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# ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

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## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**

**PHOENIX, ARIZONA**

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

Issued by:  
Business Services Department

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**

**TABLE OF CONTENTS**

<b><u>INTRODUCTORY SECTION</u></b>	<b><u>Page</u></b>
Letter of Transmittal	1
ASBO Certificate of Excellence	6
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Principal Officials	9
<b><u>FINANCIAL SECTION</u></b>	
INDEPENDENT AUDITOR’S REPORT	13
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	17
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	36
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	40
Statement of Assets and Liabilities – Fiduciary Funds	41
Notes to Financial Statements	42

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**

**TABLE OF CONTENTS**

<b><u>FINANCIAL SECTION</u></b>	<b><u>Page</u></b>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	66
Classroom Site Fund	67
Title I Grants Fund	68
Special Education Grants Fund	69
Schedule of Proportionate Share of the Net Pension Liability	70
Schedule of Contributions	70
Notes to Required Supplementary Information	71
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	77
Special Revenue Funds:	
Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	86
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	92

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**

**TABLE OF CONTENTS**

<b><u>FINANCIAL SECTION</u></b>	<b><u>Page</u></b>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Capital Projects Funds:	
Combining Balance Sheet	110
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	111
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	112
Agency Fund:	
Statement of Changes in Fiduciary Assets and Liabilities	118
<b><u>STATISTICAL SECTION</u></b>	
Financial Trends:	
Net Position by Component	121
Expenses, Program Revenues, and Net (Expense)/Revenue	122
General Revenues and Total Changes in Net Position	124
Fund Balances – Governmental Funds	126
Governmental Funds Revenues	128
Governmental Funds Expenditures and Debt Service Ratio	130
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	132
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	133
Net Full Cash Assessed Value of Taxable Property by Class	134

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**

**TABLE OF CONTENTS**

<b><u>STATISTICAL SECTION</u></b>	<b><u>Page</u></b>
Revenue Capacity:	
Property Tax Assessment Ratios	135
Direct and Overlapping Property Tax Rates	136
Principal Property Taxpayers	137
Property Tax Levies and Collections	138
Debt Capacity:	
Outstanding Debt by Type	139
Direct and Overlapping Governmental Activities Debt	140
Direct and Overlapping General Bonded Debt Ratios	140
Legal Debt Margin Information	141
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	142
Principal Employers	143
Operating Information:	
Full-Time Equivalent District Employees by Type	144
Operating Statistics	146
Capital Assets Information	147

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## **INTRODUCTORY SECTION**



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December 22, 2017

**SUPERINTENDENT**

Mark A. Yslas

**GOVERNING BOARD**

Adam Lopez Falk  
*President*

Ray D. Martinez, Sr.  
*Clerk*

Garthanne de Ocampo  
*Member*

Cathleen O'Neil Frantz  
*Member*

Tanairi Ochoa-Martinez  
*Member*

Citizens and Governing Board  
Alhambra Elementary School District No. 68  
4510 North 37<sup>th</sup> 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, 2017.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## **PROFILE OF THE DISTRICT**

The District is one of 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 12,453.

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 25 years. Prior to becoming superintendent, he served the Tempe Union High School District as principal of Tempe High School for 11 years. Mr. Yslas has worked in the Creighton Elementary School District, Phoenix Elementary School District, and Isaac Elementary 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 4.5% at June 30, 2017 as compared to 4.4% 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 began to increase beginning in 2015 after four consecutive years of decreases.

Maricopa County is located in the south-central portion of Arizona. Its 2016 population is 4.1 million, which remained consistent from 2015. 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.

Specifically, the District has been challenged by a lack of capital funding over the past decade. Currently, the Arizona Legislature has cut 85 percent of capital funding. This challenge makes it difficult for the District to keep pace with current needs. Most Alhambra schools were built in the early to mid-1950s and renovated in the early 1990s. Therefore, there are many capital needs due to the age of our school facilities. Thanks to the generous support of our community, the passage of our capital override election in November 2012 has allowed the District to maintain new technology in the classroom, as well as a modern bus fleet and facility upgrades. In addition, our community voted in favor of a \$45 million sale of Class B bonds in November 2017. The District's bond project will allow for the building of a District performing arts center, several new school gymnasium facilities, and the renovation of school libraries and science labs into learning facilities that meet the District vision to educate the whole child.

Finally, the District has a projected average daily membership for fiscal year 2017-18 of 11,921. District enrollment has declined over 12 percent in the last five years. Declining enrollment produces unique challenges for the District to reduce staffing and facility usage to meet current needs. In order to meet these challenges, District administration meets with a Budget Advisory Committee, made up of various staff members from across the District, who review proposed budget reductions and make recommendations to District administration. The District has engaged the services of an outside consultant to help estimate enrollment and plan for the possible restructuring of school boundaries to maximize the efficient use of District resources.

## AWARDS AND ACKNOWLEDGMENTS

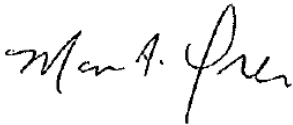
**Awards.** The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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, 2017 certificates.

**Acknowledgments.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business 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



Jeffrey E. Stratman, Esq.  
District Legal Counsel and Chief Business  
Officer



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Alhambra Elementary School District No. 68**

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

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

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

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

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

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

Presented to

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

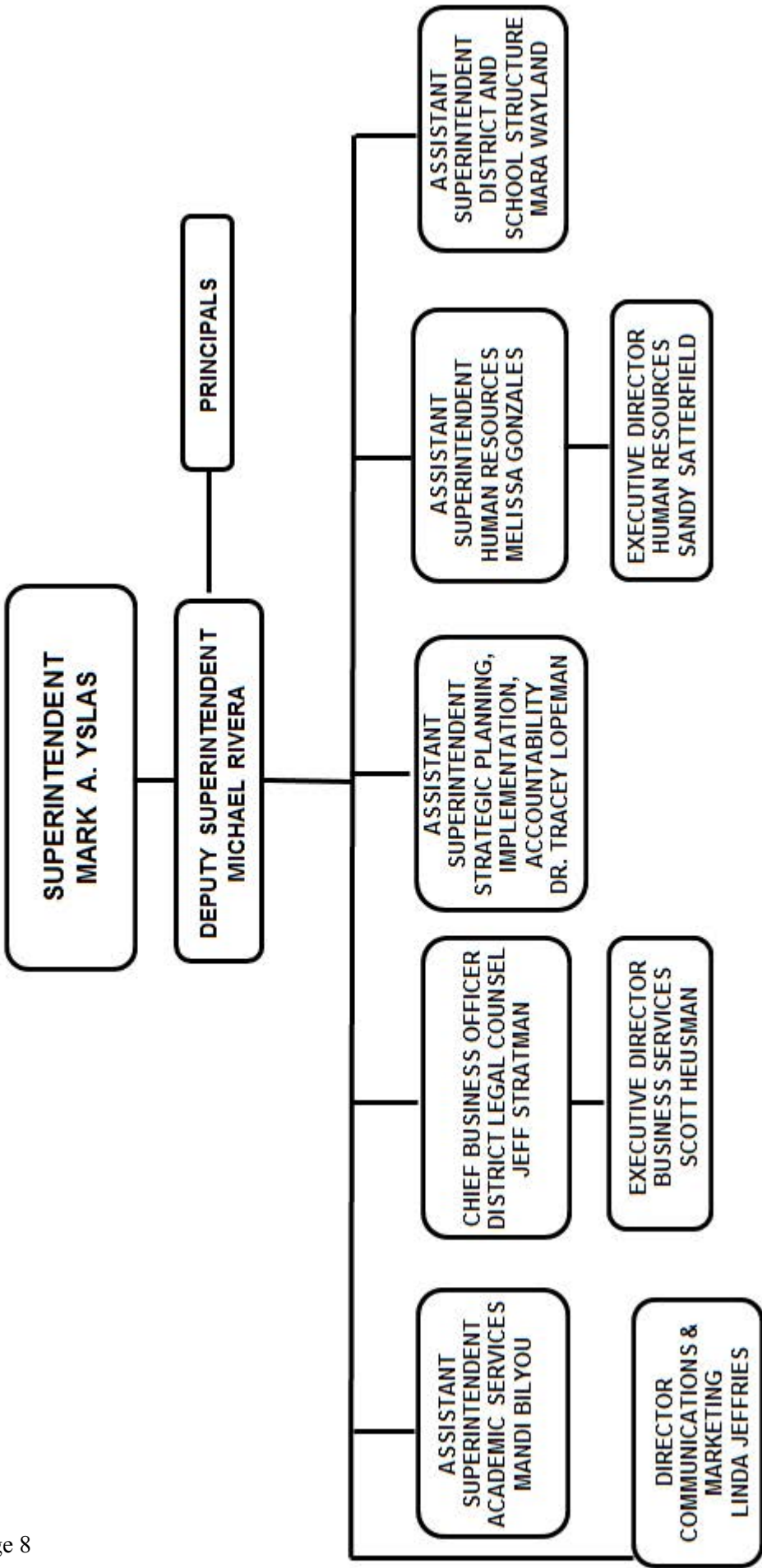
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO



# ALHAMBRA SCHOOL DISTRICT



**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Adam Lopez Falk, President

Ray D. Martinez, Sr., Clerk

Garthanne de Ocampo, Member

Tanairi Ochoa-Martinez, Member

Cathleen O'Neil Frantz, Member

**ADMINISTRATIVE STAFF**

Mark A. Yslas, Superintendent

Michael Rivera, Deputy Superintendent

Jeffrey E. Stratman, Esq., District Legal Counsel and Chief Financial Officer

Mandi Bilyou, Assistant Superintendent for Academic Services

Melissa Gonzales, Assistant Superintendent for Human Resources

Dr. Tracey Lopeman, Assistant Superintendent for Strategic Planning,  
Implementation, and Accountability

Mara Wayland, Assistant Superintendent for District Initiatives and School Structure

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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, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Alhambra Elementary School District No. 68, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

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

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

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

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2017 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.  
Phoenix, Arizona  
December 22, 2017

**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, 2017**

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, 2017. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities decreased \$4.3 million which represents an 42 percent decrease from the prior fiscal year as a result of utilization of prepaid assets from a prior fiscal year for health insurance.
- General revenues accounted for \$84.3 million in revenue, or 75 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$27.6 million or 25 percent of total current fiscal year revenues.
- The District had approximately \$116.1 million in expenses related to governmental activities, an increase of nine percent from the prior fiscal year. This increase was primarily due to the utilization of a prepaid health insurance balance during the year.
- Among major funds, the General Fund had \$73.8 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$70.1 million in expenditures. The General Fund's fund balance decreased from \$20.8 million at the prior fiscal year end, to \$20.1 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, 2017**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

**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, 2017**

**OVERVIEW OF FINANCIAL STATEMENTS**

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Classroom Site, Title I Grants, Special Education Grants, 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, the fiduciary funds do not have a measurement focus.

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$5.8 million at the current fiscal year end.

The largest 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 balance 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, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	As of June 30, 2017	As of June 30, 2016
Current assets	\$ 49,816,931	\$ 52,238,321
Capital assets, net	66,264,970	69,019,182
Total assets	<u>116,081,901</u>	<u>121,257,503</u>
Deferred outflows	<u>21,384,955</u>	<u>9,535,669</u>
Current liabilities	5,092,842	1,765,001
Long-term liabilities	112,336,618	107,685,018
Total liabilities	<u>117,429,460</u>	<u>109,450,019</u>
Deferred inflows	<u>14,241,365</u>	<u>11,276,516</u>
Net position:		
Net investment in capital assets	66,264,970	69,019,182
Restricted	24,396,055	29,077,343
Unrestricted	(84,864,994)	(88,029,888)
Total net position	<u>\$ 5,796,031</u>	<u>\$ 10,066,637</u>

At the end of the current fiscal year, the District reported deficit unrestricted net position as a result of the District's proportionate share of the state's pension plan's unfunded liability. Positive net position was reported in the other two categories. The same situation held true in the following year.

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

- Increase in accumulated depreciation of \$4.9 million.
- The principal retirement of \$2.3 million of capital assets.
- The addition of \$2.8 million in capital assets through the construction of school improvements and purchases of vehicles, furniture and equipment.
- The increase of \$6.5 million in pension liabilities.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

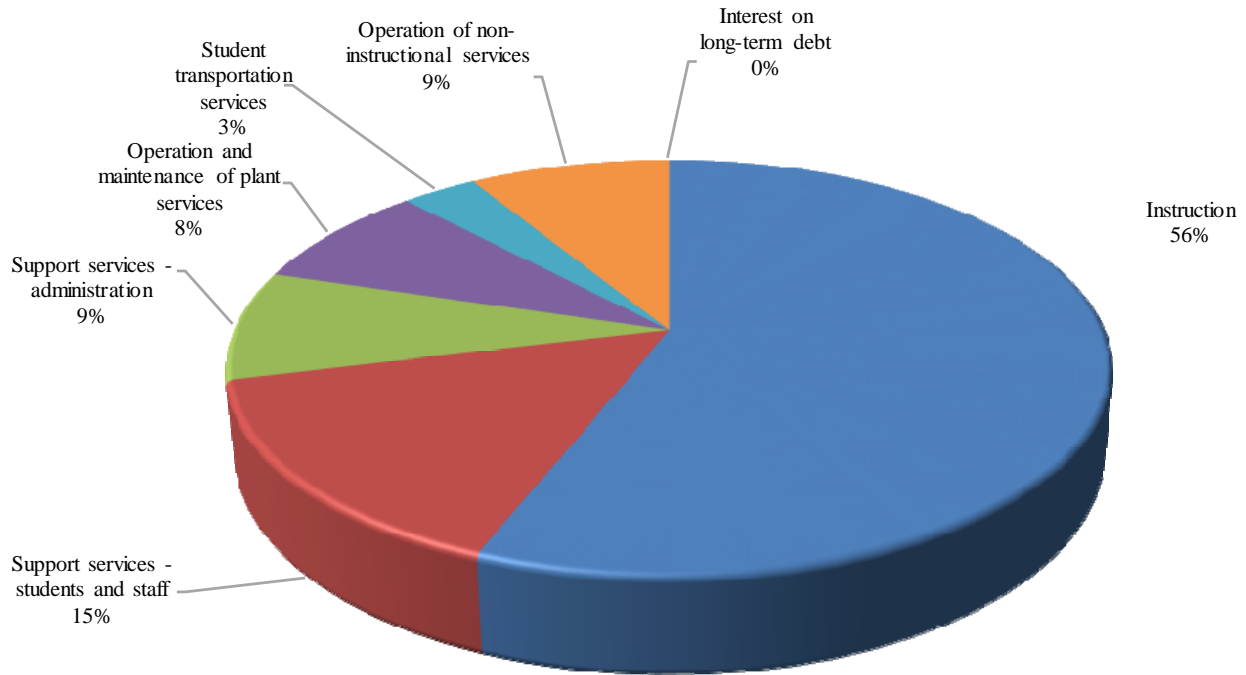
**Changes in net position.** The District's total revenues for the current fiscal year were \$111.9 million. The total cost of all programs and services was \$116.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	<u>Fiscal Year Ended June 30, 2017</u>	<u>Fiscal Year Ended June 30, 2016</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 1,360,030	\$ 1,185,429
Operating grants and contributions	25,071,366	24,741,733
Capital grants and contributions	1,182,831	130,742
General revenues:		
Property taxes	20,348,613	19,848,516
Investment income	188,434	166,050
Unrestricted county aid	5,795,451	5,841,181
Unrestricted state aid	57,655,932	59,173,248
Unrestricted federal aid	275,689	333,128
<b>Total revenues</b>	<u>111,878,346</u>	<u>111,420,027</u>
<b>Expenses:</b>		
Instruction	65,042,422	56,795,603
Support services - students and staff	17,731,025	16,153,313
Support services - administration	9,807,357	9,893,187
Operation and maintenance of plant services	9,615,816	9,567,792
Student transportation services	3,819,857	3,866,193
Operation of non-instructional services	10,132,475	10,409,248
Interest on long-term debt		3,727
<b>Total expenses</b>	<u>116,148,952</u>	<u>106,689,063</u>
<b>Changes in net position</b>	<u>(4,270,606)</u>	<u>4,730,964</u>
<b>Net position, beginning</b>	<u>10,066,637</u>	<u>5,335,673</u>
<b>Net position, ending</b>	<u>\$ 5,796,031</u>	<u>\$ 10,066,637</u>

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Expenses - Fiscal Year 2017**



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

- Increase in instruction expenses of \$8.2 due to increased purchases of capital items below the capitalization threshold and utilization of a prepaid balance for health insurance.
- Increase in capital grants and contributions of \$1.1 million due to federal grant funding for instructional electronic devices.
- Decrease in unrestricted state aid of \$1.5 million due to decreasing enrollment.

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, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	Year Ended June 30, 2017		Year Ended June 30, 2016	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 65,042,422	\$ (56,686,973)	\$ 56,795,603	\$ (48,743,886)
Support services - students and	17,731,025	(9,839,424)	16,153,313	(9,190,529)
Support services - administration	9,807,357	(8,967,113)	9,893,187	(9,101,787)
Operation and maintenance of	9,615,816	(9,087,856)	9,567,792	(9,236,692)
Student transportation services	3,819,857	(3,715,413)	3,866,193	(3,609,749)
Operation of non-instructional	10,132,475	(237,946)	10,409,248	(744,789)
Interest on long-term debt			3,727	(3,727)
<b>Total</b>	<b>\$ 116,148,952</b>	<b>\$ (88,534,725)</b>	<b>\$ 106,689,063</b>	<b>\$ (80,631,159)</b>

- The cost of all governmental activities this year was \$116.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$27.6 million.
- Net cost of governmental activities of \$88.5 million was financed by general revenues, which are made up of primarily property taxes of \$20.3 million and state and county aid of \$63.5 million.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$43.2 million, a decrease of \$5.5 million due primarily to the utilization of reserve for prepaid items for current year health insurance expenditures.



**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The General Fund comprises 47 percent of the total fund balance. Approximately \$19.2 million, or 96 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance of the General Fund decreased \$674,090 to \$20.1 million as of fiscal year end. General Fund revenues increased \$1.6 million primarily as a result of an increase in property tax revenues. General Fund expenditures decreased \$798,371 which is insignificant.

The fund balance of the Classroom Site Fund decreased \$435,660 to \$6.4 million as of fiscal year end.

Title I Grants Fund revenues and expenditures/transfers out both increased 27 percent to \$9.0 million, respectively. This is primarily due to an increase in the funding allocation.

Special Education Grants Fund revenues and expenditures/transfers out decreased four percent to \$2.2 million. This is primarily due to a decrease in the funding allocation.

The fund balance of the Unrestricted Capital Outlay Fund decreased from \$8.5 million to \$4.4 million due to planned air conditioning, fire alarm, and bus replacements.

**BUDGETARY HIGHLIGHTS**

The difference between the original budget and the final amended budget was a \$165,883 decrease, or less than one percent, which is not significant.

**BUDGETARY HIGHLIGHTS**

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 variance is summarized as follows:

- The favorable variance of \$2.4 million in instruction was a result of the continuance of conservative spending practices to ensure a healthy budget balance carryforward for future fiscal years.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$173.9 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 \$2.2 million from the prior fiscal year. Total depreciation expense for the current fiscal year was \$5.6 million.

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

	As of June 30, 2017	As of June 30, 2016
Capital assets - non-depreciable	\$ 2,918,315	\$ 3,328,315
Capital assets - depreciable, net	63,346,655	65,690,867
Total	\$ 66,264,970	\$ 69,019,182

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

**Debt Administration.** At year end, the District had \$2.3 million in long-term debt outstanding, \$2.3 million due within one year. Long-term debt decreased by \$2.3 million due to capital lease payments.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$59.6 million and the Class B debt limit is \$39.7 million. At fiscal year end, the District had no outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Notes 8 and 9.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2017-18 budget. Among them:

- Fiscal year 2016-17 budget balance carry forward (estimated \$3.0 million).
- District student population (estimated 11,921).

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

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

Budgeted expenditures in the General Fund decreased five percent to \$72.2 million in fiscal year 2017-18 due to decreased average daily membership. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2017-18 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Standard School District, Alhambra Elementary School District No. 68, 4510 North 37<sup>th</sup> 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, 2017**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 24,272,158
Property taxes receivable	1,124,982
Due from governmental entities	24,188,190
Inventory	231,601
Total current assets	49,816,931
Noncurrent assets:	
Capital assets not being depreciated	2,918,315
Capital assets, net of accumulated depreciation	63,346,655
Total noncurrent assets	66,264,970
<b>Total assets</b>	<b>116,081,901</b>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension plan items	21,384,955
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	4,087,890
Accrued payroll and employee benefits	942,972
Compensated absences payable	249,956
Unearned revenues	61,980
Obligations under capital leases	2,276,543
Total current liabilities	7,619,341
Noncurrent liabilities:	
Non-current portion of long-term obligations	109,810,119
Total noncurrent liabilities	109,810,119
<b>Total liabilities</b>	<b>117,429,460</b>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	14,241,365
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	66,264,970
Restricted for:	
Voter approved initiatives	10,422,439
Federal and state projects	32,231
Food service	2,027,041
Community school	1,993,901
Insurance	3,511,592
Civic center	727,146
Extracurricular activities	388,418
Other local initiatives	67,170
Capital outlay	5,226,117
Unrestricted	(84,864,994)
<b>Total net position</b>	<b>\$ 5,796,031</b>

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, 2017**

<b>Functions/Programs</b>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 65,042,422	\$ 466,653	\$ 6,705,965	\$ 1,182,831	\$ (56,686,973)
Support services - students and staff	17,731,025	21,704	7,869,897		(9,839,424)
Support services - administration	9,807,357	8,681	831,563		(8,967,113)
Operation and maintenance of plant services	9,615,816	167,776	360,184		(9,087,856)
Student transportation services	3,819,857	13,022	91,422		(3,715,413)
Operation of non-instructional services	10,132,475	682,194	9,212,335		(237,946)
<b>Total governmental activities</b>	<u>\$ 116,148,952</u>	<u>\$ 1,360,030</u>	<u>\$ 25,071,366</u>	<u>\$ 1,182,831</u>	<u>(88,534,725)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	15,445,997
Property taxes, levied for capital outlay	4,902,616
Investment income	188,434
Unrestricted county aid	5,795,451
Unrestricted state aid	57,655,932
Unrestricted federal aid	275,689
<b>Total general revenues</b>	<u>84,264,119</u>

**Changes in net position** (4,270,606)

**Net position, beginning of year** 10,066,637

**Net position, end of year** \$ 5,796,031

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, 2017**

	General	Classroom Site	Title I Grants
<b><u>ASSETS</u></b>			
Cash and investments	\$ 406,080	\$ 6,404,502	\$
Property taxes receivable	964,383		
Due from governmental entities	17,077,883		3,517,990
Due from other funds	3,678,014		
Inventory	219,538		
<b>Total assets</b>	<b>\$ 22,345,898</b>	<b>\$ 6,404,502</b>	<b>\$ 3,517,990</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 650,696	\$ 4,355	\$ 62,942
Due to other funds			3,336,292
Accrued payroll and employee benefits	674,251		118,756
Unearned revenues			
<b>Total liabilities</b>	<b>1,324,947</b>	<b>4,355</b>	<b>3,517,990</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	879,785		
Unavailable revenues - intergovernmental			
<b>Total deferred inflows of resources</b>	<b>879,785</b>		
Fund balances (deficits):			
Nonspendable	219,538		
Restricted	681,467	6,400,147	
Unassigned	19,240,161		
<b>Total fund balances</b>	<b>20,141,166</b>	<b>6,400,147</b>	
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 22,345,898</b>	 <b>\$ 6,404,502</b>	 <b>\$ 3,517,990</b>

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

Special Education Grants	Unrestricted Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
\$	\$ 4,718,211	\$ 12,743,365	\$ 24,272,158
	160,599		1,124,982
2,239,014	2,923,490	1,353,303	24,188,190
		12,063	6,601,504
			231,601
<u>\$ 2,239,014</u>	<u>\$ 7,802,300</u>	<u>\$ 14,108,731</u>	<u>\$ 56,418,435</u>
\$	\$ 3,274,556	\$ 95,341	\$ 4,087,890
2,235,882		1,029,330	6,601,504
3,132		146,833	942,972
		61,980	61,980
<u>2,239,014</u>	<u>3,274,556</u>	<u>1,333,484</u>	<u>11,694,346</u>
	108,306		988,091
		507,092	507,092
	<u>108,306</u>	<u>507,092</u>	<u>1,495,183</u>
		12,063	231,601
	4,419,438	12,742,403	24,243,455
		(486,311)	18,753,850
	<u>4,419,438</u>	<u>12,268,155</u>	<u>43,228,906</u>
<u>\$ 2,239,014</u>	<u>\$ 7,802,300</u>	<u>\$ 14,108,731</u>	<u>\$ 56,418,435</u>

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

**Total governmental fund balances** **\$ 43,228,906**

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	\$ 173,935,191	
Less accumulated depreciation	<u>(107,670,221)</u>	66,264,970

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

Property taxes	988,091	
Intergovernmental	<u>507,092</u>	1,495,183

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	21,384,955	
Deferred inflows of resources related to pensions	<u>(14,241,365)</u>	7,143,590

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

Compensated absences payable	(2,012,190)	
Obligations under capital leases	(2,276,543)	
Net pension liability	<u>(108,047,885)</u>	<u>(112,336,618)</u>

**Net position of governmental activities** **\$ 5,796,031**

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

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**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>General</u>	<u>Classroom Site</u>	<u>Title I Grants</u>
<b>Revenues:</b>			
Other local	\$ 6,433,251	\$ 31,016	\$
Property taxes	15,466,708		
State aid and grants	51,619,818	4,878,145	
Federal aid, grants and reimbursements	<u>275,689</u>		<u>9,007,159</u>
<b>Total revenues</b>	<u>73,795,466</u>	<u>4,909,161</u>	<u>9,007,159</u>
<b>Expenditures:</b>			
Current -			
Instruction	41,706,383	5,033,386	2,065,085
Support services - students and staff	8,271,339	83,730	5,456,488
Support services - administration	8,029,923		365,889
Operation and maintenance of plant services	8,763,493		2,013
Student transportation services	2,907,673		58,714
Operation of non-instructional services	264,501		
Capital outlay	194,314		985,335
Debt service -			
Principal retirement			
<b>Total expenditures</b>	<u>70,137,626</u>	<u>5,117,116</u>	<u>8,933,524</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,657,840</u>	<u>(207,955)</u>	<u>73,635</u>
<b>Other financing sources (uses):</b>			
Transfers in	541,070		
Transfers out			(73,635)
Insurance recoveries	<u>59,736</u>		
<b>Total other financing sources (uses):</b>	<u>600,806</u>		<u>(73,635)</u>
<b>Changes in fund balances</b>	<u>4,258,646</u>	<u>(207,955)</u>	
<b>Fund balances, beginning of year, as restated</b>	20,815,256	6,835,807	198,084
Increase (decrease) in reserve for prepaid items	(4,914,437)	(227,705)	(198,084)
Increase (decrease) in reserve for inventory	(18,299)		
<b>Fund balances, end of year</b>	<u>\$ 20,141,166</u>	<u>\$ 6,400,147</u>	<u>\$</u>

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

Special Education Grants	Unrestricted Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
\$	\$ 30,739	\$ 1,073,090	\$ 7,568,096
	4,940,174	3	20,406,885
	640,119	798,221	57,936,303
2,239,014		14,636,430	26,158,292
<u>2,239,014</u>	<u>5,611,032</u>	<u>16,507,744</u>	<u>112,069,576</u>
1,461,885		3,257,998	53,524,737
590,993		1,708,118	16,110,668
11,041		839,061	9,245,914
		372,309	9,137,815
		32,402	2,998,789
		9,215,025	9,479,526
13,771	7,421,973	303,045	8,918,438
	2,276,542		2,276,542
<u>2,077,690</u>	<u>9,698,515</u>	<u>15,727,958</u>	<u>111,692,429</u>
<u>161,324</u>	<u>(4,087,483)</u>	<u>779,786</u>	<u>377,147</u>
(161,324)		(306,111)	541,070
			(541,070)
<u>(161,324)</u>		<u>(306,111)</u>	<u>59,736</u>
			59,736
	(4,087,483)	473,675	436,883
64,439	8,515,323	12,298,262	48,727,171
(64,439)	(8,402)	(486,785)	(5,899,852)
		(16,997)	(35,296)
<u>\$</u>	<u>\$ 4,419,438</u>	<u>\$ 12,268,155</u>	<u>\$ 43,228,906</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, 2017**

**Changes in fund balances - total governmental funds** **\$ 436,883**

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	\$ 2,835,937	
Less current year depreciation	<u>(5,558,447)</u>	(2,722,510)

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

Property taxes	(58,272)	
Intergovernmental	<u>(192,694)</u>	(250,966)

Repayments of capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 2,276,542

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	7,043,807	
Pension expense	<u>(4,657,394)</u>	2,386,413

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

Prepaid items	(5,899,852)	
Inventory	(35,296)	
Loss on disposal of assets	(31,702)	
Compensated absences	<u>(430,118)</u>	<u>(6,396,968)</u>

**Changes in net position in governmental activities** **\$ (4,270,606)**

**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, 2017**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 124,218
<b>Total assets</b>	<b>\$ 124,218</b>
 <b><u>LIABILITIES</u></b>	
Due to student groups	\$ 124,218
<b>Total liabilities</b>	<b>\$ 124,218</b>

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, 2017**

**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.

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, 2017**

**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, 2017**

**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, 2017**

**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.

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

Special Education Grants – The Special Education Grants Fund accounts for supplemental financial assistance received to provide a free, appropriate public education to disabled children.

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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**E. Investment Income**

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

**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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**G. Property Tax Calendar**

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

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

**H. Inventory**

All inventories are valued 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.



**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Land improvements	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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**M. Pensions**

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

**N. Long-term Obligations**

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

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

**O. Interfund Activity**

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

**P. Net Position Flow Assumption**

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Q. Estimates**

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

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

***Nonspendable.*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or 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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

	General Fund	Classroom Site Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 219,538	\$	\$	12,063
Restricted:				
Debt service				
Capital projects	681,467		4,419,438	16,906
Voter approved initiatives		6,400,147		4,022,292
Food service				2,014,978
Civic center				727,146
Community school				1,993,901
Extracurricular activities				388,418
Insurance				3,511,592
Other local initiatives				67,170
Unassigned	19,240,161			(486,311)
Total fund balances	\$20,141,166	\$ 6,400,147	\$ 4,419,438	\$ 12,268,155

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

	<u>Deficit</u>
Non-Major Governmental Funds:	
County, City and Town Grants	\$ (11,450)
E-Rate	(341,722)
Other Federal Projects	(133,139)

The deficits arose because of operations during the year and prior years. Additional revenues received in fiscal year 2017-18 are expected to eliminate the deficit in the E-Rate Fund. The deficit in the County, City, and Town Grants Fund will be closed out to another fund in the subsequent fiscal year. The majority of the deficit in the Other Federal Projects Fund will be closed out to another fund in the subsequent fiscal year.

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

**NOTE 4 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$145,556 and the bank balance was \$192,047.

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

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

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4 – CASH AND INVESTMENTS**

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

Investment Type	Average Maturities	Fair Value
County Treasurer’s investment pool	457 days	\$ 24,250,820
Total		\$ 24,250,820

*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.

**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	Title I Grants Fund	Special Education Grant Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$	\$ 3,517,990	\$ 2,239,014	\$ 1,353,303
Due from state government	17,077,883			
Net due from governmental entities	\$ 17,077,883	\$ 3,517,990	\$ 2,239,014	\$ 1,353,303

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6 – CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 2,918,315	\$	\$	\$ 2,918,315
Construction in progress	410,000	78,795	488,795	
Total capital assets, not being depreciated	<u>3,328,315</u>	<u>78,795</u>	<u>488,795</u>	<u>2,918,315</u>
Capital assets, being depreciated:				
Land improvements	17,319,824	375,511		17,695,335
Buildings and improvements	141,547,898	1,409,348	27,644	142,929,602
Vehicles, furniture and equipment	9,554,096	1,461,078	623,235	10,391,939
Total capital assets being depreciated	<u>168,421,818</u>	<u>3,245,937</u>	<u>650,879</u>	<u>171,016,876</u>
Less: Accumulated depreciation for:				
Land improvements	(11,657,809)	(786,596)		(12,444,405)
Buildings and improvements	(84,016,386)	(4,152,582)	(2,649)	(88,166,319)
Vehicles, furniture and equipment	(7,056,756)	(619,269)	(616,528)	(7,059,497)
Total accumulated depreciation	<u>(102,730,951)</u>	<u>(5,558,447)</u>	<u>(619,177)</u>	<u>(107,670,221)</u>
Total capital assets, being depreciated, net	<u>65,690,867</u>	<u>(2,312,510)</u>	<u>31,702</u>	<u>63,346,655</u>
Governmental activities capital assets, net	<u>\$ 69,019,182</u>	<u>\$ (2,233,715)</u>	<u>\$ 520,497</u>	<u>\$ 66,264,970</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,959,394
Support services – students and staff	1,218,926
Support services – administration	221,227
Operation and maintenance of plant services	218,858
Student transportation services	382,411
Operation of non-instructional services	557,631
Total depreciation expense – governmental activities	<u>\$ 5,558,447</u>

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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. Short-term debt activity for the current fiscal year was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$	\$ 1,107,000	\$ 1,107,000	\$

**NOTE 8 – OBLIGATIONS UNDER 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.

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

	Governmental Activities
Year Ending June 30:	
2018	\$ 2,276,543
Total minimum lease payments	2,276,543
Present value of minimum lease payments	2,276,543
Due within one year	\$ 2,276,543

**Operating Leases** – The District leases copiers under the provisions of a long-term lease agreement classified as an operating lease for accounting purposes. Rental expenditures under the terms of the operating lease totaled \$63,696 for the current fiscal year. The operating lease has a remaining noncancelable lease term of four years. The future minimum rental payments required under the operating lease at year end were as follows:

Year Ending June 30:		
2018	\$	63,696
2019		63,696
2020		63,696
2021		63,696
Total minimum payments required	\$	254,784



**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 9 – 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
<b>Governmental activities:</b>					
Obligations under capital leases	\$ 4,553,085	\$	\$ 2,276,542	\$ 2,276,543	\$ 2,276,543
Net pension liability	101,549,861	6,498,024		108,047,885	
Compensated absences payable	1,582,072	1,250,517	820,399	2,012,190	249,956
Governmental activity long-term liabilities	<u>\$107,685,018</u>	<u>\$ 7,748,541</u>	<u>\$ 3,096,941</u>	<u>\$112,336,618</u>	<u>\$ 2,526,499</u>

**NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows:

**Due to/from other funds:**

	Title I Grants Fund	Special Education Grant Fund	Non-Major Governmental Funds	Total Due from Other Funds
General Fund	\$ 3,336,292	\$	\$ 341,722	\$ 3,678,014
Unrestricted Capital Outlay		2,235,882	687,608	2,923,490
Total Due to Other Funds	<u>\$ 3,336,292</u>	<u>\$ 2,235,882</u>	<u>\$ 1,029,330</u>	<u>\$ 6,601,504</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 represent activity to record E-Rate transactions in accordance with USFR Memorandum No. 161.

**Interfund transfers:**

Transfers between funds were used to move federal grants funds of \$541,070 restricted for indirect costs.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 11 – CONTINGENT LIABILITIES**

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

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

**NOTE 12 – PRIOR PERIOD ADJUSTMENT**

The July 1, 2016 fund balance of the General, Classroom Site, Title I Grants, Special Education Grants, Unrestricted Capital Outlay and Non-Major Governmental Funds do not agree to the prior year financial statements due to a correction of an error. Prepaid health insurance transactions were recorded only in the General Fund rather than the specific funds making the corresponding expenditures. Therefore, fund balance related to prepaid health insurance should be transferred from the General Fund to the other funds to properly state the prepaid health insurance fund balance associated with each fund at the end of the prior fiscal year.

	Governmental Funds					
	General Fund	Classroom Site Fund	Title I Grants Fund	Special Education Grant Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Fund balance, June 30, 2016, as previously reported	\$ 21,800,671	\$6,608,102	\$	\$	\$ 8,506,921	\$ 11,811,477
Prepays reported in incorrect funds in prior year	(985,415)	227,705	198,084	64,439	8,402	486,785
Fund balance, July 1, 2016, as restated	<u>\$ 20,815,256</u>	<u>\$6,835,807</u>	<u>\$ 198,084</u>	<u>\$ 64,439</u>	<u>\$ 8,515,323</u>	<u>\$ 12,298,262</u>

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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.

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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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](http://www.azasrs.gov).

**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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2017 were \$7,043,807.

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

The District’s pension contributions are paid by the same fund as the employee’s salary, with the largest component coming from the General Fund. 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:				
2017	\$	365,912	\$	91,478
2016		311,732		74,816
2015		353,366		71,871

**Pension Liability.** At June 30, 2017, the District reported a liability of \$108.0 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District’s proportion was .67 percent, which was an increase of .02 percent from its proportion measured as of June 30, 2015.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Pension Expense and Deferred Outflows/Inflows of Resources.** The District has deferred outflows and inflows of resources related to the net pension liability of retirement benefits. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. For the year ended June 30, 2017, the District recognized pension expense of \$4.7 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	\$ 656,600	\$ 7,432,905
Changes of assumptions or other inputs		5,716,596
Net difference between projected and actual earnings on pension plan investments	11,708,794	
Changes in proportion and differences between contributions and proportionate share of contributions	1,975,754	1,091,864
Contributions subsequent to the measurement date	<u>7,043,807</u>	
Total	<u>\$21,384,955</u>	<u>\$14,241,365</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2018	\$	(5,142,558)
2019		(2,991,219)
2020		4,950,448
2021		3,283,112

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2015
Actuarial roll forward date	June 30, 2016
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, 2015 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$137,769,258	\$108,047,885	\$84,217,840

**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](http://www.azasrs.gov).

**NOTE 14 – SUBSEQUENT EVENTS**

In July 2017, the District acquired computers under the provisions of a long-term lease agreement classified as capital lease. The total present value of the minimum lease payments of \$8.5 million is payable over the next four years. Revenues from the Unrestricted Capital Outlay Fund will be used to pay the capital lease obligations.

In August 2017, the District authorized the acquisition of energy efficient building upgrades under the provisions of a long-term lease agreement classified as capital lease. The total present value of the minimum lease payments of \$11.9 million is payable over the next 20 years. Revenues from a future bond issuance will be used to pay the capital lease obligations.

In November 2017, voters of the District authorized the issuance of \$45 million of Class B general obligation bonds for the construction of a performing arts center, construction of gymnasiums, and renovation of existing library and science facilities to accommodate the learning needs of the current student population.



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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, 2017**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 5,986,159	\$ 5,986,159
Property taxes			15,466,708	15,466,708
State aid and grants			51,619,818	51,619,818
<b>Total revenues</b>			<u>73,072,685</u>	<u>73,072,685</u>
<b>Expenditures:</b>				
Current -				
Instruction	45,827,327	45,827,260	43,456,602	2,370,658
Support services - students and staff	8,246,414	8,246,414	8,393,723	(147,309)
Support services - administration	8,396,855	8,396,855	8,347,120	49,735
Operation and maintenance of plant services	9,803,022	9,637,206	9,031,567	605,639
Student transportation services	3,477,089	3,477,089	3,264,788	212,301
Operation of non-instructional services	233,590	233,590	259,572	(25,982)
<b>Total expenditures</b>	<u>75,984,297</u>	<u>75,818,414</u>	<u>72,753,372</u>	<u>3,065,042</u>
<b>Changes in fund balances</b>	<u>(75,984,297)</u>	<u>(75,818,414)</u>	<u>319,313</u>	<u>76,137,727</u>
<b>Fund balances, beginning of year, as restated</b>			4,676,501	4,676,501
Increase (decrease) in reserve for prepaid items			861,717	861,717
Increase (decrease) in reserve for inventory			(18,299)	(18,299)
<b>Fund balances (deficits), end of year</b>	<u>\$ (75,984,297)</u>	<u>\$ (75,818,414)</u>	<u>\$ 5,839,232</u>	<u>\$ 81,657,646</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, 2017**

	<u>Budgeted Amounts</u>		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other local	\$	\$	\$ 31,016	\$ 31,016
State aid and grants			4,878,145	4,878,145
<b>Total revenues</b>			<u>4,909,161</u>	<u>4,909,161</u>
<b>Expenditures:</b>				
Current -				
Instruction	11,556,276	11,357,027	5,326,951	6,030,076
Support services - students and staff	173,738	173,738	83,730	90,008
<b>Total expenditures</b>	<u>11,730,014</u>	<u>11,530,765</u>	<u>5,410,681</u>	<u>6,120,084</u>
<b>Changes in fund balances</b>	<u>(11,730,014)</u>	<u>(11,530,765)</u>	<u>(501,520)</u>	<u>11,029,245</u>
<b>Fund balances, beginning of year, as restated</b>			6,835,807	6,835,807
Increase (decrease) in reserve for prepaid items			65,860	65,860
<b>Fund balances (deficits), end of year</b>	<u>\$ (11,730,014)</u>	<u>\$ (11,530,765)</u>	<u>\$ 6,400,147</u>	<u>\$ 17,930,912</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**  
**TITLE I GRANTS**  
**YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts	Non-GAAP	Variance with Final Budget Positive (Negative)
	Original & Final	Actual	(Negative)
<b>Revenues:</b>			
Federal aid, grants and reimbursements	\$	\$ 9,007,159	\$ 9,007,159
<b>Total revenues</b>	\$	9,007,159	9,007,159
<b>Expenditures:</b>			
Current -			
Instruction	2,637,809	2,068,519	569,290
Support services - students and staff	6,729,807	5,775,016	954,791
Support services - administration	451,272	365,889	85,383
Operation and maintenance of plant services	2,480	2,013	467
Student transportation services	72,415	58,714	13,701
Capital outlay	1,215,270	985,335	229,935
<b>Total expenditures</b>	11,109,053	9,255,486	1,853,567
<b>Excess (deficiency) of revenues over expenditures</b>	(11,109,053)	(248,327)	10,860,726
<b>Other financing sources (uses):</b>			
Transfers out		(73,635)	(73,635)
<b>Total other financing sources (uses):</b>		(73,635)	(73,635)
<b>Changes in fund balances</b>	(11,109,053)	(321,962)	10,787,091
<b>Fund balances, beginning of year, as restated</b>		198,084	198,084
Increase (decrease) in reserve for prepaid items		123,878	123,878
<b>Fund balances (deficits), end of year</b>	\$ (11,109,053)	\$	\$ 11,109,053

See accompanying notes to this schedule.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
SPECIAL EDUCATION GRANTS  
YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original &amp; Final</u>	Non-GAAP Actual	<u>Positive (Negative)</u>
<b>Revenues:</b>			
Federal aid, grants and reimbursements	\$	\$ 2,239,014	\$ 2,239,014
<b>Total revenues</b>		<u>2,239,014</u>	<u>2,239,014</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,337,422	1,531,969	805,453
Support services - students and staff	748,490	635,656	112,834
Support services - administration	15,390	11,041	4,349
Capital outlay	19,190	13,771	5,419
<b>Total expenditures</b>	<u>3,120,492</u>	<u>2,192,437</u>	<u>928,055</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,120,492)</u>	<u>46,577</u>	<u>3,167,069</u>
<b>Other financing sources (uses):</b>			
Transfers out		(161,324)	(161,324)
<b>Total other financing sources (uses):</b>		<u>(161,324)</u>	<u>(161,324)</u>
<b>Changes in fund balances</b>	<u>(3,120,492)</u>	<u>(114,747)</u>	<u>3,005,745</u>
<b>Fund balances, beginning of year, as restated</b>		64,439	64,439
Increase (decrease) in reserve for prepaid items		50,308	50,308
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,120,492)</u>	<u>\$</u>	<u>\$ 3,120,492</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**  
**LAST THREE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.67%	0.65%	0.66%
District's proportionate share of the net pension liability (asset)	\$ 108,047,885	\$ 101,549,861	\$ 98,382,802
District's covered payroll	\$ 62,346,488	\$ 59,892,534	\$ 59,833,374
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	173.30%	169.55%	164.43%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

**SCHEDULE OF CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST THREE FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 7,043,807	\$ 6,764,594	\$ 6,522,297
Contributions in relation to the actuarially determined contribution	<u>7,043,807</u>	<u>6,764,594</u>	<u>6,522,297</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 65,341,438	\$ 62,346,488	\$ 59,892,534
Contributions as a percentage of covered payroll	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2017**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	<u>General Fund</u>		Classroom Site Fund Total	Title I Grants Fund Total	Special Education Grants Fund Total
	Total <u>Expenditures</u>	Fund Balances <u>End of Year</u>			
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$70,137,626	\$ 20,141,166	\$ 5,117,116	\$ 8,933,524	\$ 2,077,690
Activity budgeted as special revenue funds	(2,068,978)	(13,625,246)			
Activity budgeted as capital projects funds	(2,520)	(676,688)			
Current-year prepaid items	5,822,469		293,565	321,962	114,747
Prior-year prepaid items	(1,135,225)				
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$72,753,372</u>	<u>\$ 5,839,232</u>	<u>\$ 5,410,681</u>	<u>\$ 9,255,486</u>	<u>\$ 2,192,437</u>

**NOTE 2 – PENSION PLAN SCHEDULES**

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

**Factors that Affect Trends.** The actuarial assumptions used in the June 30, 2015, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013sof, 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, 2017**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 12,726,459	\$ 16,906	\$ 12,743,365
Due from governmental entities	1,353,303		1,353,303
Inventory	12,063		12,063
<b>Total assets</b>	<b><u><u>\$ 14,091,825</u></u></b>	<b><u><u>\$ 16,906</u></u></b>	<b><u><u>\$ 14,108,731</u></u></b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 95,341	\$	\$ 95,341
Due to other funds	1,029,330		1,029,330
Accrued payroll and employee benefits	146,833		146,833
Unearned revenues	61,980		61,980
<b>Total liabilities</b>	<b><u><u>1,333,484</u></u></b>		<b><u><u>1,333,484</u></u></b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>507,092</u>		<u>507,092</u>
Fund balances (deficits):			
Nonspendable	12,063		12,063
Restricted	12,725,497	16,906	12,742,403
Unassigned	(486,311)		(486,311)
<b>Total fund balances</b>	<b><u><u>12,251,249</u></u></b>	<b><u><u>16,906</u></u></b>	<b><u><u>12,268,155</u></u></b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b><u><u>\$ 14,091,825</u></u></b>	 <b><u><u>\$ 16,906</u></u></b>	 <b><u><u>\$ 14,108,731</u></u></b>

**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, 2017**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 1,072,992	\$ 98	\$ 1,073,090
Property taxes		3	3
State aid and grants	798,221		798,221
Federal aid, grants and reimbursements	14,636,430		14,636,430
<b>Total revenues</b>	<u>16,507,643</u>	<u>101</u>	<u>16,507,744</u>
<b>Expenditures:</b>			
Current -			
Instruction	3,257,998		3,257,998
Support services - students and staff	1,708,118		1,708,118
Support services - administration	839,061		839,061
Operation and maintenance of plant services	372,309		372,309
Student transportation services	32,402		32,402
Operation of non-instructional services	9,215,025		9,215,025
Capital outlay	303,045		303,045
<b>Total expenditures</b>	<u>15,727,958</u>		<u>15,727,958</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>779,685</u>	<u>101</u>	<u>779,786</u>
<b>Other financing sources (uses):</b>			
Transfers out	(306,111)		(306,111)
<b>Total other financing sources (uses):</b>	<u>(306,111)</u>		<u>(306,111)</u>
<b>Changes in fund balances</b>	<u>473,574</u>	<u>101</u>	<u>473,675</u>
<b>Fund balances, beginning of year, as restated</b>	12,281,457	16,805	12,298,262
Increase (decrease) in reserve for prepaid items	(486,785)		(486,785)
Increase (decrease) in reserve for inventory	(16,997)		(16,997)
<b>Fund balances, end of year</b>	<u>\$ 12,251,249</u>	<u>\$ 16,906</u>	<u>\$ 12,268,155</u>

## 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.

**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.

**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, 2017**

	Instructional Improvement	County, City, and Town Grants	Professional Development and Technology Grants
<b><u>ASSETS</u></b>			
Cash and investments	\$ 4,033,186	\$	\$
Due from governmental entities			179,407
Inventory			
<b>Total assets</b>	<b>\$ 4,033,186</b>	<b>\$</b>	<b>\$ 179,407</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 23,916
Due to other funds		11,450	137,621
Accrued payroll and employee benefits	10,894		17,870
Unearned revenues			
<b>Total liabilities</b>	<b>10,894</b>	<b>11,450</b>	<b>179,407</b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	4,022,292		
Unassigned		(11,450)	
<b>Total fund balances</b>	<b>4,022,292</b>	<b>(11,450)</b>	
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,033,186</b>	<b>\$</b>	<b>\$ 179,407</b>

<u>Title IV Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Indian Education</u>	<u>Johnson O'Malley</u>	<u>Homeless Education</u>	<u>E-Rate</u>
\$ 44,863	\$ 2,049	\$ 35,577	\$ 468	\$ 5,319	\$ 341,722
<u>\$ 44,863</u>	<u>\$ 2,049</u>	<u>\$ 35,577</u>	<u>\$ 468</u>	<u>\$ 5,319</u>	<u>\$ 341,722</u>
\$ 35,178 9,685	\$ 570 1,479	\$ 35,577	\$ 468	\$ 5,319	\$ 341,722
<u>44,863</u>	<u>2,049</u>	<u>35,577</u>	<u>468</u>	<u>5,319</u>	<u>341,722</u>
					<u>341,722</u>
					<u>(341,722)</u>
					<u>(341,722)</u>
<u>\$ 44,863</u>	<u>\$ 2,049</u>	<u>\$ 35,577</u>	<u>\$ 468</u>	<u>\$ 5,319</u>	<u>\$ 341,722</u>

(Continued)

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2017**

	Other Federal Projects	Other State Projects	Food Service
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$ 83,307	\$ 1,918,160
Due from governmental entities	599,686		144,212
Inventory			12,063
<b>Total assets</b>	<b>\$ 599,686</b>	<b>\$ 83,307</b>	<b>\$ 2,074,435</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 37,766	\$ 21,327	\$ 8,183
Due to other funds	460,516		
Accrued payroll and employee benefits	69,173		39,211
Unearned revenues		61,980	
<b>Total liabilities</b>	<b>567,455</b>	<b>83,307</b>	<b>47,394</b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	165,370		
Fund balances (deficits):			
Nonspendable			12,063
Restricted			2,014,978
Unassigned	(133,139)		
<b>Total fund balances</b>	<b>(133,139)</b>		<b>2,027,041</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 599,686</b>	 <b>\$ 83,307</b>	 <b>\$ 2,074,435</b>

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>
\$ 727,146	\$ 1,997,480	\$ 388,418	\$ 7,046	\$ 60,124	\$ 3,511,592
<u>\$ 727,146</u>	<u>\$ 1,997,480</u>	<u>\$ 388,418</u>	<u>\$ 7,046</u>	<u>\$ 60,124</u>	<u>\$ 3,511,592</u>
\$	\$ 3,579	\$	\$	\$	\$
	<u>3,579</u>				
727,146	1,993,901	388,418	7,046	60,124	3,511,592
<u>727,146</u>	<u>1,993,901</u>	<u>388,418</u>	<u>7,046</u>	<u>60,124</u>	<u>3,511,592</u>
<u>\$ 727,146</u>	<u>\$ 1,997,480</u>	<u>\$ 388,418</u>	<u>\$ 7,046</u>	<u>\$ 60,124</u>	<u>\$ 3,511,592</u>

(Continued)

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2017**

	Totals
<b><u>ASSETS</u></b>	
Cash and investments	\$ 12,726,459
Due from governmental entities	1,353,303
Inventory	12,063
<b>Total assets</b>	<b>\$ 14,091,825</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>	
Liabilities:	
Accounts payable	\$ 95,341
Due to other funds	1,029,330
Accrued payroll and employee benefits	146,833
Unearned revenues	61,980
<b>Total liabilities</b>	<b>1,333,484</b>
Deferred inflows of resources:	
Unavailable revenues - intergovernmental	507,092
Fund balances (deficits):	
Nonspendable	12,063
Restricted	12,725,497
Unassigned	(486,311)
<b>Total fund balances</b>	<b>12,251,249</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 14,091,825</b>

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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, 2017**

	Instructional Improvement	County, City, and Town Grants	Professional Development and Technology Grants
<b>Revenues:</b>			
Other local	\$ 22,086	\$	\$
State aid and grants	517,850		
Federal aid, grants and reimbursements			813,960
<b>Total revenues</b>	<u>539,936</u>	<u></u>	<u>813,960</u>
<b>Expenditures:</b>			
Current -			
Instruction	178,104	7	
Support services - students and staff	182,604		693,050
Support services - administration	415,794		96,972
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>776,502</u>	<u>7</u>	<u>790,022</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(236,566)</u>	<u>(7)</u>	<u>23,938</u>
<b>Other financing sources (uses):</b>			
Transfers out			(23,938)
<b>Total other financing sources (uses):</b>			<u>(23,938)</u>
<b>Changes in fund balances</b>	<u>(236,566)</u>	<u>(7)</u>	
<b>Fund balances (deficits), beginning of year, as restated</b>	4,292,057	(11,443)	26,120
Increase (decrease) in reserve for prepaid items	(33,199)		(26,120)
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ 4,022,292</u>	<u>\$ (11,450)</u>	<u>\$</u>

<u>Title IV Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Indian Education</u>	<u>Johnson O'Malley</u>	<u>Homeless Education</u>	<u>E-Rate</u>
\$	\$	\$	\$	\$	\$
49,097	443,012	44,598	22,727	40,328	450,341
<u>49,097</u>	<u>443,012</u>	<u>44,598</u>	<u>22,727</u>	<u>40,328</u>	<u>450,341</u>
38,635	121,575	14,956			249,748
979	312,167		22,259	23,709	
				13,632	91,974
5,846		29,348			
<u>45,460</u>	<u>433,742</u>	<u>44,304</u>	<u>22,259</u>	<u>37,341</u>	<u>341,722</u>
<u>3,637</u>	<u>9,270</u>	<u>294</u>	<u>468</u>	<u>2,987</u>	<u>108,619</u>
<u>(3,637)</u>	<u>(9,270)</u>	<u>(294)</u>	<u>(468)</u>	<u>(2,987)</u>	
<u>(3,637)</u>	<u>(9,270)</u>	<u>(294)</u>	<u>(468)</u>	<u>(2,987)</u>	
					108,619
	18,850				(450,341)
	(18,850)				
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (341,722)</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, 2017**

	<u>Other Federal Projects</u>	<u>Other State Projects</u>	<u>Food Service</u>
<b>Revenues:</b>			
Other local	\$	\$	\$ 356,242
State aid and grants		280,371	
Federal aid, grants and reimbursements	<u>3,567,908</u>		<u>9,204,459</u>
<b>Total revenues</b>	<u>3,567,908</u>	<u>280,371</u>	<u>9,560,701</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,464,861	63,882	
Support services - students and staff	201,572	201,204	
Support services - administration	266,971	15,022	502
Operation and maintenance of plant services	117,362		156,989
Student transportation services			
Operation of non-instructional services	1,694		8,827,391
Capital outlay	<u>136,500</u>	<u>263</u>	<u>128,538</u>
<b>Total expenditures</b>	<u>3,188,960</u>	<u>280,371</u>	<u>9,113,420</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>378,948</u>		<u>447,281</u>
<b>Other financing sources (uses):</b>			
Transfers out	<u>(65,517)</u>		<u>(200,000)</u>
<b>Total other financing sources (uses):</b>	<u>(65,517)</u>		<u>(200,000)</u>
<b>Changes in fund balances</b>	<u>313,431</u>		<u>247,281</u>
<b>Fund balances (deficits), beginning of year, as restated</b>	(194,542)	7,836	1,910,045
Increase (decrease) in reserve for prepaid items	(252,028)	(7,836)	(113,288)
Increase (decrease) in reserve for inventory			(16,997)
<b>Fund balances (deficits), end of year</b>	<u>\$ (133,139)</u>	<u>\$</u>	<u>\$ 2,027,041</u>

Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks	Insurance Refund
\$ 39,480	\$ 488,022	\$ 110,000	\$ 2,255	\$ 4,872	\$ 50,035
<u>39,480</u>	<u>488,022</u>	<u>110,000</u>	<u>2,255</u>	<u>4,872</u>	<u>50,035</u>
	93,022	33,208			
	59,664	2,657		8,253	
	41,478		2,310		12
	4,343	1,641			
		18,770			
	380,094				
	2,349	6,047			
	<u>580,950</u>	<u>62,323</u>	<u>2,310</u>	<u>8,253</u>	<u>12</u>
<u>39,480</u>	<u>(92,928)</u>	<u>47,677</u>	<u>(55)</u>	<u>(3,381)</u>	<u>50,023</u>
<u>39,480</u>	<u>(92,928)</u>	<u>47,677</u>	<u>(55)</u>	<u>(3,381)</u>	<u>50,023</u>
687,666	2,122,293	340,741	7,101	63,505	3,461,569
	(35,464)				
<u>\$ 727,146</u>	<u>\$ 1,993,901</u>	<u>\$ 388,418</u>	<u>\$ 7,046</u>	<u>\$ 60,124</u>	<u>\$ 3,511,592</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, 2017**

	Totals
<b>Revenues:</b>	
Other local	\$ 1,072,992
State aid and grants	798,221
Federal aid, grants and reimbursements	14,636,430
<b>Total revenues</b>	<b>16,507,643</b>
<b>Expenditures:</b>	
Current -	
Instruction	3,257,998
Support services - students and staff	1,708,118
Support services - administration	839,061
Operation and maintenance of plant services	372,309
Student transportation services	32,402
Operation of non-instructional services	9,215,025
Capital outlay	303,045
<b>Total expenditures</b>	<b>15,727,958</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>779,685</b>
<b>Other financing sources (uses):</b>	
Transfers out	(306,111)
<b>Total other financing sources (uses):</b>	<b>(306,111)</b>
<b>Changes in fund balances</b>	<b>473,574</b>
<b>Fund balances (deficits), beginning of year, as restated</b>	<b>12,281,457</b>
Increase (decrease) in reserve for prepaid items	(486,785)
Increase (decrease) in reserve for inventory	(16,997)
<b>Fund balances, end of year</b>	<b>\$ 12,251,249</b>

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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, 2017**

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 22,086	\$ 22,086
State aid and grants		517,850	517,850
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>539,936</u>	<u>539,936</u>
<b>Expenditures:</b>			
Current -			
Instruction	141,000	194,891	(53,891)
Support services - students and staff	184,000	191,945	(7,945)
Support services - administration	415,000	433,775	(18,775)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>740,000</u>	<u>820,611</u>	<u>(80,611)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(740,000)</u>	<u>(280,675)</u>	<u>459,325</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(740,000)</u>	<u>(280,675)</u>	<u>459,325</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		4,292,057	4,292,057
Increase (decrease) in reserve for prepaid items		10,910	10,910
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (740,000)</u>	<u>\$ 4,022,292</u>	<u>\$ 4,762,292</u>

<u>County, City, and Town Grants</u>			<u>Professional Development and Technology Grants</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
				813,960	813,960
				813,960	813,960
2,985,131	7	2,985,124	1,000,000	708,731	291,269
			110,801	96,972	13,829
<u>2,985,131</u>	<u>7</u>	<u>2,985,124</u>	<u>1,110,801</u>	<u>805,703</u>	<u>305,098</u>
<u>(2,985,131)</u>	<u>(7)</u>	<u>2,985,124</u>	<u>(1,110,801)</u>	<u>8,257</u>	<u>1,119,058</u>
				(23,938)	(23,938)
				(23,938)	(23,938)
<u>(2,985,131)</u>	<u>(7)</u>	<u>2,985,124</u>	<u>(1,110,801)</u>	<u>(15,681)</u>	<u>1,095,120</u>
	(11,443)	(11,443)		26,120	26,120
				(10,439)	(10,439)
<u>\$ (2,985,131)</u>	<u>\$ (11,450)</u>	<u>\$ 2,973,681</u>	<u>\$ (1,110,801)</u>	<u>\$</u>	<u>\$ 1,110,801</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, 2017**

	Title IV Grants		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		49,097	49,097
<b>Total revenues</b>		<u>49,097</u>	<u>49,097</u>
<b>Expenditures:</b>			
Current -			
Instruction	118,000	38,635	79,365
Support services - students and staff	14,140	979	13,161
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	17,860	5,846	12,014
Capital outlay			
<b>Total expenditures</b>	<u>150,000</u>	<u>45,460</u>	<u>104,540</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(150,000)</u>	<u>3,637</u>	<u>153,637</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(3,637)	(3,637)
<b>Total other financing sources (uses):</b>		<u>(3,637)</u>	<u>(3,637)</u>
<b>Changes in fund balances</b>	<u>(150,000)</u>		<u>150,000</u>
<b>Fund balances (deficits), beginning of year, as restated</b>			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (150,000)</u>	<u>\$</u>	<u>\$ 150,000</u>

Limited English & Immigrant Students			Indian Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	443,012	443,012		44,598	44,598
	443,012	443,012		44,598	44,598
332,973	121,776	211,197	20,490	14,956	5,534
1,107,665	339,578	768,087			
			40,214	29,348	10,866
1,440,638	461,354	979,284	60,704	44,304	16,400
(1,440,638)	(18,342)	1,422,296	(60,704)	294	60,998
	(9,270)	(9,270)		(294)	(294)
	(9,270)	(9,270)		(294)	(294)
(1,440,638)	(27,612)	1,413,026	(60,704)		60,704
	18,850	18,850			
	8,762	8,762			
\$ (1,440,638)	\$	\$ 1,440,638	\$ (60,704)	\$	\$ 60,704

(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, 2017**

	Johnson O'Malley		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		22,727	22,727
<b>Total revenues</b>		<u>22,727</u>	<u>22,727</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	30,000	22,259	7,741
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>30,000</u>	<u>22,259</u>	<u>7,741</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(30,000)</u>	<u>468</u>	<u>30,468</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(468)	(468)
<b>Total other financing sources (uses):</b>		<u>(468)</u>	<u>(468)</u>
<b>Changes in fund balances</b>	<u>(30,000)</u>		<u>30,000</u>
<b>Fund balances (deficits), beginning of year, as restated</b>			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (30,000)</u>	<u>\$</u>	<u>\$ 30,000</u>

Homeless Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 3,012	\$ 3,012
	40,328	40,328		275,689	275,689
	40,328	40,328		278,701	278,701
85,570	23,709	61,861			
49,102	13,632	35,470			
134,672	37,341	97,331			
(134,672)	2,987	137,659		278,701	278,701
	(2,987)	(2,987)			
	(2,987)	(2,987)			
(134,672)		134,672		278,701	278,701
				5,237,828	5,237,828
\$ (134,672)	\$	\$ 134,672	\$	\$ 5,516,529	\$ 5,516,529

(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, 2017**

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		450,341	450,341
<b>Total revenues</b>		<u>450,341</u>	<u>450,341</u>
<b>Expenditures:</b>			
Current -			
Instruction	402,680	249,748	152,932
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	97,320	91,974	5,346
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>500,000</u>	<u>341,722</u>	<u>158,278</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(500,000)</u>	<u>108,619</u>	<u>608,619</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(500,000)</u>	<u>108,619</u>	<u>608,619</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		(450,341)	(450,341)
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (500,000)</u>	<u>\$ (341,722)</u>	<u>\$ 158,278</u>

Other Federal Projects			Other State Projects		
<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
	3,567,908	3,567,908		280,371	280,371
	<u>3,567,908</u>	<u>3,567,908</u>		<u>280,371</u>	<u>280,371</u>
4,216,220	2,670,453	1,545,767	226,621	70,035	156,586
344,790	219,620	125,170	653,670	202,025	451,645
495,250	278,251	216,999	52,590	16,253	36,337
200,750	117,362	83,388			
2,900	1,694	1,206			
233,490	136,500	96,990	850	263	587
<u>5,493,400</u>	<u>3,423,880</u>	<u>2,069,520</u>	<u>933,731</u>	<u>288,576</u>	<u>645,155</u>
<u>(5,493,400)</u>	<u>144,028</u>	<u>5,637,428</u>	<u>(933,731)</u>	<u>(8,205)</u>	<u>925,526</u>
	(65,517)	(65,517)			
	<u>(65,517)</u>	<u>(65,517)</u>			
<u>(5,493,400)</u>	<u>78,511</u>	<u>5,571,911</u>	<u>(933,731)</u>	<u>(8,205)</u>	<u>925,526</u>
	(194,542)	(194,542)		7,836	7,836
	(17,108)	(17,108)		369	369
<u>\$ (5,493,400)</u>	<u>\$ (133,139)</u>	<u>\$ 5,360,261</u>	<u>\$ (933,731)</u>	<u>\$</u>	<u>\$ 933,731</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, 2017**

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 171,474	\$ 171,474
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>171,474</u>	<u>171,474</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	250,000		250,000
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>250,000</u>		<u>250,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(250,000)</u>	<u>171,474</u>	<u>421,474</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(250,000)</u>	<u>171,474</u>	<u>421,474</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		509,993	509,993
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (250,000)</u>	<u>\$ 681,467</u>	<u>\$ 931,467</u>

Food Service			Civic Center		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 356,242	\$ 356,242	\$	\$ 39,480	\$ 39,480
	9,204,459	9,204,459			
	<u>9,560,701</u>	<u>9,560,701</u>		<u>39,480</u>	<u>39,480</u>
680	502	178			
211,980	156,989	54,991			
10,600,611	8,987,952	1,612,659	600,000		600,000
173,560	128,538	45,022			
<u>10,986,831</u>	<u>9,273,981</u>	<u>1,712,850</u>	<u>600,000</u>		<u>600,000</u>
<u>(10,986,831)</u>	<u>286,720</u>	<u>11,273,551</u>	<u>(600,000)</u>	<u>39,480</u>	<u>639,480</u>
	<u>(200,000)</u>	<u>(200,000)</u>			
	<u>(200,000)</u>	<u>(200,000)</u>			
<u>(10,986,831)</u>	<u>86,720</u>	<u>11,073,551</u>	<u>(600,000)</u>	<u>39,480</u>	<u>639,480</u>
	1,842,930	1,842,930		687,666	687,666
	114,388	114,388			
	(16,997)	(16,997)			
<u>\$ (10,986,831)</u>	<u>\$ 2,027,041</u>	<u>\$ 13,013,872</u>	<u>\$ (600,000)</u>	<u>\$ 727,146</u>	<u>\$ 1,327,146</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, 2017**

	Community School		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 488,022	\$ 488,022
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>488,022</u>	<u>488,022</u>
<b>Expenditures:</b>			
Current -			
Instruction	297,920	99,334	198,586
Support services - students and staff	72,485	63,346	9,139
Support services - administration	85,675	44,634	41,041
Operation and maintenance of plant services	8,970	4,343	4,627
Student transportation services			
Operation of non-instructional services	730,100	421,132	308,968
Capital outlay	4,850	2,349	2,501
<b>Total expenditures</b>	<u>1,200,000</u>	<u>635,138</u>	<u>564,862</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,200,000)</u>	<u>(147,116)</u>	<u>1,052,884</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(1,200,000)</u>	<u>(147,116)</u>	<u>1,052,884</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		2,122,293	2,122,293
Increase (decrease) in reserve for prepaid items		18,724	18,724
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,200,000)</u>	<u>\$ 1,993,901</u>	<u>\$ 3,193,901</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 43,877	\$ 43,877	\$	\$ 110,000	\$ 110,000
	<u>43,877</u>	<u>43,877</u>		<u>110,000</u>	<u>110,000</u>
910	578	332	106,610	33,208	73,402
12,820	8,152	4,668	8,530	2,657	5,873
3,490	2,221	1,269			
			5,190	1,641	3,549
7,780	4,949	2,831	60,260	18,770	41,490
			<u>19,410</u>	<u>6,047</u>	<u>13,363</u>
<u>25,000</u>	<u>15,900</u>	<u>9,100</u>	<u>200,000</u>	<u>62,323</u>	<u>137,677</u>
<u>(25,000)</u>	<u>27,977</u>	<u>52,977</u>	<u>(200,000)</u>	<u>47,677</u>	<u>247,677</u>
<u>(25,000)</u>	<u>27,977</u>	<u>52,977</u>	<u>(200,000)</u>	<u>47,677</u>	<u>247,677</u>
	57,853	57,853		340,741	340,741
<u>\$ (25,000)</u>	<u>\$ 85,830</u>	<u>\$ 110,830</u>	<u>\$ (200,000)</u>	<u>\$ 388,418</u>	<u>\$ 588,418</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, 2017**

	Gifts and Donations		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 177,875	\$ 177,875
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>177,875</u>	<u>177,875</u>
<b>Expenditures:</b>			
Current -			
Instruction	23,259	15,924	7,335
Support services - students and staff	81,761	57,262	24,499
Support services - administration	95,260	67,080	28,180
Operation and maintenance of plant services			
Student transportation services	19,670	13,775	5,895
Operation of non-instructional services	4,890	3,427	1,463
Capital outlay	<u>25,160</u>	<u>17,621</u>	<u>7,539</u>
<b>Total expenditures</b>	<u>250,000</u>	<u>175,089</u>	<u>74,911</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(250,000)</u>	<u>2,786</u>	<u>252,786</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(250,000)</u>	<u>2,786</u>	<u>252,786</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		290,066	290,066
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (250,000)</u>	<u>\$ 292,852</u>	<u>\$ 542,852</u>

Fingerprint			Textbooks		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,255	\$ 2,255	\$	\$ 4,872	\$ 4,872
	<u>2,255</u>	<u>2,255</u>		<u>4,872</u>	<u>4,872</u>
5,000	2,310	2,690	70,000	8,253	61,747
<u>5,000</u>	<u>2,310</u>	<u>2,690</u>	<u>70,000</u>	<u>8,253</u>	<u>61,747</u>
<u>(5,000)</u>	<u>(55)</u>	<u>4,945</u>	<u>(70,000)</u>	<u>(3,381)</u>	<u>66,619</u>
<u>(5,000)</u>	<u>(55)</u>	<u>4,945</u>	<u>(70,000)</u>	<u>(3,381)</u>	<u>66,619</u>
	7,101	7,101		63,505	63,505
<u>\$ (5,000)</u>	<u>\$ 7,046</u>	<u>\$ 12,046</u>	<u>\$ (70,000)</u>	<u>\$ 60,124</u>	<u>\$ 130,124</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, 2017**

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 4,763	\$ 4,763
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		4,763	4,763
<b>Expenditures:</b>			
Current -			
Instruction	25,000		25,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	25,000		25,000
<b>Excess (deficiency) of revenues over expenditures</b>	(25,000)	4,763	29,763
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(25,000)	4,763	29,763
<b>Fund balances (deficits), beginning of year, as restated</b>		271,239	271,239
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (25,000)	\$ 276,002	\$ 301,002

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 42,308	\$ 42,308	\$	\$ 50,035	\$ 50,035
	<u>42,308</u>	<u>42,308</u>		<u>50,035</u>	<u>50,035</u>
1,474,240	1,098,653	375,587	1,499,000	1,095,287	403,713
501,700	388,886	112,814			
165,140	120,996	44,144	1,000	12	988
70,450	58,098	12,352			
47,310	34,663	12,647			
<u>241,160</u>	<u>176,693</u>	<u>64,467</u>			
<u>2,500,000</u>	<u>1,877,989</u>	<u>622,011</u>	<u>1,500,000</u>	<u>1,095,299</u>	<u>404,701</u>
<u>(2,500,000)</u>	<u>(1,835,681)</u>	<u>664,319</u>	<u>(1,500,000)</u>	<u>(1,045,264)</u>	<u>454,736</u>
	541,070	541,070			
	<u>541,070</u>	<u>541,070</u>			
<u>(2,500,000)</u>	<u>(1,294,611)</u>	<u>1,205,389</u>	<u>(1,500,000)</u>	<u>(1,045,264)</u>	<u>454,736</u>
	8,020,862	8,020,862		3,461,569	3,461,569
	46,315	46,315		1,095,287	1,095,287
<u>\$ (2,500,000)</u>	<u>\$ 6,772,566</u>	<u>\$ 9,272,566</u>	<u>\$ (1,500,000)</u>	<u>\$ 3,511,592</u>	<u>\$ 5,011,592</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, 2017**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 1,516,301	\$ 1,516,301
State aid and grants		798,221	798,221
Federal aid, grants and reimbursements		14,912,119	14,912,119
<b>Total revenues</b>		<u>17,226,641</u>	<u>17,226,641</u>
<b>Expenditures:</b>			
Current -			
Instruction	11,870,054	5,703,485	6,166,569
Support services - students and staff	4,167,131	2,237,402	1,929,729
Support services - administration	1,429,886	1,063,006	366,880
Operation and maintenance of plant services	844,660	430,407	414,253
Student transportation services	184,122	85,789	98,333
Operation of non-instructional services	11,956,361	9,420,051	2,536,310
Capital outlay	738,694	497,359	241,335
<b>Total expenditures</b>	<u>31,190,908</u>	<u>19,437,499</u>	<u>11,753,409</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(31,190,908)</u>	<u>(2,210,858)</u>	<u>28,980,050</u>
<b>Other financing sources (uses):</b>			
Transfers in		541,070	541,070
Transfers out		(306,111)	(306,111)
<b>Total other financing sources (uses):</b>		<u>234,959</u>	<u>234,959</u>
<b>Changes in fund balances</b>	<u>(31,190,908)</u>	<u>(1,975,899)</u>	<u>29,215,009</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		26,602,183	26,602,183
Increase (decrease) in reserve for prepaid items		1,267,208	1,267,208
Increase (decrease) in reserve for inventory		(16,997)	(16,997)
<b>Fund balances (deficits), end of year</b>	<u>\$ (31,190,908)</u>	<u>\$ 25,876,495</u>	<u>\$ 57,067,403</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, 2017**

	<u>Adjacent Ways</u>	<u>Totals</u>
<b><u>ASSETS</u></b>		
Cash and investments	\$ 16,906	\$ 16,906
<b>Total assets</b>	<u>\$ 16,906</u>	<u>\$ 16,906</u>
Fund balances:		
Restricted	\$ 16,906	\$ 16,906
<b>Total fund balances</b>	<u>16,906</u>	<u>16,906</u>
<b>Total liabilities and fund balances</b>	<u>\$ 16,906</u>	<u>\$ 16,906</u>

**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, 2017**

	Adjacent Ways	Totals
<b>Revenues:</b>		
Other local	\$       98	\$       98
Property taxes	3	3
<b>Total revenues</b>	101	101
 <b>Changes in fund balances</b>	 101	 101
<b>Fund balances, beginning of year</b>	16,805	16,805
 <b>Fund balances, end of year</b>	 \$ 16,906	 \$ 16,906



**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, 2017**

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 3,783	\$ 3,783
Property taxes			
State aid and grants			
<b>Total revenues</b>		<u>3,783</u>	<u>3,783</u>
<b>Expenditures:</b>			
Current -			
Operation and maintenance of plant services	800,000	2,520	797,480
Capital outlay			
Debt service -			
Principal retirement			
<b>Total expenditures</b>	<u>800,000</u>	<u>2,520</u>	<u>797,480</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(800,000)</u>	<u>1,263</u>	<u>801,263</u>
<b>Other financing sources (uses):</b>			
Insurance recoveries		59,736	59,736
<b>Total other financing sources (uses):</b>		<u>59,736</u>	<u>59,736</u>
<b>Changes in fund balances</b>	<u>(800,000)</u>	<u>60,999</u>	<u>860,999</u>
<b>Fund balances, beginning of year, as restated</b>		615,689	615,689
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (800,000)</u>	<u>\$ 676,688</u>	<u>\$ 1,476,688</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 30,739	\$ 30,739	\$	\$ 98	\$ 98
	4,940,174	4,940,174		3	3
	640,119	640,119			
	<u>5,611,032</u>	<u>5,611,032</u>		<u>101</u>	<u>101</u>
8,572,222	7,421,973	1,150,249			
2,300,000	2,276,542	23,458			
<u>10,872,222</u>	<u>9,698,515</u>	<u>1,173,707</u>			
(10,872,222)	(4,087,483)	6,784,739		101	101
<u>(10,872,222)</u>	<u>(4,087,483)</u>	<u>6,784,739</u>		<u>101</u>	<u>101</u>
	8,515,323	8,515,323		16,805	16,805
	(8,402)	(8,402)			
<u>\$ (10,872,222)</u>	<u>\$ 4,419,438</u>	<u>\$ 15,291,660</u>	<u>\$</u>	<u>\$ 16,906</u>	<u>\$ 16,906</u>

(Continued)

**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, 2017**

	Gifts and Donations - Capital		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Operation and maintenance of plant services			
Capital outlay	50,000		50,000
Debt service -			
Principal retirement			
<b>Total expenditures</b>	50,000		50,000
<b>Excess (deficiency) of revenues over expenditures</b>	(50,000)		50,000
<b>Other financing sources (uses):</b>			
Insurance recoveries			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(50,000)		50,000
<b>Fund balances, beginning of year, as restated</b>			
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	\$ (50,000)	\$	\$ 50,000

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 34,620	\$ 34,620
	4,940,177	4,940,177
	640,119	640,119
	<u>5,614,916</u>	<u>5,614,916</u>
800,000	2,520	797,480
8,622,222	7,421,973	1,200,249
<u>2,300,000</u>	<u>2,276,542</u>	<u>23,458</u>
<u>11,722,222</u>	<u>9,701,035</u>	<u>2,021,187</u>
<u>(11,722,222)</u>	<u>(4,086,119)</u>	<u>7,636,103</u>
	<u>59,736</u>	<u>59,736</u>
	<u>59,736</u>	<u>59,736</u>
<u>(11,722,222)</u>	<u>(4,026,383)</u>	<u>7,695,839</u>
	9,147,817	9,147,817
	(8,402)	(8,402)
<u>\$ (11,722,222)</u>	<u>\$ 5,113,032</u>	<u>\$ 16,835,254</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, 2017**

	<b><u>Beginning</u></b> <b><u>Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>
<b><u>STUDENT ACTIVITIES</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ <u>125,091</u>	\$ <u>117,655</u>	\$ <u>118,528</u>	\$ <u>124,218</u>
Total assets	\$ <u><u>125,091</u></u>	\$ <u><u>117,655</u></u>	\$ <u><u>118,528</u></u>	\$ <u><u>124,218</u></u>
<b><u>Liabilities</u></b>				
Accounts Payable	\$ 7,296	\$	\$ 7,296	\$
Due to student groups	<u>117,795</u>	<u>117,655</u>	<u>111,232</u>	<u>124,218</u>
Total liabilities	\$ <u><u>125,091</u></u>	\$ <u><u>117,655</u></u>	\$ <u><u>111,232</u></u>	\$ <u><u>124,218</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.

**Note:** For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.



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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 66,264,970	\$ 69,019,182	\$ 71,246,617	\$ 68,110,421	\$ 68,443,160
Restricted	24,396,055	29,077,343	29,067,052	33,118,561	26,618,978
Unrestricted	(84,864,994)	(88,029,888)	(94,977,996)	23,490,468	26,167,951
Total net position	\$ 5,796,031	\$ 10,066,637	\$ 5,335,673	\$ 124,719,450	\$ 121,230,089
	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 69,172,678	\$ 69,127,641	\$ 64,053,898	\$ 65,940,340	\$ 66,139,823
Restricted	40,750,306	25,970,063	19,068,335	16,720,912	15,388,999
Unrestricted	11,921,522	29,431,577	47,068,360	34,860,510	42,897,682
Total net position	\$ 121,844,506	\$ 124,529,281	\$ 130,190,593	\$ 117,521,762	\$ 124,426,504

**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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Expenses</b>					
Instruction	\$ 65,042,422	\$ 56,795,603	\$ 66,305,387	\$ 56,388,306	\$ 55,838,719
Support services - students and staff	17,731,025	16,153,313	16,429,631	16,039,741	15,599,266
Support services - administration	9,807,357	9,893,187	9,762,229	9,158,080	8,677,485
Operation and maintenance of plant services	9,615,816	9,567,792	9,737,441	8,772,806	8,407,300
Student transportation services	3,819,857	3,866,193	4,258,036	4,221,296	4,213,456
Operation of non-instructional services	10,132,475	10,409,248	12,517,944	11,889,769	12,078,864
Interest on long-term debt		3,727	1,458,218	308,166	583,618
Total expenses	<u>116,148,952</u>	<u>106,689,063</u>	<u>120,468,886</u>	<u>106,778,164</u>	<u>105,398,708</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	466,653	324,288	347,343	340,446	448,815
Operation of non-instructional services	682,194	672,992	777,375	1,017,057	1,056,948
Other activities	211,183	188,149	182,733	189,793	44,117
Operating grants and contributions	25,071,366	24,741,733	24,661,052	25,021,834	22,344,156
Capital grants and contributions	1,182,831	130,742	612,375	297,047	251,229
Total program revenues	<u>27,614,227</u>	<u>26,057,904</u>	<u>26,580,878</u>	<u>26,866,177</u>	<u>24,145,265</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (88,534,725)</u>	<u>\$ (80,631,159)</u>	<u>\$ (93,888,008)</u>	<u>\$ (79,911,987)</u>	<u>\$ (81,253,443)</u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Expenses</b>					
Instruction	\$ 57,728,257	\$ 59,770,047	\$ 57,572,163	\$ 67,976,719	\$ 70,139,122
Support services - students and staff	15,901,896	16,123,720	17,269,272	18,926,961	17,651,259
Support services - administration	8,922,019	9,223,168	8,329,826	8,876,792	8,221,380
Operation and maintenance of plant services	9,017,361	10,423,233	9,795,560	9,912,659	10,469,043
Student transportation services	4,107,584	3,936,965	3,889,127	4,549,352	4,106,634
Operation of non-instructional services	11,635,553	11,631,022	12,137,390	12,374,669	12,361,727
Interest on long-term debt	843,442	1,054,391	2,036,621	2,336,235	2,390,337
Total expenses	<u>108,156,112</u>	<u>112,162,546</u>	<u>111,029,959</u>	<u>124,953,387</u>	<u>125,339,502</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	935,581	831,119	482,629	323,867	1,742,412
Operation of non-instructional services	435,955	464,213	1,426,648	1,537,781	526,985
Other activities	95,215	261,716	210,003	50,931	32,509
Operating grants and contributions	23,225,042	28,484,483	25,400,926	24,120,683	25,149,505
Capital grants and contributions	1,167,725	2,842,543	728,488	1,818,361	948,647
Total program revenues	<u>25,859,518</u>	<u>32,884,074</u>	<u>28,248,694</u>	<u>27,851,623</u>	<u>28,400,058</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (82,296,594)</u>	<u>\$ (79,278,472)</u>	<u>\$ (82,781,265)</u>	<u>\$ (97,101,764)</u>	<u>\$ (96,939,444)</u>

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

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
<b>Net (Expense)/Revenue</b>	\$ (88,534,725)	\$ (80,631,159)	\$ (93,888,008)	\$ (79,911,987)	\$ (81,253,443)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	15,445,997	14,860,556	13,865,907	14,623,869	13,838,782
Property taxes, levied for debt service			132,819	5,383,310	5,862,436
Property taxes, levied for capital outlay	4,902,616	4,987,960	4,765,368	217,411	46,864
Investment income	188,434	166,050	152,330	175,771	181,251
Unrestricted county aid	5,795,451	5,841,181	5,681,066	5,387,731	5,392,072
Unrestricted state aid	57,655,932	59,173,248	56,905,111	57,449,841	55,205,601
Unrestricted federal aid	275,689	333,128	189,953	163,415	112,020
<b>Total general revenues</b>	<u>84,264,119</u>	<u>85,362,123</u>	<u>81,692,554</u>	<u>83,401,348</u>	<u>80,639,026</u>
<b>Changes in Net Position</b>	<u>\$ (4,270,606)</u>	<u>\$ 4,730,964</u>	<u>\$ (12,195,454)</u>	<u>\$ 3,489,361</u>	<u>\$ (614,417)</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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Net (Expense)/Revenue</b>	\$ (82,296,594)	\$ (79,278,472)	\$ (82,781,265)	\$ (97,101,764)	\$ (96,939,444)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	16,223,235	9,259,739	22,508,183	14,180,200	11,413,186
Property taxes, levied for debt service	5,710,089	6,263,935	6,000,777	5,479,073	5,707,147
Property taxes, levied for capital outlay				61,069	2,061,331
Investment income	236,309	483,214	533,505	1,413,522	2,193,986
Unrestricted county aid	5,455,256	5,482,348	5,337,574		
Unrestricted state aid	51,793,089	51,227,310	53,786,204	69,063,158	75,679,931
<b>Total general revenues</b>	<u>79,611,819</u>	<u>73,617,160</u>	<u>95,450,096</u>	<u>90,197,022</u>	<u>97,055,581</u>
<b>Changes in Net Position</b>	<u>\$ (2,684,775)</u>	<u>\$ (5,661,312)</u>	<u>\$ 12,668,831</u>	<u>\$ (6,904,742)</u>	<u>\$ 116,137</u>

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

**Note:** The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2007-08 through 2008-09.

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
General Fund:					
Nonspendable	\$ 219,538	\$ 6,137,689	\$ 6,064,385	\$ 5,556,387	\$ 175,994
Restricted	681,467	1,125,682	450,070	106,997	650,049
Unassigned	19,240,161	14,537,300	13,127,836	13,610,093	21,610,269
Total General Fund	<b>\$ 20,141,166</b>	<b>\$ 21,800,671</b>	<b>\$ 19,642,291</b>	<b>\$ 19,273,477</b>	<b>\$ 22,436,312</b>
All Other Governmental Funds:					
Nonspendable	\$ 12,063	\$ 29,060	\$ 52,778	\$ 37,807	\$
Restricted	23,561,988	27,805,794	28,616,982	32,947,476	25,877,063
Unassigned	(486,311)	(908,354)	(564,026)	(844,810)	(332,710)
Total all other governmental funds	<b>\$ 23,087,740</b>	<b>\$ 26,926,500</b>	<b>\$ 28,105,734</b>	<b>\$ 32,140,473</b>	<b>\$ 25,544,353</b>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable	\$ 323,096	\$ 537,524	\$	\$	\$
Restricted	600,832	951,474			
Unassigned	22,089,487	24,605,787			
Reserved			258,249	358,748	313,364
Unreserved			12,828,757	1,037,730	11,686,286
Total General Fund	<u>\$ 23,013,415</u>	<u>\$ 26,094,785</u>	<u>\$ 13,087,006</u>	<u>\$ 1,396,478</u>	<u>\$ 11,999,650</u>
All Other Governmental Funds:					
Nonspendable	\$ 64,795	\$ 66,510	\$	\$	\$
Restricted	24,505,471	24,024,620			
Unassigned		(1,415,531)			
Reserved			56,206	118,909	6,084
Unreserved, reported in:					
Special revenue funds			29,590,312	26,990,207	27,179,868
Capital projects funds			18,425,792	15,834,051	14,482,897
Debt service fund			195,497	165,152	529,761
Total all other governmental funds	<u>\$ 24,570,266</u>	<u>\$ 22,675,599</u>	<u>\$ 48,267,807</u>	<u>\$ 43,108,319</u>	<u>\$ 42,198,610</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 16,953,833	\$ 15,589,143	\$ 16,946,082	\$ 15,826,796	\$ 13,212,295
National School Lunch Program	9,204,459	8,907,544	8,197,951	8,444,382	8,076,620
Total federal sources	<u>26,158,292</u>	<u>24,496,687</u>	<u>25,144,033</u>	<u>24,271,178</u>	<u>21,288,915</u>
<b>State sources:</b>					
State equalization assistance	52,259,937	53,688,006	51,664,830	52,183,004	50,764,114
State grants	280,371	292,984	238,353	599,679	227,691
Other revenues	5,395,995	5,485,242	5,240,281	5,334,943	4,373,381
Total state sources	<u>57,936,303</u>	<u>59,466,232</u>	<u>57,143,464</u>	<u>58,117,626</u>	<u>55,365,186</u>
<b>Local sources:</b>					
Property taxes	20,406,885	18,891,789	19,086,780	20,525,594	20,641,039
County aid	5,795,451	5,841,181	5,681,066	5,387,731	5,392,072
Food service sales	348,890	330,282	383,533	376,453	405,986
Investment income	188,434	166,050	152,330	175,771	181,251
Other revenues	1,235,321	1,123,844	1,108,320	1,460,019	2,000,997
Total local sources	<u>27,974,981</u>	<u>26,353,146</u>	<u>26,412,029</u>	<u>27,925,568</u>	<u>28,621,345</u>
<b>Total revenues</b>	<u><u>\$ 112,069,576</u></u>	<u><u>\$ 110,316,065</u></u>	<u><u>\$ 108,699,526</u></u>	<u><u>\$ 110,314,372</u></u>	<u><u>\$ 105,275,446</u></u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Federal sources:</b>					
Federal grants	\$ 16,355,067	\$ 19,071,453	\$ 25,423,332	\$ 16,143,450	\$ 15,818,388
State Fiscal Stabilization (ARRA)		610,111			
Education Jobs	1,213,608	1,226,948			
National School Lunch Program	7,891,936	7,759,474	7,813,343	7,636,904	7,442,199
Total federal sources	<u>25,460,611</u>	<u>28,667,986</u>	<u>33,236,675</u>	<u>23,780,354</u>	<u>23,260,587</u>
<b>State sources:</b>					
State equalization assistance	47,936,614	47,989,669	54,246,997	60,022,038	67,690,890
State grants	427,363	74,427	681,054	1,445,970	2,114,378
School Facilities Board					434,068
Other revenues	3,856,475	3,528,502	3,851,724	4,728,603	7,554,973
Total state sources	<u>52,220,452</u>	<u>51,592,598</u>	<u>58,779,775</u>	<u>66,196,611</u>	<u>77,794,309</u>
<b>Local sources:</b>					
Property taxes	22,018,609	16,693,378	27,174,243	19,082,902	19,296,659
County aid	5,455,256	5,482,348	5,337,574		
Food service sales	425,485	447,857	537,300	514,874	543,881
Investment income	236,309	483,214	531,356	1,406,111	2,188,082
Other revenues	1,344,328	2,699,129	1,833,061	2,349,488	3,163,830
Total local sources	<u>29,479,987</u>	<u>25,805,926</u>	<u>35,413,534</u>	<u>23,353,375</u>	<u>25,192,452</u>
<b>Total revenues</b>	<u>\$ 107,161,050</u>	<u>\$ 106,066,510</u>	<u>\$ 127,429,984</u>	<u>\$ 113,330,340</u>	<u>\$ 126,247,348</u>

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

**Note:** The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2007-08 through 2008-09.

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 53,524,737	\$ 55,204,045	\$ 52,991,571	\$ 56,685,611	\$ 51,552,558
Support services - students and staff	16,110,668	15,216,888	14,892,002	14,648,511	14,188,032
Support services - administration	9,245,914	9,739,697	9,168,371	8,686,971	8,205,230
Operation and maintenance of plant services	9,137,815	8,713,010	9,513,387	9,257,050	8,161,022
Student transportation services	2,998,789	3,487,044	3,670,920	3,832,326	3,748,922
Operation of non-instructional services	9,479,526	9,899,294	11,941,646	11,364,010	11,317,593
Capital outlay	8,918,438	4,846,257	15,645,173	1,921,642	1,589,590
Debt service -					
Judgments against the district					
Interest and fiscal charges		3,727	1,458,218	308,166	583,618
Principal retirement	2,276,542	2,276,543	2,547,477	5,595,000	5,320,000
<b>Total expenditures</b>	<u>\$ 111,692,429</u>	<u>\$ 109,386,505</u>	<u>\$ 121,828,765</u>	<u>\$ 112,299,287</u>	<u>\$ 104,666,565</u>
Expenditures for capitalized assets	\$ 2,835,937	\$ 3,477,337	\$ 3,347,957	\$ 523,801	\$ 706,958
Debt service as a percentage of noncapital expenditures	2%	2%	3%	5%	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>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 53,321,750	\$ 55,922,784	\$ 53,166,515	\$ 63,183,330	\$ 62,675,314
Support services - students and staff	14,527,821	14,742,103	15,648,436	16,215,217	15,870,191
Support services - administration	8,433,331	8,693,644	7,824,513	8,274,617	7,400,058
Operation and maintenance of plant services	8,824,730	10,145,316	9,543,416	9,007,376	9,416,638
Student transportation services	3,652,467	3,420,345	3,496,521	3,303,972	3,328,751
Operation of non-instructional services	10,987,135	11,033,153	11,157,454	11,593,620	11,271,406
Capital outlay	2,046,940	9,256,949	3,235,880	6,953,796	10,265,681
Debt service -					
Judgments against the district				214,104	
Interest and fiscal charges	843,442	1,054,391	2,036,621	2,837,962	2,953,360
Principal retirement	5,493,994	5,293,994	4,307,410	3,393,994	2,785,000
<b>Total expenditures</b>	<u>\$ 108,131,610</u>	<u>\$ 119,562,679</u>	<u>\$ 110,416,766</u>	<u>\$ 124,977,988</u>	<u>\$ 125,966,399</u>
Expenditures for capitalized assets	\$ 1,433,135	\$ 7,925,680	\$ 685,484	\$ 1,796,246	\$ 4,044,170
Debt service as a percentage of noncapital expenditures	6%	6%	6%	5%	5%

**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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 377,147	\$ 929,560	\$ (13,129,239)	\$ (1,984,915)	\$ 608,881
<b>Other financing sources (uses):</b>					
Capital lease agreements			8,940,345		
Transfers in	541,070	837,777	950,617	5,007,052	452,753
Transfers out	(541,070)	(837,777)	(950,617)	(5,007,052)	(452,753)
Insurance recoveries	59,736				
Total other financing sources (uses)	<u>59,736</u>	<u></u>	<u>8,940,345</u>	<u></u>	<u></u>
<b>Changes in fund balances</b>	<u>\$ 436,883</u>	<u>\$ 929,560</u>	<u>\$ (4,188,894)</u>	<u>\$ (1,984,915)</u>	<u>\$ 608,881</u>
	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (970,560)	\$ (13,496,169)	\$ 17,013,218	\$ (11,647,648)	\$ 280,949
<b>Other financing sources (uses):</b>					
Capital lease agreements				1,795,976	
Transfers in	484,350	1,116,858	611,971	517,859	351,185
Transfers out	(484,350)	(1,116,858)	(611,971)	(517,859)	(351,185)
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>	<u>1,795,976</u>	<u></u>
<b>Changes in fund balances</b>	<u>\$ (970,560)</u>	<u>\$ (13,496,169)</u>	<u>\$ 17,013,218</u>	<u>\$ (9,851,672)</u>	<u>\$ 280,949</u>

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 174,046,737	\$ 164,700,217	\$ 169,321,294	\$ 167,359,202	\$ 197,455,138
Agricultural and Vacant	4,625,694	5,729,170	5,004,736	5,224,600	6,506,720
Residential (Owner Occupied)	41,169,397	39,512,637	38,437,898	36,635,529	45,405,337
Residential (Rental)	64,623,812	50,125,652	40,423,107	35,891,751	35,834,435
Railroad, Private Cars and Airlines	3,508,716	3,774,722	4,054,360	3,742,249	4,485,648
Historical Property	-	109,430	162,185	233,585	205,834
Certain Government Property Improvements	32,178	30,645	36,356	34,729	36,165
<b>Total</b>	<b>\$ 288,006,534</b>	<b>\$ 263,982,473</b>	<b>\$ 257,439,936</b>	<b>\$ 249,121,645</b>	<b>\$ 289,929,277</b>
Gross Full Cash Value	\$ 3,474,961,667	\$ 2,852,557,761	\$ 2,299,465,664	\$ 2,089,133,974	\$ 2,309,680,503
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	9%	11%	12%	13%
Total Direct Rate	7.15	7.53	7.00	8.02	7.02

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 237,296,828	\$ 286,587,265	\$ 281,198,706	\$ 263,781,182	\$ 251,423,187
Agricultural and Vacant	9,803,580	9,297,970	8,877,133	8,140,882	6,784,804
Residential (Owner Occupied)	51,496,293	93,768,764	159,458,839	145,395,903	125,917,032
Residential (Rental)	43,191,208	57,329,796	66,594,348	58,395,217	51,238,871
Railroad, Private Cars and Airlines	4,098,203	4,146,658	4,344,155	5,022,825	4,483,230
Historical Property	194,359	244,902	124,695	35,335	141,129
Certain Government Property Improvements	38,848	-	-	-	-
<b>Total</b>	<b>\$ 346,119,319</b>	<b>\$ 451,375,355</b>	<b>\$ 520,597,876</b>	<b>\$ 480,771,344</b>	<b>\$ 439,988,253</b>
Gross Full Cash Value	\$ 2,682,638,363	\$ 3,675,520,197	\$ 4,786,823,386	\$ 4,688,583,761	\$ 3,894,829,641
Ratio of Net Limited Assessed Value to Gross Full Cash Value	13%	12%	11%	10%	11%
Total Direct Rate	6.43	3.21	5.19	3.51	3.89

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

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68**  
**NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 211,179,172	\$ 179,152,550	\$ 171,996,491	\$ 168,365,982	\$ 198,652,109
Agricultural and Vacant	5,657,900	6,363,562	5,113,576	5,245,366	6,528,715
Residential (Owner Occupied)	77,954,566	66,224,825	44,482,896	36,685,594	45,426,648
Residential (Rental)	98,756,981	71,039,079	46,570,742	36,194,807	35,868,994
Railroad, Private Cars and Airlines	3,743,761	3,844,570	4,092,465	3,777,587	4,572,465
Historical Property	-	437,720	616,303	910,974	651,596
Certain Government Property Improvements	45,211	34,939			
<b>Total</b>	<b>\$ 397,337,591</b>	<b>\$ 327,097,245</b>	<b>\$ 272,908,841</b>	<b>\$ 251,215,039</b>	<b>\$ 291,737,211</b>
Gross Full Cash Value	3,474,961,667	2,852,557,761	2,299,465,664	2,089,133,974	2,309,680,503
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	12%	12%	13%
Estimated Net Full Cash Value	2,951,496,523	2,345,752,414	1,843,418,743	1,634,484,422	1,867,032,662
Total Direct Rate	7.15	7.53	7.00	8.02	7.02

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 240,373,348	\$ 321,357,251	\$ 334,493,625	\$ 307,261,115	\$ 282,920,604
Agricultural and Vacant	9,958,953	12,108,750	12,425,761	11,821,691	8,857,830
Residential (Owner Occupied)	51,534,370	93,910,439	185,977,493	203,068,580	161,643,251
Residential (Rental)	43,225,286	59,191,815	81,627,436	79,438,350	64,116,545
Railroad, Private Cars and Airlines	4,577,572	4,958,069	5,132,988	5,676,258	4,958,652
Historical Property	681,367	1,028,590	548,655	162,535	141,129
Certain Government Property Improvements					
<b>Total</b>	<b>\$ 350,389,744</b>	<b>\$ 492,554,914</b>	<b>\$ 620,205,958</b>	<b>\$ 607,428,529</b>	<b>\$ 522,638,011</b>
Gross Full Cash Value	2,682,638,363	3,675,520,197	4,786,823,386	4,688,583,761	3,894,829,641
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	13%	13%	13%	13%	13%
Estimated Net Full Cash Value	2,231,189,024	3,149,518,308	4,239,969,973	4,194,558,885	3,471,318,581
Total Direct Rate	6.43	3.21	5.19	3.51	3.89

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

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	20 %	21 %	22 %	23 %	24 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	17	18	20	21

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

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



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

<b>Fiscal Year Ended June 30</b>	<b>Overlapping Rates</b>						<b>District Direct Rates</b>		
	<b>State</b>	<b>County</b>	<b>Phoenix Union High School District No. 210</b>	<b>Maricopa Community College</b>	<b>City of Phoenix</b>	<b>City of Glendale</b>	<b>Primary</b>	<b>Secondary</b>	<b>Total</b>
	<b>Equalization</b>								
2017	0.50	1.40	5.07	1.47	2.17	2.15	2.25	4.90	7.15
2016	0.51	1.36	4.96	1.49	1.82	2.20	2.26	5.26	7.52
2015	0.51	1.32	4.62	1.52	1.82	2.15	1.96	5.04	7.00
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

**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**

<u>Taxpayer</u>	<u>2017</u>		<u>2008</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Grand Canyon Education, Inc.	\$ 22,669,652	7.87 %	\$	
BNSF Railway Company	4,099,470	1.42		
CenturyLink	3,476,315	1.21	6,995,813	1.59 %
Luke Camelback LLC	3,188,121	1.11		
McClelland Family Partnership	3,038,922	1.06	9,899,736	2.25
1128 Valencia Associates LLC	2,551,324	0.89		
McClelland Property Company	2,294,964	0.80		
AGNL Hops LLC	2,277,684	0.79		
United Parcel Service, Inc.	2,226,611	0.77		
Plaza Del Sol 557 LLC	1,745,650	0.61		
Corning Gilbert, Inc.			4,619,877	1.05
ICG-ORE			4,047,892	0.92
Koll Bren Schreiber Realty Advisors			3,915,895	0.89
Hensley and Co.			3,519,906	0.80
Presson Equity Partners LLP			3,387,910	0.77
Burlington Northern Santa Fe			2,991,920	0.68
Oak Park Medical Building LTD			2,639,930	0.60
RGR Family Limited Partnership			2,507,933	0.57
<b>Total</b>	<u>\$ 47,568,713</u>	<u>16.53 %</u>	<u>\$ 44,526,812</u>	<u>10.12 %</u>

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

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

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

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2017	\$ 20,561,658	\$ 19,815,816	96.37 %	\$	\$ 19,815,816	96.37 %
2016	20,006,688	19,308,576	96.51	671,855	19,980,431	99.87
2015	18,883,916	17,974,861	95.19	896,928	18,871,789	99.94
2014	20,201,848	19,097,637	94.53	1,095,406	20,193,043	99.96
2013	20,514,235	19,038,323	92.81	1,467,880	20,506,203	99.96
2012	22,355,659	20,750,187	92.82	1,593,882	22,344,069	99.95
2011	15,856,850	14,614,022	92.16	1,236,738	15,850,760	99.96
2010	29,755,973	26,656,530	89.58	2,742,678	29,399,208	98.80
2009	20,109,586	18,456,777	91.78	1,586,826	20,043,603	99.67
2008	19,563,863	18,460,376	94.36	1,038,551	19,498,927	99.67

**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
2017	\$	\$	\$	0.00 %	\$	\$ 2,276,543	\$ 2,276,543	0.07 %	\$ 27	N/A %
2016				0.00		4,553,085	4,553,085	0.16	55	0.00
2015	40,000	40,000		0.00		6,829,628	6,869,628	0.30	82	0.00
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

**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, 2017**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa Community College District	\$ 607,995,192	1.13 %	\$ 6,870,346
City of Glendale	135,130,000	0.02	27,026
City of Phoenix	1,305,320,000	3.12	40,725,984
Phoenix Union High School District No. 210	301,118,437	6.50	19,572,698
Subtotal, Overlapping Debt			<u>67,196,054</u>
Direct:			
Alhambra Elementary School District No. 68			<u>2,276,543</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 69,472,597</u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		0.00 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 807	
As a Percentage of Net Limited Assessed Valuation		16.91 %
As a Percentage of Estimated Gross Full Cash Value		1.93 %

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

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

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

**Class B Bond Legal Debt Margin Calculation for Fiscal Year 2017:**

Net full cash assessed valuation	\$ 397,337,591
Debt limit (10% of assessed value)	39,733,759
Debt applicable to limit	
Legal debt margin	<u><u>\$ 39,733,759</u></u>

**Total Legal Debt Margin Calculation for Fiscal Year 2017:**

Net full cash assessed valuation	\$ 397,337,591
Debt limit (15% of assessed value)	59,600,639
Debt applicable to limit	
Legal debt margin	<u><u>\$ 59,600,639</u></u>

**Fiscal Year Ended June 30**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 59,600,639	\$ 49,064,587	\$ 40,936,326	\$ 37,682,256	\$ 43,910,582
Total net debt applicable to limit	<u>                    </u>	<u>                    </u>	<u>40,000</u>	<u>3,443,682</u>	<u>10,557,800</u>
Legal debt margin	<u><u>\$ 59,600,639</u></u>	<u><u>\$ 49,064,587</u></u>	<u><u>\$ 40,896,326</u></u>	<u><u>\$ 34,238,574</u></u>	<u><u>\$ 33,352,782</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	9%	24%

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$ 52,558,462	\$ 73,883,237	\$ 93,030,894	\$ 91,114,279	\$ 78,395,702
Total net debt applicable to limit	<u>15,793,343</u>	<u>16,396,760</u>	<u>21,241,760</u>	<u>25,100,176</u>	<u>28,546,903</u>
Legal debt margin	<u><u>\$ 36,765,119</u></u>	<u><u>\$ 57,486,477</u></u>	<u><u>\$ 71,789,134</u></u>	<u><u>\$ 66,014,103</u></u>	<u><u>\$ 49,848,799</u></u>
Total net debt applicable to the limit as a percentage of debt limit	30%	22%	23%	28%	36%

**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 outstanding and the statutory debt limits on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premim deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

**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>
2016	4,137,076	\$ N/A	\$ N/A	4.5 %	83,303
2015	4,076,438	168,483,421	41,222	5.5	83,303
2014	4,008,651	168,483,421	41,222	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

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2007 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2017, 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>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health Systems	42,677	1.94 %	16,000	0.80 %
State of Arizona	37,118	1.69	34,600	1.73
Wal-Mart Stores Inc.	34,090	1.55	29,500	1.48
Wells Fargo Company	15,596	0.71	9,900	0.50
City of Phoenix	14,439	0.66	16,318	0.82
Maricopa County	13,568	0.62	13,000	0.65
HonorHealth	13,399	0.61		
Arizona State University	12,715	0.58	11,200	0.56
Dignity Health	11,182	0.51		
Intel Corp	11,000	0.50	10,000	0.50
Bashas			14,000	0.70
Honeywell			12,000	0.60
Total	<u>205,784</u>	<u>9.37 %</u>	<u>166,518</u>	<u>8.34 %</u>
Total employment	<u>2,196,000</u>		<u>1,995,000</u>	

**Source:** The source of this information is the Greater Phoenix Economic Council and the 2008 Business Journal Book of Lists.

**Note:** The principal employer data is presented for the Phoenix metropolitan area.



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

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Supervisory</b>					
Principals	14	15	15	15	15
Assistant principals	2	4	4	4	4
Other	13	12	13	12	11
Total supervisory	<u>29</u>	<u>31</u>	<u>32</u>	<u>31</u>	<u>30</u>
<b>Instruction</b>					
Teachers	640	621	614	622	658
Aides	195	114	112	112	121
Total instruction	<u>835</u>	<u>735</u>	<u>726</u>	<u>734</u>	<u>779</u>
<b>Student Services</b>					
Guidance Counselors	9	1	1	1	1
Librarians					
Other student services	32	15	15	16	16
Total student services	<u>41</u>	<u>16</u>	<u>16</u>	<u>17</u>	<u>17</u>
<b>Support and Administration</b>					
Food Service workers	100	115	113	113	130
Custodial/maintenance workers	82	101	100	101	111
Other classified	219	349	331	320	378
Total support and administration	<u>401</u>	<u>565</u>	<u>544</u>	<u>534</u>	<u>619</u>
<b>Total</b>	<u><u>1,306</u></u>	<u><u>1,347</u></u>	<u><u>1,318</u></u>	<u><u>1,316</u></u>	<u><u>1,445</u></u>

(Continued)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Supervisory</b>					
Principals	15	15	15	15	15
Assistant principals	4	4	4	4	4
Other	11	10	10	10	10
Total supervisory	<u>30</u>	<u>29</u>	<u>29</u>	<u>29</u>	<u>29</u>
<b>Instruction</b>					
Teachers	666	716	716	784	786
Aides	100	109	124	181	171
Total instruction	<u>766</u>	<u>825</u>	<u>840</u>	<u>965</u>	<u>957</u>
<b>Student Services</b>					
Guidance Counselors	1	1	1	9	9
Librarians				12	13
Other student services	15	17	15	16	15
Total student services	<u>16</u>	<u>18</u>	<u>16</u>	<u>37</u>	<u>37</u>
<b>Support and Administration</b>					
Food Service workers	116	126	132	137	139
Custodial/maintenance workers	90	95	97	99	101
Other classified	314	342	372	341	370
Total support and administration	<u>520</u>	<u>563</u>	<u>601</u>	<u>577</u>	<u>610</u>
<b>Total</b>	<u><u>1,332</u></u>	<u><u>1,435</u></u>	<u><u>1,486</u></u>	<u><u>1,608</u></u>	<u><u>1,633</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**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2017	12,453	\$ 100,497,449	\$ 8,070	2.75 %	\$ 116,148,952	\$ 9,327	13.82 %	835	14.9	89.0 %
2016	13,020	102,259,978	7,854	0.28	106,689,063	8,194	(11.26)	735	17.7	92.0
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

**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**

	<b>Fiscal Year Ended June 30</b>									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b><u>Schools</u></b>										
<b><u>Elementary</u></b>										
Buildings	210	210	210	210	210	210	210	210	210	210
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	1,363,309
<b><u>Other</u></b>										
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
<b><u>Administrative</u></b>										
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
<b><u>Transportation</u></b>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	59	57	57	57	57	57	57	57	57	57
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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