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# WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

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## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**

**GLENDALE, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Issued by:  
Business and Finance Department

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

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## **INTRODUCTORY SECTION**



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December 17, 2014

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, 2014.

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, 2014, 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, 2014, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## **PROFILE OF THE DISTRICT**

The 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. Seven of the school sites are less than 20 years old, nine school sites have buildings that exceed 30 years old, and seventeen 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 23,580 students in north central Phoenix and eastern Glendale. Enrollment has consistently increased since 2012 about 1 percent per year, but from 2013 to 2014 the District experienced an enrollment increase of over 2.8 percent. Projections indicate that enrollment should remain relatively constant with slight increases as the economy improves and our schools continue to offer a variety of choice to parents related to the education of their children.

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, food services, bookstore, athletic functions, and sponsorship of five charter schools.

For fiscal year 2013-2014 the District experienced a 9.89 percent decrease in its primary assessed valuation and 9.67 percent decrease in its secondary assessed valuation. The economy of the District is representative of the economies of the cities that overlap the District. Approximately 98 percent of the District lies within the boundaries of the City of Phoenix with only 2 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 during fiscal year 2014 the Business Advisory Team increased in participation to over 150 attending each meeting (three times a year). 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 expand within the next few years to 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 1.4 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 almost 4 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 2014, the unemployment rate in the Phoenix area and Maricopa County was approximately 7.0 percent, slightly higher than the national average of 6.2 percent.

The State of Arizona has been greatly affected by the recent economic downturn. This has resulted in limited growth and declining revenues because of, in part, recent legislative decisions to reduce funding allocations. This has presented a challenge to school districts considering that the majority of funding for schools is generated through formulas directed by Arizona law. Washington Elementary School District utilized several strategies that allowed for a budget balance remaining in fiscal year 2014. This should provide options for the District in the current year as the State continues to struggle with budget concerns. Although the State is currently experiencing increased revenues, there is no indication that previous reductions in funding will be restored in the near future.

**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. This Council has been reorganized to operate at the regional level for a specific focus and input is provided from the regions into the general council that offers recommendation regarding future bonding needs and identified projects district-wide. Future capital plans have been updated to account for changes in population levels and changes in projected enrollment, based on demographic studies. Although demographic studies illustrate a leveling of student growth 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 ACKNOWLEDGMENT**

**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, 2013. 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, 2013. 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, 2014 certificates.

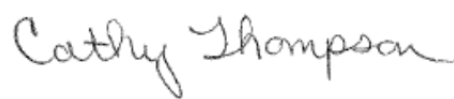
**Acknowledgments.** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation 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. Susan J. Cook  
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, 2013*

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



Handwritten signature of Terrie S. Simmons in black ink, positioned above a horizontal line.

Terrie S. Simmons, RSBA, CSBO  
President

Handwritten signature of John D. Musso in black ink, positioned above a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director





Government Finance Officers Association

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

Presented to

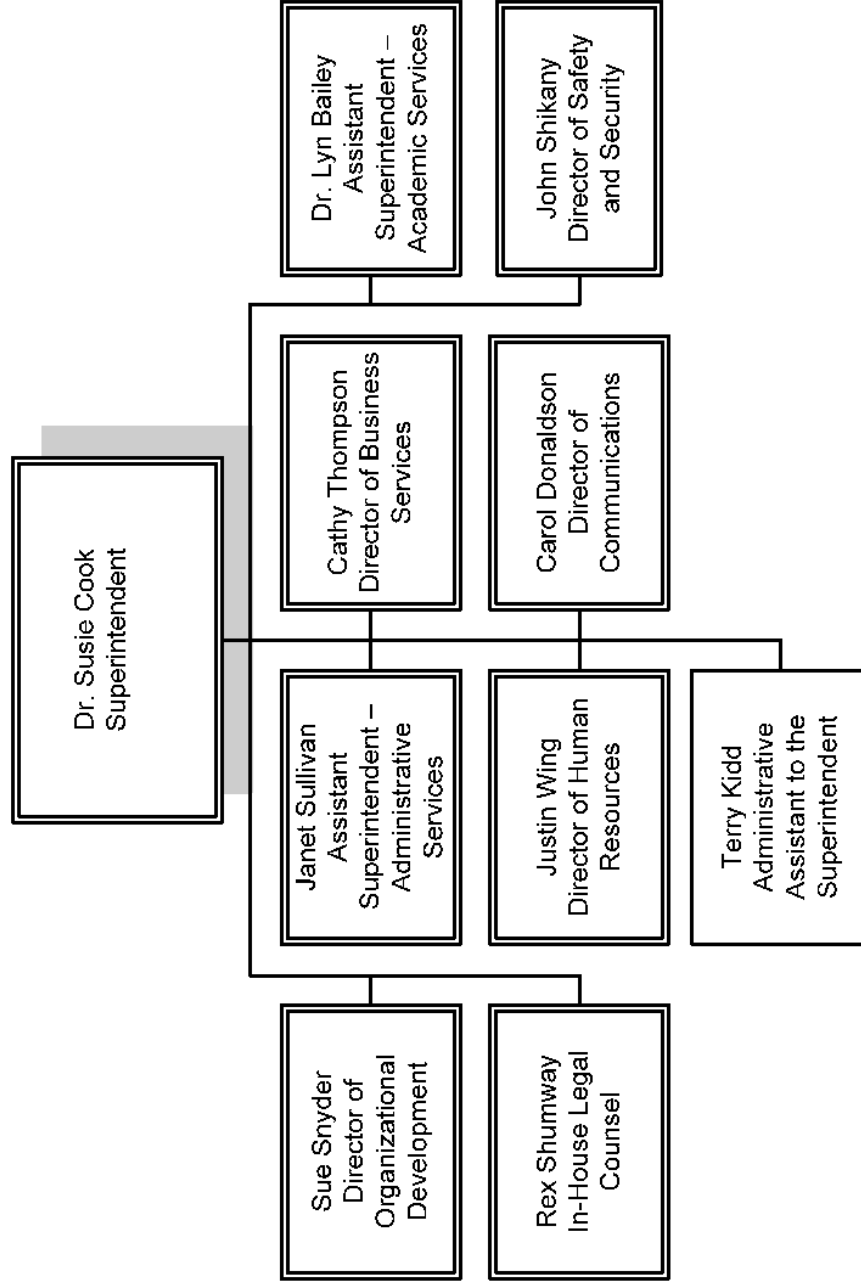
**Washington Elementary School  
District No. 6, Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Organizational Chart



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Tee Lambert  
President

Bill Adams  
Vice President

Clorinda Graziano  
Member

Aaron Jahneke  
Member

Chris Maza  
Member

**ADMINISTRATIVE STAFF**

Susan J. Cook, Ed.D.  
Superintendent

Cathy Thompson  
Director of Business Services

## **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, 2014, 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, 2014, 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.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 15 and budgetary comparison information on pages 64 and 65 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 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 17, 2014, 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.  
CPAs and Business Consultants

December 17, 2014

**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, 2014**

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, 2014. 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 \$1.6 million to \$190.9 million and the business-type activities decreased \$135,775 to \$2.2 million, representing an increase of less than one percent and a 6 percent decrease, respectively, of the total net position of \$193.1 million. The decrease in net position for business-type activities was primarily due to a decrease in charges for services as a result of utilizing existing cash balances from prior years to meet current year needs for the Private School Consortium.
- General revenues from governmental activities accounted for \$158.4 million in revenue, or 79 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$42.6 million or 21 percent of total governmental activities revenues. The District had \$821,392 in program revenues and \$3,182 in general revenues related to business-type activities.
- The District had approximately \$199.3 million in expenses related to governmental activities, an increase of 3 percent from the prior fiscal year. The District had \$960,349 in expenses related to business-type activities, a decrease of 9 percent from the prior fiscal year. This was primarily due to a decrease in the need for technology-related hardware and software for the Private School Consortium mobile instruction program.
- Among major funds, the General Fund had \$133.1 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$135.8 million in expenditures. The General Fund's fund balance decrease from \$16.1 million at the prior fiscal year end to \$14.6 million at the end of the current fiscal year was primarily due to the utilization of existing cash and budget capacity from previous years to meet one-time obligations not supported by additional revenue.
- Net position for the Internal Service Funds decreased \$1.9 million from the prior fiscal year. Operating expenses of \$21.3 million exceeded operating revenues of \$19.3 at the end of the current fiscal year.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**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 for members of the Private School Consortium and public purchases of alternative fuel. The services are supported by user fees and charges.

**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, 2014**

**OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)**

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

**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 Trust, and Casualty Trust. Although legally separate component units, they function for all employees of the District and therefore have been included as internal service funds. The other internal service fund is the Print Shop Fund which 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, 2014**

**OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)**

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. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information.

**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 by \$190.9 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. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	Governmental Activities		Business-Type Activities		Total	
	As of June 30, 2014	As of June 30, 2013 (as restated)	As of June 30, 2014	As of June 30, 2013 (as restated)	As of June 30, 2014	As of June 30, 2013 (as restated)
Current and other assets	\$ 98,944,021	\$ 86,374,101	\$ 883,864	\$ 913,615	\$ 99,827,885	\$ 87,287,716
Capital assets, net	227,642,026	228,201,203	1,413,714	1,422,509	229,055,740	229,623,712
<b>Total assets</b>	<b>326,586,047</b>	<b>314,575,304</b>	<b>2,297,578</b>	<b>2,336,124</b>	<b>328,883,625</b>	<b>316,911,428</b>
Deferred outflows	497,852	663,803			497,852	663,803
Current and other liabilities	35,696,698	23,130,086	97,229		35,793,927	23,130,086
Long-term liabilities	100,439,790	102,797,573			100,439,790	102,797,573
<b>Total liabilities</b>	<b>136,136,488</b>	<b>125,927,659</b>	<b>97,229</b>		<b>136,233,717</b>	<b>125,927,659</b>
Net position:						
Net investment in capital assets	140,651,648	134,338,769	1,413,714	1,422,509	142,065,362	135,761,278
Restricted	23,121,936	16,387,192			23,121,936	16,387,192
Unrestricted	27,173,827	38,585,487	786,635	913,615	27,960,462	39,499,102
<b>Total net position</b>	<b>\$ 190,947,411</b>	<b>\$ 189,311,448</b>	<b>\$ 2,200,349</b>	<b>\$ 2,336,124</b>	<b>\$193,147,760</b>	<b>\$ 191,647,572</b>

At the end of the current fiscal year the District reported positive balances in all three categories of net position. 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 \$12.2 million of bonds.
- The issuance of \$5.0 million in school improvement bonds.
- A net increase in accumulated depreciation of \$8.5 million for governmental activities due to the depreciation of capital assets.
- The addition of \$5.9 million in capital lease obligations.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

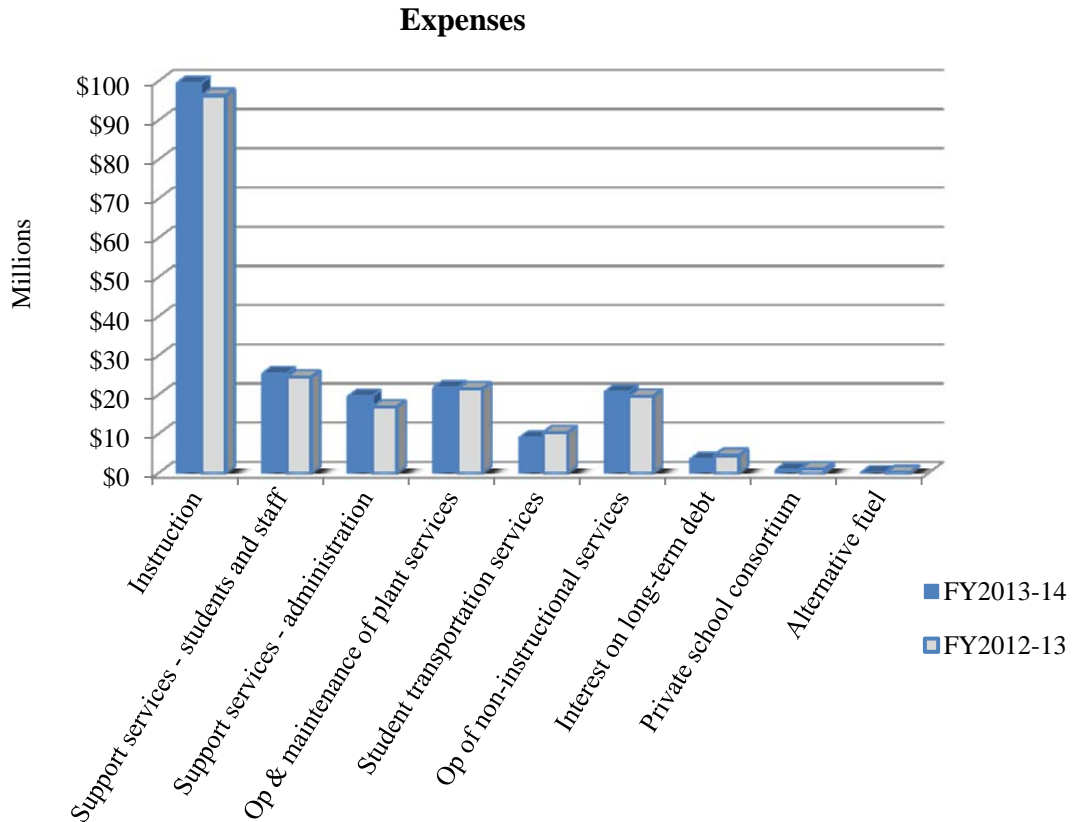
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

**Changes in net position.** The District's total revenues for the current fiscal year were \$201.8 million. The total cost of all programs and services was \$200.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	Governmental Activities		Business-Type Activities		Total	
	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013 (as restated)	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013 (as restated)	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013 (as restated)
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 4,844,998	\$ 4,319,557	\$ 821,392	\$ 943,157	\$ 5,666,390	\$ 5,262,714
Operating grants and contributions	37,619,978	38,718,810			37,619,978	38,718,810
Capital grants and contributions	106,271				106,271	
General revenues						
Property taxes	59,760,454	51,976,289			59,760,454	51,976,289
Investment income	360,314	250,924	3,182	3,737	363,496	254,661
Unrestricted county aid	8,061,126	7,786,874			8,061,126	7,786,874
Unrestricted state aid	89,230,772	83,833,717			89,230,772	83,833,717
Unrestricted federal aid	973,139	606,560			973,139	606,560
<b>Total revenues</b>	<u>200,957,052</u>	<u>187,492,731</u>	<u>824,574</u>	<u>946,894</u>	<u>201,781,626</u>	<u>188,439,625</u>
<b>Expenses</b>						
Instruction	99,497,671	96,287,120			99,497,671	96,287,120
Support services – students and staff	25,400,733	24,437,353			25,400,733	24,437,353
Support services – administration	19,545,606	16,847,819			19,545,606	16,847,819
Operation and maintenance of plant services	21,755,307	21,464,307			21,755,307	21,464,307
Student transportation services	8,921,262	10,322,705			8,921,262	10,322,705
Operation of non-instructional services	20,672,728	19,580,110			20,672,728	19,580,110
Interest on long-term debt	3,527,782	4,451,926			3,527,782	4,451,926
Private school consortium			813,384	971,139	813,384	971,139
Alternative fuel			146,965	81,577	146,965	81,577
<b>Total expenses</b>	<u>199,321,089</u>	<u>193,391,340</u>	<u>960,349</u>	<u>1,052,716</u>	<u>200,281,438</u>	<u>194,444,056</u>
<b>Changes in net position</b>	<u>1,635,963</u>	<u>(5,898,609)</u>	<u>(135,775)</u>	<u>(105,822)</u>	<u>1,500,188</u>	<u>(6,004,431)</u>
<b>Net position, beginning, as restated</b>	<u>189,311,448</u>	<u>195,210,057</u>	<u>2,336,124</u>	<u>2,441,946</u>	<u>191,647,572</u>	<u>197,652,003</u>
<b>Net position, ending</b>	<u>\$ 190,947,411</u>	<u>\$ 189,311,448</u>	<u>\$ 2,200,349</u>	<u>\$ 2,336,124</u>	<u>\$ 193,147,760</u>	<u>\$ 191,647,572</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**



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

- Unrestricted state aid increased \$5.4 million due to the increase in Classroom Site revenue and the conversion of five elementary schools to District sponsored charter schools, resulting in an increase in state aid funding.
- Property tax revenues increased \$7.8 million as result of a larger budget capacity and a necessary increase in the levy to correct an underestimated levy amount in the 2012-2013 fiscal year.
- The overall increase in expenses of \$5.8 million was primarily due to employee salaries for additional teaching staff as a result of more students; implementation of a new program serving students with emotional disabilities; a Mathematics textbook adoption; and increased costs for medical claims paid in the Employee Benefit Trust.



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)**

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.

	Year Ended June 30, 2014		Year Ended June 30, 2013 (as restated)	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
<b>Governmental Activities</b>				
Instruction	\$ 99,497,671	\$ (87,668,441)	\$ 96,287,120	\$ (80,793,274)
Support services – students and staff	25,400,733	(18,528,881)	24,437,353	(16,692,594)
Support services – administration	19,545,606	(18,920,892)	16,847,819	(16,366,771)
Operation and maintenance of plant services	21,755,307	(20,117,902)	21,464,307	(20,097,113)
Student transportation services	8,921,262	(8,916,601)	10,322,705	(10,144,741)
Operation of non-instructional services	20,672,728	930,657	19,580,110	(1,806,554)
Interest on long-term debt	3,527,782	(3,527,782)	4,451,926	(4,451,926)
<b>Total expenses</b>	<u>199,321,089</u>	<u>(156,749,842)</u>	<u>193,391,340</u>	<u>(150,352,973)</u>
<b>Business-Type Activities</b>				
Private school consortium	813,384	(142,767)	971,139	(192,926)
Alternative Fuel	146,965	3,810	81,577	83,367
<b>Total expenses</b>	<u>960,349</u>	<u>(138,957)</u>	<u>1,052,716</u>	<u>(109,559)</u>
<b>Total</b>	<u>\$ 200,281,438</u>	<u>\$ (156,888,799)</u>	<u>\$ 194,444,056</u>	<u>\$ (150,462,532)</u>

- The cost of all governmental activities this year was \$199.3 million. The cost of all business-type activities this year was \$960,349.
- Federal and State governments and charges for services subsidized certain governmental and business-type programs with grants and contributions and other local revenues of \$43.4 million.
- Net cost of governmental activities of \$156.7 million was financed by general revenues, which are made up of primarily property taxes of \$59.8 million and state and county aid of \$97.3 million.

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Concl'd)**

**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 \$37.8 million, a decrease of \$215,631.

The General Fund comprises 39 percent of the total fund balance. Approximately \$9.7 million, or 26 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$1.5 million to \$14.6 million as of fiscal year end was a result of the utilization of existing cash and budget capacity from previous years to meet one-time obligations not supported by additional revenue. General Fund revenues increased \$7.8 million as a result of an increase in state aid from the conversion of five schools to District sponsored charter schools and an increase in property tax revenues from an increase in property tax rates. General Fund expenditures decreased \$3.2 million.

**Proprietary funds.** Unrestricted net position of the Enterprise Funds and Internal Service Funds at the end of the fiscal year amounted to \$2.2 million and \$5.2 million, respectively. The decrease in net position of 6 percent for the Enterprise Funds can be attributed to the use of existing cash balances to meet current year obligations for private school consortium. The decrease in net position for the Internal Service Funds of \$1.9 million was primarily due to an increase in claims expense.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in the student count. The difference between the original budget and the final amended budget was a \$404,371 increase, or less than 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. There were no significant expenditure variances.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**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 \$366.2 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 \$8.0 million from the prior fiscal year, primarily due to ongoing various school renovation projects. Total depreciation expense for the current fiscal year was \$8.7 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2014 and June 30, 2013.

	Governmental Activities		Business-Type Activities		Total	
	As of	As of	As of	As of	As of	As of
	June 30, 2014	June 30, 2013 (as restated)	June 30, 2014	June 30, 2013 (as restated)	June 30, 2014	June 30, 2013 (as restated)
Capital assets – non-depreciable	\$ 25,406,439	\$ 23,430,710	\$ 81,707	\$	\$ 25,488,146	\$ 23,430,710
Capital assets – depreciable, net	202,235,587	204,770,493	1,332,007	1,422,509	203,567,594	206,193,002
<b>Total</b>	<u>\$227,642,026</u>	<u>\$228,201,203</u>	<u>\$ 1,413,714</u>	<u>\$ 1,422,509</u>	<u>\$229,055,740</u>	<u>\$229,623,712</u>

The estimated cost to complete current construction projects is \$6.7 million.

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

**Debt Administration.** At year end, the District had \$98.5 million in long-term debt outstanding, \$13.6 million due within one year. This represents a net decrease of \$2.2 million.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$159.2 million and the Class B debt limit is \$106.1 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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**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 2014-15 budget. Among them:

- An estimated budget balance carry-forward of \$4.1 million in the Maintenance and Operation budget for the 2014-15 fiscal year.
- An increase in assessed values by 2.16 percent for the 2014 tax year due to the recent activity in the housing and mortgage industries. Projections indicate that the assessed values will continue to slowly increase through fiscal year 2016.
- An increase in the District student population of over two percent. The student population is expected to remain fairly level for the 2014-15 fiscal year. This will allow the District to maintain existing programs without having to reduce staff or other resources.
- A 1.4 percent increase to the base support level that will result in an approximate \$1.4 million increase to the 2014-2015 budget.
- An increase in the number of allowable students to be included in the district sponsored charter school estimated ADM (3,351) which will result in a \$2.6 million increase in additional assistance (approximately \$770 per student).
- The additional revenue of \$0.4 million from the State's Student Success Fund (SSF).
- A two percent increase to employee salaries comprising of two components:
  - A one percent permanent salary increase, which is the first increase granted to employees in the past five years.
  - Utilization of unexpended budget balance carry-forward for an additional one-time compensation to be awarded to continuing employees, which is equivalent to approximately one percent of employee salaries.
- Contribution requirements for the Arizona State Retirement System will increase costs by 0.5 percent.
- Employee health insurance costs will remain constant.
- Continued reductions in capital funding to school districts by the State Legislature for fiscal year 2014-2015.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES (Concl'd)**

- Continued commitment to provide full-day kindergarten. The State Legislature eliminated the funding for full-day kindergarten beginning in fiscal year 2010-2011 and discontinued the weight for kindergarten students when calculating overrides in 2013-2014.
- 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.

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 4 percent to \$136.8 million in fiscal year 2014-15. The increase in the budget is primarily due to increases in the base support level and to district additional assistance. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2014-15 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, 2014**

	Governmental Activities	Business-type Activities	Total
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 54,786,731	\$ 838,124	\$ 55,624,855
Cash and investments - restricted	3,865,402		3,865,402
Property taxes receivable	5,780,037		5,780,037
Accounts receivable	300,673		300,673
Due from governmental entities	31,767,237	45,740	31,812,977
Prepaid items	83,405		83,405
Inventory	793,223		793,223
Total current assets	97,376,708	883,864	98,260,572
Noncurrent assets:			
Other postemployment benefit	1,567,313		1,567,313
Land	4,411,347		4,411,347
Land improvements	23,016,696	943,523	23,960,219
Buildings and improvements	277,270,518	60,774	277,331,292
Vehicles, furniture and equipment	38,698,406	690,780	39,389,186
Construction in progress	20,995,092	81,707	21,076,799
Accumulated depreciation	(136,750,033)	(363,070)	(137,113,103)
Total noncurrent assets	229,209,339	1,413,714	230,623,053
<b>Total assets</b>	<b>326,586,047</b>	<b>2,297,578</b>	<b>328,883,625</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred charge on refunding	497,852		497,852
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	5,247,286	97,229	5,344,515
Credit line payable	13,065,000		13,065,000
Claims payable	3,394,388		3,394,388
Compensated absences payable	689,866		689,866
Accrued interest payable	1,881,084		1,881,084
Unearned revenues	108,940		108,940
Obligations under capital leases	811,124		811,124
Bonds payable	12,775,000		12,775,000
Tax anticipation notes payable	12,000,000		12,000,000
Total current liabilities	49,972,688	97,229	50,069,917
Noncurrent liabilities:			
Non-current portion of long-term obligations	86,163,800		86,163,800
Total noncurrent liabilities	86,163,800		86,163,800
<b>Total liabilities</b>	<b>136,136,488</b>	<b>97,229</b>	<b>136,233,717</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	140,651,648	1,413,714	142,065,362
Restricted for:			
Voter approved initiatives	1,805,555		1,805,555
Federal and state projects	866,477		866,477
Food service	8,221,335		8,221,335
Community school	1,193,575		1,193,575
Extracurricular activities	733,503		733,503
Other local initiatives	717,814		717,814
Debt service	5,062,560		5,062,560
Capital outlay	4,521,117		4,521,117
Unrestricted	27,173,827	786,635	27,960,462
<b>Total net position</b>	<b>\$ 190,947,411</b>	<b>\$ 2,200,349</b>	<b>\$ 193,147,760</b>

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, 2014**

<b>Functions/Programs</b>	Program Revenues				Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
<b>Primary Government</b>					
Governmental activities:					
Instruction	\$ 99,497,671	\$ 755,459	\$ 10,967,500	\$ 106,271	\$ (87,668,441)
Support services - students and staff	25,400,733		6,871,852		(18,528,881)
Support services - administration	19,545,606		624,714		(18,920,892)
Operation and maintenance of plant services	21,755,307	98,498	1,538,907		(20,117,902)
Student transportation services	8,921,262	4,661			(8,916,601)
Operation of non-instructional services	20,672,728	3,986,380	17,617,005		930,657
Interest on long-term debt	3,527,782				(3,527,782)
Total governmental activities	<u>199,321,089</u>	<u>4,844,998</u>	<u>37,619,978</u>	<u>106,271</u>	<u>(156,749,842)</u>
Business-type activities:					
Private school consortium	813,384	670,617			
Alternative fuel	146,965	150,775			
Total business-type activities	<u>960,349</u>	<u>821,392</u>			
<b>Total primary government</b>	<u>\$ 200,281,438</u>	<u>\$ 5,666,390</u>	<u>\$ 37,619,978</u>	<u>\$ 106,271</u>	<u>(156,749,842)</u>
<b>General revenues:</b>					
Taxes:					
					41,086,061
					16,105,036
					2,569,357
					360,314
					8,061,126
					89,230,772
					973,139
					<u>158,385,805</u>
					1,635,963
					<u>189,311,448</u>
					<u>\$ 190,947,411</u>

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
\$	\$ (87,668,441)
	(18,528,881)
	(18,920,892)
	(20,117,902)
	(8,916,601)
	930,657
	<u>(3,527,782)</u>
	<u>(156,749,842)</u>
	(142,767)
	(142,767)
	3,810
	3,810
	<u>(138,957)</u>
	<u>(138,957)</u>
	<u>(156,888,799)</u>
	41,086,061
	16,105,036
	2,569,357
3,182	363,496
	8,061,126
	89,230,772
	973,139
	<u>158,388,987</u>
<u>3,182</u>	<u>158,388,987</u>
	(135,775)
	1,500,188
	2,336,124
	<u>191,647,572</u>
<u>\$ 2,200,349</u>	<u>\$ 193,147,760</u>

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**FUND FINANCIAL STATEMENTS**

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	General	Debt Service	Non-Major Governmental Funds
<b><u>ASSETS</u></b>			
Cash and investments	\$ 11,920,190	\$ 15,381,518	\$ 19,316,651
Cash and investments - restricted		3,865,402	
Property taxes receivable	5,383,193	396,844	
Accounts receivable	38,207		81,427
Due from governmental entities	28,362,402		3,404,835
Due from other funds	1,931,180		
Inventory	672,748		120,475
<b>Total assets</b>	<b>\$ 48,307,920</b>	<b>\$ 19,643,764</b>	<b>\$ 22,923,388</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 3,109,272	\$	\$ 2,091,556
Credit line payable	13,065,000		
Due to other funds			1,931,180
Accrued interest payable	74,880		
Unearned revenues			108,940
Bonds payable		12,775,000	
Bond interest payable		1,806,204	
Tax anticipation notes payable	12,000,000		
<b>Total liabilities</b>	<b>28,249,152</b>	<b>14,581,204</b>	<b>4,131,676</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	4,992,734	252,420	
Unavailable revenues - intergovernmental	464,882		333,576
Unavailable revenues - other	38,207		29,606
<b>Total deferred inflows of resources</b>	<b>5,495,823</b>	<b>252,420</b>	<b>363,182</b>
Fund balances:			
Nonspendable	672,748		120,475
Restricted	4,142,611	4,810,140	18,308,055
Unassigned	9,747,586		
<b>Total fund balances</b>	<b>14,562,945</b>	<b>4,810,140</b>	<b>18,428,530</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 48,307,920</b>	 <b>\$ 19,643,764</b>	 <b>\$ 22,923,388</b>

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

Total  
Governmental  
Funds

\$ 46,618,359  
3,865,402  
5,780,037  
119,634  
31,767,237  
1,931,180  
793,223  
\$ 90,875,072

\$ 5,200,828  
13,065,000  
1,931,180  
74,880  
108,940  
12,775,000  
1,806,204  
12,000,000  
46,962,032

5,245,154  
798,458  
67,813  
6,111,425

793,223  
27,260,806  
9,747,586  
37,801,615

\$ 90,875,072



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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, 2014**

**Total governmental fund balances** **\$ 37,801,615**

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	\$ 363,593,943	
Less accumulated depreciation	<u>(136,190,391)</u>	227,403,552

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

Property taxes	5,245,154	
Intergovernmental	798,458	
Other	<u>67,813</u>	6,111,425

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. 497,852

The Internal Service Funds are used by management to charge the cost of insurance and printing fees to the individual funds. The assets and liabilities of the Internal Service Funds are included in the Statement of Net Position. 5,230,444

Other postemployment benefits (OPEB) contributions net of the OPEB liability recognized to date, are not current financial resources and, therefore are not reported in the funds. 1,567,313

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

Compensated absences payable	(1,949,046)	
Obligations under capital leases	(7,619,154)	
Bonds payable	<u>(78,096,590)</u>	<u>(87,664,790)</u>

**Net position of governmental activities** **\$ 190,947,411**

**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, 2014**

	General	Debt Service	Non-Major Governmental Funds
<b>Revenues:</b>			
Other local	\$ 9,290,505	\$ 161,211	\$ 4,635,237
Property taxes	42,817,463	16,186,012	1,436
State aid and grants	80,526,567		9,508,946
Federal aid, grants and reimbursements	508,257		35,726,909
<b>Total revenues</b>	133,142,792	16,347,223	49,872,528
<b>Expenditures:</b>			
Current -			
Instruction	75,743,405		17,973,713
Support services - students and staff	16,951,265		7,083,485
Support services - administration	14,972,344		564,172
Operation and maintenance of plant services	17,522,340		859,107
Student transportation services	7,440,631		160,642
Operation of non-instructional services	381,188		19,428,104
Capital outlay	2,246,973		12,175,479
Debt service -			
Principal retirement	524,276	12,775,000	
Interest and fiscal charges	53,519	3,626,987	
Bond issuance costs			24,100
<b>Total expenditures</b>	135,835,941	16,401,987	58,268,802
<b>Excess (deficiency) of revenues over expenditures</b>	(2,693,149)	(54,764)	(8,396,274)
<b>Other financing sources (uses):</b>			
Transfers in	1,350,285	12,134	260,000
Transfers out	(260,000)		(1,362,419)
Capital lease agreements			5,864,900
Issuance of school improvement bonds			5,000,000
<b>Total other financing sources (uses):</b>	1,090,285	12,134	9,762,481
<b>Changes in fund balances</b>	(1,602,864)	(42,630)	1,366,207
<b>Fund balances, beginning of year, as restated</b>	16,099,212	4,852,770	17,065,264
Increase (decrease) in reserve for inventory	66,597		(2,941)
<b>Fund balances, end of year</b>	\$ 14,562,945	\$ 4,810,140	\$ 18,428,530

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

Total  
Governmental  
Funds

\$ 14,086,953  
59,004,911  
90,035,513  
36,235,166  
199,362,543

93,717,118  
24,034,750  
15,536,516  
18,381,447  
7,601,273  
19,809,292  
14,422,452

13,299,276  
3,680,506  
24,100  
210,506,730

(11,144,187)

1,622,419  
(1,622,419)  
5,864,900  
5,000,000  
10,864,900

(279,287)

38,017,246

63,656

\$ 37,801,615

**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, 2014**

**Net changes in fund balances - total governmental funds** **\$ (215,631)**

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	\$ 8,117,800	
Less current year depreciation	<u>(8,529,388)</u>	(411,588)

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	(5,000,000)	
Obligations under capital leases	<u>(5,864,900)</u>	(10,864,900)

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

Property taxes	755,543	
Intergovernmental	798,458	
Other	<u>10,527</u>	1,564,528

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	524,276	
Bond principal retirement	<u>12,775,000</u>	13,299,276

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	(73,252)	
Loss on disposal of assets	(84,060)	
Amortization of deferred bond items	152,724	
Compensated absences	<u>154,732</u>	150,144

The Internal Service Funds are used by management to charge the cost of insurance and printing fees to the individual funds. The changes in net position of the Internal Service Funds are reported with governmental activities in the Statement of Activities.

(1,885,866)

**Changes in net position in governmental activities** **\$ 1,635,963**

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2014**

	<u>Enterprise Funds</u>	<u>Governmental Activities: Internal Service Funds</u>
	<u>Non-Major Enterprise Funds</u>	
<b><u>ASSETS</u></b>		
Current assets:		
Cash and investments	\$ 838,124	\$ 8,168,372
Accounts receivable		181,039
Due from governmental entities	45,740	
Prepaid items		83,405
Total current assets	883,864	8,432,816
Noncurrent assets:		
Land improvements	943,523	
Buildings and improvements	60,774	
Vehicles, furniture and equipment	690,780	798,116
Construction in progress	81,707	
Accumulated depreciation	(363,070)	(559,642)
Total noncurrent assets	1,413,714	238,474
<b>Total assets</b>	<b>2,297,578</b>	<b>8,671,290</b>
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Accounts payable	97,229	46,458
Claims payable		3,394,388
Total current liabilities	97,229	3,440,846
<b>Total liabilities</b>	<b>97,229</b>	<b>3,440,846</b>
<b><u>NET POSITION</u></b>		
Net investment in capital assets	1,413,714	238,474
Unrestricted	786,635	4,991,970
<b>Total net position</b>	<b>\$ 2,200,349</b>	<b>\$ 5,230,444</b>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Enterprise Funds</u>	<u>Governmental Activities: Internal Service Funds</u>
	<u>Non-Major Enterprise Funds</u>	
<b>Operating revenues:</b>		
Contributions	\$	\$ 19,004,379
Charges for services	821,392	342,097
<b>Total operating revenues</b>	<u>821,392</u>	<u>19,346,476</u>
<b>Operating expenses:</b>		
Claims		17,507,137
Premiums		1,366,143
Administrative and other		1,957,095
Cost of services	863,759	368,419
Depreciation	96,590	63,529
<b>Total operating expenses</b>	<u>960,349</u>	<u>21,262,323</u>
<b>Operating income (loss)</b>	<u>(138,957)</u>	<u>(1,915,847)</u>
<b>Nonoperating revenues (expenses):</b>		
Investment income	3,182	29,981
<b>Total nonoperating revenues (expenses)</b>	<u>3,182</u>	<u>29,981</u>
<b>Changes in net position</b>	<u>(135,775)</u>	<u>(1,885,866)</u>
<b>Total net position, beginning of year, as restated</b>	2,336,124	7,116,310
<b>Total net position, end of year</b>	<u>\$ 2,200,349</u>	<u>\$ 5,230,444</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, 2014**

	<b>Enterprise Funds</b>	<b>Governmental Activities: Internal Service Funds</b>
<b><u>Decrease in Cash and Cash Equivalents</u></b>	<b>Non-Major Enterprise Funds</b>	
<b>Cash flows from operating activities:</b>		
Cash received from contributions	\$	\$ 18,823,340
Cash received for services	775,652	342,097
Cash payments to suppliers for goods and services	(766,530)	(3,794,741)
Cash payments for claims		(17,085,987)
<b>Net cash provided by/(used for) operating activities</b>	9,122	(1,715,291)
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of capital assets	(87,795)	
<b>Net cash used for capital and related financing activities</b>	(87,795)	
<b>Cash flows from investing activities:</b>		
Investment income	3,182	29,981
<b>Net cash provided by investing activities</b>	3,182	29,981
<b>Net decrease in cash and cash equivalents</b>	(75,491)	(1,685,310)
<b>Cash and cash equivalents, beginning of year</b>	913,615	9,853,682
<b>Cash and cash equivalents, end of year</b>	\$ 838,124	\$ 8,168,372
<b><u>Reconciliation of Operating Loss to Net Cash Provided by/(Used for) Operating Activities</u></b>		
<b>Operating loss</b>	\$ (138,957)	\$ (1,915,847)
Adjustments to reconcile operating loss to net cash provided by/(used for) operating activities:		
Depreciation	96,590	63,529
Changes in assets and liabilities:		
Increase in accounts receivable		(169,009)
Increase in due from governmental entities	(45,740)	
Increase in prepaid items		(83,405)
Increase/(decrease) in accounts payable	97,229	(19,679)
Increase in claims payable		421,150
Decrease in unearned revenue		(12,030)
<b>Total adjustments</b>	148,079	200,556
<b>Net cash provided by/(used for) operating activities</b>	\$ 9,122	\$ (1,715,291)



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2014**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 268,326
<b>Total assets</b>	<b>\$ 268,326</b>
 <b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 111,649
Due to student groups	156,677
<b>Total liabilities</b>	<b>\$ 268,326</b>

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, 2014**

**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.

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, athletic functions, and sponsorship of five charter schools.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**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 provides services entirely to the District and therefore has been included as an Internal Service Fund 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, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**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, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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 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.

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.

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.

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 a single column.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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.

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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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.

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.

**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**

Property tax levies are calculated by applying tax rates against both the primary assessed valuation and the secondary assessed valuation. Primary and secondary valuation categories are composed of the exact same properties. However, the primary category limits the increase in property values to 10% from the previous year, while there is no limit to the increase in property values for secondary valuation. Override and debt service tax rates are applied to the secondary assessed valuation and all other tax rates are applied to the primary assessed valuation.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

The County levies real property taxes on or before the third Monday in August, which 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. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

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.

**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.



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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.

**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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**M. 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, as well as the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

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

**N. 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.

**O. 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.

**P. 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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)**

**Q. New Accounting Pronouncement**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* will be effective for the District's June 30, 2015 fiscal year end. This Statement replaces the requirements of prior GASB standards for pensions accounting and reporting. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. Each employer participating in a multiple-employer defined benefit pension plan will be required to record a liability representing their "proportionate share" of the plan's total net pension liability. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

***Nonspendable.*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact.

***Restricted.*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

***Committed.*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. 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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)**

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

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

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:			
Nonspendable:			
Inventory	\$ 672,748	\$	\$ 120,475
Restricted:			
Debt service		4,810,140	
Capital projects	3,757,151		380,824
Bond building projects			5,137,614
Voter approved initiatives			1,805,555
Federal and State projects			532,901
Food service			8,191,729
Civic center			237,810
Community school			1,193,575
Extracurricular activities			733,503
Gifts and donations	385,460		
Other purposes			94,544
Unassigned	9,747,586		
Total fund balances	<u>\$ 14,562,945</u>	<u>\$ 4,810,140</u>	<u>\$ 18,428,530</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

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

**NOTE 4 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$1,581,327 and the bank balance was \$2,061,312. At year end, \$1,811,312 of the District’s deposits were covered by collateral held by the pledging financial institution in the District’s name. Additionally, the District had \$1,540 of cash on hand at year end.

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.

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

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value</u>
U.S. Treasuries	8/1/2016	\$ 3,865,402
County Treasurer’s investment pool	374 days	54,310,314
Total		<u>\$ 58,175,716</u>

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

*Credit Risk.* The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool 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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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, non-major governmental funds, and non-major enterprise funds in the aggregate were as follows.

	General Fund	Non-Major Governmental Funds	Non-Major Enterprise Funds
Due from other governmental entities:			
Due from Federal government	\$ 537,221	\$ 3,014,047	\$
Due from State government	27,825,181	390,788	
Due from other districts			45,740
Net due from governmental entities	\$ 28,362,402	\$ 3,404,835	\$ 45,740

**NOTE 6 – CAPITAL ASSETS**

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

	Beginning Balance (as restated)	Increase	Decrease	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 4,411,347	\$	\$	\$ 4,411,347
Construction in progress	19,019,363	4,605,650	2,629,921	20,995,092
Total capital assets, not being depreciated	23,430,710	4,605,650	2,629,921	25,406,439
Capital assets, being depreciated:				
Land improvements	20,505,706	2,510,990		23,016,696
Buildings and improvements	275,006,923	2,263,595		277,270,518
Vehicles, furniture and equipment	37,527,643	1,367,486	196,723	38,698,406
Total capital assets being depreciated	333,040,272	6,142,071	196,723	338,985,620
Less accumulated depreciation for:				
Land improvements	(9,360,290)	(1,005,548)		(10,365,838)
Buildings and improvements	(98,862,751)	(5,058,137)		(103,920,888)
Vehicles, furniture and equipment	(20,046,738)	(2,529,232)	(112,663)	(22,463,307)
Total accumulated depreciation	(128,269,779)	(8,592,917)	(112,663)	(136,750,033)
Total capital assets, being depreciated, net	204,770,493	(2,450,846)	84,060	202,235,587
Governmental activities capital assets, net	\$ 228,201,203	\$ 2,154,804	\$ 2,713,981	\$ 227,642,026

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 6 – CAPITAL ASSETS (Concl'd)**

<u>Business-Type Activities</u>	<u>Beginning Balance (as restated)</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in progress	\$	\$ 81,707	\$	\$ 81,707
Total capital assets, not being depreciated		81,707		81,707
Capital assets, being depreciated:				
Land improvements	943,523			943,523
Buildings and improvements	60,774			60,774
Vehicles, furniture and equipment	684,692	6,088		690,780
Total capital assets being depreciated	1,688,989	6,088		1,695,077
Less accumulated depreciation for:				
Land improvements	(51,108)	(47,176)		(98,284)
Buildings and improvements	(11,476)	(2,020)		(13,496)
Vehicles, furniture and equipment	(203,896)	(47,394)		(251,290)
Total accumulated depreciation	(266,480)	(96,590)		(363,070)
Total capital assets, being depreciated, net	1,422,509	(90,502)		1,332,007
Business-type activities capital assets, net	\$ 1,422,509	\$ (8,795)	\$	\$ 1,413,714

Depreciation expense was charged to functions/programs as follows.

Governmental activities:

Instruction	\$ 3,359,800
Support services – students and staff	28,035
Support services – administration	1,427,700
Operation and maintenance of plant services	2,818,534
Student transportation services	718,994
Operation of non-instructional services	239,854
Total depreciation expense	<u>\$ 8,592,917</u>

Business-type activities:

Private school consortium	\$ 46,268
Alternative fuel	50,322
Total depreciation expense	<u>\$ 96,590</u>

**Construction Commitments** – At year end, the District had contractual commitments related to various capital projects. At year end the District had spent \$21.1 million on the projects and had estimated remaining contractual commitments of \$6.7 million. These projects are being funded with bond proceeds, property taxes levied for capital purposes and charges to external parties for alternative fuel.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 7 – SHORT TERM DEBT**

Tax Anticipation Notes - In July 2013, 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 2014. Short-term debt activity for the current fiscal year was as follows.

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation notes	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000

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	\$16,313,000	\$25,868,000	\$29,116,000	\$13,065,000

**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.

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

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 2,425,706
Less: Accumulated depreciation	611,644
Total	\$ 1,814,062



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES (Concl'd)**

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:	<u>Governmental Activities</u>
2015	\$ 1,099,450
2016	965,344
2017	965,344
2018	965,344
2019	521,655
2020-24	2,608,275
2025-29	<u>2,608,278</u>
Total minimum lease payments	9,733,690
Less: amount representing interest	<u>2,114,536</u>
Present value of minimum lease payments	<u>\$ 7,619,154</u>
Due within one year	<u>\$ 811,124</u>

**NOTE 9 – BONDS PAYABLE**

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$30,000,000 remains unissued. The bonds are noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 9 – BONDS PAYABLE (Concl'd)**

Principal requirements at year end, were as follows.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2014	Due Within One Year
<b>Governmental activities:</b>					
Refunding Bonds, Series 2002	\$ 24,175,000	5.375%	7/1/14-16	\$ 14,600,000	\$ 4,600,000
Refunding Bonds, Series 2002	23,270,000	5.375%	7/1/14-15	5,600,000	4,100,000
School Improvement Bonds, Project 2001, Series B	18,000,000	3.6-5.0%	7/1/14-17	10,350,000	875,000
Refunding Bonds, Series 2004	35,030,000	5.0-5.25%	7/1/14-17	15,425,000	2,250,000
School Improvement Bonds, QZAB	3,920,000	0.0%	8/1/16	3,920,000	
School Improvement Bonds, Project 2001, Series C	11,640,000	4.125%	7/1/14-17	4,275,000	950,000
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	
Total				<u>\$ 89,170,000</u>	<u>\$ 12,775,000</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
2015	\$ 12,775,000	\$ 3,335,668
2016	13,310,000	2,700,920
2017	17,820,000	2,008,993
2018	12,265,000	1,388,309
2019	5,840,000	1,054,826
2020-24	15,960,000	3,333,589
2025-27	11,200,000	512,700
Total	<u>\$ 89,170,000</u>	<u>\$ 14,335,005</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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
<b>Governmental activities:</b>					
Bonds payable	\$ 96,395,000	\$ 5,000,000	\$ 12,225,000	\$ 89,170,000	\$ 12,775,000
Premium	2,020,265		318,675	1,701,590	
Total bonds payable	<u>98,415,265</u>	<u>5,000,000</u>	<u>12,543,675</u>	<u>90,871,590</u>	<u>12,775,000</u>
Obligations under capital leases	2,278,530	5,864,900	524,276	7,619,154	811,124
Compensated absences payable	2,103,778	1,261,458	1,416,190	1,949,046	689,866
Governmental activity long-term liabilities	<u>\$ 102,797,573</u>	<u>\$ 12,126,358</u>	<u>\$ 14,484,141</u>	<u>\$ 100,439,790</u>	<u>\$ 14,275,990</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 \$1,931,180. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

	Transfers in			Total
	General Fund	Debt Service Fund	Non-Major Governmental Funds	
Transfers out				
General Fund	\$	\$	\$ 260,000	\$ 260,000
Non-Major Governmental Funds	<u>1,350,285</u>	<u>12,134</u>		<u>1,362,419</u>
Total	<u>\$ 1,350,285</u>	<u>\$ 12,134</u>	<u>\$ 260,000</u>	<u>\$1,622,419</u>

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund, a non-major governmental 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).

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**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 – PRIOR PERIOD ADJUSTMENTS**

The July 1, 2013, government-wide net position and the fund balance of the General Fund do not agree to the prior year financial statements due to the reclassification of the Private School Consortium and Alternative Fuel Funds as enterprise funds and for the reclassification of the associated capital assets as business-type activities.

	Statement of Activities		Governmental Funds
	Governmental Activities	Business-type Activities	General Fund
Net position/fund balance, June 30, 2013, as previously reported	\$ 191,647,572	\$	\$ 17,012,827
Activity previously reported as governmental activities	(913,615)	913,615	(913,615)
Net capital assets previously reported as governmental activities	(1,422,509)	1,422,509	
Net position/fund balance, July 1, 2013, as restated	\$ 189,311,448	\$ 2,336,124	\$ 16,099,212

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 13 – PRIOR PERIOD ADJUSTMENTS (Concl'd)**

Additionally, the July 1, 2013 proprietary fund net position for the internal service funds do not agree to the prior year financial statements due to the correction of an error. Capital assets associated with the District's print shop were not reported in the internal service fund.

	Internal Service Funds
Total net position, June 30, 2013, as previously reported	\$ 6,814,307
Net capital assets reclassification	302,003
Total net position, July 1, 2013, as previously reported	\$ 7,116,310

**NOTE 14 – RISK MANAGEMENT**

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

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 \$350,000 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. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 14 – RISK MANAGEMENT (Concl'd)**

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.

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

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
<u>Employee Benefit Trust</u>				
2013-14	\$ 1,646,000	\$ 16,171,740	\$ 15,739,740	\$ 2,078,000
2012-13	1,434,000	14,019,835	13,807,835	1,646,000
<u>Workers' Compensation</u>				
2013-14	854,724	980,637	698,958	1,136,403
2012-13	1,031,692	434,160	611,128	854,724
<u>Property and Casualty Insurance</u>				
2013-14	472,514	354,760	647,289	179,985
2012-13	258,561	495,928	281,975	472,514
<u>Total</u>				
2013-14	2,973,238	17,507,137	17,085,987	3,394,388
2012-13	2,724,253	14,949,923	14,700,938	2,973,238

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The District contributes to the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

**Plan Description** – Benefits are established by state statute and the plan generally provides retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The ASRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778. The report is also available on the ASRS' website at [www.azasrs.gov](http://www.azasrs.gov).

**Funding Policy** – The Arizona State Legislature establishes and may amend active plan members' and the District's contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.30 percent for retirement and 0.24 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 11.54 percent (10.70 percent for retirement, 0.60 percent for health insurance premium, and 0.24 percent for long-term disability) of the members' annual covered payroll.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)**

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

	<u>Retirement Fund</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
Year ending June 30:			
2014	\$11,394,526	\$ 638,945	\$ 255,578
2013	10,864,187	688,948	254,381
2012	9,525,821	608,031	231,631

**NOTE 16 – 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 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.

	<u>Participants</u>
Retired employees	<u>76</u>
Total	<u>76</u>



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN**  
**(Cont'd)**

**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, 2014, the District reimbursed no more than \$579.67 per month. The expenditures are recorded on a reimbursement basis. During the year ended June 30, 2014, the District contributed \$383,416 for all eligible retirees. Generally, resources from the General Fund are used to pay for postemployment benefits.

**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. 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 (benefit).

Annual required contribution	\$	212,423
Interest on net OPEB obligation		(73,825)
Adjustment to annual required contribution		318,070
Annual OPEB cost (expense)		456,668
Contributions made		383,416
Increase in net OPEB obligation		73,252
Net OPEB obligation – beginning of year		(1,640,565)
Net OPEB obligation (benefit) – end of year	\$	(1,567,313)

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, 2014 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, 2014	\$ 456,668	\$ 383,416	84%	\$ 1,567,313
June 30, 2013	440,970	489,350	111%	1,640,565
June 30, 2012	503,573	624,973	124%	1,592,185

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN**  
**(Cont'd)**

**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 actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Amounts determined and the funded status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about 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	June 30, 2013
Actuarial cost method	Entry age normal
Amortization method for actuarial accrued liabilities	Closed 10-year Level Dollar Amortization
Remaining amortization period	5 years as of June 30, 2014
Interest rate	4.5%
Projected salary increases	N/A
Health care cost trend rate:	
Medical and Prescription Drug	5.50-8.50%
Retiree contribution increase	Consistent with medical/drug trends
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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN**  
**(Concl'd)**

**Schedule of Funding Progress** – The following schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Unfunded AAL (UAAL) (b- a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-1)/c)
2013	-0-	\$ 1,048,467	\$ 1,048,467	0%	N/A	N/A
2011	-0-	2,189,658	2,189,658	0%	N/A	N/A
2009	-0-	3,063,383	3,063,383	0%	N/A	N/A

**NOTE 17 – SUBSEQUENT EVENT**

In July 2014, the District issued \$10.0 million of tax anticipation notes in advance of property tax collections, depositing the proceeds in its General Fund.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – BUDGET AND ACTUAL  
(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, 2014**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$ 7,994,782	\$ 7,994,782	\$ 8,201,327	\$ 206,545
Property taxes	45,008,100	45,008,100	40,543,204	(4,464,896)
State aid and grants	78,809,865	78,809,865	80,252,862	1,442,997
<b>Total revenues</b>	<u>131,812,747</u>	<u>131,812,747</u>	<u>128,997,393</u>	<u>(2,815,354)</u>
<b>Expenditures:</b>				
Current -				
Instruction	75,726,748	74,430,236	73,468,149	962,087
Support services - students and staff	15,862,907	16,562,003	15,849,138	712,865
Support services - administration	13,283,865	14,216,440	13,665,122	551,318
Operation and maintenance of plant services	18,499,638	18,306,591	17,390,372	916,219
Student transportation services	7,551,731	7,803,990	7,371,157	432,833
Operation of non-instructional services	302,706	312,706	380,708	(68,002)
<b>Total expenditures</b>	<u>131,227,595</u>	<u>131,631,966</u>	<u>128,124,646</u>	<u>3,507,320</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>585,152</u>	<u>180,781</u>	<u>872,747</u>	<u>691,966</u>
<b>Other financing sources (uses):</b>				
Transfers in	12,000,000	12,000,000	1,702	(11,998,298)
Transfers out	(12,000,000)	(12,000,000)	(370,000)	11,630,000
<b>Total other financing sources (uses):</b>	<u></u>	<u></u>	<u>(368,298)</u>	<u>(368,298)</u>
<b>Changes in fund balances</b>	<u>585,152</u>	<u>180,781</u>	<u>504,449</u>	<u>323,668</u>
<b>Fund balances, beginning of year, as restated</b>	2,813,096	2,813,096	5,649,624	2,836,528
Increase (decrease) in reserve for inventory			66,597	66,597
<b>Fund balances, end of year</b>	<u>\$ 3,398,248</u>	<u>\$ 2,993,877</u>	<u>\$ 6,220,670</u>	<u>\$ 3,226,793</u>

See accompanying notes to this schedule.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2014**

**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.

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 135,835,941	\$ 14,562,945
Activity budgeted as special revenue funds	(3,593,548)	(4,585,124)
Activity budgeted as capital projects funds	<u>(4,117,747)</u>	<u>(3,757,151)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 128,124,646</u>	<u>\$ 6,220,670</u>

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**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, 2014**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 12,192,995	\$ 7,123,656	\$ 19,316,651
Accounts receivable	29,606	51,821	81,427
Due from governmental entities	3,404,835		3,404,835
Inventory	120,475		120,475
<b>Total assets</b>	<b><u><u>\$ 15,747,911</u></u></b>	<b><u><u>\$ 7,175,477</u></u></b>	<b><u><u>\$ 22,923,388</u></u></b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 434,517	\$ 1,657,039	\$ 2,091,556
Due to other funds	1,931,180		1,931,180
Unearned revenues	108,940		108,940
<b>Total liabilities</b>	<b><u><u>2,474,637</u></u></b>	<b><u><u>1,657,039</u></u></b>	<b><u><u>4,131,676</u></u></b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	333,576		333,576
Unavailable revenues - other	29,606		29,606
<b>Total deferred inflows of resources</b>	<b><u><u>363,182</u></u></b>		<b><u><u>363,182</u></u></b>
Fund balances:			
Nonspendable	120,475		120,475
Restricted	12,789,617	5,518,438	18,308,055
<b>Total fund balances</b>	<b><u><u>12,910,092</u></u></b>	<b><u><u>5,518,438</u></u></b>	<b><u><u>18,428,530</u></u></b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b><u><u>\$ 15,747,911</u></u></b>	 <b><u><u>\$ 7,175,477</u></u></b>	 <b><u><u>\$ 22,923,388</u></u></b>

**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, 2014**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 4,525,634	\$ 109,603	\$ 4,635,237
Property taxes		1,436	1,436
State aid and grants	9,508,946		9,508,946
Federal aid, grants and reimbursements	<u>35,726,909</u>		<u>35,726,909</u>
<b>Total revenues</b>	<u>49,761,489</u>	<u>111,039</u>	<u>49,872,528</u>
<b>Expenditures:</b>			
Current -			
Instruction	17,973,713		17,973,713
Support services - students and staff	7,083,485		7,083,485
Support services - administration	564,172		564,172
Operation and maintenance of plant services	834,684	24,423	859,107
Student transportation services	160,642		160,642
Operation of non-instructional services	19,428,104		19,428,104
Capital outlay	190,006	11,985,473	12,175,479
Debt service -			
Bond issuance costs		24,100	24,100
<b>Total expenditures</b>	<u>46,234,806</u>	<u>12,033,996</u>	<u>58,268,802</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>3,526,683</u>	<u>(11,922,957)</u>	<u>(8,396,274)</u>
<b>Other financing sources (uses):</b>			
Transfers in		260,000	260,000
Transfers out	(1,350,285)	(12,134)	(1,362,419)
Capital lease agreements		5,864,900	5,864,900
Issuance of school improvement bonds		<u>5,000,000</u>	<u>5,000,000</u>
<b>Total other financing sources (uses):</b>	<u>(1,350,285)</u>	<u>11,112,766</u>	<u>9,762,481</u>
<b>Changes in fund balances</b>	<u>2,176,398</u>	<u>(810,191)</u>	<u>1,366,207</u>
<b>Fund balances, beginning of year</b>	10,736,635	6,328,629	17,065,264
Increase (decrease) in reserve for inventory	(2,941)		(2,941)
<b>Fund balances, end of year</b>	<u>\$ 12,910,092</u>	<u>\$ 5,518,438</u>	<u>\$ 18,428,530</u>

## **SPECIAL REVENUE FUNDS**

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

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

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

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

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

**Title IV Grants** - to account for financial assistance received for 21<sup>st</sup> 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.

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

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

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

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

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

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

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

**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 - ALL SPECIAL REVENUE FUNDS  
JUNE 30, 2014**

	Classroom Site	Instructional Improvement	Title I Grants
<b><u>ASSETS</u></b>			
Cash and investments	\$ 801,625	\$ 613,142	\$
Accounts receivable			
Due from governmental entities		390,788	634,723
Inventory			
<b>Total assets</b>	<b>\$ 801,625</b>	<b>\$ 1,003,930</b>	<b>\$ 634,723</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 93,250
Due to other funds			541,473
Unearned revenues			
<b>Total liabilities</b>			<b>634,723</b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Unavailable revenues - other			
<b>Total deferred inflows of resources</b>			
Fund balances:			
Nonspendable			
Restricted	801,625	1,003,930	
<b>Total fund balances</b>	<b>801,625</b>	<b>1,003,930</b>	
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 801,625</b>	 <b>\$ 1,003,930</b>	 <b>\$ 634,723</b>

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Homeless Education</u>
\$	\$	\$	\$	\$	\$
100,454	526,188	156,928	19,958	70,347	16,493
<u>\$ 100,454</u>	<u>\$ 526,188</u>	<u>\$ 156,928</u>	<u>\$ 19,958</u>	<u>\$ 70,347</u>	<u>\$ 16,493</u>
\$	\$	\$	\$	\$	\$
100,454	66,190 459,998	17,890 139,038	19,958	70,347	16,493
<u>100,454</u>	<u>526,188</u>	<u>156,928</u>	<u>19,958</u>	<u>70,347</u>	<u>16,493</u>
<u>\$ 100,454</u>	<u>\$ 526,188</u>	<u>\$ 156,928</u>	<u>\$ 19,958</u>	<u>\$ 70,347</u>	<u>\$ 16,493</u>

(Continued)



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS  
JUNE 30, 2014**

	<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>Other State Projects</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 442,072	\$	\$ 55,194
Accounts receivable			
Due from governmental entities	403,569	689,972	50,023
Inventory			
<b>Total assets</b>	<u>\$ 845,641</u>	<u>\$ 689,972</u>	<u>\$ 105,217</u>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 85,717	\$ 44,840
Due to other funds		583,419	
Unearned revenues			60,377
<b>Total liabilities</b>		<u>669,136</u>	<u>105,217</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	333,576		
Unavailable revenues - other			
<b>Total deferred inflows of resources</b>	<u>333,576</u>		
Fund balances:			
Nonspendable			
Restricted	512,065	20,836	
<b>Total fund balances</b>	<u>512,065</u>	<u>20,836</u>	
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <u>\$ 845,641</u>	 <u>\$ 689,972</u>	 <u>\$ 105,217</u>

<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 7,962,981	\$ 237,810	\$ 1,236,829	\$ 748,798	\$ 45,179	\$ 42,255
29,606					
345,392					
120,475					
<u>\$ 8,458,454</u>	<u>\$ 237,810</u>	<u>\$ 1,236,829</u>	<u>\$ 748,798</u>	<u>\$ 45,179</u>	<u>\$ 42,255</u>
\$ 68,081	\$	\$ 43,254	\$ 15,295	\$	\$
48,563					
<u>116,644</u>		<u>43,254</u>	<u>15,295</u>		
29,606					
<u>29,606</u>					
120,475					
8,191,729	237,810	1,193,575	733,503	45,179	42,255
<u>8,312,204</u>	<u>237,810</u>	<u>1,193,575</u>	<u>733,503</u>	<u>45,179</u>	<u>42,255</u>
<u>\$ 8,458,454</u>	<u>\$ 237,810</u>	<u>\$ 1,236,829</u>	<u>\$ 748,798</u>	<u>\$ 45,179</u>	<u>\$ 42,255</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS  
JUNE 30, 2014**

	Grants and Gifts to Teachers	Totals
<b><u>ASSETS</u></b>		
Cash and investments	\$ 7,110	\$ 12,192,995
Accounts receivable		29,606
Due from governmental entities		3,404,835
Inventory		120,475
<b>Total assets</b>	<b>\$ 7,110</b>	<b>\$ 15,747,911</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>		
Liabilities:		
Accounts payable	\$	\$ 434,517
Due to other funds		1,931,180
Unearned revenues		108,940
<b>Total liabilities</b>		<b>2,474,637</b>
Deferred inflows of resources:		
Unavailable revenues - intergovernmental		333,576
Unavailable revenues - other		29,606
<b>Total deferred inflows of resources</b>		<b>363,182</b>
Fund balances:		
Nonspendable		120,475
Restricted	7,110	12,789,617
<b>Total fund balances</b>	<b>7,110</b>	<b>12,910,092</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 7,110</b>	 <b>\$ 15,747,911</b>

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**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 ALL SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2014**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<b>Revenues:</b>			
Other local	\$ 11,669	\$ 468	\$ 31,105
State aid and grants	7,827,467	876,738	
Federal aid, grants and reimbursements			
<b>Total revenues</b>	7,839,136	877,206	31,105
<b>Expenditures:</b>			
Current -			
Instruction	7,442,701	317,992	17,748
Support services - students and staff	377,067	61,148	11,412
Support services - administration			
Operation and maintenance of plant services			1,945
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	7,819,768	379,140	31,105
<b>Excess (deficiency) of revenues over expenditures</b>	19,368	498,066	
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	19,368	498,066	
<b>Fund balances (deficits), beginning of year</b>	782,257	505,864	
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	\$ 801,625	\$ 1,003,930	\$

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$	\$	\$	\$	\$	\$
8,370,137	1,000,147	2,141,545	837,575	113,423	4,502,218
<u>8,370,137</u>	<u>1,000,147</u>	<u>2,141,545</u>	<u>837,575</u>	<u>113,423</u>	<u>4,502,218</u>
4,039,211		1,293,202	206,759	108,803	4,218,336
3,754,949	970,999	536,617	615,124	120	148,012
284,801		176,880			
		15,729			
40,676		56,866		1,079	
<u>8,119,637</u>	<u>970,999</u>	<u>2,079,294</u>	<u>821,883</u>	<u>110,002</u>	<u>4,366,348</u>
<u>250,500</u>	<u>29,148</u>	<u>62,251</u>	<u>15,692</u>	<u>3,421</u>	<u>135,870</u>
<u>(251,888)</u>	<u>(30,198)</u>	<u>(62,257)</u>	<u>(15,692)</u>	<u>(3,421)</u>	<u>(135,793)</u>
<u>(251,888)</u>	<u>(30,198)</u>	<u>(62,257)</u>	<u>(15,692)</u>	<u>(3,421)</u>	<u>(135,793)</u>
<u>(1,388)</u>	<u>(1,050)</u>	<u>(6)</u>			<u>77</u>
1,388	1,050	6			(77)
<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 -  
 ALL SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2014**

	Homeless Education	E-Rate	Other Federal Projects
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	81,710	483,436	3,078,568
<b>Total revenues</b>	81,710	483,436	3,078,568
<b>Expenditures:</b>			
Current -			
Instruction	3,544		16,966
Support services - students and staff	26,214		406,837
Support services - administration	49,506		
Operation and maintenance of plant services		41,364	
Student transportation services			1,560
Operation of non-instructional services			2,518,092
Capital outlay			106,271
<b>Total expenditures</b>	79,264	41,364	3,049,726
<b>Excess (deficiency) of revenues over expenditures</b>	2,446	442,072	28,842
<b>Other financing sources (uses):</b>			
Transfers out	(2,445)		(15,699)
<b>Total other financing sources (uses):</b>	(2,445)		(15,699)
<b>Changes in fund balances</b>	1	442,072	13,143
<b>Fund balances (deficits), beginning of year</b>	(1)	69,993	7,693
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	\$	\$ 512,065	\$ 20,836

<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>
\$ 804,741	\$ 908,364	\$ 197,699	\$ 3,002,307	\$ 347,960	\$ 1,684
	15,118,150				
<u>804,741</u>	<u>16,026,514</u>	<u>197,699</u>	<u>3,002,307</u>	<u>347,960</u>	<u>1,684</u>
53,912				248,061	
160,212				3,900	
	31,636				20,841
623,193	61,089	91,364			
	13,946,038	73,572	2,890,402	60,193	
	83,735				
<u>837,317</u>	<u>14,122,498</u>	<u>164,936</u>	<u>2,890,402</u>	<u>312,154</u>	<u>20,841</u>
<u>(32,576)</u>	<u>1,904,016</u>	<u>32,763</u>	<u>111,905</u>	<u>35,806</u>	<u>(19,157)</u>
	(832,892)				
	<u>(832,892)</u>				
<u>(32,576)</u>	<u>1,071,124</u>	<u>32,763</u>	<u>111,905</u>	<u>35,806</u>	<u>(19,157)</u>
32,576	7,244,021	205,047	1,081,670	697,697	64,336
	(2,941)				
<u>\$</u>	<u>\$ 8,312,204</u>	<u>\$ 237,810</u>	<u>\$ 1,193,575</u>	<u>\$ 733,503</u>	<u>\$ 45,179</u>

(Continued)



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
ALL SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2014**

	<u>Textbooks</u>	<u>Grants and Gifts to Teachers</u>	<u>Totals</u>
<b>Revenues:</b>			
Other local	\$ 13,038	\$ 11,340	\$ 4,525,634
State aid and grants			9,508,946
Federal aid, grants and reimbursements			35,726,909
<b>Total revenues</b>	<u>13,038</u>	<u>11,340</u>	<u>49,761,489</u>
<b>Expenditures:</b>			
Current -			
Instruction	81	6,397	17,973,713
Support services - students and staff	10,156	718	7,083,485
Support services - administration		508	564,172
Operation and maintenance of plant services			834,684
Student transportation services		268	160,642
Operation of non-instructional services			19,428,104
Capital outlay			190,006
<b>Total expenditures</b>	<u>10,237</u>	<u>7,891</u>	<u>46,234,806</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>2,801</u>	<u>3,449</u>	<u>3,526,683</u>
<b>Other financing sources (uses):</b>			
Transfers out			(1,350,285)
<b>Total other financing sources (uses):</b>			<u>(1,350,285)</u>
<b>Changes in fund balances</b>	<u>2,801</u>	<u>3,449</u>	<u>2,176,398</u>
<b>Fund balances (deficits), beginning of year</b>	39,454	3,661	10,736,635
Increase (decrease) in reserve for inventory			(2,941)
<b>Fund balances, end of year</b>	<u>\$ 42,255</u>	<u>\$ 7,110</u>	<u>\$ 12,910,092</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 SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 11,669	\$ 11,669
State aid and grants	7,812,000	7,827,467	15,467
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>7,812,000</u>	<u>7,839,136</u>	<u>27,136</u>
<b>Expenditures:</b>			
Current -			
Instruction	8,217,874	7,442,701	775,173
Support services - students and staff	415,519	377,067	38,452
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>8,633,393</u>	<u>7,819,768</u>	<u>813,625</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(821,393)</u>	<u>19,368</u>	<u>840,761</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(821,393)</u>	<u>19,368</u>	<u>840,761</u>
<b>Fund balances (deficits), beginning of year</b>	782,257	782,257	
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (39,136)</u>	<u>\$ 801,625</u>	<u>\$ 840,761</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 860,000	\$ 468 876,738	\$ 468 16,738	\$ 18,000	\$ 31,105	\$ 13,105
<u>860,000</u>	<u>877,206</u>	<u>17,206</u>	<u>18,000</u>	<u>31,105</u>	<u>13,105</u>
869,266	317,992	551,274	18,000	17,748	252
65,000	61,148	3,852	12,000	11,412	588
			2,000	1,945	55
<u>934,266</u>	<u>379,140</u>	<u>555,126</u>	<u>32,000</u>	<u>31,105</u>	<u>895</u>
<u>(74,266)</u>	<u>498,066</u>	<u>572,332</u>	<u>(14,000)</u>		<u>14,000</u>
<u>(74,266)</u>	<u>498,066</u>	<u>572,332</u>	<u>(14,000)</u>		<u>14,000</u>
505,864	505,864				
<u>\$ 431,598</u>	<u>\$ 1,003,930</u>	<u>\$ 572,332</u>	<u>\$ (14,000)</u>	<u>\$</u>	<u>\$ 14,000</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	9,653,000	8,370,137	(1,282,863)
<b>Total revenues</b>	<u>9,653,000</u>	<u>8,370,137</u>	<u>(1,282,863)</u>
<b>Expenditures:</b>			
Current -			
Instruction	4,608,222	4,039,211	569,011
Support services - students and staff	4,000,000	3,754,949	245,051
Support services - administration	285,000	284,801	199
Operation and maintenance of plant services			
Student transportation services	41,000	40,676	324
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>8,934,222</u>	<u>8,119,637</u>	<u>814,585</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>718,778</u>	<u>250,500</u>	<u>(468,278)</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(293,000)	(251,888)	41,112
<b>Total other financing sources (uses):</b>	<u>(293,000)</u>	<u>(251,888)</u>	<u>41,112</u>
<b>Changes in fund balances</b>	<u>425,778</u>	<u>(1,388)</u>	<u>(427,166)</u>
<b>Fund balances (deficits), beginning of year</b>	1,388	1,388	
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ 427,166</u>	<u>\$</u>	<u>\$ (427,166)</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
963,000	1,000,147	37,147	2,335,000	2,141,545	(193,455)
<u>963,000</u>	<u>1,000,147</u>	<u>37,147</u>	<u>2,335,000</u>	<u>2,141,545</u>	<u>(193,455)</u>
1,109,243	970,999	138,244	1,442,125	1,293,202	148,923
			540,000	536,617	3,383
			177,000	176,880	120
			16,000	15,729	271
			57,000	56,866	134
<u>1,109,243</u>	<u>970,999</u>	<u>138,244</u>	<u>2,232,125</u>	<u>2,079,294</u>	<u>152,831</u>
<u>(146,243)</u>	<u>29,148</u>	<u>175,391</u>	<u>102,875</u>	<u>62,251</u>	<u>(40,624)</u>
<u>(35,000)</u>	<u>(30,198)</u>	<u>4,802</u>	<u>(72,000)</u>	<u>(62,257)</u>	<u>9,743</u>
<u>(35,000)</u>	<u>(30,198)</u>	<u>4,802</u>	<u>(72,000)</u>	<u>(62,257)</u>	<u>9,743</u>
<u>(181,243)</u>	<u>(1,050)</u>	<u>180,193</u>	<u>30,875</u>	<u>(6)</u>	<u>(30,881)</u>
1,050	1,050		6	6	
<u>\$ (180,193)</u>	<u>\$</u>	<u>\$ 180,193</u>	<u>\$ 30,881</u>	<u>\$</u>	<u>\$ (30,881)</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Limited English & Immigrant Students		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	729,000	837,575	108,575
<b>Total revenues</b>	729,000	837,575	108,575
<b>Expenditures:</b>			
Current -			
Instruction	215,000	206,759	8,241
Support services - students and staff	748,047	615,124	132,923
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	963,047	821,883	141,164
<b>Excess (deficiency) of revenues over expenditures</b>	(234,047)	15,692	249,739
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(18,000)	(15,692)	2,308
<b>Total other financing sources (uses):</b>	(18,000)	(15,692)	2,308
<b>Changes in fund balances</b>	(252,047)		252,047
<b>Fund balances (deficits), beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (252,047)	\$	\$ 252,047

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
121,000	113,423	(7,577)	4,825,000	4,502,218	(322,782)
<u>121,000</u>	<u>113,423</u>	<u>(7,577)</u>	<u>4,825,000</u>	<u>4,502,218</u>	<u>(322,782)</u>
113,637	108,803	4,834	4,587,952	4,218,336	369,616
150	120	30	150,000	148,012	1,988
1,100	1,079	21			
<u>114,887</u>	<u>110,002</u>	<u>4,885</u>	<u>4,737,952</u>	<u>4,366,348</u>	<u>371,604</u>
<u>6,113</u>	<u>3,421</u>	<u>(2,692)</u>	<u>87,048</u>	<u>135,870</u>	<u>48,822</u>
<u>(4,000)</u>	<u>(3,421)</u>	<u>579</u>	<u>(157,000)</u>	<u>(135,793)</u>	<u>21,207</u>
<u>(4,000)</u>	<u>(3,421)</u>	<u>579</u>	<u>(157,000)</u>	<u>(135,793)</u>	<u>21,207</u>
<u>2,113</u>		<u>(2,113)</u>	<u>(69,952)</u>	<u>77</u>	<u>70,029</u>
			<u>(77)</u>	<u>(77)</u>	
<u>\$ 2,113</u>	<u>\$</u>	<u>\$ (2,113)</u>	<u>\$ (70,029)</u>	<u>\$</u>	<u>\$ 70,029</u>



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 ALL SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2014**

	Homeless Education		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	96,000	81,710	(14,290)
<b>Total revenues</b>	<u>96,000</u>	<u>81,710</u>	<u>(14,290)</u>
<b>Expenditures:</b>			
Current -			
Instruction	12,614	3,544	9,070
Support services - students and staff	27,000	26,214	786
Support services - administration	50,000	49,506	494
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>89,614</u>	<u>79,264</u>	<u>10,350</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>6,386</u>	<u>2,446</u>	<u>(3,940)</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(3,000)	(2,445)	555
<b>Total other financing sources (uses):</b>	<u>(3,000)</u>	<u>(2,445)</u>	<u>555</u>
<b>Changes in fund balances</b>	<u>3,386</u>	<u>1</u>	<u>(3,385)</u>
<b>Fund balances (deficits), beginning of year</b>	(1)	(1)	
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<u>\$ 3,385</u>	<u>\$</u>	<u>\$ (3,385)</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
1,042,000	508,257	(533,743)	1,393,000	483,436	(909,564)
<u>1,042,000</u>	<u>508,257</u>	<u>(533,743)</u>	<u>1,393,000</u>	<u>483,436</u>	<u>(909,564)</u>
320,000	317,313	2,687			
1,220,537	721,666	498,871			
23,000	22,173	827			
			880,864	41,364	839,500
10,000	9,615	385			
<u>1,573,537</u>	<u>1,070,767</u>	<u>502,770</u>	<u>880,864</u>	<u>41,364</u>	<u>839,500</u>
<u>(531,537)</u>	<u>(562,510)</u>	<u>(30,973)</u>	<u>512,136</u>	<u>442,072</u>	<u>(70,064)</u>
<u>(531,537)</u>	<u>(562,510)</u>	<u>(30,973)</u>	<u>512,136</u>	<u>442,072</u>	<u>(70,064)</u>
1,895,516	1,895,516		69,993	69,993	
<u>\$ 1,363,979</u>	<u>\$ 1,333,006</u>	<u>\$ (30,973)</u>	<u>\$ 582,129</u>	<u>\$ 512,065</u>	<u>\$ (70,064)</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
ALL SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2014**

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	3,398,000	3,078,568	(319,432)
<b>Total revenues</b>	<u>3,398,000</u>	<u>3,078,568</u>	<u>(319,432)</u>
<b>Expenditures:</b>			
Current -			
Instruction	20,000	16,966	3,034
Support services - students and staff	450,000	406,837	43,163
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	2,000	1,560	440
Operation of non-instructional services	2,875,798	2,518,092	357,706
Capital outlay	110,000	106,271	3,729
<b>Total expenditures</b>	<u>3,457,798</u>	<u>3,049,726</u>	<u>408,072</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(59,798)</u>	<u>28,842</u>	<u>88,640</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(18,000)	(15,699)	2,301
<b>Total other financing sources (uses):</b>	<u>(18,000)</u>	<u>(15,699)</u>	<u>2,301</u>
<b>Changes in fund balances</b>	<u>(77,798)</u>	<u>13,143</u>	<u>90,941</u>
<b>Fund balances (deficits), beginning of year</b>	7,693	7,693	
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (70,105)</u>	<u>\$ 20,836</u>	<u>\$ 90,941</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 770,000	\$ 804,741	\$ 34,741	\$ 82,900	\$ 101,612	\$ 18,712
<u>770,000</u>	<u>804,741</u>	<u>34,741</u>	<u>82,900</u>	<u>101,612</u>	<u>18,712</u>
54,000	53,912	88	10,000	8,550	1,450
161,000	160,212	788		956	(956)
691,319	623,193	68,126		1,384	(1,384)
				1,657	(1,657)
<u>906,319</u>	<u>837,317</u>	<u>69,002</u>	<u>691,000</u>	<u>118,318</u>	<u>572,682</u>
<u>(136,319)</u>	<u>(32,576)</u>	<u>103,743</u>	<u>701,000</u>	<u>130,865</u>	<u>570,135</u>
			<u>(618,100)</u>	<u>(29,253)</u>	<u>588,847</u>
<u>(136,319)</u>	<u>(32,576)</u>	<u>103,743</u>	<u>(618,100)</u>	<u>(29,253)</u>	<u>588,847</u>
32,576	32,576		552,775	552,775	
<u>\$ (103,743)</u>	<u>\$</u>	<u>\$ 103,743</u>	<u>\$ (65,325)</u>	<u>\$ 523,522</u>	<u>\$ 588,847</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL  
ALL SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2014**

	Food Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$ 884,190	\$ 908,364	\$ 24,174
State aid and grants			
Federal aid, grants and reimbursements	14,715,810	15,118,150	402,340
<b>Total revenues</b>	<u>15,600,000</u>	<u>16,026,514</u>	<u>426,514</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	32,000	31,636	364
Operation and maintenance of plant services	62,000	61,089	911
Student transportation services			
Operation of non-instructional services	22,493,000	13,946,038	8,546,962
Capital outlay	84,000	83,735	265
<b>Total expenditures</b>	<u>22,671,000</u>	<u>14,122,498</u>	<u>8,548,502</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(7,071,000)</u>	<u>1,904,016</u>	<u>8,975,016</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(1,000,000)	(832,892)	167,108
<b>Total other financing sources (uses):</b>	<u>(1,000,000)</u>	<u>(832,892)</u>	<u>167,108</u>
<b>Changes in fund balances</b>	<u>(8,071,000)</u>	<u>1,071,124</u>	<u>9,142,124</u>
<b>Fund balances (deficits), beginning of year</b>	7,115,739	7,244,021	128,282
Increase (decrease) in reserve for inventory		(2,941)	(2,941)
<b>Fund balances (deficits), end of year</b>	<u>\$ (955,261)</u>	<u>\$ 8,312,204</u>	<u>\$ 9,267,465</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 210,000	\$ 197,699	\$ (12,301)	\$ 2,800,000	\$ 3,002,307	\$ 202,307
<u>210,000</u>	<u>197,699</u>	<u>(12,301)</u>	<u>2,800,000</u>	<u>3,002,307</u>	<u>202,307</u>
349,000	91,364	257,636			
75,000	73,572	1,428	4,297,000	2,890,402	1,406,598
<u>424,000</u>	<u>164,936</u>	<u>259,064</u>	<u>4,297,000</u>	<u>2,890,402</u>	<u>1,406,598</u>
<u>(214,000)</u>	<u>32,763</u>	<u>246,763</u>	<u>(1,497,000)</u>	<u>111,905</u>	<u>1,608,905</u>
<u>(214,000)</u>	<u>32,763</u>	<u>246,763</u>	<u>(1,497,000)</u>	<u>111,905</u>	<u>1,608,905</u>
205,047	205,047		1,081,670	1,081,670	
<u>\$ (8,953)</u>	<u>\$ 237,810</u>	<u>\$ 246,763</u>	<u>\$ (415,330)</u>	<u>\$ 1,193,575</u>	<u>\$ 1,608,905</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Auxiliary Operations		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$ 555,000	\$ 599,813	\$ 44,813
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>555,000</u>	<u>599,813</u>	<u>44,813</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,007,000	482,201	524,799
Support services - students and staff	10,000	9,091	909
Support services - administration	12,000	11,934	66
Operation and maintenance of plant services	21,000	20,010	990
Student transportation services	37,000	36,066	934
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>1,087,000</u>	<u>559,302</u>	<u>527,698</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(532,000)</u>	<u>40,511</u>	<u>572,511</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(532,000)</u>	<u>40,511</u>	<u>572,511</u>
<b>Fund balances (deficits), beginning of year</b>	411,372	419,341	7,969
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (120,628)</u>	<u>\$ 459,852</u>	<u>\$ 580,480</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 350,000	\$ 347,960	\$ (2,040)	\$ 295,000	\$ 360,671	\$ 65,671
<u>350,000</u>	<u>347,960</u>	<u>(2,040)</u>	<u>295,000</u>	<u>360,671</u>	<u>65,671</u>
1,000,000	248,061	751,939	625,000	160,803	464,197
4,000	3,900	100	110,000	104,961	5,039
			5,000	4,145	855
			2,500	2,378	122
64,000	60,193	3,807	7,000	6,691	309
			500	480	20
			15,000	13,430	1,570
<u>1,068,000</u>	<u>312,154</u>	<u>755,846</u>	<u>765,000</u>	<u>292,888</u>	<u>472,112</u>
<u>(718,000)</u>	<u>35,806</u>	<u>753,806</u>	<u>(470,000)</u>	<u>67,783</u>	<u>537,783</u>
<u>(718,000)</u>	<u>35,806</u>	<u>753,806</u>	<u>(470,000)</u>	<u>67,783</u>	<u>537,783</u>
697,967	697,697	(270)	384,481	384,481	
<u>\$ (20,033)</u>	<u>\$ 733,503</u>	<u>\$ 753,536</u>	<u>\$ (85,519)</u>	<u>\$ 452,264</u>	<u>\$ 537,783</u>



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL  
 ALL SPECIAL REVENUE FUNDS  
 YEAR ENDED JUNE 30, 2014**

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$ 1,500	\$ 1,684	\$ 184
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>1,500</u>	<u>1,684</u>	<u>184</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	66,000	20,841	45,159
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>66,000</u>	<u>20,841</u>	<u>45,159</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(64,500)</u>	<u>(19,157)</u>	<u>45,343</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(64,500)</u>	<u>(19,157)</u>	<u>45,343</u>
<b>Fund balances (deficits), beginning of year</b>	64,336	64,336	
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (164)</u>	<u>\$ 45,179</u>	<u>\$ 45,343</u>

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 10	\$ 7	\$ (3)	\$ 12,000	\$ 13,038	\$ 1,038
<u>10</u>	<u>7</u>	<u>(3)</u>	<u>12,000</u>	<u>13,038</u>	<u>1,038</u>
2,000		2,000	100	81	19
			58,900	10,156	48,744
<u>2,000</u>	<u></u>	<u>2,000</u>	<u>59,000</u>	<u>10,237</u>	<u>48,763</u>
<u>(1,990)</u>	<u>7</u>	<u>1,997</u>	<u>(47,000)</u>	<u>2,801</u>	<u>49,801</u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>(1,990)</u>	<u>7</u>	<u>1,997</u>	<u>(47,000)</u>	<u>2,801</u>	<u>49,801</u>
1,863	1,863		39,454	39,454	
<u>\$ (127)</u>	<u>\$ 1,870</u>	<u>\$ 1,997</u>	<u>\$ (7,546)</u>	<u>\$ 42,255</u>	<u>\$ 49,801</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Litigation Recovery		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$ 500	\$ 445	\$ (55)
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>500</u>	<u>445</u>	<u>(55)</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	124,000	24,658	99,342
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>124,000</u>	<u>24,658</u>	<u>99,342</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(123,500)</u>	<u>(24,213)</u>	<u>99,287</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(123,500)</u>	<u>(24,213)</u>	<u>99,287</u>
<b>Fund balances (deficits), beginning of year</b>	122,868	122,868	
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (632)</u>	<u>\$ 98,655</u>	<u>\$ 99,287</u>

Indirect Costs			Grants and Gifts to Teachers		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 5,000	\$ 5,710	\$ 710	\$ 9,000	\$ 11,340	\$ 2,340
<u>5,000</u>	<u>5,710</u>	<u>710</u>	<u>9,000</u>	<u>11,340</u>	<u>2,340</u>
135,000	133,506	1,494	14,800	6,397	8,403
235,000	231,960	3,040	800	718	82
2,974,000	1,142,072	1,831,928	600	508	92
8,000	7,530	470	300	268	32
<u>3,352,000</u>	<u>1,515,068</u>	<u>1,836,932</u>	<u>16,500</u>	<u>7,891</u>	<u>8,609</u>
<u>(3,347,000)</u>	<u>(1,509,358)</u>	<u>1,837,642</u>	<u>(7,500)</u>	<u>3,449</u>	<u>10,949</u>
1,600,000	1,350,285	(249,715)			
<u>1,600,000</u>	<u>1,350,285</u>	<u>(249,715)</u>			
<u>(1,747,000)</u>	<u>(159,073)</u>	<u>1,587,927</u>	<u>(7,500)</u>	<u>3,449</u>	<u>10,949</u>
1,751,926	1,867,980	116,054	3,661	3,661	
<u>\$ 4,926</u>	<u>\$ 1,708,907</u>	<u>\$ 1,703,981</u>	<u>\$ (3,839)</u>	<u>\$ 7,110</u>	<u>\$ 10,949</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$ 100	\$ 22	\$ (78)
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>100</u>	<u>22</u>	<u>(78)</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	7,100		7,100
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>7,100</u>	<u></u>	<u>7,100</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(7,000)</u>	<u>22</u>	<u>7,022</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>	<u></u>	<u></u>	<u></u>
<b>Changes in fund balances</b>	<u>(7,000)</u>	<u>22</u>	<u>7,022</u>
<b>Fund balances (deficits), beginning of year</b>	7,026	7,026	
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<u>\$ 26</u>	<u>\$ 7,048</u>	<u>\$ 7,022</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 5,223,200	\$ 5,593,914	\$ 370,714
9,442,000	9,508,946	66,946
39,270,810	36,235,166	(3,035,644)
<u>53,936,010</u>	<u>51,338,026</u>	<u>(2,597,984)</u>
23,272,590	19,076,086	4,196,504
9,324,296	8,152,119	1,172,177
3,748,600	1,770,538	1,978,062
2,032,683	866,259	1,166,424
209,400	203,399	6,001
29,741,298	19,428,584	10,312,714
910,000	331,369	578,631
<u>69,238,867</u>	<u>49,828,354</u>	<u>19,410,513</u>
<u>(15,302,857)</u>	<u>1,509,672</u>	<u>16,812,529</u>
1,600,000	1,350,285	(249,715)
<u>(1,600,000)</u>	<u>(1,350,285)</u>	<u>249,715</u>
<u>(15,302,857)</u>	<u>1,509,672</u>	<u>16,812,529</u>
15,736,450	15,988,485	252,035
	(2,941)	(2,941)
<u>\$ 433,593</u>	<u>\$ 17,495,216</u>	<u>\$ 17,061,623</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, 2014**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$ 90,000	\$ 161,211	\$ 71,211
Property taxes	15,419,834	16,186,012	766,178
<b>Total revenues</b>	<u>15,509,834</u>	<u>16,347,223</u>	<u>837,389</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	12,775,000	12,775,000	
Interest and fiscal charges	4,225,000	3,626,987	598,013
<b>Total expenditures</b>	<u>17,000,000</u>	<u>16,401,987</u>	<u>598,013</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,490,166)</u>	<u>(54,764)</u>	<u>1,435,402</u>
<b>Other financing sources (uses):</b>			
Transfers in		12,134	12,134
<b>Total other financing sources (uses):</b>		<u>12,134</u>	<u>12,134</u>
<b>Changes in fund balances</b>	<u>(1,490,166)</u>	<u>(42,630)</u>	<u>1,447,536</u>
<b>Fund balances, beginning of year</b>	990,166	4,852,770	3,862,604
<b>Fund balances (deficits), end of year</b>	<u>\$ (500,000)</u>	<u>\$ 4,810,140</u>	<u>\$ 5,310,140</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 rebate, or grant monies, and monies from other funding sources to fund energy or water savings projects in school facilities in accordance with A.R.S. §15-910.02.

**Building Renewal** - to account for monies received 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 - ALL CAPITAL PROJECTS FUNDS  
JUNE 30, 2014**

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Gifts and Donations - Capital</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 16,549	\$ 6,794,653	\$ 7,066
Accounts receivable			
<b>Total assets</b>	<u>\$ 16,549</u>	<u>\$ 6,794,653</u>	<u>\$ 7,066</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ _____	\$ 1,657,039	\$ _____
<b>Total liabilities</b>	<u>_____</u>	<u>1,657,039</u>	<u>_____</u>
Fund balances:			
Restricted	<u>16,549</u>	<u>5,137,614</u>	<u>7,066</u>
<b>Total fund balances</b>	<u>16,549</u>	<u>5,137,614</u>	<u>7,066</u>
 <b>Total liabilities and fund balances</b>	 <u>\$ 16,549</u>	 <u>\$ 6,794,653</u>	 <u>\$ 7,066</u>

<u>Energy and Water Savings</u>	<u>Totals</u>
\$ 305,388	\$ 7,123,656
51,821	51,821
<u>\$ 357,209</u>	<u>\$ 7,175,477</u>

<u>\$</u>	<u>\$ 1,657,039</u>
<u></u>	<u>1,657,039</u>

<u>357,209</u>	<u>5,518,438</u>
<u>357,209</u>	<u>5,518,438</u>
<u>\$ 357,209</u>	<u>\$ 7,175,477</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 ALL CAPITAL PROJECTS FUNDS  
 YEAR ENDED JUNE 30, 2014**

	Adjacent Ways	Bond Building	Gifts and Donations - Capital
<b>Revenues:</b>			
Other local	\$ 109	\$ 12,134	\$
Property taxes	1,436		
<b>Total revenues</b>	1,545	12,134	
<b>Expenditures:</b>			
Current -			
Operation and maintenance of plant services			622
Capital outlay	55,456	6,005,844	
Debt service -			
Bond issuance costs		24,100	
<b>Total expenditures</b>	55,456	6,029,944	622
<b>Excess (deficiency) of revenues over expenditures</b>	(53,911)	(6,017,810)	(622)
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(12,134)	
Capital lease agreements			
Issuance of school improvement bonds		5,000,000	
<b>Total other financing sources (uses):</b>		4,987,866	
<b>Changes in fund balances</b>	(53,911)	(1,029,944)	(622)
<b>Fund balances, beginning of year</b>	70,460	6,167,558	7,688
<b>Fund balances, end of year</b>	\$ 16,549	\$ 5,137,614	\$ 7,066

<u>Energy and Water Savings</u>	<u>Building Renewal</u>	<u>Totals</u>
\$ 97,209	\$ 151	\$ 109,603
<u>97,209</u>	<u>151</u>	<u>111,039</u>
	23,801	24,423
5,864,900	59,273	11,985,473
		<u>24,100</u>
<u>5,864,900</u>	<u>83,074</u>	<u>12,033,996</u>
<u>(5,767,691)</u>	<u>(82,923)</u>	<u>(11,922,957)</u>
260,000		260,000
		(12,134)
5,864,900		5,864,900
		<u>5,000,000</u>
<u>6,124,900</u>		<u>11,112,766</u>
<u>357,209</u>	<u>(82,923)</u>	<u>(810,191)</u>
	82,923	6,328,629
<u>\$ 357,209</u>	<u>\$</u>	<u>\$ 5,518,438</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, 2014**

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 24,000	\$ 20,898	\$ (3,102)
Property taxes	2,177,271	2,274,259	96,988
State aid and grants		273,705	273,705
<b>Total revenues</b>	<u>2,201,271</u>	<u>2,568,862</u>	<u>367,591</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,000,000	1,172,883	827,117
Support services - students and staff	40,000	33,493	6,507
Support services - administration	101,000	100,856	144
Operation and maintenance of plant services	101,000	100,393	607
Student transportation services	30,000	26,717	3,283
Capital outlay	5,728,659	2,105,610	3,623,049
Debt service -			
Principal retirement	524,276	524,276	
Interest and fiscal charges	53,519	53,519	
Bond issuance costs			
<b>Total expenditures</b>	<u>8,578,454</u>	<u>4,117,747</u>	<u>4,460,707</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(6,377,183)</u>	<u>(1,548,885)</u>	<u>4,828,298</u>
<b>Other financing sources (uses):</b>			
Transfers in		110,000	110,000
Transfers out			
Issuance of school improvement bonds			
<b>Total other financing sources (uses):</b>		<u>110,000</u>	<u>110,000</u>
<b>Changes in fund balances</b>	<u>(6,377,183)</u>	<u>(1,438,885)</u>	<u>4,938,298</u>
<b>Fund balances, beginning of year</b>	5,174,972	5,196,036	21,064
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,202,211)</u>	<u>\$ 3,757,151</u>	<u>\$ 4,959,362</u>

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 3,500	\$ 109 1,436	\$ (3,391) 1,436	\$	\$ 12,134	\$ 12,134
<u>3,500</u>	<u>1,545</u>	<u>(1,955)</u>		<u>12,134</u>	<u>12,134</u>
68,000	55,456	12,544	38,139,674	6,005,844	32,133,830
<u>68,000</u>	<u>55,456</u>	<u>12,544</u>	<u>25,000</u> <u>38,164,674</u>	<u>24,100</u> <u>6,029,944</u>	<u>900</u> <u>32,134,730</u>
<u>(64,500)</u>	<u>(53,911)</u>	<u>10,589</u>	<u>(38,164,674)</u>	<u>(6,017,810)</u>	<u>32,146,864</u>
				(12,134)	(12,134)
				<u>5,000,000</u>	<u>5,000,000</u>
				<u>4,987,866</u>	<u>4,987,866</u>
<u>(64,500)</u>	<u>(53,911)</u>	<u>10,589</u>	<u>(38,164,674)</u>	<u>(1,029,944)</u>	<u>37,134,730</u>
65,604	70,460	4,856	6,167,558	6,167,558	
<u>\$ 1,104</u>	<u>\$ 16,549</u>	<u>\$ 15,445</u>	<u>\$ (31,997,116)</u>	<u>\$ 5,137,614</u>	<u>\$ 37,134,730</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, 2014**

	Gifts and Donations - Capital		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	7,700	622	7,078
Student transportation services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
<b>Total expenditures</b>	7,700	622	7,078
<b>Excess (deficiency) of revenues over expenditures</b>	(7,700)	(622)	7,078
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(7,700)	(622)	7,078
<b>Fund balances, beginning of year</b>	7,688	7,688	
<b>Fund balances (deficits), end of year</b>	\$ (12)	\$ 7,066	\$ 7,078

Energy and Water Savings			Building Renewal		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 97,209	\$ 97,209	\$ 150	\$ 151	\$ 1
	<u>97,209</u>	<u>97,209</u>	<u>150</u>	<u>151</u>	<u>1</u>
260,000		260,000	58,155	23,801	(23,801)
<u>260,000</u>	<u></u>	<u>260,000</u>	<u>58,155</u>	<u>83,074</u>	<u>(24,919)</u>
<u>(260,000)</u>	<u>97,209</u>	<u>357,209</u>	<u>(58,005)</u>	<u>(82,923)</u>	<u>(24,918)</u>
	260,000	260,000			
<u></u>	<u>260,000</u>	<u>260,000</u>	<u></u>	<u></u>	<u></u>
<u>(260,000)</u>	<u>357,209</u>	<u>617,209</u>	<u>(58,005)</u>	<u>(82,923)</u>	<u>(24,918)</u>
			82,923	82,923	
<u>\$ (260,000)</u>	<u>\$ 357,209</u>	<u>\$ 617,209</u>	<u>\$ 24,918</u>	<u>\$</u>	<u>\$ (24,918)</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, 2014**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 27,650	\$ 130,501	\$ 102,851
Property taxes	2,177,271	2,275,695	98,424
State aid and grants		273,705	273,705
<b>Total revenues</b>	<u>2,204,921</u>	<u>2,679,901</u>	<u>474,980</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,000,000	1,172,883	827,117
Support services - students and staff	40,000	33,493	6,507
Support services - administration	101,000	100,856	144
Operation and maintenance of plant services	108,700	124,816	(16,116)
Student transportation services	30,000	26,717	3,283
Capital outlay	44,254,488	8,226,183	36,028,305
Debt service -			
Principal retirement	524,276	524,276	
Interest and fiscal charges	53,519	53,519	
Bond issuance costs	25,000	24,100	900
<b>Total expenditures</b>	<u>47,136,983</u>	<u>10,286,843</u>	<u>36,850,140</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(44,932,062)</u>	<u>(7,606,942)</u>	<u>37,325,120</u>
<b>Other financing sources (uses):</b>			
Transfers in		370,000	370,000
Transfers out		(12,134)	(12,134)
Issuance of school improvement bonds		5,000,000	5,000,000
<b>Total other financing sources (uses):</b>		<u>5,357,866</u>	<u>5,357,866</u>
<b>Changes in fund balances</b>	<u>(44,932,062)</u>	<u>(2,249,076)</u>	<u>42,682,986</u>
<b>Fund balances, beginning of year</b>	11,498,745	11,524,665	25,920
<b>Fund balances (deficits), end of year</b>	<u>\$ (33,433,317)</u>	<u>\$ 9,275,589</u>	<u>\$ 42,708,906</u>

## **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, 2014**

	Private School Consortium	Alternative Fuel	Totals
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 460,057	\$ 378,067	\$ 838,124
Due from governmental entities	45,740		45,740
Total current assets	505,797	378,067	883,864
Noncurrent assets:			
Land improvements		943,523	943,523
Buildings and improvements	60,774		60,774
Vehicles, furniture and equipment	622,615	68,165	690,780
Construction in progress		81,707	81,707
Accumulated depreciation	(250,992)	(112,078)	(363,070)
Total noncurrent assets	432,397	981,317	1,413,714
<b>Total assets</b>	<b>938,194</b>	<b>1,359,384</b>	<b>2,297,578</b>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	14,943	82,286	97,229
Total current liabilities	14,943	82,286	97,229
<b>Total liabilities</b>	<b>14,943</b>	<b>82,286</b>	<b>97,229</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	432,397	981,317	1,413,714
Unrestricted	490,854	295,781	786,635
<b>Total net position</b>	<b>\$ 923,251</b>	<b>\$ 1,277,098</b>	<b>\$ 2,200,349</b>

**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, 2014**

	<u>Private School Consortium</u>	<u>Alternative Fuel</u>	<u>Totals</u>
<b>Operating revenues:</b>			
Charges for services	\$ 670,617	\$ 150,775	\$ 821,392
<b>Total operating revenues</b>	<u>670,617</u>	<u>150,775</u>	<u>821,392</u>
<b>Operating expenses:</b>			
Cost of services	767,116	96,643	863,759
Depreciation	46,268	50,322	96,590
<b>Total operating expenses</b>	<u>813,384</u>	<u>146,965</u>	<u>960,349</u>
<b>Operating income (loss)</b>	<u>(142,767)</u>	<u>3,810</u>	<u>(138,957)</u>
<b>Nonoperating revenues (expenses):</b>			
Investment income	1,944	1,238	3,182
<b>Total nonoperating revenues (expenses)</b>	<u>1,944</u>	<u>1,238</u>	<u>3,182</u>
<b>Changes in net position</b>	<u>(140,823)</u>	<u>5,048</u>	<u>(135,775)</u>
<b>Total net position, beginning of year, as restated</b>	1,064,074	1,272,050	2,336,124
<b>Total net position, end of year</b>	<u>\$ 923,251</u>	<u>\$ 1,277,098</u>	<u>\$ 2,200,349</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL ENTERPRISE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<b>Private School Consortium</b>	<b>Alternative Fuel</b>	<b>Totals</b>
<b><u>Increase/(Decrease) in Cash and Cash Equivalents</u></b>			
<b>Cash flows from operating activities:</b>			
Cash received for services	\$ 624,877	\$ 150,775	\$ 775,652
Cash payments to suppliers for goods and services	(752,173)	(14,357)	(766,530)
<b>Net cash provided by/(used for) operating activities</b>	(127,296)	136,418	9,122
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets	(6,088)	(81,707)	(87,795)
<b>Net cash used for capital and related financing activities</b>	(6,088)	(81,707)	(87,795)
<b>Cash flows from investing activities:</b>			
Investment income	1,944	1,238	3,182
<b>Net cash provided by investing activities</b>	1,944	1,238	3,182
<b>Net increase/(decrease) in cash and cash equivalents</b>	(131,440)	55,949	(75,491)
<b>Cash and cash equivalents, beginning of year</b>	591,497	322,118	913,615
<b>Cash and cash equivalents, end of year</b>	\$ 460,057	\$ 378,067	\$ 838,124
<b><u>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities</u></b>			
<b>Operating income/(loss)</b>	\$ (142,767)	\$ 3,810	\$ (138,957)
Adjustments to reconcile operating income/(loss) to net cash provided by/(used for) operating activities:			
Depreciation	46,268	50,322	96,590
Changes in assets and liabilities:			
Increase in due from governmental entities	(45,740)		(45,740)
Increase in accounts payable	14,943	82,286	97,229
<b>Total adjustments</b>	15,471	132,608	148,079
<b>Net cash provided by/(used for) operating activities</b>	\$ (127,296)	\$ 136,418	\$ 9,122

## **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, 2014**

	<u>Employee Benefit Trust</u>	<u>Workers' Compensation</u>	<u>Property and Casualty Insurance</u>
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 5,414,811	\$ 1,608,585	\$ 890,417
Accounts receivable	181,039		
Prepaid items			83,405
<b>Total current assets</b>	<u>5,595,850</u>	<u>1,608,585</u>	<u>973,822</u>
Noncurrent assets:			
Vehicles, furniture and equipment			
Accumulated depreciation			
<b>Total noncurrent assets</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total assets</b>	<u>5,595,850</u>	<u>1,608,585</u>	<u>973,822</u>
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable		12,083	22,147
Claims payable	2,078,000	1,136,403	179,985
<b>Total current liabilities</b>	<u>2,078,000</u>	<u>1,148,486</u>	<u>202,132</u>
<b>Total liabilities</b>	<u>2,078,000</u>	<u>1,148,486</u>	<u>202,132</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets			
Unrestricted	3,517,850	460,099	771,690
<b>Total net position</b>	<u>\$ 3,517,850</u>	<u>\$ 460,099</u>	<u>\$ 771,690</u>

<u>Print Shop</u>	<u>Totals</u>
\$ 254,559	\$ 8,168,372
	181,039
	83,405
<u>254,559</u>	<u>8,432,816</u>
798,116	798,116
<u>(559,642)</u>	<u>(559,642)</u>
<u>238,474</u>	<u>238,474</u>
<u>493,033</u>	<u>8,671,290</u>
12,228	46,458
	3,394,388
<u>12,228</u>	<u>3,440,846</u>
<u>12,228</u>	<u>3,440,846</u>
238,474	238,474
<u>242,331</u>	<u>4,991,970</u>
<u>\$ 480,805</u>	<u>\$ 5,230,444</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, 2014**

	<u>Employee Benefit Trust</u>	<u>Workers' Compensation</u>	<u>Property and Casualty Insurance</u>
<b>Operating revenues:</b>			
Contributions	\$ 16,292,185	\$ 1,254,680	\$ 1,457,514
Charges for services			
<b>Total operating revenues</b>	<u>16,292,185</u>	<u>1,254,680</u>	<u>1,457,514</u>
<b>Operating expenses:</b>			
Claims	16,171,740	980,637	354,760
Premiums	534,426	77,316	754,401
Administrative and other	1,572,745	297,112	87,238
Cost of services			
Depreciation			
<b>Total operating expenses</b>	<u>18,278,911</u>	<u>1,355,065</u>	<u>1,196,399</u>
<b>Operating income (loss)</b>	<u>(1,986,726)</u>	<u>(100,385)</u>	<u>261,115</u>
<b>Nonoperating revenues (expenses):</b>			
Investment income	22,165	5,078	1,744
<b>Total nonoperating revenues (expenses)</b>	<u>22,165</u>	<u>5,078</u>	<u>1,744</u>
<b>Changes in net position</b>	<u>(1,964,561)</u>	<u>(95,307)</u>	<u>262,859</u>
<b>Total net position, beginning of year, as restated</b>	5,482,411	555,406	508,831
<b>Total net position, end of year</b>	<u>\$ 3,517,850</u>	<u>\$ 460,099</u>	<u>\$ 771,690</u>

<u>Print Shop</u>	<u>Totals</u>
\$	\$ 19,004,379
342,097	342,097
<u>342,097</u>	<u>19,346,476</u>
	17,507,137
	1,366,143
	1,957,095
368,419	368,419
63,529	63,529
<u>431,948</u>	<u>21,262,323</u>
<u>(89,851)</u>	<u>(1,915,847)</u>
994	29,981
<u>994</u>	<u>29,981</u>
<u>(88,857)</u>	<u>(1,885,866)</u>
569,662	7,116,310
<u>\$ 480,805</u>	<u>\$ 5,230,444</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**COMBINING STATEMENT OF CASH FLOWS**  
**ALL INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<u>Employee Benefit Trust</u>	<u>Workers' Compensation</u>	<u>Property and Casualty Insurance</u>
<b><u>Increase/(Decrease) in Cash and Cash Equivalents</u></b>			
<b>Cash flows from operating activities:</b>			
Cash received from contributions	\$ 16,111,146	\$ 1,254,680	\$ 1,457,514
Cash received for services			
Cash payments to suppliers for goods and services	(2,111,867)	(367,842)	(931,441)
Cash payments for claims	(15,739,740)	(698,958)	(647,289)
<b>Net cash provided by/(used for) operating activities</b>	<u>(1,740,461)</u>	<u>187,880</u>	<u>(121,216)</u>
<b>Cash flows from investing activities:</b>			
Investment income	22,165	5,078	1,744
<b>Net cash provided by investing activities</b>	<u>22,165</u>	<u>5,078</u>	<u>1,744</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(1,718,296)</u>	<u>192,958</u>	<u>(119,472)</u>
<b>Cash and cash equivalents, beginning of year</b>	<u>7,133,107</u>	<u>1,415,627</u>	<u>1,009,889</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 5,414,811</u>	<u>\$ 1,608,585</u>	<u>\$ 890,417</u>
<b><u>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities</u></b>			
<b>Operating income/(loss)</b>	\$ (1,986,726)	\$ (100,385)	\$ 261,115
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	(169,009)		
Increase in prepaid items			(83,405)
Increase/(decrease) in accounts payable	(4,696)	6,586	(6,397)
Increase/(decrease) in claims payable	432,000	281,679	(292,529)
Decrease in unearned revenue	(12,030)		
<b>Total adjustments</b>	<u>246,265</u>	<u>288,265</u>	<u>(382,331)</u>
<b>Net cash provided by/(used for) operating activities</b>	<u>\$ (1,740,461)</u>	<u>\$ 187,880</u>	<u>\$ (121,216)</u>

<u>Print Shop</u>	<u>Totals</u>
\$	\$
	18,823,340
342,097	342,097
(383,591)	(3,794,741)
	<u>(17,085,987)</u>
<u>(41,494)</u>	<u>(1,715,291)</u>
994	29,981
<u>994</u>	<u>29,981</u>
<u>(40,500)</u>	<u>(1,685,310)</u>
<u>295,059</u>	<u>9,853,682</u>
\$ <u>254,559</u>	\$ <u>8,168,372</u>

\$	(89,851)	\$	(1,915,847)
	63,529		63,529
			(169,009)
			(83,405)
(15,172)			(19,679)
			421,150
			<u>(12,030)</u>
<u>48,357</u>		<u>200,556</u>	
\$ <u>(41,494)</u>		\$ <u>(1,715,291)</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, 2014**

	Student Activities	Employee Withholding	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 156,677	\$ 111,649	\$ 268,326
<b>Total assets</b>	\$ 156,677	\$ 111,649	\$ 268,326
 <b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 111,649	\$ 111,649
Due to student groups	156,677		156,677
<b>Total liabilities</b>	\$ 156,677	\$ 111,649	\$ 268,326

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<b><u>Beginning</u></b> <b><u>Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>
<b><u>STUDENT ACTIVITIES</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 159,157	\$ 168,946	\$ 171,426	\$ 156,677
Total assets	<u>\$ 159,157</u>	<u>\$ 168,946</u>	<u>\$ 171,426</u>	<u>\$ 156,677</u>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 5,954	\$	\$ 5,954	\$
Due to student groups	<u>153,203</u>	<u>168,946</u>	<u>165,472</u>	<u>156,677</u>
Total liabilities	<u>\$ 159,157</u>	<u>\$ 168,946</u>	<u>\$ 171,426</u>	<u>\$ 156,677</u>
<b><u>EMPLOYEE WITHHOLDING</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 104,684	\$ 335,238	\$ 328,273	\$ 111,649
Total assets	<u>\$ 104,684</u>	<u>\$ 335,238</u>	<u>\$ 328,273</u>	<u>\$ 111,649</u>
<b><u>Liabilities</u></b>				
Deposits held for others	<u>\$ 104,684</u>	<u>\$ 335,238</u>	<u>\$ 328,273</u>	<u>\$ 111,649</u>
Total liabilities	<u>\$ 104,684</u>	<u>\$ 335,238</u>	<u>\$ 328,273</u>	<u>\$ 111,649</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ 263,841	\$ 504,184	\$ 499,699	\$ 268,326
Total assets	<u>\$ 263,841</u>	<u>\$ 504,184</u>	<u>\$ 499,699</u>	<u>\$ 268,326</u>
<b><u>Liabilities</u></b>				
Accounts payable	\$ 5,954	\$	\$ 5,954	\$
Deposits held for others	104,684	335,238	328,273	111,649
Due to student groups	<u>153,203</u>	<u>168,946</u>	<u>165,472</u>	<u>156,677</u>
Total liabilities	<u>\$ 263,841</u>	<u>\$ 504,184</u>	<u>\$ 499,699</u>	<u>\$ 268,326</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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NET POSITION BY COMPONENT**  
**LAST 10 FISCAL YEARS**  
**(Accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 140,651,648	\$ 134,338,769	\$ 131,154,280	\$ 126,084,903	\$ 119,499,966
Restricted	23,121,936	16,387,192	15,370,563	15,934,592	32,546,642
Unrestricted	27,173,827	38,585,487	51,127,160	48,705,719	30,721,294
Total governmental activities net position	<u>\$ 190,947,411</u>	<u>\$ 189,311,448</u>	<u>\$ 197,652,003</u>	<u>\$ 190,725,214</u>	<u>\$ 182,767,902</u>
<b>Business-type activities:</b>					
Net investment in capital assets	\$ 1,413,714	\$ 1,422,509	\$	\$	\$
Restricted					
Unrestricted	786,635	913,615			
Total business-type activities net position	<u>\$ 2,200,349</u>	<u>\$ 2,336,124</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Primary government:</b>					
Net investment in capital assets	\$ 142,065,362	\$ 135,761,278	\$ 131,154,280	\$ 126,084,903	\$ 119,499,966
Restricted	23,121,936	16,387,192	15,370,563	15,934,592	32,546,642
Unrestricted	27,960,462	39,499,102	51,127,160	48,705,719	30,721,294
Total net position	<u>\$ 193,147,760</u>	<u>\$ 191,647,572</u>	<u>\$ 197,652,003</u>	<u>\$ 190,725,214</u>	<u>\$ 182,767,902</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**NET POSITION BY COMPONENT**  
**LAST 10 FISCAL YEARS**  
**(Accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Governmental activities:</b>					
Net investment in capital assets	\$ 113,210,283	\$ 104,904,914	\$ 100,355,784	\$ 89,711,533	\$ 83,420,316
Restricted	28,488,877	30,991,421	29,712,821	35,489,887	25,026,337
Unrestricted	28,729,147	27,944,122	19,532,725	20,332,683	31,993,674
Total governmental activities net position	<u>\$ 170,428,307</u>	<u>\$ 163,840,457</u>	<u>\$ 149,601,330</u>	<u>\$ 145,534,103</u>	<u>\$ 140,440,327</u>
<b>Business-type activities:</b>					
Net investment in capital assets	\$	\$	\$	\$	\$
Restricted					
Unrestricted					
Total business-type activities net position	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Primary government:</b>					
Net investment in capital assets	\$ 113,210,283	\$ 104,904,914	\$ 100,355,784	\$ 89,711,533	\$ 83,420,316
Restricted	28,488,877	30,991,421	29,712,821	35,489,887	25,026,337
Unrestricted	28,729,147	27,944,122	19,532,725	20,332,683	31,993,674
Total net position	<u>\$ 170,428,307</u>	<u>\$ 163,840,457</u>	<u>\$ 149,601,330</u>	<u>\$ 145,534,103</u>	<u>\$ 140,440,327</u>

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

**Note:** The information presented for the business-type activities in fiscal years 2013 and 2014 was presented as governmental activities in prior years. Therefore, fiscal years prior to 2013 will not present business-type activities.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST 10 FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 99,497,671	\$ 96,287,120	\$ 95,655,933	\$ 96,302,960	\$ 98,377,469
Support services - students and staff	25,400,733	24,437,353	22,683,312	23,438,972	24,283,027
Support services - administration	19,545,606	16,847,819	15,851,740	15,161,986	16,586,101
Operation and maintenance of plant services	21,755,307	21,464,307	20,505,294	20,006,076	20,421,447
Student transportation services	8,921,262	10,322,705	8,352,478	8,219,151	8,720,012
Operation of non-instructional services	20,672,728	19,580,110	17,777,812	17,216,475	16,360,922
Interest on long-term debt	3,527,782	4,451,926	4,065,351	4,319,857	4,498,547
Total governmental activities	<u>199,321,089</u>	<u>193,391,340</u>	<u>184,891,920</u>	<u>184,665,477</u>	<u>189,247,525</u>
Business-type activities:					
Private school consortium	813,384	971,139			
Alternative fuel	146,965	81,577			
Total business-type activities	<u>960,349</u>	<u>1,052,716</u>			
Total expenses	<u>200,281,438</u>	<u>194,444,056</u>	<u>184,891,920</u>	<u>184,665,477</u>	<u>189,247,525</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
Instruction	755,459	860,809	837,596	600,792	393,270
Operation of non-instructional services	3,986,380	3,294,615	3,876,383	3,851,113	2,914,250
Other activities	103,159	164,133	117,199	207,273	875,928
Operating grants and contributions	37,619,978	38,718,810	48,386,041	50,249,772	55,573,950
Capital grants and contributions	106,271				
Total governmental activities	<u>42,571,247</u>	<u>43,038,367</u>	<u>53,217,219</u>	<u>54,908,950</u>	<u>59,757,398</u>
Business-type activities:					
Charges for services					
Private school consortium	670,617	778,214			
Alternative fuel	150,775	164,943			
Total business-type activities	<u>821,392</u>	<u>943,157</u>			
Total program revenues	<u>43,392,639</u>	<u>43,981,524</u>	<u>53,217,219</u>	<u>54,908,950</u>	<u>59,757,398</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (156,888,799)</u>	<u>\$ (150,462,532)</u>	<u>\$ (131,674,701)</u>	<u>\$ (129,756,527)</u>	<u>\$ (129,490,127)</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST 10 FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Expenses</b>					
Governmental activities:					
Instruction	\$ 117,265,653	\$ 109,805,178	\$ 112,047,322	\$ 106,099,983	\$ 97,694,182
Support services - students and staff	25,761,443	25,374,863	21,501,721	17,700,072	17,718,517
Support services - administration	17,017,140	17,348,813	18,741,436	21,232,061	14,810,806
Operation and maintenance of plant services	21,856,335	21,404,866	18,314,891	13,541,089	15,590,854
Student transportation services	8,960,848	8,665,577	8,972,338	7,801,167	6,265,754
Operation of non-instructional services	15,158,592	17,421,449	17,618,231	18,342,349	16,482,039
Interest on long-term debt	4,768,597	5,671,847	5,852,659	6,414,431	6,855,514
Total governmental activities	<u>210,788,608</u>	<u>205,692,593</u>	<u>203,048,598</u>	<u>191,131,152</u>	<u>175,417,666</u>
Business-type activities:					
Private school consortium					
Alternative fuel					
Total business-type activities					
Total expenses	<u>210,788,608</u>	<u>205,692,593</u>	<u>203,048,598</u>	<u>191,131,152</u>	<u>175,417,666</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services					
Instruction	758,398	1,692,438	1,641,410	4,886,935	3,304,606
Operation of non-instructional services	3,159,713	4,148,923	3,414,490	2,415,245	2,346,616
Other activities	2,356,020	303,455	653,844	345,235	343,947
Operating grants and contributions	41,423,780	44,947,412	45,386,501	43,237,531	41,076,826
Capital grants and contributions				2,097,940	2,304,606
Total governmental activities	<u>47,697,911</u>	<u>51,092,228</u>	<u>51,096,245</u>	<u>52,982,886</u>	<u>49,376,601</u>
Business-type activities:					
Charges for services					
Private school consortium					
Alternative fuel					
Total business-type activities					
Total program revenues	<u>47,697,911</u>	<u>51,092,228</u>	<u>51,096,245</u>	<u>52,982,886</u>	<u>49,376,601</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (163,090,697)</u>	<u>\$ (154,600,365)</u>	<u>\$ (151,952,353)</u>	<u>\$ (138,148,266)</u>	<u>\$ (126,041,065)</u>

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

**Note:** The information presented for the business-type activities in fiscal year 2013 and 2014 was presented as governmental activities in prior years. Therefore, fiscal years prior to 2013 will not present business-type activities.

**(Concluded)**



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST 10 FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Net (Expense)/Revenue</b>	\$ (156,888,799)	\$ (150,462,532)	\$ (131,674,701)	\$ (129,756,527)	\$ (129,490,127)
<b>General Revenues:</b>					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	41,086,061	51,976,289 *	57,336,243 *	52,881,727 *	57,360,259 *
Property taxes, levied for debt service	16,105,036				
Property taxes, levied for capital outlay	2,569,357				
Investment income	360,314	250,924	611,471	564,347	866,943
Other			814,480	957,518	1,842,065
Gain (loss) on disposal of capital assets					
Special items					
Unrestricted county aid	8,061,126	7,786,874			
Unrestricted state aid	89,230,772	83,833,717	79,839,296	83,310,247	81,760,455
Unrestricted federal aid	973,139	606,560			
Total governmental activities	<u>158,385,805</u>	<u>144,454,364</u>	<u>138,601,490</u>	<u>137,713,839</u>	<u>141,829,722</u>
<b>General Revenues:</b>					
Business-type activities:					
Investment income	<u>3,182</u>	<u>3,737</u>			
Total business-type activities	<u>3,182</u>	<u>3,737</u>			
<b>Changes in Net Position</b>	<u>\$ 1,500,188</u>	<u>\$ (6,004,431)</u>	<u>\$ 6,926,789</u>	<u>\$ 7,957,312</u>	<u>\$ 12,339,595</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST 10 FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Net (Expense)/Revenue</b>	\$ (163,090,697)	\$ (154,600,365)	\$ (151,952,353)	\$ (138,148,266)	\$ (126,041,065)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	68,672,108 *	61,748,198 *	54,292,820 *	53,187,313 *	59,518,684 *
Property taxes, levied for debt service					
Property taxes, levied for capital outlay					
Investment income	1,882,516	3,294,576	2,800,591	2,741,989	2,705,408
Other	1,914,375	1,516,688	3,209,376	2,464,199	3,010,480
Gain (loss) on disposal of capital assets	1,006,564				
Special items	(797,653)				
Unrestricted county aid			79,989	6,572,695	6,723,270
Unrestricted state aid	97,000,637	102,280,030	95,636,804	78,275,846	76,937,047
Unrestricted federal aid					
<b>Total general revenues</b>	<u>169,678,547</u>	<u>168,839,492</u>	<u>156,019,580</u>	<u>143,242,042</u>	<u>148,894,889</u>
<b>Net (Expense)/Revenue</b>					
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>
<b>Changes in Net Position</b>	<u>\$ 6,587,850</u>	<u>\$ 14,239,127</u>	<u>\$ 4,067,227</u>	<u>\$ 5,093,776</u>	<u>\$ 22,853,824</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.

\* Property tax revenue detail is not available for fiscal years prior to 2014.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>
General Fund:					
Nonspendable	\$ 672,748	\$ 606,151	\$ 648,293	\$ 598,955	\$
Restricted	4,142,611	259,946	249,987	239,976	
Committed					
Assigned		695,977	2,200,000	1,000,000	
Unassigned	9,747,586	15,450,753	23,777,607	22,280,697	
Reserved					580,116
Unreserved					6,255,374
Total General Fund	<u>\$ 14,562,945</u>	<u>\$ 17,012,827</u>	<u>\$ 26,875,887</u>	<u>\$ 24,119,628</u>	<u>\$ 6,835,490</u>
All Other Governmental Funds:					
Nonspendable	\$ 120,475	\$ 123,416	\$ 99,789	\$ 95,444	\$
Restricted	23,118,195	21,794,618	17,349,012	25,305,337	
Committed					
Assigned					
Unassigned					
Reserved					102,138
Unreserved, reported in:					
Special revenue funds					12,981,586
Capital projects funds					9,213,790
Debt service fund					11,281,870
Total all other governmental funds	<u>\$ 23,238,670</u>	<u>\$ 21,918,034</u>	<u>\$ 17,448,801</u>	<u>\$ 25,400,781</u>	<u>\$ 33,579,384</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General Fund:					
Nonspendable	\$	\$	\$	\$	\$
Restricted					
Committed					
Assigned					
Unassigned					
Reserved	684,173	809,097	811,417	784,762	535,684
Unreserved	1,251,979	7,792,683	3,752,386	5,730,903	11,472,726
Total General Fund	<u>\$ 1,936,152</u>	<u>\$ 8,601,780</u>	<u>\$ 4,563,803</u>	<u>\$ 6,515,665</u>	<u>\$ 12,008,410</u>
All Other Governmental Funds:					
Nonspendable	\$	\$	\$	\$	\$
Restricted					
Committed					
Assigned					
Unassigned					
Reserved	75,845	70,062	58,412	41,079	78,664
Unreserved, reported in:					
Special revenue funds	10,576,112	16,739,272	17,277,553	18,515,745	16,127,397
Capital projects funds	12,471,973	28,745,360	20,248,874	33,915,276	55,062,831
Debt service fund	9,415,245	5,813,898	5,019,527	7,941,901	7,065,352
Total all other governmental funds	<u>\$ 32,539,175</u>	<u>\$ 51,368,592</u>	<u>\$ 42,604,366</u>	<u>\$ 60,414,001</u>	<u>\$ 78,334,244</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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 21,117,016	\$ 21,427,638	\$ 25,586,389	\$ 27,480,698	\$
State Fiscal Stabilization (ARRA) Education Jobs					
National School Lunch Program	15,118,150	14,550,077	13,416,071	12,550,100	
Total federal sources	<u>36,235,166</u>	<u>35,977,715</u>	<u>39,002,460</u>	<u>40,030,798</u>	
<b>State sources:</b>					
State equalization assistance	80,526,567	86,982,842	83,096,833	87,861,045	
State grants	804,741	7,368,386	6,126,044	5,668,177	
Other revenues	8,704,205				
Total state sources	<u>90,035,513</u>	<u>94,351,228</u>	<u>89,222,877</u>	<u>93,529,222</u>	
<b>Intergovernmental</b>					<u>145,504,533</u>
<b>Local sources:</b>					
Property taxes	59,004,911	52,278,031	57,063,913	52,940,965	55,938,271
County aid	8,061,126				
Food service sales	883,187	982,965	1,081,538	1,095,450	1,234,802
Investment income	330,333	219,265	553,258	483,209	772,985
Other revenues	4,812,307	4,936,669	4,466,985	4,521,246	4,790,711
Total local sources	<u>73,091,864</u>	<u>58,416,930</u>	<u>63,165,694</u>	<u>59,040,870</u>	<u>62,736,769</u>
<b>Total revenues</b>	<u>\$ 199,362,543</u>	<u>\$ 188,745,873</u>	<u>\$ 191,391,031</u>	<u>\$ 192,600,890</u>	<u>\$ 208,241,302</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Intergovernmental</b>	130,373,366	148,280,643	143,774,555	132,418,774	128,703,329
<b>Local sources:</b>					
Property taxes	66,881,917	61,310,275	54,260,737	53,124,145	59,613,745
County aid					
Food service sales	1,522,731	1,680,844	1,777,282	1,922,366	2,307,275
Investment income	1,608,295	2,925,698	2,521,438	2,555,175	2,592,974
Other revenues	6,546,751	4,927,459	4,470,577	5,954,486	5,066,794
Total local sources	76,559,694	70,844,276	63,030,034	63,556,172	69,580,788
<b>Total revenues</b>	\$ 206,933,060	\$ 219,124,919	\$ 206,804,589	\$ 195,974,946	\$ 198,284,117

**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 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 93,717,118	\$ 93,736,675	\$ 91,410,445	\$ 93,436,783	\$ 95,382,583
Support services - students and staff	24,034,750	24,748,411	22,509,492	23,522,232	24,445,641
Support services - administration	15,536,516	15,300,720	14,366,216	14,553,115	15,576,253
Operation and maintenance of plant services	18,381,447	18,880,306	17,918,737	18,183,028	18,299,725
Student transportation services	7,601,273	9,066,412	9,093,523	7,964,428	9,045,909
Operation of non-instructional services	19,809,292	19,401,013	17,582,358	17,164,310	17,539,169
Capital outlay	14,422,452	18,384,635	7,197,451	2,452,543	6,206,156
Debt service -					
Judgements against the district					
Interest and fiscal charges	3,680,506	4,192,759	4,151,391	4,391,286	4,559,541
Principal retirement	13,299,276	13,437,039	12,410,822	11,927,791	11,613,857
Bond issuance costs	24,100	319,439		212,540	
<b>Total expenditures</b>	<u><u>\$ 210,506,730</u></u>	<u><u>\$ 217,467,409</u></u>	<u><u>\$ 196,640,435</u></u>	<u><u>\$ 193,808,056</u></u>	<u><u>\$ 202,668,834</u></u>
Expenditures for capitalized assets	\$ 8,117,800	\$ 22,394,368	\$ 8,933,690	\$ 4,800,749	\$ 7,884,467
Debt service as a percentage of noncapital expenditures	8%	9%	9%	9%	9%

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 110,896,410	\$ 107,957,523	\$ 110,833,854	\$ 101,898,778	\$ 94,824,251
Support services - students and staff	25,441,760	25,020,739	20,773,370	17,720,930	17,881,931
Support services - administration	15,765,520	15,970,947	16,203,736	25,194,055	15,482,712
Operation and maintenance of plant services	19,410,991	19,620,473	16,814,629	15,065,198	15,189,474
Student transportation services	8,274,958	8,758,791	8,602,202	7,399,174	6,275,099
Operation of non-instructional services	17,435,562	17,541,403	18,142,640	18,488,874	15,726,567
Capital outlay	20,529,424	6,055,263	15,818,482	16,627,314	5,459,477
Debt service -					
Judgements against the district	797,653				
Interest and fiscal charges	5,015,522	5,732,841	5,903,155	6,464,927	7,071,960
Principal retirement	11,211,725	11,323,934	11,246,751	10,740,177	11,347,438
Bond issuance costs		95,114			
<b>Total expenditures</b>	<u>\$ 234,779,525</u>	<u>\$ 218,077,028</u>	<u>\$ 224,338,819</u>	<u>\$ 219,599,427</u>	<u>\$ 189,258,909</u>
Expenditures for capitalized assets	\$ 23,224,044	\$ 7,320,814	\$ 20,083,584	\$ 25,948,748	\$ 7,336,180
Debt service as a percentage of noncapital expenditures	8%	8%	8%	8%	10%

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



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST 10 FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (11,144,187)	\$ (28,721,536)	\$ (5,249,404)	\$ (1,207,166)	\$ 5,572,468
<b>Other financing sources (uses):</b>					
General obligation bonds issued	5,000,000	20,000,000		10,000,000	
Refunding bonds issued					
Premium on sale of bonds		933,589		300,556	
Capital lease agreements	5,864,900	2,412,635			357,180
Transfers in	1,622,419	1,753,837	1,183,613	1,596,391	4,851,589
Transfers out	(1,622,419)	(1,753,837)	(1,183,613)	(1,596,391)	(4,851,589)
Payment to refunded bond escrow agent					
Total other financing sources (uses)	<u>10,864,900</u>	<u>23,346,224</u>	<u></u>	<u>10,300,556</u>	<u>357,180</u>
<b>Changes in fund balances</b>	<u>\$ (279,287)</u>	<u>\$ (5,375,312)</u>	<u>\$ (5,249,404)</u>	<u>\$ 9,093,390</u>	<u>\$ 5,929,648</u>
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (27,846,465)	\$ 1,047,891	\$ (17,534,230)	\$ (23,624,481)	\$ 9,025,208
<b>Other financing sources (uses):</b>					
Refunding bonds issued		11,640,000			
Premium on sale of bonds		104,982			
Capital lease agreements	2,558,224		1,928,745		
Transfers in	1,425,865	784,683	1,306,180	1,479,337	1,508,442
Transfers out	(1,425,865)	(784,683)	(1,306,180)	(1,479,337)	(1,508,442)
Payment to refunded bond escrow agent			(4,200,000)		
Total other financing sources (uses)	<u>2,558,224</u>	<u>11,744,982</u>	<u>(2,271,255)</u>	<u></u>	<u></u>
<b>Changes in fund balances</b>	<u>\$ (25,288,241)</u>	<u>\$ 12,792,873</u>	<u>\$ (19,805,485)</u>	<u>\$ (23,624,481)</u>	<u>\$ 9,025,208</u>

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6**  
**PRIMARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST 10 FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 485,838,284	\$ 536,566,162	\$ 579,720,714	\$ 725,098,667	\$ 735,720,516
Agricultural and Vacant	23,067,497	27,014,320	29,116,900	35,428,644	30,234,334
Residential (Owner Occupied)	395,683,367	467,196,013	552,197,999	723,837,868	915,060,239
Residential (Rental)	151,279,607	140,976,564	161,371,870	221,975,671	231,105,357
Historical Property	107,971	121,435	74,699	251,582	188,200
Certain Government Property Improvements	71,136	79,365	93,427		
<b>Total</b>	<b>\$ 1,056,047,862</b>	<b>\$ 1,171,953,859</b>	<b>\$ 1,322,575,609</b>	<b>\$ 1,706,592,432</b>	<b>\$ 1,912,308,646</b>
Estimated Actual Value (Full Cash Value)	\$ 9,467,272,155	\$ 10,327,375,233	\$ 11,732,224,759	\$ 15,406,725,213	\$ 19,155,917,245
Ratio of Primary Assessed Value to Estimated Actual Value	11.15%	11.35%	11.27%	11.08%	9.98%

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	\$ 694,191,956	\$ 653,757,072	\$ 614,279,112	\$ 590,029,713	\$ 565,923,226
Agricultural and Vacant	30,782,822	25,544,873	23,480,301	19,117,441	22,969,909
Residential (Owner Occupied)	835,901,644	726,531,107	639,373,435	609,191,389	556,862,970
Residential (Rental)	202,087,114	176,088,448	162,954,277	154,127,301	145,123,394
Historical Property	70,415	58,225			
<b>Total</b>	<b>\$ 1,763,033,951</b>	<b>\$ 1,581,979,725</b>	<b>\$ 1,440,087,125</b>	<b>\$ 1,372,465,844</b>	<b>\$ 1,290,879,499</b>
Estimated Actual Value (Full Cash Value)	\$ 19,576,459,825	\$ 16,346,463,462	\$ 12,089,204,311	\$ 11,659,229,274	\$ 10,672,686,956
Ratio of Primary Value to Estimated Actual Value	9.01%	9.68%	11.91%	11.77%	12.10%

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
SECONDARY ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS  
LAST 10 FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 486,699,613	\$ 537,112,888	\$ 580,807,450	\$ 775,772,528	\$ 855,894,214
Agricultural and Vacant	23,256,358	27,227,906	29,735,357	43,207,330	42,232,397
Residential (Owner Occupied)	396,879,515	468,675,857	553,225,987	724,641,151	1,025,049,246
Residential (Rental)	154,128,545	141,505,000	161,519,148	230,778,080	279,860,694
Historical Property	320,400	349,360	263,469	1,018,959	828,080
Certain Government Property Improvements	71,136	79,365	93,427		
<b>Total</b>	<b>\$ 1,061,355,567</b>	<b>\$ 1,174,950,376</b>	<b>\$ 1,325,644,838</b>	<b>\$ 1,775,418,048</b>	<b>\$ 2,203,864,631</b>
Ratio of Secondary Assessed Value to Estimated Actual Value	11.21%	11.38%	11.30%	11.52%	11.50%

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	\$ 794,168,072	\$ 715,689,913	\$ 658,768,022	\$ 617,651,509	\$ 606,302,826
Agricultural and Vacant	45,505,270	34,082,237	31,061,836	23,175,060	28,678,253
Residential (Owner Occupied)	1,146,323,316	958,271,014	648,137,480	642,918,051	567,925,203
Residential (Rental)	268,960,914	217,086,615	168,081,216	165,346,845	150,306,011
Historical Property	323,900	279,475			
<b>Total</b>	<b>\$ 2,255,281,472</b>	<b>\$ 1,925,409,254</b>	<b>\$ 1,506,048,554</b>	<b>\$ 1,449,091,465</b>	<b>\$ 1,353,212,293</b>
Ratio of Secondary Assessed Value to Estimated Actual Value	11.52%	11.78%	12.46%	12.43%	12.68%

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
PROPERTY TAX ASSESSMENT RATIOS  
LAST 10 FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	20 %	21 %	22 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	17	18

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Commercial, Industrial, Utilities and Mining	23 %	24 %	25 %	25 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	20	21	22	21	21

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST 10 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									
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
2006		1.20	0.21	1.03	0.12	1.82	1.72	2.09	1.98	4.07
2005		1.21	0.21	1.04	0.12	1.82	1.72	2.74	2.18	4.92

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

**Note:** There was no state equalization tax rate overlap prior to 2010.

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

<u>Taxpayer</u>	<u>2014</u>		<u>2005</u>	
	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>
Arizona Public Service Company	\$ 111,242,944	10.48 %	\$ 61,454,324	4.54 %
Wal Mart Stores Inc.	28,353,290	2.67		
Qwest Corporation	10,089,725	0.95	33,831,194	2.50
Vhs Of Phoenix Inc.	8,188,395	0.77		
Canyon Corporate Plaza Properties LLC	6,650,000	0.63		
Pdg America Properties LLC	5,471,936	0.52		
M2 Phoenix 1222 LLC	5,450,120	0.51		
Bay Pacific Phoenix Corporate Center LLC	4,750,001	0.45		
4801 East Washington Street Holdings LLC	3,908,889	0.37		
Blue Cross & Blue Shield	3,715,696	0.35		
Transwestern Phoenix Corporate Center			10,419,106	0.77
Metropolitain Life Insurance Co.			9,230,604	0.68
Southwest Gas Corporation (T&D)			8,793,256	0.65
DVM CO			8,255,399	0.61
Karsten Manufacturing Corporation			7,068,259	0.52
Estes-Samuelson LLC			6,944,477	0.51
DVM ETAL			6,713,052	0.50
R&B Realty Group			6,663,027	0.49
Total	<u>\$ 187,820,996</u>	<u>17.70 %</u>	<u>\$ 159,372,698</u>	<u>11.77 %</u>

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST 10 FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2014	\$ 63,427,847	\$ 60,695,060	95.69 %	\$	\$ 60,695,060	95.69 %
2013	55,507,371	53,174,793	95.80	2,313,464	55,488,257	99.97
2012	60,907,130	58,011,623	95.25	2,435,266	60,446,889	99.24
2011	58,521,650	56,065,697	95.80	2,443,804	58,509,501	99.98
2010	63,161,121	57,874,718	91.63	3,202,382	61,077,100	96.70
2009	72,821,698	68,433,791	93.97	3,746,776	72,180,567	99.12
2008	66,510,368	65,175,437	97.99	1,329,543	66,504,980	99.99
2007	60,336,259	58,717,892	97.32	1,612,585	60,330,477	99.99
2006	57,525,730	55,693,222	96.81	1,744,259	57,437,481	99.85
2005	64,656,857	62,618,804	96.85	2,029,576	64,648,380	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 10 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
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
2006	125,361,381	7,941,901	117,419,480	1.01	529	1,310,229	126,671,610	1.09	570	0.10
2005	134,896,877	7,065,352	127,831,525	1.20	548	2,565,406	137,462,283	1.29	589	0.12

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



**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2014**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa Community College District	\$ 712,735,000	3.29 %	\$ 23,448,982
City of Phoenix	1,544,830,000	10.32	159,426,456
City of Glendale	168,645,000	3.78	6,374,781
Glendale Union High School District No. 205	124,390,000	82.22	<u>102,273,458</u>
Subtotal, Overlapping Debt			<u>291,523,677</u>
Direct:			
Washington Elementary School District No. 6			<u>98,490,744</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 390,014,421</u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation		8.11 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,612	
As a Percentage of Net Secondary Assessed Valuation		35.58 %
As a Percentage of Estimated Actual Value (Full Cash Value)		3.99 %

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

**Note:** Proportion applicable to the Washington Elementary School District No. 6 is computed on the ratio of secondary assessed valuation for 2013-14.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
LEGAL DEBT MARGIN INFORMATION  
LAST 10 FISCAL YEARS**

**Class B Bond Legal Debt Margin Calculation for Fiscal Year 2014:**

Secondary assessed valuation	\$ 1,061,355,567
Debt limit (10% of assessed value)	106,135,557
Debt applicable to limit	<u>53,545,000</u>
Legal debt margin	<u>\$ 52,590,557</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2014:**

Secondary assessed valuation	\$ 1,061,355,567
Debt limit (15% of assessed value)	159,203,335
Debt applicable to limit	<u>89,170,000</u>
Legal debt margin	<u>\$ 70,033,335</u>

**Fiscal Year Ended June 30**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 159,203,335	\$ 176,242,556	\$ 198,846,726	\$ 266,312,707	\$ 330,579,695
Total net debt applicable to limit	<u>89,170,000</u>	<u>44,859,378</u>	<u>56,465,217</u>	<u>80,158,243</u>	<u>72,678,130</u>
Legal debt margin	<u>\$ 70,033,335</u>	<u>\$ 131,383,178</u>	<u>\$ 142,381,509</u>	<u>\$ 186,154,464</u>	<u>\$ 257,901,565</u>
Total net debt applicable to the limit as a percentage of debt limit	56%	25%	28%	30%	22%

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Debt Limit	\$ 338,292,221	\$ 288,811,388	\$ 225,907,283	\$ 217,363,720	\$ 202,981,844
Total net debt applicable to limit	<u>91,835,965</u>	<u>102,722,446</u>	<u>101,958,535</u>	<u>107,212,260</u>	<u>127,039,648</u>
Legal debt margin	<u>\$ 246,456,256</u>	<u>\$ 186,088,942</u>	<u>\$ 123,948,748</u>	<u>\$ 110,151,460</u>	<u>\$ 75,942,196</u>
Total net debt applicable to the limit as a percentage of debt limit	27%	36%	45%	49%	63%

**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 10 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>
2013	4,009,412	\$ 147,700,000	\$ 27,552	6.0 %	234,177
2012	3,884,705	154,926,697	39,300	7.1	222,464
2011	3,843,370	147,724,392	38,071	8.4	233,166
2010	3,824,058	140,351,646	36,695	9.6	225,909
2009	3,821,136	137,970,508	36,272	9.0	251,689
2008	3,808,829	148,462,926	39,369	5.2	255,695
2007	3,753,413	145,880,680	39,300	3.1	256,299
2006	3,663,915	139,069,591	38,176	3.5	234,230
2005	3,577,074	126,010,741	35,606	4.0	222,053
2004	3,466,592	114,049,001	33,369	4.4	233,330

**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 and per capita information is the Bureau of Economic Analysis.  
The source of the unemployment rate is the Bureau of Labor Statistics.  
The source of the population rate is the AZ Department of Administration, Office of Employment and Population Statistics.

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

<u>Employer</u>	<u>2014</u>		<u>2005</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	49,278	2.59 %	49,145	2.76 %
Wal-Mart Stores Inc.	32,169	1.69	19,510	1.09
Banner Health	25,270	1.33	14,480	0.81
City of Phoenix	14,983	0.79	13,620	0.76
Wells Fargo	14,713	0.77		
Maricopa County	12,698	0.67	15,215	0.85
Arizona State University	12,222	0.64	10,530	0.59
Intel Corp.	11,900	0.63		
JPMorgan Chase & Co.	11,042	0.58		
Bank of America	11,000	0.58	7,270	0.41
Apollo Group Inc.	10,000	0.53		
Honeywell Aerospace	10,000	0.53	12,000	0.67
US Airways Group	9,306	0.49		
Target	8,572	0.44		
Bashas' Family of Stores	8,561	0.44	9,650	0.54
U.S. Postal Services			11,405	0.64
Safeway Inc.			9,500	0.53
Albertson's			9,500	0.53
Luke Air Force Base			9,000	0.50
America Wes Holdings Corp.			8,540	0.49
The Kroger Co.			8,235	0.47
Total	<u>241,714</u>	<u>12.70 %</u>	<u>207,600</u>	<u>11.64 %</u>
Total employment	<u>1,903,173</u>		<u>1,783,726</u>	

**Source:** The source of this information is The Phoenix Business Journal Book of Lists 2004, published December 2003 and The Phoenix Business Journal Book of Lists 2014, published December 2013.

**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 10 FISCAL YEARS**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Supervisory</b>					
Instructional administrators	11	10	10	10	11
Noninstructional administrators	15	13	13	13	13
Consultants/supervisors of instruction	11	5	5	5	4
Principals	32	32	32	32	34
Assistant principals	15	13	12	10	10
Total supervisory	<u>84</u>	<u>73</u>	<u>72</u>	<u>70</u>	<u>72</u>
<b>Instruction</b>					
Elementary classroom teachers	683	655	647	653	674
Secondary classroom teachers	175	175	176	191	195
Other teachers	448	449	423	431	439
Other professionals	119	113	110	110	118
Aides	560	546	507	501	502
Total instruction	<u>1,985</u>	<u>1,938</u>	<u>1,863</u>	<u>1,886</u>	<u>1,928</u>
<b>Student Services</b>					
Visiting teachers/social workers	28	26	20	19	19
Psychologist	24	23	26	26	28
Librarians	10	11	11	13	14
Other professionals (noninstructional)	49	51	72	69	78
Technicians	31	29	28	24	24
Total student services	<u>142</u>	<u>140</u>	<u>157</u>	<u>151</u>	<u>163</u>
<b>Support and Administration</b>					
Clerical/secretarial	314	299	290	293	296
Service workers	160	254	151	153	157
Skilled crafts	98	98	99	98	106
Unskilled laborers	314	309	295	295	301
Total support and administration	<u>886</u>	<u>960</u>	<u>835</u>	<u>839</u>	<u>860</u>
<b>Total</b>	<u><u>3,097</u></u>	<u><u>3,111</u></u>	<u><u>2,927</u></u>	<u><u>2,946</u></u>	<u><u>3,023</u></u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST 10 FISCAL YEARS**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Supervisory</b>					
Instructional administrators	13	13	13	13	13
Noninstructional administrators	15	17	17	21	18
Consultants/supervisors of instruction	4	5	5	5	6
Principals	33	34	35	32	32
Assistant principals	9	12	12	11	10
Total supervisory	<u>74</u>	<u>81</u>	<u>82</u>	<u>82</u>	<u>79</u>
<b>Instruction</b>					
Elementary classroom teachers	713	790	792	792	764
Secondary classroom teachers	202	207	195	145	166
Other teachers	421	466	416	595	554
Other professionals	120	133	128	64	65
Aides	509	558	471	577	518
Total instruction	<u>1,965</u>	<u>2,154</u>	<u>2,002</u>	<u>2,173</u>	<u>2,067</u>
<b>Student Services</b>					
Visiting teachers/social workers	17	14	14	13	14
Psychologist	24	28	22	25	24
Librarians	15	15	16	13	19
Other professionals (noninstructional)	77	72	67	30	33
Technicians	24	26	26	19	16
Total student services	<u>157</u>	<u>155</u>	<u>145</u>	<u>100</u>	<u>106</u>
<b>Support and Administration</b>					
Clerical/secretarial	284	304	282	239	218
Service workers	161	183	157	267	254
Skilled crafts	103	100	93	79	80
Unskilled laborers	303	320	272	135	148
Total support and administration	<u>851</u>	<u>907</u>	<u>804</u>	<u>720</u>	<u>700</u>
<b>Total</b>	<u><u>3,047</u></u>	<u><u>3,297</u></u>	<u><u>3,033</u></u>	<u><u>3,075</u></u>	<u><u>2,952</u></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 (e.g. Finance Coordinator was classified as Clerical/Secretarial)
  - 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 10 FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Governmental Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
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
2006	24,431	185,767,009	7,604	11.94	191,131,152	7,823	8.58	1,544	15.8	59.4
2005	24,346	165,380,034	6,793	9.67	175,417,666	7,205	(2.13)	1,503	16.2	57.8

**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 10 FISCAL YEARS**

	<b>Fiscal Year Ended June 30</b>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b><u>Schools</u></b>										
<b><u>Elementary</u></b>										
Sites	27	27	27	27	27	27	27	27	27	27
Square feet	2,177,492	2,171,201	2,166,893	2,166,893	2,174,688	2,168,388	2,168,388	2,184,904	2,184,904	2,184,904
Capacity	23,785	23,711	23,660	23,660	23,660	23,660	23,660	23,660	23,660	26,325
Enrollment	19,864	19,330	18,749	18,713	19,118	19,266	19,812	20,309	20,123	18,844
<b><u>Middle</u></b>										
Sites	5	5	5	5	5	5	5	5	5	5
Square feet	539,717	539,717	548,784	548,784	548,784	546,990	527,588	510,427	510,427	510,427
Capacity	5,601	5,494	5,601	5,601	5,601	5,601	5,601	5,601	5,601	5,668
Enrollment	3,716	3,797	3,846	3,815	3,996	4,070	4,336	4,458	4,907	4,997
<b><u>Administrative</u></b>										
Sites	4	4	3	3	3	4	4	3	2	2
Square feet	215,212	215,212	206,145	206,145	206,145	210,339	242,794	177,234	100,170	100,170
<b><u>Transportation</u></b>										
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	5 bus/1 car	5 bus/1 car	5 bus/1 car	5 bus/1 car
Buses	111	113	130	133	133	128	132	128	135	133

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

**Note:** Enrollment is based on 100th day figures.



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