

A. Reporting Entity

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

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

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

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

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Cash and Investments

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

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

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

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

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

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

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Pensions

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

N. Long-term Obligations

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

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

The District applies restricted resources first when 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	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Fund Balances:			
Nonspendable:			
Inventory	\$	\$	\$ 14,442
Prepaid items	369,459		76,880
Restricted:			
Capital projects		515,581	90,325
Voter approved initiatives			423,207
Federal and state projects			85,740
Food service			133,492
Extracurricular activities			41,043
Other purposes			26,098
Unassigned	1,124,120		(15)
Total fund balances	<u>\$ 1,493,579</u>	<u>\$ 515,581</u>	<u>\$ 891,212</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Energy and Water Savings Fund, a non-major governmental fund, reported a deficit of \$15 in fund balance. The deficit arose because of operations during the year. Additional revenues received in fiscal year 2017-18 are expected to eliminate the deficit.

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 \$241,539 and the bank balance was \$270,639. At year end, \$11,112 was uninsured and uncollateralized.

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

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

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	306 days	<u>\$ 2,329,100</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, 2017

NOTE 5 – RECEIVABLES

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

	General Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$	\$	\$ 236,223
Due from state government	13,032		
Due from county government	8,513	632	24,897
Net due from governmental entities	<u>\$ 21,545</u>	<u>\$ 632</u>	<u>\$ 261,120</u>

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 9,000	\$	\$	\$ 9,000
Total capital assets, not being depreciated	<u>9,000</u>			<u>9,000</u>
Capital assets, being depreciated:				
Land improvements	1,141,240			1,141,240
Buildings and improvements	11,164,336			11,164,336
Vehicles, furniture and equipment	1,724,162	663,926	571,385	1,816,703
Total capital assets being depreciated	<u>14,029,738</u>	<u>663,926</u>	<u>571,385</u>	<u>14,122,279</u>
Less accumulated depreciation for:				
Land improvements	(532,756)	(40,405)		(573,161)
Buildings and improvements	(3,528,293)	(208,933)		(3,737,226)
Vehicles, furniture and equipment	(766,466)	(213,754)	(375,959)	(604,261)
Total accumulated depreciation	<u>(4,827,515)</u>	<u>(463,092)</u>	<u>(375,959)</u>	<u>(4,914,648)</u>
Total capital assets, being depreciated, net	<u>9,202,223</u>	<u>200,834</u>	<u>195,426</u>	<u>9,207,631</u>
Governmental activities capital assets, net	<u>\$ 9,211,223</u>	<u>\$ 200,834</u>	<u>\$ 195,426</u>	<u>\$ 9,216,631</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 201,738
Support services – administration	11,142
Operation and maintenance of plant services	33,263
Student transportation services	199,138
Operation of non-instructional services	17,811
Total depreciation expense – governmental activities	<u>\$ 463,092</u>

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

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

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

	<u>Governmental Activities</u>
Asset:	
Land improvements	\$ 256,835
Vehicles, furniture and equipment	1,599,788
Less: Accumulated depreciation	<u>(438,129)</u>
Total	<u>\$ 1,418,494</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

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

Year Ending June 30:	Governmental Activities
2018	\$ 333,046
2019	303,749
2020	232,018
2021	231,328
2022	36,828
2023-27	184,141
2027-31	<u>73,658</u>
Total minimum lease payments	1,394,768
Less: amount representing interest	<u>150,118</u>
Present value of minimum lease payments	<u>\$ 1,244,650</u>
Due within one year	<u>\$ 291,411</u>

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Obligations under capital leases	\$ 1,044,787	\$ 493,902	\$ 294,039	\$1,244,650	\$ 291,411
Net pension liability	4,963,110	182,642		5,145,752	
Compensated absences payable	<u>29,624</u>	<u>47,454</u>	<u>41,965</u>	<u>35,113</u>	<u>10,800</u>
Governmental activity long-term liabilities	<u>\$ 6,037,521</u>	<u>\$ 723,998</u>	<u>\$ 336,004</u>	<u>\$6,425,515</u>	<u>\$ 302,211</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9 – 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 \$172,079 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 \$61,125 restricted for indirect costs to the General Fund and (2) move resources of \$36,825 to the Energy and Water Savings Fund, a non-major governmental fund, for capital lease payments.

NOTE 10 – CONTINGENT LIABILITIES

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

NOTE 11 – 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, 2017

NOTE 11 – 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 12 – 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, 2017

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 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 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 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, 2017 were \$372,030.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 for retirement, 0.21 percent for health insurance premium benefit, and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

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

Year ending June 30:	Health Benefit Supplement Fund	Long-Term Disability Fund
2017	\$ 19,326	\$ 4,832
2016	14,895	3,575
2015	17,339	3,527

Pension Liability. At June 30, 2017, the District reported a liability of \$5.1 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. 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, 2016, the District's proportion was 0.032 percent, which did not change from its proportion measured as of June 30, 2015.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability of retirement benefits. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. For the year ended June 30, 2017, the District recognized pension expense of \$68,717 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	\$ 31,270	\$ 353,990
Changes of assumptions or other inputs		272,251
Net difference between projected and actual earnings on pension plan investments	557,628	
Changes in proportion and differences between contributions and proportionate share of contributions	31,133	343,345
Contributions subsequent to the measurement date	372,030	
Total	<u>\$ 992,061</u>	<u>\$ 969,586</u>

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, 2018. 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:	
2018	\$ (498,184)
2019	(235,113)
2020	227,385
2021	156,357

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
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, 2015 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 8.75 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.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	58%	6.73%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.84
Total	<u>100%</u>	

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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 8.75 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	\$6,561,225	\$5,145,752	\$4,010,853

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.

NOTE 13 – SUBSEQUENT EVENT

In September 2017, the District acquired two new buses under the provisions of a long-term lease agreement classified as a capital lease. The total present value of the minimum lease payments of \$249,620 is payable over the next five years. Revenues from the Unrestricted Capital Outlay Fund, a major governmental fund, will be used to pay the capital lease obligations.

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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, 2017

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 423,196	\$ 423,196
Property taxes			2,564,479	2,564,479
State aid and grants			3,464,030	3,464,030
Federal aid, grants and reimbursements			4,751	4,751
Total revenues			<u>6,456,456</u>	<u>6,456,456</u>
Expenditures:				
Current -				
Instruction	4,148,655	4,222,860	4,089,726	133,134
Support services - students and staff	461,015	469,715	414,861	54,854
Support services - administration	884,616	862,426	799,637	62,789
Operation and maintenance of plant services	903,350	875,750	775,562	100,188
Student transportation services	600,500	657,500	588,325	69,175
Operation of non-instructional services	13,150	13,950	6,842	7,108
Total expenditures	<u>7,011,286</u>	<u>7,102,201</u>	<u>6,674,953</u>	<u>427,248</u>
Excess (deficiency) of revenues over expenditures	<u>(7,011,286)</u>	<u>(7,102,201)</u>	<u>(218,497)</u>	<u>6,883,704</u>
Other financing sources (uses):				
Transfers out			(36,825)	(36,825)
Total other financing sources (uses):			<u>(36,825)</u>	<u>(36,825)</u>
Changes in fund balances	<u>(7,011,286)</u>	<u>(7,102,201)</u>	<u>(255,322)</u>	<u>6,846,879</u>
Fund balances, beginning of year			1,195,793	1,195,793
Increase (decrease) in reserve for prepaid items			91,598	91,598
Fund balances (deficits), end of year	<u>\$ (7,011,286)</u>	<u>\$ (7,102,201)</u>	<u>\$ 1,032,069</u>	<u>\$ 8,134,270</u>

See accompanying notes to this schedule.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.03%	0.03%	0.04%
District's proportionate share of the net pension liability (asset)	\$ 5,145,752	\$ 4,963,110	\$ 5,528,692
District's covered payroll	\$ 2,979,088	\$ 2,938,760	\$ 2,990,944
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	172.73%	168.88%	184.85%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 372,030	\$ 323,231	\$ 320,031
Contributions in relation to the actuarially determined contribution	<u>372,030</u>	<u>323,231</u>	<u>320,031</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 3,451,113	\$ 2,979,088	\$ 2,938,760
Contributions as a percentage of covered payroll	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

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	\$ 6,704,266	\$ 1,493,579
Activity budgeted as special revenue funds	<u>(29,313)</u>	<u>(461,510)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 6,674,953</u>	<u>\$ 1,032,069</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, 2015, 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.

**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, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 810,605	\$ 90,325	\$ 900,930
Property taxes receivable		5,139	5,139
Due from governmental entities	261,120		261,120
Prepaid items	76,880		76,880
Inventory	14,442		14,442
Total assets	<u><u>\$ 1,163,047</u></u>	<u><u>\$ 95,464</u></u>	<u><u>\$ 1,258,511</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 56,509	\$	\$ 56,509
Due to other funds	172,064	15	172,079
Accrued payroll and employee benefits	43,266		43,266
Unearned revenues	90,306		90,306
Total liabilities	<u>362,145</u>	<u>15</u>	<u>362,160</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		5,139	5,139
Fund balances (deficits):			
Nonspendable	91,322		91,322
Restricted	709,580	90,325	799,905
Unassigned		(15)	(15)
Total fund balances	<u>800,902</u>	<u>90,310</u>	<u>891,212</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,163,047</u></u>	<u><u>\$ 95,464</u></u>	<u><u>\$ 1,258,511</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, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 108,481	\$ 972	\$ 109,453
Property taxes		5	5
State aid and grants	446,881		446,881
Federal aid, grants and reimbursements	1,485,518		1,485,518
Total revenues	<u>2,040,880</u>	<u>977</u>	<u>2,041,857</u>
Expenditures:			
Current -			
Instruction	736,467		736,467
Support services - students and staff	304,667		304,667
Support services - administration	24,316		24,316
Operation and maintenance of plant services	37,292		37,292
Student transportation services	4,760		4,760
Operation of non-instructional services	796,413		796,413
Capital outlay	36,183	263	36,446
Debt service -			
Principal retirement		24,264	24,264
Interest and fiscal charges		12,565	12,565
Total expenditures	<u>1,940,098</u>	<u>37,092</u>	<u>1,977,190</u>
Excess (deficiency) of revenues over expenditures	<u>100,782</u>	<u>(36,115)</u>	<u>64,667</u>
Other financing sources (uses):			
Transfers in		36,825	36,825
Transfers out	(61,125)		(61,125)
Total other financing sources (uses):	<u>(61,125)</u>	<u>36,825</u>	<u>(24,300)</u>
Changes in fund balances	<u>39,657</u>	<u>710</u>	<u>40,367</u>
Fund balances, beginning of year	788,420	89,600	878,020
Increase (decrease) in reserve for prepaid items	(26,339)		(26,339)
Increase (decrease) in reserve for inventory	(836)		(836)
Fund balances, end of year	<u>\$ 800,902</u>	<u>\$ 90,310</u>	<u>\$ 891,212</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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 279,711	\$ 143,496	\$ 2,310
Due from governmental entities			24,897
Prepaid items			
Inventory			
Total assets	<u><u>\$ 279,711</u></u>	<u><u>\$ 143,496</u></u>	<u><u>\$ 27,207</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			27,207
Unearned revenues			
Total liabilities			<u><u>27,207</u></u>
Fund balances:			
Nonspendable			
Restricted	279,711	143,496	
Total fund balances	<u><u>279,711</u></u>	<u><u>143,496</u></u>	
Total liabilities and fund balances	<u><u>\$ 279,711</u></u>	<u><u>\$ 143,496</u></u>	<u><u>\$ 27,207</u></u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>
\$	\$	\$	\$	\$	\$
95,191	465	26,970	55,724	48,448	10,698
28,830			19,220	37,292	
<u>\$ 124,021</u>	<u>\$ 465</u>	<u>\$ 26,970</u>	<u>\$ 74,944</u>	<u>\$ 85,740</u>	<u>\$ 10,698</u>
\$	\$	\$	\$	\$	\$
87,911	465	20,113	55,724		925
7,280		6,857			7,851
					1,922
<u>95,191</u>	<u>465</u>	<u>26,970</u>	<u>55,724</u>		<u>10,698</u>
28,830			19,220		
<u>28,830</u>			<u>19,220</u>	<u>85,740</u>	
				<u>85,740</u>	
<u>\$ 124,021</u>	<u>\$ 465</u>	<u>\$ 26,970</u>	<u>\$ 74,944</u>	<u>\$ 85,740</u>	<u>\$ 10,698</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>
<u>ASSETS</u>			
Cash and investments	\$ 90,306	\$ 179,193	\$ 22,821
Due from governmental entities		9,883	
Prepaid items	28,830		
Inventory		14,442	
Total assets	<u><u>\$ 119,136</u></u>	<u><u>\$ 203,518</u></u>	<u><u>\$ 22,821</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 55,584	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues	90,306		
Total liabilities	<u>90,306</u>	<u>55,584</u>	
Fund balances:			
Nonspendable	28,830	14,442	
Restricted		133,492	22,821
Total fund balances	<u>28,830</u>	<u>147,934</u>	<u>22,821</u>
Total liabilities and fund balances	<u><u>\$ 119,136</u></u>	<u><u>\$ 203,518</u></u>	<u><u>\$ 22,821</u></u>

Community School	Extracurricular Activities Fees Tax Credit	Textbooks	Totals
\$ 2,047	\$ 41,043	\$ 1,230	\$ 810,605
			261,120
			76,880
			14,442
<u>\$ 2,047</u>	<u>\$ 41,043</u>	<u>\$ 1,230</u>	<u>\$ 1,163,047</u>
\$	\$	\$	\$ 56,509
			172,064
			43,266
			90,306
			<u>362,145</u>
2,047	41,043	1,230	91,322
<u>2,047</u>	<u>41,043</u>	<u>1,230</u>	<u>709,580</u>
			800,902
<u>\$ 2,047</u>	<u>\$ 41,043</u>	<u>\$ 1,230</u>	<u>\$ 1,163,047</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 2,424	\$ 1,065	\$ 62,252
State aid and grants	231,222	24,356	
Federal aid, grants and reimbursements			
Total revenues	<u>233,646</u>	<u>25,421</u>	<u>62,252</u>
Expenditures:			
Current -			
Instruction	208,430		
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			64,308
Capital outlay			
Total expenditures	<u>208,430</u>	<u></u>	<u>64,308</u>
Excess (deficiency) of revenues over expenditures	<u>25,216</u>	<u>25,421</u>	<u>(2,056)</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>25,216</u>	<u>25,421</u>	<u>(2,056)</u>
Fund balances, beginning of year	254,495	118,075	2,056
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u><u>\$ 279,711</u></u>	<u><u>\$ 143,496</u></u>	<u><u>\$</u></u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>
\$	\$	\$	\$	\$ 367	\$
495,249	46,976	161,297	192,734	47,012	10,882
<u>495,249</u>	<u>46,976</u>	<u>161,297</u>	<u>192,734</u>	<u>47,379</u>	<u>10,882</u>
222,180	685	117,039	174,620		2,663
218,770	27,329	38,768	6,038		1,634
1,005	16,520	120	1,446	3,400	1,825
				37,292	4,760
34,441		1,170			
<u>476,396</u>	<u>44,534</u>	<u>157,097</u>	<u>182,104</u>	<u>40,692</u>	<u>10,882</u>
18,853	2,442	4,200	10,630	6,687	
(18,853)	(2,442)	(4,200)	(10,630)		
<u>(18,853)</u>	<u>(2,442)</u>	<u>(4,200)</u>	<u>(10,630)</u>		
				6,687	
71,619			18,400	79,053	
(42,789)			820		
<u>\$ 28,830</u>	<u>\$</u>	<u>\$</u>	<u>\$ 19,220</u>	<u>\$ 85,740</u>	<u>\$</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Other State Projects	Food Service	Civic Center
Revenues:			
Other local	\$	\$ 15,589	\$ 4,369
State aid and grants	191,303		
Federal aid, grants and reimbursements		531,368	
Total revenues	<u>191,303</u>	<u>546,957</u>	<u>4,369</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	191,303	540,802	
Capital outlay		572	
Total expenditures	<u>191,303</u>	<u>541,374</u>	
Excess (deficiency) of revenues over expenditures		<u>5,583</u>	<u>4,369</u>
Other financing sources (uses):			
Transfers out		(25,000)	
Total other financing sources (uses):		<u>(25,000)</u>	
Changes in fund balances		<u>(19,417)</u>	<u>4,369</u>
Fund balances, beginning of year	13,200	168,187	18,452
Increase (decrease) in reserve for prepaid items	15,630		
Increase (decrease) in reserve for inventory		(836)	
Fund balances, end of year	<u>\$ 28,830</u>	<u>\$ 147,934</u>	<u>\$ 22,821</u>

Community School	Extracurricular Activities Fees Tax Credit	Textbooks	Totals
\$ 17	\$ 22,302	\$ 96	\$ 108,481
			446,881
			1,485,518
<u>17</u>	<u>22,302</u>	<u>96</u>	<u>2,040,880</u>
	10,843	7	736,467
	12,128		304,667
			24,316
			37,292
			4,760
			796,413
			36,183
	<u>22,971</u>	<u>7</u>	<u>1,940,098</u>
<u>17</u>	<u>(669)</u>	<u>89</u>	<u>100,782</u>
			(61,125)
			(61,125)
<u>17</u>	<u>(669)</u>	<u>89</u>	<u>39,657</u>
2,030	41,712	1,141	788,420
			(26,339)
			(836)
<u>\$ 2,047</u>	<u>\$ 41,043</u>	<u>\$ 1,230</u>	<u>\$ 800,902</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, 2017

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,424	\$ 2,424
State aid and grants		231,222	231,222
Federal aid, grants and reimbursements			
Total revenues		<u>233,646</u>	<u>233,646</u>
Expenditures:			
Current -			
Instruction	500,939	208,430	292,509
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>500,939</u>	<u>208,430</u>	<u>292,509</u>
Excess (deficiency) of revenues over expenditures	<u>(500,939)</u>	<u>25,216</u>	<u>526,155</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(500,939)</u>	<u>25,216</u>	<u>526,155</u>
Fund balances, beginning of year		254,495	254,495
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (500,939)</u>	<u>\$ 279,711</u>	<u>\$ 780,650</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,065 24,356	\$ 1,065 24,356	\$	\$ 62,252	\$ 62,252
	25,421	25,421		62,252	62,252
150,000		150,000			
			81,360	64,308	17,052
150,000		150,000	81,360	64,308	17,052
(150,000)	25,421	175,421	(81,360)	(2,056)	79,304
(150,000)	25,421	175,421	(81,360)	(2,056)	79,304
	118,075	118,075		2,056	2,056
\$ (150,000)	\$ 143,496	\$ 293,496	\$ (81,360)	\$	\$ 81,360

(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, 2017

	Title I Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		495,249	495,249
Total revenues		<u>495,249</u>	<u>495,249</u>
Expenditures:			
Current -			
Instruction	653,485	222,180	431,305
Support services - students and staff		218,770	(218,770)
Support services - administration		1,005	(1,005)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		34,441	(34,441)
Total expenditures	<u>653,485</u>	<u>476,396</u>	<u>177,089</u>
Excess (deficiency) of revenues over expenditures	<u>(653,485)</u>	<u>18,853</u>	<u>672,338</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(18,853)	(18,853)
Total other financing sources (uses):		<u>(18,853)</u>	<u>(18,853)</u>
Changes in fund balances	<u>(653,485)</u>		<u>653,485</u>
Fund balances, beginning of year		71,619	71,619
Increase (decrease) in reserve for prepaid items		(42,789)	(42,789)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (653,485)</u>	<u>\$ 28,830</u>	<u>\$ 682,315</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	46,976	46,976		161,297	161,297
	46,976	46,976		161,297	161,297
65,257	685	(685)	90,000	117,039	(27,039)
	27,329	37,928		38,768	(38,768)
	16,520	(16,520)		120	(120)
				1,170	(1,170)
65,257	44,534	20,723	90,000	157,097	(67,097)
(65,257)	2,442	67,699	(90,000)	4,200	94,200
	(2,442)	(2,442)		(4,200)	(4,200)
	(2,442)	(2,442)		(4,200)	(4,200)
(65,257)		65,257	(90,000)		90,000
\$ (65,257)	\$	\$ 65,257	\$ (90,000)	\$	\$ 90,000

(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, 2017

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		192,734	192,734
Total revenues		<u>192,734</u>	<u>192,734</u>
Expenditures:			
Current -			
Instruction	235,000	174,620	60,380
Support services - students and staff		6,038	(6,038)
Support services - administration		1,446	(1,446)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>235,000</u>	<u>182,104</u>	<u>52,896</u>
Excess (deficiency) of revenues over expenditures	<u>(235,000)</u>	<u>10,630</u>	<u>245,630</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(10,630)	(10,630)
Total other financing sources (uses):		<u>(10,630)</u>	<u>(10,630)</u>
Changes in fund balances	<u>(235,000)</u>		<u>235,000</u>
Fund balances, beginning of year		18,400	18,400
Increase (decrease) in reserve for prepaid items		820	820
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (235,000)</u>	<u>\$ 19,220</u>	<u>\$ 254,220</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 826	\$ 826	\$	\$ 367	\$ 367
				47,012	47,012
	826	826		47,379	47,379
185,000	5,245	179,755			
				3,400	(3,400)
			104,362	37,292	67,070
	1,393	(1,393)			
185,000	6,638	178,362	104,362	40,692	63,670
(185,000)	(5,812)	179,188	(104,362)	6,687	111,049
(185,000)	(5,812)	179,188	(104,362)	6,687	111,049
	176,549	176,549		79,053	79,053
	(1,393)	(1,393)			
\$ (185,000)	\$ 169,344	\$ 354,344	\$ (104,362)	\$ 85,740	\$ 190,102

(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, 2017

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		10,882	10,882
Total revenues		10,882	10,882
Expenditures:			
Current -			
Instruction		2,663	(2,663)
Support services - students and staff		1,634	(1,634)
Support services - administration		1,825	(1,825)
Operation and maintenance of plant services			
Student transportation services	15,000	4,760	10,240
Operation of non-instructional services			
Capital outlay			
Total expenditures	15,000	10,882	4,118
Excess (deficiency) of revenues over expenditures	(15,000)		15,000
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(15,000)		15,000
Fund balances, beginning of year			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (15,000)	\$	\$ 15,000

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	191,303	191,303		59	59
	191,303	191,303		59	59
350,000	191,303	158,697			
350,000	191,303	158,697			
(350,000)		350,000		59	59
(350,000)		350,000		59	59
	13,200	13,200		6,753	6,753
	15,630	15,630			
\$ (350,000)	\$ 28,830	\$ 378,830	\$	\$ 6,812	\$ 6,812

(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, 2017

	Food Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 15,589	\$ 15,589
State aid and grants			
Federal aid, grants and reimbursements		531,368	531,368
Total revenues		<u>546,957</u>	<u>546,957</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	580,000	540,802	39,198
Capital outlay		572	(572)
Total expenditures	<u>580,000</u>	<u>541,374</u>	<u>38,626</u>
Excess (deficiency) of revenues over expenditures	<u>(580,000)</u>	<u>5,583</u>	<u>585,583</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(25,000)	(25,000)
Total other financing sources (uses):		<u>(25,000)</u>	<u>(25,000)</u>
Changes in fund balances	<u>(580,000)</u>	<u>(19,417)</u>	<u>560,583</u>
Fund balances, beginning of year		168,187	168,187
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory		(836)	(836)
Fund balances (deficits), end of year	<u>\$ (580,000)</u>	<u>\$ 147,934</u>	<u>\$ 727,934</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, 2017

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 388	\$ 388
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		388	388
Expenditures:			
Current -			
Instruction	700		700
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	700		700
Excess (deficiency) of revenues over expenditures	(700)	388	1,088
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(700)	388	1,088
Fund balances, beginning of year		517	517
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (700)	\$ 905	\$ 1,605

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 22,302	\$ 22,302	\$	\$ 27,958	\$ 27,958
	22,302	22,302		27,958	27,958
53,331	10,843 12,128	(10,843) 41,203	162,880	4,349 2,565 6,809	(4,349) (2,565) 156,071
53,331	22,971	30,360	162,880	13,723	149,157
(53,331)	(669)	52,662	(162,880)	14,235	177,115
(53,331)	(669)	52,662	(162,880)	14,235	177,115
	41,712	41,712		43,779	43,779
\$ (53,331)	\$ 41,043	\$ 94,374	\$ (162,880)	\$ 58,014	\$ 220,894

(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, 2017

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 96	\$ 96
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		96	96
Expenditures:			
Current -			
Instruction	1,200	7	1,193
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,200	7	1,193
Excess (deficiency) of revenues over expenditures	(1,200)	89	1,289
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(1,200)	89	1,289
Fund balances, beginning of year		1,141	1,141
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,200)	\$ 1,230	\$ 2,430

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 755	\$ 755	\$	\$ 1,494	\$ 1,494
	755	755		1,494	1,494
5,000		5,000			
			175,000	2,478	(2,478)
				6,474	168,526
5,000		5,000	175,000	8,952	166,048
(5,000)	755	5,755	(175,000)	(7,458)	167,542
				61,125	61,125
				61,125	61,125
(5,000)	755	5,755	(175,000)	53,667	228,667
	5,611	5,611		166,366	166,366
\$ (5,000)	\$ 6,366	\$ 11,366	\$ (175,000)	\$ 220,033	\$ 395,033

(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, 2017

	Advertisement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	135		135
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	135		135
Excess (deficiency) of revenues over expenditures	(135)		135
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(135)		135
Fund balances, beginning of year		36	36
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (135)	\$ 36	\$ 171

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 139,961	\$ 139,961
	446,881	446,881
	1,485,518	1,485,518
	2,072,360	2,072,360
1,821,459	746,061	1,075,398
118,588	309,710	(191,122)
340,080	37,599	302,481
104,362	37,292	67,070
15,000	4,760	10,240
1,030,860	796,413	234,447
	37,576	(37,576)
3,430,349	1,969,411	1,460,938
(3,430,349)	102,949	3,533,298
	61,125	61,125
	(61,125)	(61,125)
(3,430,349)	102,949	3,533,298
	1,188,031	1,188,031
	(27,732)	(27,732)
	(836)	(836)
\$ (3,430,349)	\$ 1,262,412	\$ 4,692,761

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CAPITAL PROJECTS FUNDS

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

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

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017

	<u>Insurance Proceeds</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
<u>ASSETS</u>			
Cash and investments	\$ 33,093	\$ 57,232	\$
Property taxes receivable		5,139	
Total assets	<u>\$ 33,093</u>	<u>\$ 62,371</u>	<u>\$</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$	\$	\$ 15
Total liabilities	<u></u>	<u></u>	<u>15</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u></u>	5,139	<u></u>
Fund balances (deficits):			
Restricted	33,093	57,232	
Unassigned			(15)
Total fund balances	<u>33,093</u>	<u>57,232</u>	<u>(15)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 33,093</u>	<u>\$ 62,371</u>	<u>\$</u>

Totals	
\$	90,325
	5,139
\$	95,464

\$	15
	15

	5,139
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	90,325
	(15)
	90,310

\$	95,464
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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, 2017

	Insurance Proceeds	Adjacent Ways	Energy and Water Savings
Revenues:			
Other local	\$ 531	\$ 441	\$
Property taxes		5	
Total revenues	<u>531</u>	<u>446</u>	<u></u>
Expenditures:			
Capital outlay	250		13
Debt service -			
Principal retirement			24,264
Interest and fiscal charges			12,565
Total expenditures	<u>250</u>	<u></u>	<u>36,842</u>
Excess (deficiency) of revenues over expenditures	<u>281</u>	<u>446</u>	<u>(36,842)</u>
Other financing sources (uses):			
Transfers in			36,825
Total other financing sources (uses):			<u>36,825</u>
Changes in fund balances	<u>281</u>	<u>446</u>	<u>(17)</u>
Fund balances, beginning of year	32,812	56,786	2
Fund balances (deficits), end of year	<u>\$ 33,093</u>	<u>\$ 57,232</u>	<u>\$ (15)</u>

Totals	
\$	972
	5
	<u>977</u>

263

24,264
<u>12,565</u>
<u>37,092</u>

<u>(36,115)</u>

<u>36,825</u>
<u>36,825</u>

<u>710</u>

89,600

<u>\$</u>	<u>90,310</u>
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ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Insurance Proceeds		Variance - Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	
Revenues:			
Other local	\$	\$ 531	\$ 531
Property taxes			
State aid and grants			
Total revenues		<u>531</u>	<u>531</u>
Expenditures:			
Capital outlay	42,000	250	41,750
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>42,000</u>	<u>250</u>	<u>41,750</u>
Excess (deficiency) of revenues over expenditures	<u>(42,000)</u>	<u>281</u>	<u>42,281</u>
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):			
Changes in fund balances	<u>(42,000)</u>	<u>281</u>	<u>42,281</u>
Fund balances, beginning of year		32,812	32,812
Fund balances (deficits), end of year	<u>\$ (42,000)</u>	<u>\$ 33,093</u>	<u>\$ 75,093</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 34,071	\$ 34,071	\$	\$ 441	\$ 441
	30,440	30,440		5	5
	247,950	247,950			
	312,461	312,461		446	446
838,167	97,912	740,255	57,500		57,500
300,000	269,775	30,225			
20,000	16,180	3,820			
1,158,167	383,867	774,300	57,500		57,500
(1,158,167)	(71,406)	1,086,761	(57,500)	446	57,946
(1,158,167)	(71,406)	1,086,761	(57,500)	446	57,946
	586,987	586,987		56,786	56,786
\$ (1,158,167)	\$ 515,581	\$ 1,673,748	\$ (57,500)	\$ 57,232	\$ 114,732

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Energy and Water Savings		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Total revenues			
Expenditures:			
Capital outlay		13	(13)
Debt service -			
Principal retirement	24,264	24,264	
Interest and fiscal charges	12,564	12,565	(1)
Total expenditures	36,828	36,842	(14)
Excess (deficiency) of revenues over expenditures	(36,828)	(36,842)	(14)
Other financing sources (uses):			
Transfers in		36,825	36,825
Total other financing sources (uses):		36,825	36,825
Changes in fund balances	(36,828)	(17)	36,811
Fund balances, beginning of year		2	2
Fund balances (deficits), end of year	\$ (36,828)	\$ (15)	\$ 36,813

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 35,043	\$ 35,043
	30,445	30,445
	247,950	247,950
	313,438	313,438
937,667	98,175	839,492
324,264	294,039	30,225
32,564	28,745	3,819
1,294,495	420,959	873,536
(1,294,495)	(107,521)	1,186,974
	36,825	36,825
	36,825	36,825
(1,294,495)	(70,696)	1,223,799
	676,587	676,587
\$ (1,294,495)	\$ 605,891	\$ 1,900,386

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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, 2017

	Student Activities	Employee Withholding	Totals
<u>ASSETS</u>			
Cash and investments	\$ 6,853	\$ 232,187	\$ 239,040
Total assets	<u>\$ 6,853</u>	<u>\$ 232,187</u>	<u>\$ 239,040</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 232,187	\$ 232,187
Due to student groups	6,853		6,853
Total liabilities	<u>\$ 6,853</u>	<u>\$ 232,187</u>	<u>\$ 239,040</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2017

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES</u>				
<u>Assets</u>				
Cash and investments	\$ 11,448	\$ 87,159	\$ 91,754	\$ 6,853
Total assets	<u>\$ 11,448</u>	<u>\$ 87,159</u>	<u>\$ 91,754</u>	<u>\$ 6,853</u>
<u>Liabilities</u>				
Due to student groups	\$ 11,448	\$ 87,159	\$ 91,754	\$ 6,853
Total liabilities	<u>\$ 11,448</u>	<u>\$ 87,159</u>	<u>\$ 91,754</u>	<u>\$ 6,853</u>
 <u>EMPLOYEE WITHHOLDING</u>				
<u>Assets</u>				
Cash and investments	\$ 193,164	\$ 234,150	\$ 195,127	\$ 232,187
Total assets	<u>\$ 193,164</u>	<u>\$ 234,150</u>	<u>\$ 195,127</u>	<u>\$ 232,187</u>
<u>Liabilities</u>				
Deposits held for others	\$ 193,164	\$ 234,150	\$ 195,127	\$ 232,187
Total liabilities	<u>\$ 193,164</u>	<u>\$ 234,150</u>	<u>\$ 195,127</u>	<u>\$ 232,187</u>
 <u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 204,612	\$ 321,309	\$ 286,881	\$ 239,040
Total assets	<u>\$ 204,612</u>	<u>\$ 321,309</u>	<u>\$ 286,881</u>	<u>\$ 239,040</u>
<u>Liabilities</u>				
Due to student groups	\$ 11,448	\$ 87,159	\$ 91,754	\$ 6,853
Deposits held for others	<u>193,164</u>	<u>234,150</u>	<u>195,127</u>	<u>232,187</u>
Total liabilities	<u>\$ 204,612</u>	<u>\$ 321,309</u>	<u>\$ 286,881</u>	<u>\$ 239,040</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 7,971,981	\$ 8,166,436	\$ 8,159,709	\$ 8,334,043	\$ 8,491,990
Restricted	1,469,835	1,451,599	1,035,904	1,034,557	733,758
Unrestricted	(3,124,482)	(3,207,404)	(3,765,427)	1,899,552	2,216,551
Total net position	<u>\$ 6,317,334</u>	<u>\$ 6,410,631</u>	<u>\$ 5,430,186</u>	<u>\$ 11,268,152</u>	<u>\$ 11,442,299</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Position:					
Net investment in capital assets	\$ 8,586,230	\$ 8,779,174	\$ 8,993,968	\$ 9,222,832	\$ 9,291,659
Restricted	838,062	494,753	286,974	205,128	159,127
Unrestricted	1,943,895	1,277,377	1,079,417	501,845	703,968
Total net position	<u>\$ 11,368,187</u>	<u>\$ 10,551,304</u>	<u>\$ 10,360,359</u>	<u>\$ 9,929,805</u>	<u>\$ 10,154,754</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Instruction	\$ 5,022,444	\$ 4,617,871	\$ 5,118,827	\$ 5,233,349	\$ 4,787,739
Support services - students and staff	696,842	664,224	871,129	743,570	676,033
Support services - administration	799,751	815,047	911,283	941,777	874,091
Operation and maintenance of plant services	825,618	770,648	941,641	794,173	974,015
Student transportation services	717,068	724,422	649,294	651,389	727,866
Operation of non-instructional services	808,456	633,973	512,258	528,648	530,410
Interest on long-term debt	28,745	34,989	14,086		
Total expenses	<u>8,898,924</u>	<u>8,261,174</u>	<u>9,018,518</u>	<u>8,892,906</u>	<u>8,570,154</u>
Program Revenues					
Charges for services:					
Instruction	4,200	11,540	8,660	16,576	4,380
Operation of non-instructional services	12,121	34,259	36,884	39,645	28,052
Other activities	4,195	9,976	3,000	3,957	4,177
Operating grants and contributions	1,755,824	1,629,866	1,715,969	1,742,447	1,711,427
Capital grants and contributions	35,611	155,652	175,056	55,780	92,700
Total program revenues	<u>1,811,951</u>	<u>1,841,293</u>	<u>1,939,569</u>	<u>1,858,405</u>	<u>1,840,736</u>
Net (Expense)/Revenue	<u><u>\$ (7,086,973)</u></u>	<u><u>\$ (6,419,881)</u></u>	<u><u>\$ (7,078,949)</u></u>	<u><u>\$ (7,034,501)</u></u>	<u><u>\$ (6,729,418)</u></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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Instruction	\$ 4,910,353	\$ 5,183,400	\$ 5,694,804	\$ 5,759,937	\$ 5,498,739
Support services - students and staff	705,684	889,720	816,181	855,312	603,774
Support services - administration	1,045,304	834,587	830,356	868,961	896,899
Operation and maintenance of plant services	728,500	888,166	839,153	873,385	914,178
Student transportation services	603,929	1,031,291	711,239	967,446	1,075,439
Operation of non-instructional services	519,620	474,728	457,600	551,955	555,098
Interest on long-term debt					
Total expenses	<u>8,513,390</u>	<u>9,301,892</u>	<u>9,349,333</u>	<u>9,876,996</u>	<u>9,544,127</u>
Program Revenues					
Charges for services:					
Instruction	77,554	74,342	757	18,502	12,649
Operation of non-instructional services	46,114	19,442	55,667	67,929	66,322
Other activities	3,600	2,950	5,981	2,350	2,564
Operating grants and contributions	1,575,524	1,935,945	1,900,668	1,724,387	1,715,388
Capital grants and contributions	136,640	417	117,906	224,225	
Total program revenues	<u>1,839,432</u>	<u>2,033,096</u>	<u>2,080,979</u>	<u>2,037,393</u>	<u>1,796,923</u>
Net (Expense)/Revenue	<u>\$ (6,673,958)</u>	<u>\$ (7,268,796)</u>	<u>\$ (7,268,354)</u>	<u>\$ (7,839,603)</u>	<u>\$ (7,747,204)</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (7,086,973)	\$ (6,419,881)	\$ (7,078,949)	\$ (7,034,501)	\$ (6,729,418)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	2,558,297	1,506,832	1,393,888	1,697,436	1,485,762
Property taxes, levied for capital outlay		439,908	378,034		450,626
Investment income	19,150	9,589	8,669	6,804	13,256
Unrestricted county aid	443,920	529,420	484,473	479,432	405,031
Unrestricted state aid	3,967,558	4,793,849	4,476,255	4,663,217	4,422,243
Unrestricted federal aid	4,751	17,521	29,359	13,465	26,612
Total general revenues	<u>6,993,676</u>	<u>7,297,119</u>	<u>6,770,678</u>	<u>6,860,354</u>	<u>6,803,530</u>
Changes in Net Position	<u>\$ (93,297)</u>	<u>\$ 877,238</u>	<u>\$ (308,271)</u>	<u>\$ (174,147)</u>	<u>\$ 74,112</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (6,673,958)	\$ (7,268,796)	\$ (7,268,354)	\$ (7,839,603)	\$ (7,747,204)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	2,066,132	1,628,108	1,750,181	1,415,340	1,301,796
Property taxes, levied for debt service					1,872
Property taxes, levied for capital outlay	69,929	359,690	112,448	132,304	175,413
Investment income	2,980	847	8,494	3,294	18,372
Unrestricted county aid	429,507	265,905	340,565	2,635	
Unrestricted state aid	4,885,210	5,152,539	4,662,562	6,061,081	6,303,331
Unrestricted federal aid	37,083	52,652	824,658		
Total general revenues	<u>7,490,841</u>	<u>7,459,741</u>	<u>7,698,908</u>	<u>7,614,654</u>	<u>7,800,784</u>
Changes in Net Position	<u>\$ 816,883</u>	<u>\$ 190,945</u>	<u>\$ 430,554</u>	<u>\$ (224,949)</u>	<u>\$ 53,580</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 2007-08 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nondisposable	\$ 369,459	\$ 279,254	\$ 283,499	\$ 416,515	\$ 445,270
Unassigned	1,124,120	1,316,150	1,109,573	1,013,002	1,390,208
Total General Fund	<u>\$ 1,493,579</u>	<u>\$ 1,595,404</u>	<u>\$ 1,393,072</u>	<u>\$ 1,429,517</u>	<u>\$ 1,835,478</u>
All Other Governmental Funds:					
Nondisposable	\$ 91,322	\$ 118,497	\$ 74,353	\$ 86,745	\$ 18,944
Restricted	1,315,486	1,346,510	944,720	886,669	620,465
Unassigned	(15)				
Total all other governmental funds	<u>\$ 1,406,793</u>	<u>\$ 1,465,007</u>	<u>\$ 1,019,073</u>	<u>\$ 973,414</u>	<u>\$ 639,409</u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable	\$ 421,690	\$ 232,012	\$	\$	\$
Unassigned	1,102,904	371,493			
Reserved			8,731	5,882	4,421
Unreserved			527,679	(68,066)	359,595
Total General Fund	<u>\$ 1,524,594</u>	<u>\$ 603,505</u>	<u>\$ 536,410</u>	<u>\$ (62,184)</u>	<u>\$ 364,016</u>
All Other Governmental Funds:					
Nonspendable	\$ 40,909	\$ 32,997	\$	\$	\$
Restricted	759,324	388,741			
Assigned		304,739			
Unassigned	(10,796)				
Reserved			16,922	7,950	7,584
Unreserved, reported in:					
Special revenue funds			259,364	67,990	162,285
Capital projects funds			252,357	161,487	142,900
Debt service fund					24
Total all other governmental funds	<u>\$ 789,437</u>	<u>\$ 726,477</u>	<u>\$ 528,643</u>	<u>\$ 237,427</u>	<u>\$ 312,793</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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 958,901	\$ 1,006,523	\$ 1,201,551	\$ 1,053,789	\$ 1,098,251
National School Lunch Program	531,368	504,588	369,039	415,267	387,048
Total federal sources	<u>1,490,269</u>	<u>1,511,111</u>	<u>1,570,590</u>	<u>1,469,056</u>	<u>1,485,299</u>
State sources:					
State equalization assistance	3,711,980	4,523,877	4,235,538	4,401,749	4,207,004
State grants	190,112	109,428	130,420	150,188	171,164
Other revenues	256,769	269,972	240,717	261,568	215,356
Total state sources	<u>4,158,861</u>	<u>4,903,277</u>	<u>4,606,675</u>	<u>4,813,505</u>	<u>4,593,524</u>
Local sources:					
Property taxes	2,594,924	1,873,793	1,781,392	1,685,589	1,912,617
County aid	506,163	624,207	564,568	557,022	452,233
Food service sales	11,739	14,854	36,884	34,447	28,052
Investment income	19,150	9,589	8,669	6,804	13,256
Other revenues	61,148	137,928	141,645	120,694	135,514
Total local sources	<u>3,193,124</u>	<u>2,660,371</u>	<u>2,533,158</u>	<u>2,404,556</u>	<u>2,541,672</u>
Total revenues	<u><u>\$ 8,842,254</u></u>	<u><u>\$ 9,074,759</u></u>	<u><u>\$ 8,710,423</u></u>	<u><u>\$ 8,687,117</u></u>	<u><u>\$ 8,620,495</u></u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 1,088,151	\$ 1,207,076	\$ 1,435,177	\$ 1,107,940	\$ 1,142,791
State Fiscal Stabilization (ARRA)		52,652	824,658		
Education Jobs	3,620	235,880			
National School Lunch Program	375,669	325,355	347,259	346,095	335,176
Total federal sources	<u>1,467,440</u>	<u>1,820,963</u>	<u>2,607,094</u>	<u>1,454,035</u>	<u>1,477,967</u>
State sources:					
State equalization assistance	4,699,533	4,995,490	4,793,666	5,506,304	5,940,264
State grants	126,351	24,031	19,766	367,094	412,480
School Facilities Board					
Other revenues	185,677	170,000	188,030	222,692	20,257
Total state sources	<u>5,011,561</u>	<u>5,189,521</u>	<u>5,001,462</u>	<u>6,096,090</u>	<u>6,373,001</u>
Local sources:					
Property taxes	2,104,018	1,823,577	1,796,241	1,496,696	1,420,468
County aid	529,737	265,905	340,565	2,635	
Food service sales	32,714	19,442	55,667	67,929	66,322
Investment income	2,980	847	8,494	3,294	18,372
Other revenues	149,780	221,312	223,110	183,113	163,895
Total local sources	<u>2,819,229</u>	<u>2,331,083</u>	<u>2,424,077</u>	<u>1,753,667</u>	<u>1,669,057</u>
Total revenues	<u>\$ 9,298,230</u>	<u>\$ 9,341,567</u>	<u>\$ 10,032,633</u>	<u>\$ 9,303,792</u>	<u>\$ 9,520,025</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 2007-08 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 4,835,787	\$ 4,382,099	\$ 4,443,167	\$ 4,721,828	\$ 4,451,118
Support services - students and staff	724,571	705,918	755,677	701,545	638,287
Support services - administration	837,236	843,469	824,661	856,244	881,338
Operation and maintenance of plant services	812,854	828,897	802,876	832,676	883,888
Student transportation services	593,085	525,559	562,142	588,128	703,188
Operation of non-instructional services	803,255	620,354	459,506	516,488	485,244
Capital outlay	629,653	428,176	1,103,928	581,210	418,191
Debt service -					
Interest and fiscal charges	28,745	34,989	14,086		
Principal retirement	294,039	330,937	22,726		
Total expenditures	<u>\$ 9,559,225</u>	<u>\$ 8,700,398</u>	<u>\$ 8,988,769</u>	<u>\$ 8,798,119</u>	<u>\$ 8,461,254</u>
Expenditures for capitalized assets	\$ 663,926	\$ 383,917	\$ 496,868	\$ 86,213	\$ 148,694
Debt service as a percentage of noncapital expenditures	4%	4%	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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:					
Current -					
Instruction	\$ 4,608,163	\$ 4,933,500	\$ 5,269,196	\$ 5,384,919	\$ 5,215,006
Support services - students and staff	706,259	887,045	781,616	824,800	602,359
Support services - administration	891,921	977,121	797,950	832,197	885,131
Operation and maintenance of plant services	713,643	921,566	814,972	836,536	852,610
Student transportation services	634,984	784,081	670,821	712,239	779,516
Operation of non-instructional services	502,231	472,992	441,096	528,503	525,084
Capital outlay	454,570	339,689	378,993	679,267	556,108
Debt service -					
Interest and fiscal charges				8,724	
Total expenditures	<u>\$ 8,511,771</u>	<u>\$ 9,315,994</u>	<u>\$ 9,154,644</u>	<u>\$ 9,807,185</u>	<u>\$ 9,415,814</u>
Expenditures for capitalized assets	\$ 80,077	\$ 23,475	\$ 25,331	\$ 208,484	\$ 115,264
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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (716,971)	\$ 374,361	\$ (278,346)	\$ (111,002)	\$ 159,241
Other financing sources (uses):					
Capital lease agreements	493,902	234,006	432,968		
Transfers in	97,950	93,371	90,591	499,952	30,243
Transfers out	(97,950)	(93,371)	(90,591)	(499,952)	(30,243)
Total other financing sources (uses)	<u>493,902</u>	<u>234,006</u>	<u>432,968</u>		
Changes in fund balances	<u>\$ (223,069)</u>	<u>\$ 608,367</u>	<u>\$ 154,622</u>	<u>\$ (111,002)</u>	<u>\$ 159,241</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ 786,459	\$ 25,573	\$ 877,989	\$ (503,393)	\$ 104,211
Other financing sources (uses):					
Transfers in	52,250	8,449	43,387	2,502	6,585
Transfers out	(52,250)	(8,449)	(43,387)	(2,502)	(6,585)
Total other financing sources (uses)					
Changes in fund balances	<u>\$ 786,459</u>	<u>\$ 25,573</u>	<u>\$ 877,989</u>	<u>\$ (503,393)</u>	<u>\$ 104,211</u>

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 24,578,235	\$ 3,615,752	\$ 4,116,079	\$ 4,113,391	\$ 4,218,479
Agricultural and Vacant	6,804,812	8,063,721	8,405,992	9,496,473	10,975,815
Residential (Owner Occupied)	12,370,114	12,398,247	13,807,705	15,461,323	17,671,867
Residential (Rental)	<u>4,491,244</u>	<u>4,789,641</u>	<u>3,848,256</u>	<u>2,206,880</u>	<u>2,060,304</u>
Total	<u>\$ 48,244,405</u>	<u>\$ 28,867,361</u>	<u>\$ 30,178,032</u>	<u>\$ 31,278,067</u>	<u>\$ 34,926,465</u>
Gross Full Cash Value	\$ 568,498,883	\$ 487,670,802	\$ 493,633,075	\$ 493,775,756	\$ 528,626,147
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	6%	6%	6%	7%
Total Direct Rate	5.98	7.63	6.73	6.27	6.44

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 4,293,660	\$ 6,658,689	\$ 4,597,814	\$ 4,532,122	\$ 4,443,473
Agricultural and Vacant	11,565,319	11,546,550	10,854,541	9,255,738	6,959,465
Residential (Owner Occupied)	19,398,998	21,049,230	20,138,554	18,739,896	16,832,751
Residential (Rental)	<u>1,266,800</u>	<u>1,187,948</u>	<u>1,110,490</u>	<u>1,028,543</u>	<u>904,118</u>
Total	<u>\$ 36,524,777</u>	<u>\$ 40,442,417</u>	<u>\$ 36,701,399</u>	<u>\$ 33,556,299</u>	<u>\$ 29,139,807</u>
Gross Full Cash Value	\$ 548,635,237	\$ 583,577,646	\$ 577,578,708	\$ 567,741,827	\$ 363,336,483
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	7%	6%	6%	8%
Total Direct Rate	6.57	6.04	6.05	5.75	5.81

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 24,610,588	\$ 3,633,306	\$ 4,258,744	\$ 4,113,392	\$ 4,226,101
Agricultural and Vacant	7,009,775	8,436,359	8,493,925	9,586,223	11,251,064
Residential (Owner Occupied)	12,635,378	12,547,590	13,860,846	15,485,408	17,722,981
Residential (Rental)	<u>4,583,170</u>	<u>4,865,722</u>	<u>3,889,070</u>	<u>2,217,108</u>	<u>2,080,934</u>
Total	<u>\$ 48,838,911</u>	<u>\$ 29,482,977</u>	<u>\$ 30,502,585</u>	<u>\$ 31,402,131</u>	<u>\$ 35,281,080</u>
Gross Full Cash Value	\$ 568,498,883	\$ 487,670,802	\$ 493,633,075	\$ 493,775,756	\$ 528,626,147
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	9%	6%	6%	6%	7%
Estimated Net Full Cash Value	345,196,763	212,495,831	219,346,545	225,440,042	254,709,568
Total Direct Rate	5.98	7.63	6.73	6.27	6.44

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 4,311,058	\$ 7,171,375	\$ 4,707,182	\$ 4,694,575	\$ 4,559,268
Agricultural and Vacant	12,676,137	14,043,970	16,045,044	15,345,616	7,724,879
Residential (Owner Occupied)	19,546,847	21,505,972	21,114,078	20,930,159	17,572,191
Residential (Rental)	<u>1,279,732</u>	<u>1,231,712</u>	<u>1,195,616</u>	<u>1,183,148</u>	<u>965,746</u>
Total	<u>\$ 37,813,774</u>	<u>\$ 43,953,029</u>	<u>\$ 43,061,920</u>	<u>\$ 42,153,498</u>	<u>\$ 30,822,084</u>
Gross Full Cash Value	\$ 548,635,237	\$ 583,577,646	\$ 577,578,708	\$ 567,741,827	\$ 363,336,483
Ratio of Net Full Cash Assessed Value to Gross Full Cash	7%	8%	7%	7%	8%
Estimated Net Full Cash Value	273,537,575	316,046,460	310,619,911	303,922,754	231,827,888
Total Direct Rate	6.57	6.04	6.05	5.75	5.81

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	18 %	19 %	19 %	20 %	20 %
Agricultural and Vacant	15	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	16	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	20 %	21 %	22 %	23 %	24 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	17	18	20	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
2017	0.50	4.99	0.52	0.33	1.37	0.05	0.14	5.05	0.93	5.98
2016	0.51	5.09	0.52	0.31	1.37	0.05	0.14	6.12	1.51	7.63
2015	0.51	4.98	0.44	0.30	1.33	4.75	0.14	5.82	0.91	6.73
2014	0.51	4.45	0.38	0.26	1.29	4.75	0.10	4.86	1.41	6.27
2013	0.47	4.20	0.35	0.26	1.17	4.75	0.10	5.18	1.26	6.44
2012	0.43	4.20	0.35	0.26	1.11	4.75	0.10	5.40	1.17	6.57
2011	0.36	4.06	0.31	0.26	1.08	4.63	0.10	5.06	0.98	6.04
2010	0.33	4.02	0.26	0.26	1.08	4.44	0.10	5.09	0.96	6.05
2009		4.00	0.34	0.29	1.13	4.40	0.10	5.25	0.50	5.75
2008		4.29	0.40	0.34	1.18	0.04	0.10	4.87	0.94	5.81

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	2017			2008	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation		Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Tucson Mall	\$ 448,169	0.93 %		\$ 490,071	1.59 %
El Conquistador Hotel Associates	321,329	0.67		351,372	1.14
Qwest Corporation	284,686	0.59		311,303	1.01
Tucson Electric Power Co.	273,411	0.57		298,974	0.97
Southwest Gas Corporation	270,593	0.56		295,892	0.96
Feldman Foothills Mall	264,955	0.55		289,728	0.94
HDP Northwest LLC	208,582	0.43		228,083	0.74
Tucson Place Partners, LLC	202,945	0.42		221,919	0.72
Walmart	174,758	0.36		191,097	0.62
El Dorado Medical Center	163,483	0.34			
Sierra Health Styles, LLC				178,768	0.58
Total	<u><u>\$ 2,612,911</u></u>	<u><u>5.42 %</u></u>		<u><u>\$ 2,857,207</u></u>	<u><u>9.27 %</u></u>

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2017	\$ 2,542,098	\$ 2,364,553	93.02 %	\$	\$ 2,364,553	93.02 %
2016	1,804,646	1,505,874	83.44	219,365	1,725,239	95.60
2015	1,777,607	1,498,225	84.28	232,215	1,730,440	97.35
2014	1,703,013	1,413,005	82.97	240,328	1,653,333	97.08
2013	1,885,522	1,560,572	82.77	264,801	1,825,373	96.81
2012	2,041,116	1,791,504	87.77	184,592	1,976,096	96.81
2011	1,919,599	1,540,337	80.24	310,250	1,850,587	96.40
2010	1,878,044	1,554,450	82.77	276,100	1,830,550	97.47
2009	1,519,561	1,258,107	82.79	236,866	1,494,973	98.38
2008	1,311,012	1,089,590	83.11	212,645	1,302,235	99.33

Source: The source of this information is the 2017 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
2017	\$	\$	\$	%	\$	\$ 1,244,650	\$ 1,244,650	0.22 %	\$ 175	0.00 %
2016						1,044,787	1,044,787	0.21	148	0.00
2015						410,242	410,242	0.08	46	0.00
2014										
2013										
2012										
2011										
2010										
2009										
2008										

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, 2017

<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	\$ 344,620,000	0.43 %	<u>\$ 1,481,866</u>
Direct:			
Altar Valley Elementary School District No. 51	1,244,650	100.00	<u>1,244,650</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 2,726,516</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	-	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	208
As a Percentage of Net Limited Assessed Valuation		3.07 %
As a Percentage of Gross Full cash Value		0.26 %

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

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
 - 2) Outstanding debt as of June 30, 2016 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 2017:

Net full cash assessed valuation	\$ 48,838,911
Debt limit (10% of assessed value)	4,883,891
Debt applicable to limit	
Legal debt margin	<u><u>\$ 4,883,891</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2017:

Net full cash assessed valuation	\$ 48,838,911
Debt limit (15% of assessed value)	7,325,837
Debt applicable to limit	
Legal debt margin	<u><u>\$ 7,325,837</u></u>

Fiscal Year Ended June 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 7,325,837	\$ 4,422,447	\$ 4,575,388	\$ 4,710,320	\$ 5,292,162
Total net debt applicable to limit	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Legal debt margin	<u><u>\$ 7,325,837</u></u>	<u><u>\$ 4,422,447</u></u>	<u><u>\$ 4,575,388</u></u>	<u><u>\$ 4,710,320</u></u>	<u><u>\$ 5,292,162</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$ 5,672,066	\$ 6,592,954	\$ 6,459,288	\$ 6,323,025	\$ 4,623,313
Total net debt applicable to limit	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Legal debt margin	<u><u>\$ 5,672,066</u></u>	<u><u>\$ 6,592,954</u></u>	<u><u>\$ 6,459,288</u></u>	<u><u>\$ 6,323,025</u></u>	<u><u>\$ 4,623,313</u></u>
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 outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

**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
2016	1,013,103	\$ 40,182,115	\$ 39,541	4.9 %	7,125
2015	1,009,371	38,603,900	38,697	5.6	7,069
2014	1,007,162	37,198,714	37,031	6.2	8,905
2013	996,046	36,935,363	37,063	7.0	8,895
2012	990,380	36,058,871	36,335	7.3	8,872
2011	986,081	34,931,620	35,371	9.1	8,872
2010	980,263	34,360,759	34,987	9.0	8,450
2009	1,018,012	34,516,424	33,833	8.3	8,450
2008	1,012,018	34,392,945	34,058	5.1	8,400
2007	1,003,235	31,646,777	31,755	3.7	8,350

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 2007 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2016, 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	2017			2008		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
University of Arizona	11,251	2.71	%	10,535	2.36	%
Raytheon Missile Systems	9,600	2.31		12,515	2.80	
State of Arizona	8,580	2.07		10,754	2.41	
Davis Monthan AFB	8,406	2.03		7,701	1.72	
Pima County	7,060	1.70		6,954	1.56	
Tucson Unified School District	6,770	1.63		8,018	1.80	
University of Arizona Health Network	6,272	1.51				
US Border Patrol	5,739	1.38				
Freeport-McMoran Mining	5,530	1.33				
Wal-Mart Stores, Inc.	5,500	1.33		5,805	1.30	
Fort Huachuca				6,701	1.50	
City of Tucson				5,848	1.31	
Phelps Dodge				5,840	1.31	
Total	74,708	18.00	%	80,671	18.07	%
Total employment	415,048			446,600		

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</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	36	33	35	42	41
Other professionals (instructional)					3
Aides	19	17	17	17	20
Total instruction	<u>55</u>	<u>50</u>	<u>52</u>	<u>59</u>	<u>64</u>
Student Services					
Nurses	1	1	1	1	1
Counselors/Advisors	1	1	1	1	1
Librarians					
Library Technician	2	2	2	2	2
Total student services	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Support and Administration					
Superintendent	1	1	1	1	1
District Office	2	3	4	5	4
Transportation	18	18	18	16	21
Health Office	2	2	2	2	2
School Secretaries	2	2	2	2	4
NCLB Secretary			1	1	1
SPED Secretaries	1	1	1	1	1
Other professionals	2	2	2	2	2
Other classified	8	8	8	8	1
Total support and administration	<u>36</u>	<u>37</u>	<u>39</u>	<u>38</u>	<u>37</u>
Total	<u>99</u>	<u>95</u>	<u>99</u>	<u>105</u>	<u>109</u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Supervisory					
Principals	1	2	2	2	2
NCLB Coordinator	1	1	1	1	1
SPED Director	1	1	1	1	1
Total supervisory	<u>3</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Instruction					
Teachers	39	44	44	41	44
Other professionals (instructional)	3	3	3	2	3
Aides	22	24	24	24	24
Total instruction	<u>64</u>	<u>71</u>	<u>71</u>	<u>67</u>	<u>71</u>
Student Services					
Nurses	1				
Counselors/Advisors	1				
Librarians			1	1	1
Library Technician	2	2	1	2	1
Total student services	<u>4</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>2</u>
Support and Administration					
Superintendent	1	1	1	1	1
District Office	5	5	6	5	5
Transportation	22	22	23	20	20
Health Office	2	3	3	3	3
School Secretaries	4	4	4	3	3
NCLB Secretary	1	1	1	1	1
SPED Secretaries	1	1	2	2	2
Other professionals	2	2	2		
Other classified	1	1	1		
Total support and administration	<u>39</u>	<u>40</u>	<u>43</u>	<u>35</u>	<u>35</u>
Total	<u>110</u>	<u>117</u>	<u>120</u>	<u>109</u>	<u>112</u>

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

(Concluded)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2017	579	\$ 8,606,788	\$ 14,865	13.00 %	\$ 8,898,924	\$ 15,369	11.81 %	55	10.5	85.0 %
2016	601	7,906,296	13,155	6.61	8,261,174	13,746	(3.06)	50	12.0	58.5
2015	636	7,848,029	12,340	(10.50)	9,018,518	14,180	(4.97)	52	12.2	74.5
2014	596	8,216,909	13,787	11.59	8,892,906	14,921	13.34	59	10.1	84.0
2013	651	8,043,063	12,355	3.20	8,570,154	13,165	4.07	64	10.2	88.2
2012	673	8,057,201	11,972	(15.97)	8,513,390	12,650	(14.32)	64	10.5	86.9
2011	630	8,976,305	14,248	8.29	9,301,892	14,765	5.34	71	8.9	85.9
2010	667	8,775,651	13,157	(0.45)	9,349,333	14,017	(2.08)	71	9.4	77.3
2009	690	9,119,194	13,216	1.74	9,876,996	14,314	2.29	67	10.3	82.2
2008	682	8,859,706	12,991	(2.75)	9,544,127	13,994	(4.41)	71	9.6	72.8

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>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	282	315	420	431	410	373	369	408	443	441
Middle										
Buildings	9	9	9	9	9	9	9	9	9	9
Square feet	60,074	60,074	60,074	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	306	297	307	301	314	301	312	313	313
<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	13	14	14	14	17	17	16	17	16	16
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Baseball/softball	1	1	1	1	1	1	1	1	1	1
Swimming pools										2

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

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