
WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016



WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

GLENDALE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Issued by:
Business and Finance Department

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	8
GFOA Certificate of Achievement	9
Organizational Chart	10
List of Principal Officials	11
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	15
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	19
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	35
Statement of Activities	36
Fund Financial Statements:	
Balance Sheet – Governmental Funds	40
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	43
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	44
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	46

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
BASIC FINANCIAL STATEMENTS	
Statement of Net Position – Proprietary Funds	47
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	48
Statement of Cash Flows – Proprietary Funds	49
Statement of Assets and Liabilities – Fiduciary Funds	50
Notes to Financial Statements	51
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	82
Food Service Fund	83
Schedule of the Proportionate Share of the Net Pension Liability	84
Schedule of Contributions	84
Schedule of Funding Progress	85
Notes to Required Supplementary Information	86
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	90
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	91

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Special Revenue Funds:	
Combining Balance Sheet	94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	100
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	106
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	128
Capital Projects Funds:	
Combining Balance Sheet	130
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	132
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	134
Enterprise Funds:	
Combining Statement of Net Position	142
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	143
Combining Statement of Cash Flows	144

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Internal Service Funds:	
Combining Statement of Net Position	146
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	148
Combining Statement of Cash Flows	150
Agency Funds:	
Combining Statement of Assets and Liabilities	154
Combining Statement of Changes in Assets and Liabilities	155
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	158
Expenses, Program Revenues, and Net (Expense)/Revenue	160
General Revenues and Total Changes in Net Position	162
Fund Balances – Governmental Funds	164
Governmental Funds Revenues	166
Governmental Funds Expenditures and Debt Service Ratio	168
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	170

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	171
Net Full Cash Assessed Value of Taxable Property By Class	172
Property Tax Assessment Ratios	173
Direct and Overlapping Property Tax Rates	174
Principal Property Taxpayers	175
Property Tax Levies and Collections	176
Debt Capacity:	
Outstanding Debt by Type	177
Direct and Overlapping Governmental Activities Debt	178
Direct and Overlapping General Bonded Debt Ratios	178
Legal Debt Margin Information	179
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	180
Principal Employers	181
Operating Information:	
Full-Time Equivalent District Employees by Type	182
Operating Statistics	184
Capital Assets Information	185

INTRODUCTORY SECTION

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Administrative Services

4650 W. Sweetwater Ave. • Glendale, AZ 85304
602-347-2600 • Fax: 602-347-2720 • wesdschools.org

December 8, 2016

Citizens and Governing Board
Washington Elementary School District No. 6
4650 West Sweetwater Avenue
Glendale, Arizona 85304

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 Washington Elementary School District No. 6 (District) for the fiscal year ended June 30, 2016.

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, 2016, 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, 2016, 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.

Governing Board: Aaron Jahneke, President • Clorinda Graziano, Vice President
Bill Adams, Member • Larry Herrera, Member • Tee Lambert, Member

Dr. Paul Stanton, Superintendent

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 Washington Elementary School District No. 6 was established in 1891 and is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade eight. Other supplemental programs are offered such as Head Start, daycare programs providing services before and after school, and other community-based education programs.

Washington Elementary School District operates 32 school sites and three District administrative sites. Six of the school sites are less than 20 years old, seven school sites have buildings that exceed 30 years old, and 19 school sites have buildings that exceed 40 years old. The District is consistently evaluating buildings to determine the need for general repair, renovation, or rebuild – based on building system condition and ongoing issues that occur. A plan for scope and funding options for major renovations and/or rebuilds is under continuous review and revision.

The District serves approximately 23,563 students in north central Phoenix and eastern Glendale. Projections indicate that enrollment should remain relatively constant with slight fluctuations up or down each year. Our schools continue to offer a variety of choice to parents related to the education of their children. There are plans to increase the number of signature programs within the District to encourage further growth in the near future.

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, component units combined with the District for financial statement purposes and the District are not included in any other governmental 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, nutrition services, and extracurricular functions.

For fiscal year 2015-2016 the District experienced a 2.2 percent increase in its primary assessed valuation. The economy of the District is representative of the economies of the cities that overlap the District. Approximately 92 percent of the District lies within the boundaries of the City of Phoenix with only 8 percent falling within the boundaries of the City of Glendale.

In 2006, the Governing Board and Superintendent initiated the development of a long-range strategic plan for the Washington Elementary School District. A vision and mission were drafted including a set of beliefs and values which were shared at a town hall meeting to solicit input regarding the District needs and goals. Participants of this group included parents, community members, District employees and board members. A strategic action plan was developed for each of the focus areas utilizing input from these meetings. The identified areas of focus were Student Achievement, Community Relationships, Facility Planning and Usage, Student Safety, Technology, Community Relationships, and Human Resources. Each year specific plans are updated for each area of focus that includes the financial resources needed to accomplish the goals, as well as ways in which to recognize the completion of those goals. The strategic plan related to fiscal responsibility includes ways in which the District will increase transparency and accountability with the community by utilizing consistent reporting strategies detailing how the District has spent voter-approved funding. The strategic plan for fiscal accountability also identifies the goal to establish a financial oversight committee to review annual budgets, expenditures, and audits.

In order to facilitate community outreach, a Parent Leadership Team meets with the Superintendent monthly. This group serves as a communication link between the District and schools and they determine the topics of discussion. The District also works with a Business Advisory Team and it continues to increase members. The District utilizes this platform to bring attention to achievements and initiatives of our students and teachers as well as those of the business leaders. The District provides many opportunities for members of both of these teams to expand their involvement with the local school in their community.

BUDGETARY SYSTEMS AND CONTROLS

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 Washington Elementary School District utilizes a "Student-Based Budget Process", meaning that schools and students are budget priorities. The budget for staffing and other resources is based on the number of students enrolled at each site and funds are allocated for these needs prior to evaluating the needs for departments. These budgets are set each year based on consistent standards and rubrics adopted by the Governing Board. Standards are developed and recommended to the Governing Board after receiving input from committees consisting of staff and other stakeholders involved in each particular area.

The Governing Board annually reviews any budget items that are outside the general state budget limits, e.g. Adjacent Ways, Desegregation. These items are approved individually after consideration of defined needs of the District and evaluation of any proposed impact to taxpayers in the District. The Governing Board has approved a Debt Management and Special Levy Policy to provide guidance for staff to consider when evaluating the need for additional levies or long-term debt such as bonds.

The District's proposed expenditure budget is presented to the Governing Board for review prior to July 15. The Governing Board is required to hold a public hearing on the proposed budget and to adopt the final budget by no later than July 15. The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General and some Capital Project Funds. The level of budgetary control is established at the individual fund level for all funds. The Governing Board has given staff authorization to exceed subsections of a budget, if needed, with the stipulation that expenditures never exceed the total appropriated budget in a particular fund.

In order to ensure compliance with the legal provisions applicable to the annual appropriated budget, Washington Elementary School District maintains several budgetary controls. Budget-controlled funds are monitored consistently to ensure that schools and departments stay within their allocated budgets, and that expenditures are proper for the designated fund. The Finance Director can at any time reallocate budget capacity between accounts within a fund or from the contingency fund designated for emergencies and other needs that were not identified previously. The workflow for approval of purchases, budget transfers and journal entries has several levels for review before being posted. Budgets for cash-controlled funds are updated automatically within the financial system as revenue is received and these funds are reconciled throughout the year to ensure that cash available is sufficient to meet the appropriated budget.

Although not adopted, an annual revenue budget for all sources is prepared. The expenditure budget can be revised annually in accordance with Arizona Revised Statutes; however the revenue budget is not revised. Therefore a deficit budgeted fund balance can occur when the expenditure budget is increased during a revision. Funds that have over expenditures of budgeted funds have revenue earned throughout the year. 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's administration is charged with the responsibility of supervising the protection of the District's assets by employing various risk management techniques and procedures to reduce, absorb, minimize or transfer risk. The District carries insurance for general liability, auto liability and workers' compensation. The administration is also responsible for directing the District's benefits program, which includes the administration of health, life and other benefits for all full-time and some part-time employees. These activities are accounted for in the Internal Service Funds.

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 City of Phoenix enjoys a highly diversified economic base consisting of manufacturing, agriculture, tourism, construction, education, distribution centers, finance and retailing. Tourism is an important income producer. Many world-class hotels and resorts cater to visitors. The city's light rail system, which opened in December 2008, offers a convenient transportation link from the airport to downtown Phoenix, with stops at the convention center and several downtown hotels. The light rail system is scheduled to complete expansion in the near future and will include several miles within the District boundaries. The greater Phoenix area serves as a hub for innovation and entrepreneurs by providing international access for aerospace, high-technology, bioscience, advanced business services and sustainable technologies companies.

The City of Phoenix is the Capitol and largest city of Arizona and is the county seat as well. Phoenix is also the sixth largest city in the nation, with more than 1.56 million residents and growing. The city encompasses an area approximately 519 square miles. The Phoenix metropolitan area is the population and economic activity center of the entire state. Phoenix is one of the leaders in the economics of the Southwestern area of the United States.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Mesa, Glendale, Scottsdale, Tempe, Chandler, Peoria and Gilbert. The County's population is estimated at 4.1 million or about 61 percent of the total population of the state. Maricopa County has a very wide range of economic sectors supporting its substantial growth. As of June 2016, the unemployment rate in the Phoenix area and Maricopa County was approximately 5.3 percent, higher than the national average of 4.9 percent.

The State of Arizona was greatly affected by the recent economic downturn. This resulted in limited growth and declining revenues, but statewide revenues have been performing far above what was projected over the last couple of years. The downturn in the economy presented a challenge to school districts considering that the majority of funding for schools is generated through formulas directed by Arizona law. Legislative decisions over the last several years have led to reduced funding allocations, but public awareness of limited education funding has recently provided an increased focus on developing a sustainable funding system for the future. A voter initiative was approved in May 2016 that provided a consistent factor for an inflation increase to be added to school district budgets each year. Additional funding was also provided with this initiative for a period of ten years.

Long-term Financial Planning. The District incorporates shared-decision making processes into every aspect of District management and planning. The shared-decision making process allows the input of all stakeholders (to include parents, employees and community members) into the decision-making and financial planning of the District. From these processes, advisory committees are formed to evaluate and make recommendations to the Superintendent in regard to the needs of the District.

One such committee is the Facilities Council. This group of stakeholders began a facilities master-planning process in 1996 to develop a long-term facilities needs assessment for the District. In the beginning stages of this master facilities plan, the Council considered many factors including an inventory and analysis of existing facilities, projection of future enrollment numbers, creating a vision of the learning environment and several preliminary master plan concepts. The District has recently evaluated all elements in its school buildings and determined the condition of these elements as well as projected replacement date and cost to replace. Future capital plans have been updated to account for this information and changes in projected enrollment, based on demographic studies. Although demographic studies illustrate a slight increase in student enrollment over the next few years, the capital plan continues to address aging facilities to meet the needs of all grade configurations, and is consistent with the vision of the learning environment embraced by the stakeholders of the District.

Another long-standing committee in the District is the Planning and Steering Committee. This group meets monthly to facilitate and monitor all processes and procedures related to the development, refinement and/or implementation of goals for learning and learning environments. Their areas of focus include curriculum, instruction, assessments, school and department improvement, and professional development.

AWARDS AND ACKNOWLEDGMENTS

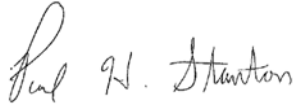
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In addition, the Government Finance Officers Association (GFOA) awarded 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, 2015. 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, 2016 certificates.

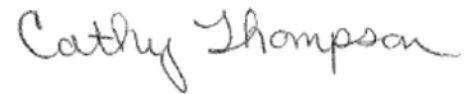
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, we would like to extend our appreciation to the Governing Board for their leadership and support in attaining the highest standards of professionalism regarding the management of the District's finances.

Respectfully submitted,



Dr. Paul Stanton
Superintendent



Cathy Thompson
Director of Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting Award
is presented to

Washington Elementary School District No. 6

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

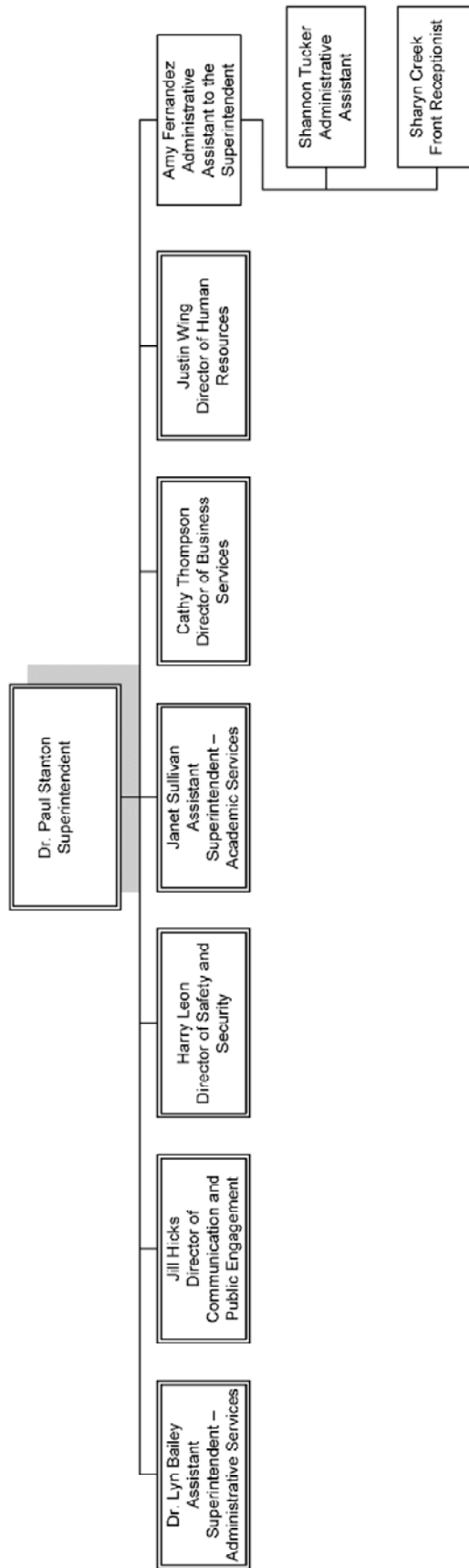
**Washington Elementary School
District No. 6, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Organizational Chart



WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Aaron Jahneke, President

Clorinda Graziano, Vice President

Bill Adams, Member

Larry Herrera, Member

Tee Lambert, Member

ADMINISTRATIVE STAFF

Paul Stanton, Ed.D., Superintendent

Cathy Thompson, Director of Business Services

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Washington Elementary School District No. 6

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington Elementary School District No. 6 (District), as of and for the year ended June 30, 2016, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Washington Elementary School District No. 6, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows 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. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016, 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 post-employment benefit 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 Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2016 on our consideration of Washington Elementary School District No. 6'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 Washington Elementary School District No. 6's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 8, 2016

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

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**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

As management of the Washington Elementary School District No. 6 (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, 2016. 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 increased \$18.3 million to \$33.8 million and the business-type activities decreased \$6,650 to \$1.6 million. The increase in net position for governmental activities is primarily due to an increase in state aid.
- General revenues from governmental activities accounted for \$167.7 million in revenue, or 78 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$48.0 million or 22 percent of total governmental activities revenues. The District had \$908,945 in program revenues and \$4,090 in general revenues related to business-type activities.
- The District had approximately \$197.4 million in expenses related to governmental activities, an increase of one percent from the prior fiscal year. The District had \$919,685 in expenses related to business-type activities, an increase of \$51,476 from the prior fiscal year.
- Among major funds, the General Fund had \$144.6 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$135.7 million in expenditures. The General Fund's fund balance increase from \$15.7 million at the prior fiscal year end to \$26.7 million at the end of the current fiscal year was primarily due to an increase in state aid and efforts by the District to maximize budget balance carryforward.
- The Food Service Fund's fund balance increased \$1.4 million to \$11.5 million at the end of the current fiscal year primarily due to increased federal aid.
- The Bond Building Fund's fund balance increased \$17.9 million due to the issuance of \$25.5 million in school improvement bonds.
- Operating revenues for the Internal Service Funds in the amount of \$19.6 million were sufficient to cover the expenses in these funds. Net position for these funds increased \$3,345 from the prior fiscal year.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

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.

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).

In the government-wide financial statements, the District's activities are presented in the following categories:

- **Governmental activities** – The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services, and interest on long-term debt. Property taxes and intergovernmental revenues support these activities.
- **Business-type activities** – The business-type activities of the District include Title I services to students attending private schools that are members of the Private School Consortium and public purchases of alternative fuel. These services are supported by user fees and costs of 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

OVERVIEW OF FINANCIAL STATEMENTS

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.

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, Food Service, Debt Service, 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.

Proprietary funds. The District maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses separate enterprise funds to account for its private school consortium and alternative fuel services. The internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for its Employee Benefit Trust, Workers' Compensation, and Property and Casualty Insurance. Although legally separate component units, they function for all employees of the District and therefore have been included as internal service funds. In addition, the Print Shop Fund accounts for charges to other departments for printing and copying services. Because these activities predominately benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

OVERVIEW OF FINANCIAL STATEMENTS

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for both of the enterprise funds, neither of which are considered to be major funds. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the proprietary funds is provided in the form of combining statements.

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 Food Service Fund as required supplementary information. Schedules for the pension plan and other post employment benefits plan have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, governmental activities assets and deferred outflows exceeded liabilities and deferred inflows by \$33.8 million at the current fiscal year end.

The largest portion of the District's governmental activities 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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	Governmental Activities		Business-Type Activities		Total	
	As of June 30, 2016	As of June 30, 2015	As of June 30, 2016	As of June 30, 2015	As of June 30, 2016	As of June 30, 2015
Current and other assets	\$ 131,518,402	\$ 100,681,495	\$ 867,495	\$ 761,334	\$ 132,385,897	\$ 101,442,829
Capital assets, net	224,634,331	225,313,406	1,404,559	1,517,228	226,038,890	226,830,634
Total assets	<u>356,152,733</u>	<u>325,994,901</u>	<u>2,272,054</u>	<u>2,278,562</u>	<u>358,424,787</u>	<u>328,273,463</u>
Deferred outflows	<u>16,890,947</u>	<u>20,947,374</u>	<u>66,836</u>	<u>77,160</u>	<u>16,957,783</u>	<u>21,024,534</u>
Current and other liabilities	35,822,383	34,015,282	30,282	11,559	35,852,665	34,026,841
Long-term liabilities	286,782,803	265,286,458	680,021	650,714	287,462,824	265,937,172
Total liabilities	<u>322,605,186</u>	<u>299,301,740</u>	<u>710,303</u>	<u>662,273</u>	<u>323,315,489</u>	<u>299,964,013</u>
Deferred inflows	<u>16,617,180</u>	<u>32,106,652</u>	<u>61,712</u>	<u>119,924</u>	<u>16,678,892</u>	<u>32,226,576</u>
Net position:						
Net investment in capital assets	152,225,774	147,843,966	1,404,559	1,517,228	153,630,333	149,361,194
Restricted	31,413,624	25,808,205			31,413,624	25,808,205
Unrestricted	<u>(149,818,084)</u>	<u>(158,118,288)</u>	<u>162,316</u>	<u>56,297</u>	<u>(149,655,768)</u>	<u>(158,061,991)</u>
Total net position	<u>\$ 33,821,314</u>	<u>\$ 15,533,883</u>	<u>\$ 1,566,875</u>	<u>\$ 1,573,525</u>	<u>\$ 35,388,189</u>	<u>\$ 17,107,408</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position for governmental activities. Governmental activities unrestricted net position, which is normally used to meet the District's mission reported a deficit of \$149.8 million. The deficit is due to the District's proportionate share of the state pension plan's unfunded liability. At the end of the current and prior fiscal year, the District reported positive balances in both categories of net position for business-type activities. The same situation held true for the prior fiscal 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.

- The principal retirement of \$13.9 million of bonds.
- The issuance of \$25.5 million in school improvement bonds.
- The issuance of \$12.0 million in tax anticipation notes.
- The increase of \$8.9 million in pension liabilities.
- The addition of \$11.5 million in capital assets for governmental activities.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

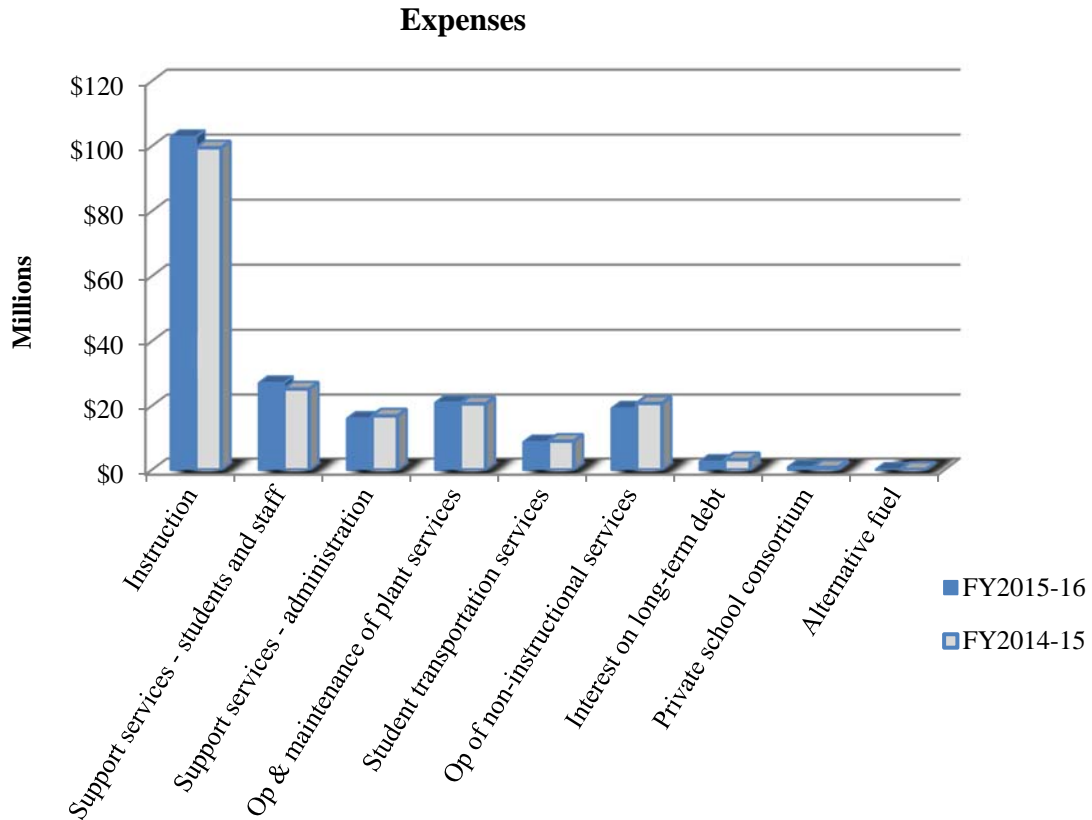
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$216.6 million. The total cost of all programs and services was \$198.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	Governmental Activities		Business-Type Activities		Total	
	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015
Revenues:						
Program revenues:						
Charges for services	\$ 4,497,909	\$ 4,561,877	\$ 908,945	\$ 935,726	\$ 5,406,854	\$ 5,497,603
Operating grants and contributions	41,811,603	39,616,244			41,811,603	39,616,244
Capital grants and contributions	1,712,149	95,728			1,712,149	95,728
General revenues:						
Property taxes	58,493,563	59,432,746			58,493,563	59,432,746
Investment income	333,876	208,981	4,090	3,073	337,966	212,054
Unrestricted county aid	9,213,359	8,780,891			9,213,359	8,780,891
Unrestricted state aid	97,860,492	93,009,088			97,860,492	93,009,088
Unrestricted federal aid	1,786,738	640,647			1,786,738	640,647
Total revenues	<u>215,709,689</u>	<u>206,346,202</u>	<u>913,035</u>	<u>938,799</u>	<u>216,622,724</u>	<u>207,285,001</u>
Expenses:						
Instruction	102,834,169	99,473,480			102,834,169	99,473,480
Support services – students and staff	27,153,837	25,259,949			27,153,837	25,259,949
Support services – administration	16,019,927	16,863,927			16,019,927	16,863,927
Operation and maintenance of plant services	20,967,936	20,573,400			20,967,936	20,573,400
Student transportation services	8,685,581	8,931,677			8,685,581	8,931,677
Operation of non-instructional services	19,204,711	20,757,679			19,204,711	20,757,679
Interest on long-term debt	2,556,097	3,184,743			2,556,097	3,184,743
Private school consortium			825,441	760,335	825,441	760,335
Alternative fuel			94,244	107,874	94,244	107,874
Total expenses	<u>197,422,258</u>	<u>195,044,855</u>	<u>919,685</u>	<u>868,209</u>	<u>198,341,943</u>	<u>195,913,064</u>
Changes in net position	18,287,431	11,301,347	(6,650)	70,590	18,280,781	11,371,937
Net position, beginning	15,533,883	4,232,536	1,573,525	1,502,935	17,107,408	5,735,471
Net position, ending	<u>\$ 33,821,314</u>	<u>\$ 15,533,883</u>	<u>\$ 1,566,875</u>	<u>\$ 1,573,525</u>	<u>\$ 35,388,189</u>	<u>\$ 17,107,408</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- Operating grants and contributions increased \$2.2 million due primarily to an increase in revenues received for the National School Lunch Program from participation in the Community Eligibility Provision.
- Unrestricted state aid increased \$4.9 million due to an increase in average daily membership.
- Capital grants and contributions increased \$1.6 million due primarily to monies received for wireless infrastructure upgrades from the School and Libraries Division.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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.

	<u>Year Ended June 30, 2016</u>		<u>Year Ended June 30, 2015</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
Governmental Activities				
Instruction	\$ 102,834,169	\$ (86,298,735)	\$ 99,473,480	\$ (87,439,798)
Support services – students and staff	27,153,837	(19,273,495)	25,259,949	(18,331,231)
Support services – administration	16,019,927	(15,715,206)	16,863,927	(16,024,082)
Operation and maintenance of plant services	20,967,936	(20,186,319)	20,573,400	(19,718,953)
Student transportation services	8,685,581	(8,566,887)	8,931,677	(8,712,788)
Operation of non-instructional services	19,204,711	3,196,142	20,757,679	2,640,589
Interest on long-term debt	2,556,097	(2,556,097)	3,184,743	(3,184,743)
Total expenses	<u>197,422,258</u>	<u>(149,400,597)</u>	<u>195,044,855</u>	<u>(150,771,006)</u>
Business-Type Activities				
Private school consortium	825,441	17,038	760,335	93,859
Alternative fuel	94,244	(27,778)	107,874	(26,342)
Total expenses	<u>919,685</u>	<u>(10,740)</u>	<u>868,209</u>	<u>67,517</u>
Total	<u>\$ 198,341,943</u>	<u>\$ (149,411,337)</u>	<u>\$ 195,913,064</u>	<u>\$ (150,703,489)</u>

- The cost of all governmental activities this year was \$197.4 million. The cost of all business-type activities this year was \$919,685.
- Federal and State governments and charges for services subsidized certain governmental and business-type programs with grants and contributions and other local revenues of \$48.9 million.
- Net cost of governmental activities of \$149.4 million was financed by general revenues, which are made up of primarily property taxes of \$58.5 million and state and county aid of \$107.1 million.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

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 \$72.5 million, an increase of \$30.3 million due primarily to the issuance of \$25.5 million in school improvement bonds.

The General Fund comprises 37 percent of the total fund balance. Approximately \$17.4 million, or 65 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$10.6 million to \$26.7 million as of fiscal year end was primarily a result of increased state aid. General Fund revenues increased \$5.2 million primarily due to an increase average daily membership. General Fund expenditures decreased \$3.4 million.

The fund balance in the Food Service Fund increased \$1.4 million primarily due to an increase in federal revenue received for the National School Lunch Program due to an increase in schools participating in the Community Eligibility Provision Program.

Fund balance in the Bond Building Fund increased \$17.9 million due to the issuance of \$25.5 million in school improvement bonds. The proceeds will be used for various school renovation projects.

Proprietary funds. Total net position of the Enterprise Funds and Internal Service Funds at the end of the fiscal year amounted to \$1.6 million and \$4.9 million, respectively. Net position for the Enterprise Funds decreased \$6,650, while net position for the Internal Service Funds increased \$3,345.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for the passage of Proposition 123. The difference between the original budget and the final amended budget was a \$1.9 million increase, or one percent.

The revenue budget for the General Fund was not revised. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant expenditure variance is summarized as follows:

- The favorable variances in instruction, support services-students and staff, support services-administration, operation and maintenance of plant services, and student transportation services was due to the passage of Proposition 123 in May 2016.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District's investment in capital assets for its governmental and business-type activities totaled \$376.0 million. The investment in capital assets includes school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$4.3 million from the prior fiscal year, primarily due to the completion of various school renovation projects and wireless infrastructure upgrades. Total depreciation expense for the current fiscal year was \$8.8 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2016 and June 30, 2015.

	Governmental Activities		Business-Type Activities		Total	
	As of June 30, 2016	As of June 30, 2015	As of June 30, 2016	As of June 30, 2015	As of June 30, 2016	As of June 30, 2015
Capital assets – non-depreciable	\$ 11,328,630	\$ 7,119,630	\$	\$	\$ 11,328,630	\$ 7,119,630
Capital assets – depreciable, net	213,305,701	218,193,776	1,404,559	1,517,228	214,710,260	219,711,004
Total	<u>\$ 224,634,331</u>	<u>\$225,313,406</u>	<u>\$ 1,404,559</u>	<u>\$ 1,517,228</u>	<u>\$ 226,038,890</u>	<u>\$226,830,634</u>

The estimated cost to complete current construction projects is \$10.6 million.

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration. At year end, the District had \$101.5 million in long-term debt outstanding, \$18.7 million due within one year. Long-term debt increased by \$12.4 million due to the issuance of \$25.5 million in school improvement bonds.

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 \$210.5 million and the Class B debt limit is \$140.4 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2016-17 budget. Among them:

- An estimated budget balance carry-forward of \$9.45 million in the Maintenance and Operation budget for the 2016-17 fiscal year.
- An increase in assessed values by 2.2 percent for the 2016 tax year due to improved economic conditions in the Phoenix metro area. Projections indicate that the assessed values will continue to slowly increase through fiscal year 2017.
- Employee health insurance costs will increase. However, the District made a contribution of \$800,000 in fiscal year 2015 to offset this increase. This action reduced the impact to the 2015-16 budget. The full increase to health insurance costs will be realized in the 2016-17 fiscal year. The intent of this strategy is to spread the increased cost of health insurance over two fiscal years.
- A four percent increase to employee salaries by utilizing unexpended budget balance carry-forward, which includes additional revenue from voter approved Proposition 123, with an aggregate cost of approximately \$7.5 million.
- A one-time lump sum payment to be awarded to continuing employees with an aggregate cost of approximately \$2.5 million.
- Continued reductions in capital funding to school districts by the State Legislature for fiscal year 2016-17.
- Continued commitment to provide full-day kindergarten. The State Legislature eliminated the funding for full-day kindergarten beginning in fiscal year 2010-11 and discontinued the weight for kindergarten students when calculating overrides in 2013-14.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The continuation of a District program for students with emotional disabilities in lieu of outsourcing the program to private schools.
- The utilization of bond funds to renovate facilities in accordance with the Bond Master Plan.
- The utilization of the capital equipment replacement plan to prioritize the replacement of capital assets.
- Continuation of a district-wide energy conservation plan to reduce energy costs.
- An increased focus on recruitment and retention strategies due to a shortage of teachers throughout the State of Arizona.
- Utilization of demographic analysis software to address the changes in the school funding formula which is based on estimated current year enrollment instead of actual prior year enrollment.
- Utilization of demographic analysis software to better anticipate the changes in student enrollment from year to year.
- Additional E-Rate funds will be utilized in lieu of capital funds to install wireless access points at our schools in the 2016-17 school year.

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

Budgeted expenditures in the General Fund increased seven percent to \$148.5 million in fiscal year 2016-17. Funding received as a result of Proposition 123 is the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2016-17 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, Washington Elementary School District No. 6, 4650 West Sweetwater Avenue, Glendale, Arizona 85304.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 86,802,540	\$ 867,495	\$ 87,670,035
Cash and investments - restricted	3,918,750		3,918,750
Property taxes receivable	4,303,503		4,303,503
Accounts receivable	441,485		441,485
Due from governmental entities	34,738,255		34,738,255
Prepaid items	85,670		85,670
Inventory	1,228,199		1,228,199
Total current assets	131,518,402	867,495	132,385,897
Noncurrent assets:			
Capital assets not being depreciated	11,328,630		11,328,630
Capital assets, net of accumulated depreciation	213,305,701	1,404,559	214,710,260
Total noncurrent assets	224,634,331	1,404,559	226,038,890
Total assets	356,152,733	2,272,054	358,424,787
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred charge on refunding	165,950		165,950
Pension plan items	16,724,997	66,836	16,791,833
Total deferred outflows of resources	16,890,947	66,836	16,957,783
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	3,029,790	13,586	3,043,376
Construction contracts payable	3,920,290		3,920,290
Credit line payable	10,468,000		10,468,000
Claims payable	4,319,487		4,319,487
Accrued payroll and employee benefits	734,000	16,696	750,696
Compensated absences payable	777,255		777,255
Accrued interest payable	1,312,258		1,312,258
Unearned revenues	38,558		38,558
Obligations under capital leases	869,028		869,028
Bonds payable	17,820,000		17,820,000
Tax anticipation notes payable	12,000,000		12,000,000
Total current liabilities	55,288,666	30,282	55,318,948
Noncurrent liabilities:			
Non-current portion of long-term obligations	267,316,520	680,021	267,996,541
Total noncurrent liabilities	267,316,520	680,021	267,996,541
Total liabilities	322,605,186	710,303	323,315,489
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension plan items	16,617,180	61,712	16,678,892
<u>NET POSITION</u>			
Net investment in capital assets	152,225,774	1,404,559	153,630,333
Restricted for:			
Voter approved initiatives	1,712,604		1,712,604
Federal and state projects	1,158,770		1,158,770
Food service	11,382,458		11,382,458
Community school	1,338,659		1,338,659
Extracurricular activities	740,136		740,136
Other local initiatives	714,894		714,894
Debt service	5,589,720		5,589,720
Capital outlay	8,776,383		8,776,383
Unrestricted	(149,818,084)	162,316	(149,655,768)
Total net position	\$ 33,821,314	\$ 1,566,875	\$ 35,388,189

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

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
Primary Government					
Governmental activities:					
Instruction	\$ 102,834,169	\$ 834,514	\$ 14,126,849	\$ 1,574,071	\$ (86,298,735)
Support services - students and staff	27,153,837		7,880,342		(19,273,495)
Support services - administration	16,019,927		304,721		(15,715,206)
Operation and maintenance of plant services	20,967,936	97,419	546,120	138,078	(20,186,319)
Student transportation services	8,685,581	9,324	109,370		(8,566,887)
Operation of non-instructional services	19,204,711	3,556,652	18,844,201		3,196,142
Interest on long-term debt	2,556,097				(2,556,097)
Total governmental activities	<u>197,422,258</u>	<u>4,497,909</u>	<u>41,811,603</u>	<u>1,712,149</u>	<u>(149,400,597)</u>
Business-type activities:					
Private school consortium	825,441	842,479			
Alternative fuel	94,244	66,466			
Total business-type activities	<u>919,685</u>	<u>908,945</u>			
Total primary government	<u>\$ 198,341,943</u>	<u>\$ 5,406,854</u>	<u>\$ 41,811,603</u>	<u>\$ 1,712,149</u>	<u>(149,400,597)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	40,734,144
Property taxes, levied for debt service	16,204,896
Property taxes, levied for capital outlay	1,554,523
Investment income	333,876
Unrestricted county aid	9,213,359
Unrestricted state aid	97,860,492
Unrestricted federal aid	1,786,738
Total general revenues	<u>167,688,028</u>

Changes in net position

18,287,431

Net position, beginning of year

15,533,883

Net position, end of year

\$ 33,821,314

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

Net (Expense) Revenue and
Changes in Net Position

Business-type Activities	Totals
\$	\$ (86,298,735)
	(19,273,495)
	(15,715,206)
	(20,186,319)
	(8,566,887)
	3,196,142
	(2,556,097)
	(149,400,597)
	17,038
	(27,778)
	(10,740)
	(10,740)
	40,734,144
	16,204,896
	1,554,523
4,090	337,966
	9,213,359
	97,860,492
	1,786,738
4,090	167,692,118
(6,650)	18,280,781
1,573,525	17,107,408
\$ 1,566,875	\$ 35,388,189

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FUND FINANCIAL STATEMENTS

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	General	Food Service	Debt Service
<u>ASSETS</u>			
Cash and investments	\$ 16,699,434	\$ 12,177,380	\$ 16,482,930
Cash and investments - restricted			3,918,750
Property taxes receivable	3,998,515		304,988
Accounts receivable	9,324	668	
Due from governmental entities	31,025,358	299,514	
Due from other funds	2,158,713		
Inventory	1,094,793	133,406	
Total assets	\$ 54,986,137	\$ 12,610,968	\$ 20,706,668
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,496,468	\$ 1,023,618	\$
Construction contracts payable			
Credit line payable	10,468,000		
Due to other funds			
Accrued payroll and employee benefits	444,795	32,928	
Accrued interest payable	95,310		
Unearned revenues		38,558	
Bonds payable			13,900,000
Bond interest payable			1,216,948
Tax anticipation notes payable	12,000,000		
Total liabilities	24,504,573	1,095,104	15,116,948
Deferred inflows of resources:			
Unavailable revenues - property taxes	3,816,550		237,715
Unavailable revenues - intergovernmental			
Unavailable revenues - other	9,324	668	
Total deferred inflows of resources	3,825,874	668	237,715
Fund balances (deficits):			
Nonspendable	1,094,793	133,406	
Restricted	8,202,561	11,381,790	5,352,005
Unassigned	17,358,336		
Total fund balances	26,655,690	11,515,196	5,352,005
 Total liabilities, deferred inflows of resources and fund balances	\$ 54,986,137	\$ 12,610,968	\$ 20,706,668

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 27,536,471	\$ 5,460,325	\$ 78,356,540
		3,918,750
		4,303,503
		9,992
	3,413,383	34,738,255
		2,158,713
		1,228,199
<u>\$ 27,536,471</u>	<u>\$ 8,873,708</u>	<u>\$ 124,713,952</u>
\$ 3,920,290	\$ 459,058	\$ 2,979,144
		3,920,290
		10,468,000
	2,158,713	2,158,713
	253,687	731,410
		95,310
		38,558
		13,900,000
		1,216,948
		12,000,000
<u>3,920,290</u>	<u>2,871,458</u>	<u>47,508,373</u>
		4,054,265
	665,994	665,994
		9,992
	<u>665,994</u>	<u>4,730,251</u>
		1,228,199
23,616,181	5,457,412	54,009,949
	(121,156)	17,237,180
<u>23,616,181</u>	<u>5,336,256</u>	<u>72,475,328</u>
<u>\$ 27,536,471</u>	<u>\$ 8,873,708</u>	<u>\$ 124,713,952</u>

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**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016**

Total governmental fund balances **\$ 72,475,328**

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 373,325,059	
Less accumulated depreciation	<u>(149,036,455)</u>	224,288,604

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

Property taxes	4,054,265	
Intergovernmental	665,994	
Other	<u>9,992</u>	4,730,251

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. 165,950

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	16,724,997	
Deferred inflows of resources related to pensions	<u>(16,617,180)</u>	107,817

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position. 4,936,167

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

Other postemployment benefits payable	(164,924)	
Compensated absences payable	(2,053,642)	
Obligations under capital leases	(6,386,614)	
Net pension liability	(183,109,454)	
Bonds payable	<u>(81,168,169)</u>	<u>(272,882,803)</u>

Net position of governmental activities **\$ 33,821,314**

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	<u>General</u>	<u>Food Service</u>	<u>Debt Service</u>
Revenues:			
Other local	\$ 10,601,989	\$ 560,558	\$ 83,122
Property taxes	43,533,965		16,240,562
State aid and grants	88,642,833		
Federal aid, grants and reimbursements	1,786,738	18,714,302	
Total revenues	<u>144,565,525</u>	<u>19,274,860</u>	<u>16,323,684</u>
Expenditures:			
Current -			
Instruction	74,386,111		
Support services - students and staff	19,106,655		
Support services - administration	15,028,432		
Operation and maintenance of plant services	17,215,512	55,043	
Student transportation services	7,682,488		
Operation of non-instructional services	407,187	15,452,070	
Capital outlay	1,272,900	1,044,331	
Debt service -			
Principal retirement	543,681		13,900,000
Interest and fiscal charges	45,357		2,446,478
Bond issuance costs			
Total expenditures	<u>135,688,323</u>	<u>16,551,444</u>	<u>16,346,478</u>
Excess (deficiency) of revenues over expenditures	<u>8,877,202</u>	<u>2,723,416</u>	<u>(22,794)</u>
Other financing sources (uses):			
Transfers in	1,771,416		886,337
Transfers out	(520,000)	(1,276,217)	
Capital lease agreements	426,934		
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):	<u>1,678,350</u>	<u>(1,276,217)</u>	<u>886,337</u>
Changes in fund balances	<u>10,555,552</u>	<u>1,447,199</u>	<u>863,543</u>
Fund balances, beginning of year	15,710,047	10,072,778	4,488,462
Increase (decrease) in reserve for inventory	390,091	(4,781)	
Fund balances, end of year	<u>\$ 26,655,690</u>	<u>\$ 11,515,196</u>	<u>\$ 5,352,005</u>

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 41,100	\$ 3,650,594	\$ 14,937,363
	9,544,223	59,774,527
	23,165,569	98,187,056
<u>41,100</u>	<u>36,360,386</u>	<u>43,666,609</u>
		<u>216,565,555</u>
	22,238,522	96,624,633
	8,233,252	27,339,907
	312,827	15,341,259
	391,188	17,661,743
	188,278	7,870,766
	3,168,407	19,027,664
7,527,859	1,817,459	11,662,549
	304,669	14,748,350
	216,986	2,708,821
145,492		145,492
<u>7,673,351</u>	<u>36,871,588</u>	<u>213,131,184</u>
<u>(7,632,251)</u>	<u>(511,202)</u>	<u>3,434,371</u>
	520,000	3,177,753
(886,337)	(495,199)	(3,177,753)
		426,934
25,500,000		25,500,000
918,929		918,929
<u>25,532,592</u>	<u>24,801</u>	<u>26,845,863</u>
<u>17,900,341</u>	<u>(486,401)</u>	<u>30,280,234</u>
5,715,840	5,822,657	41,809,784
		385,310
<u>\$ 23,616,181</u>	<u>\$ 5,336,256</u>	<u>\$ 72,475,328</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016

Changes in fund balances - total governmental funds **\$ 30,280,234**

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	\$ 11,504,989	
Less current year depreciation	<u>(8,626,259)</u>	2,878,730

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	(25,500,000)	
Obligations under capital leases	<u>(426,934)</u>	(25,926,934)

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

Property taxes	(1,280,964)	
Intergovernmental	457,033	
Other	<u>(66,722)</u>	(890,653)

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

Capital lease principal retirement	848,350	
Bond principal retirement	<u>13,900,000</u>	14,748,350

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

Current year pension contributions	11,728,337	
Pension expense	<u>(9,026,564)</u>	2,701,773

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.

Other postemployment benefit payable	(1,548,045)	
Inventory	385,310	
Deferred charges on issuance of debt	(165,951)	
Loss on disposal of assets	(3,513,114)	
Amortization of deferred bond items	(600,254)	
Compensated absences	<u>(65,360)</u>	(5,507,414)

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.

3,345

Changes in net position in governmental activities **\$ 18,287,431**

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2016

	<u>Enterprise Funds</u>	Governmental Activities:
	Non-Major Enterprise Funds	Internal Service Funds
	<u>Enterprise Funds</u>	<u>Funds</u>
<u>ASSETS</u>		
Current assets:		
Cash and investments	\$ 867,495	\$ 8,446,000
Accounts receivable		431,493
Prepaid items		85,670
Total current assets	<u>867,495</u>	<u>8,963,163</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	<u>1,404,559</u>	<u>345,727</u>
Total noncurrent assets	<u>1,404,559</u>	<u>345,727</u>
Total assets	<u>2,272,054</u>	<u>9,308,890</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension plan items	<u>66,836</u>	<u></u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	13,586	50,646
Claims payable		4,319,487
Accrued payroll and employee benefits	<u>16,696</u>	<u>2,590</u>
Total current liabilities	<u>30,282</u>	<u>4,372,723</u>
Noncurrent liabilities:		
Non-current portion of long-term obligations	<u>680,021</u>	<u></u>
Total noncurrent liabilities	<u>680,021</u>	<u></u>
Total liabilities	<u>710,303</u>	<u>4,372,723</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension plan items	<u>61,712</u>	<u></u>
<u>NET POSITION</u>		
Investment in capital assets	1,404,559	345,727
Unrestricted	<u>162,316</u>	<u>4,590,440</u>
Total net position	<u>\$ 1,566,875</u>	<u>\$ 4,936,167</u>

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Enterprise Funds</u>	<u>Governmental Activities: Internal Service Funds</u>
	<u>Non-Major Enterprise Funds</u>	
Operating revenues:		
Contributions	\$	\$ 19,182,376
Charges for services	908,945	425,509
Total operating revenues	<u>908,945</u>	<u>19,607,885</u>
Operating expenses:		
Claims		14,932,498
Premiums		1,720,340
Administrative and other		2,555,737
Cost of services	807,016	373,811
Depreciation	112,669	56,941
Total operating expenses	<u>919,685</u>	<u>19,639,327</u>
Operating income (loss)	<u>(10,740)</u>	<u>(31,442)</u>
Nonoperating revenues (expenses):		
Investment income	4,090	34,787
Total nonoperating revenues (expenses)	<u>4,090</u>	<u>34,787</u>
Changes in net position	<u>(6,650)</u>	<u>3,345</u>
Total net position, beginning of year	1,573,525	4,932,822
Total net position, end of year	<u>\$ 1,566,875</u>	<u>\$ 4,936,167</u>

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016**

	Enterprise Funds	Governmental Activities: Internal Service Funds
	Non-Major Enterprise Funds	Funds
<u>Increase in Cash and Cash Equivalents</u>		
Cash flows from operating activities:		
Cash received from contributions	\$	\$ 19,137,287
Cash received for services	908,945	425,509
Cash payments to suppliers for goods and services	(199,705)	(4,615,087)
Cash payments to employees for services	(607,169)	
Cash payments for claims		(14,332,239)
Net cash provided by operating activities	102,071	615,470
Cash flows from capital and related financing activities:		
Acquisition of capital assets		(12,250)
Net cash used for capital and related financing activities		(12,250)
Cash flows from investing activities:		
Investment income	4,090	34,787
Net cash provided by investing activities	4,090	34,787
Net increase in cash and cash equivalents	106,161	638,007
Cash and cash equivalents, beginning of year	761,334	7,807,993
Cash and cash equivalents, end of year	\$ 867,495	\$ 8,446,000
<u>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</u>		
Operating loss	\$ (10,740)	\$ (31,442)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	112,669	56,941
Changes in assets and liabilities:		
Increase in accounts receivable		(45,089)
Decrease in prepaid items		13,684
Increase in accounts payable	2,027	18,527
Increase in claims payable		600,259
Increase in accrued payroll and employee benefits	16,696	2,590
Change in pension items	(18,581)	
Total adjustments	112,811	646,912
Net cash provided by operating activities	\$ 102,071	\$ 615,470

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 311,201
Total assets	\$ 311,201
 <u>LIABILITIES</u>	
Accounts payable	\$ 15,267
Deposits held for others	124,109
Due to student groups	171,825
Total liabilities	\$ 311,201

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Washington Elementary School District No. 6 (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, 2016, the District implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements and establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also enhances accountability and transparency through revised note disclosures.

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, component units combined with the District for financial statement presentation purposes, and the District, are 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, food services, bookstore and athletic functions.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Blended Component Unit – Blended component units, although legally separate entities, are, in substance, part of the District’s operations. The Washington Elementary School District No. 6 Employee Benefit Trust (Employee Benefit Trust), the Washington Elementary School District No. 6 Workers’ Compensation Trust (Workers’ Compensation Trust), and the Washington Elementary School District No. 6 Property and Casualty Insurance Trust (Casualty Trust) are responsible for providing health, workers’ compensation and property and casualty insurance for the District and its employees. The District’s Governing Board appoints the Board of Directors for each of the Trusts boards. The Trusts provide services entirely to the District and therefore have been included as Internal Service Funds in accordance with the criteria established by GASB.

Separate financial statements are prepared monthly for each of the component units and may be obtained at the Washington Elementary School District No. 6’s administrative offices – 4650 West Sweetwater Avenue, Glendale, Arizona 85304.

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 and its component units. 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 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, proprietary 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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The enterprise and internal service funds are presented in a single column on the face of the proprietary fund statements. 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 Student Success, Medicaid Reimbursement, School Plant, Auxiliary Operations, Gifts and Donations, Insurance Proceeds, Litigation Recovery, Indirect Costs, Advertisement, and Unrestricted Capital Outlay Funds. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Food Service Fund – The Food Service Fund accounts 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.

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

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 types:

Proprietary Funds – The Proprietary Funds are Enterprise and Internal Service Funds. The Enterprise Funds account for activities related to (1) agreements with other districts for providing Title I services to students attending private schools and (2) charges to external users for alternative fuel. The Internal Service Funds account for activities related to (1) the District’s self-insurance program for employee benefits, (2) the District’s self-insurance program to pay for workers’ compensation, (3) the District’s self-insurance program to pay for property and casualty insurance, and (4) charges to other departments for printing and copying services.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund, which accounts for monies raised by students to finance student clubs and student organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds.

The Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in two columns, one for enterprise activity and one for internal service activity.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to other districts for Title I services to private school students and charges to external users for alternative fuel.

The principal operating revenues of the District's internal service funds are charges to other funds for health and welfare benefits and for goods and services. Operating expenses for the internal service funds include the cost of claims, insurance premiums, administrative expenses and cost of goods and services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash in bank, cash held by trustee and cash and investments held by the County Treasurer.

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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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.

Certain resources set aside for the repayment of debt are classified as cash and investments – restricted on the statement of net position/balance sheet, because their use is limited by applicable bond covenants. A trust account, recorded in the Debt Service Fund, is used to segregate resources accumulated for future debt service payments.

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 and in nonoperating revenues in the proprietary fund financial statements.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

H. Inventory

General warehouse inventories are valued at cost using the average cost method. Food service inventories are valued at cost using the first-in/first-out (FIFO) 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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and as expenditures when purchased in the fund financial statements.

J. Capital Assets

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

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

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

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

Land improvements	20 – 80 years
Buildings and improvements	5 – 80 years
Vehicles, furniture and equipment	5 – 40 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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Compensated Absences

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

M. Pensions

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

N. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund 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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and after nonoperating revenues/expenses in proprietary funds.

P. Net Position Flow Assumption

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

Q. Estimates

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

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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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. 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 Governing Board has delegated the authority to assign fund balance to the Director of Business Services. No assigned fund balance amounts are reported.

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

The District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – FUND BALANCE CLASSIFICATIONS

The table below provides detail of the major components of the District’s fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds.

	General Fund	Food Service Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 1,094,793	\$ 133,406	\$	\$	\$
Restricted:					
Debt service			5,352,005		
Capital projects	7,717,265				822,483
Bond building projects				23,616,181	
Voter approved initiatives					1,712,604
Federal projects					613,932
Food service		11,381,790			
Civic center					161,279
Community school					1,338,659
Extracurricular activities					740,136
Gifts and donations	485,296				
Other purposes					68,319
Unassigned	17,358,336				(121,156)
Total fund balances	<u>\$ 26,655,690</u>	<u>\$ 11,515,196</u>	<u>\$ 5,352,005</u>	<u>\$ 23,616,181</u>	<u>\$ 5,336,256</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Other Federal Projects Fund, a non-major governmental fund, reported a deficit in fund balance of \$121,156. The deficit arose because of operations during the year. Additional revenues received in fiscal year 2016-17 are expected to eliminate the deficit.

Excess Expenditures Over Budget – At year end, the District had expenditures in the Emergency Deficiencies Correction and Building Renewal Grant Funds, both non-major governmental funds, that exceeded the budgets, however, this does not constitute a violation of any legal provisions.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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 \$2,287,057 and the bank balance was \$2,512,600. At year end, \$2,307,852 of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name. Additionally, the District had \$1,540 of cash on hand at year end.

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

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

The County Treasurer’s pool is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The fair value of each participants’ position in the County Treasurer investment pool approximates the value of the participants’ 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.

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. At year end, the District’s investments consisted of the following:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Category</u>
U.S. Treasuries	8/1/16	\$ 3,918,750	Level 1
County Treasurer’s investment pool	342 days	85,692,639	Not Applicable
Total		<u>\$ 89,611,389</u>	

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 – CASH AND INVESTMENTS

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 and U.S. Treasuries 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. The District had certain bond proceeds invested in U.S. government securities. The securities are 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	Food Service Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Due from other governmental entities:			
Due from federal government	\$ 70,971	\$ 299,514	\$ 2,298,859
Due from state government	<u>30,954,387</u>		<u>1,114,524</u>
Net due from governmental entities	<u>\$ 31,025,358</u>	<u>\$ 299,514</u>	<u>\$ 3,413,383</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,411,347	\$	\$	\$ 4,411,347
Construction in progress	2,708,283	7,735,081	3,526,081	6,917,283
Total capital assets, not being depreciated	<u>7,119,630</u>	<u>7,735,081</u>	<u>3,526,081</u>	<u>11,328,630</u>
Capital assets, being depreciated:				
Land improvements	24,139,553	542,974	334,917	24,347,610
Buildings and improvements	299,273,051	4,639,455	5,930,623	297,981,883
Vehicles, furniture and equipment	39,179,788	2,125,810	945,691	40,359,907
Total capital assets being depreciated	<u>362,592,392</u>	<u>7,308,239</u>	<u>7,211,231</u>	<u>362,689,400</u>
Less accumulated depreciation for:				
Land improvements	(11,446,991)	(1,070,773)	(176,935)	(12,340,829)
Buildings and improvements	(109,479,283)	(5,653,649)	(3,106,135)	(112,026,797)
Vehicles, furniture and equipment	(23,472,342)	(1,958,778)	(415,047)	(25,016,073)
Total accumulated depreciation	<u>(144,398,616)</u>	<u>(8,683,200)</u>	<u>(3,698,117)</u>	<u>(149,383,699)</u>
Total capital assets, being depreciated, net	<u>218,193,776</u>	<u>(1,374,961)</u>	<u>3,513,114</u>	<u>213,305,701</u>
Governmental activities capital assets, net	<u>\$ 225,313,406</u>	<u>\$ 6,360,120</u>	<u>\$ 7,039,195</u>	<u>\$ 224,634,331</u>
<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Land improvements	\$ 1,150,765	\$	\$	\$ 1,150,765
Buildings and improvements	60,774			60,774
Vehicles, furniture and equipment	773,000			773,000
Total capital assets being depreciated	<u>1,984,539</u>			<u>1,984,539</u>
Less accumulated depreciation for:				
Land improvements	(151,505)	(57,538)		(209,043)
Buildings and improvements	(15,516)	(2,020)		(17,536)
Vehicles, furniture and equipment	(300,290)	(53,111)		(353,401)
Total accumulated depreciation	<u>(467,311)</u>	<u>(112,669)</u>		<u>(579,980)</u>
Total capital assets, being depreciated, net	<u>1,517,228</u>	<u>(112,669)</u>		<u>1,404,559</u>
Business-type activities capital assets, net	<u>\$ 1,517,228</u>	<u>\$ (112,669)</u>	<u>\$</u>	<u>\$ 1,404,559</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Instruction	\$ 3,440,663
Support services – students and staff	75,474
Support services – administration	824,479
Operation and maintenance of plant services	3,325,770
Student transportation services	778,939
Operation of non-instructional services	237,875
Total depreciation expense	<u>\$ 8,683,200</u>
Business-type activities:	
Private school consortium	\$ 51,985
Alternative fuel	60,684
Total depreciation expense	<u>\$ 112,669</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the renovation of buildings. At year end the District had spent \$6.9 million on the projects and had estimated remaining contractual commitments of \$10.6 million. These projects are being funded with bond proceeds and property taxes levied for capital purposes.

NOTE 7 – SHORT TERM DEBT

Tax Anticipation Notes – In July 2015, the District issued \$12.0 million in tax anticipation notes in advance of property tax collections, depositing the proceeds in the General Fund. These notes are necessary to provide cash flow as most tax revenue is collected in November and May. Property tax revenues of the General Fund will be used to repay these notes in July 2016. Short-term debt activity for the current fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Tax anticipation notes	<u>\$10,000,000</u>	<u>\$12,000,000</u>	<u>\$10,000,000</u>	<u>\$12,000,000</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 – SHORT TERM DEBT

Revolving Line of Credit – The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. General Fund revenues will be used to repay the line of credit as cash becomes available. Short-term debt activity for the current fiscal year was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$13,620,000	\$25,130,000	\$28,282,000	\$10,468,000

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired buses, copiers and energy efficiency 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 General Fund are used to pay two of the capital lease obligations. Additionally, revenues from the General Fund are transferred to the Energy and Water Savings Fund, a non-major governmental fund, to pay the capital lease obligation for the energy efficiency upgrades. Amortization of assets recorded under capital leases is included with depreciation expense.

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

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 2,500,954
Less: Accumulated depreciation	1,311,604
Total	\$ 1,189,350

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

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

Year Ending June 30:	Governmental Activities
2017	\$ 1,110,693
2018	1,110,693
2019	521,655
2020	521,655
2021	521,655
2022-26	2,608,277
2027-29	<u>1,564,966</u>
Total minimum lease payments	7,959,594
Less: amount representing interest	<u>1,572,980</u>
Present value of minimum lease payments	<u>\$ 6,386,614</u>
Due within one year	<u>\$ 869,028</u>

NOTE 9 – BONDS PAYABLE

In a prior year, the District issued \$3,920,000 in qualified zone academy bonds. Under the QZAB program, the District has to repay principal only since the interest is paid by the financial institution that provided the bonds to the District. The financial institution receives a tax credit from the federal government in lieu of the interest payments. During fiscal year 2003, the District used \$1,851,974 to purchase a zero coupon Fannie Mae Strip security maturing August 1, 2016. The security's maturity value is \$3,920,000, and will be used to pay the outstanding QZAB principal. The security is guaranteed as to the principal and interest by the United States of America and by Fannie Mae. Proceeds from the sale of QZABs were used for repairing/rehabilitating the Royal Palm Middle School and other schools in that region.

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 9 – BONDS PAYABLE

Principal requirements at year end, were as follows:

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2016	Due Within One Year
Governmental activities:					
Refunding Bonds, Series 2002 School Improvement Bonds,	\$ 24,175,000	5.375%	7/1/16	\$ 5,000,000	\$ 5,000,000
Project 2001, Series B	18,000,000	3.75-5.0%	7/1/16-17	7,500,000	650,000
Refunding Bonds, Series 2004 School Improvement Bonds,	35,030,000	5.0-5.25%	7/1/16-17	9,240,000	7,400,000
QZAB, Series 2002	3,920,000	0.0%	8/1/16	3,920,000	3,920,000
School Improvement Bonds, Project 2001, Series C	11,640,000	4.125%	7/1/16-17	2,425,000	850,000
School Improvement Bonds, Project 2010, Series A	10,000,000	3.75-4.125%	7/1/18-22	10,000,000	
School Improvement Bonds, Project 2010, Series B	20,000,000	3.0-4.0%	7/1/18-26	20,000,000	
School Improvement Bonds, Project 2010, Series C	5,000,000	1.22-1.63%	7/1/17-18	5,000,000	
School Improvement Bonds, Project 2010, Series D	4,500,000	1.27-1.57%	7/1/18-19	4,500,000	
School Improvement Bonds, Project 2010, Series E	25,500,000	1.0-3.0%	7/1/17-26	25,500,000	
Total				<u>\$ 93,085,000</u>	<u>\$ 17,820,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2017	\$ 17,820,000	\$ 2,420,711
2018	13,040,000	2,012,583
2019	8,415,000	1,649,576
2020	6,995,000	1,453,426
2021	7,715,000	1,252,676
2022-26	33,345,000	3,059,288
2027	5,755,000	76,950
Total	<u>\$ 93,085,000</u>	<u>\$ 11,925,210</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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	\$ 80,895,000	\$ 25,500,000	\$ 13,310,000	\$ 93,085,000	\$ 17,820,000
Premium	1,382,915	918,929	318,675	1,983,169	
Total bonds payable	<u>82,277,915</u>	<u>26,418,929</u>	<u>13,628,675</u>	<u>95,068,169</u>	<u>17,820,000</u>
Obligations under capital leases	6,808,030	426,934	848,350	6,386,614	869,028
Other postemployment benefits	(1,383,121)	1,548,045		164,924	
Net pension liability	174,212,231	8,897,223		183,109,454	
Compensated absences payable	<u>1,988,282</u>	<u>1,290,123</u>	<u>1,224,763</u>	<u>2,053,642</u>	<u>777,255</u>
Governmental activity long-term liabilities	<u>\$ 263,903,337</u>	<u>\$ 38,581,254</u>	<u>\$ 15,701,788</u>	<u>\$ 286,782,803</u>	<u>\$ 19,466,283</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Net pension liability	\$ 650,714	\$ 29,307	\$	\$ 680,021	\$
Business-type activity long-term liabilities	<u>\$ 650,714</u>	<u>\$ 29,307</u>	<u>\$</u>	<u>\$ 680,021</u>	<u>\$</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 non-major governmental funds had negative cash balances in the Treasurer's pooled cash accounts of \$2,158,713. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

	Transfers in			Total
	General Fund	Debt Service Fund	Non-Major Governmental Funds	
<u>Transfers out</u>				
General Fund	\$	\$	\$ 520,000	\$ 520,000
Food Service Fund	1,276,217			1,276,217
Bond Building Fund		886,337		886,337
Non-Major Governmental Funds	495,199			495,199
Total	<u>\$ 1,771,416</u>	<u>\$ 886,337</u>	<u>\$ 520,000</u>	<u>\$3,177,753</u>

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, (2) to move federal grant funds restricted for indirect costs, and (3) to move monies generated from energy savings from the General Fund to the Energy and Water Savings Fund, a non-major governmental fund, in accordance with A.R.S. §15.910.02(H).

NOTE 12 – CONTINGENT LIABILITIES

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

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

NOTE 13 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain insurance at a cost it considered to be economically justifiable. Therefore, the District established the following self-insurance funds.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – RISK MANAGEMENT

The District has established an Employee Benefit Trust Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to employee health and accidents. Under this program, the Employee Benefit Trust Fund provides coverage for up to a maximum of \$175,000 for each claim, not to exceed an annual aggregate amount of \$235,000.

The District has established a Workers' Compensation Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to claims for on-the-job injuries to employees. Under this program, the Workers' Compensation Fund provides coverage for up to a maximum of \$400,000 for each claim.

The District has established a Property and Casualty Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to property and liability claims. Under this program, the Property and Casualty Insurance Fund provides coverage for each property claim and general liability claim dependent on the maximum coverage outlined in the insurance policy.

An excess coverage insurance policy covers individual claims in excess of the amounts specified above for the Employee Benefit and Workers' Compensation Funds. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

For the Employee Benefit Trust, liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – RISK MANAGEMENT

Changes in the balances of claims liabilities for all self-insurance funds during the past two years are as follows:

	<u>Claims Payable Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Payable at End of Year</u>
<u>Employee Benefit Trust</u>				
2015-16	\$ 2,104,000	\$ 14,068,056	\$ 13,519,056	\$ 2,653,000
2014-15	2,078,000	14,552,540	14,526,540	2,104,000
<u>Workers' Compensation</u>				
2015-16	1,330,365	819,913	673,939	1,476,339
2014-15	1,136,403	854,265	660,303	1,330,365
<u>Property and Casualty Insurance</u>				
2015-16	284,863	44,529	139,244	190,148
2014-15	179,985	141,893	37,015	284,863
<u>Total</u>				
2015-16	3,719,228	14,932,498	14,332,239	4,319,487
2014-15	3,394,388	15,548,698	15,223,858	3,719,228

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2016 were \$11,776,617.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.36 percent (9.17 for retirement and 0.13 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

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

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2016	\$	542,701	\$	130,248
2015		639,605		130,089
2014		638,945		255,578

Pension Liability. At June 30, 2016, the District reported a liability of \$183.8 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District's proportion was 1.18 percent, which was the same as the proportion measured as of June 30, 2014.

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2016, the District recognized pension expense of \$9.1 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,015,216	\$ 9,630,754
Net difference between projected and actual earnings on pension plan investments		5,890,045
Changes in proportion and differences between contributions and proportionate share of contributions		1,158,093
Contributions subsequent to the measurement date	11,776,617	
Total	\$ 16,791,833	\$ 16,678,892

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
	2017	\$ (4,720,004)
	2018	(6,918,805)
	2019	(4,276,741)
	2020	4,251,874

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

Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	58%	6.79%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.93
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	<u>1% Decrease (7.0%)</u>	<u>Current Discount Rate (8.0%)</u>	<u>1% Increase (9.0%)</u>
Proportionate share of the net pension liability	\$240,827,020	\$183,789,475	\$144,700,066

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Plan Description. Under authority of the Governing Board, the District provides postretirement insurance (health and dental) benefits, for certain retirees in accordance with the District’s Early Retirement Program. The program was discontinued as of June 30, 2005. The District has a contractual responsibility to provide these benefits based on policy adopted and defined by the Governing Board. The plan is a single-employer defined benefit plan administered by the District and ASRS. The District reimburses eligible employees the difference between the subsidy provided by the ASRS and the cost of the least expensive medical/dental plan offered by the ASRS. The reimbursement is available to all employees who retired from the District on or after attaining age 50 with at least 25 years of full-time employment or age 55 with 10 years of service. The program does not cover dependents or spouses. The plan terminates at the end of the fifteenth year from the date the employee retires from the District or at the beginning of the month in which the employee reaches age 65, whichever comes first.

The plan is not accounted for as a trust fund, and an irrevocable trust has not been established for the plan. However, all employees who retired prior to June 30, 2005 are eligible for the postemployment benefits if they continue to volunteer five days each year and are enrolled in the ASRS medical or dental plans. A separate financial report is not issued for the plan.

Benefits Provided. The District provides postretirement insurance (medical, dental and life) benefits (OPEB) in accordance with the District’s Early Retirement Program, to eligible employees who retired from the District on or after attaining age 50 with at least 25 years of full-time employment or age 55 with 10 years of service. The number of participants as of the effective date of the biannual OPEB valuation follows:

Retired employees	Participants
	14
Total	14

Funding Policy. The District currently pays for postemployment benefits on a pay-as-you-go basis. For each eligible retiree, the District makes monthly contributions to pay for the costs of insurance premiums. During the fiscal year ended June 30, 2016, the District reimbursed no more than \$659.17 per month. The expenditures are recorded on a reimbursement basis. During the year ended June 30, 2016, the District contributed \$155,069 for all eligible retirees. Generally, resources from the General Fund are used to pay for postemployment benefits.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Annual OPEB Cost and Net OPEB Obligation. The District’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45 under an alternative valuation method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 10 years. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation.

Annual required contribution	\$ 155,069
Interest on net OPEB obligation	14,400
Annual OPEB cost (expense)	<u>169,469</u>
Change in accounting estimate	1,562,445
Contributions made	155,069
Increase in net OPEB obligation	<u>1,548,045</u>
Net OPEB obligation (benefit) – beginning of year	<u>(1,383,121)</u>
Net OPEB obligation – end of year	<u><u>\$ 164,924</u></u>

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ended June 30, 2016 and the two preceding years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Benefit)
June 30, 2016	\$ 169,469	\$ 155,069	92%	\$ 164,924
June 30, 2015	445,762	261,570	59	(1,383,121)
June 30, 2014	456,668	383,416	84	(1,567,313)

Funded Status and Funding Progress. As of July 1, 2015, the most recent valuation date, the plan was not funded. The accrued liability for benefits was \$164,924, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$164,924. There is no covered payroll as there are no active employees participating in the plan. The schedule of funding progress for the post employment defined benefit plan is disclosed immediately following the notes to the financial statements and includes multiyear trend information.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The projection of future benefit payments involves estimates of the value of reported amounts and assumptions about the probability of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The more significant actuarial assumptions and methods used in the calculation of the employer contributions for the current fiscal year were as follows:

Valuation date	July 1, 2015
Remaining amortization period	3 years as of June 30, 2016
Interest rate	4.5%
Projected salary increases	N/A
Health care cost trend rate:	7.91%
ASRS subsidy increases	None
Cost of living adjustments	N/A

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

NOTE 16 – SUBSEQUENT EVENTS

In July 2016, the District issued \$12.0 million of tax anticipation notes in advance of property tax collections, depositing the proceeds in the General Fund.

In November 2016, voters authorized the issuance of \$98.0 million in Class B Bonds for reconstruction and improvement of school sites, technology upgrades and pupil transportation vehicles.

REQUIRED SUPPLEMENTARY INFORMATION

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$ 9,301,412	\$ 9,301,412	\$ 9,278,926	\$ (22,486)
Property taxes	40,230,518	40,230,518	41,731,715	1,501,197
State aid and grants	83,058,114	83,058,114	88,377,474	5,319,360
Total revenues	132,590,044	132,590,044	139,388,115	6,798,071
Expenditures:				
Current -				
Instruction	78,102,178	78,050,031	72,840,621	5,209,410
Support services - students and staff	17,966,771	19,031,441	17,980,599	1,050,842
Support services - administration	13,620,983	14,126,667	13,122,933	1,003,734
Operation and maintenance of plant services	17,692,000	18,326,000	16,976,478	1,349,522
Student transportation services	8,875,000	8,627,100	7,484,103	1,142,997
Operation of non-instructional services	400,000	400,000	401,363	(1,363)
Total expenditures	136,656,932	138,561,239	128,806,097	9,755,142
Excess (deficiency) of revenues over expenditures	(4,066,888)	(5,971,195)	10,582,018	16,553,213
Other financing sources (uses):				
Transfers in	12,000,000	12,000,000	208	(11,999,792)
Transfers out	(13,265,172)	(13,265,172)	(4,490,049)	8,775,123
Total other financing sources (uses):	(1,265,172)	(1,265,172)	(4,489,841)	(3,224,669)
Changes in fund balances	(5,332,060)	(7,236,367)	6,092,177	13,328,544
Fund balances, beginning of year	6,016,174	6,016,174	6,821,488	805,314
Increase (decrease) in reserve for inventory			390,091	390,091
Fund balances (deficits), end of year	\$ 684,114	\$ (1,220,193)	\$ 13,303,756	\$ 14,523,949

See accompanying notes to this schedule.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOOD SERVICE
YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Other local	\$ 455,740	\$ 560,558	\$ 104,818
Federal aid, grants and reimbursements	15,639,060	18,714,302	3,075,242
Total revenues	<u>16,094,800</u>	<u>19,274,860</u>	<u>3,180,060</u>
Expenditures:			
Current -			
Operation and maintenance of plant services	60,000	55,043	4,957
Operation of non-instructional services	21,315,750	15,452,070	5,863,680
Capital outlay	1,100,000	1,044,331	55,669
Total expenditures	<u>22,475,750</u>	<u>16,551,444</u>	<u>5,924,306</u>
Excess (deficiency) of revenues over expenditures	<u>(6,380,950)</u>	<u>2,723,416</u>	<u>9,104,366</u>
Other financing sources (uses):			
Transfers out	(1,000,000)	(1,276,217)	(276,217)
Total other financing sources (uses):	<u>(1,000,000)</u>	<u>(1,276,217)</u>	<u>(276,217)</u>
Changes in fund balances	<u>(7,380,950)</u>	<u>1,447,199</u>	<u>8,828,149</u>
Fund balances, beginning of year	9,988,351	10,072,778	84,427
Increase (decrease) in reserve for inventory		(4,781)	(4,781)
Fund balances, end of year	<u>\$ 2,607,401</u>	<u>\$ 11,515,196</u>	<u>\$ 8,907,795</u>

See accompanying notes to this schedule.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	1.18%	1.18%
District's proportionate share of the net pension liability (asset)	\$ 183,789,475	\$ 174,862,945
District's covered payroll	\$ 108,407,585	\$ 106,490,897
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	169.54%	164.20%
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%

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

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 11,776,617	\$ 11,805,586
Contributions in relation to the actuarially determined contribution	<u>11,776,617</u>	<u>11,805,586</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 108,540,249	\$ 108,407,585
Contributions as a percentage of covered payroll	10.85%	10.89%

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

See accompanying notes to this schedule.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST THREE ACTUARIAL VALUATIONS**

Alternative Valuation Date	Alternative Valuation of Assets	Alternative Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAAL as a Percentage of Covered Payroll
2015	\$ -	\$ (164,924)	\$ (164,924)	- %	N/A	N/A %
2013	-	1,048,467	1,048,467	-	N/A	N/A
2011	-	2,189,658	2,189,658	-	N/A	N/A

See accompanying notes to this schedule.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016**

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 item.

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 135,688,323	\$ 26,655,690
Activity budgeted as special revenue funds	(3,996,357)	(5,634,669)
Activity budgeted as capital projects funds	(2,885,869)	(7,717,265)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 128,806,097	\$ 13,303,756

NOTE 2 – PENSION PLAN SCHEDULES

Change in Accounting Principle. For the year ended June 30, 2016, the District implemented the provisions of GASB Statement No. 82, *Pension Issues*. The statement changed the measure of payroll that is required to be presented in required supplementary information from covered-employee payroll to covered payroll. Accordingly, payroll amounts presented in the pension plan schedules and related ratios for prior periods have been restated.

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, 2014, 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, 2014, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

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GOVERNMENTAL FUNDS

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 4,614,685	\$ 845,640	\$ 5,460,325
Due from governmental entities	3,290,424	122,959	3,413,383
Total assets	<u><u>\$ 7,905,109</u></u>	<u><u>\$ 968,599</u></u>	<u><u>\$ 8,873,708</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 435,901	\$ 23,157	\$ 459,058
Due to other funds	2,035,754	122,959	2,158,713
Accrued payroll and employee benefits	253,687		253,687
Total liabilities	<u><u>2,725,342</u></u>	<u><u>146,116</u></u>	<u><u>2,871,458</u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>665,994</u>		<u>665,994</u>
Fund balances (deficits):			
Restricted	4,634,929	822,483	5,457,412
Unassigned	<u>(121,156)</u>		<u>(121,156)</u>
Total fund balances	<u><u>4,513,773</u></u>	<u><u>822,483</u></u>	<u><u>5,336,256</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 7,905,109</u></u>	<u><u>\$ 968,599</u></u>	<u><u>\$ 8,873,708</u></u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 3,648,145	\$ 2,449	\$ 3,650,594
State aid and grants	9,405,845	138,378	9,544,223
Federal aid, grants and reimbursements	22,976,685	188,884	23,165,569
Total revenues	<u>36,030,675</u>	<u>329,711</u>	<u>36,360,386</u>
Expenditures:			
Current -			
Instruction	22,238,522		22,238,522
Support services - students and staff	8,233,252		8,233,252
Support services - administration	312,827		312,827
Operation and maintenance of plant services	349,130	42,058	391,188
Student transportation services	185,302	2,976	188,278
Operation of non-instructional services	3,168,407		3,168,407
Capital outlay	1,697,982	119,477	1,817,459
Debt service -			
Principal retirement		304,669	304,669
Interest and fiscal charges		216,986	216,986
Total expenditures	<u>36,185,422</u>	<u>686,166</u>	<u>36,871,588</u>
Excess (deficiency) of revenues over expenditures	<u>(154,747)</u>	<u>(356,455)</u>	<u>(511,202)</u>
Other financing sources (uses):			
Transfers in		520,000	520,000
Transfers out	(495,199)		(495,199)
Total other financing sources (uses):	<u>(495,199)</u>	<u>520,000</u>	<u>24,801</u>
Changes in fund balances	<u>(649,946)</u>	<u>163,545</u>	<u>(486,401)</u>
Fund balances, beginning of year	5,163,719	658,938	5,822,657
Fund balances, end of year	<u>\$ 4,513,773</u>	<u>\$ 822,483</u>	<u>\$ 5,336,256</u>

SPECIAL REVENUE FUNDS

Classroom Site - to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

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

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

Student Success - to account for student success monies.

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

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

Title IV Grants - to account for financial assistance received for 21st Century after school educational programs.

Limited English & 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.

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

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

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

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

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

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

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.

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

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.

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<u>ASSETS</u>			
Cash and investments	\$	\$ 1,388,896	\$ 172
Due from governmental entities	690,650	238,900	
Total assets	\$ 690,650	\$ 1,627,796	\$ 172
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	605,842		
Accrued payroll and employee benefits			
Total liabilities	605,842		
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	84,808	1,627,796	172
Unassigned			
Total fund balances	84,808	1,627,796	172
 Total liabilities, deferred inflows of resources and fund balances	 \$ 690,650	 \$ 1,627,796	 \$ 172

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$ 78,225	\$	\$ 70,916	\$	\$	\$
397,115	35,882	437,314	18,977	14,622	31,061
<u>\$ 475,340</u>	<u>\$ 35,882</u>	<u>\$ 508,230</u>	<u>\$ 18,977</u>	<u>\$ 14,622</u>	<u>\$ 31,061</u>
\$ 146,014	\$	\$ 49,213	\$	\$	\$ 20,518
248,893	35,882	381,870	18,977	14,622	10,543
80,433		77,147			
<u>475,340</u>	<u>35,882</u>	<u>508,230</u>	<u>18,977</u>	<u>14,622</u>	<u>31,061</u>
<u>\$ 475,340</u>	<u>\$ 35,882</u>	<u>\$ 508,230</u>	<u>\$ 18,977</u>	<u>\$ 14,622</u>	<u>\$ 31,061</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016**

	Homeless Education	E-Rate	Other Federal Projects
<u>ASSETS</u>			
Cash and investments	\$	\$ 613,932	\$ 37,674
Due from governmental entities	3,611	374,664	985,613
Total assets	\$ 3,611	\$ 988,596	\$ 1,023,287
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 123,888
Due to other funds	3,611		691,410
Accrued payroll and employee benefits			37,815
Total liabilities	3,611		853,113
Deferred inflows of resources:			
Unavailable revenues - intergovernmental		374,664	291,330
Fund balances (deficits):			
Restricted		613,932	
Unassigned			(121,156)
Total fund balances		613,932	(121,156)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 3,611	 \$ 988,596	 \$ 1,023,287

<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 62,015	\$ 161,279	\$ 1,433,625	\$ 761,819	\$ 7,821	\$ 51,719
<u>\$ 62,015</u>	<u>\$ 161,279</u>	<u>\$ 1,433,625</u>	<u>\$ 761,819</u>	<u>\$ 7,821</u>	<u>\$ 51,719</u>
\$ 37,911 24,104		\$ 36,674	\$ 21,683		
<u>62,015</u>		<u>58,292</u> <u>94,966</u>	<u>21,683</u>		
	161,279	1,338,659	740,136	7,821	51,719
	<u>161,279</u>	<u>1,338,659</u>	<u>740,136</u>	<u>7,821</u>	<u>51,719</u>
<u>\$ 62,015</u>	<u>\$ 161,279</u>	<u>\$ 1,433,625</u>	<u>\$ 761,819</u>	<u>\$ 7,821</u>	<u>\$ 51,719</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016**

	Grants and Gifts to Teachers	Totals
<u>ASSETS</u>		
Cash and investments	\$ 8,607	\$ 4,614,685
Due from governmental entities		3,290,424
Total assets	\$ 8,607	\$ 7,905,109
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$	\$ 435,901
Due to other funds		2,035,754
Accrued payroll and employee benefits		253,687
Total liabilities		2,725,342
Deferred inflows of resources:		
Unavailable revenues - intergovernmental		665,994
Fund balances (deficits):		
Restricted	8,607	4,634,929
Unassigned		(121,156)
Total fund balances	8,607	4,513,773
 Total liabilities, deferred inflows of resources and fund balances	 \$ 8,607	 \$ 7,905,109

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WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 16,803	\$ 6,714	\$ 30,000
State aid and grants	8,287,795	929,864	
Federal aid, grants and reimbursements			
Total revenues	8,304,598	936,578	30,000
Expenditures:			
Current -			
Instruction	8,227,910	921,490	13,598
Support services - students and staff	407,319	68,639	15,456
Support services - administration			
Operation and maintenance of plant services			774
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	8,635,229	990,129	29,828
Excess (deficiency) of revenues over expenditures	(330,631)	(53,551)	172
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(330,631)	(53,551)	172
Fund balances (deficits), beginning of year	415,439	1,681,347	
Fund balances, end of year	\$ 84,808	\$ 1,627,796	\$ 172

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$	\$	\$	\$	\$	\$
9,369,438	1,006,515	2,383,327	620,187	127,467	4,515,992
<u>9,369,438</u>	<u>1,006,515</u>	<u>2,383,327</u>	<u>620,187</u>	<u>127,467</u>	<u>4,515,992</u>
4,525,925		1,303,664	58,460	122,296	4,116,495
4,459,221	978,937	571,861	549,567	717	276,107
107,208		191,659			
		14,011			
22,290		55,580		960	
		181,653			
<u>9,114,644</u>	<u>978,937</u>	<u>2,318,428</u>	<u>608,027</u>	<u>123,973</u>	<u>4,392,602</u>
<u>254,794</u>	<u>27,578</u>	<u>64,899</u>	<u>12,160</u>	<u>3,494</u>	<u>123,390</u>
<u>(254,794)</u>	<u>(27,578)</u>	<u>(64,899)</u>	<u>(12,160)</u>	<u>(3,494)</u>	<u>(123,390)</u>
<u>(254,794)</u>	<u>(27,578)</u>	<u>(64,899)</u>	<u>(12,160)</u>	<u>(3,494)</u>	<u>(123,390)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016**

	Homeless Education	E-Rate	Other Federal Projects
Revenues:			
Other local	\$	\$ 1,584	\$
State aid and grants			
Federal aid, grants and reimbursements	76,875	1,346,357	3,530,527
Total revenues	76,875	1,347,941	3,530,527
Expenditures:			
Current -			
Instruction	11,384		2,572,727
Support services - students and staff	35,504		696,103
Support services - administration			
Operation and maintenance of plant services		136,216	102,201
Student transportation services	27,996		443
Operation of non-instructional services			4,874
Capital outlay		1,470,268	227,714
Total expenditures	74,884	1,606,484	3,604,062
Excess (deficiency) of revenues over expenditures	1,991	(258,543)	(73,535)
Other financing sources (uses):			
Transfers out	(1,991)		(6,893)
Total other financing sources (uses):	(1,991)		(6,893)
Changes in fund balances		(258,543)	(80,428)
Fund balances (deficits), beginning of year		872,475	(40,728)
Fund balances (deficits), end of year	\$	\$ 613,932	\$ (121,156)

<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 188,186	\$ 98,226	\$ 3,081,515	\$ 387,260	\$ 58	\$ 9,170
<u>188,186</u>	<u>98,226</u>	<u>3,081,515</u>	<u>387,260</u>	<u>58</u>	<u>9,170</u>
27,247			324,588		335
160,939			5,100		6,957
	95,928			13,960	
	65,971	2,915,909	77,280	594	
<u>188,186</u>	<u>161,899</u>	<u>2,915,909</u>	<u>406,968</u>	<u>14,554</u>	<u>7,292</u>
	<u>(63,673)</u>	<u>165,606</u>	<u>(19,708)</u>	<u>(14,496)</u>	<u>1,878</u>
	<u>(63,673)</u>	<u>165,606</u>	<u>(19,708)</u>	<u>(14,496)</u>	<u>1,878</u>
	224,952	1,173,053	759,844	22,317	49,841
<u>\$</u>	<u>\$ 161,279</u>	<u>\$ 1,338,659</u>	<u>\$ 740,136</u>	<u>\$ 7,821</u>	<u>\$ 51,719</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2016**

	Grants and Gifts to Teachers	Totals
Revenues:		
Other local	\$ 16,815	\$ 3,648,145
State aid and grants		9,405,845
Federal aid, grants and reimbursements		22,976,685
Total revenues	16,815	36,030,675
Expenditures:		
Current -		
Instruction	12,403	22,238,522
Support services - students and staff	825	8,233,252
Support services - administration		312,827
Operation and maintenance of plant services		349,130
Student transportation services	159	185,302
Operation of non-instructional services		3,168,407
Capital outlay		1,697,982
Total expenditures	13,387	36,185,422
Excess (deficiency) of revenues over expenditures	3,428	(154,747)
Other financing sources (uses):		
Transfers out		(495,199)
Total other financing sources (uses):		(495,199)
Changes in fund balances	3,428	(649,946)
Fund balances (deficits), beginning of year	5,179	5,163,719
Fund balances, end of year	\$ 8,607	\$ 4,513,773

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WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 16,803	\$ 16,803
State aid and grants	8,297,200	8,287,795	(9,405)
Federal aid, grants and reimbursements			
Total revenues	<u>8,297,200</u>	<u>8,304,598</u>	<u>7,398</u>
Expenditures:			
Current -			
Instruction	8,361,465	8,227,910	133,555
Support services - students and staff	431,984	407,319	24,665
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>8,793,449</u>	<u>8,635,229</u>	<u>158,220</u>
Excess (deficiency) of revenues over expenditures	<u>(496,249)</u>	<u>(330,631)</u>	<u>165,618</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(496,249)</u>	<u>(330,631)</u>	<u>165,618</u>
Fund balances (deficits), beginning of year	415,440	415,439	(1)
Fund balances (deficits), end of year	<u>\$ (80,809)</u>	<u>\$ 84,808</u>	<u>\$ 165,617</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 856,500	\$ 6,714 929,864	\$ 6,714 73,364	\$ 23,900	\$ 30,000	\$ 6,100
<u>856,500</u>	<u>936,578</u>	<u>80,078</u>	<u>23,900</u>	<u>30,000</u>	<u>6,100</u>
1,683,000	921,490	761,510	14,200	13,598	602
70,000	68,639	1,361	15,000	15,456	(456)
			800	774	26
<u>1,753,000</u>	<u>990,129</u>	<u>762,871</u>	<u>30,000</u>	<u>29,828</u>	<u>172</u>
<u>(896,500)</u>	<u>(53,551)</u>	<u>842,949</u>	<u>(6,100)</u>	<u>172</u>	<u>6,272</u>
<u>(896,500)</u>	<u>(53,551)</u>	<u>842,949</u>	<u>(6,100)</u>	<u>172</u>	<u>6,272</u>
1,681,347	1,681,347				
<u>\$ 784,847</u>	<u>\$ 1,627,796</u>	<u>\$ 842,949</u>	<u>\$ (6,100)</u>	<u>\$ 172</u>	<u>\$ 6,272</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Student Success		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out		(208)	(208)
Total other financing sources (uses):		(208)	(208)
Changes in fund balances		(208)	(208)
Fund balances (deficits), beginning of year	208	208	
Fund balances (deficits), end of year	\$ 208	\$	\$ (208)

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
10,464,100	9,369,438	(1,094,662)	1,119,500	1,006,515	(112,985)
<u>10,464,100</u>	<u>9,369,438</u>	<u>(1,094,662)</u>	<u>1,119,500</u>	<u>1,006,515</u>	<u>(112,985)</u>
5,816,000	4,525,925	1,290,075			
4,500,000	4,459,221	40,779	1,063,000	978,937	84,063
110,000	107,208	2,792			
30,000	22,290	7,710			
<u>10,456,000</u>	<u>9,114,644</u>	<u>1,341,356</u>	<u>1,063,000</u>	<u>978,937</u>	<u>84,063</u>
<u>8,100</u>	<u>254,794</u>	<u>246,694</u>	<u>56,500</u>	<u>27,578</u>	<u>(28,922)</u>
<u>(174,040)</u>	<u>(254,794)</u>	<u>(80,754)</u>	<u>(18,620)</u>	<u>(27,578)</u>	<u>(8,958)</u>
<u>(174,040)</u>	<u>(254,794)</u>	<u>(80,754)</u>	<u>(18,620)</u>	<u>(27,578)</u>	<u>(8,958)</u>
<u>(165,940)</u>		<u>165,940</u>	<u>37,880</u>		<u>(37,880)</u>
<u>(314,146)</u>		<u>314,146</u>	<u>(58,863)</u>		<u>58,863</u>
<u>\$ (480,086)</u>	<u>\$</u>	<u>\$ 480,086</u>	<u>\$ (20,983)</u>	<u>\$</u>	<u>\$ 20,983</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Title IV Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	2,997,400	2,383,327	(614,073)
Total revenues	<u>2,997,400</u>	<u>2,383,327</u>	<u>(614,073)</u>
Expenditures:			
Current -			
Instruction	1,440,000	1,303,664	136,336
Support services - students and staff	600,000	571,861	28,139
Support services - administration	195,000	191,659	3,341
Operation and maintenance of plant services	20,000	14,011	5,989
Student transportation services	60,000	55,580	4,420
Operation of non-instructional services	190,000	181,653	8,347
Capital outlay			
Total expenditures	<u>2,505,000</u>	<u>2,318,428</u>	<u>186,572</u>
Excess (deficiency) of revenues over expenditures	<u>492,400</u>	<u>64,899</u>	<u>(427,501)</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(49,853)	(64,899)	(15,046)
Total other financing sources (uses):	<u>(49,853)</u>	<u>(64,899)</u>	<u>(15,046)</u>
Changes in fund balances	<u>442,547</u>		<u>(442,547)</u>
Fund balances (deficits), beginning of year	(492,544)		492,544
Fund balances (deficits), end of year	<u>\$ (49,997)</u>	<u>\$</u>	<u>\$ 49,997</u>

Limited English & Immigrant Students			Indian Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
714,500	620,187	(94,313)	140,800	127,467	(13,333)
<u>714,500</u>	<u>620,187</u>	<u>(94,313)</u>	<u>140,800</u>	<u>127,467</u>	<u>(13,333)</u>
60,000	58,460	1,540	139,000	122,296	16,704
640,500	549,567	90,933	1,000	717	283
			1,000	960	40
<u>700,500</u>	<u>608,027</u>	<u>92,473</u>	<u>141,000</u>	<u>123,973</u>	<u>17,027</u>
<u>14,000</u>	<u>12,160</u>	<u>(1,840)</u>	<u>(200)</u>	<u>3,494</u>	<u>3,694</u>
<u>(11,884)</u>	<u>(12,160)</u>	<u>(276)</u>	<u>(2,342)</u>	<u>(3,494)</u>	<u>(1,152)</u>
<u>(11,884)</u>	<u>(12,160)</u>	<u>(276)</u>	<u>(2,342)</u>	<u>(3,494)</u>	<u>(1,152)</u>
<u>2,116</u>		<u>(2,116)</u>	<u>(2,542)</u>		<u>2,542</u>
<u>(14,323)</u>		<u>14,323</u>			
<u>\$ (12,207)</u>	<u>\$</u>	<u>\$ 12,207</u>	<u>\$ (2,542)</u>	<u>\$</u>	<u>\$ 2,542</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	5,122,100	4,515,992	(606,108)
Total revenues	<u>5,122,100</u>	<u>4,515,992</u>	<u>(606,108)</u>
Expenditures:			
Current -			
Instruction	5,175,000	4,116,495	1,058,505
Support services - students and staff	300,000	276,107	23,893
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>5,475,000</u>	<u>4,392,602</u>	<u>1,082,398</u>
Excess (deficiency) of revenues over expenditures	<u>(352,900)</u>	<u>123,390</u>	<u>476,290</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(85,191)	(123,390)	(38,199)
Total other financing sources (uses):	<u>(85,191)</u>	<u>(123,390)</u>	<u>(38,199)</u>
Changes in fund balances	<u>(438,091)</u>		<u>438,091</u>
Fund balances (deficits), beginning of year	352,012		(352,012)
Fund balances (deficits), end of year	<u>\$ (86,079)</u>	<u>\$</u>	<u>\$ 86,079</u>

Homeless Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 6,015	\$ 6,015
95,200	76,875	(18,325)	609,200	1,786,738	1,177,538
<u>95,200</u>	<u>76,875</u>	<u>(18,325)</u>	<u>609,200</u>	<u>1,792,753</u>	<u>1,183,553</u>
15,000	11,384	3,616	40,000	39,602	398
40,400	35,504	4,896	2,330,000	739,731	1,590,269
			50,000	46,048	3,952
30,000	27,996	2,004			
			15,000	10,214	4,786
<u>85,400</u>	<u>74,884</u>	<u>10,516</u>	<u>2,435,000</u>	<u>835,595</u>	<u>1,599,405</u>
9,800	1,991	(7,809)	(1,825,800)	957,158	2,782,958
(1,583)	(1,991)	(408)	(10,132)		10,132
<u>(1,583)</u>	<u>(1,991)</u>	<u>(408)</u>	<u>(10,132)</u>		<u>10,132</u>
8,217		(8,217)	(1,835,932)	957,158	2,793,090
(13,912)		13,912	1,790,835	1,790,835	
<u>\$ (5,695)</u>	<u>\$</u>	<u>\$ 5,695</u>	<u>\$ (45,097)</u>	<u>\$ 2,747,993</u>	<u>\$ 2,793,090</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2016**

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,584	\$ 1,584
State aid and grants			
Federal aid, grants and reimbursements	1,876,400	1,346,357	(530,043)
Total revenues	<u>1,876,400</u>	<u>1,347,941</u>	<u>(528,459)</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	200,000	136,216	63,784
Student transportation services			
Operation of non-instructional services			
Capital outlay	2,550,000	1,470,268	1,079,732
Total expenditures	<u>2,750,000</u>	<u>1,606,484</u>	<u>1,143,516</u>
Excess (deficiency) of revenues over expenditures	<u>(873,600)</u>	<u>(258,543)</u>	<u>615,057</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(31,209)		31,209
Total other financing sources (uses):	<u>(31,209)</u>		<u>31,209</u>
Changes in fund balances	<u>(904,809)</u>	<u>(258,543)</u>	<u>646,266</u>
Fund balances (deficits), beginning of year	872,475	872,475	
Fund balances (deficits), end of year	<u>\$ (32,334)</u>	<u>\$ 613,932</u>	<u>\$ 646,266</u>

Other Federal Projects			Other State Projects		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
			177,900	188,186	10,286
<u>3,493,800</u>	<u>3,530,527</u>	<u>36,727</u>	<u>177,900</u>	<u>188,186</u>	<u>10,286</u>
<u>3,493,800</u>	<u>3,530,527</u>	<u>36,727</u>			
2,579,250	2,572,727	6,523	30,000	27,247	2,753
1,000,000	696,103	303,897	170,000	160,939	9,061
150,000	102,201	47,799			
1,000	443	557			
5,000	4,874	126			
250,000	227,714	22,286			
<u>3,985,250</u>	<u>3,604,062</u>	<u>381,188</u>	<u>200,000</u>	<u>188,186</u>	<u>11,814</u>
<u>(491,450)</u>	<u>(73,535)</u>	<u>417,915</u>	<u>(22,100)</u>		<u>22,100</u>
<u>(12,144)</u>	<u>(6,893)</u>	<u>5,251</u>			
<u>(12,144)</u>	<u>(6,893)</u>	<u>5,251</u>			
<u>(503,594)</u>	<u>(80,428)</u>	<u>423,166</u>	<u>(22,100)</u>		<u>22,100</u>
<u>(106,151)</u>	<u>(40,728)</u>	<u>65,423</u>	<u>1,308</u>		<u>(1,308)</u>
<u>\$ (609,745)</u>	<u>\$ (121,156)</u>	<u>\$ 488,589</u>	<u>\$ (20,792)</u>	<u>\$</u>	<u>\$ 20,792</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$ 94,600	\$ 100,490	\$ 5,890
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>94,600</u>	<u>100,490</u>	<u>5,890</u>
Expenditures:			
Current -			
Instruction	70,000	60,954	9,046
Support services - students and staff	10,000	692	9,308
Support services - administration	5,000	4,110	890
Operation and maintenance of plant services	40,000	29,272	10,728
Student transportation services			
Operation of non-instructional services			
Capital outlay	<u>293,000</u>	<u>104,805</u>	<u>188,195</u>
Total expenditures	<u>418,000</u>	<u>199,833</u>	<u>218,167</u>
Excess (deficiency) of revenues over expenditures	<u>(323,400)</u>	<u>(99,343)</u>	<u>224,057</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(323,400)</u>	<u>(99,343)</u>	<u>224,057</u>
Fund balances (deficits), beginning of year	354,510	354,510	
Fund balances (deficits), end of year	<u>\$ 31,110</u>	<u>\$ 255,167</u>	<u>\$ 224,057</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 186,700	\$ 98,226	\$ (88,474)	\$ 2,813,400	\$ 3,081,515	\$ 268,115
<u>186,700</u>	<u>98,226</u>	<u>(88,474)</u>	<u>2,813,400</u>	<u>3,081,515</u>	<u>268,115</u>
200,000	95,928	104,072			
124,000	65,971	58,029	4,040,000	2,915,909	1,124,091
<u>324,000</u>	<u>161,899</u>	<u>162,101</u>	<u>4,040,000</u>	<u>2,915,909</u>	<u>1,124,091</u>
<u>(137,300)</u>	<u>(63,673)</u>	<u>73,627</u>	<u>(1,226,600)</u>	<u>165,606</u>	<u>1,392,206</u>
<u>(137,300)</u>	<u>(63,673)</u>	<u>73,627</u>	<u>(1,226,600)</u>	<u>165,606</u>	<u>1,392,206</u>
224,952	224,952		1,173,053	1,173,053	
<u>\$ 87,652</u>	<u>\$ 161,279</u>	<u>\$ 73,627</u>	<u>\$ (53,547)</u>	<u>\$ 1,338,659</u>	<u>\$ 1,392,206</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2016**

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 684,000	\$ 707,433	\$ 23,433
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>684,000</u>	<u>707,433</u>	<u>23,433</u>
Expenditures:			
Current -			
Instruction	1,000,000	497,183	502,817
Support services - students and staff	25,000	12,291	12,709
Support services - administration	50,000	20,301	29,699
Operation and maintenance of plant services	25,000	17,590	7,410
Student transportation services	100,000	41,085	58,915
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,200,000</u>	<u>588,450</u>	<u>611,550</u>
Excess (deficiency) of revenues over expenditures	<u>(516,000)</u>	<u>118,983</u>	<u>634,983</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(516,000)</u>	<u>118,983</u>	<u>634,983</u>
Fund balances (deficits), beginning of year	489,835	489,835	
Fund balances (deficits), end of year	<u>\$ (26,165)</u>	<u>\$ 608,818</u>	<u>\$ 634,983</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 350,300	\$ 387,260	\$ 36,960	\$ 325,800	\$ 473,025	\$ 147,225
<u>350,300</u>	<u>387,260</u>	<u>36,960</u>	<u>325,800</u>	<u>473,025</u>	<u>147,225</u>
1,000,000	324,588	675,412	795,000	290,280	504,720
10,000	5,100	4,900	200,000	139,157	60,843
			10,000	7,004	2,996
			10,000	3,624	6,376
100,000	77,280	22,720	10,000	6,967	3,033
			10,000	4,021	5,979
<u>1,110,000</u>	<u>406,968</u>	<u>703,032</u>	<u>1,035,000</u>	<u>451,053</u>	<u>583,947</u>
<u>(759,700)</u>	<u>(19,708)</u>	<u>739,992</u>	<u>(709,200)</u>	<u>21,972</u>	<u>731,172</u>
<u>(759,700)</u>	<u>(19,708)</u>	<u>739,992</u>	<u>(709,200)</u>	<u>21,972</u>	<u>731,172</u>
759,844	759,844		582,150	582,150	
<u>\$ 144</u>	<u>\$ 740,136</u>	<u>\$ 739,992</u>	<u>\$ (127,050)</u>	<u>\$ 604,122</u>	<u>\$ 731,172</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 200	\$ 58	\$ (142)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>200</u>	<u>58</u>	<u>(142)</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	21,000	13,960	7,040
Operation and maintenance of plant services			
Student transportation services	1,400	594	806
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>22,400</u>	<u>14,554</u>	<u>7,846</u>
Excess (deficiency) of revenues over expenditures	<u>(22,200)</u>	<u>(14,496)</u>	<u>7,704</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(22,200)</u>	<u>(14,496)</u>	<u>7,704</u>
Fund balances (deficits), beginning of year	22,317	22,317	
Fund balances (deficits), end of year	<u>\$ 117</u>	<u>\$ 7,821</u>	<u>\$ 7,704</u>

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 9	\$ 9	\$ 12,300	\$ 9,170	\$ (3,130)
	9	9	12,300	9,170	(3,130)
2,000		2,000	1,000	335	665
			59,000	6,957	52,043
2,000		2,000	60,000	7,292	52,708
(2,000)	9	2,009	(47,700)	1,878	49,578
(2,000)	9	2,009	(47,700)	1,878	49,578
1,878	1,878		49,841	49,841	
\$ (122)	\$ 1,887	\$ 2,009	\$ 2,141	\$ 51,719	\$ 49,578

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 100	\$ 32	\$ (68)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>100</u>	<u>32</u>	<u>(68)</u>
Expenditures:			
Current -			
Instruction	2,500		2,500
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,500</u>	<u></u>	<u>2,500</u>
Excess (deficiency) of revenues over expenditures	<u>(2,400)</u>	<u>32</u>	<u>2,432</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>(2,400)</u>	<u>32</u>	<u>2,432</u>
Fund balances (deficits), beginning of year	2,022	2,022	
Fund balances (deficits), end of year	<u>\$ (378)</u>	<u>\$ 2,054</u>	<u>\$ 2,432</u>

Indirect Costs			Grants and Gifts to Teachers		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 5,771	\$ 5,200	\$ (571)	\$ 11,900	\$ 16,815	\$ 4,915
<u>5,771</u>	<u>5,200</u>	<u>(571)</u>	<u>11,900</u>	<u>16,815</u>	<u>4,915</u>
50,000	30,513	19,487	18,000	12,403	5,597
200,000	188,833	11,167	1,000	825	175
2,486,000	1,604,215	881,785			
100,000	94,412	5,588			
			1,000	159	841
2,000	1,803	197			
2,000	1,650	350			
<u>2,840,000</u>	<u>1,921,426</u>	<u>918,574</u>	<u>20,000</u>	<u>13,387</u>	<u>6,613</u>
<u>(2,834,229)</u>	<u>(1,916,226)</u>	<u>918,003</u>	<u>(8,100)</u>	<u>3,428</u>	<u>11,528</u>
1,376,528	1,771,416	394,888			
<u>1,376,528</u>	<u>1,771,416</u>	<u>394,888</u>			
<u>(1,457,701)</u>	<u>(144,810)</u>	<u>1,312,891</u>	<u>(8,100)</u>	<u>3,428</u>	<u>11,528</u>
1,535,479	1,535,479		5,179	5,179	
<u>\$ 77,778</u>	<u>\$ 1,390,669</u>	<u>\$ 1,312,891</u>	<u>\$ (2,921)</u>	<u>\$ 8,607</u>	<u>\$ 11,528</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$ 5,000	\$ 11,873	\$ 6,873
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>5,000</u>	<u>11,873</u>	<u>6,873</u>
Expenditures:			
Current -			
Instruction	25,000		25,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>25,000</u>	<u></u>	<u>25,000</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>11,873</u>	<u>31,873</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>(20,000)</u>	<u>11,873</u>	<u>31,873</u>
Fund balances (deficits), beginning of year	12,086	12,086	
Fund balances (deficits), end of year	<u>\$ (7,914)</u>	<u>\$ 23,959</u>	<u>\$ 31,873</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 4,513,971	\$ 4,952,222	\$ 438,251
9,331,600	9,405,845	74,245
26,633,000	24,763,423	(1,869,577)
<u>40,478,571</u>	<u>39,121,490</u>	<u>(1,357,081)</u>
28,316,415	23,157,054	5,159,361
11,666,884	9,313,956	2,352,928
2,927,000	1,994,505	932,495
745,800	494,028	251,772
334,400	233,354	101,046
4,371,000	3,174,231	1,196,769
3,110,000	1,814,651	1,295,349
<u>51,471,499</u>	<u>40,181,779</u>	<u>11,289,720</u>
<u>(10,992,928)</u>	<u>(1,060,289)</u>	<u>9,932,639</u>
1,376,528	1,771,416	394,888
<u>(396,998)</u>	<u>(495,407)</u>	<u>(98,409)</u>
<u>979,530</u>	<u>1,276,009</u>	<u>296,479</u>
<u>(10,013,398)</u>	<u>215,720</u>	<u>10,229,118</u>
9,326,832	9,932,722	605,890
<u>\$ (686,566)</u>	<u>\$ 10,148,442</u>	<u>\$ 10,835,008</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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 ALL DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2016**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 69,084	\$ 83,122	\$ 14,038
Property taxes	15,866,370	16,240,562	374,192
Total revenues	<u>15,935,454</u>	<u>16,323,684</u>	<u>388,230</u>
Expenditures:			
Debt service -			
Principal retirement	13,900,000	13,900,000	
Interest and fiscal charges	2,600,000	2,446,478	153,522
Total expenditures	<u>16,500,000</u>	<u>16,346,478</u>	<u>153,522</u>
Excess (deficiency) of revenues over expenditures	<u>(564,546)</u>	<u>(22,794)</u>	<u>541,752</u>
Other financing sources (uses):			
Transfers in		886,337	886,337
Total other financing sources (uses):		<u>886,337</u>	<u>886,337</u>
Changes in fund balances	<u>(564,546)</u>	<u>863,543</u>	<u>1,428,089</u>
Fund balances, beginning of year	564,546	4,488,462	3,923,916
Fund balances, end of year	<u>\$</u>	<u>\$ 5,352,005</u>	<u>\$ 5,352,005</u>

CAPITAL PROJECTS FUNDS

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.

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

Energy and Water Savings - to account for capital investment monies, energy related rebates, 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.

Emergency Deficiencies Correction - to account for monies received from the School Facilities Board to correct emergency deficiencies.

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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2016

	Adjacent Ways	Energy and Water Savings	Building Renewal Grant
<u>ASSETS</u>			
Cash and investments	\$ 15,669	\$ 829,971	\$
Due from governmental entities			122,959
Total assets	\$ 15,669	\$ 829,971	\$ 122,959
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 23,157	\$
Due to other funds			122,959
Total liabilities		23,157	122,959
Fund balances:			
Restricted	15,669	806,814	
Total fund balances	15,669	806,814	
 Total liabilities and fund balances	 \$ 15,669	 \$ 829,971	 \$ 122,959

Totals

\$	845,640
	<u>122,959</u>
\$	<u><u>968,599</u></u>

\$	23,157
	<u>122,959</u>
	<u>146,116</u>

	<u>822,483</u>
	<u>822,483</u>
\$	<u><u>968,599</u></u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	Adjacent Ways	Gifts and Donations - Capital	Energy and Water Savings
Revenues:			
Other local	\$ 8	\$	\$ 2,441
State aid and grants			
Federal aid, grants and reimbursements			188,884
Total revenues	8		191,325
Expenditures:			
Current -			
Operation and maintenance of plant services			23,157
Student transportation services		2,976	
Capital outlay			
Debt service -			
Principal retirement			304,669
Interest and fiscal charges			216,986
Total expenditures		2,976	544,812
Excess (deficiency) of revenues over expenditures	8	(2,976)	(353,487)
Other financing sources (uses):			
Transfers in			520,000
Total other financing sources (uses):			520,000
Changes in fund balances	8	(2,976)	166,513
Fund balances, beginning of year	15,661	2,976	640,301
Fund balances, end of year	\$ 15,669	\$	\$ 806,814

<u>Emergency Deficiencies Correction</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 300	\$ 138,078	\$ 2,449
		138,378
		188,884
<u>300</u>	<u>138,078</u>	<u>329,711</u>
300	18,601	42,058
		2,976
	119,477	119,477
		304,669
		216,986
<u>300</u>	<u>138,078</u>	<u>686,166</u>
		<u>(356,455)</u>
		<u>520,000</u>
		<u>520,000</u>
		<u>163,545</u>
		658,938
<u>\$</u>	<u>\$</u>	<u>\$ 822,483</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 59,416	\$ 18,986	\$ (40,430)
Property taxes	1,767,834	1,802,250	34,416
State aid and grants	360,071	265,359	(94,712)
Federal aid, grants and reimbursements			
Total revenues	<u>2,187,321</u>	<u>2,086,595</u>	<u>(100,726)</u>
Expenditures:			
Current -			
Instruction	5,281,000	626,958	4,654,042
Support services - students and staff	83,000	45,352	37,648
Support services - administration	545,000	223,821	321,179
Operation and maintenance of plant services	200,000	94,136	105,864
Student transportation services	1,000,000	150,333	849,667
Capital outlay	2,463,926	729,297	1,734,629
Debt service -			
Principal retirement	543,681	543,681	
Interest and fiscal charges	45,357	45,357	
Bond issuance costs			
Total expenditures	<u>10,161,964</u>	<u>2,458,935</u>	<u>7,703,029</u>
Excess (deficiency) of revenues over expenditures	<u>(7,974,643)</u>	<u>(372,340)</u>	<u>7,602,303</u>
Other financing sources (uses):			
Transfers in	745,172	3,970,049	3,224,877
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):	<u>745,172</u>	<u>3,970,049</u>	<u>3,224,877</u>
Changes in fund balances	<u>(7,229,471)</u>	<u>3,597,709</u>	<u>10,827,180</u>
Fund balances, beginning of year	4,111,195	4,119,556	8,361
Fund balances (deficits), end of year	<u>\$ (3,118,276)</u>	<u>\$ 7,717,265</u>	<u>\$ 10,835,541</u>

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 70 1,000	\$ 8	\$ (62) (1,000)	\$	\$ 41,100	\$ 41,100
<u>1,070</u>	<u>8</u>	<u>(1,062)</u>		<u>41,100</u>	<u>41,100</u>
15,639		15,639	29,657,508	7,527,859	22,129,649
<u>15,639</u>		<u>15,639</u>	<u>145,492</u> <u>29,803,000</u>	<u>145,492</u> <u>7,673,351</u>	<u>22,129,649</u>
<u>(14,569)</u>	<u>8</u>	<u>14,577</u>	<u>(29,803,000)</u>	<u>(7,632,251)</u>	<u>22,170,749</u>
				(886,337)	(886,337)
			20,000,000	25,500,000	5,500,000
				918,929	918,929
			<u>20,000,000</u>	<u>25,532,592</u>	<u>5,532,592</u>
<u>(14,569)</u>	<u>8</u>	<u>14,577</u>	<u>(9,803,000)</u>	<u>17,900,341</u>	<u>27,703,341</u>
15,661	15,661		5,715,840	5,715,840	
<u>\$ 1,092</u>	<u>\$ 15,669</u>	<u>\$ 14,577</u>	<u>\$ (4,087,160)</u>	<u>\$ 23,616,181</u>	<u>\$ 27,703,341</u>

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**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 ALL CAPITAL PROJECTS FUNDS
 YEAR ENDED JUNE 30, 2016**

	Gifts and Donations - Capital		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	2,976	2,976	
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	2,976	2,976	
Excess (deficiency) of revenues over expenditures	(2,976)	(2,976)	
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	(2,976)	(2,976)	
Fund balances, beginning of year		2,976	2,976
Fund balances (deficits), end of year	\$ (2,976)	\$	\$ 2,976

Energy and Water Savings			Emergency Deficiencies Correction		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 100,489	\$ 2,441	\$ (98,048)	\$	\$	\$
	188,884	188,884		300	300
<u>100,489</u>	<u>191,325</u>	<u>90,836</u>	<u></u>	<u>300</u>	<u>300</u>
100,000	23,157	76,843		300	(300)
700,000	304,669	395,331			
700,000	216,986	483,014			
<u>1,500,000</u>	<u>544,812</u>	<u>955,188</u>	<u></u>	<u>300</u>	<u>(300)</u>
<u>(1,399,511)</u>	<u>(353,487)</u>	<u>1,046,024</u>	<u></u>	<u></u>	<u></u>
520,000	520,000				
<u>520,000</u>	<u>520,000</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>(879,511)</u>	<u>166,513</u>	<u>1,046,024</u>	<u></u>	<u></u>	<u></u>
640,301	640,301				
<u>\$ (239,210)</u>	<u>\$ 806,814</u>	<u>\$ 1,046,024</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants		138,078	138,078
Federal aid, grants and reimbursements			
Total revenues		138,078	138,078
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services		18,601	(18,601)
Student transportation services			
Capital outlay		119,477	(119,477)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures		138,078	(138,078)
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$	\$	\$

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 159,975	\$ 62,535	\$ (97,440)
1,768,834	1,802,250	33,416
360,071	403,737	43,666
	188,884	188,884
<u>2,288,880</u>	<u>2,457,406</u>	<u>168,526</u>
5,281,000	626,958	4,654,042
83,000	45,352	37,648
545,000	223,821	321,179
300,000	136,194	163,806
1,002,976	153,309	849,667
32,137,073	8,376,633	23,760,440
1,243,681	848,350	395,331
745,357	262,343	483,014
145,492	145,492	
<u>41,483,579</u>	<u>10,818,452</u>	<u>30,665,127</u>
<u>(39,194,699)</u>	<u>(8,361,046)</u>	<u>30,833,653</u>
1,265,172	4,490,049	3,224,877
	(886,337)	(886,337)
20,000,000	25,500,000	5,500,000
	918,929	918,929
<u>21,265,172</u>	<u>30,022,641</u>	<u>8,757,469</u>
<u>(17,929,527)</u>	<u>21,661,595</u>	<u>39,591,122</u>
10,482,997	10,494,334	11,337
<u>\$ (7,446,530)</u>	<u>\$ 32,155,929</u>	<u>\$ 39,602,459</u>

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ENTERPRISE FUNDS

Private School Consortium - to account for charges to other school districts for providing Title I services to students attending private schools.

Alternative Fuel - to account for charges to external users for alternative fuel.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF NET POSITION -
ALL ENTERPRISE FUNDS
JUNE 30, 2016

	Private School Consortium	Alternative Fuel	Totals
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 632,337	\$ 235,158	\$ 867,495
Total current assets	632,337	235,158	867,495
Noncurrent assets:			
Capital assets, net of accumulated depreciation	414,758	989,801	1,404,559
Total noncurrent assets	414,758	989,801	1,404,559
Total assets	1,047,095	1,224,959	2,272,054
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension plan items	66,836		66,836
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	13,586		13,586
Accrued payroll and employee benefits	16,696		16,696
Total current liabilities	30,282		30,282
Noncurrent liabilities:			
Non-current portion of long-term obligations	680,021		680,021
Total noncurrent liabilities	680,021		680,021
Total liabilities	710,303		710,303
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension plan items	61,712		61,712
<u>NET POSITION</u>			
Investment in capital assets	414,758	989,801	1,404,559
Unrestricted	(72,842)	235,158	162,316
Total net position	\$ 341,916	\$ 1,224,959	\$ 1,566,875

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
 ALL ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Private School Consortium</u>	<u>Alternative Fuel</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 842,479	\$ 66,466	\$ 908,945
Total operating revenues	<u>842,479</u>	<u>66,466</u>	<u>908,945</u>
Operating expenses:			
Cost of services	773,456	33,560	807,016
Depreciation	51,985	60,684	112,669
Total operating expenses	<u>825,441</u>	<u>94,244</u>	<u>919,685</u>
Operating income (loss)	<u>17,038</u>	<u>(27,778)</u>	<u>(10,740)</u>
Nonoperating revenues (expenses):			
Investment income	2,964	1,126	4,090
Total nonoperating revenues (expenses)	<u>2,964</u>	<u>1,126</u>	<u>4,090</u>
Changes in net position	<u>20,002</u>	<u>(26,652)</u>	<u>(6,650)</u>
Total net position, beginning of year	321,914	1,251,611	1,573,525
Total net position, end of year	<u>\$ 341,916</u>	<u>\$ 1,224,959</u>	<u>\$ 1,566,875</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2016**

	Private School Consortium	Alternative Fuel	Totals
<u>Increase in Cash and Cash Equivalents</u>			
Cash flows from operating activities:			
Cash received for services	\$ 842,479	\$ 66,466	\$ 908,945
Cash payments to suppliers for goods and services	(163,310)	(36,395)	(199,705)
Cash payments to employees for services	(607,169)		(607,169)
Net cash provided by operating activities	72,000	30,071	102,071
Cash flows from investing activities:			
Investment income	2,964	1,126	4,090
Net cash provided by investing activities	2,964	1,126	4,090
Net increase in cash and cash equivalents	74,964	31,197	106,161
Cash and cash equivalents, beginning of year	557,373	203,961	761,334
Cash and cash equivalents, end of year	\$ 632,337	\$ 235,158	\$ 867,495
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities</u>			
Operating income/(loss)	\$ 17,038	\$ (27,778)	\$ (10,740)
Adjustments to reconcile operating income/(loss) to net cash provided by operating activities:			
Depreciation	51,985	60,684	112,669
Changes in assets and liabilities:			
Increase/(decrease) in accounts payable	4,862	(2,835)	2,027
Increase in accrued payroll and employee benefits	16,696		16,696
Change in pension items	(18,581)		(18,581)
Total adjustments	54,962	57,849	112,811
Net cash provided by operating activities	\$ 72,000	\$ 30,071	\$ 102,071

INTERNAL SERVICE FUNDS

Employee Benefit Trust - to account for the financial activity associated with the District's self-insurance program.

Workers' Compensation - to account for the financial activity associated with the self-insurance program for employee workers' compensation.

Property and Casualty Insurance - to account for the financial activity associated with the self-insurance program for property and casualty losses.

Print Shop - to account for charges to other departments for printing and copying services.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF NET POSITION -
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2016

	<u>Employee Benefit Trust</u>	<u>Workers' Compensation</u>	<u>Property and Casualty Insurance</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 5,428,283	\$ 2,093,627	\$ 777,082
Accounts receivable	431,493		
Prepaid items			85,670
Total current assets	<u>5,859,776</u>	<u>2,093,627</u>	<u>862,752</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation			
Total noncurrent assets	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>5,859,776</u>	<u>2,093,627</u>	<u>862,752</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable		8,295	27,189
Claims payable	2,653,000	1,476,339	190,148
Accrued payroll and employee benefits			
Total current liabilities	<u>2,653,000</u>	<u>1,484,634</u>	<u>217,337</u>
Total liabilities	<u>2,653,000</u>	<u>1,484,634</u>	<u>217,337</u>
<u>NET POSITION</u>			
Investment in capital assets			
Unrestricted	3,206,776	608,993	645,415
Total net position	<u>\$ 3,206,776</u>	<u>\$ 608,993</u>	<u>\$ 645,415</u>

<u>Print Shop</u>	<u>Totals</u>
\$ 147,008	\$ 8,446,000
	431,493
	85,670
<u>147,008</u>	<u>8,963,163</u>
<u>345,727</u>	<u>345,727</u>
<u>345,727</u>	<u>345,727</u>
<u>492,735</u>	<u>9,308,890</u>
15,162	50,646
	4,319,487
<u>2,590</u>	<u>2,590</u>
<u>17,752</u>	<u>4,372,723</u>
<u>17,752</u>	<u>4,372,723</u>
345,727	345,727
<u>129,256</u>	<u>4,590,440</u>
<u>\$ 474,983</u>	<u>\$ 4,936,167</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
 ALL INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016**

	Employee Benefit Trust	Workers' Compensation	Property and Casualty Insurance
Operating revenues:			
Contributions	\$ 16,981,199	\$ 1,228,709	\$ 972,468
Charges for services			
Total operating revenues	<u>16,981,199</u>	<u>1,228,709</u>	<u>972,468</u>
Operating expenses:			
Claims	14,068,056	819,913	44,529
Premiums	812,638	78,798	828,904
Administrative and other	2,272,732	211,995	71,010
Cost of services			
Depreciation			
Total operating expenses	<u>17,153,426</u>	<u>1,110,706</u>	<u>944,443</u>
Operating income (loss)	<u>(172,227)</u>	<u>118,003</u>	<u>28,025</u>
Nonoperating revenues (expenses):			
Investment income	23,305	9,260	1,588
Total nonoperating revenues (expenses)	<u>23,305</u>	<u>9,260</u>	<u>1,588</u>
Changes in net position	<u>(148,922)</u>	<u>127,263</u>	<u>29,613</u>
Total net position, beginning of year	3,355,698	481,730	615,802
Total net position, end of year	<u>\$ 3,206,776</u>	<u>\$ 608,993</u>	<u>\$ 645,415</u>

<u>Print Shop</u>	<u>Totals</u>
\$	\$ 19,182,376
425,509	425,509
<u>425,509</u>	<u>19,607,885</u>
	14,932,498
	1,720,340
	2,555,737
373,811	373,811
56,941	56,941
<u>430,752</u>	<u>19,639,327</u>
<u>(5,243)</u>	<u>(31,442)</u>
634	34,787
<u>634</u>	<u>34,787</u>
<u>(4,609)</u>	<u>3,345</u>
479,592	4,932,822
<u>\$ 474,983</u>	<u>\$ 4,936,167</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

	Employee Benefit Trust	Workers' Compensation	Property and Casualty Insurance
<u>Increase/(Decrease) in Cash and Cash Equivalents</u>			
Cash flows from operating activities:			
Cash received from contributions	\$ 16,936,110	\$ 1,228,709	\$ 972,468
Cash received for services			
Cash payments to suppliers for goods and services	(3,085,370)	(282,498)	(877,225)
Cash payments for claims	(13,519,056)	(673,939)	(139,244)
Net cash provided by/(used for) operating activities	331,684	272,272	(44,001)
Cash flows from capital and related financing activities:			
Acquisition of capital assets			
Net cash used for capital and related financing activities			
Cash flows from investing activities:			
Investment income	23,305	9,260	1,588
Net cash provided by investing activities	23,305	9,260	1,588
Net increase/(decrease) in cash and cash equivalents	354,989	281,532	(42,413)
Cash and cash equivalents, beginning of year	5,073,294	1,812,095	819,495
Cash and cash equivalents, end of year	\$ 5,428,283	\$ 2,093,627	\$ 777,082
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities</u>			
Operating income/(loss)	\$ (172,227)	\$ 118,003	\$ 28,025
Adjustments to reconcile operating income/(loss) to net cash provided by/(used for) operating activities:			
Depreciation			
Changes in assets and liabilities:			
(Increase) in accounts receivable	(45,089)		
Decrease in prepaid items			13,684
Increase in accounts payable		8,295	9,005
Increase/(decrease) in claims payable	549,000	145,974	(94,715)
Increase in accrued payroll and employee benefits			
Total adjustments	503,911	154,269	(72,026)
Net cash provided by/(used for) operating activities	\$ 331,684	\$ 272,272	\$ (44,001)

<u>Print Shop</u>	<u>Totals</u>
\$	\$
425,509	19,137,287
(369,994)	425,509
	(4,615,087)
	<u>(14,332,239)</u>
<u>55,515</u>	<u>615,470</u>
<u>(12,250)</u>	<u>(12,250)</u>
<u>(12,250)</u>	<u>(12,250)</u>
<u>634</u>	<u>34,787</u>
<u>634</u>	<u>34,787</u>
<u>43,899</u>	<u>638,007</u>
<u>103,109</u>	<u>7,807,993</u>
<u>\$ 147,008</u>	<u>\$ 8,446,000</u>

\$	\$
(5,243)	(31,442)
56,941	56,941
	(45,089)
	13,684
1,227	18,527
	600,259
<u>2,590</u>	<u>2,590</u>
<u>60,758</u>	<u>646,912</u>
<u>\$ 55,515</u>	<u>\$ 615,470</u>

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AGENCY FUNDS

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

Employee Withholding - to account for voluntary deductions temporarily held by the District as an agent.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2016**

	Student Activities	Employee Withholding	Totals
<u>ASSETS</u>			
Cash and investments	\$ 187,092	\$ 124,109	\$ 311,201
Total assets	\$ 187,092	\$ 124,109	\$ 311,201
 <u>LIABILITIES</u>			
Accounts payable	\$ 15,267	\$	\$ 15,267
Deposits held for others		124,109	124,109
Due to student groups	171,825		171,825
Total liabilities	\$ 187,092	\$ 124,109	\$ 311,201

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2016

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balance</u>
<u>STUDENT ACTIVITIES</u>				
<u>Assets</u>				
Cash and investments	\$ 174,424	\$ 169,433	\$ 156,765	\$ 187,092
Total assets	<u>\$ 174,424</u>	<u>\$ 169,433</u>	<u>\$ 156,765</u>	<u>\$ 187,092</u>
<u>Liabilities</u>				
Accounts payable	\$	\$ 15,267	\$	\$ 15,267
Due to student groups	<u>174,424</u>	<u>154,166</u>	<u>156,765</u>	<u>171,825</u>
Total liabilities	<u>\$ 174,424</u>	<u>\$ 169,433</u>	<u>\$ 156,765</u>	<u>\$ 187,092</u>
<u>EMPLOYEE WITHHOLDING</u>				
<u>Assets</u>				
Cash and investments	\$ 140,133	\$ 291,639	\$ 307,663	\$ 124,109
Total assets	<u>\$ 140,133</u>	<u>\$ 291,639</u>	<u>\$ 307,663</u>	<u>\$ 124,109</u>
<u>Liabilities</u>				
Deposits held for others	\$ 140,133	\$ 291,639	\$ 307,663	\$ 124,109
Total liabilities	<u>\$ 140,133</u>	<u>\$ 291,639</u>	<u>\$ 307,663</u>	<u>\$ 124,109</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 314,557	\$ 461,072	\$ 464,428	\$ 311,201
Total assets	<u>\$ 314,557</u>	<u>\$ 461,072</u>	<u>\$ 464,428</u>	<u>\$ 311,201</u>
<u>Liabilities</u>				
Accounts payable	\$	\$ 15,267	\$	\$ 15,267
Deposits held for others	140,133	291,639	307,663	124,109
Due to student groups	<u>174,424</u>	<u>154,166</u>	<u>156,765</u>	<u>171,825</u>
Total liabilities	<u>\$ 314,557</u>	<u>\$ 461,072</u>	<u>\$ 464,428</u>	<u>\$ 311,201</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 five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities:					
Net investment in capital assets	\$ 152,225,774	\$ 147,843,966	\$ 140,651,648	\$ 134,338,769	\$ 131,154,280
Restricted	31,413,624	25,808,205	23,121,936	16,387,192	15,370,563
Unrestricted	(149,818,084)	(158,118,288)	27,173,827	38,585,487	51,127,160
Total governmental activities net position	<u>\$ 33,821,314</u>	<u>\$ 15,533,883</u>	<u>\$ 190,947,411</u>	<u>\$ 189,311,448</u>	<u>\$ 197,652,003</u>
Business-type activities:					
Net investment in capital assets	\$ 1,404,559	\$ 1,517,228	\$ 1,413,714	\$ 1,422,509	\$
Restricted					
Unrestricted	162,316	56,297	786,635	913,615	
Total business-type activities net position	<u>\$ 1,566,875</u>	<u>\$ 1,573,525</u>	<u>\$ 2,200,349</u>	<u>\$ 2,336,124</u>	<u>\$</u>
Primary government:					
Net investment in capital assets	\$ 153,630,333	\$ 149,361,194	\$ 142,065,362	\$ 135,761,278	\$ 131,154,280
Restricted	31,413,624	25,808,205	23,121,936	16,387,192	15,370,563
Unrestricted	(149,655,768)	(158,061,991)	27,960,462	39,499,102	51,127,160
Total net position	<u>\$ 35,388,189</u>	<u>\$ 17,107,408</u>	<u>\$ 193,147,760</u>	<u>\$ 191,647,572</u>	<u>\$ 197,652,003</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Governmental activities:					
Net investment in capital assets	\$ 126,084,903	\$ 119,499,966	\$ 113,210,283	\$ 104,904,914	\$ 100,355,784
Restricted	15,934,592	32,546,642	28,488,877	30,991,421	29,712,821
Unrestricted	48,705,719	30,721,294	28,729,147	27,944,122	19,532,725
Total governmental activities net position	<u>\$ 190,725,214</u>	<u>\$ 182,767,902</u>	<u>\$ 170,428,307</u>	<u>\$ 163,840,457</u>	<u>\$ 149,601,330</u>
Business-type activities:					
Net investment in capital assets	\$	\$	\$	\$	\$
Restricted					
Unrestricted					
Total business-type activities net position	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Primary government:					
Net investment in capital assets	\$ 126,084,903	\$ 119,499,966	\$ 113,210,283	\$ 104,904,914	\$ 100,355,784
Restricted	15,934,592	32,546,642	28,488,877	30,991,421	29,712,821
Unrestricted	48,705,719	30,721,294	28,729,147	27,944,122	19,532,725
Total net position	<u>\$ 190,725,214</u>	<u>\$ 182,767,902</u>	<u>\$ 170,428,307</u>	<u>\$ 163,840,457</u>	<u>\$ 149,601,330</u>

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

Note: Prior to 2013 business-type activities were presented as governmental activities.

(Concluded)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Governmental activities:					
Instruction	\$ 102,834,169	\$ 99,473,480	\$ 99,497,671	\$ 96,287,120	\$ 95,655,933
Support services - students and staff	27,153,837	25,259,949	25,400,733	24,437,353	22,683,312
Support services - administration	16,019,927	16,863,927	19,545,606	16,847,819	15,851,740
Operation and maintenance of plant services	20,967,936	20,573,400	21,755,307	21,464,307	20,505,294
Student transportation services	8,685,581	8,931,677	8,921,262	10,322,705	8,352,478
Operation of non-instructional services	19,204,711	20,757,679	20,672,728	19,580,110	17,777,812
Interest on long-term debt	2,556,097	3,184,743	3,527,782	4,451,926	4,065,351
Total governmental activities	<u>197,422,258</u>	<u>195,044,855</u>	<u>199,321,089</u>	<u>193,391,340</u>	<u>184,891,920</u>
Business-type activities:					
Private school consortium	825,441	760,335	813,384	971,139	
Alternative fuel	94,244	107,874	146,965	81,577	
Total business-type activities	<u>919,685</u>	<u>868,209</u>	<u>960,349</u>	<u>1,052,716</u>	
Total expenses	<u>198,341,943</u>	<u>195,913,064</u>	<u>200,281,438</u>	<u>194,444,056</u>	<u>184,891,920</u>
Program Revenues					
Governmental activities:					
Charges for services					
Instruction	834,514	857,280	755,459	860,809	837,596
Operation of non-instructional services	3,556,652	3,640,577	3,986,380	3,294,615	3,876,383
Other activities	106,743	64,020	103,159	164,133	117,199
Operating grants and contributions	41,811,603	39,616,244	37,619,978	38,718,810	48,386,041
Capital grants and contributions	1,712,149	95,728	106,271		
Total governmental activities	<u>48,021,661</u>	<u>44,273,849</u>	<u>42,571,247</u>	<u>43,038,367</u>	<u>53,217,219</u>
Business-type activities:					
Charges for services					
Private school consortium	842,479	854,194	670,617	778,214	
Alternative fuel	66,466	81,532	150,775	164,943	
Total business-type activities	<u>908,945</u>	<u>935,726</u>	<u>821,392</u>	<u>943,157</u>	
Total program revenues	<u>48,930,606</u>	<u>45,209,575</u>	<u>43,392,639</u>	<u>43,981,524</u>	<u>53,217,219</u>
Net (Expense)/Revenue	<u>\$ (149,411,337)</u>	<u>\$ (150,703,489)</u>	<u>\$ (156,888,799)</u>	<u>\$ (150,462,532)</u>	<u>\$ (131,674,701)</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses					
Governmental activities:					
Instruction	\$ 96,302,960	\$ 98,377,469	\$ 117,265,653	\$ 109,805,178	\$ 112,047,322
Support services - students and staff	23,438,972	24,283,027	25,761,443	25,374,863	21,501,721
Support services - administration	15,161,986	16,586,101	17,017,140	17,348,813	18,741,436
Operation and maintenance of plant services	20,006,076	20,421,447	21,856,335	21,404,866	18,314,891
Student transportation services	8,219,151	8,720,012	8,960,848	8,665,577	8,972,338
Operation of non-instructional services	17,216,475	16,360,922	15,158,592	17,421,449	17,618,231
Interest on long-term debt	4,319,857	4,498,547	4,768,597	5,671,847	5,852,659
Total governmental activities	<u>184,665,477</u>	<u>189,247,525</u>	<u>210,788,608</u>	<u>205,692,593</u>	<u>203,048,598</u>
Business-type activities:					
Private school consortium					
Alternative fuel					
Total business-type activities					
Total expenses	<u>184,665,477</u>	<u>189,247,525</u>	<u>210,788,608</u>	<u>205,692,593</u>	<u>203,048,598</u>
Program Revenues					
Governmental activities:					
Charges for services					
Instruction	600,792	393,270	758,398	1,692,438	1,641,410
Operation of non-instructional services	3,851,113	2,914,250	3,159,713	4,148,923	3,414,490
Other activities	207,273	875,928	2,356,020	303,455	653,844
Operating grants and contributions	50,249,772	55,573,950	41,423,780	44,947,412	45,386,501
Capital grants and contributions					
Total governmental activities	<u>54,908,950</u>	<u>59,757,398</u>	<u>47,697,911</u>	<u>51,092,228</u>	<u>51,096,245</u>
Business-type activities:					
Charges for services					
Private school consortium					
Alternative fuel					
Total business-type activities					
Total program revenues	<u>54,908,950</u>	<u>59,757,398</u>	<u>47,697,911</u>	<u>51,092,228</u>	<u>51,096,245</u>
Net (Expense)/Revenue	<u>\$ (129,756,527)</u>	<u>\$ (129,490,127)</u>	<u>\$ (163,090,697)</u>	<u>\$ (154,600,365)</u>	<u>\$ (151,952,353)</u>

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

Note: Prior to 2013 business-type activities were presented as governmental activities.

(Concluded)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (149,411,337)	\$ (150,703,489)	\$ (156,888,799)	\$ (150,462,532)	\$ (131,674,701)
General Revenues:					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	40,734,144	40,529,370	41,086,061	51,976,289 *	57,336,243 *
Property taxes, levied for debt service	16,204,896	15,992,162	16,105,036		
Property taxes, levied for capital outlay	1,554,523	2,911,214	2,569,357		
Investment income	333,876	208,981	360,314	250,924	611,471
Other					814,480
Gain (loss) on disposal of capital assets					
Special items					
Unrestricted county aid	9,213,359	8,780,891	8,061,126	7,786,874	
Unrestricted state aid	97,860,492	93,009,088	89,230,772	83,833,717	79,839,296
Unrestricted federal aid	1,786,738	640,647	973,139	606,560	
Total governmental activities	<u>167,688,028</u>	<u>162,072,353</u>	<u>158,385,805</u>	<u>144,454,364</u>	<u>138,601,490</u>
General Revenues:					
Business-type activities:					
Investment income	<u>4,090</u>	<u>3,073</u>	<u>3,182</u>	<u>3,737</u>	
Total business-type activities	<u>4,090</u>	<u>3,073</u>	<u>3,182</u>	<u>3,737</u>	
Changes in Net Position	<u>\$ 18,280,781</u>	<u>\$ 11,371,937</u>	<u>\$ 1,500,188</u>	<u>\$ (6,004,431)</u>	<u>\$ 6,926,789</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (Expense)/Revenue	\$ (129,756,527)	\$ (129,490,127)	\$ (163,090,697)	\$ (154,600,365)	\$ (151,952,353)
General Revenues:					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	52,881,727 *	57,360,259 *	68,672,108 *	61,748,198 *	54,292,820 *
Property taxes, levied for debt service					
Property taxes, levied for capital outlay					
Investment income	564,347	866,943	1,882,516	3,294,576	2,800,591
Other	957,518	1,842,065	1,914,375	1,516,688	3,209,376
Gain (loss) on disposal of capital assets			1,006,564		
Special items			(797,653)		
Unrestricted county aid					79,989
Unrestricted state aid	83,310,247	81,760,455	97,000,637	102,280,030	95,636,804
Unrestricted federal aid					
Total general revenues	<u>137,713,839</u>	<u>141,829,722</u>	<u>169,678,547</u>	<u>168,839,492</u>	<u>156,019,580</u>
Net (Expense)/Revenue					
Business-type activities:					
Investment income	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total business-type activities	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Changes in Net Position	<u>\$ 7,957,312</u>	<u>\$ 12,339,595</u>	<u>\$ 6,587,850</u>	<u>\$ 14,239,127</u>	<u>\$ 4,067,227</u>

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

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

* Prior to fiscal year 2014 property tax revenue detail is not available.

(Concluded)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nonspendable	\$ 1,094,793	\$ 704,702	\$ 672,748	\$ 606,151	\$ 648,293
Restricted	8,202,561	4,566,212	4,142,611	259,946	249,987
Committed					
Assigned				695,977	2,200,000
Unassigned	17,358,336	10,439,133	9,747,586	15,450,753	23,777,607
Reserved					
Unreserved					
Total General Fund	\$ 26,655,690	\$ 15,710,047	\$ 14,562,945	\$ 17,012,827	\$ 26,875,887
All Other Governmental Funds:					
Nonspendable	\$ 133,406	\$ 138,187	\$ 120,475	\$ 123,416	\$ 99,789
Restricted	45,807,388	26,002,278	23,118,195	21,794,618	17,349,012
Committed					
Assigned					
Unassigned	(121,156)	(40,728)			
Reserved					
Unreserved, reported in:					
Special revenue funds					
Capital projects funds					
Debt service fund					
Total all other governmental funds	\$ 45,819,638	\$ 26,099,737	\$ 23,238,670	\$ 21,918,034	\$ 17,448,801

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2011</u>		<u>2010</u>		<u>2009</u>		<u>2008</u>		<u>2007</u>
General Fund:									
Nonspendable	\$ 598,955	\$		\$		\$		\$	
Restricted	239,976								
Committed									
Assigned	1,000,000								
Unassigned	22,280,697								
Reserved			580,116		684,173		809,097		811,417
Unreserved			6,255,374		1,251,979		7,792,683		3,752,386
Total General Fund	<u>\$ 24,119,628</u>	\$	<u>\$ 6,835,490</u>	\$	<u>\$ 1,936,152</u>	\$	<u>\$ 8,601,780</u>	\$	<u>\$ 4,563,803</u>
All Other Governmental Funds:									
Nonspendable	\$ 95,444	\$		\$		\$		\$	
Restricted	25,305,337								
Committed									
Assigned									
Unassigned									
Reserved			102,138		75,845		70,062		58,412
Unreserved, reported in:									
Special revenue funds			12,981,586		10,576,112		16,739,272		17,277,553
Capital projects funds			9,213,790		12,471,973		28,745,360		20,248,874
Debt service fund			11,281,870		9,415,245		5,813,898		5,019,527
Total all other governmental funds	<u>\$ 25,400,781</u>	\$	<u>\$ 33,579,384</u>	\$	<u>\$ 32,539,175</u>	\$	<u>\$ 51,368,592</u>	\$	<u>\$ 42,604,366</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)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal sources:					
Federal grants	\$ 24,952,307	\$ 22,715,570	\$ 21,117,016	\$ 21,427,638	\$ 25,586,389
National School Lunch Program	18,714,302	16,967,915	15,118,150	14,550,077	13,416,071
Total federal sources	<u>43,666,609</u>	<u>39,683,485</u>	<u>36,235,166</u>	<u>35,977,715</u>	<u>39,002,460</u>
State sources:					
State equalization assistance	88,642,833	84,341,877	80,526,567	86,982,842	83,096,833
State grants	188,186	174,932	804,741	7,368,386	6,126,044
School Facilities Board	138,378				
Other revenues	9,217,659	8,667,211	8,704,205		
Total state sources	<u>98,187,056</u>	<u>93,184,020</u>	<u>90,035,513</u>	<u>94,351,228</u>	<u>89,222,877</u>
Local sources:					
Property taxes	59,774,527	59,342,671	59,004,911	52,278,031	57,063,913
County aid	9,213,359	8,780,891	8,061,126		
Food service sales	510,560	725,566	883,187	982,965	1,081,538
Investment income	299,089	212,054	330,333	219,265	553,258
Other revenues	4,914,355	4,880,569	4,812,307	4,936,669	4,466,985
Total local sources	<u>74,711,890</u>	<u>73,941,751</u>	<u>73,091,864</u>	<u>58,416,930</u>	<u>63,165,694</u>
Total revenues	<u><u>\$ 216,565,555</u></u>	<u><u>\$ 206,809,256</u></u>	<u><u>\$ 199,362,543</u></u>	<u><u>\$ 188,745,873</u></u>	<u><u>\$ 191,391,031</u></u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Federal sources:					
Federal grants	\$ 27,480,698	\$	\$	\$	\$
National School Lunch Program	12,550,100				
Total federal sources	<u>40,030,798</u>				
State sources:					
State equalization assistance	87,861,045				
State grants	5,668,177				
Other revenues					
Total state sources	<u>93,529,222</u>				
Intergovernmental		<u>145,504,533</u>	<u>130,373,366</u>	<u>148,280,643</u>	<u>143,774,555</u>
Local sources:					
Property taxes	52,940,965	55,938,271	66,881,917	61,310,275	54,260,737
County aid					
Food service sales	1,095,450	1,234,802	1,522,731	1,680,844	1,777,282
Investment income	483,209	772,985	1,608,295	2,925,698	2,521,438
Other revenues	4,521,246	4,790,711	6,546,751	4,927,459	4,470,577
Total local sources	<u>59,040,870</u>	<u>62,736,769</u>	<u>76,559,694</u>	<u>70,844,276</u>	<u>63,030,034</u>
Total revenues	<u><u>\$ 192,600,890</u></u>	<u><u>\$ 208,241,302</u></u>	<u><u>\$ 206,933,060</u></u>	<u><u>\$ 219,124,919</u></u>	<u><u>\$ 206,804,589</u></u>

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

- Notes:** 1) The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.
2) Detailed information for intergovernmental revenues prior to fiscal year 2011 is not available.

(Concluded)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Current -					
Instruction	\$ 96,624,633	\$ 96,153,216	\$ 93,717,118	\$ 93,736,675	\$ 91,410,445
Support services - students and staff	27,339,907	25,232,512	24,034,750	24,748,411	22,509,492
Support services - administration	15,341,259	16,057,968	15,536,516	15,300,720	14,366,216
Operation and maintenance of plant services	17,661,743	17,133,331	18,381,447	18,880,306	17,918,737
Student transportation services	7,870,766	8,161,998	7,601,273	9,066,412	9,093,523
Operation of non-instructional services	19,027,664	20,573,969	19,809,292	19,401,013	17,582,358
Capital outlay	11,662,549	6,555,118	14,422,452	18,384,635	7,197,451
Debt service -					
Judgements against the district					
Interest and fiscal charges	2,708,821	3,337,467	3,680,506	4,192,759	4,151,391
Principal retirement	14,748,350	14,121,124	13,299,276	13,437,039	12,410,822
Bond issuance costs	145,492	24,050	24,100	319,439	
Total expenditures	<u><u>\$ 213,131,184</u></u>	<u><u>\$ 207,350,753</u></u>	<u><u>\$ 210,506,730</u></u>	<u><u>\$ 217,467,409</u></u>	<u><u>\$ 196,640,435</u></u>
Expenditures for capitalized assets	\$ 11,504,989	\$ 6,389,320	\$ 8,117,800	\$ 22,394,368	\$ 8,933,690
Debt service as a percentage of noncapital expenditures	9%	9%	8%	9%	9%

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenditures:					
Current -					
Instruction	\$ 93,436,783	\$ 95,382,583	\$ 110,896,410	\$ 107,957,523	\$ 110,833,854
Support services - students and staff	23,522,232	24,445,641	25,441,760	25,020,739	20,773,370
Support services - administration	14,553,115	15,576,253	15,765,520	15,970,947	16,203,736
Operation and maintenance of plant services	18,183,028	18,299,725	19,410,991	19,620,473	16,814,629
Student transportation services	7,964,428	9,045,909	8,274,958	8,758,791	8,602,202
Operation of non-instructional services	17,164,310	17,539,169	17,435,562	17,541,403	18,142,640
Capital outlay	2,452,543	6,206,156	20,529,424	6,055,263	15,818,482
Debt service -					
Judgements against the district			797,653		
Interest and fiscal charges	4,391,286	4,559,541	5,015,522	5,732,841	5,903,155
Principal retirement	11,927,791	11,613,857	11,211,725	11,323,934	11,246,751
Bond issuance costs	212,540			95,114	
Total expenditures	<u>\$ 193,808,056</u>	<u>\$ 202,668,834</u>	<u>\$ 234,779,525</u>	<u>\$ 218,077,028</u>	<u>\$ 224,338,819</u>
Expenditures for capitalized assets	\$ 4,800,749	\$ 7,884,467	\$ 23,224,044	\$ 7,320,814	\$ 20,083,584
Debt service as a percentage of noncapital expenditures	9%	9%	8%	8%	8%

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

(Concluded)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ 3,434,371	\$ (541,497)	\$ (11,144,187)	\$ (28,721,536)	\$ (5,249,404)
Other financing sources (uses):					
General obligation bonds issued	25,500,000	4,500,000	5,000,000	20,000,000	
Refunding bonds issued					
Premium on sale of bonds	918,929			933,589	
Capital lease agreements	426,934		5,864,900	2,412,635	
Transfers in	3,177,753	1,895,772	1,622,419	1,753,837	1,183,613
Transfers out	(3,177,753)	(1,895,772)	(1,622,419)	(1,753,837)	(1,183,613)
Payment to refunded bond escrow agent					
Total other financing sources (uses)	<u>26,845,863</u>	<u>4,500,000</u>	<u>10,864,900</u>	<u>23,346,224</u>	
Changes in fund balances	<u>\$ 30,280,234</u>	<u>\$ 3,958,503</u>	<u>\$ (279,287)</u>	<u>\$ (5,375,312)</u>	<u>\$ (5,249,404)</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (deficiency) of revenues over expenditures	\$ (1,207,166)	\$ 5,572,468	\$ (27,846,465)	\$ 1,047,891	\$ (17,534,230)
Other financing sources (uses):					
Refunding bonds issued				11,640,000	
Premium on sale of bonds	300,556			104,982	
Capital lease agreements		357,180	2,558,224		1,928,745
Transfers in	1,596,391	4,851,589	1,425,865	784,683	1,306,180
Transfers out	(1,596,391)	(4,851,589)	(1,425,865)	(784,683)	(1,306,180)
Payment to refunded bond escrow agent					(4,200,000)
Total other financing sources (uses)	<u>10,300,556</u>	<u>357,180</u>	<u>2,558,224</u>	<u>11,744,982</u>	<u>(2,271,255)</u>
Changes in fund balances	<u>\$ 9,093,390</u>	<u>\$ 5,929,648</u>	<u>\$ (25,288,241)</u>	<u>\$ 12,792,873</u>	<u>\$ (19,805,485)</u>

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 464,736,999	\$ 472,181,411	\$ 485,838,284	\$ 536,566,162	\$ 579,720,714
Agricultural and Vacant	18,838,328	17,842,349	23,067,497	27,014,320	29,116,900
Residential (Owner Occupied)	433,480,548	417,896,904	395,683,367	467,196,013	552,197,999
Residential (Rental)	185,389,793	170,725,842	151,279,607	140,976,564	161,371,870
Historical Property	40,341	108,115	107,971	121,435	74,699
Certain Government Property Improvements	101,399	101,963	71,136	79,365	93,427
Total	\$ 1,102,587,408	\$ 1,078,856,584	\$ 1,056,047,862	\$ 1,171,953,859	\$ 1,322,575,609
Gross Full Cash Value	\$ 13,228,634,436	\$ 10,484,096,797	\$ 9,467,272,155	\$ 10,327,375,233	\$ 11,732,224,759
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	10%	11%	11%	11%
Total Direct Rate	5.78	5.70	6.02	4.71	4.61

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 725,098,667	\$ 735,720,516	\$ 694,191,956	\$ 653,757,072	\$ 614,279,112
Agricultural and Vacant	35,428,644	30,234,334	30,782,822	25,544,873	23,480,301
Residential (Owner Occupied)	723,837,868	915,060,239	835,901,644	726,531,107	639,373,435
Residential (Rental)	221,975,671	231,105,357	202,087,114	176,088,448	162,954,277
Historical Property	251,582	188,200	70,415	58,225	
Total	\$ 1,706,592,432	\$ 1,912,308,646	\$ 1,763,033,951	\$ 1,581,979,725	\$ 1,440,087,125
Gross Full Cash Value	\$ 15,406,725,213	\$ 19,155,917,245	\$ 19,576,459,825	\$ 16,346,463,462	\$ 12,089,204,311
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	10%	9%	10%	12%
Total Direct Rate	3.38	3.08	3.69	3.84	4.12

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 482,548,361	\$ 477,395,349	\$ 486,699,613	\$ 537,112,888	\$ 580,807,450
Agricultural and Vacant	21,105,862	18,691,974	23,256,358	27,227,906	29,735,357
Residential (Owner Occupied)	635,669,446	453,825,849	396,879,515	468,675,857	553,225,987
Residential (Rental)	264,011,064	191,757,548	154,128,545	141,505,000	161,519,148
Historical Property	63,665	314,954	320,400	349,360	263,469
Certain Government Property Improvements	107,594	103,652	71,136	79,365	93,427
Total	\$ 1,403,505,992	\$ 1,142,089,326	\$ 1,061,355,567	\$ 1,174,950,376	\$ 1,325,644,838
Gross Full Cash Value	\$ 13,228,634,436	\$ 10,484,096,797	\$ 9,467,272,155	\$ 10,327,375,233	\$ 11,732,224,759
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Total Direct Rate	5.78	5.70	6.02	4.71	4.61

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 775,772,528	\$ 855,894,214	\$ 794,168,072	\$ 715,689,913	\$ 658,768,022
Agricultural and Vacant	43,207,330	42,232,397	45,505,270	34,082,237	31,061,836
Residential (Owner Occupied)	724,641,151	1,025,049,246	1,146,323,316	958,271,014	648,137,480
Residential (Rental)	230,778,080	279,860,694	268,960,914	217,086,615	168,081,216
Historical Property	1,018,959	828,080	323,900	279,475	
Total	\$ 1,775,418,048	\$ 2,203,864,631	\$ 2,255,281,472	\$ 1,925,409,254	\$ 1,506,048,554
Gross Full Cash Value	\$ 15,406,725,213	\$ 19,155,917,245	\$ 19,576,459,825	\$ 16,346,463,462	\$ 12,089,204,311
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	12%	12%	12%
Total Direct Rate	3.38	3.08	3.69	3.84	4.12

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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	19 %	19 %	20 %	20 %	20 %
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	16	15	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	21 %	22 %	23 %	24 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	17	18	20	21	22

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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State	County	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Glendale	Primary	Secondary	Total
	Equalization									
2016	0.51	1.36	0.16	1.49	0.14	1.82	2.19	2.82	2.96	5.78
2015	0.51	1.32	0.14	1.52	0.14	1.82	2.15	2.92	2.78	5.70
2014	0.51	1.28	0.14	1.53	0.14	1.82	2.29	3.05	2.97	6.02
2013	0.47	1.24	0.18	1.38	0.10	1.82	1.90	2.04	2.67	4.71
2012	0.43	1.24	0.18	1.21	0.10	1.82	1.60	2.43	2.18	4.61
2011	0.36	1.05	0.15	0.97	0.10	1.82	1.60	1.94	1.44	3.38
2010	0.33	0.99	0.14	0.88	0.10	1.82	1.60	1.66	1.42	3.08
2009		1.03	0.14	0.94	0.10	1.82	1.60	2.14	1.55	3.69
2008		1.10	0.15	0.98	0.10	1.82	1.62	2.19	1.65	3.84
2007		1.10	0.20	1.03	0.12	1.82	1.72	2.14	1.98	4.12

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

Note: Prior to 2010 there was no state equalization tax rate overlap.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2016		2007	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Arizona Public Service Company	\$ 106,612,199	9.67 %	\$ 68,257,107	4.53 %
Qwest Corporation	10,173,800	0.92	26,466,890	1.76
VHS Of Phoenix Inc.	7,697,364	0.70	8,017,998	0.53
Canyon Corporate Plaza Properties LLC	6,475,000	0.59	10,448,360	0.69
PDG America Properties LLC	5,967,462	0.54	7,371,967	0.49
M2 Phoenix 1222 LLC	5,599,129	0.51		
Bay Pacific Phoenix Corporate Center LLC	4,482,470	0.41		
Granite Black Canyon Holdings LLC	3,812,609	0.35		
Arizona Public Service Company (CWIP)	3,642,638	0.33		
Bell Towne Centre Associates LLC	6,187,478	0.29		
Southwest Gas Corporation			8,626,692	0.57
Metrorising AMS Owner, LLC			8,259,442	0.55
Karsten Manufacturing Corporation			7,793,624	0.52
TP Racing, LLP			7,554,253	0.50
Phoenix Corporate Associates			6,973,550	0.46
Total	<u>\$ 160,650,149</u>	<u>14.31 %</u>	<u>\$ 159,769,883</u>	<u>10.60 %</u>

Source: The source of this information is the Maricopa County Treasurer.

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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Adopted Taxes Levied for the Fiscal Year	Adjusted Tax Levy 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
2016	\$ 63,865,622	\$ 63,598,846	\$ 62,526,782	97.90 %	\$	\$ 62,526,782	97.90 %
2015	63,385,373	62,817,245	60,878,648	96.05	1,896,886	62,775,534	99.04
2014	63,427,847	62,801,530	60,695,060	95.69	2,708,385	63,403,445	99.96
2013	55,507,371	54,669,376	53,174,793	95.80	2,326,379	55,501,172	99.99
2012	60,907,130	60,380,469	58,011,623	95.25	2,443,835	60,455,458	99.26
2011	58,521,650	57,819,027	56,065,697	95.80	2,448,066	58,513,763	99.99
2010	63,161,121	62,357,763	57,874,718	91.63	3,231,650	61,106,368	96.75
2009	72,821,698	72,353,090	68,433,791	93.97	3,749,158	72,182,949	99.12
2008	66,510,368	66,229,024	65,175,437	97.99	1,330,654	66,506,091	99.99
2007	60,336,259	60,035,449	58,717,892	97.32	1,613,733	60,331,625	99.99

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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2016	\$ 95,068,169	\$ 5,589,720	\$ 89,478,449	0.68 %	\$ 363	\$ 6,386,614	\$ 101,454,783	0.77 %	\$ 412	N/A %	
2015	82,277,915	4,761,843	77,516,072	0.74	332	6,808,030	89,085,945	0.85	382	0.05	
2014	90,871,590	4,810,140	86,061,450	0.91	368	7,619,154	98,490,744	1.04	421	0.07	
2013	86,190,265	4,852,770	81,337,495	0.79	366	2,278,530	88,468,795	0.86	398	0.06	
2012	76,965,041	4,420,720	72,544,321	0.62	311	1,077,934	78,042,975	0.67	335	0.05	
2011	88,841,081	6,319,771	82,521,310	0.54	365	1,698,756	90,539,837	0.59	401	0.06	
2010	89,946,954	11,281,870	78,665,084	0.41	313	2,291,547	92,238,501	0.48	366	0.07	
2009	100,997,948	9,415,245	91,582,703	0.47	358	2,558,224	103,556,172	0.53	405	0.07	
2008	111,989,873	5,813,898	106,175,975	0.65	414	1,473,289	113,463,162	0.69	443	0.08	
2007	111,185,885	5,019,527	106,166,358	0.88	453	1,917,223	113,103,108	0.94	483	0.08	

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2016**

Governmental Unit	Debt Outstanding	Net Full Cash Assessed Value	Net Limited Assessed Value	Estimated Percentage Applicable to School District	Estimated Amount Applicable to School District
Overlapping:					
State of Arizona	\$ None	\$ 62,635,586,917	\$ 54,838,548,829	2.01 %	\$ None
Maricopa County	None	41,125,604,014	34,623,670,323	3.18	None
Maricopa Community College District	593,820,000	41,125,604,014	34,623,670,323	3.18	18,883,476
Maricopa Country Fire District Assistance Tax	N/A	41,125,604,014	34,623,670,323	N/A	N/A
Maricopa County Special Healthcare District	106,000,000	41,125,604,014	34,623,670,323	3.18	3,370,800
Maricopa County Library District	N/A	41,125,604,014	34,623,670,323	N/A	N/A
Maricopa County Flood Control District	N/A	N/A	31,100,587,859	N/A	N/A
Central Arizona Water Conservation District	N/A	41,125,604,014	34,623,670,323	N/A	N/A
City of Glendale	153,590,000	1,406,062,308	1,129,008,207	2.51	3,855,109
City of Phoenix	1,428,096,582	12,784,244,568	10,577,031,724	10.16	145,094,613
Glendale Union High School District No. 205	102,665,000	1,733,704,874	1,350,518,418	81.64	83,815,706
Western Maricopa Education Center District	N/A	15,255,121,315	12,790,483,748	N/A	N/A
Subtotal, Overlapping Debt					<u>255,019,704</u>
Direct:					
Washington Elementary School District No. 6					<u>101,454,783</u>
Total Direct and Overlapping Governmental Activities Debt					<u>\$ 356,474,487</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	7.94 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	\$ 1,391
As a Percentage of Net Limited Assessed Valuation	31.06 %
As a Percentage of Gross Full Cash Value	2.59 %

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, the Maricopa County Treasurer 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, 2015 is presented for the overlapping governments as this is the most recent available information.
 - 3) N/A indicates that the information is not available.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2016:

Net full cash assessed valuation	\$ 1,403,505,992
Debt limit (10% of assessed value)	140,350,599
Debt applicable to limit	<u>74,925,000</u>
Legal debt margin	<u>\$ 65,425,599</u>

Total Legal Debt Margin Calculation for Fiscal Year 2016:

Net full cash assessed valuation	\$ 1,403,505,992
Debt limit (15% of assessed value)	210,525,899
Debt applicable to limit	<u>89,165,000</u>
Legal debt margin	<u>\$ 121,360,899</u>

Fiscal Year Ended June 30

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 210,525,899	\$ 171,313,399	\$ 159,203,335	\$ 176,242,556	\$ 198,846,726
Total net debt applicable to limit	<u>89,165,000</u>	<u>80,895,000</u>	<u>89,170,000</u>	<u>44,859,378</u>	<u>56,465,217</u>
Legal debt margin	<u>\$ 121,360,899</u>	<u>\$ 90,418,399</u>	<u>\$ 70,033,335</u>	<u>\$ 131,383,178</u>	<u>\$ 142,381,509</u>
Total net debt applicable to the limit as a percentage of debt limit	42%	47%	56%	25%	28%

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	\$ 266,312,707	\$ 330,579,695	\$ 338,292,221	\$ 288,811,388	\$ 225,907,283
Total net debt applicable to limit	<u>80,158,243</u>	<u>72,678,130</u>	<u>91,835,965</u>	<u>102,722,446</u>	<u>101,958,535</u>
Legal debt margin	<u>\$ 186,154,464</u>	<u>\$ 257,901,565</u>	<u>\$ 246,456,256</u>	<u>\$ 186,088,942</u>	<u>\$ 123,948,748</u>
Total net debt applicable to the limit as a percentage of debt limit	30%	22%	27%	36%	45%

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
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>
2015	4,076,438	\$ N/A	\$ N/A	5.3 %	246,256
2014	4,087,191	168,483,421	41,222	5.9	233,511
2013	4,013,164	160,537,029	40,003	6.0	234,177
2012	3,942,868	159,384,756	40,424	7.1	222,464
2011	3,870,076	151,026,789	39,024	8.4	233,166
2010	3,823,609	142,690,740	37,318	9.6	225,909
2009	3,803,779	140,611,698	36,966	9.0	251,689
2008	3,771,061	148,601,191	39,406	5.2	255,695
2007	3,711,954	147,748,365	39,803	3.1	256,299
2006	3,642,884	141,175,477	38,754	3.5	234,230

Sources: The source of the estimated district population is the US Department of Commerce Census Bureau, American Community Survey Annual Report.

The source of personal income, per capita and population information is the US Department of Commerce, Bureau of Economic Analysis, Regional Income Division.

The source of the unemployment rate is the Bureau of Labor Statistics.

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	31,800	1.51 %	34,600	1.73 %
Banner Health	27,200	1.29	16,000	0.80
Wal-Mart Stores	21,100	1.00	29,500	1.48
City of Phoenix	14,585	0.69	16,318	0.83
Maricopa County	13,567	0.64	13,000	0.65
Arizona State University	12,676	0.60	11,200	0.56
Wells Fargo Company	12,000	0.57	9,900	0.50
Fry's Food & Drug Stores	11,000	0.52		
Intel Corp.	10,800	0.51	10,000	0.50
Honor Health	10,500	0.55		
Bashas			14,000	0.70
Honeywell			12,000	0.60
Total	<u>165,228</u>	<u>7.88 %</u>	<u>166,518</u>	<u>8.35 %</u>
Total employment	<u>2,104,000</u>		<u>1,998,600</u>	

Source: This information is for Metropolitan Phoenix. The source of this information is the Phoenix Business Journal Book of Lists 2015-16, published December 2015 and Elliot D. Pollack & Co.

Note: Information was not available at the District level and is therefore presented for the Phoenix Metro Area. Percentage of Total Employment is the percent of Phoenix Metro Area not seasonally adjusted employment for the appropriate calendar year.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Supervisory					
Instructional administrators	11	11	11	10	10
Noninstructional administrators	18	17	15	13	13
Consultants/supervisors of instruction	12	7	11	5	5
Principals	32	32	32	32	32
Assistant principals	18	17	15	13	12
Total supervisory	<u>91</u>	<u>84</u>	<u>84</u>	<u>73</u>	<u>72</u>
Instruction					
Elementary classroom teachers	675	682	683	655	647
Secondary classroom teachers	176	174	175	175	176
Other teachers	480	473	448	449	423
Other professionals	178	176	119	113	110
Aides	561	554	560	546	507
Total instruction	<u>2,070</u>	<u>2,059</u>	<u>1,985</u>	<u>1,938</u>	<u>1,863</u>
Student Services					
Visiting teachers/social workers	28	28	28	26	20
Psychologist	25	24	24	23	26
Librarians	10	10	10	11	11
Other professionals (noninstructional)			49	51	72
Technicians	31	31	31	29	28
Total student services	<u>94</u>	<u>93</u>	<u>142</u>	<u>140</u>	<u>157</u>
Support and Administration					
Clerical/secretarial	331	328	314	299	290
Service workers	163	160	160	254	151
Skilled crafts	98	100	98	98	99
Unskilled laborers	324	308	314	309	295
Total support and administration	<u>916</u>	<u>896</u>	<u>886</u>	<u>960</u>	<u>835</u>
Total	<u><u>3,171</u></u>	<u><u>3,132</u></u>	<u><u>3,097</u></u>	<u><u>3,111</u></u>	<u><u>2,927</u></u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Supervisory					
Instructional administrators	10	11	13	13	13
Noninstructional administrators	13	13	15	17	17
Consultants/supervisors of instruction	5	4	4	5	5
Principals	32	34	33	34	35
Assistant principals	10	10	9	12	12
Total supervisory	<u>70</u>	<u>72</u>	<u>74</u>	<u>81</u>	<u>82</u>
Instruction					
Elementary classroom teachers	653	674	713	790	792
Secondary classroom teachers	191	195	202	207	195
Other teachers	431	439	421	466	416
Other professionals	110	118	120	133	128
Aides	501	502	509	558	471
Total instruction	<u>1,886</u>	<u>1,928</u>	<u>1,965</u>	<u>2,154</u>	<u>2,002</u>
Student Services					
Visiting teachers/social workers	19	19	17	14	14
Psychologist	26	28	24	28	22
Librarians	13	14	15	15	16
Other professionals (noninstructional)	69	78	77	72	67
Technicians	24	24	24	26	26
Total student services	<u>151</u>	<u>163</u>	<u>157</u>	<u>155</u>	<u>145</u>
Support and Administration					
Clerical/secretarial	293	296	284	304	282
Service workers	153	157	161	183	157
Skilled crafts	98	106	103	100	93
Unskilled laborers	295	301	303	320	272
Total support and administration	<u>839</u>	<u>860</u>	<u>851</u>	<u>907</u>	<u>804</u>
Total	<u>2,946</u>	<u>3,023</u>	<u>3,047</u>	<u>3,297</u>	<u>3,033</u>

Source: The District's Human Resources Department and Business and Finance Department.

- Notes:**
- 1) No Description or guidelines were provided to determine how to classify positions into each of the categories or sub-categories listed above.
 - 2) The sub-categories are very broad and do not fully represent every position.
 - 3) This data is representative of PCS as of June 30th for each year provided and includes both vacant and filled positions.
 - 4) Although the categorization file has been completed and is expected to be used in future years there are still many unanswered categorization questions. Answers to these questions may effect the categorization process for future years and as a result may create percentage increases and decreases in certain categories strictly due to the change in categorization concepts/methodologies.
 - 5) Coding of positions may differ based on interpretation.

(Concluded)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Governmental Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2016	21,885	\$ 183,865,972	\$ 8,401	(0.36) %	\$ 197,422,258	\$ 9,021	0.55 %	1,468	14.9	84.4 %
2015	21,741	183,312,994	8,432	1.80	195,044,855	8,971	(2.69)	1,418	15.3	81.7
2014	21,621	179,080,396	8,283	(3.20)	199,321,089	9,219	0.91	1,420	15.2	74.9
2013	21,168	181,133,537	8,557	3.68	193,391,340	9,136	3.51	1,403	15.1	76.9
2012	20,948	172,880,771	8,253	(1.23)	184,891,920	8,826	(0.00)	1,367	15.3	75.7
2011	20,922	174,823,896	8,356	(0.06)	184,665,477	8,826	0.57	1,390	15.1	73.8
2010	21,564	180,289,280	8,361	(6.41)	189,247,525	8,776	(8.08)	1,425	15.1	72.0
2009	22,078	197,225,201	8,933	10.70	210,788,608	9,547	12.09	1,468	15.0	66.3
2008	24,148	194,869,876	8,070	4.51	205,692,593	8,518	3.97	1,569	15.4	63.8
2007	24,783	191,370,431	7,722	1.55	203,048,598	8,193	4.73	1,548	16.0	61.7

Source: The District's Business and Finance Department.

- Notes:** 1) Operating expenditures includes expenditures of all funds except Debt Service and Capital Outlay.
2) Teaching staff includes all teaching positions filled and vacant.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Schools</u>										
<u>Elementary</u>										
Sites	27	27	27	27	27	27	27	27	27	27
Square feet	2,181,703	2,177,492	2,177,492	2,171,201	2,166,893	2,166,893	2,174,688	2,168,388	2,168,388	2,184,904
Capacity	22,306	23,785	23,785	23,711	23,660	23,660	23,660	23,660	23,660	23,660
Enrollment	19,677	19,710	19,864	19,330	18,749	18,713	19,118	19,266	19,812	20,309
<u>Middle</u>										
Sites	5	5	5	5	5	5	5	5	5	5
Square feet	539,717	539,717	539,717	539,717	548,784	548,784	548,784	546,990	527,588	510,427
Capacity	5,556	5,601	5,601	5,494	5,601	5,601	5,601	5,601	5,601	5,601
Enrollment	3,886	3,749	3,716	3,797	3,846	3,815	3,996	4,070	4,336	4,458
<u>Administrative</u>										
Sites	4	4	4	4	3	3	3	4	4	3
Square feet	213,348	215,212	215,212	215,212	206,145	206,145	206,145	210,339	242,794	177,234
<u>Transportation</u>										
Garages	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	5 bus/1 car	5 bus/1 car
Buses	111	111	111	113	130	133	133	128	132	128

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

Note: Enrollment is based on 100th day figures.

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