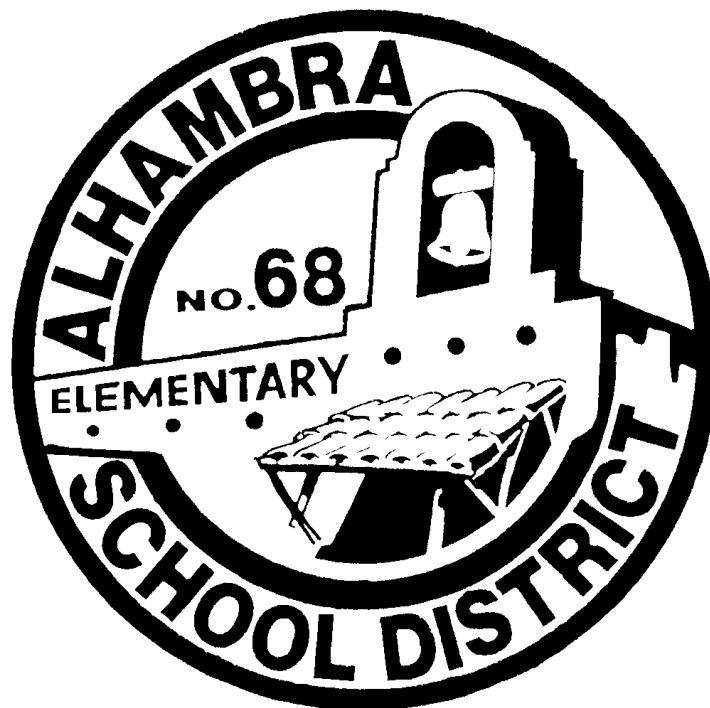

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015



ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

PHOENIX, ARIZONA

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

Issued by:
Business Services Department

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

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INTRODUCTORY SECTION

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Alhambra School District No. 68

4510 North 37th Avenue • Phoenix, Arizona 85019
(602) 336-2920 • Fax (602) 336-2266

November 13, 2015

SUPERINTENDENT

Mark A. Yslas

GOVERNING BOARD

Robert Zamora
President

Adam Lopez Falk
Clerk

Mari Alvarado
Member

Ray D. Martinez, Sr.
Member

Cathleen O'Neil Frantz
Member

Citizens and Governing Board
Alhambra Elementary School District No. 68
4510 North 37th Avenue
Phoenix, Arizona 85019

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 Alhambra Elementary School District No. 68 (District) for the fiscal year ended June 30, 2015.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade eight, with an average daily membership of 13,046.

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.

Mark A. Yslas began his tenure as Superintendent of the Alhambra Elementary School District No. 68 on July 1, 2015. Mr. Yslas has been in education for 23 years. Prior to becoming superintendent, he served the Tempe Union High School District as principal of Tempe High School for the last 11 years. Mr. Yslas has worked in the Creighton School District, Phoenix Elementary School District, and Isaac School District. In addition, he served as an Assistant Superintendent and Interim Superintendent in the Coolidge Unified School District. Mr. Yslas is committed to continuing the educational excellence for which Alhambra Elementary School District is known.

The District is comprised of mostly single family housing, some apartments and multiple family units, retail shopping centers, and a fairly large amount of light industrial and commercial complexes along the Grand Avenue corridor and the I-17 Freeway in an area of 12.75 square miles. No employment figures are available for the District; however, figures provided by the Bureau of Labor Statistics indicated that the average annual unemployment rate for Arizona was 5.9% at June 30, 2015 as compared to 5.3% on a national level.

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 appropriate 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 is based on the economies of the cities of Phoenix and Glendale, both of which overlap the District. Further, the overall economy of the County impacts the District. The economy of the area is showing signs of improvement after the recent recession of 2007-2009, however the improvement is slower than other areas of the country. The housing market crash hit Maricopa County particularly hard, and resulted in a decrease in assessed valuations. The District's assessed valuations increased in 2015 after four consecutive years of decreases.

Maricopa County is located in the south-central portion of Arizona. Its 2014 population is 4.0 million, which remained consistent from 2013. This ranks fourth among the nation's counties. It is by far Arizona's most populous county, encompassing more than half of the state's residents. The county seat is Phoenix, which is Arizona's largest city and capital. Major employers in Maricopa County include Wal-Mart Stores, Inc., Banner Health Systems and Wells Fargo Company.

Long-Term Financial Planning. The District continues to be challenged to maintain teaching staff and ancillary services to meet student needs in light of the cuts to education in the ongoing state budget discussions. The District is also involved in aligning the curriculum with the State standards and to providing staff development for teachers.

Thanks to the generous support of our community, the passage of our capital override election has allowed the District to maintain new technology in the classroom, as well as a modern bus fleet and facility upgrades.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

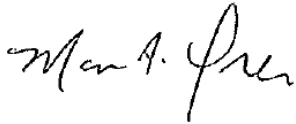
These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2015 certificates.

The highest tribute ASBO International bestows on its members is the Eagle Award. We are proud and honored that our very own Assistant Superintendent for Business Services, Mr. Doug Virgil, received this award in 2014. The Eagle Award recognizes individuals who exhibit outstanding and visionary leadership in school business management.

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 services 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,



Mark A. Yslas
Superintendent



Dr. Doug Virgil
Assistant Superintendent for Business Services

Association of School Business Officials International



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

Alhambra Elementary School District No 68

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

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



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

Mark C. Pepera, MBA, RSBO, SFO
President Executive Director

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

John D. Musso, CAE, RSBA



Government Finance Officers Association

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

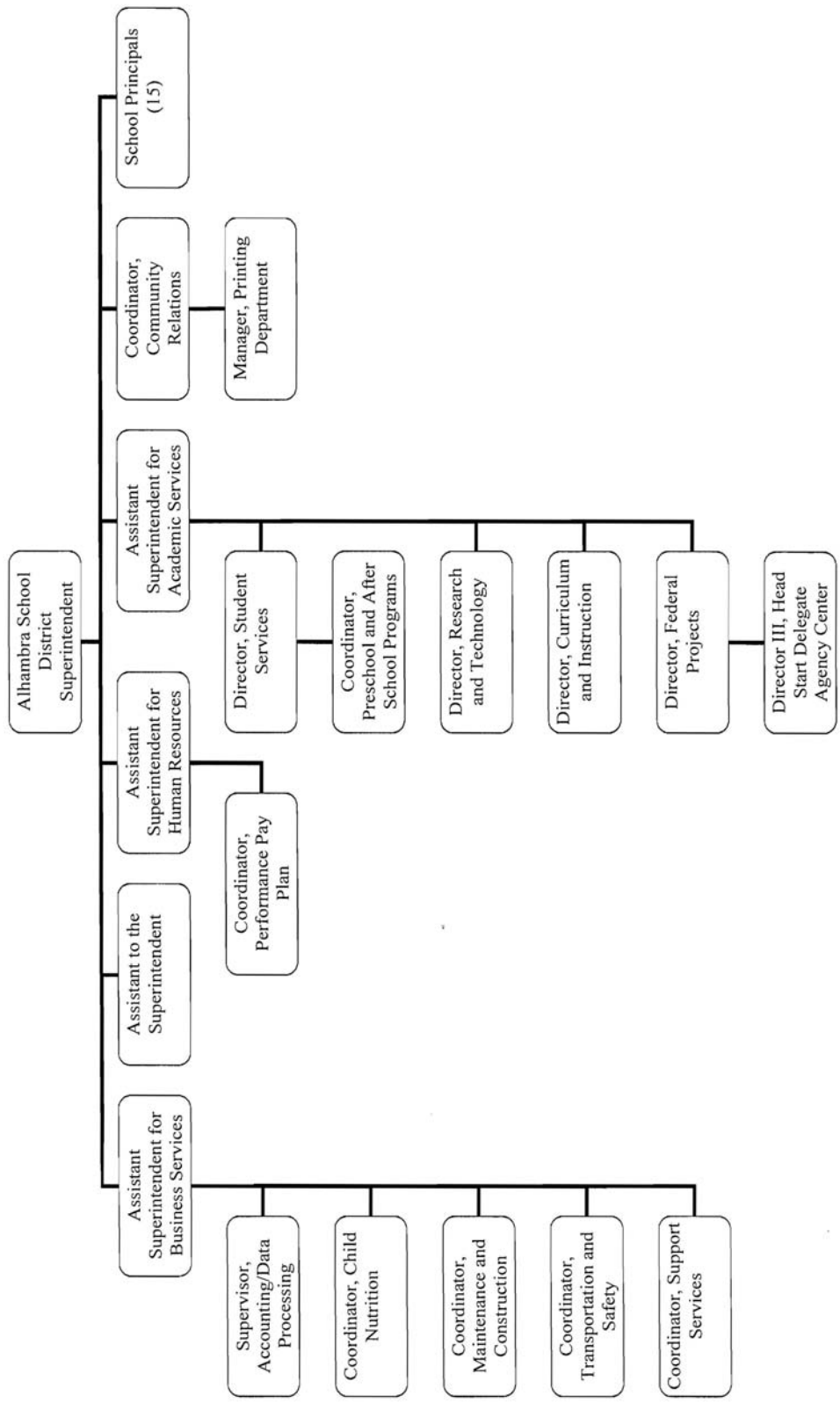
Presented to

**Alhambra Elementary School
District No. 68, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO



ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Robert Zamora, President

Adam Lopez Falk, Clerk

Mari Alvarado, Member

Ray Martinez, Member

Cathleen O'Neil Frantz, Member

ADMINISTRATIVE STAFF

Mark A. Yslas, Superintendent

Dr. Doug Virgil, Assistant Superintendent for Business Services

Mara Wayland, Assistant Superintendent for Academic Services

Michael Rivera, Assistant Superintendent of Human Resources

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Alhambra Elementary School District No. 68

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 Alhambra Elementary School District No. 68 (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Alhambra Elementary School District No. 68, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2015 on our consideration of Alhambra Elementary School District No. 68'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 Alhambra Elementary School District No. 68's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

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

November 13, 2015

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

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**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

As management of the Alhambra Elementary School District No. 68 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$12.2 million which represents a 70 percent decrease from the prior fiscal year. This decrease was primarily due to the \$8.9 million of capital lease obligations entered into for technology related items.
- General revenues accounted for \$81.7 million in revenue, or 75 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$26.6 million or 25 percent of total current fiscal year revenues.
- The District had approximately \$120.5 million in expenses related to governmental activities, an increase of 13 percent from the prior fiscal year. This increase was primarily due to the expenses related to the \$8.9 million in capital lease obligations the District entered into for technology related items.
- Among major funds, the General Fund had \$70.1 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$71.2 million in expenditures. The General Fund's fund balance increased from \$19.3 million at the prior fiscal year end to \$19.6 million at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$5.3 million at the current fiscal year end.

A portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related outstanding 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. The remaining component of the District's net position is unrestricted which is in a deficit position due to the inclusion of the District's proportionate share of the state retirement system's net pension liability in the financial statements.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	As of June 30, 2015	As of June 30, 2014
Current assets	\$ 54,955,936	\$ 60,006,182
Capital assets, net	71,461,056	74,142,181
Total assets	<u>126,416,992</u>	<u>134,148,363</u>
Deferred outflows	<u>11,522,399</u>	
Current liabilities	6,351,285	1,928,951
Long-term liabilities	106,904,709	7,499,962
Total liabilities	<u>113,255,994</u>	<u>9,428,913</u>
Deferred inflows	<u>19,347,724</u>	
Net position:		
Net investment in capital assets	71,246,617	68,110,421
Restricted	29,067,052	33,118,561
Unrestricted	(94,977,996)	23,490,468
Total net position	<u>\$ 5,335,673</u>	<u>\$ 124,719,450</u>

At the end of the current fiscal year the District reported deficit unrestricted net position as a result of an unfunded pension liability. Positive net position was reported in the other two categories. The District reported positive balances in all three net position categories in the prior fiscal year.

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

- Increase in accumulated depreciation of \$5.4 million.
- The principal retirement of \$5.6 million of bonds.
- The addition of \$8.9 million of capital lease obligations for technology related items.
- The addition of \$98.4 million in pension liabilities due to the implementation of new pension reporting standards.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

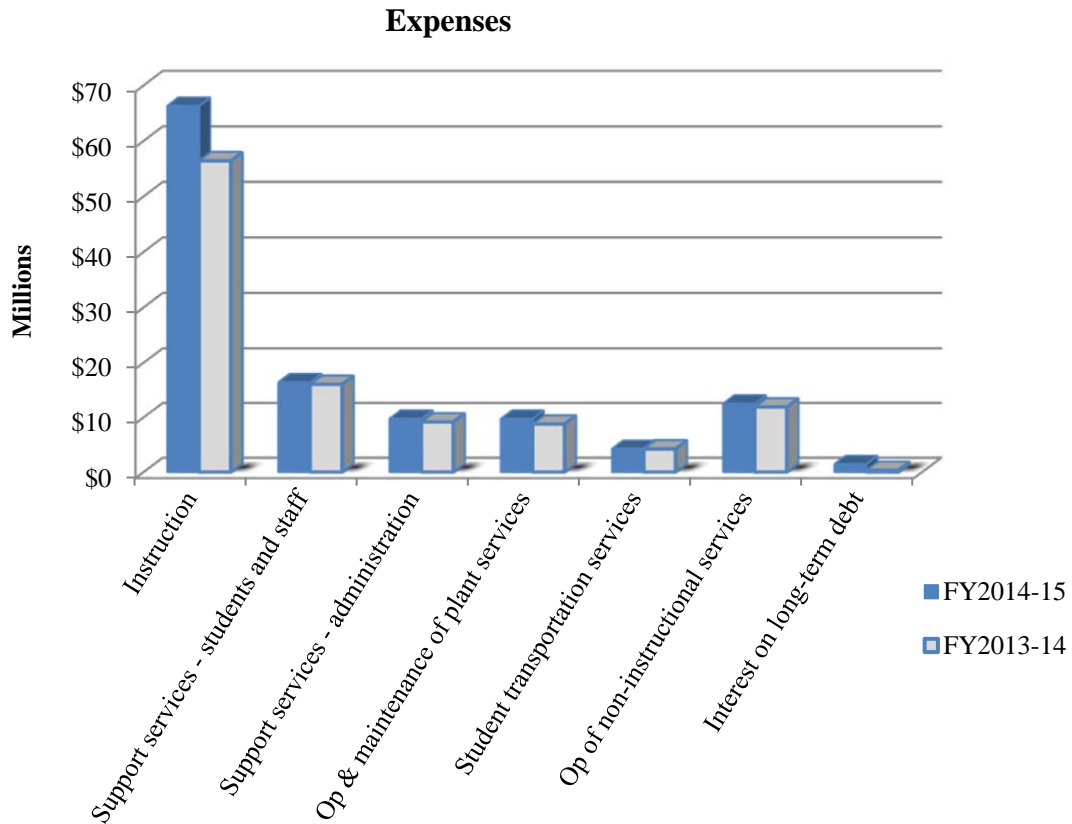
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$108.3 million. The total cost of all programs and services was \$120.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,307,451	\$ 1,547,296
Operating grants and contributions	24,661,052	25,021,834
Capital grants and contributions	612,375	297,047
General revenues:		
Property taxes	18,764,094	20,224,590
Investment income	152,330	175,771
Unrestricted county aid	5,681,066	5,387,731
Unrestricted state aid	56,905,111	57,449,841
Unrestricted federal aid	189,953	163,415
Total revenues	<u>108,273,432</u>	<u>110,267,525</u>
Expenses:		
Instruction	66,305,387	56,388,306
Support services – students and staff	16,429,631	16,039,741
Support services – administration	9,762,229	9,158,080
Operation and maintenance of plant services	9,737,441	8,772,806
Student transportation services	4,258,036	4,221,296
Operation of non-instructional services	12,517,944	11,889,769
Interest on long-term debt	1,458,218	308,166
Total expenses	<u>120,468,886</u>	<u>106,778,164</u>
Changes in net position	<u>(12,195,454)</u>	<u>3,489,361</u>
Net position, beginning (as restated)	<u>17,531,127</u>	<u>121,230,089</u>
Net position, ending	<u>\$ 5,335,673</u>	<u>\$ 124,719,450</u>

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- Increase in instruction expenses of \$9.9 million primarily related to capital items acquired under the capital leases the District entered into for classroom technology items.
- Decrease in property tax revenue of \$1.5 million primarily due to a decrease in the primary and secondary property tax rates.

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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2015		Year Ended June 30, 2014	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 66,305,387	\$ (59,453,343)	\$ 56,388,306	\$ (49,203,496)
Support services – students and staff	16,429,631	(9,403,801)	16,039,741	(9,223,114)
Support services – administration	9,762,229	(9,334,190)	9,158,080	(8,788,260)
Operation and maintenance of plant services	9,737,441	(9,474,416)	8,772,806	(8,185,617)
Student transportation services	4,258,036	(4,202,854)	4,221,296	(4,097,048)
Operation of non-instructional services	12,517,944	(561,186)	11,889,769	(106,286)
Interest on long-term debt	1,458,218	(1,458,218)	308,166	(308,166)
Total	\$120,468,886	\$ (93,888,008)	\$106,778,164	\$ (79,911,987)

- The cost of all governmental activities this year was \$120.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$26.6 million.
- Net cost of governmental activities of \$93.9 million was financed by general revenues, which are made up of primarily property taxes of \$18.8 million and state aid of \$56.9 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$47.7 million, a decrease of \$3.7 million.

The General Fund comprises 41 percent of the total fund balance. Approximately \$13.1 million or 67 percent of the General Fund's fund balance is unassigned.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund is the principal operating fund of the District. The increase in fund balance of \$368,814 to \$19.6 million as of fiscal year end was not significant. General Fund revenues decreased \$3.1 million primarily as a result of a decrease in state equalization due to an approximate two percent decrease in student enrollment. General Fund expenditures decreased \$6.5 million primarily due to the timing of making insurance prepayments.

The fund balance of the Classroom Site Fund decreased \$372,209 to \$6.7 million as of fiscal year end. Additionally, expenditures increased \$2.7 million from prior year primarily due to the use of Fund 013 to maintain class size.

The fund balance of the Unrestricted Capital Outlay Fund decreased from \$9.0 million to \$8.0 million due to the utilization of the District's voter approved capital override.

BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was a \$1.1 million decrease, or 1 percent which is not significant.

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 expenditure variances are summarized as follows.

- The unfavorable variance of \$516,553 in support services-administration was a result of salaries and benefits that were higher than budgeted amounts for personnel such as executive administration, computer technology, school administration, warehouse, and contracted administrative personnel expense.
- The favorable variance of \$1.9 million in operation and maintenance of plant services was a result of goods and services that were budgeted for but unfulfilled.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$169.6 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$2.7 million from the prior fiscal year. Total depreciation expense for the current fiscal year was \$6.0 million.

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

	As of June 30, 2015	As of June 30, 2014
Capital assets – non-depreciable	\$ 2,918,315	\$ 2,918,315
Capital assets – depreciable, net	68,542,741	71,223,866
Total	\$ 71,461,056	\$ 74,142,181

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

Debt Administration. At year-end, the District had \$7.0 million in long-term debt outstanding, \$2.5 million due within one year. Long-term debt increased by \$1.0 million. Bond payments of \$5.8 million were made and \$8.9 million of capital lease obligations were entered into.

The District’s general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$40.9 million and the Class B debt limit is \$27.3 million, which are more than the District’s total outstanding general obligation and Class B debt, respectively.

Additional information on the District’s long-term debt can be found in Notes 8 through 10.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Many factors were considered by the District’s administration during the process of developing the fiscal year 2015-16 budget. Among them:

- Fiscal year 2014-15 budget balance carry forward (\$2,416,682).
- District student population (estimated 13,069).
- Legislative reductions in school funding.

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Budgeted expenditures in the General Fund increased 2 percent to \$73.4 million in fiscal year 2015-16. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2015-16 budget.

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 Services Department, Alhambra Elementary School District No. 68, 4510 North 37th Avenue, Phoenix, Arizona 85019.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 25,290,900
Property taxes receivable	1,429,263
Due from governmental entities	22,118,610
Prepaid items	5,782,537
Inventory	334,626
Total current assets	54,955,936
Noncurrent assets:	
Capital assets not being depreciated	2,918,315
Capital assets, net of accumulated depreciation	68,542,741
Total noncurrent assets	71,461,056
Total assets	126,416,992
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	11,522,399
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	4,932,260
Credit line payable	77,000
Accrued payroll and employee benefits	596,565
Compensated absences payable	266,942
Accrued interest payable	730,561
Unearned revenues	14,899
Obligations under capital leases	2,276,543
Bonds payable	214,439
Total current liabilities	9,109,209
Noncurrent liabilities:	
Non-current portion of long-term obligations	104,146,785
Total noncurrent liabilities	104,146,785
Total liabilities	113,255,994
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	19,347,724
 <u>NET POSITION</u>	
Net investment in capital assets	71,246,617
Restricted for:	
Voter approved initiatives	11,070,857
Food service	2,184,582
Community school	2,143,198
Insurance	3,355,413
Civic center	671,693
Extracurricular activities	332,758
Other local initiatives	74,555
Debt service	476,954
Capital outlay	8,757,042
Unrestricted	(94,977,996)
Total net position	\$ 5,335,673

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

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
Governmental activities:					
Instruction	\$ 66,305,387	\$ 347,343	\$ 5,892,326	\$ 612,375	\$ (59,453,343)
Support services - students and staff	16,429,631		7,025,830		(9,403,801)
Support services - administration	9,762,229		428,039		(9,334,190)
Operation and maintenance of plant services	9,737,441	182,733	80,292		(9,474,416)
Student transportation services	4,258,036		55,182		(4,202,854)
Operation of non-instructional services	12,517,944	777,375	11,179,383		(561,186)
Interest on long-term debt	1,458,218				(1,458,218)
Total governmental activities	<u>\$ 120,468,886</u>	<u>\$ 1,307,451</u>	<u>\$ 24,661,052</u>	<u>\$ 612,375</u>	<u>(93,888,008)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	13,865,907
Property taxes, levied for debt service	132,819
Property taxes, levied for capital outlay	4,765,368
Investment income	152,330
Unrestricted county aid	5,681,066
Unrestricted state aid	56,905,111
Unrestricted federal aid	189,953

Total general revenues 81,692,554

Changes in net position (12,195,454)

Net position, beginning of year, as restated 17,531,127

Net position, end of year \$ 5,335,673

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

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FUND FINANCIAL STATEMENTS

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Classroom Site	Unrestricted Capital Outlay
<u>ASSETS</u>			
Cash and investments	\$ 5,000	\$ 6,360,781	\$ 6,706,755
Property taxes receivable	1,205,648		223,615
Due from governmental entities	18,049,510	375,102	
Due from other funds	552,551		2,985,629
Prepaid items	5,782,537		
Inventory	281,848		
Total assets	\$ 25,877,094	\$ 6,735,883	\$ 9,915,999
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,702,272	\$ 14,333	\$ 1,922,594
Credit line payable	77,000		
Due to other funds	2,985,629		
Accrued payroll and employee benefits	380,266		
Unearned revenues			
Bonds payable			
Bond interest payable			
Total liabilities	6,145,167	14,333	1,922,594
Deferred inflows of resources:			
Unavailable revenues - property taxes	89,636		
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	89,636		
Fund balances (deficits):			
Nonspendable	6,064,385		
Restricted	450,070	6,721,550	7,993,405
Unassigned	13,127,836		
Total fund balances	19,642,291	6,721,550	7,993,405
 Total liabilities, deferred inflows of resources and fund balances	 \$ 25,877,094	 \$ 6,735,883	 \$ 9,915,999

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 12,218,364	\$ 25,290,900
	1,429,263
3,693,998	22,118,610
2,300,585	5,838,765
	5,782,537
52,778	334,626
<u>\$ 18,265,725</u>	<u>\$ 60,794,701</u>

\$ 293,061	\$ 4,932,260
	77,000
2,853,136	5,838,765
216,299	596,565
14,899	14,899
214,439	214,439
730,561	730,561
<u>4,322,395</u>	<u>12,404,489</u>

	89,636
552,551	552,551
<u>552,551</u>	<u>642,187</u>

52,778	6,117,163
13,902,027	29,067,052
(564,026)	12,563,810
<u>13,390,779</u>	<u>47,748,025</u>

<u>\$ 18,265,725</u>	<u>\$ 60,794,701</u>
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ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015

Total governmental fund balances **\$ 47,748,025**

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	\$ 169,646,008	
Less accumulated depreciation	<u>(98,184,952)</u>	71,461,056

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

Property taxes	89,636	
Intergovernmental	<u>552,551</u>	642,187

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	11,522,399	
Deferred inflows of resources related to pensions	<u>(19,347,724)</u>	(7,825,325)

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

Compensated absences payable	(1,477,840)	
Obligations under capital leases	(6,829,628)	
Net pension liability	<u>(98,382,802)</u>	<u>(106,690,270)</u>

Net position of governmental activities **\$ 5,335,673**

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	<u>General</u>	<u>Classroom Site</u>	<u>Unrestricted Capital Outlay</u>
Revenues:			
Other local	\$ 6,149,145	\$ 22,208	\$ 29,192
Property taxes	14,162,312		4,791,649
State aid and grants	49,595,224	4,501,229	2,284,160
Federal aid, grants and reimbursements	189,953		
Total revenues	<u>70,096,634</u>	<u>4,523,437</u>	<u>7,105,001</u>
Expenditures:			
Current -			
Instruction	42,079,953	4,829,999	
Support services - students and staff	7,923,525	65,647	
Support services - administration	8,307,787		
Operation and maintenance of plant services	8,644,269		
Student transportation services	3,590,095		
Operation of non-instructional services	635,270		
Capital outlay	5,536		14,974,447
Debt service -			
Principal retirement			2,110,717
Interest and fiscal charges			
Total expenditures	<u>71,186,435</u>	<u>4,895,646</u>	<u>17,085,164</u>
Excess (deficiency) of revenues over expenditures	<u>(1,089,801)</u>	<u>(372,209)</u>	<u>(9,980,163)</u>
Other financing sources (uses):			
Transfers in	950,617		
Transfers out			
Capital lease agreements			8,940,345
Total other financing sources (uses):	<u>950,617</u>		<u>8,940,345</u>
Changes in fund balances	<u>(139,184)</u>	<u>(372,209)</u>	<u>(1,039,818)</u>
Fund balances, beginning of year	19,273,477	7,093,759	9,033,223
Increase (decrease) in reserve for prepaid items	453,095		
Increase (decrease) in reserve for inventory	54,903		
Fund balances, end of year	<u>\$ 19,642,291</u>	<u>\$ 6,721,550</u>	<u>\$ 7,993,405</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,124,704	\$ 7,325,249
132,819	19,086,780
762,851	57,143,464
24,954,080	25,144,033
<u>26,974,454</u>	<u>108,699,526</u>
6,081,619	52,991,571
6,902,830	14,892,002
860,584	9,168,371
869,118	9,513,387
80,825	3,670,920
11,306,376	11,941,646
665,190	15,645,173
436,760	2,547,477
1,458,218	1,458,218
<u>28,661,520</u>	<u>121,828,765</u>
<u>(1,687,066)</u>	<u>(13,129,239)</u>
	950,617
(950,617)	(950,617)
	8,940,345
<u>(950,617)</u>	<u>8,940,345</u>
<u>(2,637,683)</u>	<u>(4,188,894)</u>
16,013,491	51,413,950
	453,095
14,971	69,874
<u>\$ 13,390,779</u>	<u>\$ 47,748,025</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Net changes in fund balances - total governmental funds **\$ (3,665,925)**

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	\$ 3,347,957	
Less current year depreciation	<u>(6,024,786)</u>	(2,676,829)

Issuance of capital leases provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(8,940,345)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(322,686)	
Intergovernmental	<u>(103,408)</u>	(426,094)

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

Capital lease principal retirement	2,110,717	
Bond principal retirement	<u>436,760</u>	2,547,477

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	6,522,297	
Pension expense	<u>(5,542,101)</u>	980,196

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

Loss on disposal of assets	(4,296)	
Compensated absences	<u>(9,638)</u>	<u>(13,934)</u>

Changes in net position in governmental activities **\$ (12,195,454)**

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2015

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 102,511
Total assets	\$ 102,511
 <u>LIABILITIES</u>	
Due to student groups	\$ 102,511
Total liabilities	\$ 102,511

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Alhambra Elementary School District No. 68 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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

A. Reporting Entity

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period.

Property taxes, state and county aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. 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 the 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classroom Site Fund – The Classroom Site Fund accounts 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.

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 Fund – The Fiduciary Fund is an Agency Fund, which accounts 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.

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

D. Cash and Investments

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

Statute authorizes the District to separately invest monies of the Bond Building and Debt Service Funds in the State Treasurer's investment pools; obligations issued and guaranteed by the United States or any of its agencies or 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

H. Inventory

All inventories are valued using the average cost method. Inventories consist of expendable supplies 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 in the fund financial statements.

J. Capital Assets

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

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Land improvements	3 - 30 years
Buildings and improvements	5 - 50 years
Vehicles, furniture and equipment	5 - 20 years

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Pensions

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. Long-term Obligations

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

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are 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 or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Nonspendable:				
Inventory	\$ 281,848	\$	\$	\$ 52,778
Prepaid items	5,782,537			
Restricted:				
Debt service				476,954
Capital projects	450,070		7,993,405	313,567
Bond building projects				
Voter approved initiatives		6,721,550		4,349,307
Food service				2,184,582
Civic center				671,693
Community school				2,143,198
Extracurricular activities				332,758
Insurance				3,355,413
Other purposes				74,555
Unassigned	13,127,836			(564,026)
Total fund balances	<u>\$ 19,642,291</u>	<u>\$ 6,721,550</u>	<u>\$ 7,993,405</u>	<u>\$ 13,390,779</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the following individual non-major governmental funds reported deficits in fund balance.

	<u>Deficit</u>
Non-Major Governmental Funds:	
County, City, and Town Grants	\$ 11,475
E-Rate	552,551

The deficits arose because of operations during the year and prior years. Additional revenues received in fiscal year 2015-16 are expected to eliminate the deficits.

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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 \$18,558 and the bank balance was \$17,785.

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’s investment pool approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments.

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

Investment Type	Average Maturities	Fair Value
County Treasurer’s investment pool	367 days	\$ 25,374,853
Total		\$ 25,374,853

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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 – RECEIVABLES

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

	General Fund	Classroom Site Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$	\$	\$ 3,468,403
Due from state government	18,049,510	375,102	225,595
Net due from governmental entities	<u>\$ 18,049,510</u>	<u>\$ 375,102</u>	<u>\$ 3,693,998</u>

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,918,315	\$	\$	\$ 2,918,315
Capital assets, being depreciated:				
Land improvements	16,833,461	66,877		16,900,338
Buildings and improvements	138,479,685	2,101,397	17,328	140,563,754
Vehicles, furniture and equipment	8,672,632	1,179,683	588,714	9,263,601
Total capital assets being depreciated	<u>163,985,778</u>	<u>3,347,957</u>	<u>606,042</u>	<u>166,727,693</u>
Less: Accumulated depreciation for:				
Land improvements	(10,129,885)	(801,444)		(10,931,329)
Buildings and improvements	(75,477,574)	(4,682,613)	(17,328)	(80,142,859)
Vehicles, furniture and equipment	(7,154,453)	(540,729)	(584,418)	(7,110,764)
Total accumulated depreciation	<u>(92,761,912)</u>	<u>(6,024,786)</u>	<u>(601,746)</u>	<u>(98,184,952)</u>
Total capital assets, being depreciated, net	<u>71,223,866</u>	<u>(2,676,829)</u>	4,296	<u>68,542,741</u>
Governmental activities capital assets, net	<u>\$ 74,142,181</u>	<u>\$ (2,676,829)</u>	<u>\$ 4,296</u>	<u>\$ 71,461,056</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,297,602
Support services – students and staff	1,261,384
Support services – administration	387,275
Operation and maintenance of plant services	152,297
Student transportation services	307,823
Operation of non-instructional services	618,405
Total depreciation expense – governmental activities	<u>\$ 6,024,786</u>

NOTE 7 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a \$4.0 million revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. General Fund revenues will be used to repay the line of credit in July 2015. Short-term debt activity for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Revolving line of credit	<u>\$ 603,000</u>	<u>\$ 4,853,000</u>	<u>\$ 5,379,000</u>	<u>\$ 77,000</u>

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

Capital Leases – The District has acquired technology and related equipment under the District’s capitalization threshold under the provisions of long-term lease agreements classified as capital leases. These 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – 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
2016	\$ 2,276,543
2017	2,276,542
2018	2,276,543
Total minimum lease payments	6,829,628
Present value of minimum lease payments	6,829,628
Due within one year	\$ 2,276,543

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

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

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2015	Due Within One Year
Governmental activities:					
School Improvement and Refunding Bonds, Series 1994-A	\$ 17,785,000	7.35%	7/1/15	\$ 40,000	\$ 40,000
Unamortized premium on Refunding Bonds, Series 1994-A	4,096,550	7.35%	7/1/15	174,439	174,439
Total				\$ 214,439	\$ 214,439

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

Year ending June 30:	Governmental Activities		
	Principal	Premium	Interest
2016	\$ 40,000	\$ 174,439	\$ 730,561

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – 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:					
Bonds payable:					
General obligation bonds	\$ 5,675,000	\$	\$ 5,635,000	\$ 40,000	\$ 40,000
Premium	356,760		182,321	174,439	174,439
Total bonds payable	<u>6,031,760</u>		<u>5,817,321</u>	<u>214,439</u>	<u>214,439</u>
Obligations under capital leases		8,940,345	2,110,717	6,829,628	2,276,543
Net pension liability	107,188,323		8,805,521	98,382,802	
Compensated absences payable	<u>1,468,202</u>	<u>992,369</u>	<u>982,731</u>	<u>1,477,840</u>	<u>266,942</u>
Governmental activity long-term liabilities	<u>\$114,688,285</u>	<u>\$9,932,714</u>	<u>\$ 17,716,290</u>	<u>\$106,904,709</u>	<u>\$ 2,757,924</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	General Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds	Total Due to Other Funds
General Fund	\$	\$ 2,985,629	\$	\$ 2,985,629
Non-Major Governmental Funds	552,551		2,300,585	2,853,136
Total Due From Other Funds	<u>\$ 552,551</u>	<u>\$ 2,985,629</u>	<u>\$ 2,300,585</u>	<u>\$ 5,838,765</u>

At year end, several funds had negative cash balances in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with other funds. Additionally, interfund balances between the General Fund and E-Rate Fund, a non-major governmental fund, represent activity to record E-Rate transactions in accordance with USFR Memorandum No. 161.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers: Transfers between funds were used to move federal grant funds of \$950,617 restricted for indirect costs.

NOTE 12 – CONTINGENT LIABILITIES

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

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

NOTE 13 – 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – 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 joined the Arizona School Alliance for Workers' Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers' compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays quarterly premiums to the Alliance for its employee workers' compensation coverage. The agreement provides that the Alliance will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

The District carries commercial insurance for all other risks of loss, including 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 14 – 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – 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 11.60 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2015 were \$6,522,297.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

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

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2015	\$	353,366	\$	71,871
2014		359,000		143,600
2013		387,211		142,970

Pension Liability. At June 30, 2015, the District reported a liability of \$98.4 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District’s proportion was 0.66 percent.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2015, the District recognized pension expense of \$5.5 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,000,102	\$
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments		17,204,115
Changes in proportion and differences between contributions and proportionate share of contributions		2,143,609
Contributions subsequent to the measurement date	<u>6,522,297</u>	
Total	<u>\$11,522,399</u>	<u>\$19,347,724</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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2016	\$ (3,059,075)
2017	(3,059,075)
2018	(3,928,443)
2019	(4,301,029)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – 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, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Asset valuation	Fair value
Discount rate	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

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

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

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	63%	7.03%
Fixed income	25%	3.20
Real estate	8%	4.75
Commodities	4%	4.50
Total	<u>100%</u>	

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – 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 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (7.0%)</u>	<u>Current Discount Rate (8.0%)</u>	<u>1% Increase (9.0%)</u>
Proportionate share of the net pension liability	\$124,350,816	\$ 98,382,802	\$84,293,851

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.

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

	<u>Statement of Activities</u>
Net position, June 30, 2014, as previously reported	\$ 124,719,450
Net pension liability	(113,601,495)
Deferred outflows – contributions during fiscal year 2014	<u>6,413,172</u>
Net position, July 1, 2014, as restated	<u>\$ 17,531,127</u>

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REQUIRED SUPPLEMENTARY INFORMATION

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 5,709,572	\$ 5,709,572
Property taxes			14,162,312	14,162,312
State aid and grants			49,380,670	49,380,670
Total revenues			<u>69,252,554</u>	<u>69,252,554</u>
Expenditures:				
Current -				
Instruction	43,188,124	42,308,069	41,350,671	957,398
Support services - students and staff	7,791,376	7,791,376	7,662,965	128,411
Support services - administration	7,648,099	7,648,099	8,164,652	(516,553)
Operation and maintenance of plant services	10,783,204	10,582,434	8,636,478	1,945,956
Student transportation services	3,423,100	3,423,100	3,579,469	(156,369)
Operation of non-instructional services	379,921	379,921	629,358	(249,437)
Total expenditures	<u>73,213,824</u>	<u>72,132,999</u>	<u>70,023,593</u>	<u>2,109,406</u>
Changes in fund balances	<u>(73,213,824)</u>	<u>(72,132,999)</u>	<u>(771,039)</u>	<u>71,361,960</u>
Fund balances, beginning of year			5,761,127	5,761,127
Increase (decrease) in reserve for prepaid items			831,998	831,998
Increase (decrease) in reserve for inventory			54,903	54,903
Fund balances (deficits), end of year	<u>\$ (73,213,824)</u>	<u>\$ (72,132,999)</u>	<u>\$ 5,876,989</u>	<u>\$ 78,009,988</u>

See accompanying notes to this schedule.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLASSROOM SITE
YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local	\$	\$	\$ 22,208	\$ 22,208
State aid and grants			4,501,229	4,501,229
Total revenues			<u>4,523,437</u>	<u>4,523,437</u>
Expenditures:				
Current -				
Instruction	9,514,399	11,324,939	4,829,999	6,494,940
Support services - students and staff	294,511	310,691	65,647	245,044
Total expenditures	<u>9,808,910</u>	<u>11,635,630</u>	<u>4,895,646</u>	<u>6,739,984</u>
Changes in fund balances	<u>(9,808,910)</u>	<u>(11,635,630)</u>	<u>(372,209)</u>	<u>11,263,421</u>
Fund balances, beginning of year			7,093,759	7,093,759
Fund balances (deficits), end of year	<u>\$ (9,808,910)</u>	<u>\$ (11,635,630)</u>	<u>\$ 6,721,550</u>	<u>\$ 18,357,180</u>

See accompanying notes to this schedule.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015

2015

District's proportion of the net pension liability (asset)	0.66%
District's proportionate share of the net pension liability (asset)	\$ 98,382,802
District's covered-employee payroll	\$ 60,397,412
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	162.89%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

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

2015

Actuarially determined contribution	\$ 6,522,297
Contributions in relation to the actuarially determined contribution	<u>6,522,297</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
District's covered-employee payroll	\$ 60,065,607
Contributions as a percentage of covered-employee payroll	10.86%

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 71,186,435	\$ 19,642,291
Activity budgeted as special revenue funds	(504,269)	(13,644,822)
Activity budgeted as capital projects funds		(120,480)
Current-year prepaid items	378,903	
Prior-year prepaid items	(1,037,476)	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 70,023,593	\$ 5,876,989

NOTE 2 – PENSION PLAN SCHEDULES

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

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

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

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GOVERNMENTAL FUNDS

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2015

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 10,482,843	\$ 1,421,954	\$ 313,567
Due from governmental entities	3,693,998		
Due from other funds	2,300,585		
Inventory	52,778		
Total assets	<u><u>\$ 16,530,204</u></u>	<u><u>\$ 1,421,954</u></u>	<u><u>\$ 313,567</u></u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 293,061	\$	\$
Due to other funds	2,853,136		
Accrued payroll and employee benefits	216,299		
Unearned revenues	14,899		
Bonds payable		214,439	
Bond interest payable		730,561	
Total liabilities	<u><u>3,377,395</u></u>	<u><u>945,000</u></u>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>552,551</u>		
Fund balances (deficits):			
Nonspendable	52,778		
Restricted	13,111,506	476,954	313,567
Unassigned	(564,026)		
Total fund balances	<u><u>12,600,258</u></u>	<u><u>476,954</u></u>	<u><u>313,567</u></u>
 Total liabilities, deferred inflows of resources and fund balances	 <u><u>\$ 16,530,204</u></u>	 <u><u>\$ 1,421,954</u></u>	 <u><u>\$ 313,567</u></u>

Total Non-
Major
Governmental
Fund

\$ 12,218,364
3,693,998
2,300,585
52,778
\$ 18,265,725

\$ 293,061
2,853,136
216,299
14,899
214,439
730,561
4,322,395

552,551

52,778
13,902,027
(564,026)
13,390,779

\$ 18,265,725

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2015

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 1,115,560	\$ 7,795	\$ 1,349
Property taxes		132,819	
State aid and grants	762,851		
Federal aid, grants and reimbursements	24,954,080		
Total revenues	<u>26,832,491</u>	<u>140,614</u>	<u>1,349</u>
Expenditures:			
Current -			
Instruction	6,081,619		
Support services - students and staff	6,902,830		
Support services - administration	860,584		
Operation and maintenance of plant services	869,118		
Student transportation services	80,825		
Operation of non-instructional services	11,306,376		
Capital outlay	665,190		
Debt service -			
Principal retirement		436,760	
Interest and fiscal charges		1,458,218	
Total expenditures	<u>26,766,542</u>	<u>1,894,978</u>	
Excess (deficiency) of revenues over expenditures	<u>65,949</u>	<u>(1,754,364)</u>	<u>1,349</u>
Other financing sources (uses):			
Transfers out	(950,617)		
Total other financing sources (uses):	<u>(950,617)</u>		
Changes in fund balances	<u>(884,668)</u>	<u>(1,754,364)</u>	<u>1,349</u>
Fund balances, beginning of year	13,469,955	2,231,318	312,218
Increase (decrease) in reserve for inventory	14,971		
Fund balances, end of year	<u>\$ 12,600,258</u>	<u>\$ 476,954</u>	<u>\$ 313,567</u>

Total Non-
Major
Governmental
Funds

\$ 1,124,704
132,819
762,851
24,954,080
26,974,454

6,081,619
6,902,830
860,584
869,118
80,825
11,306,376
665,190

436,760
1,458,218
28,661,520

(1,687,066)

(950,617)
(950,617)

(2,637,683)

16,013,491

14,971

\$ 13,390,779

SPECIAL REVENUE FUNDS

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

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

Student Success - to account for student success monies.

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

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

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

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

Indian Education - to account for financial assistance received for Indian education at preschool, elementary, secondary and adult levels.

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

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

Homeless Education - to account for financial assistance received for the education of homeless students.

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

E-Rate - to account for financial assistance received for broadband internet and telecommunication 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.

Fingerprint - to account for activity of fingerprinting employees as mandated by the State.

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

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

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Instructional Improvement	County, City, and Town Grants	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 4,136,586	\$	\$
Due from governmental entities	225,595	221,082	1,249,109
Due from other funds			
Inventory			
Total assets	\$ 4,362,181	\$ 221,082	\$ 1,249,109
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 46,201	\$ 74,088
Due to other funds		107,156	1,153,837
Accrued payroll and employee benefits	12,874	79,200	21,184
Unearned revenues			
Total liabilities	12,874	232,557	1,249,109
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	_____	_____	_____
Fund balances (deficits):			
Nonspendable			
Restricted	4,349,307		
Unassigned		(11,475)	
Total fund balances	4,349,307	(11,475)	
 Total liabilities, deferred inflows of resources and fund balances	 \$ 4,362,181	 \$ 221,082	 \$ 1,249,109

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>	<u>Homeless Education</u>
\$ 177,736	\$ 63,197	\$ 75,984	\$ 732,015	\$ 1,182	\$ 8,190
<u>\$ 177,736</u>	<u>\$ 63,197</u>	<u>\$ 75,984</u>	<u>\$ 732,015</u>	<u>\$ 1,182</u>	<u>\$ 8,190</u>
\$ 20,924 108,627 48,185	\$ 12,975 50,222	\$ 4,250 71,734	\$ 113,501 611,691 6,823	\$ 1,182	\$ 8,190
<u>177,736</u>	<u>63,197</u>	<u>75,984</u>	<u>732,015</u>	<u>1,182</u>	<u>8,190</u>
<u>\$ 177,736</u>	<u>\$ 63,197</u>	<u>\$ 75,984</u>	<u>\$ 732,015</u>	<u>\$ 1,182</u>	<u>\$ 8,190</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	E-Rate	Other Federal Projects	Other State Projects
<u>ASSETS</u>			
Cash and investments	\$	\$	\$ 14,899
Due from governmental entities	552,551	192,183	
Due from other funds			
Inventory			
Total assets	\$ 552,551	\$ 192,183	\$ 14,899
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 4,237	\$
Due to other funds	552,551	187,946	
Accrued payroll and employee benefits			
Unearned revenues			14,899
Total liabilities	552,551	192,183	14,899
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	552,551		
Fund balances (deficits):			
Nonspendable			
Restricted			
Unassigned	(552,551)		
Total fund balances	(552,551)		
 Total liabilities, deferred inflows of resources and fund balances	\$ 552,551	\$ 192,183	\$ 14,899

<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 2,039,527 195,174	\$ 671,693	\$ 2,149,809	\$ 340,946	\$ 7,870	\$ 66,685
52,778					
<u>\$ 2,287,479</u>	<u>\$ 671,693</u>	<u>\$ 2,149,809</u>	<u>\$ 340,946</u>	<u>\$ 7,870</u>	<u>\$ 66,685</u>
\$ 14,232	\$	\$	\$ 2,653	\$	\$
35,887		6,611	5,535		
<u>50,119</u>		<u>6,611</u>	<u>8,188</u>		
52,778					
2,184,582	671,693	2,143,198	332,758	7,870	66,685
<u>2,237,360</u>	<u>671,693</u>	<u>2,143,198</u>	<u>332,758</u>	<u>7,870</u>	<u>66,685</u>
<u>\$ 2,287,479</u>	<u>\$ 671,693</u>	<u>\$ 2,149,809</u>	<u>\$ 340,946</u>	<u>\$ 7,870</u>	<u>\$ 66,685</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Insurance Refund	Totals
<u>ASSETS</u>		
Cash and investments	\$ 1,054,828	\$ 10,482,843
Due from governmental entities		3,693,998
Due from other funds	2,300,585	2,300,585
Inventory		52,778
Total assets	\$ 3,355,413	\$ 16,530,204
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$	\$ 293,061
Due to other funds		2,853,136
Accrued payroll and employee benefits		216,299
Unearned revenues		14,899
Total liabilities		3,377,395
Deferred inflows of resources:		
Unavailable revenues - intergovernmental		552,551
Fund balances (deficits):		
Nonspendable		52,778
Restricted	3,355,413	13,111,506
Unassigned		(564,026)
Total fund balances	3,355,413	12,600,258
 Total liabilities, deferred inflows of resources and fund balances	\$ 3,355,413	\$ 16,530,204

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ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Instructional Improvement	County, City, and Town Grants	Title I Grants
Revenues:			
Other local	\$ 18,558	\$	\$
State aid and grants	524,498		
Federal aid, grants and reimbursements		2,465,872	7,430,847
Total revenues	543,056	2,465,872	7,430,847
Expenditures:			
Current -			
Instruction	125,322		2,389,306
Support services - students and staff	62,611		4,227,649
Support services - administration	380,516		312,055
Operation and maintenance of plant services			2,834
Student transportation services			35,039
Operation of non-instructional services		2,205,409	
Capital outlay		17,919	401,184
Total expenditures	568,449	2,223,328	7,368,067
Excess (deficiency) of revenues over expenditures	(25,393)	242,544	62,780
Other financing sources (uses):			
Transfers out			(62,780)
Total other financing sources (uses):			(62,780)
Changes in fund balances	(25,393)	242,544	
Fund balances (deficits), beginning of year	4,374,700	(254,019)	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 4,349,307	\$ (11,475)	\$

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Indian Education	Special Education Grants	Johnson O'Malley
\$	\$	\$	\$	\$	\$
916,491	122,108	709,334	35,201	2,387,435	15,728
<u>916,491</u>	<u>122,108</u>	<u>709,334</u>	<u>35,201</u>	<u>2,387,435</u>	<u>15,728</u>
863,908	84,947	128,327	33,608	1,694,972	
18,282	8,237	569,670		562,111	15,016
	1,577			3,140	
	16,755			5,518	
	5,306			15,742	
<u>882,190</u>	<u>116,822</u>	<u>697,997</u>	<u>33,608</u>	<u>2,281,483</u>	<u>15,016</u>
<u>34,301</u>	<u>5,286</u>	<u>11,337</u>	<u>1,593</u>	<u>105,952</u>	<u>712</u>
(34,301)	(5,286)	(11,337)	(1,593)	(105,952)	(712)
<u>(34,301)</u>	<u>(5,286)</u>	<u>(11,337)</u>	<u>(1,593)</u>	<u>(105,952)</u>	<u>(712)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Homeless Education	E-Rate	Other Federal Projects
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	33,141	590,791	1,390,754
Total revenues	33,141	590,791	1,390,754
Expenditures:			
Current -			
Instruction		477,547	902,867
Support services - students and staff	19,486		370,631
Support services - administration			83,739
Operation and maintenance of plant services		75,004	
Student transportation services	12,155		
Operation of non-instructional services			29,756
Capital outlay			
Total expenditures	31,641	552,551	1,386,993
Excess (deficiency) of revenues over expenditures	1,500	38,240	3,761
Other financing sources (uses):			
Transfers out	(1,500)		(3,761)
Total other financing sources (uses):	(1,500)		(3,761)
Changes in fund balances		38,240	
Fund balances (deficits), beginning of year		(590,791)	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ (552,551)	\$

Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Fingerprint
\$ 238,353	\$ 393,013	\$ 19,425	\$ 535,160	\$ 90,224	\$ 2,330
	8,856,378				
<u>238,353</u>	<u>9,249,391</u>	<u>19,425</u>	<u>535,160</u>	<u>90,224</u>	<u>2,330</u>
23,586			177,987	43,150	
200,604			4,767	3,265	
13,944			37,636		2,743
	216,722	568,552	3,919	2,087	
			2,487	24,049	
	8,584,136		470,320		
219	190,143		34,677		
<u>238,353</u>	<u>8,991,001</u>	<u>568,552</u>	<u>731,793</u>	<u>72,551</u>	<u>2,743</u>
	258,390	(549,127)	(196,633)	17,673	(413)
	(723,395)				
	<u>(723,395)</u>				
	(465,005)	(549,127)	(196,633)	17,673	(413)
	2,687,394	1,220,820	2,339,831	315,085	8,283
	14,971				
<u>\$</u>	<u>\$ 2,237,360</u>	<u>\$ 671,693</u>	<u>\$ 2,143,198</u>	<u>\$ 332,758</u>	<u>\$ 7,870</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Totals</u>
Revenues:			
Other local	\$ 6,771	\$ 50,079	\$ 1,115,560
State aid and grants			762,851
Federal aid, grants and reimbursements			24,954,080
Total revenues	<u>6,771</u>	<u>50,079</u>	<u>26,832,491</u>
Expenditures:			
Current -			
Instruction			6,081,619
Support services - students and staff	3,112		6,902,830
Support services - administration		292	860,584
Operation and maintenance of plant services			869,118
Student transportation services			80,825
Operation of non-instructional services			11,306,376
Capital outlay			665,190
Total expenditures	<u>3,112</u>	<u>292</u>	<u>26,766,542</u>
Excess (deficiency) of revenues over expenditures	<u>3,659</u>	<u>49,787</u>	<u>65,949</u>
Other financing sources (uses):			
Transfers out			(950,617)
Total other financing sources (uses):			<u>(950,617)</u>
Changes in fund balances	<u>3,659</u>	<u>49,787</u>	<u>(884,668)</u>
Fund balances (deficits), beginning of year	63,026	3,305,626	13,469,955
Increase (decrease) in reserve for inventory			14,971
Fund balances, end of year	<u>\$ 66,685</u>	<u>\$ 3,355,413</u>	<u>\$ 12,600,258</u>

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ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 18,558	\$ 18,558
State aid and grants		524,498	524,498
Federal aid, grants and reimbursements			
Total revenues		<u>543,056</u>	<u>543,056</u>
Expenditures:			
Current -			
Instruction	130,000	125,322	4,678
Support services - students and staff	65,000	62,611	2,389
Support services - administration	405,000	380,516	24,484
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>600,000</u>	<u>568,449</u>	<u>31,551</u>
Excess (deficiency) of revenues over expenditures	<u>(600,000)</u>	<u>(25,393)</u>	<u>574,607</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(600,000)</u>	<u>(25,393)</u>	<u>574,607</u>
Fund balances (deficits), beginning of year		4,374,700	4,374,700
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (600,000)</u>	<u>\$ 4,349,307</u>	<u>\$ 4,949,307</u>

County, City, and Town Grants			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 648	\$ 648
	2,465,872	2,465,872		214,554	214,554
	<u>2,465,872</u>	<u>2,465,872</u>		<u>215,202</u>	<u>215,202</u>
			214,552	215,202	(650)
2,447,050	2,205,409	241,641			
20,000	17,919	2,081			
<u>2,467,050</u>	<u>2,223,328</u>	<u>243,722</u>	<u>214,552</u>	<u>215,202</u>	<u>(650)</u>
<u>(2,467,050)</u>	<u>242,544</u>	<u>2,709,594</u>	<u>(214,552)</u>		<u>214,552</u>
<u>(2,467,050)</u>	<u>242,544</u>	<u>2,709,594</u>	<u>(214,552)</u>		<u>214,552</u>
	(254,019)	(254,019)			
<u>\$ (2,467,050)</u>	<u>\$ (11,475)</u>	<u>\$ 2,455,575</u>	<u>\$ (214,552)</u>	<u>\$</u>	<u>\$ 214,552</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		7,430,847	7,430,847
Total revenues		<u>7,430,847</u>	<u>7,430,847</u>
Expenditures:			
Current -			
Instruction	2,400,000	2,389,306	10,694
Support services - students and staff	6,001,035	4,227,649	1,773,386
Support services - administration	325,000	312,055	12,945
Operation and maintenance of plant services	5,000	2,834	2,166
Student transportation services	40,000	35,039	4,961
Operation of non-instructional services			
Capital outlay	410,000	401,184	8,816
Total expenditures	<u>9,181,035</u>	<u>7,368,067</u>	<u>1,812,968</u>
Excess (deficiency) of revenues over expenditures	<u>(9,181,035)</u>	<u>62,780</u>	<u>9,243,815</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(62,780)	(62,780)
Total other financing sources (uses):		<u>(62,780)</u>	<u>(62,780)</u>
Changes in fund balances	<u>(9,181,035)</u>		<u>9,181,035</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (9,181,035)</u>	<u>\$</u>	<u>\$ 9,181,035</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	916,491	916,491		122,108	122,108
	916,491	916,491		122,108	122,108
898,017	863,908	34,109	105,000	84,947	20,053
20,000	18,282	1,718	10,000	8,237	1,763
			5,000	1,577	3,423
			20,000	16,755	3,245
			10,000	5,306	4,694
918,017	882,190	35,827	150,000	116,822	33,178
(918,017)	34,301	952,318	(150,000)	5,286	155,286
	(34,301)	(34,301)		(5,286)	(5,286)
	(34,301)	(34,301)		(5,286)	(5,286)
(918,017)		918,017	(150,000)		150,000
\$ (918,017)	\$	\$ 918,017	\$ (150,000)	\$	\$ 150,000

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Limited English & Immigrant Students		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		709,334	709,334
Total revenues		709,334	709,334
Expenditures:			
Current -			
Instruction	150,000	128,327	21,673
Support services - students and staff	1,040,610	569,670	470,940
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,190,610	697,997	492,613
Excess (deficiency) of revenues over expenditures	(1,190,610)	11,337	1,201,947
Other financing sources (uses):			
Transfers in			
Transfers out		(11,337)	(11,337)
Total other financing sources (uses):		(11,337)	(11,337)
Changes in fund balances	(1,190,610)		1,190,610
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,190,610)	\$	\$ 1,190,610

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	35,201	35,201		2,387,435	2,387,435
	35,201	35,201		2,387,435	2,387,435
50,168	33,608	16,560	1,963,919	1,694,972	268,947
			580,000	562,111	17,889
			5,000	3,140	1,860
			10,000	5,518	4,482
			20,000	15,742	4,258
50,168	33,608	16,560	2,578,919	2,281,483	297,436
(50,168)	1,593	51,761	(2,578,919)	105,952	2,684,871
	(1,593)	(1,593)		(105,952)	(105,952)
	(1,593)	(1,593)		(105,952)	(105,952)
(50,168)		50,168	(2,578,919)		2,578,919
\$ (50,168)	\$	\$ 50,168	\$ (2,578,919)	\$	\$ 2,578,919

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Johnson O'Malley		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		15,728	15,728
Total revenues		<u>15,728</u>	<u>15,728</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	25,000	15,016	9,984
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>25,000</u>	<u>15,016</u>	<u>9,984</u>
Excess (deficiency) of revenues over expenditures	<u>(25,000)</u>	<u>712</u>	<u>25,712</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(712)	(712)
Total other financing sources (uses):		<u>(712)</u>	<u>(712)</u>
Changes in fund balances	<u>(25,000)</u>		<u>25,000</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (25,000)</u>	<u>\$</u>	<u>\$ 25,000</u>

Homeless Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	33,141	33,141		189,953	189,953
	33,141	33,141		189,953	189,953
91,299	19,486	71,813			
20,000	12,155	7,845			
111,299	31,641	79,658			
(111,299)	1,500	112,799		189,953	189,953
	(1,500)	(1,500)			
	(1,500)	(1,500)			
(111,299)		111,299		189,953	189,953
				4,713,433	4,713,433
\$ (111,299)	\$	\$ 111,299	\$	\$ 4,903,386	\$ 4,903,386

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		590,791	590,791
Total revenues		<u>590,791</u>	<u>590,791</u>
Expenditures:			
Current -			
Instruction		477,547	(477,547)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services		75,004	(75,004)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		<u>552,551</u>	<u>(552,551)</u>
Excess (deficiency) of revenues over expenditures		<u>38,240</u>	<u>38,240</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		<u>38,240</u>	<u>38,240</u>
Fund balances (deficits), beginning of year		(590,791)	(590,791)
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ (552,551)</u>	<u>\$ (552,551)</u>

Other Federal Projects			Other State Projects		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
	1,390,754	1,390,754		238,353	238,353
	<u>1,390,754</u>	<u>1,390,754</u>		<u>238,353</u>	<u>238,353</u>
3,585,000	902,867	2,682,133	30,000	23,586	6,414
410,000	370,631	39,369	660,372	200,604	459,768
90,000	83,739	6,261	16,000	13,944	2,056
35,000	29,756	5,244			
			1,000	219	781
<u>4,120,000</u>	<u>1,386,993</u>	<u>2,733,007</u>	<u>707,372</u>	<u>238,353</u>	<u>469,019</u>
<u>(4,120,000)</u>	<u>3,761</u>	<u>4,123,761</u>	<u>(707,372)</u>		<u>707,372</u>
	<u>(3,761)</u>	<u>(3,761)</u>			
	<u>(3,761)</u>	<u>(3,761)</u>			
<u>(4,120,000)</u>		<u>4,120,000</u>	<u>(707,372)</u>		<u>707,372</u>
<u>\$ (4,120,000)</u>	<u>\$</u>	<u>\$ 4,120,000</u>	<u>\$ (707,372)</u>	<u>\$</u>	<u>\$ 707,372</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 168,352	\$ 168,352
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>168,352</u>	<u>168,352</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	250,000		250,000
Capital outlay			
Total expenditures	<u>250,000</u>		<u>250,000</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>168,352</u>	<u>418,352</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(250,000)</u>	<u>168,352</u>	<u>418,352</u>
Fund balances (deficits), beginning of year		161,238	161,238
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (250,000)</u>	<u>\$ 329,590</u>	<u>\$ 579,590</u>

Food Service			Civic Center		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 393,013	\$ 393,013	\$	\$ 19,425	\$ 19,425
	8,856,378	8,856,378			
	<u>9,249,391</u>	<u>9,249,391</u>		<u>19,425</u>	<u>19,425</u>
220,000	216,722	3,278	100,000	568,552	(468,552)
8,660,025	8,586,141	73,884			
200,000	190,143	9,857			
<u>9,080,025</u>	<u>8,993,006</u>	<u>87,019</u>	<u>100,000</u>	<u>568,552</u>	<u>(468,552)</u>
<u>(9,080,025)</u>	<u>256,385</u>	<u>9,336,410</u>	<u>(100,000)</u>	<u>(549,127)</u>	<u>(449,127)</u>
	(723,395)	(723,395)			
	<u>(723,395)</u>	<u>(723,395)</u>			
<u>(9,080,025)</u>	<u>(467,010)</u>	<u>8,613,015</u>	<u>(100,000)</u>	<u>(549,127)</u>	<u>(449,127)</u>
	2,620,177	2,620,177		1,220,820	1,220,820
	69,222	69,222			
	14,971	14,971			
<u>\$ (9,080,025)</u>	<u>\$ 2,237,360</u>	<u>\$ 11,317,385</u>	<u>\$ (100,000)</u>	<u>\$ 671,693</u>	<u>\$ 771,693</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Community School		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 535,160	\$ 535,160
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>535,160</u>	<u>535,160</u>
Expenditures:			
Current -			
Instruction	200,000	177,987	22,013
Support services - students and staff	10,000	4,767	5,233
Support services - administration	46,000	37,636	8,364
Operation and maintenance of plant services	5,000	3,919	1,081
Student transportation services	5,000	2,487	2,513
Operation of non-instructional services	894,000	470,320	423,680
Capital outlay	40,000	34,677	5,323
Total expenditures	<u>1,200,000</u>	<u>731,793</u>	<u>468,207</u>
Excess (deficiency) of revenues over expenditures	<u>(1,200,000)</u>	<u>(196,633)</u>	<u>1,003,367</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(1,200,000)</u>	<u>(196,633)</u>	<u>1,003,367</u>
Fund balances (deficits), beginning of year		2,339,831	2,339,831
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,200,000)</u>	<u>\$ 2,143,198</u>	<u>\$ 3,343,198</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 37,241	\$ 37,241	\$	\$ 90,224	\$ 90,224
	<u>37,241</u>	<u>37,241</u>		<u>90,224</u>	<u>90,224</u>
24,000	22,204	1,796	159,000	43,150	115,850
1,000	352	648	6,000	3,265	2,735
			5,000	2,087	2,913
			30,000	24,049	5,951
<u>25,000</u>	<u>22,556</u>	<u>2,444</u>	<u>200,000</u>	<u>72,551</u>	<u>127,449</u>
<u>(25,000)</u>	<u>14,685</u>	<u>39,685</u>	<u>(200,000)</u>	<u>17,673</u>	<u>217,673</u>
<u>(25,000)</u>	<u>14,685</u>	<u>39,685</u>	<u>(200,000)</u>	<u>17,673</u>	<u>217,673</u>
	15,274	15,274		315,085	315,085
<u>\$ (25,000)</u>	<u>\$ 29,959</u>	<u>\$ 54,959</u>	<u>\$ (200,000)</u>	<u>\$ 332,758</u>	<u>\$ 532,758</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Gifts and Donations		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 185,941	\$ 185,941
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>185,941</u>	<u>185,941</u>
Expenditures:			
Current -			
Instruction	40,000	35,858	4,142
Support services - students and staff	60,000	54,704	5,296
Support services - administration	120,000	70,856	49,144
Operation and maintenance of plant services	1,000	7	993
Student transportation services	15,000	13,829	1,171
Operation of non-instructional services	4,000	1,821	2,179
Capital outlay	10,000	5,536	4,464
Total expenditures	<u>250,000</u>	<u>182,611</u>	<u>67,389</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>3,330</u>	<u>253,330</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(250,000)</u>	<u>3,330</u>	<u>253,330</u>
Fund balances (deficits), beginning of year		353,423	353,423
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (250,000)</u>	<u>\$ 356,753</u>	<u>\$ 606,753</u>

Fingerprint			Textbooks		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,330	\$ 2,330	\$	\$ 6,771	\$ 6,771
	<u>2,330</u>	<u>2,330</u>		<u>6,771</u>	<u>6,771</u>
5,000	2,743	2,257	70,000	3,112	66,888
<u>5,000</u>	<u>2,743</u>	<u>2,257</u>	<u>70,000</u>	<u>3,112</u>	<u>66,888</u>
<u>(5,000)</u>	<u>(413)</u>	<u>4,587</u>	<u>(70,000)</u>	<u>3,659</u>	<u>73,659</u>
<u>(5,000)</u>	<u>(413)</u>	<u>4,587</u>	<u>(70,000)</u>	<u>3,659</u>	<u>73,659</u>
	8,283	8,283		63,026	63,026
<u>\$ (5,000)</u>	<u>\$ 7,870</u>	<u>\$ 12,870</u>	<u>\$ (70,000)</u>	<u>\$ 66,685</u>	<u>\$ 136,685</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Litigation Recovery		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 4,000	\$ 4,000
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>4,000</u>	<u>4,000</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			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		<u>4,000</u>	<u>4,000</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		<u>4,000</u>	<u>4,000</u>
Fund balances (deficits), beginning of year		263,912	263,912
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 267,912</u>	<u>\$ 267,912</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 29,908	\$ 29,908	\$	\$ 50,079	\$ 50,079
	<u>29,908</u>	<u>29,908</u>		<u>50,079</u>	<u>50,079</u>
1,000	150	850			
2,499,000	83,750	2,415,250	1,500,000	292	1,499,708
<u>2,500,000</u>	<u>83,900</u>	<u>2,416,100</u>	<u>1,500,000</u>	<u>292</u>	<u>1,499,708</u>
<u>(2,500,000)</u>	<u>(53,992)</u>	<u>2,446,008</u>	<u>(1,500,000)</u>	<u>49,787</u>	<u>1,549,787</u>
	950,617	950,617			
	<u>950,617</u>	<u>950,617</u>			
<u>(2,500,000)</u>	<u>896,625</u>	<u>3,396,625</u>	<u>(1,500,000)</u>	<u>49,787</u>	<u>1,549,787</u>
	6,860,597	6,860,597		3,305,626	3,305,626
<u>\$ (2,500,000)</u>	<u>\$ 7,757,222</u>	<u>\$ 10,257,222</u>	<u>\$ (1,500,000)</u>	<u>\$ 3,355,413</u>	<u>\$ 4,855,413</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,541,650	\$ 1,541,650
State aid and grants		977,405	977,405
Federal aid, grants and reimbursements		25,144,033	25,144,033
Total revenues		<u>27,663,088</u>	<u>27,663,088</u>
Expenditures:			
Current -			
Instruction	10,338,087	6,139,831	4,198,256
Support services - students and staff	9,918,333	7,173,088	2,745,245
Support services - administration	5,041,000	1,015,190	4,025,810
Operation and maintenance of plant services	336,000	869,125	(533,125)
Student transportation services	125,000	94,654	30,346
Operation of non-instructional services	12,310,075	11,310,202	999,873
Capital outlay	711,000	670,726	40,274
Total expenditures	<u>38,779,495</u>	<u>27,272,816</u>	<u>11,506,679</u>
Excess (deficiency) of revenues over expenditures	<u>(38,779,495)</u>	<u>390,272</u>	<u>39,169,767</u>
Other financing sources (uses):			
Transfers in		950,617	950,617
Transfers out		(950,617)	(950,617)
Total other financing sources (uses):			
Changes in fund balances	<u>(38,779,495)</u>	<u>390,272</u>	<u>39,169,767</u>
Fund balances (deficits), beginning of year		25,770,615	25,770,615
Increase (decrease) in reserve for prepaid items		69,222	69,222
Increase (decrease) in reserve for inventory		14,971	14,971
Fund balances (deficits), end of year	<u>\$ (38,779,495)</u>	<u>\$ 26,245,080</u>	<u>\$ 65,024,575</u>

DEBT SERVICE FUND

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 7,795	\$ 7,795
Property taxes		132,819	132,819
Total revenues		<u>140,614</u>	<u>140,614</u>
Expenditures:			
Debt service -			
Principal retirement	436,760	436,760	
Interest and fiscal charges	1,453,240	1,458,218	(4,978)
Total expenditures	<u>1,890,000</u>	<u>1,894,978</u>	<u>(4,978)</u>
Changes in fund balances	<u>(1,890,000)</u>	<u>(1,754,364)</u>	<u>135,636</u>
Fund balances, beginning of year		2,231,318	2,231,318
Fund balances (deficits), end of year	<u>\$ (1,890,000)</u>	<u>\$ 476,954</u>	<u>\$ 2,366,954</u>

CAPITAL PROJECTS FUNDS

Insurance Proceeds - to account for 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.

Gifts and Donations – Capital - to account for gifts and donations to be expended for capital acquisitions.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Adjacent Ways	Totals
<u>ASSETS</u>		
Cash and investments	\$ 313,567	\$ 313,567
Total assets	\$ 313,567	\$ 313,567
Fund balances:		
Restricted	\$ 313,567	\$ 313,567
Total fund balances	313,567	313,567
 Total liabilities and fund balances	 \$ 313,567	 \$ 313,567

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Adjacent Ways</u>	<u>Totals</u>
Revenues:		
Other local	\$ 1,349	\$ 1,349
Total revenues	<u>1,349</u>	<u>1,349</u>
 Changes in fund balances	 <u>1,349</u>	 <u>1,349</u>
 Fund balances, beginning of year	 312,218	 312,218
 Fund balances, end of year	 <u>\$ 313,567</u>	 <u>\$ 313,567</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 13,483	\$ 13,483
Property taxes			
State aid and grants			
Total revenues		<u>13,483</u>	<u>13,483</u>
Expenditures:			
Capital outlay	800,000		800,000
Debt service - Principal retirement			
Total expenditures	<u>800,000</u>		<u>800,000</u>
Changes in fund balances	<u>(800,000)</u>	<u>13,483</u>	<u>813,483</u>
Fund balances, beginning of year		106,997	106,997
Fund balances (deficits), end of year	<u>\$ (800,000)</u>	<u>\$ 120,480</u>	<u>\$ 920,480</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 29,192	\$ 29,192	\$	\$ 1,349	\$ 1,349
	4,791,649	4,791,649			
	2,284,160	2,284,160			
	<u>7,105,001</u>	<u>7,105,001</u>		<u>1,349</u>	<u>1,349</u>
10,325,228	6,034,102	4,291,126	300,000		300,000
2,110,717	2,110,717				
<u>12,435,945</u>	<u>8,144,819</u>	<u>4,291,126</u>	<u>300,000</u>		<u>300,000</u>
(12,435,945)	(1,039,818)	11,396,127	(300,000)	1,349	301,349
	9,033,223	9,033,223		312,218	312,218
<u>\$ (12,435,945)</u>	<u>\$ 7,993,405</u>	<u>\$ 20,429,350</u>	<u>\$ (300,000)</u>	<u>\$ 313,567</u>	<u>\$ 613,567</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2015

	Gifts and Donations - Capital		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Total revenues			
Expenditures:			
Capital outlay	50,000		50,000
Debt service -			
Principal retirement			
Total expenditures	50,000		50,000
Changes in fund balances	(50,000)		50,000
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (50,000)	\$	\$ 50,000

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 44,024	\$ 44,024
	4,791,649	4,791,649
	2,284,160	2,284,160
	<u>7,119,833</u>	<u>7,119,833</u>
11,475,228	6,034,102	5,441,126
2,110,717	2,110,717	
<u>13,585,945</u>	<u>8,144,819</u>	<u>5,441,126</u>
<u>(13,585,945)</u>	<u>(1,024,986)</u>	<u>12,560,959</u>
	9,452,438	9,452,438
<u>\$ (13,585,945)</u>	<u>\$ 8,427,452</u>	<u>\$ 22,013,397</u>

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AGENCY FUND

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
YEAR ENDED JUNE 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES</u>				
<u>Assets</u>				
Cash and investments	\$ <u>89,069</u>	\$ <u>85,656</u>	\$ <u>72,214</u>	\$ <u>102,511</u>
Total assets	\$ <u><u>89,069</u></u>	\$ <u><u>85,656</u></u>	\$ <u><u>72,214</u></u>	\$ <u><u>102,511</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>89,069</u>	\$ <u>85,656</u>	\$ <u>72,214</u>	\$ <u>102,511</u>
Total liabilities	\$ <u><u>89,069</u></u>	\$ <u><u>85,656</u></u>	\$ <u><u>72,214</u></u>	\$ <u><u>102,511</u></u>

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 71,246,617	\$ 68,110,421	\$ 68,443,160	\$ 69,172,678	\$ 69,127,641
Restricted	29,067,052	33,118,561	26,618,978	40,750,306	25,970,063
Unrestricted	(94,977,996)	23,490,468	26,167,951	11,921,522	29,431,577
Total net position	\$ 5,335,673	\$ 124,719,450	\$ 121,230,089	\$ 121,844,506	\$ 124,529,281
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net Position:					
Net investment in capital assets	\$ 64,053,898	\$ 65,940,340	\$ 66,139,823	\$ 62,557,141	\$ 52,106,061
Restricted	19,068,335	16,720,912	15,388,999	15,013,167	24,369,126
Unrestricted	47,068,360	34,860,510	42,897,682	46,740,059	38,602,542
Total net position	\$ 130,190,593	\$ 117,521,762	\$ 124,426,504	\$ 124,310,367	\$ 115,077,729

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Instruction	\$ 66,305,387	\$ 56,388,306	\$ 55,838,719	\$ 57,728,257	\$ 59,770,047
Support services - students and staff	16,429,631	16,039,741	15,599,266	15,901,896	16,123,720
Support services - administration	9,762,229	9,158,080	8,677,485	8,922,019	9,223,168
Operation and maintenance of plant services	9,737,441	8,772,806	8,407,300	9,017,361	10,423,233
Student transportation services	4,258,036	4,221,296	4,213,456	4,107,584	3,936,965
Operation of non-instructional services	12,517,944	11,889,769	12,078,864	11,635,553	11,631,022
Interest on long-term debt	1,458,218	308,166	583,618	843,442	1,054,391
Total expenses	<u>120,468,886</u>	<u>106,778,164</u>	<u>105,398,708</u>	<u>108,156,112</u>	<u>112,162,546</u>
Program Revenues					
Charges for services:					
Instruction	347,343	340,446	448,815	935,581	831,119
Operation of non-instructional services	777,375	1,017,057	1,056,948	435,955	464,213
Other activities	182,733	189,793	44,117	95,215	261,716
Operating grants and contributions	24,661,052	25,021,834	22,344,156	23,225,042	28,484,483
Capital grants and contributions	612,375	297,047	251,229	1,167,725	2,842,543
Total program revenues	<u>26,580,878</u>	<u>26,866,177</u>	<u>24,145,265</u>	<u>25,859,518</u>	<u>32,884,074</u>
Net (Expense)/Revenue	<u>\$ (93,888,008)</u>	<u>\$ (79,911,987)</u>	<u>\$ (81,253,443)</u>	<u>\$ (82,296,594)</u>	<u>\$ (79,278,472)</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses					
Instruction	\$ 57,572,163	\$ 67,976,719	\$ 70,139,122	\$ 68,557,244	\$ 61,070,532
Support services - students and staff	17,269,272	18,926,961	17,651,259	15,296,679	14,458,648
Support services - administration	8,329,826	8,876,792	8,221,380	7,441,190	7,157,338
Operation and maintenance of plant services	9,795,560	9,912,659	10,469,043	9,239,406	7,940,079
Student transportation services	3,889,127	4,549,352	4,106,634	3,741,712	3,446,532
Operation of non-instructional services	12,137,390	12,374,669	12,361,727	10,933,686	10,412,870
Interest on long-term debt	2,036,621	2,336,235	2,390,337	1,971,285	2,696,567
Total expenses	<u>111,029,959</u>	<u>124,953,387</u>	<u>125,339,502</u>	<u>117,181,202</u>	<u>107,182,566</u>
Program Revenues					
Charges for services:					
Instruction	482,629	323,867	1,742,412	1,832,981	1,395,797
Operation of non-instructional services	1,426,648	1,537,781	526,985	1,543,676	1,229,014
Other activities	210,003	50,931	32,509	143,868	116,806
Operating grants and contributions	25,400,926	24,120,683	25,149,505	23,143,280	22,550,802
Capital grants and contributions	728,488	1,818,361	948,647	1,523,478	2,571,589
Total program revenues	<u>28,248,694</u>	<u>27,851,623</u>	<u>28,400,058</u>	<u>28,187,283</u>	<u>27,864,008</u>
Net (Expense)/Revenue	<u>\$ (82,781,265)</u>	<u>\$ (97,101,764)</u>	<u>\$ (96,939,444)</u>	<u>\$ (88,993,919)</u>	<u>\$ (79,318,558)</u>

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (93,888,008)	\$ (79,911,987)	\$ (81,253,443)	\$ (82,296,594)	\$ (79,278,472)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	13,865,907	14,623,869	13,838,782	16,223,235	9,259,739
Property taxes, levied for debt service	132,819	5,383,310	5,862,436	5,710,089	6,263,935
Property taxes, levied for capital outlay	4,765,368	217,411	46,864		
Investment income	152,330	175,771	181,251	236,309	483,214
Unrestricted county aid	5,681,066	5,387,731	5,392,072	5,455,256	5,482,348
Unrestricted state aid	56,905,111	57,449,841	55,205,601	51,793,089	51,227,310
Unrestricted federal aid	189,953	163,415	112,020	193,841	900,614
Total general revenues	<u>81,692,554</u>	<u>83,401,348</u>	<u>80,639,026</u>	<u>79,611,819</u>	<u>73,617,160</u>
Changes in Net Position	<u>\$ (12,195,454)</u>	<u>\$ 3,489,361</u>	<u>\$ (614,417)</u>	<u>\$ (2,684,775)</u>	<u>\$ (5,661,312)</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net (Expense)/Revenue	\$ (82,781,265)	\$ (97,101,764)	\$ (96,939,444)	\$ (88,993,919)	\$ (79,318,558)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	22,508,183	14,180,200	11,413,186	17,471,158	16,750,861
Property taxes, levied for debt service	6,000,777	5,479,073	5,707,147	4,460,249	5,891,206
Property taxes, levied for capital outlay		61,069	2,061,331	2,049,561	299,075
Investment income	533,505	1,413,522	2,193,986	2,223,116	1,686,763
Unrestricted county aid	5,337,574			57,510	4,854,769
Unrestricted state aid	53,786,204	69,063,158	75,679,931	71,964,963	63,762,425
Total general revenues	<u>95,450,096</u>	<u>90,197,022</u>	<u>97,055,581</u>	<u>98,226,557</u>	<u>93,245,099</u>
Changes in Net Position	<u>\$ 12,668,831</u>	<u>\$ (6,904,742)</u>	<u>\$ 116,137</u>	<u>\$ 9,232,638</u>	<u>\$ 13,926,541</u>

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

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

(Concluded)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nonspendable	\$ 6,064,385	\$ 5,556,387	\$ 175,994	\$ 323,096	\$ 537,524
Restricted	450,070	106,997	650,049	600,832	951,474
Unassigned	13,127,836	13,610,093	21,610,269	22,089,487	24,605,787
Total General Fund	<u>\$ 19,642,291</u>	<u>\$ 19,273,477</u>	<u>\$ 22,436,312</u>	<u>\$ 23,013,415</u>	<u>\$ 26,094,785</u>
All Other Governmental Funds:					
Nonspendable	\$ 52,778	\$ 37,807	\$	\$ 64,795	\$ 66,510
Restricted	28,616,982	32,947,476	25,877,063	24,505,471	24,024,620
Unassigned	(564,026)	(844,810)	(332,710)		(1,415,531)
Total all other governmental funds	<u>\$ 28,105,734</u>	<u>\$ 32,140,473</u>	<u>\$ 25,544,353</u>	<u>\$ 24,570,266</u>	<u>\$ 22,675,599</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Reserved	\$ 258,249	\$ 358,748	\$ 313,364	\$ 918,211	\$ 935,185
Unreserved	12,828,757	1,037,730	11,686,286	15,994,713	12,929,151
Total General Fund	<u>\$ 13,087,006</u>	<u>\$ 1,396,478</u>	<u>\$ 11,999,650</u>	<u>\$ 16,912,924</u>	<u>\$ 13,864,336</u>
All Other Governmental Funds:					
Reserved	\$ 56,206	\$ 118,909	\$ 6,084	\$ 107,422	\$ 54,453
Unreserved, reported in:					
Special revenue funds	29,590,312	26,990,207	27,179,868	22,857,178	18,203,186
Capital projects funds	18,425,792	15,834,051	14,482,897	14,238,369	22,494,570
Debt service fund	195,497	165,152	529,761	507,603	1,624,364
Total all other governmental funds	<u>\$ 48,267,807</u>	<u>\$ 43,108,319</u>	<u>\$ 42,198,610</u>	<u>\$ 37,710,572</u>	<u>\$ 42,376,573</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)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 16,946,082	\$ 15,826,796	\$ 13,212,295	\$ 16,355,067	\$ 19,071,453
State Fiscal Stabilization (ARRA)					610,111
Education Jobs				1,213,608	1,226,948
National School Lunch Program	8,197,951	8,444,382	8,076,620	7,891,936	7,759,474
Total federal sources	<u>25,144,033</u>	<u>24,271,178</u>	<u>21,288,915</u>	<u>25,460,611</u>	<u>28,667,986</u>
State sources:					
State equalization assistance	51,664,830	52,183,004	50,764,114	47,936,614	47,989,669
State grants	238,353	599,679	227,691	427,363	74,427
Other revenues	5,240,281	5,334,943	4,373,381	3,856,475	3,528,502
Total state sources	<u>57,143,464</u>	<u>58,117,626</u>	<u>55,365,186</u>	<u>52,220,452</u>	<u>51,592,598</u>
Local sources:					
Property taxes	19,086,780	20,525,594	20,641,039	22,018,609	16,693,378
County aid	5,681,066	5,387,731	5,392,072	5,455,256	5,482,348
Food service sales	383,533	376,453	405,986	425,485	447,857
Investment income	152,330	175,771	181,251	236,309	483,214
Other revenues	1,108,320	1,460,019	2,000,997	1,344,328	2,699,129
Total local sources	<u>26,412,029</u>	<u>27,925,568</u>	<u>28,621,345</u>	<u>29,479,987</u>	<u>25,805,926</u>
Total revenues	<u><u>\$ 108,699,526</u></u>	<u><u>\$ 110,314,372</u></u>	<u><u>\$ 105,275,446</u></u>	<u><u>\$ 107,161,050</u></u>	<u><u>\$ 106,066,510</u></u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Federal sources:					
Federal grants	\$ 25,423,332	\$ 16,143,450	\$ 15,818,388	\$ 15,729,292	\$ 15,156,373
National School Lunch Program	7,813,343	7,636,904	7,442,199	7,148,060	6,915,334
Total federal sources	<u>33,236,675</u>	<u>23,780,354</u>	<u>23,260,587</u>	<u>22,877,352</u>	<u>22,071,707</u>
State sources:					
State equalization assistance	54,246,997	60,022,038	67,690,890	64,776,395	53,634,322
State grants	681,054	1,445,970	2,114,378	1,197,244	1,305,145
School Facilities Board			434,068	830,342	638,612
Other revenues	3,851,724	4,728,603	7,554,973	6,533,686	9,489,491
Total state sources	<u>58,779,775</u>	<u>66,196,611</u>	<u>77,794,309</u>	<u>73,337,667</u>	<u>65,067,570</u>
Local sources:					
Property taxes	27,174,243	19,082,902	19,296,659	23,979,510	22,843,859
County aid	5,337,574			57,510	4,854,769
Food service sales	537,300	514,874	543,881	549,680	550,383
Investment income	531,356	1,406,111	2,188,082	2,217,827	1,683,278
Other revenues	1,833,061	2,349,488	3,163,830	2,970,845	2,191,234
Total local sources	<u>35,413,534</u>	<u>23,353,375</u>	<u>25,192,452</u>	<u>29,775,372</u>	<u>32,123,523</u>
Total revenues	<u>\$ 127,429,984</u>	<u>\$ 113,330,340</u>	<u>\$ 126,247,348</u>	<u>\$ 125,990,391</u>	<u>\$ 119,262,800</u>

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

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

(Concluded)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 52,991,571	\$ 56,685,611	\$ 51,552,558	\$ 53,321,750	\$ 55,922,784
Support services - students and staff	14,892,002	14,648,511	14,188,032	14,527,821	14,742,103
Support services - administration	9,168,371	8,686,971	8,205,230	8,433,331	8,693,644
Operation and maintenance of plant services	9,513,387	9,257,050	8,161,022	8,824,730	10,145,316
Student transportation services	3,670,920	3,832,326	3,748,922	3,652,467	3,420,345
Operation of non-instructional services	11,941,646	11,364,010	11,317,593	10,987,135	11,033,153
Capital outlay	15,645,173	1,921,642	1,589,590	2,046,940	9,256,949
Debt service -					
Interest and fiscal charges	1,458,218	308,166	583,618	843,442	1,054,391
Principal retirement	2,547,477	5,595,000	5,320,000	5,493,994	5,293,994
Total expenditures	<u>\$ 121,828,765</u>	<u>\$ 112,299,287</u>	<u>\$ 104,666,565</u>	<u>\$ 108,131,610</u>	<u>\$ 119,562,679</u>
Expenditures for capitalized assets	\$ 3,347,957	\$ 523,801	\$ 706,958	\$ 1,433,135	\$ 7,925,680
Debt service as a percentage of noncapital expenditures	3%	5%	6%	6%	6%

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenditures:					
Current -					
Instruction	\$ 53,166,515	\$ 63,183,330	\$ 62,675,314	\$ 59,162,709	\$ 55,663,158
Support services - students and staff	15,648,436	16,215,217	15,870,191	13,232,324	12,990,715
Support services - administration	7,824,513	8,274,617	7,400,058	6,873,060	6,782,132
Operation and maintenance of plant services	9,543,416	9,007,376	9,416,638	8,803,759	7,923,511
Student transportation services	3,496,521	3,303,972	3,328,751	3,027,903	2,943,007
Operation of non-instructional services	11,157,454	11,593,620	11,271,406	10,356,955	9,760,687
Capital outlay	3,235,880	6,953,796	10,265,681	20,394,169	13,722,876
Debt service -					
Judgments against the district		214,104			
Interest and fiscal charges	2,036,621	2,837,962	2,953,360	2,217,412	3,937,521
Principal retirement	4,307,410	3,393,994	2,785,000	3,575,508	2,249,363
Total expenditures	<u>\$ 110,416,766</u>	<u>\$ 124,977,988</u>	<u>\$ 125,966,399</u>	<u>\$ 127,643,799</u>	<u>\$ 115,972,970</u>
Expenditures for capitalized assets	\$ 685,484	\$ 1,796,246	\$ 4,044,170	\$ 13,102,102	\$ 10,003,596
Debt service as a percentage of noncapital expenditures	6%	5%	5%	5%	6%

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

(Concluded)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (13,129,239)	\$ (1,984,915)	\$ 608,881	\$ (970,560)	\$ (13,496,169)
Other financing sources (uses):					
Capital lease agreements	8,940,345				
Transfers in	950,617	5,007,052	452,753	484,350	1,116,858
Transfers out	(950,617)	(5,007,052)	(452,753)	(484,350)	(1,116,858)
Total other financing sources (uses)	8,940,345				
Changes in fund balances	\$ (4,188,894)	\$ (1,984,915)	\$ 608,881	\$ (970,560)	\$ (13,496,169)
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Excess (deficiency) of revenues over expenditures	\$ 17,013,218	\$ (11,647,648)	\$ 280,949	\$ (1,653,408)	\$ 3,289,830
Other financing sources (uses):					
Premium on sale of bonds					
Capital lease agreements		1,795,976			
Transfers in	611,971	517,859	351,185	1,113,419	215,514
Transfers out	(611,971)	(517,859)	(351,185)	(1,113,419)	(215,514)
Refunding bonds issued					
Payment to refunded bond escrow agent					
Total other financing sources (uses)		1,795,976			
Changes in fund balances	\$ 17,013,218	\$ (9,851,672)	\$ 280,949	\$ (1,653,408)	\$ 3,289,830

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
PRIMARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 169,321,294	\$ 167,359,202	\$ 197,455,138	\$ 237,296,828	\$ 286,587,265
Agricultural and Vacant	5,004,736	5,224,600	6,506,720	9,803,580	9,297,970
Residential (Owner Occupied)	38,437,898	36,635,529	45,405,337	51,496,293	93,768,764
Residential (Rental)	40,423,107	35,891,751	35,834,435	43,191,208	57,329,796
Railroad, Private Cars and Airlines	4,054,360	3,742,249	4,485,648	4,098,203	4,146,658
Historical Property	162,185	233,585	205,834	194,359	244,902
Certain Government Property Improvements	36,356	34,729	36,165	38,848	-
Total	\$ 257,439,936	\$ 249,121,645	\$ 289,929,277	\$ 346,119,319	\$ 451,375,355
Estimated Actual Value (Full Cash Value)	\$ 2,299,465,664	\$ 2,089,133,974	\$ 2,309,680,503	\$ 2,682,638,363	\$ 3,675,520,197
Ratio of Primary Assessed Value to Estimated Actual Value	11%	12%	13%	13%	12%
Total Direct Rate	7.00	8.02	7.02	6.43	3.21

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 281,198,706	\$ 263,781,182	\$ 251,423,187	\$ 235,777,425	\$ 224,825,177
Agricultural and Vacant	8,877,133	8,140,882	6,784,804	6,038,770	5,848,710
Residential (Owner Occupied)	159,458,839	145,395,903	125,917,032	113,160,024	106,772,130
Residential (Rental)	66,594,348	58,395,217	51,238,871	46,624,709	43,411,018
Railroad, Private Cars and Airlines	4,344,155	5,022,825	4,483,230	3,904,676	3,513,056
Historical Property	124,695	35,335	141,129	107,985	104,255
Certain Government Property Improvements	-	-	-	-	-
Total	\$ 520,597,876	\$ 480,771,344	\$ 439,988,253	\$ 405,613,589	\$ 384,474,346
Estimated Actual Value (Full Cash Value)	\$ 4,786,823,386	\$ 4,688,583,761	\$ 3,894,829,641	\$ 3,108,159,004	\$ 2,945,260,764
Ratio of Primary Value to Estimated Actual Value	11%	10%	11%	13%	13%
Total Direct Rate	5.19	3.51	3.89	5.96	5.95

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
SECONDARY ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 171,996,491	\$ 168,365,982	\$ 198,652,109	\$ 240,373,348	\$ 321,357,251
Agricultural and Vacant	5,113,576	5,245,366	6,528,715	9,958,953	12,108,750
Residential (Owner Occupied)	44,482,896	36,685,594	45,426,648	51,534,370	93,910,439
Residential (Rental)	46,570,742	36,194,807	35,868,994	43,225,286	59,191,815
Railroad, Private Cars and Airlines	4,092,465	3,777,587	4,572,465	4,577,572	4,958,069
Historical Property	616,303	910,974	651,596	681,367	1,028,590
Certain Government Property Improvements	36,368	34,729			
Total	\$ 272,908,841	\$ 251,215,039	\$ 291,737,211	\$ 350,389,744	\$ 492,554,914
Ratio of Secondary Assessed Value to Estimated Actual Value	12%	12%	13%	13%	13%
Total Direct Rate	7.00	8.02	7.02	6.43	3.21

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 334,493,625	\$ 307,261,115	\$ 282,920,604	\$ 257,139,288	\$ 234,422,327
Agricultural and Vacant	12,425,761	11,821,691	8,857,830	7,786,648	6,626,991
Residential (Owner Occupied)	185,977,493	203,068,580	161,643,251	116,484,719	116,596,131
Residential (Rental)	81,627,436	79,438,350	64,116,545	49,268,707	49,115,379
Railroad, Private Cars and Airlines	5,132,988	5,676,258	4,958,652	4,134,071	3,843,505
Historical Property	548,655	162,535	141,129	539,915	521,285
Certain Government Property Improvements					
Total	\$ 620,205,958	\$ 607,428,529	\$ 522,638,011	\$ 435,353,348	\$ 411,125,618
Ratio of Secondary Assessed Value to Estimated Actual Value	13%	13%	13%	14%	14%
Total Direct Rate	5.19	3.51	3.89	5.96	5.95

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	16	15	15	15	17

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	22 %	23 %	24 %	25 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	18	20	21	22	21

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

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates		
	State Equalization	County	Phoenix Union High School District No. 210	Maricopa Community College	City of Phoenix	City of Glendale	Primary	Secondary	Total
	2015	0.51	1.32	4.62	1.52	1.82	2.15	1.96	5.04
2014	0.51	1.28	4.82	1.53	1.82	2.29	2.31	5.71	8.02
2013	0.47	1.24	4.27	1.38	1.82	1.90	1.83	5.19	7.02
2012	0.43	1.24	3.76	1.21	1.82	1.60	2.23	4.20	6.43
2011	0.36	1.05	3.25	0.97	1.82	1.59	0.07	3.14	3.21
2010	0.33	0.99	2.95	0.88	1.82	1.59	2.61	2.58	5.19
2009		1.03	3.06	0.94	1.82	1.60	0.96	2.55	3.51
2008		1.10	3.42	0.98	1.82	1.62	0.86	3.03	3.89
2007		1.18	3.79	1.06	1.82	1.72	2.76	3.20	5.96
2006		1.20	3.87	1.03	1.82	1.72	2.51	3.44	5.95

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2015		2006	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Grand Canyon Education, Inc.	\$ 21,481,278	7.87 %		
BNSF Railway Company	3,884,570	1.42		
Qwest Corporation	3,294,082	1.21	6,538,711	1.59 %
Luke Camelback LLC	3,020,995	1.11		
Mcclelland Family Partnership	2,879,618	1.06	9,147,735	2.23
1128 Valencia Associates LLC	2,417,580	0.89		
Mcclelland Property Company	2,174,659	0.80		
AGNL Hops LLC	2,158,285	0.79		
United Parcel Service, Inc.	2,109,889	0.77		
Plaza Del Sol 557 LLC	1,654,141	0.61		
Corning Gilbert, Inc.			4,309,880	1.05
ICG-ORE			3,783,668	0.92
Koll Bren Schreiber Realty Advisors			3,641,662	0.89
Hensley and Co.			3,276,588	0.80
Presson Equity Partners LLP			3,158,936	0.77
Burlington Nothern Santa Fe			2,802,369	0.68
Oak Park Medical Building LTD			2,546,251	0.62
RGR Family Limited Partnership			2,340,428	0.57
Total	\$ 45,075,097	16.53 %	\$ 41,546,228	10.12 %

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 18,883,916	\$ 17,974,861	95.19 %	\$	\$ 17,974,861	95.19 %
2014	20,201,848	19,097,637	94.53	1,072,555	20,170,192	99.84
2013	20,514,235	19,038,323	92.81	1,451,879	20,490,202	99.88
2012	22,355,659	20,750,187	92.82	1,576,791	22,326,978	99.87
2011	15,856,850	14,614,022	92.16	1,227,090	15,841,112	99.90
2010	29,755,973	26,656,530	89.58	2,739,814	29,396,344	98.79
2009	20,109,586	18,456,777	91.78	1,585,254	20,042,031	99.66
2008	19,563,863	18,460,376	94.36	1,037,143	19,497,519	99.66
2007	25,195,663	23,949,990	95.06	1,240,625	25,190,615	99.98
2006	23,717,385	22,653,291	95.51	1,042,531	23,695,822	99.91

Source: The source of this information is the Maricopa 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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2015	\$ 40,000	\$ 40,000	\$ -	0.00 %	\$ -	\$ 6,829,628	\$ 6,869,628	0.30 %	\$ 82	N/A %
2014	5,675,000	2,231,318	3,443,682	0.16	41		5,675,000	0.27	68	0.00
2013	11,351,760	793,960	10,557,800	0.46	127		11,351,760	0.49	136	0.01
2012	16,396,760	603,417	15,793,343	0.59	190		16,396,760	0.61	197	0.01
2011	21,241,760	4,845,000	16,396,760	0.45	197	448,994	21,690,754	0.59	260	0.02
2010	24,884,751	3,642,991	21,241,760	0.44	274	897,988	25,782,739	0.54	332	0.02
2009	28,239,173	3,138,997	25,100,176	0.54	323	1,346,982	29,586,155	0.63	381	0.02
2008	31,548,542	3,001,639	28,546,903	0.73	368		31,548,542	0.81	406	0.02
2007	35,506,479	3,611,553	31,894,926	1.03	411		35,506,479	1.14	457	0.03
2006	38,434,118	2,927,639	35,506,479	1.21	457	55,508	38,489,626	1.31	496	0.03

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

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa Community College District	\$ 712,735,000	1.13 %	\$ 8,053,906
City of Glendale	147,810,000	0.02	29,562
City of Phoenix	1,495,776,000	3.12	46,668,211
Phoenix Union High School District No. 210	321,635,000	6.50	20,906,275
Subtotal, Overlapping Debt			<u>75,657,954</u>
Direct:			
Alhambra Elementary School District No. 68			<u>6,869,628</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 82,527,582</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation		0.00 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 908	
As a Percentage of Net Secondary Assessed Valuation		27.72 %
As a Percentage of Estimated Actual Value (Full Cash Value)		3.29 %

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

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
 - 2) Outstanding debt as of June 30, 2014 is presented for the overlapping governments as this is the most recent available information.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2015:

Secondary assessed valuation	\$ 272,908,841
Debt limit (10% of assessed value)	27,290,884
Debt applicable to limit	-
Legal debt margin	<u>\$ 27,290,884</u>

Total Legal Debt Margin Calculation for Fiscal Year 2015:

Secondary assessed valuation	\$ 272,908,841
Debt limit (15% of assessed value)	40,936,326
Debt applicable to limit	40,000
Legal debt margin	<u>\$ 40,896,326</u>

Fiscal Year Ended June 30

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 40,936,326	\$ 37,682,256	\$ 43,910,582	\$ 52,558,462	\$ 73,883,237
Total net debt applicable to limit	<u>40,000</u>	<u>5,675,000</u>	<u>10,557,800</u>	<u>15,793,343</u>	<u>16,396,760</u>
Legal debt margin	<u>\$ 40,896,326</u>	<u>\$ 32,007,256</u>	<u>\$ 33,352,782</u>	<u>\$ 36,765,119</u>	<u>\$ 57,486,477</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	15%	24%	30%	22%

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 93,030,894	\$ 91,114,279	\$ 78,395,702	\$ 65,303,002	\$ 61,668,843
Total net debt applicable to limit	<u>21,241,760</u>	<u>25,100,176</u>	<u>28,546,903</u>	<u>31,894,926</u>	<u>35,506,479</u>
Legal debt margin	<u>\$ 71,789,134</u>	<u>\$ 66,014,103</u>	<u>\$ 49,848,799</u>	<u>\$ 33,408,076</u>	<u>\$ 26,162,364</u>
Total net debt applicable to the limit as a percentage of debt limit	23%	28%	36%	49%	58%

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

- Notes:** 1) The District's general obligation bonds are subject to three limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limits on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Bond premium is not subject to the statutory debt limit.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2014	4,008,651	\$ N/A	\$ N/A	5.9 %	83,303
2013	4,009,412	147,700,000	27,552	6.2	83,303
2012	3,824,058	147,374,500	38,238	9.1	83,303
2011	3,843,370	142,864,275	37,352	8.4	83,303
2010	3,817,117	142,091,618	35,319	8.5	83,303
2009	4,023,331	147,122,078	37,168	10.3	77,648
2008	3,987,942	139,665,253	36,135	4.9	77,648
2007	3,907,492	132,423,154	35,046	3.2	77,648
2006	3,792,675	120,716,738	33,178	3.5	77,648
2005	3,648,545	111,103,576	31,757	4.4	77,648

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2005 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2014, the source of the information is the Arizona Office of Employment and Population Statistics.

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	49,800	2.71 %	49,958	2.61 %
Wal-Mart Stores Inc.	30,634	1.67	28,246	1.47
Banner Health Systems	24,825	1.35	19,250	1.00
City of Phoenix	15,100	0.82	13,844	0.72
Wells Fargo Company	13,308	0.72	11,553	0.60
Bank of America	13,300	0.72		
Maricopa County	12,792	0.70	13,002	0.68
Raytheon Co.	11,500	0.63		
Arizona State University	11,185	0.61	11,202	0.58
Apollo Group Inc.	11,000	0.60		
Honeywell			10,700	0.56
Intel Corp.			10,100	0.53
U.S. Postal Service			11,000	0.57
Total	<u>193,444</u>	<u>10.53 %</u>	<u>178,855</u>	<u>9.32 %</u>
Total employment	<u>1,836,600</u>		<u>1,916,003</u>	

Source: The source of this information is The Business Journal Book of Lists.

Note: Information is presented County-wide.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Principals	15	15	15	15	15
Assistant principals	4	4	4	4	4
Other	13	12	11	11	10
Total supervisory	<u>32</u>	<u>31</u>	<u>30</u>	<u>30</u>	<u>29</u>
Instruction					
Teachers	614	622	658	666	716
Aides	112	112	121	100	109
Total instruction	<u>726</u>	<u>734</u>	<u>779</u>	<u>766</u>	<u>825</u>
Student Services					
Guidance Counselors	1	1	1	1	1
Librarians					
Other student services	15	16	16	15	17
Total student services	<u>16</u>	<u>17</u>	<u>17</u>	<u>16</u>	<u>18</u>
Support and Administration					
Food Service workers	113	113	130	116	126
Custodial/maintenance workers	100	101	111	90	95
Other classified	331	320	378	314	342
Total support and administration	<u>544</u>	<u>534</u>	<u>619</u>	<u>520</u>	<u>563</u>
Total	<u><u>1,318</u></u>	<u><u>1,316</u></u>	<u><u>1,445</u></u>	<u><u>1,332</u></u>	<u><u>1,435</u></u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Supervisory					
Principals	15	15	15	15	15
Assistant principals	4	4	4	4	4
Other	10	10	10	9	9
Total supervisory	<u>29</u>	<u>29</u>	<u>29</u>	<u>28</u>	<u>28</u>
Instruction					
Teachers	716	784	786	793	774
Aides	124	181	171	197	196
Total instruction	<u>840</u>	<u>965</u>	<u>957</u>	<u>990</u>	<u>970</u>
Student Services					
Guidance Counselors	1	9	9	12	12
Librarians		12	13	9	9
Other student services	15	16	15	15	15
Total student services	<u>16</u>	<u>37</u>	<u>37</u>	<u>36</u>	<u>36</u>
Support and Administration					
Food Service workers	132	137	139	124	124
Custodial/maintenance workers	97	99	101	98	97
Other classified	372	341	370	348	348
Total support and administration	<u>601</u>	<u>577</u>	<u>610</u>	<u>570</u>	<u>569</u>
Total	<u><u>1,486</u></u>	<u><u>1,608</u></u>	<u><u>1,633</u></u>	<u><u>1,624</u></u>	<u><u>1,603</u></u>

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

(Concluded)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2015	13,046	\$ 102,177,897	\$ 7,832	(1.19) %	\$ 120,468,886	\$ 9,234	13.98 %	726	18.0	94.5 %
2014	13,180	104,474,479	7,927	8.94	106,778,164	8,102	2.65	734	18.0	94.3
2013	13,355	97,173,357	7,276	(2.62)	105,398,708	7,892	(2.59)	779	17.1	93.9
2012	13,350	99,747,234	7,472	(5.77)	108,156,112	8,102	(5.30)	766	17.4	93.4
2011	13,111	103,957,345	7,929	6.31	112,162,546	8,555	4.17	825	15.9	92.7
2010	13,520	100,836,855	7,458	(7.46)	111,029,959	8,212	(9.01)	840	16.1	92.1
2009	13,844	111,578,132	8,060	7.75	124,953,387	9,026	5.86	965	14.3	90.8
2008	14,701	109,962,358	7,480	7.93	125,339,502	8,526	6.52	957	15.4	88.4
2007	14,640	101,456,710	6,930	5.51	117,181,202	8,004	9.22	990	14.8	88.4
2006	14,625	96,063,210	6,568	(3.35)	107,182,566	7,329	0.27	970	15.1	88.3

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

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Schools</u>										
Elementary										
Buildings	210	210	210	210	210	210	210	210	210	209
Square feet	1,363,309	1,363,309	1,363,309	1,363,309	1,363,309	1,363,309	1,363,309	1,363,309	1,363,309	1,308,881
Other										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	29,156	29,156	29,156	29,156	29,156	29,156	29,156	29,156	29,156	29,156
<u>Administrative</u>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	57	57	57	57	57	57	57	57	54	52
Playgrounds	15	15	15	15	15	15	15	15	15	15

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

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