
ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

PHOENIX, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Issued by:
Business Services Department

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

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INTRODUCTORY SECTION

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November 29, 2018

SUPERINTENDENT

Mark A. Yslas

GOVERNING BOARD

Adam Lopez Falk
President

Tanairi Ochoa-Martinez
Clerk

Ray D. Martinez, Sr.
Member

Garthanne de Ocampo
Member

Cathleen O'Neil Frantz
Member

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

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Alhambra Elementary School District No. 68 (District) for the fiscal year ended June 30, 2018.

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, 2018, 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, 2018, 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 11,810.

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 2017 population is 4.2 million, which remained consistent from 2016. 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 over 50 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 is currently in the process of building four gymnasiums across the District to meet the District vision to educate the whole child.

Finally, the District has a projected average daily membership for fiscal year 2018-19 of 11,305. District enrollment has declined over 13 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 to provide input and feedback to District administration. The District has engaged the services of an outside consultant to help estimate enrollment and to maximize the efficient use of District resources.

AWARDS AND ACKNOWLEDGMENTS

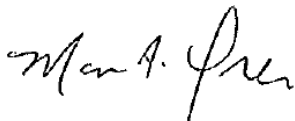
Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. 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, 2018 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



Mara Wayland
Assistant Superintendent of Business Services



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, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.' The signature is written in a cursive style and is positioned above a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

A handwritten signature in black ink, reading 'John D. Musso'. The signature is written in a cursive style and is positioned above a horizontal line.

John D. Musso, CAE
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Alhambra Elementary School
District No. 68, Arizona

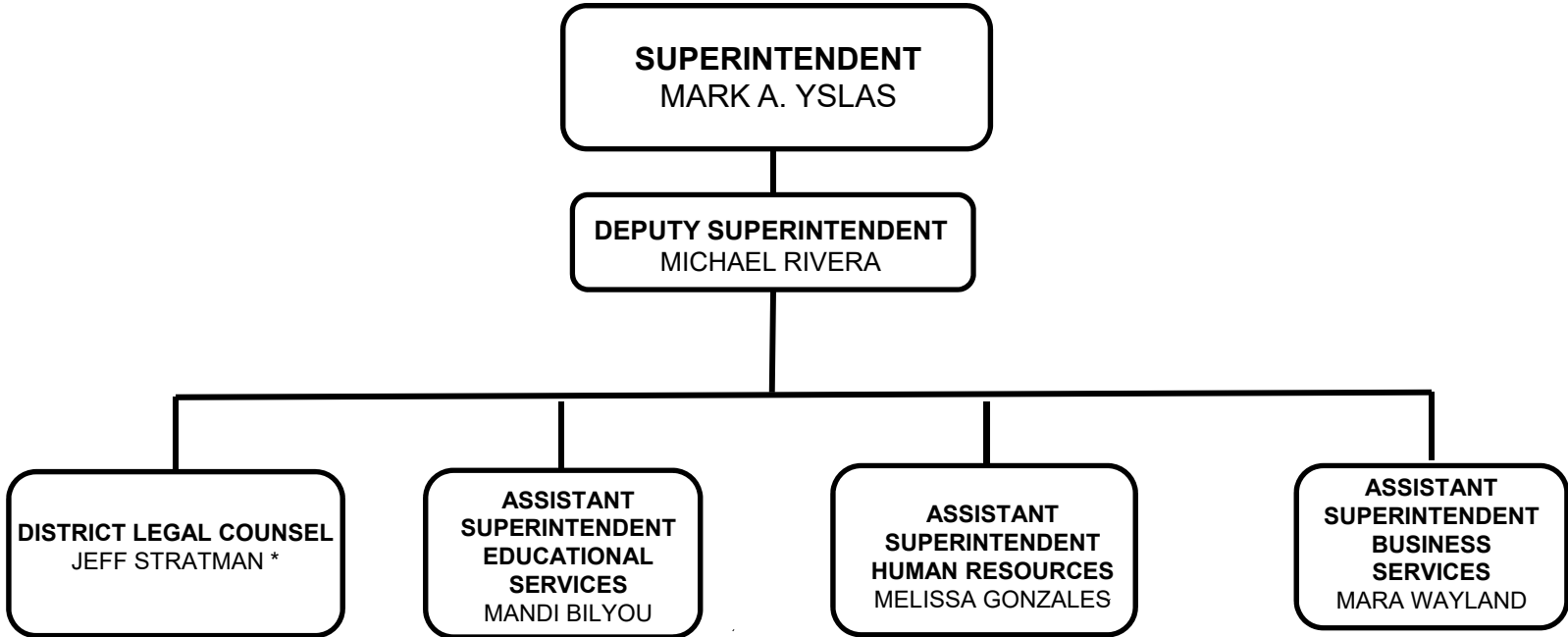
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

ALHAMBRA SCHOOL DISTRICT



* Direct report to Superintendent and to Governing Board

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Adam Lopez Falk, President

Tanairi Ochoa-Martinez, Clerk

Garthanne de Ocampo, Member

Ray D. Martinez, Sr., Member

Cathleen O'Neil Frantz, Member

ADMINISTRATIVE STAFF

Mark A. Yslas, Superintendent

Michael Rivera, Deputy Superintendent

Mara Wayland, Assistant Superintendent of Business Services

Mandi Bilyou, Assistant Superintendent for Educational Services

Melissa Gonzales, Assistant Superintendent for Human Resources

Jeffrey E. Stratman, Esq. District Legal Counsel and Construction Project Manager

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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, 2018, 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, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2018 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
November 29, 2018

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, 2018**

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, 2018. 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 \$2.6 million which represents an 44 percent decrease from the prior fiscal year as a result of a decrease in state revenue associated with declining enrollment.
- General revenues accounted for \$84.0 million in revenue, or 73 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$31.7 million or 27 percent of total current fiscal year revenues.
- The District had approximately \$118.3 million in expenses related to governmental activities, an increase of two percent from the prior fiscal year.
- Among major funds, the General Fund had \$71.3 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$71.7 million in expenditures. The General Fund's fund balance remained at \$20.1 million between the prior fiscal year end and 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, 2018**

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, 2018**

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, Other Federal Projects, Unrestricted Capital Outlay, and Bond Building 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 and other postemployment benefit plans 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 \$3.2 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, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2018 and June 30, 2017.

	As of June 30, 2018	As of June 30, 2017
Current and other assets	\$ 71,833,981	\$ 49,816,931
Capital assets, net	67,734,580	66,264,970
Total assets	<u>139,568,561</u>	<u>116,081,901</u>
 Deferred outflows	 <u>13,879,089</u>	 <u>21,384,955</u>
 Current liabilities	 3,475,073	 5,092,842
Long-term liabilities	139,880,010	112,336,618
Total liabilities	<u>143,355,083</u>	<u>117,429,460</u>
 Deferred inflows	 <u>6,842,764</u>	 <u>14,241,365</u>
 Net position:		
Net investment in capital assets	55,604,986	66,264,970
Restricted	32,087,310	24,396,055
Unrestricted	(84,442,493)	(84,864,994)
Total net position	<u>\$ 3,249,803</u>	<u>\$ 5,796,031</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 prior 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 \$5.2 million.
- The issuance of \$14.3 million in school improvement bonds and \$1.0 million in associated premium.
- The addition of \$6.8 million in capital assets through the construction of school improvements and purchases of vehicles, furniture and equipment.
- The addition of \$20.4 million in capital lease obligations for technology items and energy efficient upgrades.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

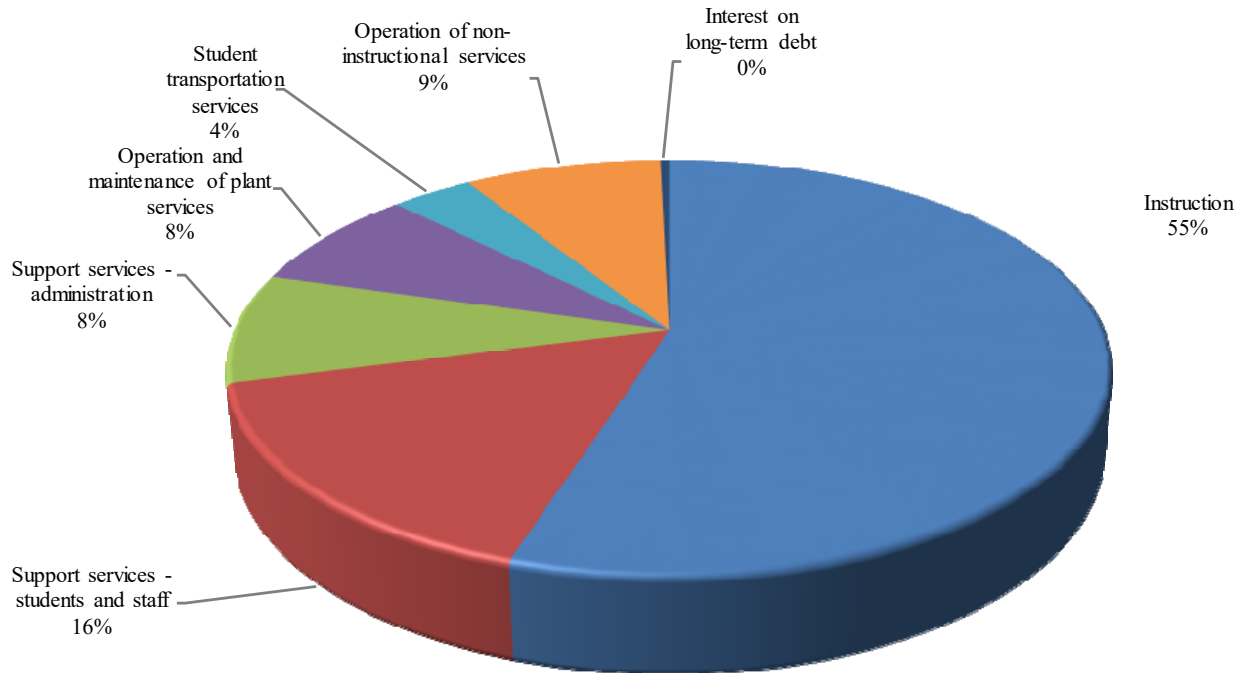
Changes in net position. The District's total revenues for the current fiscal year were \$115.7 million. The total cost of all programs and services was \$118.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2018 and June 30, 2017.

	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017
Revenues:		
Program revenues:		
Charges for services	\$ 4,150,955	\$ 1,360,030
Operating grants and contributions	26,206,645	25,071,366
Capital grants and contributions	1,324,836	1,182,831
General revenues:		
Property taxes	23,071,265	20,348,613
Investment income	282,697	188,434
Unrestricted county aid	5,564,594	5,795,451
Unrestricted state aid	54,711,119	57,655,932
Unrestricted federal aid	411,777	275,689
Total revenues	115,723,888	111,878,346
Expenses:		
Instruction	64,974,105	65,042,422
Support services - students and staff	19,045,706	17,731,025
Support services - administration	10,003,648	9,807,357
Operation and maintenance of plant services	9,431,495	9,615,816
Student transportation services	4,234,275	3,819,857
Operation of non-instructional services	10,158,820	10,132,475
Interest on long-term debt	439,572	0
Total expenses	118,287,621	116,148,952
Changes in net position	(2,563,733)	(4,270,606)
Net position, beginning, as restated	5,813,536	10,066,637
Net position, ending	\$ 3,249,803	\$ 5,796,031

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2018



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

- Increase in charges for services of \$2.8 million due to a large disposition of instructional technological equipment.
- Increase in property tax revenues of \$2.7 million due to an increase in the assessed valuation of real property within the District's boundaries.
- Decrease in unrestricted state aid of \$2.9 million due to declining 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, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2018		Year Ended June 30, 2017	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 64,974,105	\$ (52,899,959)	\$ 65,042,422	\$ (56,686,973)
Support services - students and staff	19,045,706	(10,490,675)	17,731,025	(9,839,424)
Support services - administration	10,003,648	(9,264,416)	9,807,357	(8,967,113)
Operation and maintenance of plant services	9,431,495	(9,081,163)	9,615,816	(9,087,856)
Student transportation services	4,234,275	(4,173,308)	3,819,857	(3,715,413)
Operation of non-instructional services	10,158,820	(664,047)	10,132,475	(237,946)
Interest on long-term debt	439,572	(31,617)	0	0
Total	\$ 118,287,621	\$ (86,605,185)	\$ 116,148,952	\$ (88,534,725)

- The cost of all governmental activities this year was \$118.3 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$31.7 million.
- Net cost of governmental activities of \$86.6 million was financed by general revenues, which are made up of primarily property taxes of \$23.1 million and state and county aid of \$60.3 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 \$65.4 million, an increase of \$22.1 million due primarily to the issuance of school improvement bonds and the entrance into capital lease agreements.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 31 percent of the total fund balance. Approximately \$19.1 million, or 95 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 \$33,080 to \$20.1 million as of fiscal year end. General Fund revenues decreased \$2.5 million primarily as a result of decreases in state aid associated with declining enrollment. General Fund expenditures increased \$1.6 million.

The fund balance of the Classroom Site Fund increased \$249,427 to \$6.6 million as of fiscal year end.

The fund balances of the Title I Grants and Other Federal Projects Funds decreased by \$799,668 and \$241,800, respectively, to deficits balances due to outstanding grant reimbursements.

The fund balance of the Unrestricted Capital Outlay Fund increased from \$4.4 million to \$5.0 million due to the disposition of technological devices.

The fund balance of the Bond Building Fund increased by \$15.0 million due to the issuance of school improvement bonds.

BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was a \$411,899 increase, or less than one percent, which is not significant.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variances are summarized as follows:

- The favorable variance of \$3.6 million in instruction was a result of the continuance of conservative budgeting practice to ensure a healthy budget balance carryforward.
- The unfavorable variance of \$628,952 in student transportation services was due to the unanticipated utilization of outside contracted employees as a result of a shortage of bus drivers.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$179.8 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 \$5.9 million from the prior fiscal year, primarily due to completion of energy efficient equipment within buildings. Total depreciation expense for the current fiscal year was \$5.2 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2018 and June 30, 2017.

	As of June 30, 2018	As of June 30, 2017
Capital assets - non-depreciable	\$ 3,209,017	\$ 2,918,315
Capital assets - depreciable, net	64,525,563	63,346,655
Total	\$ 67,734,580	\$ 66,264,970

The estimated cost to complete current construction projects is \$10.4 million.

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

Debt Administration. At year end, the District had \$33.5 million in long-term debt outstanding, \$2.7 million due within one year. Long-term debt increased by \$31.3 million due to the issuance of school improvement bonds and entrance into capital lease agreements.

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 \$69.4 million and the Class B debt limit is \$46.3 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

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 2018-19 budget. Among them:

- Fiscal year 2017-18 budget balance carry forward (estimated \$2.9 million).
- District student population (estimated 11,305).

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 two percent to \$71.1 million in fiscal year 2018-19 due to projected decreases in enrollment. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2018-19 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 37th Avenue, Phoenix, Arizona 85019.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 43,277,988
Property taxes receivable	1,104,475
Accounts receivable	353,129
Due from governmental entities	19,597,640
Inventory	213,601
Total current assets	64,546,833
Noncurrent assets:	
Cash and investments - restricted	6,922,710
Net other postemployment benefit assets	364,438
Capital assets not being depreciated	3,209,017
Capital assets, net of accumulated depreciation	64,525,563
Total noncurrent assets	75,021,728
Total assets	139,568,561
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	13,879,089
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	1,948,728
Construction contracts payable	242,041
Accrued payroll and employee benefits	833,934
Compensated absences payable	205,722
Unearned revenues	450,370
Obligations under capital leases	2,725,990
Total current liabilities	6,406,785
Noncurrent liabilities:	
Non-current portion of long-term obligations	136,948,298
Total noncurrent liabilities	136,948,298
Total liabilities	143,355,083
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	6,842,764
 <u>NET POSITION</u>	
Net investment in capital assets	55,604,986
Restricted for:	
Voter approved initiatives	10,559,433
Federal and state projects	93,255
Food service	1,745,256
Community school	1,862,902
Insurance refund	2,907,958
Civic center	770,359
Extracurricular activities	469,443
Other local initiatives	51,839
Capital outlay	13,626,865
Unrestricted	(84,442,493)
Total net position	\$ 3,249,803

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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 64,974,105	\$ 3,345,952	\$ 7,442,505	\$ 1,285,689	\$ (52,899,959)
Support services - students and staff	19,045,706		8,555,031		(10,490,675)
Support services - administration	10,003,648		739,232		(9,264,416)
Operation and maintenance of plant services	9,431,495	221,461	89,724	39,147	(9,081,163)
Student transportation services	4,234,275		60,967		(4,173,308)
Operation of non-instructional services	10,158,820	583,542	8,911,231		(664,047)
Interest on long-term debt	439,572		407,955		(31,617)
Total governmental activities	<u>\$ 118,287,621</u>	<u>\$ 4,150,955</u>	<u>\$ 26,206,645</u>	<u>\$ 1,324,836</u>	<u>\$ (86,605,185)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	16,662,449
Property taxes, levied for capital outlay	6,408,816
Investment income	282,697
Unrestricted county aid	5,564,594
Unrestricted state aid	54,711,119
Unrestricted federal aid	411,777
Total general revenues	<u>84,041,452</u>

Changes in net position (2,563,733)

Net position, beginning of year, as restated 5,813,536

Net position, end of year \$ 3,249,803

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, 2018

	General	Classroom Site	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 3,048,966	\$ 6,200,015	\$
Cash and investments - restricted			
Property taxes receivable	949,550		
Accounts receivable	224,569		
Due from governmental entities	16,037,999	460,712	799,668
Due from other funds	1,998,544		
Inventory	156,893		
Total assets	\$ 22,416,521	\$ 6,660,727	\$ 799,668
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 916,676	\$	\$ 44,521
Construction contracts payable			
Due to other funds			707,194
Accrued payroll and employee benefits	573,297	11,153	47,953
Unearned revenues			
Total liabilities	1,489,973	11,153	799,668
Deferred inflows of resources:			
Unavailable revenues - property taxes	818,462		
Unavailable revenues - intergovernmental			799,668
Total deferred inflows of resources	818,462		799,668
Fund balances (deficits):			
Nonspendable	156,893		
Restricted	870,612	6,649,574	
Unassigned	19,080,581		(799,668)
Total fund balances	20,108,086	6,649,574	(799,668)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 22,416,521	 \$ 6,660,727	 \$ 799,668

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

<u>Other Federal Projects</u>	<u>Unrestricted Capital Outlay</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$ 5,662,216	\$ 14,999,036	\$ 13,367,755	\$ 43,277,988
	154,925		6,922,710	6,922,710
	42,971		85,589	1,104,475
616,643	234,871		1,447,747	353,129
				19,597,640
				1,998,544
			56,708	213,601
<u>\$ 616,643</u>	<u>\$ 6,094,983</u>	<u>\$ 14,999,036</u>	<u>\$ 21,880,509</u>	<u>\$ 73,468,087</u>
\$ 99,116	\$ 729,056	\$	\$ 159,359	\$ 1,948,728
	242,041			242,041
363,311			928,039	1,998,544
154,216			47,315	833,934
			450,370	450,370
<u>616,643</u>	<u>971,097</u>		<u>1,585,083</u>	<u>5,473,617</u>
	117,969			936,431
210,836			689,536	1,700,040
<u>210,836</u>	<u>117,969</u>		<u>689,536</u>	<u>2,636,471</u>
	5,005,917	14,999,036	56,708	213,601
(210,836)			20,257,142	47,782,281
<u>(210,836)</u>	<u>5,005,917</u>	<u>14,999,036</u>	<u>(707,960)</u>	<u>17,362,117</u>
			19,605,890	65,357,999
<u>\$ 616,643</u>	<u>\$ 6,094,983</u>	<u>\$ 14,999,036</u>	<u>\$ 21,880,509</u>	<u>\$ 73,468,087</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total governmental fund balances		\$ 65,357,999
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 179,847,987	
Less accumulated depreciation	<u>(112,113,407)</u>	67,734,580
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	936,431	
Intergovernmental	<u>1,700,040</u>	2,636,471
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions/OPEB	13,879,089	
Deferred inflows of resources related to pensions/OPEB	<u>(6,842,764)</u>	7,036,325
<p>The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.</p>		
		364,438
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(1,575,272)	
Obligations under capital leases	(18,259,615)	
Net OPEB liability	(242,298)	
Net pension liability	(104,534,952)	
Bonds payable	<u>(15,267,873)</u>	<u>(139,880,010)</u>
Net position of governmental activities		\$ <u><u>3,249,803</u></u>

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, 2018

	General	Classroom Site	Title I Grants
Revenues:			
Other local	\$ 6,184,246	\$ 48,609	\$
Property taxes	16,723,772		
State aid and grants	47,949,074	5,528,543	
Federal aid, grants and reimbursements	411,777		8,665,907
Total revenues	71,268,869	5,577,152	8,665,907
Expenditures:			
Current -			
Instruction	39,753,693	5,272,116	1,996,798
Support services - students and staff	9,595,849	55,609	6,262,255
Support services - administration	9,126,071		345,946
Operation and maintenance of plant services	8,689,338		896
Student transportation services	4,010,616		
Operation of non-instructional services	407,733		
Capital outlay	129,693		789,977
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	71,712,993	5,327,725	9,395,872
Excess (deficiency) of revenues over expenditures	(444,124)	249,427	(729,965)
Other financing sources (uses):			
Transfers in	428,077		
Transfers out			(69,703)
Capital lease agreements			
Issuance of school improvement bonds			
Premium on sale of bonds			
Insurance recoveries	45,612		
Proceeds from disposal of personal property			
Total other financing sources (uses)	473,689		(69,703)
Changes in fund balances	29,565	249,427	(799,668)
Fund balances, beginning of year, as restated	20,141,166	6,400,147	
Increase (decrease) in reserve for inventory	(62,645)		
Fund balances, end of year	\$ 20,108,086	\$ 6,649,574	\$ (799,668)

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

<u>Other Federal Projects</u>	<u>Unrestricted Capital Outlay</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$ 31,372	\$ 13,193	\$ 1,634,482	\$ 7,911,902
	5,019,146		1,380,007	23,122,925
	695,005		1,296,674	55,469,296
<u>3,557,557</u>			<u>13,234,560</u>	<u>25,869,801</u>
<u>3,557,557</u>	<u>5,745,523</u>	<u>13,193</u>	<u>17,545,723</u>	<u>112,373,924</u>
2,804,021			4,027,550	53,854,178
357,155			1,990,442	18,261,310
296,932			321,748	10,090,697
88,448			171,163	8,949,845
26			29,646	4,040,262
218,202	11,444,423		9,213,138	9,620,897
	4,409,494		5,578,559	18,160,854
				4,409,494
			439,572	439,572
		268,837		268,837
<u>3,764,784</u>	<u>15,853,917</u>	<u>268,837</u>	<u>21,771,818</u>	<u>128,095,946</u>
<u>(207,227)</u>	<u>(10,108,394)</u>	<u>(255,644)</u>	<u>(4,226,095)</u>	<u>(15,722,022)</u>
(34,573)	8,531,809	(13,193)	13,193	441,270
			(323,801)	(441,270)
			11,860,757	20,392,566
		14,265,000		14,265,000
		1,002,873		1,002,873
	2,163,064			45,612
<u>(34,573)</u>	<u>10,694,873</u>	<u>15,254,680</u>	<u>11,550,149</u>	<u>37,869,115</u>
<u>(241,800)</u>	<u>586,479</u>	<u>14,999,036</u>	<u>7,324,054</u>	<u>22,147,093</u>
30,964	4,419,438		12,237,191	43,228,906
			44,645	(18,000)
<u>\$ (210,836)</u>	<u>\$ 5,005,917</u>	<u>\$ 14,999,036</u>	<u>\$ 19,605,890</u>	<u>\$ 65,357,999</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, 2018

Changes in fund balances - total governmental funds **\$ 22,147,093**

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	\$ 6,817,736	
Less current year depreciation	<u>(5,239,587)</u>	1,578,149

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.

Issuance of school improvement bonds	(15,267,873)	
Obligations under capital leases	<u>(20,392,566)</u>	(35,660,439)

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

Property taxes	(51,660)	
Intergovernmental	<u>1,192,948</u>	1,141,288

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

4,409,494

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

Current year pension/OPEB contributions	7,335,365	
Pension/OPEB expense	<u>(3,825,062)</u>	3,510,303

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.

Inventory	(18,000)	
Loss on disposal of assets	(108,539)	
Compensated absences	<u>436,918</u>	<u>310,379</u>

Changes in net position in governmental activities **\$ (2,563,733)**

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, 2018

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 143,071
Total assets	<u>\$ 143,071</u>
<u>LIABILITIES</u>	
Due to student groups	\$ 143,071
Total liabilities	<u>\$ 143,071</u>

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, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

During the year ended June 30, 2018, the District implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement requires governments providing defined benefit postemployment benefits other than pensions to recognize the long-term obligation for those benefits as a liability, and to more comprehensively and comparably measure the annual costs of those benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

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

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018

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, 2018

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 Fund – 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.

Other Federal Projects Fund – The Other Federal Projects Fund accounts for financial assistance received for other supplemental federal projects.

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

Bond Building Fund – The Bond Building Fund accounts for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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, 2018

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, 2018

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, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit (OPEB) assets and liabilities, related deferred outflows of resources and deferred inflows of resources, and related expenses, information about the pension and OPEB plans' fiduciary net position and additions to/deductions from the plans' 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, 2018

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, 2018

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	Title I Grants Fund	Other Federal Projects Fund	Unrestricted Capital Outlay Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:							
Nonspendable:							
Inventory	\$ 156,893	\$	\$	\$	\$	\$	\$ 56,708
Restricted:							
Capital projects	870,612				5,005,917		8,502,979
Bond building projects						14,999,036	
Voter approved initiatives		6,649,574					3,909,859
Federal and state projects							93,255
Food service							1,688,548
Civic center							770,359
Community school							1,862,902
Extracurricular activities							469,443
Insurance refund							2,907,958
Other purposes							51,839
Unassigned	<u>19,080,581</u>		<u>(799,668)</u>	<u>(210,836)</u>			<u>(707,960)</u>
Total fund balances	<u>\$20,108,086</u>	<u>\$6,649,574</u>	<u>\$ (799,668)</u>	<u>\$(210,836)</u>	<u>\$ 5,005,917</u>	<u>\$ 14,999,036</u>	<u>\$ 19,605,890</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Funds:	
Title I Grants	\$ (799,668)
Other Federal Projects	(210,836)
Non-Major Governmental Funds:	
Professional Development and Technology Grants	(132,441)
Limited English & Immigrant Students	(226,081)
Special Education Grants	(304,288)
Johnson O’Malley	(2,269)
Homeless Education	(3,929)
Debt Service	(18,424)
Building Renewal Grant	(20,528)

The deficits arose because of operations during the year and prior years and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2018-19 are expected to eliminate the deficits.

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

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$29,293 and the bank balance was \$165,544. The District also had \$6,922,710 of lease proceeds in an escrow account.

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 – CASH AND INVESTMENTS

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.

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

Investment Type	Average Maturities	Fair Value
County Treasurer’s investment pool	502 days	\$ 43,391,766
Total		\$ 43,391,766

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	Classroom Site Fund	Title I Grants Fund	Other Federal Projects Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Due from other governmental entities:						
Due from federal government	\$	\$	\$ 799,668	\$ 616,643	\$	\$ 1,164,902
Due from state government	16,037,999	460,712			234,871	282,845
Net due from governmental entities	<u>\$16,037,999</u>	<u>\$ 460,712</u>	<u>\$ 799,668</u>	<u>\$ 616,643</u>	<u>\$ 234,871</u>	<u>\$ 1,447,747</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,918,315	\$	\$	\$ 2,918,315
Construction in progress		290,702		290,702
Total capital assets, not being depreciated	<u>2,918,315</u>	<u>290,702</u>		<u>3,209,017</u>
Capital assets, being depreciated:				
Land improvements	17,695,335	391,747	70,651	18,016,431
Buildings and improvements	142,929,602	5,207,017	121,336	148,015,283
Vehicles, furniture and equipment	10,391,939	928,270	712,953	10,607,256
Total capital assets being depreciated	<u>171,016,876</u>	<u>6,527,034</u>	<u>904,940</u>	<u>176,638,970</u>
Less: Accumulated depreciation for:				
Land improvements	(12,444,405)	(767,064)	(66,358)	(13,145,111)
Buildings and improvements	(88,166,319)	(3,968,367)	(64,041)	(92,070,645)
Vehicles, furniture and equipment	(7,059,497)	(504,156)	(666,002)	(6,897,651)
Total accumulated depreciation	<u>(107,670,221)</u>	<u>(5,239,587)</u>	<u>(796,401)</u>	<u>(112,113,407)</u>
Total capital assets, being depreciated, net	<u>63,346,655</u>	<u>1,287,447</u>	<u>108,539</u>	<u>64,525,563</u>
Governmental activities capital assets, net	<u>\$ 66,264,970</u>	<u>\$ 1,578,149</u>	<u>\$ 108,539</u>	<u>\$ 67,734,580</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,841,569
Support services – students and staff	1,153,521
Support services – administration	192,086
Operation and maintenance of plant services	215,740
Student transportation services	330,165
Operation of non-instructional services	506,506
Total depreciation expense – governmental activities	<u>\$ 5,239,587</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of four gymnasiums. At year end, the District had spent \$290,702 on the projects and had estimated remaining contractual commitments of \$10.4 million. These projects are being funded with bond proceeds.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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	\$	\$ 1,029,000	\$ 1,029,000	\$

NOTE 8 – OBLIGATIONS UNDER LEASES

Capital Leases – The District has acquired technology and related equipment under the District’s capitalization threshold and made energy efficient upgrades 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 and Energy and Water Savings Fund are used to pay the capital lease obligations.

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

	Governmental Activities
Asset:	
Building improvements	\$ 5,118,029
Less: Accumulated depreciation	50,862
Total	\$ 5,067,167

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – OBLIGATIONS UNDER LEASES

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

Year Ending June 30:	Governmental Activities
2019	\$ 3,218,211
2020	3,218,212
2021	3,218,212
2022	1,085,259
2023	1,085,259
2024-28	5,426,295
2029-33	5,426,295
2034-38	5,018,337
Total minimum lease payments	27,696,080
Less: amount representing interest	9,436,465
Present value of minimum lease payments	18,259,615
Due within one year	\$ 2,725,990

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:	
2019	\$ 63,696
2020	63,696
2021	63,696
Total minimum payments required	\$ 191,088

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$30 million remains unissued. The bonds are callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2018</u>	<u>Due Within One Year</u>
Governmental activities:					
School Improvement Bonds, Project of 2017, Series A (2018)	\$ 14,265,000	2.5-5%	7/1/20-36	\$ 14,265,000	\$
Total				<u>\$ 14,265,000</u>	<u>\$</u>

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

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$	\$ 366,799
2020		552,500
2021	815,000	542,312
2022	1,100,000	504,625
2023	625,000	469,313
2024-28	3,450,000	2,061,375
2029-33	4,225,000	1,263,375
2034-38	4,050,000	332,000
Total	<u>\$ 14,265,000</u>	<u>\$ 6,092,299</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$	\$ 14,265,000	\$	\$ 14,265,000	\$
Premium		1,002,873		1,002,873	
Total bonds payable		15,267,873		15,267,873	
Obligations under capital leases	2,276,543	20,392,566	4,409,494	18,259,615	2,725,990
Net OPEB liability	149,306	92,992		242,298	
Net pension liability	108,047,885		3,512,933	104,534,952	
Compensated absences payable	2,012,190	644,076	1,080,994	1,575,272	205,722
Governmental activity long-term liabilities	<u>\$112,485,924</u>	<u>\$ 36,397,507</u>	<u>\$ 9,003,421</u>	<u>\$139,880,010</u>	<u>\$ 2,931,712</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds - At year end, several funds had negative cash balances in the Treasurer’s pooled cash accounts of \$1,683,442. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. Additionally, interfund balances of \$315,102 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 \$428,077 restricted for indirect costs, and to move investment income of \$13,193 earned in the Bond Building Fund, that is required by statute to be expended in the Debt Service Fund.

NOTE 12 – CONTINGENT LIABILITIES

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – CONTINGENT LIABILITIES

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

NOTE 13 – PRIOR PERIOD ADJUSTMENT

The July 1, 2017 fund balance of the Other Federal Projects Fund and the Non-Major Governmental Funds do not agree to the prior year financial statements due to the correction of an error. The District was not fully reimbursed for grant expenditures in a prior fiscal year. Fund balance was restated to move the deficit fund balance to another allowable source for the prior year expenditures.

	Governmental Funds	
	Other Federal Projects Fund	Non-Major Governmental Funds
Fund balance, June 30, 2017, as previously reported	\$ (133,139)	\$ 12,401,294
Grant expenditures not reimbursed in prior year	164,103	(164,103)
Fund balance, July 1, 2017, as restated	\$ 30,964	\$ 12,237,191

NOTE 14 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District joined the Arizona School Risk Retention Trust, Inc. (ASRRT). ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the State. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 – RISK MANAGEMENT

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

The District carries commercial insurance for all other risks of loss, including dental and vision insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Aggregate Amounts. At June 30, 2018, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB
Net assets	\$	\$ (364,438)
Net liability	104,534,952	242,298
Deferred outflows of resources	13,496,375	
Deferred inflows of resources	6,395,697	447,067
Expense	3,482,630	342,432
Contributions	6,952,651	382,714

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT 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.

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a long-term disability benefit in the event they become unable to perform their work. The monthly benefit is equal to two-thirds of their monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999 are limited to 30 years of service or the service on record as of the effective disability date, if their service is greater than 30 years.

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 11.50 percent (11.34 percent for retirement and 0.16 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 11.50 percent (10.90 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions for the year ended June 30, 2018 were as follows:

	Contributions
Pension	\$ 6,952,651
Health Insurance Premium	280,657
Long-Term Disability	102,057

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.49 percent (9.26 for retirement, 0.10 percent for health insurance premium benefit, and 0.13 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The District’s pension and OPEB contributions are paid by the same funds as the employee’s salary, with the largest component coming from the General Fund.

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2017. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The District’s proportion of the net assets/liability was based on the District’s actual contributions to the applicable plan relative to the total of all participating employers’ contributions to the plan for the year ended June 30, 2017.

At June 30, 2018, the District reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2017, the District’s percentage proportion for each plan and the related change from its proportion measured as of June 30, 2016 was:

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 104,534,952	0.671	0.002
Health Insurance Premium	(364,438)	0.669	
Long-Term Disability	242,298	0.668	

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2018, the District recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 3,482,630
Health Insurance Premium	213,160
Long-Term Disability	129,272

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$	\$	\$
Changes of assumptions or other inputs	4,540,193		
Net difference between projected and actual earnings on pension investments	750,489		
Changes in proportion and differences between contributions and proportionate share of contributions	1,253,042		
Contributions subsequent to the measurement date	6,952,651	280,657	102,057
Total	\$ 13,496,375	\$ 280,657	\$ 102,057
	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 3,134,536	\$	\$
Changes of assumptions or other inputs	3,125,783		
Net difference between projected and actual earnings on pension investments		410,342	36,245
Changes in proportion and differences between contributions and proportionate share of contributions	135,378	445	35
Total	\$ 6,395,697	\$ 410,787	\$ 36,280

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2019	\$ (3,353,388)	\$ (102,678)	\$ (9,066)
2020	4,609,164	(102,678)	(9,066)
2021	1,296,867	(102,678)	(9,066)
2022	(2,404,616)	(102,678)	(9,066)
2023		(77)	(5)
Thereafter			(10)

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

	Pension	OPEB
Actuarial valuation date	June 30, 2016	June 30, 2016
Actuarial roll forward date	June 30, 2017	June 30, 2017
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	8.0%	8.0%
Salary increases	3.0-6.75%	Not applicable
Inflation	3.0%	3.0%
Permanent base increases	Included	Not applicable
Mortality rates	1994 GAM Scale BB	1994 GAM Scale BB
Healthcare cost trend rate	Not applicable	Not applicable

The actuarial assumptions used in the June 30, 2016 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The long-term expected rate of return on ASRS plan investments was determined to be 8.70 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 for all ASRS plans are summarized in the following table:

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

Discount Rate. The discount rate used to measure the ASRS total pension and OPEB liability was 8.0 percent, which is less than the long-term expected rate of return of 8.70 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 plans’ 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 investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Sensitivity of the Proportionate Share of the Net Pension and OPEB Asset/Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension and OPEB assets/liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension and OPEB asset/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:

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	7.0%	8.0%	9.0%
Pension	\$ 134,172,427	\$ 104,534,952	\$ 79,770,303
Health Insurance Premium	605,226	(364,438)	(1,188,487)
Long-Term Disability	289,728	242,298	202,084

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

Beginning Net Position Restatement. The implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, represents a change in accounting principle. Net position as of July 1, 2017, has been restated as follows for this change in accounting principle:

	Statement of Activities
Net position, June 30, 2017, as previously reported	\$ 5,796,031
Net OPEB asset	166,811
Net OPEB liability	(149,306)
Net position, July 1, 2017, as restated	\$ 5,813,536

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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, 2018

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 5,479,269	\$ 5,479,269
Property taxes			16,723,772	16,723,772
State aid and grants			47,949,074	47,949,074
Total revenues			<u>70,152,115</u>	<u>70,152,115</u>
Expenditures:				
Current -				
Instruction	43,359,635	43,975,033	40,405,051	3,569,982
Support services - students and staff	8,697,749	8,697,749	8,589,130	108,619
Support services - administration	8,262,574	8,262,574	8,286,799	(24,225)
Operation and maintenance of plant services	8,598,143	8,394,644	8,304,415	90,229
Student transportation services	2,948,337	2,948,337	3,577,289	(628,952)
Operation of non-instructional services	304,553	304,553	336,996	(32,443)
Capital outlay			1,266	(1,266)
Total expenditures	<u>72,170,991</u>	<u>72,582,890</u>	<u>69,500,946</u>	<u>3,081,944</u>
Changes in fund balances	<u>(72,170,991)</u>	<u>(72,582,890)</u>	<u>651,169</u>	<u>73,234,059</u>
Fund balances, beginning of year			63,078	63,078
Increase (decrease) in reserve for prepaid items			4,875,288	4,875,288
Increase (decrease) in reserve for inventory			(62,645)	(62,645)
Fund balances (deficits), end of year	<u>\$ (72,170,991)</u>	<u>\$ (72,582,890)</u>	<u>\$ 5,526,890</u>	<u>\$ 78,109,780</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, 2018

	<u>Budgeted Amounts</u>		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local	\$	\$	\$ 48,609	\$ 48,609
State aid and grants			5,528,543	5,528,543
Total revenues			<u>5,577,152</u>	<u>5,577,152</u>
Expenditures:				
Current -				
Instruction	11,334,813	11,509,582	4,994,359	6,515,223
Support services - students and staff	170,060	170,060	55,609	114,451
Total expenditures	<u>11,504,873</u>	<u>11,679,642</u>	<u>5,049,968</u>	<u>6,629,674</u>
Changes in fund balances	<u>(11,504,873)</u>	<u>(11,679,642)</u>	<u>527,184</u>	<u>12,206,826</u>
Fund balances, beginning of year			6,106,582	6,106,582
Increase (decrease) in reserve for prepaid items			15,808	15,808
Fund balances (deficits), end of year	<u>\$ (11,504,873)</u>	<u>\$ (11,679,642)</u>	<u>\$ 6,649,574</u>	<u>\$ 18,329,216</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, 2018

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	Non-GAAP Actual	
Revenues:			
Federal aid, grants and reimbursements	\$	\$ 8,343,945	\$ 8,343,945
Total revenues		<u>8,343,945</u>	<u>8,343,945</u>
Expenditures:			
Current -			
Instruction	3,500,000	1,995,752	1,504,248
Support services - students and staff	7,500,000	5,959,872	1,540,128
Support services - administration	1,800,000	346,872	1,453,128
Operation and maintenance of plant services	99,822	911	98,911
Capital outlay	1,000,000	789,977	210,023
Total expenditures	<u>13,899,822</u>	<u>9,093,384</u>	<u>4,806,438</u>
Excess (deficiency) of revenues over expenditures	<u>(13,899,822)</u>	<u>(749,439)</u>	<u>13,150,383</u>
Other financing sources (uses):			
Transfers out		(69,703)	(69,703)
Total other financing sources (uses)		<u>(69,703)</u>	<u>(69,703)</u>
Changes in fund balances	<u>(13,899,822)</u>	<u>(819,142)</u>	<u>13,080,680</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for prepaid items		19,474	19,474
Fund balances (deficits), end of year	<u>\$ (13,899,822)</u>	<u>\$ (799,668)</u>	<u>\$ 13,100,154</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
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts	Non-GAAP	Variance with Final Budget
	Original & Final	Actual	Positive (Negative)
Revenues:			
Federal aid, grants and reimbursements	\$	\$ 3,520,442	\$ 3,520,442
Total revenues	3,859,295	3,529,864	329,431
Expenditures:			
Current -			
Instruction	2,834,195	2,598,429	235,766
Support services - students and staff	350,000	339,107	10,893
Support services - administration	300,000	285,652	14,348
Operation and maintenance of plant services	150,000	88,448	61,552
Operation of non-instructional services	100	26	74
Capital outlay	225,000	218,202	6,798
Total expenditures	3,859,295	3,529,864	329,431
Excess (deficiency) of revenues over expenditures	(3,859,295)	(9,422)	3,849,873
Other financing sources (uses):			
Transfers out		(34,573)	(34,573)
Total other financing sources (uses)		(34,573)	(34,573)
Changes in fund balances	(3,859,295)	(43,995)	3,815,300
Fund balances (deficits), beginning of year, as restated		(166,841)	(166,841)
Fund balances (deficits), end of year	\$ (3,859,295)	\$ (210,836)	\$ 3,648,459

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 FOUR FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	0.67%	0.67%	0.65%	0.66%
District's proportionate share of the net pension (assets) liability	\$ 104,534,952	\$ 108,047,885	\$ 101,549,861	\$ 98,382,802
District's covered payroll	\$ 65,341,438	\$ 62,346,488	\$ 59,892,534	\$ 59,833,374
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	159.98%	173.30%	169.55%	164.43%
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%

SCHEDULE OF PENSION CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 6,952,651	\$ 7,043,807	\$ 6,764,594	\$ 6,522,297
Contributions in relation to the actuarially determined contribution	<u>6,952,651</u>	<u>7,043,807</u>	<u>6,764,594</u>	<u>6,522,297</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 63,785,789	\$ 65,341,438	\$ 62,346,488	\$ 59,892,534
Contributions as a percentage of covered payroll	10.90%	10.78%	10.85%	10.89%

NOTE: The pension and OPEB 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
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

2018

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.67%
District's proportionate share of the net OPEB (assets) liability	\$ (364,438)
District's covered payroll	\$ 65,341,438
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-0.56%
Plan fiduciary net position as a percentage of the total OPEB liability	103.57%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

2018

Actuarially determined contribution	\$ 280,657
Contributions in relation to the actuarially determined contribution	<u>280,657</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered payroll	\$ 63,785,789
Contributions as a percentage of covered payroll	0.44%

NOTE: The pension and OPEB 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
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2018

2018

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.67%
District's proportionate share of the net OPEB (assets) liability	\$ 242,298
District's covered payroll	\$ 65,341,438
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	84.44%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2018

2018

Actuarially determined contribution	\$ 102,057
Contributions in relation to the actuarially determined contribution	<u>102,057</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
District's covered payroll	\$ 63,785,789
Contributions as a percentage of covered payroll	0.16%

NOTE: The pension and OPEB 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, 2018

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	Other Federal Projects Fund Total
	Total <u>Expenditures</u>	Fund Balances <u>End of Year</u>			
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$71,712,993	\$ 20,108,086	\$ 5,327,725	\$ 9,395,872	\$ 3,764,784
Activity budgeted as special revenue funds	(1,306,161)	(13,857,340)			
Activity budgeted as capital projects funds	(5,020)	(723,856)			
Current-year prepaid items	4,875,288		15,808	19,474	
Prior-year prepaid items	(5,776,154)		(293,565)	(321,962)	(234,920)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$69,500,946</u>	<u>\$ 5,526,890</u>	<u>\$ 5,049,968</u>	<u>\$ 9,093,384</u>	<u>\$ 3,529,864</u>

NOTE 2 – PENSION AND OPEB PLAN SCHEDULES

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

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

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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, 2018

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 11,852,724	\$	\$ 1,515,031
Cash and investments - restricted			6,922,710
Accounts receivable	20,351		65,238
Due from governmental entities	1,396,686		51,061
Inventory	56,708		
Total assets	\$ 13,326,469	\$	\$ 8,554,040
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 159,359	\$	\$
Due to other funds	858,554	18,424	51,061
Accrued payroll and employee benefits	47,315		
Unearned revenues	450,370		
Total liabilities	1,515,598	18,424	51,061
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	669,008		20,528
Fund balances (deficits):			
Nonspendable	56,708		
Restricted	11,754,163		8,502,979
Unassigned	(669,008)	(18,424)	(20,528)
Total fund balances	11,141,863	(18,424)	8,482,451
 Total liabilities, deferred inflows of resources and fund balances	\$ 13,326,469	\$	\$ 8,554,040

Total Non-Major
Governmental
Funds

\$ 13,367,755
6,922,710
85,589
1,447,747
56,708
\$ 21,880,509

\$ 159,359
928,039
47,315
450,370
1,585,083

689,536

56,708
20,257,142
(707,960)
19,605,890

\$ 21,880,509

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, 2018

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 1,451,126	\$	\$ 183,356
Property taxes			1,380,007
State aid and grants	1,257,527		39,147
Federal aid, grants and reimbursements	<u>12,826,605</u>	<u> </u>	<u>407,955</u>
Total revenues	<u>15,535,258</u>	<u> </u>	<u>2,010,465</u>
Expenditures:			
Current -			
Instruction	4,027,550		
Support services - students and staff	1,990,442		
Support services - administration	321,748		
Operation and maintenance of plant services	171,163		
Student transportation services	29,646		
Operation of non-instructional services	9,213,138		
Capital outlay	580,837		4,997,722
Debt service -			
Interest and fiscal charges		31,617	407,955
Total expenditures	<u>16,334,524</u>	<u>31,617</u>	<u>5,405,677</u>
Excess (deficiency) of revenues over expenditures	<u>(799,266)</u>	<u>(31,617)</u>	<u>(3,395,212)</u>
Other financing sources (uses):			
Transfers in		13,193	
Transfers out	(323,801)		
Capital lease agreements			11,860,757
Total other financing sources (uses)	<u>(323,801)</u>	<u>13,193</u>	<u>11,860,757</u>
Changes in fund balances	<u>(1,123,067)</u>	<u>(18,424)</u>	<u>8,465,545</u>
Fund balances, beginning of year, as restated	12,220,285		16,906
Increase (decrease) in reserve for inventory	44,645		
Fund balances (deficits), end of year	<u>\$ 11,141,863</u>	<u>\$ (18,424)</u>	<u>\$ 8,482,451</u>

Total Non-Major
Governmental
Funds

\$ 1,634,482
1,380,007
1,296,674
13,234,560
17,545,723

4,027,550
1,990,442
321,748
171,163
29,646
9,213,138
5,578,559

439,572
21,771,818

(4,226,095)

13,193
(323,801)
11,860,757
11,550,149

7,324,054

12,237,191

44,645

\$ 19,605,890

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.

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

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

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

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

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

Results-based Funding - to account for financial assistance received for academic performance results in accordance with A.R.S. §15-249.08.

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, 2018

	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>	<u>Professional Development and Technology Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,696,621	\$ 1,026	\$
Accounts receivable			
Due from governmental entities	231,784		132,441
Inventory			
Total assets	<u><u>\$ 3,928,405</u></u>	<u><u>\$ 1,026</u></u>	<u><u>\$ 132,441</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 109,529
Due to other funds			13,976
Accrued payroll and employee benefits	18,546		8,936
Unearned revenues			
Total liabilities	<u>18,546</u>		<u>132,441</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>132,441</u>
Fund balances (deficits):			
Nonspendable			
Restricted	3,909,859	1,026	
Unassigned			(132,441)
Total fund balances	<u>3,909,859</u>	<u>1,026</u>	<u>(132,441)</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 3,928,405</u></u>	<u><u>\$ 1,026</u></u>	<u><u>\$ 132,441</u></u>

<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>	<u>Homeless Education</u>	<u>E-Rate</u>	<u>Results-based Funding</u>
\$	\$	\$	\$	\$	\$ 93,255
226,081	304,288	2,269	3,929	315,102	
<u>\$ 226,081</u>	<u>\$ 304,288</u>	<u>\$ 2,269</u>	<u>\$ 3,929</u>	<u>\$ 315,102</u>	<u>\$ 93,255</u>
\$	\$	\$	\$	\$	\$
226,081	7,091 297,197	2,269	3,929	315,102	
<u>226,081</u>	<u>304,288</u>	<u>2,269</u>	<u>3,929</u>	<u>315,102</u>	
<u>226,081</u>	<u>304,288</u>	<u>2,269</u>	<u>3,929</u>		
					93,255
<u>(226,081)</u>	<u>(304,288)</u>	<u>(2,269)</u>	<u>(3,929)</u>		<u>93,255</u>
<u>(226,081)</u>	<u>(304,288)</u>	<u>(2,269)</u>	<u>(3,929)</u>		<u>93,255</u>
<u>\$ 226,081</u>	<u>\$ 304,288</u>	<u>\$ 2,269</u>	<u>\$ 3,929</u>	<u>\$ 315,102</u>	<u>\$ 93,255</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>
<u>ASSETS</u>			
Cash and investments	\$ 488,106	\$ 1,532,592	\$ 770,359
Accounts receivable			
Due from governmental entities		180,792	
Inventory		56,708	
Total assets	<u>\$ 488,106</u>	<u>\$ 1,770,092</u>	<u>\$ 770,359</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 37,736	\$ 5,003	\$
Due to other funds			
Accrued payroll and employee benefits		19,833	
Unearned revenues	450,370		
Total liabilities	<u>488,106</u>	<u>24,836</u>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable		56,708	
Restricted		1,688,548	770,359
Unassigned			
Total fund balances		<u>1,745,256</u>	<u>770,359</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 488,106</u>	<u>\$ 1,770,092</u>	<u>\$ 770,359</u>

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Totals</u>
\$ 1,842,551 20,351	\$ 469,443	\$ 3,347	\$ 47,466	\$ 2,907,958	\$ 11,852,724 20,351 1,396,686 56,708
<u>\$ 1,862,902</u>	<u>\$ 469,443</u>	<u>\$ 3,347</u>	<u>\$ 47,466</u>	<u>\$ 2,907,958</u>	<u>\$ 13,326,469</u>
\$	\$	\$	\$	\$	\$ 159,359 858,554 47,315 450,370 1,515,598
					<u>669,008</u>
1,862,902	469,443	3,347	47,466	2,907,958	56,708 11,754,163 (669,008)
<u>1,862,902</u>	<u>469,443</u>	<u>3,347</u>	<u>47,466</u>	<u>2,907,958</u>	<u>11,141,863</u>
<u>\$ 1,862,902</u>	<u>\$ 469,443</u>	<u>\$ 3,347</u>	<u>\$ 47,466</u>	<u>\$ 2,907,958</u>	<u>\$ 13,326,469</u>

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, 2018

	Instructional Improvement	County, City, and Town Grants	Professional Development and Technology Grants
Revenues:			
Other local	\$ 35,083	\$	\$
State aid and grants	538,497		
Federal aid, grants and reimbursements			509,263
Total revenues	573,580		509,263
Expenditures:			
Current -			
Instruction	204,247		
Support services - students and staff	117,458		560,584
Support services - administration	200,205		59,270
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	521,910		619,854
Excess (deficiency) of revenues over expenditures	51,670		(110,591)
Other financing sources (uses):			
Transfers out			(21,850)
Total other financing sources (uses)			(21,850)
Changes in fund balances	51,670		(132,441)
Fund balances (deficits), beginning of year, as restated	3,858,189	1,026	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 3,909,859	\$ 1,026	\$ (132,441)

<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>	<u>Homeless Education</u>	<u>E-Rate</u>
\$	\$	\$	\$	\$	\$
457,120	40,821	2,210,415	4,881	36,071	656,829
<u>457,120</u>	<u>40,821</u>	<u>2,210,415</u>	<u>4,881</u>	<u>36,071</u>	<u>656,829</u>
134,407	3,113	1,784,343	1,908		281,273
325,563		626,074	4,835	28,193	
753		5,707			
			135	10,287	33,834
206,520	37,658	14,428			
<u>667,243</u>	<u>40,771</u>	<u>2,430,552</u>	<u>6,878</u>	<u>38,480</u>	<u>315,107</u>
<u>(210,123)</u>	<u>50</u>	<u>(220,137)</u>	<u>(1,997)</u>	<u>(2,409)</u>	<u>341,722</u>
<u>(15,958)</u>	<u>(50)</u>	<u>(84,151)</u>	<u>(272)</u>	<u>(1,520)</u>	
<u>(15,958)</u>	<u>(50)</u>	<u>(84,151)</u>	<u>(272)</u>	<u>(1,520)</u>	
<u>(226,081)</u>		<u>(304,288)</u>	<u>(2,269)</u>	<u>(3,929)</u>	<u>341,722</u>
					(341,722)
<u>\$ (226,081)</u>	<u>\$</u>	<u>\$ (304,288)</u>	<u>\$ (2,269)</u>	<u>\$ (3,929)</u>	<u>\$</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Results-based Funding	Other State Projects	Food Service
Revenues:			
Other local	\$	\$	\$ 324,696
State aid and grants	148,841	570,189	
Federal aid, grants and reimbursements			8,911,205
Total revenues	148,841	570,189	9,235,901
Expenditures:			
Current -			
Instruction	52,002	296,499	
Support services - students and staff	1,792	238,889	217
Support services - administration	1,792	15,897	225
Operation and maintenance of plant services			131,843
Student transportation services			
Operation of non-instructional services			8,929,032
Capital outlay		18,904	301,014
Total expenditures	55,586	570,189	9,362,331
Excess (deficiency) of revenues over expenditures	93,255		(126,430)
Other financing sources (uses):			
Transfers out			(200,000)
Total other financing sources (uses)			(200,000)
Changes in fund balances	93,255		(326,430)
Fund balances (deficits), beginning of year, as restated			2,027,041
Increase (decrease) in reserve for inventory			44,645
Fund balances, end of year	\$ 93,255	\$	\$ 1,745,256

Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks	Insurance Refund
\$ 43,213	\$ 424,945	\$ 126,390	\$ 961	\$ 4,185	\$ 491,653
<u>43,213</u>	<u>424,945</u>	<u>126,390</u>	<u>961</u>	<u>4,185</u>	<u>491,653</u>
	150,826	23,645			1,095,287
	69,419	575		16,843	
	35,919		1,980		
	2,324	3,162			
		16,544	2,680		
	284,106				
	874	1,439			
	<u>543,468</u>	<u>45,365</u>	<u>4,660</u>	<u>16,843</u>	<u>1,095,287</u>
<u>43,213</u>	<u>(118,523)</u>	<u>81,025</u>	<u>(3,699)</u>	<u>(12,658)</u>	<u>(603,634)</u>
<u>43,213</u>	<u>(118,523)</u>	<u>81,025</u>	<u>(3,699)</u>	<u>(12,658)</u>	<u>(603,634)</u>
727,146	1,981,425	388,418	7,046	60,124	3,511,592
<u>\$ 770,359</u>	<u>\$ 1,862,902</u>	<u>\$ 469,443</u>	<u>\$ 3,347</u>	<u>\$ 47,466</u>	<u>\$ 2,907,958</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, 2018

	Totals
Revenues:	
Other local	\$ 1,451,126
State aid and grants	1,257,527
Federal aid, grants and reimbursements	12,826,605
Total revenues	15,535,258
 Expenditures:	
Current -	
Instruction	4,027,550
Support services - students and staff	1,990,442
Support services - administration	321,748
Operation and maintenance of plant services	171,163
Student transportation services	29,646
Operation of non-instructional services	9,213,138
Capital outlay	580,837
Total expenditures	16,334,524
 Excess (deficiency) of revenues over expenditures	(799,266)
 Other financing sources (uses):	
Transfers out	(323,801)
Total other financing sources (uses)	(323,801)
 Changes in fund balances	(1,123,067)
 Fund balances (deficits), beginning of year, as restated	12,220,285
Increase (decrease) in reserve for inventory	44,645
 Fund balances, end of year	\$ 11,141,863

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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, 2018

	Instructional Improvement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 35,083	\$ 35,083
State aid and grants		538,497	538,497
Federal aid, grants and reimbursements			
Total revenues		573,580	573,580
Expenditures:			
Current -			
Instruction	400,000	187,460	212,540
Support services - students and staff	380,000	108,117	271,883
Support services - administration	200,000	182,224	17,776
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	980,000	477,801	502,199
Excess (deficiency) of revenues over expenditures	(980,000)	95,779	1,075,779
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(980,000)	95,779	1,075,779
Fund balances (deficits), beginning of year, as restated		3,814,080	3,814,080
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (980,000)	\$ 3,909,859	\$ 4,889,859

<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>
\$	\$	\$	\$	\$	\$
				493,582	493,582
				493,582	493,582
2,679,510		2,679,510	963,889	544,903	418,986
			300,000	59,270	240,730
<u>2,679,510</u>		<u>2,679,510</u>	<u>1,263,889</u>	<u>604,173</u>	<u>659,716</u>
<u>(2,679,510)</u>		<u>2,679,510</u>	<u>(1,263,889)</u>	<u>(110,591)</u>	<u>1,153,298</u>
				(21,850)	(21,850)
				(21,850)	(21,850)
<u>(2,679,510)</u>		<u>2,679,510</u>	<u>(1,263,889)</u>	<u>(132,441)</u>	<u>1,131,448</u>
	1,026	1,026			
<u>\$ (2,679,510)</u>	<u>\$ 1,026</u>	<u>\$ 2,680,536</u>	<u>\$ (1,263,889)</u>	<u>\$ (132,441)</u>	<u>\$ 1,131,448</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, 2018

	Title IV Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	150,000		150,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	150,000		150,000
Excess (deficiency) of revenues over expenditures	(150,000)		150,000
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(150,000)		150,000
Fund balances (deficits), beginning of year, as restated			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (150,000)	\$	\$ 150,000

Limited English & Immigrant Students			Indian Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	429,508	429,508		40,821	40,821
	429,508	429,508		40,821	40,821
200,000	134,206	65,794	5,000	3,113	1,887
450,000	298,152	151,848			
8,118	753	7,365			
450,000	206,520	243,480	40,000	37,658	2,342
1,108,118	639,631	468,487	45,000	40,771	4,229
(1,108,118)	(210,123)	897,995	(45,000)	50	45,050
	(15,958)	(15,958)		(50)	(50)
	(15,958)	(15,958)		(50)	(50)
(1,108,118)	(226,081)	882,037	(45,000)		45,000
<u>\$ (1,108,118)</u>	<u>\$ (226,081)</u>	<u>\$ 882,037</u>	<u>\$ (45,000)</u>	<u>\$</u>	<u>\$ 45,000</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, 2018

	Special Education Grants		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		2,095,668	2,095,668
Total revenues		2,095,668	2,095,668
Expenditures:			
Current -			
Instruction	1,682,744	1,714,259	(31,515)
Support services - students and staff	900,000	581,411	318,589
Support services - administration	10,000	5,707	4,293
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	20,000	14,428	5,572
Total expenditures	2,612,744	2,315,805	296,939
Excess (deficiency) of revenues over expenditures	(2,612,744)	(220,137)	2,392,607
Other financing sources (uses):			
Transfers in			
Transfers out		(84,151)	(84,151)
Total other financing sources (uses)		(84,151)	(84,151)
Changes in fund balances	(2,612,744)	(304,288)	2,308,456
Fund balances (deficits), beginning of year, as restated			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (2,612,744)	\$ (304,288)	\$ 2,308,456

Johnson O'Malley			Homeless Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	4,881	4,881		36,071	36,071
	4,881	4,881		36,071	36,071
8,000	1,908	6,092			
16,000	4,835	11,165	30,000	28,193	1,807
1,000	135	865	15,000	10,287	4,713
25,000	6,878	18,122	45,000	38,480	6,520
(25,000)	(1,997)	23,003	(45,000)	(2,409)	42,591
	(272)	(272)		(1,520)	(1,520)
	(272)	(272)		(1,520)	(1,520)
(25,000)	(2,269)	22,731	(45,000)	(3,929)	41,071
\$ (25,000)	\$ (2,269)	\$ 22,731	\$ (45,000)	\$ (3,929)	\$ 41,071

(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, 2018

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		411,777	411,777
Total revenues		411,777	411,777
Expenditures:			
Current -			
Instruction		34,834	(34,834)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		34,834	(34,834)
Excess (deficiency) of revenues over expenditures		376,943	376,943
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		376,943	376,943
Fund balances (deficits), beginning of year, as restated		5,516,529	5,516,529
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ 5,893,472	\$ 5,893,472

E-Rate			Results-based Funding		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	656,829	656,829		148,841	148,841
	656,829	656,829		148,841	148,841
700,000	281,273	418,727	70,000	52,002	17,998
			10,000	1,792	8,208
			10,000	1,792	8,208
300,000	33,834	266,166			
1,000,000	315,107	684,893	90,000	55,586	34,414
(1,000,000)	341,722	1,341,722	(90,000)	93,255	183,255
(1,000,000)	341,722	1,341,722	(90,000)	93,255	183,255
	(341,722)	(341,722)			
\$ (1,000,000)	\$	\$ 1,000,000	\$ (90,000)	\$ 93,255	\$ 183,255

(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, 2018

	Other State Projects		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		561,984	561,984
Federal aid, grants and reimbursements			
Total revenues		561,984	561,984
Expenditures:			
Current -			
Instruction	196,000	290,346	(94,346)
Support services - students and staff	170,000	238,068	(68,068)
Support services - administration	15,000	14,666	334
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	19,000	18,904	96
Total expenditures	400,000	561,984	(161,984)
Excess (deficiency) of revenues over expenditures	(400,000)		400,000
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(400,000)		400,000
Fund balances (deficits), beginning of year, as restated			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (400,000)	\$	\$ 400,000

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 189,145	\$ 189,145	\$	\$ 324,696	\$ 324,696
				8,911,205	8,911,205
	<u>189,145</u>	<u>189,145</u>		<u>9,235,901</u>	<u>9,235,901</u>
250,000		250,000	1,000	217	783
			1,000	225	775
			150,000	131,843	18,157
			9,395,516	8,768,238	627,278
			350,000	301,014	48,986
<u>250,000</u>		<u>250,000</u>	<u>9,897,516</u>	<u>9,201,537</u>	<u>695,979</u>
<u>(250,000)</u>	<u>189,145</u>	<u>439,145</u>	<u>(9,897,516)</u>	<u>34,364</u>	<u>9,931,880</u>
				<u>(200,000)</u>	<u>(200,000)</u>
				<u>(200,000)</u>	<u>(200,000)</u>
<u>(250,000)</u>	<u>189,145</u>	<u>439,145</u>	<u>(9,897,516)</u>	<u>(165,636)</u>	<u>9,731,880</u>
	681,467	681,467		1,799,365	1,799,365
				66,882	66,882
				44,645	44,645
<u>\$ (250,000)</u>	<u>\$ 870,612</u>	<u>\$ 1,120,612</u>	<u>\$ (9,897,516)</u>	<u>\$ 1,745,256</u>	<u>\$ 11,642,772</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, 2018

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 43,213	\$ 43,213
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	600,000	43,213	43,213
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	600,000		600,000
Capital outlay			
Total expenditures	600,000		600,000
Excess (deficiency) of revenues over expenditures	(600,000)	43,213	643,213
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(600,000)	43,213	643,213
Fund balances (deficits), beginning of year, as restated		727,146	727,146
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (600,000)	\$ 770,359	\$ 1,370,359

Community School			Auxiliary Operations		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 424,945	\$ 424,945	\$	\$ 41,530	\$ 41,530
	<u>424,945</u>	<u>424,945</u>		<u>41,530</u>	<u>41,530</u>
395,000	144,514	250,486	7,000	6,885	115
150,000	65,737	84,263	16,000	15,872	128
120,000	32,763	87,237	1,700	1,303	397
30,000	2,324	27,676			
			300	246	54
500,000	243,068	256,932			
5,000	874	4,126			
<u>1,200,000</u>	<u>489,280</u>	<u>710,720</u>	<u>25,000</u>	<u>24,306</u>	<u>694</u>
<u>(1,200,000)</u>	<u>(64,335)</u>	<u>1,135,665</u>	<u>(25,000)</u>	<u>17,224</u>	<u>42,224</u>
<u>(1,200,000)</u>	<u>(64,335)</u>	<u>1,135,665</u>	<u>(25,000)</u>	<u>17,224</u>	<u>42,224</u>
	1,927,237	1,927,237		85,830	85,830
<u>\$ (1,200,000)</u>	<u>\$ 1,862,902</u>	<u>\$ 3,062,902</u>	<u>\$ (25,000)</u>	<u>\$ 103,054</u>	<u>\$ 128,054</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, 2018

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 126,390	\$ 126,390
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		126,390	126,390
Expenditures:			
Current -			
Instruction	88,000	23,645	64,355
Support services - students and staff	5,000	575	4,425
Support services - administration			
Operation and maintenance of plant services	15,000	3,162	11,838
Student transportation services	40,000	16,544	23,456
Operation of non-instructional services			
Capital outlay	2,000	1,439	561
Total expenditures	150,000	45,365	104,635
Excess (deficiency) of revenues over expenditures	(150,000)	81,025	231,025
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(150,000)	81,025	231,025
Fund balances (deficits), beginning of year, as restated		388,418	388,418
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (150,000)	\$ 469,443	\$ 619,443

Gifts and Donations			Fingerprint		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 389,643	\$ 389,643	\$	\$ 961	\$ 961
	<u>389,643</u>	<u>389,643</u>		<u>961</u>	<u>961</u>
45,000	43,547	1,453			
45,000	45,836	(836)			
41,000	63,645	(22,645)	2,000	1,980	20
2,000	261	1,739			
15,000	13,018	1,982	3,000	2,680	320
2,000	1,391	609			
50,000	58,713	(8,713)			
200,000	226,411	(26,411)	5,000	4,660	340
(200,000)	163,232	363,232	(5,000)	(3,699)	1,301
(200,000)	163,232	363,232	(5,000)	(3,699)	1,301
	292,852	292,852		7,046	7,046
\$ (200,000)	\$ 456,084	\$ 656,084	\$ (5,000)	\$ 3,347	\$ 8,347

(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, 2018

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 4,185	\$ 4,185
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		4,185	4,185
Expenditures:			
Current -			
Instruction			
Support services - students and staff	70,000	16,843	53,157
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	70,000	16,843	53,157
Excess (deficiency) of revenues over expenditures	(70,000)	(12,658)	57,342
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(70,000)	(12,658)	57,342
Fund balances (deficits), beginning of year, as restated		60,124	60,124
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (70,000)	\$ 47,466	\$ 117,466

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 4,296	\$ 4,296	\$	\$ 73,787	\$ 73,787
	<u>4,296</u>	<u>4,296</u>		<u>73,787</u>	<u>73,787</u>
25,000		25,000	500,000	133,479	366,521
			950,000	348,707	601,293
			700,000	245,045	454,955
			100,000	70,388	29,612
			50,000	36,659	13,341
			100,000	70,303	29,697
			100,000	69,714	30,286
<u>25,000</u>		<u>25,000</u>	<u>2,500,000</u>	<u>974,295</u>	<u>1,525,705</u>
<u>(25,000)</u>	<u>4,296</u>	<u>29,296</u>	<u>(2,500,000)</u>	<u>(900,508)</u>	<u>1,599,492</u>
				428,077	428,077
				<u>428,077</u>	<u>428,077</u>
<u>(25,000)</u>	<u>4,296</u>	<u>29,296</u>	<u>(2,500,000)</u>	<u>(472,431)</u>	<u>2,027,569</u>
	276,002	276,002		6,726,251	6,726,251
<u>\$ (25,000)</u>	<u>\$ 280,298</u>	<u>\$ 305,298</u>	<u>\$ (2,500,000)</u>	<u>\$ 6,253,820</u>	<u>\$ 8,753,820</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, 2018

	Insurance Refund		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 491,653	\$ 491,653
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		491,653	491,653
Expenditures:			
Current -			
Instruction	1,500,000		1,500,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,500,000		1,500,000
Excess (deficiency) of revenues over expenditures	(1,500,000)	491,653	1,991,653
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(1,500,000)	491,653	1,991,653
Fund balances (deficits), beginning of year, as restated		2,416,305	2,416,305
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,500,000)	\$ 2,907,958	\$ 4,407,958

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,149,527	\$ 2,149,527
	1,249,322	1,249,322
	13,080,342	13,080,342
	<u>16,479,191</u>	<u>16,479,191</u>
8,651,254	3,051,471	5,599,783
4,156,889	2,299,258	1,857,631
1,408,818	609,373	799,445
847,000	241,812	605,188
124,300	79,569	44,731
10,597,516	9,083,000	1,514,516
1,036,000	709,264	326,736
<u>26,821,777</u>	<u>16,073,747</u>	<u>10,748,030</u>
<u>(26,821,777)</u>	<u>405,444</u>	<u>27,227,221</u>
	428,077	428,077
	<u>(323,801)</u>	<u>(323,801)</u>
	<u>104,276</u>	<u>104,276</u>
<u>(26,821,777)</u>	<u>509,720</u>	<u>27,331,497</u>
	24,377,956	24,377,956
	66,882	66,882
	44,645	44,645
<u>\$ (26,821,777)</u>	<u>\$ 24,999,203</u>	<u>\$ 51,820,980</u>

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DEBT SERVICE FUND

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2018

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Expenditures:			
Debt service -			
Interest and fiscal charges	\$	\$ 31,617	\$ (31,617)
Total expenditures	<u> </u>	<u> 31,617</u>	<u> (31,617)</u>
Excess (deficiency) of revenues over expenditures	<u> </u>	<u> (31,617)</u>	<u> (31,617)</u>
Other financing sources (uses):			
Transfers in		13,193	13,193
Total other financing sources (uses)	<u> </u>	<u> 13,193</u>	<u> 13,193</u>
Changes in fund balances	<u> </u>	<u> (18,424)</u>	<u> (18,424)</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ (18,424)</u>	<u>\$ (18,424)</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.

Bond Building - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

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

Building Renewal Grant - to account for building renewal grant monies requested from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovations to areas, systems, or buildings that will maintain or extend their useful life.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018

	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,397,070	\$ 117,961	\$
Cash and investments - restricted		6,922,710	
Accounts receivable		65,238	
Due from governmental entities			51,061
Total assets	<u>\$ 1,397,070</u>	<u>\$ 7,105,909</u>	<u>\$ 51,061</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$	\$	\$ 51,061
Total liabilities	<u></u>	<u></u>	<u>51,061</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			20,528
Fund balances (deficits):			
Restricted	1,397,070	7,105,909	
Unassigned			(20,528)
Total fund balances	<u>1,397,070</u>	<u>7,105,909</u>	<u>(20,528)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,397,070</u>	<u>\$ 7,105,909</u>	<u>\$ 51,061</u>

Totals

\$ 1,515,031
6,922,710
65,238
51,061
\$ 8,554,040

\$ 51,061
51,061

20,528

8,502,979
(20,528)
8,482,451

\$ 8,554,040

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, 2018

	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>
Revenues:			
Other local	\$ 157	\$ 183,199	\$
Property taxes	1,380,007		
State aid and grants			39,147
Federal aid, grants and reimbursements		407,955	
Total revenues	<u>1,380,164</u>	<u>591,154</u>	<u>39,147</u>
Expenditures:			
Capital outlay		4,938,047	59,675
Debt service -			
Interest and fiscal charges		407,955	
Total expenditures		<u>5,346,002</u>	<u>59,675</u>
Excess (deficiency) of revenues over expenditures	<u>1,380,164</u>	<u>(4,754,848)</u>	<u>(20,528)</u>
Other financing sources (uses):			
Capital lease agreements		11,860,757	
Total other financing sources (uses)		<u>11,860,757</u>	
Changes in fund balances	<u>1,380,164</u>	<u>7,105,909</u>	<u>(20,528)</u>
Fund balances, beginning of year	16,906		
Fund balances (deficits), end of year	<u>\$ 1,397,070</u>	<u>\$ 7,105,909</u>	<u>\$ (20,528)</u>

Totals

\$ 183,356
1,380,007
39,147
407,955
2,010,465

4,997,722

407,955
5,405,677

(3,395,212)

11,860,757
11,860,757

8,465,545

16,906

\$ 8,482,451

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, 2018

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 6,576	\$ 6,576
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		6,576	6,576
Expenditures:			
Current -			
Support services - administration	100,000	620	99,380
Operation and maintenance of plant services	700,000	4,400	695,600
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	800,000	5,020	794,980
Excess (deficiency) of revenues over expenditures	(800,000)	1,556	801,556
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Insurance recoveries		45,612	45,612
Total other financing sources (uses)		45,612	45,612
Changes in fund balances	(800,000)	47,168	847,168
Fund balances, beginning of year		676,688	676,688
Fund balances (deficits), end of year	\$ (800,000)	\$ 723,856	\$ 1,523,856

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 31,372	\$ 31,372	\$	\$ 157	\$ 157
	5,019,146	5,019,146		1,380,007	1,380,007
	695,005	695,005			
	<u>5,745,523</u>	<u>5,745,523</u>		<u>1,380,164</u>	<u>1,380,164</u>
4,601,251	749,550	3,851,701	1,380,000		1,380,000
2,276,542	4,409,494	(2,132,952)			
<u>6,877,793</u>	<u>5,159,044</u>	<u>1,718,749</u>	<u>1,380,000</u>		<u>1,380,000</u>
<u>(6,877,793)</u>	<u>586,479</u>	<u>7,464,272</u>	<u>(1,380,000)</u>	<u>1,380,164</u>	<u>2,760,164</u>
<u>(6,877,793)</u>	<u>586,479</u>	<u>7,464,272</u>	<u>(1,380,000)</u>	<u>1,380,164</u>	<u>2,760,164</u>
	4,419,438	4,419,438		16,906	16,906
<u>\$ (6,877,793)</u>	<u>\$ 5,005,917</u>	<u>\$ 11,883,710</u>	<u>\$ (1,380,000)</u>	<u>\$ 1,397,070</u>	<u>\$ 2,777,070</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, 2018

	Bond Building		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 13,193	\$ 13,193
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		13,193	13,193
Expenditures:			
Current -			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs		268,837	(268,837)
Total expenditures		268,837	(268,837)
Excess (deficiency) of revenues over expenditures		(255,644)	(255,644)
Other financing sources (uses):			
Transfers out		(13,193)	(13,193)
Issuance of school improvement bonds		14,265,000	14,265,000
Premium on sale of bonds		1,002,873	1,002,873
Insurance recoveries			
Total other financing sources (uses)		15,254,680	15,254,680
Changes in fund balances		14,999,036	14,999,036
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$	\$ 14,999,036	\$ 14,999,036

Energy and Water Savings			Building Renewal Grant		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 183,199	\$ 183,199	\$	\$	\$
	407,955	407,955		39,147	39,147
	591,154	591,154		39,147	39,147
				59,675	(59,675)
	407,955	(407,955)			
	407,955	(407,955)		59,675	(59,675)
	183,199	183,199		(20,528)	(20,528)
	183,199	183,199		(20,528)	(20,528)
\$	\$ 183,199	\$ 183,199	\$	\$ (20,528)	\$ (20,528)

(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, 2018

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 234,497	\$ 234,497
Property taxes		6,399,153	6,399,153
State aid and grants		734,152	734,152
Federal aid, grants and reimbursements		407,955	407,955
Total revenues		<u>7,775,757</u>	<u>7,775,757</u>
Expenditures:			
Current -			
Support services - administration	100,000	620	99,380
Operation and maintenance of plant services	700,000	4,400	695,600
Capital outlay	5,981,251	809,225	5,172,026
Debt service -			
Principal retirement	2,276,542	4,409,494	(2,132,952)
Interest and fiscal charges		407,955	(407,955)
Bond issuance costs		268,837	(268,837)
Total expenditures	<u>9,057,793</u>	<u>5,900,531</u>	<u>3,157,262</u>
Excess (deficiency) of revenues over expenditures	<u>(9,057,793)</u>	<u>1,875,226</u>	<u>10,933,019</u>
Other financing sources (uses):			
Transfers out		(13,193)	(13,193)
Issuance of school improvement bonds		14,265,000	14,265,000
Premium on sale of bonds		1,002,873	1,002,873
Insurance recoveries		45,612	45,612
Total other financing sources (uses)		<u>15,300,292</u>	<u>15,300,292</u>
Changes in fund balances	<u>(9,057,793)</u>	<u>17,175,518</u>	<u>26,233,311</u>
Fund balances, beginning of year		5,113,032	5,113,032
Fund balances (deficits), end of year	<u>\$ (9,057,793)</u>	<u>\$ 22,288,550</u>	<u>\$ 31,346,343</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, 2018

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES</u>				
<u>Assets</u>				
Cash and investments	\$ <u>124,218</u>	\$ <u>156,007</u>	\$ <u>137,154</u>	\$ <u>143,071</u>
Total assets	\$ <u><u>124,218</u></u>	\$ <u><u>156,007</u></u>	\$ <u><u>137,154</u></u>	\$ <u><u>143,071</u></u>
<u>Liabilities</u>				
Due to student groups	<u>124,218</u>	<u>156,007</u>	<u>137,154</u>	<u>143,071</u>
Total liabilities	\$ <u><u>124,218</u></u>	\$ <u><u>156,007</u></u>	\$ <u><u>137,154</u></u>	\$ <u><u>143,071</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

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)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position:					
Net investment in capital assets	\$ 55,604,986	\$ 66,264,970	\$ 69,019,182	\$ 71,246,617	\$ 68,110,421
Restricted	32,087,310	24,396,055	29,077,343	29,067,052	33,118,561
Unrestricted	(84,442,493)	(84,864,994)	(88,029,888)	(94,977,996)	23,490,468
Total net position	\$ 3,249,803	\$ 5,796,031	\$ 10,066,637	\$ 5,335,673	\$ 124,719,450
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Position:					
Net investment in capital assets	\$ 68,443,160	\$ 69,172,678	\$ 69,127,641	\$ 64,053,898	\$ 65,940,340
Restricted	26,618,978	40,750,306	25,970,063	19,068,335	16,720,912
Unrestricted	26,167,951	11,921,522	29,431,577	47,068,360	34,860,510
Total net position	\$ 121,230,089	\$ 121,844,506	\$ 124,529,281	\$ 130,190,593	\$ 117,521,762

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

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Instruction	\$ 64,974,105	\$ 65,042,422	\$ 56,795,603	\$ 66,305,387	\$ 56,388,306
Support services - students and staff	19,045,706	17,731,025	16,153,313	16,429,631	16,039,741
Support services - administration	10,003,648	9,807,357	9,893,187	9,762,229	9,158,080
Operation and maintenance of plant services	9,431,495	9,615,816	9,567,792	9,737,441	8,772,806
Student transportation services	4,234,275	3,819,857	3,866,193	4,258,036	4,221,296
Operation of non-instructional services	10,158,820	10,132,475	10,409,248	12,517,944	11,889,769
Interest on long-term debt	439,572		3,727	1,458,218	308,166
Total expenses	<u>118,287,621</u>	<u>116,148,952</u>	<u>106,689,063</u>	<u>120,468,886</u>	<u>106,778,164</u>
Program Revenues					
Charges for services:					
Instruction	3,345,952	466,653	324,288	347,343	340,446
Operation of non-instructional services	583,542	682,194	672,992	777,375	1,017,057
Other activities	221,461	211,183	188,149	182,733	189,793
Operating grants and contributions	26,206,645	25,071,366	24,741,733	24,661,052	25,021,834
Capital grants and contributions	1,324,836	1,182,831	130,742	612,375	297,047
Total program revenues	<u>31,682,436</u>	<u>27,614,227</u>	<u>26,057,904</u>	<u>26,580,878</u>	<u>26,866,177</u>
Net (Expense)/Revenue	<u>\$ (86,605,185)</u>	<u>\$ (88,534,725)</u>	<u>\$ (80,631,159)</u>	<u>\$ (93,888,008)</u>	<u>\$ (79,911,987)</u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses					
Instruction	\$ 55,838,719	\$ 57,728,257	\$ 59,770,047	\$ 57,572,163	\$ 67,976,719
Support services - students and staff	15,599,266	15,901,896	16,123,720	17,269,272	18,926,961
Support services - administration	8,677,485	8,922,019	9,223,168	8,329,826	8,876,792
Operation and maintenance of plant services	8,407,300	9,017,361	10,423,233	9,795,560	9,912,659
Student transportation services	4,213,456	4,107,584	3,936,965	3,889,127	4,549,352
Operation of non-instructional services	12,078,864	11,635,553	11,631,022	12,137,390	12,374,669
Interest on long-term debt	583,618	843,442	1,054,391	2,036,621	2,336,235
Total expenses	<u>105,398,708</u>	<u>108,156,112</u>	<u>112,162,546</u>	<u>111,029,959</u>	<u>124,953,387</u>
Program Revenues					
Charges for services:					
Instruction	448,815	935,581	831,119	482,629	323,867
Operation of non-instructional services	1,056,948	435,955	464,213	1,426,648	1,537,781
Other activities	44,117	95,215	261,716	210,003	50,931
Operating grants and contributions	22,344,156	23,225,042	28,484,483	25,400,926	24,120,683
Capital grants and contributions	251,229	1,167,725	2,842,543	728,488	1,818,361
Total program revenues	<u>24,145,265</u>	<u>25,859,518</u>	<u>32,884,074</u>	<u>28,248,694</u>	<u>27,851,623</u>
Net (Expense)/Revenue	<u>\$ (81,253,443)</u>	<u>\$ (82,296,594)</u>	<u>\$ (79,278,472)</u>	<u>\$ (82,781,265)</u>	<u>\$ (97,101,764)</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)

	Fiscal Year Ended June 30				
	2018	2017	2016	2015	2014
Net (Expense)/Revenue	\$ (86,605,185)	\$ (88,534,725)	\$ (80,631,159)	\$ (93,888,008)	\$ (79,911,987)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	16,662,449	15,445,997	14,860,556	13,865,907	14,623,869
Property taxes, levied for debt service				132,819	5,383,310
Property taxes, levied for capital outlay	6,408,816	4,902,616	4,987,960	4,765,368	217,411
Investment income	282,697	188,434	166,050	152,330	175,771
Unrestricted county aid	5,564,594	5,795,451	5,841,181	5,681,066	5,387,731
Unrestricted state aid	54,711,119	57,655,932	59,173,248	56,905,111	57,449,841
Unrestricted federal aid	411,777	275,689	333,128	189,953	163,415
Total general revenues	84,041,452	84,264,119	85,362,123	81,692,554	83,401,348
Changes in Net Position	\$ (2,563,733)	\$ (4,270,606)	\$ 4,730,964	\$ (12,195,454)	\$ 3,489,361

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (Expense)/Revenue	\$ (81,253,443)	\$ (82,296,594)	\$ (79,278,472)	\$ (82,781,265)	\$ (97,101,764)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	13,838,782	16,223,235	9,259,739	22,508,183	14,180,200
Property taxes, levied for debt service	5,862,436	5,710,089	6,263,935	6,000,777	5,479,073
Property taxes, levied for capital outlay	46,864				61,069
Investment income	181,251	236,309	483,214	533,505	1,413,522
Unrestricted county aid	5,392,072	5,455,256	5,482,348	5,337,574	
Unrestricted state aid	55,205,601	51,793,089	51,227,310	53,786,204	69,063,158
Total general revenues	<u>80,639,026</u>	<u>79,611,819</u>	<u>73,617,160</u>	<u>95,450,096</u>	<u>90,197,022</u>
Changes in Net Position	<u>\$ (614,417)</u>	<u>\$ (2,684,775)</u>	<u>\$ (5,661,312)</u>	<u>\$ 12,668,831</u>	<u>\$ (6,904,742)</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 year 2008-09.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nonspendable	\$ 156,893	\$ 219,538	\$ 6,137,689	\$ 6,064,385	\$ 5,556,387
Restricted	870,612	681,467	1,125,682	450,070	106,997
Unassigned	19,080,581	19,240,161	14,537,300	13,127,836	13,610,093
Total General Fund	<u>\$ 20,108,086</u>	<u>\$ 20,141,166</u>	<u>\$ 21,800,671</u>	<u>\$ 19,642,291</u>	<u>\$ 19,273,477</u>
All Other Governmental Funds:					
Nonspendable	\$ 56,708	\$ 12,063	\$ 29,060	\$ 52,778	\$ 37,807
Restricted	46,911,669	23,561,988	27,805,794	28,616,982	32,947,476
Unassigned	(1,718,464)	(486,311)	(908,354)	(564,026)	(844,810)
Total all other governmental funds	<u>\$ 45,249,913</u>	<u>\$ 23,087,740</u>	<u>\$ 26,926,500</u>	<u>\$ 28,105,734</u>	<u>\$ 32,140,473</u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:					
Nonspendable	\$ 175,994	\$ 323,096	\$ 537,524	\$	\$
Restricted	650,049	600,832	951,474		
Unassigned	21,610,269	22,089,487	24,605,787		
Reserved				258,249	358,748
Unreserved				12,828,757	1,037,730
Total General Fund	<u>\$ 22,436,312</u>	<u>\$ 23,013,415</u>	<u>\$ 26,094,785</u>	<u>\$ 13,087,006</u>	<u>\$ 1,396,478</u>
All Other Governmental Funds:					
Nonspendable	\$	\$ 64,795	\$ 66,510	\$	\$
Restricted	25,877,063	24,505,471	24,024,620		
Unassigned	(332,710)		(1,415,531)		
Reserved				56,206	118,909
Unreserved, reported in:					
Special revenue funds				29,590,312	26,990,207
Capital projects funds				18,425,792	15,834,051
Debt service fund				195,497	165,152
Total all other governmental funds	<u>\$ 25,544,353</u>	<u>\$ 24,570,266</u>	<u>\$ 22,675,599</u>	<u>\$ 48,267,807</u>	<u>\$ 43,108,319</u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Federal sources:					
Federal grants	\$ 16,958,596	\$ 16,953,833	\$ 15,589,143	\$ 16,946,082	\$ 15,826,796
National School Lunch Program	8,911,205	9,204,459	8,907,544	8,197,951	8,444,382
Total federal sources	<u>25,869,801</u>	<u>26,158,292</u>	<u>24,496,687</u>	<u>25,144,033</u>	<u>24,271,178</u>
State sources:					
State equalization assistance	48,644,079	52,259,937	53,688,006	51,664,830	52,183,004
State grants	719,030	280,371	292,984	238,353	599,679
School Facilities Board	39,147				
Other revenues	6,067,040	5,395,995	5,485,242	5,240,281	5,334,943
Total state sources	<u>55,469,296</u>	<u>57,936,303</u>	<u>59,466,232</u>	<u>57,143,464</u>	<u>58,117,626</u>
Local sources:					
Property taxes	23,122,925	20,406,885	18,891,789	19,086,780	20,525,594
County aid	5,564,594	5,795,451	5,841,181	5,681,066	5,387,731
Food service sales	317,676	348,890	330,282	383,533	376,453
Investment income	282,697	188,434	166,050	152,330	175,771
Other revenues	1,746,935	1,235,321	1,123,844	1,108,320	1,460,019
Total local sources	<u>31,034,827</u>	<u>27,974,981</u>	<u>26,353,146</u>	<u>26,412,029</u>	<u>27,925,568</u>
Total revenues	<u><u>\$ 112,373,924</u></u>	<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>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Federal sources:					
Federal grants	\$ 13,212,295	\$ 16,355,067	\$ 19,071,453	\$ 25,423,332	\$ 16,143,450
State Fiscal Stabilization (ARRA)			610,111		
Education Jobs		1,213,608	1,226,948		
National School Lunch Program	8,076,620	7,891,936	7,759,474	7,813,343	7,636,904
Total federal sources	<u>21,288,915</u>	<u>25,460,611</u>	<u>28,667,986</u>	<u>33,236,675</u>	<u>23,780,354</u>
State sources:					
State equalization assistance	50,764,114	47,936,614	47,989,669	54,246,997	60,022,038
State grants	227,691	427,363	74,427	681,054	1,445,970
Other revenues	4,373,381	3,856,475	3,528,502	3,851,724	4,728,603
Total state sources	<u>55,365,186</u>	<u>52,220,452</u>	<u>51,592,598</u>	<u>58,779,775</u>	<u>66,196,611</u>
Local sources:					
Property taxes	20,641,039	22,018,609	16,693,378	27,174,243	19,082,902
County aid	5,392,072	5,455,256	5,482,348	5,337,574	
Food service sales	405,986	425,485	447,857	537,300	514,874
Investment income	181,251	236,309	483,214	531,356	1,406,111
Other revenues	2,000,997	1,344,328	2,699,129	1,833,061	2,349,488
Total local sources	<u>28,621,345</u>	<u>29,479,987</u>	<u>25,805,926</u>	<u>35,413,534</u>	<u>23,353,375</u>
Total revenues	<u>\$ 105,275,446</u>	<u>\$ 107,161,050</u>	<u>\$ 106,066,510</u>	<u>\$ 127,429,984</u>	<u>\$ 113,330,340</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)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenditures:					
Current -					
Instruction	\$ 53,854,178	\$ 53,524,737	\$ 55,204,045	\$ 52,991,571	\$ 56,685,611
Support services - students and staff	18,261,310	16,110,668	15,216,888	14,892,002	14,648,511
Support services - administration	10,090,697	9,245,914	9,739,697	9,168,371	8,686,971
Operation and maintenance of plant services	8,949,845	9,137,815	8,713,010	9,513,387	9,257,050
Student transportation services	4,040,262	2,998,789	3,487,044	3,670,920	3,832,326
Operation of non-instructional services	9,620,897	9,479,526	9,899,294	11,941,646	11,364,010
Capital outlay	18,160,854	8,918,438	4,846,257	15,645,173	1,921,642
Debt service -					
Judgments against the district					
Interest and fiscal charges	439,572		3,727	1,458,218	308,166
Principal retirement	4,409,494	2,276,542	2,276,543	2,547,477	5,595,000
Bond issuance costs	268,837				
Total expenditures	<u>\$ 128,095,946</u>	<u>\$ 111,692,429</u>	<u>\$ 109,386,505</u>	<u>\$ 121,828,765</u>	<u>\$ 112,299,287</u>
Expenditures for capitalized assets	\$ 6,817,736	\$ 2,835,937	\$ 3,477,337	\$ 3,347,957	\$ 523,801
Debt service as a percentage of noncapital expenditures	4%	2%	2%	3%	5%

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures:					
Current -					
Instruction	\$ 51,552,558	\$ 53,321,750	\$ 55,922,784	\$ 53,166,515	\$ 63,183,330
Support services - students and staff	14,188,032	14,527,821	14,742,103	15,648,436	16,215,217
Support services - administration	8,205,230	8,433,331	8,693,644	7,824,513	8,274,617
Operation and maintenance of plant services	8,161,022	8,824,730	10,145,316	9,543,416	9,007,376
Student transportation services	3,748,922	3,652,467	3,420,345	3,496,521	3,303,972
Operation of non-instructional services	11,317,593	10,987,135	11,033,153	11,157,454	11,593,620
Capital outlay	1,589,590	2,046,940	9,256,949	3,235,880	6,953,796
Debt service -					
Judgments against the district					214,104
Interest and fiscal charges	583,618	843,442	1,054,391	2,036,621	2,837,962
Principal retirement	5,320,000	5,493,994	5,293,994	4,307,410	3,393,994
Bond issuance costs					
Total expenditures	<u>\$ 104,666,565</u>	<u>\$ 108,131,610</u>	<u>\$ 119,562,679</u>	<u>\$ 110,416,766</u>	<u>\$ 124,977,988</u>
Expenditures for capitalized assets	\$ 706,958	\$ 1,433,135	\$ 7,925,680	\$ 685,484	\$ 1,796,246
Debt service as a percentage of noncapital expenditures	6%	6%	6%	6%	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)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ (15,722,022)	\$ 377,147	\$ 929,560	\$ (13,129,239)	\$ (1,984,915)
Other financing sources (uses):					
Issuance of school improvement bonds	14,265,000				
Proceeds from disposal of personal property	2,163,064				
Premium on sale of bonds	1,002,873				
Capital lease agreements	20,392,566			8,940,345	
Transfers in	441,270	541,070	837,777	950,617	5,007,052
Transfers out	(441,270)	(541,070)	(837,777)	(950,617)	(5,007,052)
Insurance recoveries	45,612	59,736			
Total other financing sources (uses)	37,869,115	59,736		8,940,345	
Changes in fund balances	\$ 22,147,093	\$ 436,883	\$ 929,560	\$ (4,188,894)	\$ (1,984,915)
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Excess (deficiency) of revenues over expenditures	\$ 608,881	\$ (970,560)	\$ (13,496,169)	\$ 17,013,218	\$ (11,647,648)
Other financing sources (uses):					
Capital lease agreements					1,795,976
Transfers in	452,753	484,350	1,116,858	611,971	517,859
Transfers out	(452,753)	(484,350)	(1,116,858)	(611,971)	(517,859)
Total other financing sources (uses)					1,795,976
Changes in fund balances	\$ 608,881	\$ (970,560)	\$ (13,496,169)	\$ 17,013,218	\$ (9,851,672)

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 189,661,649	\$ 174,046,737	\$ 164,700,217	\$ 169,321,294	\$ 167,359,202
Agricultural and Vacant	5,134,710	4,625,694	5,729,170	5,004,736	5,224,600
Residential (Owner Occupied)	48,727,013	41,169,397	39,512,637	38,437,898	36,635,529
Residential (Rental)	73,630,988	64,623,812	50,125,652	40,423,107	35,891,751
Railroad, Private Cars and Airlines	3,700,445	3,508,716	3,774,722	4,054,360	3,742,249
Historical Property	-	-	109,430	162,185	233,585
Certain Government Property Improvements	33,787	32,178	30,645	36,356	34,729
Total	\$ 320,888,592	\$ 288,006,534	\$ 263,982,473	\$ 257,439,936	\$ 249,121,645
Gross Full Cash Value	\$ 3,987,864,486	\$ 3,474,961,667	\$ 2,852,557,761	\$ 2,299,465,664	\$ 2,089,133,974
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	9%	11%	12%
Total Direct Rate	7.18	7.15	7.52	7.00	8.02

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 197,455,138	\$ 237,296,828	\$ 286,587,265	\$ 281,198,706	\$ 263,781,182
Agricultural and Vacant	6,506,720	9,803,580	9,297,970	8,877,133	8,140,882
Residential (Owner Occupied)	45,405,337	51,496,293	93,768,764	159,458,839	145,395,903
Residential (Rental)	35,834,435	43,191,208	57,329,796	66,594,348	58,395,217
Railroad, Private Cars and Airlines	4,485,648	4,098,203	4,146,658	4,344,155	5,022,825
Historical Property	205,834	194,359	244,902	124,695	35,335
Certain Government Property Improvements	36,165	38,848	-	-	-
Total	\$ 289,929,277	\$ 346,119,319	\$ 451,375,355	\$ 520,597,876	\$ 480,771,344
Gross Full Cash Value	\$ 2,309,680,503	\$ 2,682,638,363	\$ 3,675,520,197	\$ 4,786,823,386	\$ 4,688,583,761
Ratio of Net Limited Assessed Value to Gross Full Cash Value	13%	13%	12%	11%	10%
Total Direct Rate	7.02	6.43	3.21	5.19	3.51

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 246,357,874	\$ 211,179,172	\$ 179,152,550	\$ 171,996,491	\$ 168,365,982
Agricultural and Vacant	7,315,605	5,657,900	6,363,562	5,113,576	5,245,366
Residential (Owner Occupied)	90,127,495	77,954,566	66,224,825	44,482,896	36,685,594
Residential (Rental)	114,820,424	98,756,981	71,039,079	46,570,742	36,194,807
Railroad, Private Cars and Airlines	4,275,248	3,743,761	3,844,570	4,092,465	3,777,587
Historical Property	-	-	437,720	616,303	910,974
Certain Government Property Improvements	48,649	45,211			
Total	\$ 462,945,295	\$ 397,337,591	\$ 327,097,245	\$ 272,908,841	\$ 251,215,039
Gross Full Cash Value	3,987,864,486	3,474,961,667	2,852,557,761	2,299,465,664	2,089,133,974
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	11%	11%	12%	12%
Estimated Net Full Cash Value	3,439,081,204	2,951,496,523	2,345,752,414	1,843,418,743	1,634,484,422
Total Direct Rate	7.18	7.15	7.52	7.00	8.02

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 198,652,109	\$ 240,373,348	\$ 321,357,251	\$ 334,493,625	\$ 307,261,115
Agricultural and Vacant	6,528,715	9,958,953	12,108,750	12,425,761	11,821,691
Residential (Owner Occupied)	45,426,648	51,534,370	93,910,439	185,977,493	203,068,580
Residential (Rental)	35,868,994	43,225,286	59,191,815	81,627,436	79,438,350
Railroad, Private Cars and Airlines	4,572,465	4,577,572	4,958,069	5,132,988	5,676,258
Historical Property	651,596	681,367	1,028,590	548,655	162,535
Certain Government Property Improvements					
Total	\$ 291,737,211	\$ 350,389,744	\$ 492,554,914	\$ 620,205,958	\$ 607,428,529
Gross Full Cash Value	2,309,680,503	2,682,638,363	3,675,520,197	4,786,823,386	4,688,583,761
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	13%	13%	13%	13%	13%
Estimated Net Full Cash Value	1,867,032,662	2,231,189,024	3,149,518,308	4,239,969,973	4,194,558,885
Total Direct Rate	7.02	6.43	3.21	5.19	3.51

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	19 %	19 %	20 %
Agricultural and Vacant	15	15	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	16	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	21 %	22 %	23 %
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	15	17	18	20

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

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

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

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates		
	State Equalization	County	Phoenix Union High School District No. 210	Maricopa Community College	City of Phoenix	City of Glendale	Primary	Secondary	Total
	2018	0.49	1.40	5.03	1.41	2.16	2.08	2.85	4.33
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

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>2018</u>		<u>2009</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.	\$ 52,526,885	16.37 %	\$	
BNSF Railway Company	4,025,338	1.25		
Qwest Corporation	3,094,333	0.96	9,660,543	1.60 %
Luke Camelback LLC	2,859,683	0.89		
McClelland Family Partnership	2,127,671	0.52	13,667,142	2.30
1128 Valencia Associates LLC	1,979,539	0.62		
McClelland Property Company	1,679,836	0.66		
AGNL Hops LLC	2,030,053	0.63		
United Parcel Service, Inc.	2,302,712	0.72		
Plaza Del Sol 557 LLC	1,739,293	0.54		
Corning Gilbert, Inc.			6,367,673	1.00
ICG-ORE			5,590,165	0.90
Koll Bren Schreiber Realty Advisors			5,380,602	0.90
Hensley and Co.			4,841,205	0.80
Presson Equity Partners LLP			4,667,481	0.80
Burlington Northern Santa Fe			4,140,233	0.70
Oak Park Medical Building LTD			3,628,778	0.60
RGR Family Limited Partnership			3,458,091	0.60
Total	<u>\$ 74,365,343</u>	<u>23.16 %</u>	<u>\$ 61,401,913</u>	<u>10.20 %</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**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 23,508,864	\$ 22,463,899	95.56 %	\$	\$ 22,463,899	95.56 %
2017	20,561,658	19,815,816	96.37	725,502	20,541,318	99.90
2016	20,006,688	19,308,576	96.51	682,250	19,990,826	99.92
2015	18,883,916	17,974,861	95.19	899,791	18,874,652	99.95
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	1,468,373	20,506,696	99.96
2012	22,355,659	20,750,187	92.82	1,595,166	22,345,353	99.95
2011	15,856,850	14,614,022	92.16	1,237,376	15,851,398	99.97
2010	29,755,973	26,656,530	89.58	2,743,498	29,400,028	98.80
2009	20,109,586	18,456,777	91.78	1,587,202	20,043,979	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 and Premium	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	
2018	\$ 15,267,873	\$	\$ 15,267,873	0.73 %	\$ 183	\$ 18,259,615	\$ 33,527,488	0.84 %	\$ 402	N/A %	
2017				0.00		2,276,543	2,276,543	0.07	27	0.00	
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	

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, 2018

<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	\$ 445,570,000	0.84 %	\$ 3,742,788
Maricopa County Special Health Care District	\$ 112,000,000	0.84	940,800
City of Glendale	134,435,000	4.36	5,861,366
City of Phoenix	1,201,405,000	2.33	27,992,737
Phoenix Union High School District No. 210	411,555,000	6.87	28,273,829
Subtotal, Overlapping Debt			<u>66,811,520</u>
Direct:			
Alhambra Elementary School District No. 68			<u>33,527,488</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 100,339,008</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		4.76 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 985	
As a Percentage of Net Limited Assessed Valuation		17.73 %
As a Percentage of Estimated Gross Full Cash Value		2.06 %

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, 2017 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 2018:

Net full cash assessed valuation	\$ 462,945,295
Debt limit (10% of assessed value)	46,294,530
Debt applicable to limit	<u>15,000,000</u>
Legal debt margin	<u><u>\$ 31,294,530</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2018:

Net full cash assessed valuation	\$ 462,945,295
Debt limit (15% of assessed value)	69,441,794
Debt applicable to limit	<u>15,000,000</u>
Legal debt margin	<u><u>\$ 54,441,794</u></u>

Fiscal Year Ended June 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 69,441,794	\$ 59,600,639	\$ 49,064,587	\$ 40,936,326	\$ 37,682,256
Total net debt applicable to limit	<u>15,000,000</u>	<u> </u>	<u> </u>	<u>40,000</u>	<u>3,443,682</u>
Legal debt margin	<u><u>\$ 54,441,794</u></u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	22%	0%	0%	0%	9%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 43,910,582	\$ 52,558,462	\$ 73,883,237	\$ 93,030,894	\$ 91,114,279
Total net debt applicable to limit	<u>10,557,800</u>	<u>15,793,343</u>	<u>16,396,760</u>	<u>21,241,760</u>	<u>25,100,176</u>
Legal debt margin	<u><u>\$ 33,352,782</u></u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	24%	30%	22%	23%	28%

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 premium 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>
2017	4,221,684	\$ N/A	\$ N/A	4.2 %	83,303
2016	4,137,076	185,111,698	43,628	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

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 2008 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>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	18,080	0.79 %	50,936	2.55 %
City of Phoenix	11,040	0.48	17,068	0.86
Maricopa County	10,880	0.47	14,014	0.70
Banner Health	10,000	0.44	23,100	1.16
American Express	7,270	0.32	7,700	0.39
Honeywell	6,270	0.27	12,600	0.63
Dignity Health	5,570	0.24		
Bank of America	5,090	0.22		
Wells Fargo	4,870	0.21	14,000	0.70
Amazon.com	4,840	0.21		
Walmart Stores			32,814	1.64
Arizona State University			13,005	0.65
US Postal Service			10,545	0.53
Total	<u>83,910</u>	<u>3.65 %</u>	<u>195,782</u>	<u>9.80 %</u>
Total employment	<u>2,295,092</u>		<u>1,995,000</u>	

Source: The source of this information is the 2016 Maricopa Association of Governments Employer Database and the 2009 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

	Full-time Equivalent Employees as of June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Supervisory					
Principals	20	14	15	15	15
Assistant principals		2	4	4	4
Other	40	13	12	13	12
Total supervisory	<u>60</u>	<u>29</u>	<u>31</u>	<u>32</u>	<u>31</u>
Instruction					
Teachers	597	640	621	614	622
Other professionals (instructional)	52				
Aides	229	195	114	112	112
Total instruction	<u>878</u>	<u>835</u>	<u>735</u>	<u>726</u>	<u>734</u>
Student Services					
Nurses	16				
Guidance Counselors	10	9	1	1	1
Librarians					
Other student services	39	32	15	15	16
Total student services	<u>65</u>	<u>41</u>	<u>16</u>	<u>16</u>	<u>17</u>
Support and Administration					
Food Service workers	137	100	115	113	113
Custodial/maintenance workers		82	101	100	101
Other classified	246	219	349	331	320
Transportation	68				
Office	32				
Total support and administration	<u>483</u>	<u>401</u>	<u>565</u>	<u>544</u>	<u>534</u>
Total	<u>1,486</u>	<u>1,306</u>	<u>1,347</u>	<u>1,318</u>	<u>1,316</u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Supervisory					
Principals	15	15	15	15	15
Assistant principals	4	4	4	4	4
Other	11	11	10	10	10
Total supervisory	<u>30</u>	<u>30</u>	<u>29</u>	<u>29</u>	<u>29</u>
Instruction					
Teachers	658	666	716	716	784
Other professionals (instructional)					
Aides	121	100	109	124	181
Total instruction	<u>779</u>	<u>766</u>	<u>825</u>	<u>840</u>	<u>965</u>
Student Services					
Nurses					
Guidance Counselors	1	1	1	1	9
Librarians					12
Other student services	16	15	17	15	16
Total student services	<u>17</u>	<u>16</u>	<u>18</u>	<u>16</u>	<u>37</u>
Support and Administration					
Food Service workers	130	116	126	132	137
Custodial/maintenance workers	111	90	95	97	99
Other classified	378	314	342	372	341
Transportation					
Office					
Total support and administration	<u>619</u>	<u>520</u>	<u>563</u>	<u>601</u>	<u>577</u>
Total	<u><u>1,445</u></u>	<u><u>1,332</u></u>	<u><u>1,435</u></u>	<u><u>1,486</u></u>	<u><u>1,608</u></u>

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

(Concluded)

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2018	11,810	\$ 104,817,189	\$ 8,875	9.98 %	\$ 118,287,621	\$ 10,016	7.39 %	878	13.5	93.0 %
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

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

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

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

	Fiscal Year Ended June 30									
	<u>2018</u>	<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>Schools</u>										
<u>Elementary</u>										
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
<u>Other</u>										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	21,156	29,156	29,156	29,156	29,156	29,156	29,156	29,156	29,156	29,156
<u>Administrative</u>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	54	59	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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