
WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2015



WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

GLENDALE, ARIZONA

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

Issued by:
Business and Finance Department

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

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INTRODUCTORY SECTION

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Administrative Services

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

December 14, 2015

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, 2015.

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

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

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

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

PROFILE OF THE DISTRICT

The 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 23,459 students in north central Phoenix and eastern Glendale. Projections indicate that enrollment should remain relatively constant with slight fluctuations up or down each year. Our schools continue to offer a variety of choice to parents related to the education of their children. There are plans to increase the number of signature programs within the District to encourage further growth in the near future.

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, component units combined with the District for financial statement purposes and the District are not included in any other governmental entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, bookstore, athletic functions, and sponsorship of five charter schools.

For fiscal year 2014-2015 the District experienced a 2.2 percent increase in its primary assessed valuation and 7.6 percent increase in its secondary assessed valuation. The economy of the District is representative of the economies of the cities that overlap the District. Approximately 92 percent of the District lies within the boundaries of the City of Phoenix with only 8 percent falling within the boundaries of the City of Glendale.

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

In order to facilitate community outreach, a Parent Leadership Team meets with the Superintendent monthly. This group serves as a communication link between the District and schools and they determine the topics of discussion. The District also works with a Business Advisory Team, and during fiscal year 2015 the Business Advisory Team increased in participation to over 250 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 complete expansion in the near future and will include several miles within the District boundaries. The greater Phoenix area serves as a hub for innovation and entrepreneurs by providing international access for aerospace, high-technology, bioscience, advanced business services and sustainable technologies companies.

The City of Phoenix is the Capitol and largest city of Arizona and is the county seat as well. Phoenix is also the sixth largest city in the nation, with more than 1.45 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 August 2015, the unemployment rate in the Phoenix area and Maricopa County was approximately 5.9 percent, higher than the national average of 5.1 percent.

The State of Arizona was greatly affected by the recent economic downturn. This resulted in limited growth and declining revenues, but statewide revenues have been performing far above what was projected over the last couple of years. The downturn in the economy presented a challenge to school districts considering that the majority of funding for schools is generated through formulas directed by Arizona law. Legislative decisions over the last several years have led to reduced funding allocations, but public awareness of limited education funding has recently provided an increased focus on developing a sustainable funding system for the future. An initiative will be presented to voters in May 2016 that would restore much of the funding that was reduced since 2009.

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

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

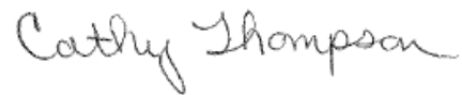
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation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

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

Respectfully submitted,



Dr. Paul Stanton
Superintendent



Cathy Thompson
Director of Business Services

Association of School Business Officials International



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

Washington Elementary School District No. 6

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

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



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

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

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

John D. Musso, CAE, RSBA



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

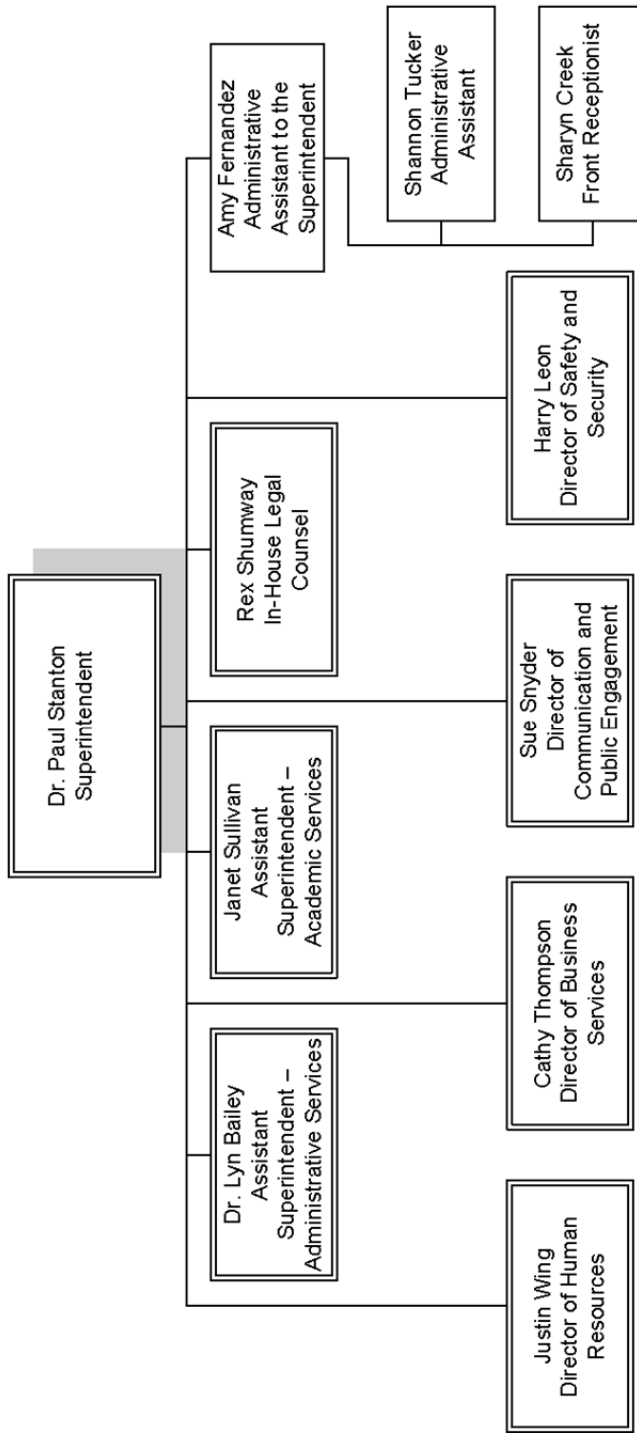
**Washington Elementary School
District No. 6, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

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

Larry Herrera, Member

Aaron Jahneke, Member

ADMINISTRATIVE STAFF

Paul Stanton, 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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015 on our consideration of Washington Elementary School District No. 6's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washington Elementary School District No. 6's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

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

December 14, 2015

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, 2015**

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, 2015. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$11.3 million to \$15.5 million and the business-type activities increased \$70,590 to \$1.6 million. The increase in net position for governmental activities is primarily due an to increase in state aid revenues.
- General revenues from governmental activities accounted for \$162.1 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 \$44.3 million or 21 percent of total governmental activities revenues. The District had \$935,726 in program revenues and \$3,073 in general revenues related to business-type activities.
- The District had approximately \$195.0 million in expenses related to governmental activities, a decrease of two percent from the prior fiscal year. The District had \$868,209 in expenses related to business-type activities, a decrease of \$92,140 from the prior fiscal year.
- Among major funds, the General Fund had \$139.3 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$139.1 million in expenditures. The General Fund's fund balance increase from \$14.6 million at the prior fiscal year end to \$15.7 million at the end of the current fiscal year was primarily due to an increase in state aid revenues.
- Net position for the Internal Service Funds decreased \$297,622 from the prior fiscal year. Operating expenses of \$19.8 million exceeded operating revenues of \$19.5 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, 2015**

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, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

Proprietary funds. The District maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses separate enterprise funds to account for its private school consortium and alternative fuel services. The internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for its Employee Benefit Trust, Workers' Compensation Trust, and Property 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, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, governmental activities assets and deferred outflows exceeded liabilities and deferred inflows by \$15.5 million at the current fiscal year end.

The largest portion of the District's governmental activities net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Business-Type Activities		Total	
	As of June 30, 2015	As of June 30, 2014	As of June 30, 2015	As of June 30, 2014	As of June 30, 2015	As of June 30, 2014
Current and other assets	\$ 100,681,495	\$ 98,944,021	\$ 761,334	\$ 883,864	\$ 101,442,829	\$ 99,827,885
Capital assets, net	225,313,406	227,642,026	1,517,228	1,413,714	226,830,634	229,055,740
Total assets	<u>325,994,901</u>	<u>326,586,047</u>	<u>2,278,562</u>	<u>2,297,578</u>	<u>328,273,463</u>	<u>328,883,625</u>
Deferred outflows	20,947,374	497,852	77,160		21,024,534	497,852
Current and other liabilities	34,015,282	35,696,698	11,559	97,229	34,026,841	35,793,927
Long-term liabilities	265,286,458	100,439,790	650,714		265,937,172	100,439,790
Total liabilities	<u>299,301,740</u>	<u>136,136,488</u>	<u>662,273</u>	<u>97,229</u>	<u>299,964,013</u>	<u>136,233,717</u>
Deferred inflows	32,106,652		119,924		32,226,576	
Net position:						
Net investment in capital assets	147,843,966	140,651,648	1,517,228	1,413,714	149,361,194	142,065,362
Restricted	25,808,205	23,121,936			25,808,205	23,121,936
Unrestricted	(158,118,288)	27,173,827	56,297	786,635	(158,061,991)	27,960,462
Total net position	<u>\$ 15,533,883</u>	<u>\$ 190,947,411</u>	<u>\$ 1,573,525</u>	<u>\$ 2,200,349</u>	<u>\$ 17,107,408</u>	<u>\$ 193,147,760</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position for governmental activities. Governmental activities unrestricted net position, which is normally used to meet the District's mission reported a deficit of \$158.1 million. The deficit arose because of the implementation of GASB Statement No. 68, which required the District to record a liability for its proportionate share of the state pension plan's unfunded liability. The District reported positive balances in all three categories of governmental activities net position in the prior fiscal year. At the end of the current and prior fiscal year the District reported positive balances in both categories of net position for business-type activities.

The 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 \$12.8 million of bonds.
- The issuance of \$4.5 million in school improvement bonds.
- The issuance of \$10.0 million in tax anticipation notes.
- The addition of \$174.9 million in pension liabilities due to the implementation of new pension reporting standards.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

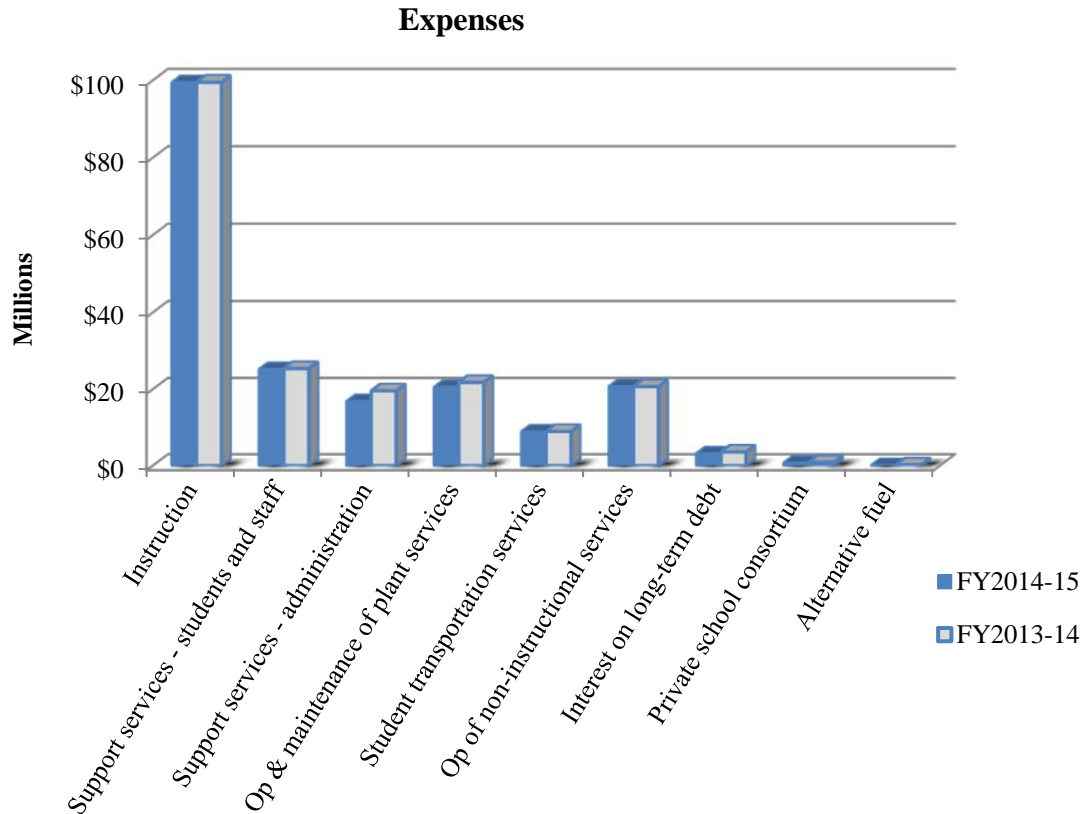
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$207.3 million. The total cost of all programs and services was \$195.9 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	Governmental Activities		Business-Type Activities		Total	
	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
Revenues:						
Program revenues:						
Charges for services	\$ 4,561,877	\$ 4,844,998	\$ 935,726	\$ 821,392	\$ 5,497,603	\$ 5,666,390
Operating grants and contributions	39,616,244	37,619,978			39,616,244	37,619,978
Capital grants and contributions	95,728	106,271			95,728	106,271
General revenues:						
Property taxes	59,432,746	59,760,454			59,432,746	59,760,454
Investment income	208,981	360,314	3,073	3,182	212,054	363,496
Unrestricted county aid	8,780,891	8,061,126			8,780,891	8,061,126
Unrestricted state aid	93,009,088	89,230,772			93,009,088	89,230,772
Unrestricted federal aid	640,647	973,139			640,647	973,139
Total revenues	<u>206,346,202</u>	<u>200,957,052</u>	<u>938,799</u>	<u>824,574</u>	<u>207,285,001</u>	<u>201,781,626</u>
Expenses:						
Instruction	99,473,480	99,497,671			99,473,480	99,497,671
Support services – students and staff	25,259,949	25,400,733			25,259,949	25,400,733
Support services – administration	16,863,927	19,545,606			16,863,927	19,545,606
Operation and maintenance of plant services	20,573,400	21,755,307			20,573,400	21,755,307
Student transportation services	8,931,677	8,921,262			8,931,677	8,921,262
Operation of non-instructional services	20,757,679	20,672,728			20,757,679	20,672,728
Interest on long-term debt	3,184,743	3,527,782			3,184,743	3,527,782
Private school consortium			760,335	813,384	760,335	813,384
Alternative fuel			107,874	146,965	107,874	146,965
Total expenses	<u>195,044,855</u>	<u>199,321,089</u>	<u>868,209</u>	<u>960,349</u>	<u>195,913,064</u>	<u>200,281,438</u>
Changes in net position	11,301,347	1,635,963	70,590	(135,775)	11,371,937	1,500,188
Net position, beginning, as restated	4,232,536	189,311,448	1,502,935	2,336,124	5,735,471	191,647,572
Net position, ending	<u>\$ 15,533,883</u>	<u>\$190,947,411</u>	<u>\$ 1,573,525</u>	<u>\$ 2,200,349</u>	<u>\$ 17,107,408</u>	<u>\$ 193,147,760</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- Unrestricted state aid increased \$3.8 million due to an increase in average daily membership.
- Expenses for support services – administration decreased \$2.7 million primarily due to a decrease in expenses for non-capitalized purchases from the prior year.
- Operation and maintenance of plant services expenses decreased \$1.2 million primarily due to savings realized from the District’s energy management project.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the state and District's taxpayers by each of these functions.

	<u>Year Ended June 30, 2015</u>		<u>Year Ended June 30, 2014</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
Governmental Activities				
Instruction	\$ 99,473,480	\$ (87,439,798)	\$ 99,497,671	\$ (87,668,441)
Support services – students and staff	25,259,949	(18,331,231)	25,400,733	(18,528,881)
Support services – administration	16,863,927	(16,024,082)	19,545,606	(18,920,892)
Operation and maintenance of plant services	20,573,400	(19,718,953)	21,755,307	(20,117,902)
Student transportation services	8,931,677	(8,712,788)	8,921,262	(8,916,601)
Operation of non-instructional services	20,757,679	2,640,589	20,672,728	930,657
Interest on long-term debt	3,184,743	(3,184,743)	3,527,782	(3,527,782)
Total expenses	<u>195,044,855</u>	<u>(150,771,006)</u>	<u>199,321,089</u>	<u>(156,749,842)</u>
Business-Type Activities				
Private school consortium	760,335	93,859	813,384	(142,767)
Alternative fuel	107,874	(26,342)	146,965	3,810
Total expenses	<u>868,209</u>	<u>67,517</u>	<u>960,349</u>	<u>(138,957)</u>
Total	<u>\$ 195,913,064</u>	<u>\$ (150,703,489)</u>	<u>\$ 200,281,438</u>	<u>\$(156,888,799)</u>

- The cost of all governmental activities this year was \$195.0 million. The cost of all business-type activities this year was \$868,209.
- Federal and State governments and charges for services subsidized certain governmental and business-type programs with grants and contributions and other local revenues of \$45.2 million.
- Net cost of governmental activities of \$150.8 million was financed by general revenues, which are made up of primarily property taxes of \$59.4 million and state and county aid of \$101.8 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, 2015**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 \$41.8 million, an increase of \$4.0 million.

The General Fund comprises 38 percent of the total fund balance. Approximately \$10.4 million, or 66 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$1.1 million to \$15.7 million as of fiscal year end was a result of an increase in state aid revenues. General Fund revenues increased \$6.2 million. General Fund expenditures increased \$3.3 million.

The fund balance in the Food Service Fund increased \$1.8 million primarily due to an increase in federal revenues received for the National School Lunch Program due to schools participating in the Community Eligibility Provision.

Proprietary funds. Total net position of the Enterprise Funds and Internal Service Funds at the end of the fiscal year amounted to \$1.6 million and \$4.9 million, respectively. The increase in net position of five percent for the Enterprise Funds can be attributed to an increase in charges for services for the private school consortium. The decrease in net position for the Internal Service Funds of \$297,622 was primarily due to the utilization of existing cash balances to pay insurance premiums and claims expenses.

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 \$1.5 million decrease, or one percent.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

BUDGETARY HIGHLIGHTS

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

- The favorable variance of \$878,885 in instruction was due to savings in salaries and benefits from vacant positions that were only filled a portion of the year.
- The favorable variance of \$1.9 million in operation and maintenance of plant services was due to savings in salaries and benefits from vacant positions, savings from maintenance and repair of equipment and savings from utilities and the District's energy management projects.
- The favorable variance of \$897,417 in student transportation services was due to savings in salaries and benefits from vacant positions and savings from fuel costs as the District budgets for fluctuations in fuel prices.

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 \$371.7 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 \$5.5 million from the prior fiscal year, primarily due to the completion of 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, 2015 and June 30, 2014.

	Governmental Activities		Business-Type Activities		Total	
	As of June 30, 2015	As of June 30, 2014	As of June 30, 2015	As of June 30, 2014	As of June 30, 2015	As of June 30, 2014
Capital assets – non-depreciable	\$ 7,119,630	\$ 25,406,439	\$	\$ 81,707	\$ 7,119,630	\$ 25,488,146
Capital assets – depreciable, net	218,193,776	202,235,587	1,517,228	1,332,007	219,711,004	203,567,594
Total	<u>\$ 225,313,406</u>	<u>\$227,642,026</u>	<u>\$ 1,517,228</u>	<u>\$ 1,413,714</u>	<u>\$ 226,830,634</u>	<u>\$229,055,740</u>

The estimated cost to complete current construction projects is \$5.7 million.

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration. At year end, the District had \$89.1 million in long-term debt outstanding, \$14.0 million due within one year. Long-term debt decreased by \$9.4 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 \$171.3 million and the Class B debt limit is \$114.2 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- An estimated budget balance carry-forward of \$4.2 million in the Maintenance and Operation budget for the 2015-16 fiscal year.
- An increase in assessed values by 2.2 percent for the 2015 tax year due to improved economic conditions in the Phoenix metro area. Projections indicate that the assessed values will continue to slowly increase through fiscal year 2017.
- An increase in the District student population of less than one percent. The student population is expected to remain fairly level for the 2015-16 fiscal year. This will allow the District to maintain existing programs without having to reduce staff or other resources.
- A one percent increase to the base support level that will result in an approximate \$1.3 million increase to the 2015-16 budget.
- The State Legislature rescinded the funding of district sponsored charter schools which will result in a \$4.9 million decrease in additional assistance.
- The State Legislature eliminated the Student Success Fund (SSF) which will result in a \$0.4 million decrease in revenue for the 2015-16 budget.
- Contribution requirements for the Arizona State Retirement System will decrease costs by one percent.
- Employee health insurance costs will increase. However, the District made a contribution of \$800,000 in fiscal year 2015 to offset this increase. This action reduces the impact to the 2015-16 budget. The full increase to health insurance costs will be realized in the 2016-17 fiscal year. The intent of this strategy is to spread the increased cost of health insurance over two fiscal years.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2015**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- A one percent increase to employee salaries by utilizing unexpended budget balance carry-forward for a one-time lump sum payment to be awarded to continuing employees with an aggregate cost of approximately \$1 million.
- Continued reductions in capital funding to school districts by the State Legislature for fiscal year 2015-16.
- Continued commitment to provide full-day kindergarten. The State Legislature eliminated the funding for full-day kindergarten beginning in fiscal year 2010-11 and discontinued the weight for kindergarten students when calculating overrides in 2013-14.
- The continuation of a District program for students with emotional disabilities in lieu of outsourcing the program to private schools.
- The utilization of bond funds to renovate facilities in accordance with the Bond Master Plan.
- The utilization of the capital equipment replacement plan to prioritize the replacement of capital assets.
- Continuation of a district-wide energy conservation plan to reduce energy costs.
- An increased focus on recruitment and retention strategies due to a shortage of teachers throughout the State of Arizona.
- Utilization of demographic analysis software to better anticipate the changes in student enrollment from year to year.
- Additional E-Rate funds will be utilized in lieu of capital funds to install wireless access points at our schools in the 2015-16 school year.

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

Budgeted expenditures in the General Fund increased one percent to \$136.7 million in fiscal year 2015-16. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2015-16 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business 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, 2015

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 57,295,355	\$ 761,334	\$ 58,056,689
Cash and investments - restricted	3,884,516		3,884,516
Property taxes receivable	5,478,609		5,478,609
Accounts receivable	463,118		463,118
Due from governmental entities	31,234,533		31,234,533
Prepaid items	99,354		99,354
Inventory	842,889		842,889
Total current assets	99,298,374	761,334	100,059,708
Noncurrent assets:			
Other postemployment benefit	1,383,121		1,383,121
Capital assets not being depreciated	7,119,630		7,119,630
Capital assets, net of accumulated depreciation	218,193,776	1,517,228	219,711,004
Total noncurrent assets	226,696,527	1,517,228	228,213,755
Total assets	325,994,901	2,278,562	328,273,463
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred charge on refunding	331,901		331,901
Pension plan items	20,615,473	77,160	20,692,633
Total deferred outflows of resources	20,947,374	77,160	21,024,534
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	2,988,515	11,559	3,000,074
Construction contracts payable	731,226		731,226
Credit line payable	13,620,000		13,620,000
Claims payable	3,719,228		3,719,228
Accrued payroll and employee benefits	971,072		971,072
Compensated absences payable	686,768		686,768
Accrued interest payable	1,578,070		1,578,070
Unearned revenues	407,171		407,171
Obligations under capital leases	703,001		703,001
Bonds payable	13,310,000		13,310,000
Tax anticipation notes payable	10,000,000		10,000,000
Total current liabilities	48,715,051	11,559	48,726,610
Noncurrent liabilities:			
Non-current portion of long-term obligations	250,586,689	650,714	251,237,403
Total noncurrent liabilities	250,586,689	650,714	251,237,403
Total liabilities	299,301,740	662,273	299,964,013
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension plan items	32,106,652	119,924	32,226,576
<u>NET POSITION</u>			
Net investment in capital assets	147,843,966	1,517,228	149,361,194
Restricted for:			
Voter approved initiatives	2,096,786		2,096,786
Federal and state projects	1,040,708		1,040,708
Food service	9,964,170		9,964,170
Community school	1,173,053		1,173,053
Extracurricular activities	759,844		759,844
Other local initiatives	748,945		748,945
Debt service	4,761,843		4,761,843
Capital outlay	5,262,856		5,262,856
Unrestricted	(158,118,288)	56,297	(158,061,991)
Total net position	\$ 15,533,883	\$ 1,573,525	\$ 17,107,408

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities:					
Instruction	\$ 99,473,480	\$ 857,280	\$ 11,080,674	\$ 95,728	\$ (87,439,798)
Support services - students and staff	25,259,949		6,928,718		(18,331,231)
Support services - administration	16,863,927		839,845		(16,024,082)
Operation and maintenance of plant services	20,573,400	55,092	799,355		(19,718,953)
Student transportation services	8,931,677	8,928	209,961		(8,712,788)
Operation of non-instructional services	20,757,679	3,640,577	19,757,691		2,640,589
Interest on long-term debt	3,184,743				(3,184,743)
Total governmental activities	<u>195,044,855</u>	<u>4,561,877</u>	<u>39,616,244</u>	<u>95,728</u>	<u>(150,771,006)</u>
Business-type activities:					
Private school consortium	760,335	854,194			
Alternative fuel	107,874	81,532			
Total business-type activities	<u>868,209</u>	<u>935,726</u>			
Total primary government	<u>\$ 195,913,064</u>	<u>\$ 5,497,603</u>	<u>\$ 39,616,244</u>	<u>\$ 95,728</u>	<u>(150,771,006)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					40,529,370
Property taxes, levied for debt service					15,992,162
Property taxes, levied for capital outlay					2,911,214
Investment income					208,981
Unrestricted county aid					8,780,891
Unrestricted state aid					93,009,088
Unrestricted federal aid					640,647
Total general revenues					<u>162,072,353</u>
Changes in net position					11,301,347
Net position, beginning of year, as restated					<u>4,232,536</u>
Net position, end of year					<u>\$ 15,533,883</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
\$	\$ (87,439,798)
	(18,331,231)
	(16,024,082)
	(19,718,953)
	(8,712,788)
	2,640,589
	(3,184,743)
	(150,771,006)
93,859	93,859
(26,342)	(26,342)
67,517	67,517
67,517	(150,703,489)
	40,529,370
	15,992,162
	2,911,214
3,073	212,054
	8,780,891
	93,009,088
	640,647
3,073	162,075,426
70,590	11,371,937
1,502,935	5,735,471
\$ 1,573,525	\$ 17,107,408

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FUND FINANCIAL STATEMENTS

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

	General	Food Service	Debt Service
<u>ASSETS</u>			
Cash and investments	\$ 12,068,592	\$ 10,047,107	\$ 15,392,393
Cash and investments - restricted			3,884,516
Property taxes receivable	5,166,227		312,382
Accounts receivable	47,135	29,579	
Due from governmental entities	28,070,001	331,417	
Due from other funds	1,123,220		
Inventory	704,702	138,187	
Total assets	\$ 47,179,877	\$ 10,546,290	\$ 19,589,291
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,146,426	\$ 354,937	\$
Construction contracts payable			
Credit line payable	13,620,000		
Due to other funds			
Accrued payroll and employee benefits	533,799	35,236	
Accrued interest payable	60,622		
Unearned revenues		53,760	
Bonds payable			13,310,000
Bond interest payable			1,517,448
Tax anticipation notes payable	10,000,000		
Total liabilities	26,360,847	443,933	14,827,448
Deferred inflows of resources:			
Unavailable revenues - property taxes	5,061,848		273,381
Unavailable revenues - intergovernmental			
Unavailable revenues - other	47,135	29,579	
Total deferred inflows of resources	5,108,983	29,579	273,381
Fund balances (deficits):			
Nonspendable	704,702	138,187	
Restricted	4,566,212	9,934,591	4,488,462
Unassigned	10,439,133		
Total fund balances	15,710,047	10,072,778	4,488,462
 Total liabilities, deferred inflows of resources and fund balances	\$ 47,179,877	\$ 10,546,290	\$ 19,589,291

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 11,979,270	\$ 49,487,362
	3,884,516
	5,478,609
	76,714
2,833,115	31,234,533
	1,123,220
	842,889
<u>\$ 14,812,385</u>	<u>\$ 92,127,843</u>
\$ 455,033	\$ 2,956,396
731,226	731,226
	13,620,000
1,123,220	1,123,220
402,037	971,072
	60,622
353,411	407,171
	13,310,000
	1,517,448
	10,000,000
<u>3,064,927</u>	<u>44,697,155</u>
	5,335,229
208,961	208,961
	76,714
<u>208,961</u>	<u>5,620,904</u>
	842,889
11,579,225	30,568,490
(40,728)	10,398,405
<u>11,538,497</u>	<u>41,809,784</u>
<u>\$ 14,812,385</u>	<u>\$ 92,127,843</u>

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**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2015**

Total governmental fund balances **\$ 41,809,784**

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	\$ 369,031,301	
Less accumulated depreciation	<u>(144,108,313)</u>	224,922,988

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

Property taxes	5,335,229	
Intergovernmental	208,961	
Other	<u>76,714</u>	5,620,904

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. 331,901

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

Deferred outflows of resources related to pensions	20,615,473	
Deferred inflows of resources related to pensions	<u>(32,106,652)</u>	(11,491,179)

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 Fund are included in the Statement of Net Position. 4,932,822

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. 1,383,121

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

Compensated absences payable	(1,988,282)	
Obligations under capital leases	(6,808,030)	
Net pension liability	(174,212,231)	
Bonds payable	<u>(68,967,915)</u>	<u>(251,976,458)</u>

Net position of governmental activities **\$ 15,533,883**

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, 2015

	General	Food Service	Debt Service
Revenues:			
Other local	\$ 10,098,389	\$ 755,161	\$ 53,969
Property taxes	43,371,470		15,971,201
State aid and grants	84,752,682		
Federal aid, grants and reimbursements	1,105,529	16,967,915	
Total revenues	139,328,070	17,723,076	16,025,170
Expenditures:			
Current -			
Instruction	78,093,488		
Support services - students and staff	18,062,352		
Support services - administration	15,142,138	31,318	
Operation and maintenance of plant services	16,679,688	52,389	
Student transportation services	7,970,129		
Operation of non-instructional services	413,727	14,601,014	
Capital outlay	2,157,084	403,625	
Debt service -			
Principal retirement	514,988		13,310,000
Interest and fiscal charges	62,807		3,049,141
Bond issuance costs			
Total expenditures	139,096,401	15,088,346	16,359,141
Excess (deficiency) of revenues over expenditures	231,669	2,634,730	(333,971)
Other financing sources (uses):			
Transfers in	1,383,479		12,293
Transfers out	(500,000)	(891,868)	
Issuance of school improvement bonds			
Total other financing sources (uses):	883,479	(891,868)	12,293
Changes in fund balances	1,115,148	1,742,862	(321,678)
Fund balances, beginning of year	14,562,945	8,312,204	4,810,140
Increase (decrease) in reserve for inventory	31,954	17,712	
Fund balances, end of year	\$ 15,710,047	\$ 10,072,778	\$ 4,488,462

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 3,691,561	\$ 14,599,080
	59,342,671
8,431,338	93,184,020
21,610,041	39,683,485
<u>33,732,940</u>	<u>206,809,256</u>
18,059,728	96,153,216
7,170,160	25,232,512
884,512	16,057,968
401,254	17,133,331
191,869	8,161,998
5,559,228	20,573,969
3,994,409	6,555,118
296,136	14,121,124
225,519	3,337,467
24,050	24,050
<u>36,806,865</u>	<u>207,350,753</u>
<u>(3,073,925)</u>	<u>(541,497)</u>
500,000	1,895,772
(503,904)	(1,895,772)
4,500,000	4,500,000
<u>4,496,096</u>	<u>4,500,000</u>
<u>1,422,171</u>	<u>3,958,503</u>
10,116,326	37,801,615
	49,666
<u>\$ 11,538,497</u>	<u>\$ 41,809,784</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

Net changes in fund balances - total governmental funds **\$ 4,008,169**

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

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 6,389,320	
Less current year depreciation	<u>(8,580,219)</u>	(2,190,899)

Issuance of school improvement bonds provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(4,500,000)
---	--	-------------

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

Property taxes	90,075	
Intergovernmental	(589,497)	
Other	<u>8,901</u>	(490,521)

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	811,124	
Bond principal retirement	<u>13,310,000</u>	14,121,124

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

Current year pension contributions	11,761,497	
Pension expense	<u>(10,750,032)</u>	1,011,465

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	(184,192)	
Deferred charges on issuance of debt	(165,951)	
Loss on disposal of assets	(289,665)	
Amortization of deferred bond items	318,675	
Compensated absences	<u>(39,236)</u>	(360,369)

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 Fund is reported with governmental activities in the Statement of Activities.

(297,622)

Changes in net position in governmental activities **\$ 11,301,347**

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, 2015

	<u>Enterprise Funds</u>	<u>Governmental Activities: Internal Service Funds</u>
	<u>Non-Major Enterprise Funds</u>	
<u>ASSETS</u>		
Current assets:		
Cash and investments	\$ 761,334	\$ 7,807,993
Accounts receivable		386,404
Prepaid items		99,354
Total current assets	761,334	8,293,751
Noncurrent assets:		
Capital assets, net of accumulated depreciation	1,517,228	390,418
Total noncurrent assets	1,517,228	390,418
Total assets	2,278,562	8,684,169
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension plan items	77,160	
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	11,559	32,119
Claims payable		3,719,228
Total current liabilities	11,559	3,751,347
Noncurrent liabilities:		
Non-current portion of long-term obligations	650,714	
Total noncurrent liabilities	650,714	
Total liabilities	662,273	3,751,347
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension plan items	119,924	
<u>NET POSITION</u>		
Investment in capital assets	1,517,228	390,418
Unrestricted	56,297	4,542,404
Total net position	\$ 1,573,525	\$ 4,932,822

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Enterprise Funds</u>	<u>Governmental Activities: Internal Service Funds</u>
	<u>Non-Major Enterprise Funds</u>	
Operating revenues:		
Contributions	\$	\$ 19,100,581
Charges for services	935,726	358,171
Total operating revenues	<u>935,726</u>	<u>19,458,752</u>
Operating expenses:		
Claims		15,548,698
Premiums		1,588,857
Administrative and other		2,286,142
Cost of services	763,968	299,044
Depreciation	104,241	61,100
Total operating expenses	<u>868,209</u>	<u>19,783,841</u>
Operating income (loss)	<u>67,517</u>	<u>(325,089)</u>
Nonoperating revenues (expenses):		
Investment income	3,073	27,467
Total nonoperating revenues (expenses)	<u>3,073</u>	<u>27,467</u>
Changes in net position	<u>70,590</u>	<u>(297,622)</u>
Total net position, beginning of year, as restated	1,502,935	5,230,444
Total net position, end of year	<u>\$ 1,573,525</u>	<u>\$ 4,932,822</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, 2015**

	Enterprise Funds	Governmental Activities: Internal Service Funds
	Non-Major Enterprise Funds	
<u>Decrease in Cash and Cash Equivalents</u>		
Cash flows from operating activities:		
Cash received from contributions	\$	\$ 18,895,216
Cash received for services	981,466	358,171
Cash payments to suppliers for goods and services	(301,128)	(4,204,331)
Cash payments to employees for services	(552,446)	
Cash payments for claims		(15,223,858)
	127,892	(174,802)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(207,755)	(246,375)
Disposal of capital assets		33,331
	(207,755)	(213,044)
Cash flows from investing activities:		
Investment income	3,073	27,467
	3,073	27,467
Net decrease in cash and cash equivalents	(76,790)	(360,379)
Cash and cash equivalents, beginning of year	838,124	8,168,372
Cash and cash equivalents, end of year	\$ 761,334	\$ 7,807,993
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities</u>		
Operating income (loss)	\$ 67,517	\$ (325,089)
Adjustments to reconcile operating income/(loss) to net cash provided by/(used for) operating activities:		
Depreciation	104,241	61,100
Changes in assets and liabilities:		
Increase in accounts receivable		(205,365)
Decrease in due from governmental entities	45,740	
Increase in prepaid items		(15,949)
Decrease in accounts payable	(85,670)	(14,339)
Increase in claims payable		324,840
Decrease in pension items	(3,936)	
	60,375	150,287
Total adjustments	60,375	150,287
Net cash provided by/(used for) operating activities	\$ 127,892	\$ (174,802)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2015

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 314,557
Total assets	\$ 314,557
 <u>LIABILITIES</u>	
Deposits held for others	\$ 140,133
Due to student groups	174,424
Total liabilities	\$ 314,557

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, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Washington Elementary School District No. 6 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

A. Reporting Entity

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, 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, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District and its component units. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Property taxes, federal, state and county aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider and when students pay for meals in advance.

Delinquent property taxes and other receivables that will not be collected within the available period have been reported as unavailable revenues on the governmental fund financial statements.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The enterprise and internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operation Fund as well as the Student Success, Medicaid Reimbursement, School Plant, Auxiliary Operations, Gifts and Donations, Insurance Proceeds, Litigation Recovery, Indirect Costs, Advertisement, and Unrestricted Capital Outlay Funds. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Food Service Fund – The Food Service Fund accounts for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

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

Additionally, the District reports the following fund types:

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

D. Cash and Investments

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

E. Investment Income

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

H. Inventory

General warehouse inventories are valued at cost using the average cost method. Food service inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Prepaid Items

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

J. Capital Assets

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

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

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

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

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

K. Deferred Outflows/Inflows of Resources

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Compensated Absences

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

M. Pensions

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

N. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, 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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – FUND BALANCE CLASSIFICATIONS

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. No committed fund balance amounts are reported.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The Governing Board has delegated the authority to assign fund balance to the Director of Business Services. No assigned fund balance amounts are reported.

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Food Service Fund	Debt Service Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 704,702	\$ 138,187	\$	\$
Restricted:				
Debt service			4,488,462	
Capital projects	4,119,556			658,938
Bond building projects				5,715,840
Voter approved initiatives				2,096,786
Federal projects				872,475
Food service		9,934,591		
Civic center				224,952
Community school				1,173,053
Extracurricular activities				759,844
Gifts and donations	446,656			
Other purposes				77,337
Unassigned	10,439,133			(40,728)
Total fund balances	\$ 15,710,047	\$10,072,778	\$ 4,488,462	\$ 11,538,497

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Other Federal Projects Fund, a non-major governmental fund, reported a deficit in fund balance of \$40,728. The deficit arose because of operations during the year. Additional revenues received in fiscal year 2015-16 are expected to eliminate the deficit.

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 \$1,707,236 and the bank balance was \$2,526,934. At year end, \$2,276,934 of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name. Additionally, the District had \$1,540 of cash on hand at year end.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – CASH AND INVESTMENTS

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

Investment Type	Maturities	Fair Value
U.S. Treasuries	8/1/2016	\$ 3,884,516
County Treasurer’s investment pool	367 days	56,662,470
Total		<u>\$ 60,546,986</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, 2015

NOTE 5 – RECEIVABLES

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

	General Fund	Food Service Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 95,187	\$ 331,417	\$ 1,793,405
Due from state government	27,974,814		1,039,710
Net due from governmental entities	<u>\$ 28,070,001</u>	<u>\$ 331,417</u>	<u>\$ 2,833,115</u>

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,411,347	\$	\$	\$ 4,411,347
Construction in progress	20,995,092	4,099,651	22,386,460	2,708,283
Total capital assets, not being depreciated	<u>25,406,439</u>	<u>4,099,651</u>	<u>22,386,460</u>	<u>7,119,630</u>
Capital assets, being depreciated:				
Land improvements	23,016,696	1,122,857		24,139,553
Buildings and improvements	277,270,518	22,010,893	8,360	299,273,051
Vehicles, furniture and equipment	38,698,406	1,788,754	1,307,372	39,179,788
Total capital assets being depreciated	<u>338,985,620</u>	<u>24,922,504</u>	<u>1,315,732</u>	<u>362,592,392</u>
Less accumulated depreciation for:				
Land improvements	(10,365,838)	(1,081,153)		(11,446,991)
Buildings and improvements	(103,920,888)	(5,563,341)	(4,946)	(109,479,283)
Vehicles, furniture and equipment	(22,463,307)	(1,996,825)	(987,790)	(23,472,342)
Total accumulated depreciation	<u>(136,750,033)</u>	<u>(8,641,319)</u>	<u>(992,736)</u>	<u>(144,398,616)</u>
Total capital assets, being depreciated, net	<u>202,235,587</u>	<u>16,281,185</u>	<u>322,996</u>	<u>218,193,776</u>
Governmental activities capital assets, net	<u>\$ 227,642,026</u>	<u>\$20,380,836</u>	<u>\$22,709,456</u>	<u>\$ 225,313,406</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 – CAPITAL ASSETS

<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Construction in progress	\$ 81,707	\$ 125,535	\$ 207,242	\$
Total capital assets, not being depreciated	<u>81,707</u>	<u>125,535</u>	<u>207,242</u>	
Capital assets, being depreciated:				
Land improvements	943,523	207,242		1,150,765
Buildings and improvements	60,774			60,774
Vehicles, furniture and equipment	690,780	82,220		773,000
Total capital assets being depreciated	<u>1,695,077</u>	<u>289,462</u>		<u>1,984,539</u>
Less accumulated depreciation for:				
Land improvements	(98,284)	(53,221)		(151,505)
Buildings and improvements	(13,496)	(2,020)		(15,516)
Vehicles, furniture and equipment	(251,290)	(49,000)		(300,290)
Total accumulated depreciation	<u>(363,070)</u>	<u>(104,241)</u>		<u>(467,311)</u>
Total capital assets, being depreciated, net	<u>1,332,007</u>	<u>185,221</u>		<u>1,517,228</u>
Business-type activities capital assets, net	<u>\$ 1,413,714</u>	<u>\$ 310,756</u>	<u>\$ 207,242</u>	<u>\$ 1,517,228</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Instruction	\$ 3,386,023
Support services – students and staff	71,057
Support services – administration	878,417
Operation and maintenance of plant services	3,338,985
Student transportation services	727,058
Operation of non-instructional services	239,779
Total depreciation expense	<u>\$ 8,641,319</u>
Business-type activities:	
Private school consortium	\$ 47,874
Alternative fuel	56,367
Total depreciation expense	<u>\$ 104,241</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects. At year end the District had spent \$2.7 million on the projects and had estimated remaining contractual commitments of \$5.7 million. These projects are being funded with bond proceeds and property taxes levied for capital purposes.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 7 – SHORT TERM DEBT

Tax Anticipation Notes – In July 2014, the District issued \$10.0 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 2015. Short-term debt activity for the current fiscal year was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation notes	\$12,000,000	\$10,000,000	\$12,000,000	\$10,000,000

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	\$13,065,000	\$24,944,000	\$24,389,000	\$13,620,000

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired buses, copiers and energy efficiency upgrades under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the General Fund are used to pay two of the capital lease obligations. Additionally, revenues from the General Fund are transferred to the Energy and Water Savings Fund, a non-major governmental fund, to pay the capital lease obligation for the energy efficiency upgrades. Amortization of assets recorded under capital leases is included with depreciation expense.

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

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 2,425,706
Less: Accumulated depreciation	998,730
Total	\$ 1,426,976

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

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

Year Ending June 30:	Governmental Activities
2016	\$ 965,344
2017	965,344
2018	965,344
2019	521,655
2020	521,655
2021-25	2,608,276
2026-29	2,086,622
Total minimum lease payments	8,634,240
Less: amount representing interest	1,826,210
Present value of minimum lease payments	6,808,030
Due within one year	\$ 703,001

NOTE 9 – BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$25,500,000 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, 2015

NOTE 9 – BONDS PAYABLE

Principal requirements at year end, were as follows:

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2015	Due Within One Year
Governmental activities:					
Refunding Bonds, Series 2002	\$ 24,175,000	5.375%	7/1/15-16	\$ 10,000,000	\$ 5,000,000
Refunding Bonds, Series 2002	23,270,000	5.375%	7/1/15	1,500,000	1,500,000
School Improvement Bonds, Project 2001, Series B	18,000,000	3.75-5.0%	7/1/15-17	9,475,000	1,975,000
Refunding Bonds, Series 2004	35,030,000	5.0-5.25%	7/1/15-17	13,175,000	3,935,000
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%	7/1/15-17	3,325,000	900,000
School Improvement Bonds, Project 2010, Series A	10,000,000	3.75-4.125%	7/1/18-22	10,000,000	
School Improvement Bonds, Project 2010, Series B	20,000,000	3.0-4.0%	7/1/18-26	20,000,000	
School Improvement Bonds, Project 2010, Series C	5,000,000	1.22-1.63%	7/1/17-18	5,000,000	
School Improvement Bonds, Project 2010, Series D	4,500,000	1.27-1.57%	7/1/18-19	4,500,000	
Total				<u>\$ 80,895,000</u>	<u>\$ 13,310,000</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
2016	\$ 13,310,000	\$ 2,742,998
2017	17,820,000	2,075,144
2018	12,265,000	1,454,458
2019	7,340,000	1,111,451
2020	5,945,000	941,926
2021-25	16,605,000	2,697,364
2026-27	7,610,000	230,550
Total	<u>\$ 80,895,000</u>	<u>\$ 11,253,891</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 89,170,000	\$ 4,500,000	\$ 12,775,000	\$ 80,895,000	\$ 13,310,000
Premium	1,701,590		318,675	1,382,915	
Total bonds payable	<u>90,871,590</u>	<u>4,500,000</u>	<u>13,093,675</u>	<u>82,277,915</u>	<u>13,310,000</u>
Obligations under capital leases	7,619,154		811,124	6,808,030	703,001
Net pension liability	186,714,875		12,502,644	174,212,231	
Compensated absences payable	<u>1,949,046</u>	<u>1,071,328</u>	<u>1,032,092</u>	<u>1,988,282</u>	<u>686,768</u>
Governmental activity long-term liabilities	<u>\$ 287,154,665</u>	<u>\$ 5,571,328</u>	<u>\$ 27,439,535</u>	<u>\$ 265,286,458</u>	<u>\$ 14,699,769</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Net pension liability	<u>\$ 697,414</u>	<u>\$</u>	<u>\$ 46,700</u>	<u>\$ 650,714</u>	<u>\$</u>
Business-type activity long-term liabilities	<u>\$ 697,414</u>	<u>\$</u>	<u>\$ 46,700</u>	<u>\$ 650,714</u>	<u>\$</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

At year end, several non-major governmental funds had negative cash balances in the Treasurer's pooled cash accounts of \$1,123,220. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

	Transfers in			Total
	General Fund	Debt Service Fund	Non-Major Governmental Funds	
<u>Transfers out</u>				
General Fund	\$	\$	\$ 500,000	\$ 500,000
Food Service Fund	891,868			891,868
Non-Major Governmental Funds	491,611	12,293		503,904
Total	<u>\$ 1,383,479</u>	<u>\$ 12,293</u>	<u>\$ 500,000</u>	<u>\$1,895,772</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).

NOTE 12 – CONTINGENT LIABILITIES

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

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

NOTE 13 – RISK MANAGEMENT

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – RISK MANAGEMENT

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

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

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

An excess coverage insurance policy covers individual claims in excess of the amounts specified above. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 – RISK MANAGEMENT

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

	<u>Claims Payable Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Payable at End of Year</u>
<u>Employee Benefit Trust</u>				
2014-15	\$ 2,078,000	\$ 14,552,540	\$ 14,526,540	\$ 2,104,000
2013-14	1,646,000	16,171,740	15,739,740	2,078,000
<u>Workers' Compensation</u>				
2014-15	1,136,403	854,265	660,303	1,330,365
2013-14	854,724	980,637	698,958	1,136,403
<u>Property and Casualty Insurance</u>				
2014-15	179,985	141,893	37,015	284,863
2013-14	472,514	354,760	647,289	179,985
<u>Total</u>				
2014-15	3,394,388	15,548,698	15,223,858	3,719,228
2013-14	2,973,238	17,507,137	17,085,987	3,394,388

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.60 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2015 were \$11,805,586.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2015	\$	639,605	\$	130,089
2014		638,945		255,578
2013		688,948		254,381

Pension Liability. At June 30, 2015, the District reported a liability of \$174.9 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 1.18 percent, which was a decrease of .01 percent from its proportion measured as of June 30, 2013.

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2015, the District recognized pension expense of \$10.8 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 8,887,047	\$
Net difference between projected and actual earnings on pension plan investments		30,578,130
Changes in proportion and differences between contributions and proportionate share of contributions		1,648,446
Contributions subsequent to the measurement date	11,805,586	
Total	\$20,692,633	\$32,226,576

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
	2016	\$ (4,497,315)
	2017	(4,497,315)
	2018	(6,700,367)
	2019	(7,644,532)

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

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

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	63%	7.03%
Fixed income	25%	3.20
Real estate	8%	4.75
Commodities	4%	4.50
Total	100%	

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

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$221,017,795	\$174,862,945	\$149,821,622

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Statement of Activities	
	Governmental Activities	Business-type Activities
Net position, June 30, 2014, as previously reported	\$ 190,947,411	\$ 2,200,349
Net pension liability	(186,714,875)	(697,414)
Net position, July 1, 2014, as restated	\$ 4,232,536	\$ 1,502,935

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER 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><u>76</u></u>

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, 2015, the District reimbursed no more than \$579.67 per month. The expenditures are recorded on a reimbursement basis. During the year ended June 30, 2015, the District contributed \$261,570 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	(70,529)
Adjustment to annual required contribution	<u>303,868</u>
Annual OPEB cost (expense)	445,762
Contributions made	261,570
Increase in net OPEB obligation	<u>184,192</u>
Net OPEB obligation – beginning of year	<u>(1,567,313)</u>
Net OPEB obligation (benefit) – end of year	<u><u>\$ (1,383,121)</u></u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN

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, 2015 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, 2015	\$ 445,762	\$ 261,570	59%	\$(1,383,121)
June 30, 2014	456,668	383,416	84%	(1,567,313)
June 30, 2013	440,970	489,350	111%	(1,640,565)

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	4 years as of June 30, 2015
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, 2015

NOTE 16 – SUBSEQUENT EVENTS

In July 2015, the District issued \$12.0 million of tax anticipation notes in advance of property tax collections, depositing the proceeds in the General Fund.

In September 2015, the District entered into a capital lease agreement for the purchase of three school buses.

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, 2015

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$ 8,934,412	\$ 8,934,412	\$ 8,869,588	\$ (64,824)
Property taxes	46,377,638	46,377,638	40,561,476	(5,816,162)
State aid and grants	81,877,598	81,877,598	83,963,321	2,085,723
Total revenues	137,189,648	137,189,648	133,394,385	(3,795,263)
Expenditures:				
Current -				
Instruction	78,894,357	76,300,537	75,421,652	878,885
Support services - students and staff	17,220,500	17,216,238	17,055,691	160,547
Support services - administration	14,108,352	14,249,373	13,712,155	537,218
Operation and maintenance of plant services	18,111,648	18,385,786	16,484,257	1,901,529
Student transportation services	8,174,513	8,770,527	7,873,110	897,417
Operation of non-instructional services	285,593	395,593	394,961	632
Total expenditures	136,794,963	135,318,054	130,941,826	4,376,228
Excess (deficiency) of revenues over expenditures	394,685	1,871,594	2,452,559	580,965
Other financing sources (uses):				
Transfers out	(500,000)	(500,000)	(1,883,695)	(1,383,695)
Total other financing sources (uses):	(500,000)	(500,000)	(1,883,695)	(1,383,695)
Changes in fund balances	(105,315)	1,371,594	568,864	(802,730)
Fund balances, beginning of year	4,909,455	4,909,455	6,220,670	1,311,215
Increase (decrease) in reserve for inventory			31,954	31,954
Fund balances, end of year	\$ 4,804,140	\$ 6,281,049	\$ 6,821,488	\$ 540,439

See accompanying notes to this schedule.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOOD SERVICE
YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
Revenues:			
Other local	\$ 688,986	\$ 755,161	\$ 66,175
Federal aid, grants and reimbursements	15,481,014	16,967,915	1,486,901
Total revenues	16,170,000	17,723,076	1,553,076
Expenditures:			
Current -			
Support services - administration	50,000	31,318	18,682
Operation and maintenance of plant services	100,000	52,389	47,611
Operation of non-instructional services	22,609,000	14,601,014	8,007,986
Capital outlay	500,000	403,625	96,375
Total expenditures	23,259,000	15,088,346	8,170,654
Excess (deficiency) of revenues over expenditures	(7,089,000)	2,634,730	9,723,730
Other financing sources (uses):			
Transfers out	(1,000,000)	(891,868)	108,132
Total other financing sources (uses):	(1,000,000)	(891,868)	108,132
Changes in fund balances	(8,089,000)	1,742,862	9,831,862
Fund balances, beginning of year	8,240,292	8,312,204	71,912
Increase (decrease) in reserve for inventory		17,712	17,712
Fund balances, end of year	\$ 151,292	\$ 10,072,778	\$ 9,921,486

See accompanying notes to this schedule.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
YEAR ENDED JUNE 30, 2015**

2015

District's proportion of the net pension liability (asset)	1.18%
District's proportionate share of the net pension liability (asset)	\$ 174,862,945
District's covered-employee payroll	\$ 107,757,584
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	162.27%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

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

2015

Actuarially determined contribution	\$ 11,805,586
Contributions in relation to the actuarially determined contribution	<u>11,805,586</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
District's covered-employee payroll	\$ 109,666,101
Contributions as a percentage of covered-employee payroll	10.77%

See accompanying notes to this schedule.

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$139,096,401	\$ 15,710,047
Activity budgeted as special revenue funds	(3,929,474)	(4,769,003)
Activity budgeted as capital projects funds	(4,225,101)	(4,119,556)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 130,941,826	\$ 6,821,488

NOTE 2 – PENSION PLAN SCHEDULES

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

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

**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, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 4,873,266	\$ 7,106,004	\$ 11,979,270
Due from governmental entities	2,833,115		2,833,115
Total assets	\$ 7,706,381	\$ 7,106,004	\$ 14,812,385
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 455,033	\$	\$ 455,033
Construction contracts payable		731,226	731,226
Due to other funds	1,123,220		1,123,220
Accrued payroll and employee benefits	402,037		402,037
Unearned revenues	353,411		353,411
Total liabilities	2,333,701	731,226	3,064,927
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	208,961		208,961
Fund balances (deficits):			
Restricted	5,204,447	6,374,778	11,579,225
Unassigned	(40,728)		(40,728)
Total fund balances	5,163,719	6,374,778	11,538,497
 Total liabilities, deferred inflows of resources and fund balances	\$ 7,706,381	\$ 7,106,004	\$ 14,812,385

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, 2015

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 3,374,451	\$ 317,110	\$ 3,691,561
State aid and grants	8,431,338		8,431,338
Federal aid, grants and reimbursements	21,610,041		21,610,041
Total revenues	<u>33,415,830</u>	<u>317,110</u>	<u>33,732,940</u>
Expenditures:			
Current -			
Instruction	18,059,728		18,059,728
Support services - students and staff	7,168,762	1,398	7,170,160
Support services - administration	884,512		884,512
Operation and maintenance of plant services	398,561	2,693	401,254
Student transportation services	191,869		191,869
Operation of non-instructional services	5,559,228		5,559,228
Capital outlay	95,728	3,898,681	3,994,409
Debt service -			
Principal retirement		296,136	296,136
Interest and fiscal charges		225,519	225,519
Bond issuance costs		24,050	24,050
Total expenditures	<u>32,358,388</u>	<u>4,448,477</u>	<u>36,806,865</u>
Excess (deficiency) of revenues over expenditures	<u>1,057,442</u>	<u>(4,131,367)</u>	<u>(3,073,925)</u>
Other financing sources (uses):			
Transfers in		500,000	500,000
Transfers out	(491,611)	(12,293)	(503,904)
Issuance of school improvement bonds		4,500,000	4,500,000
Total other financing sources (uses):	<u>(491,611)</u>	<u>4,987,707</u>	<u>4,496,096</u>
Changes in fund balances	<u>565,831</u>	<u>856,340</u>	<u>1,422,171</u>
Fund balances, beginning of year	4,597,888	5,518,438	10,116,326
Fund balances, end of year	<u>\$ 5,163,719</u>	<u>\$ 6,374,778</u>	<u>\$ 11,538,497</u>

SPECIAL REVENUE FUNDS

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

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

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

Student Success - to account for student success monies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	Classroom Site	Instructional Improvement	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$	\$ 1,310,931	\$
Due from governmental entities	616,927	370,416	314,146
Total assets	\$ 616,927	\$ 1,681,347	\$ 314,146
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 174,686
Due to other funds	201,488		19,438
Accrued payroll and employee benefits			120,022
Unearned revenues			
Total liabilities	201,488		314,146
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	415,439	1,681,347	
Unassigned			
Total fund balances	415,439	1,681,347	
 Total liabilities, deferred inflows of resources and fund balances	 \$ 616,927	 \$ 1,681,347	 \$ 314,146

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Indian Education	Special Education Grants	Homeless Education
\$ 56,863	\$ 492,544	\$ 14,323	\$ 13,336	\$ 352,103	\$ 13,912
<u>\$ 56,863</u>	<u>\$ 492,544</u>	<u>\$ 14,323</u>	<u>\$ 13,336</u>	<u>\$ 352,103</u>	<u>\$ 13,912</u>
\$ 27,673 29,190	\$ 107,213 253,438 131,893	\$ 14,323	\$ 13,336	\$ 352,103	\$ 13,912
<u>56,863</u>	<u>492,544</u>	<u>14,323</u>	<u>13,336</u>	<u>352,103</u> <u>352,103</u>	<u>13,912</u>
<u>\$ 56,863</u>	<u>\$ 492,544</u>	<u>\$ 14,323</u>	<u>\$ 13,336</u>	<u>\$ 352,103</u>	<u>\$ 13,912</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015**

	E-Rate	Other Federal Projects	Other State Projects
<u>ASSETS</u>			
Cash and investments	\$ 872,475	\$	\$
Due from governmental entities	136,216	752,065	52,367
Total assets	\$ 1,008,691	\$ 752,065	\$ 52,367
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 137,080	\$
Due to other funds		528,553	51,059
Accrued payroll and employee benefits		54,415	
Unearned revenues			1,308
Total liabilities		720,048	52,367
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	136,216	72,745	
Fund balances (deficits):			
Restricted	872,475		
Unassigned		(40,728)	
Total fund balances	872,475	(40,728)	
 Total liabilities, deferred inflows of resources and fund balances	 \$ 1,008,691	 \$ 752,065	 \$ 52,367

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Grants and Gifts to Teachers</u>
\$ 224,952	\$ 1,275,624	\$ 759,844	\$ 22,317	\$ 49,841	\$ 5,179
<u>\$ 224,952</u>	<u>\$ 1,275,624</u>	<u>\$ 759,844</u>	<u>\$ 22,317</u>	<u>\$ 49,841</u>	<u>\$ 5,179</u>
\$	\$ 36,054	\$	\$	\$	\$
	66,517				
	<u>102,571</u>				
224,952	1,173,053	759,844	22,317	49,841	5,179
<u>224,952</u>	<u>1,173,053</u>	<u>759,844</u>	<u>22,317</u>	<u>49,841</u>	<u>5,179</u>
<u>\$ 224,952</u>	<u>\$ 1,275,624</u>	<u>\$ 759,844</u>	<u>\$ 22,317</u>	<u>\$ 49,841</u>	<u>\$ 5,179</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2015**

	Totals
<u>ASSETS</u>	
Cash and investments	\$ 4,873,266
Due from governmental entities	2,833,115
Total assets	\$ 7,706,381
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	
Liabilities:	
Accounts payable	\$ 455,033
Due to other funds	1,123,220
Accrued payroll and employee benefits	402,037
Unearned revenues	353,411
Total liabilities	2,333,701
Deferred inflows of resources:	
Unavailable revenues - intergovernmental	208,961
Fund balances (deficits):	
Restricted	5,204,447
Unassigned	(40,728)
Total fund balances	5,163,719
 Total liabilities, deferred inflows of resources and fund balances	 \$ 7,706,381

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**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2015**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 12,071	\$ 3,271	\$ 19,814
State aid and grants	7,395,925	860,481	
Federal aid, grants and reimbursements			
Total revenues	7,407,996	863,752	19,814
Expenditures:			
Current -			
Instruction	7,395,457	124,860	3,999
Support services - students and staff	398,725	61,475	13,454
Support services - administration			
Operation and maintenance of plant services			1,367
Student transportation services			
Operation of non-instructional services			994
Capital outlay			
Total expenditures	7,794,182	186,335	19,814
Excess (deficiency) of revenues over expenditures	(386,186)	677,417	
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(386,186)	677,417	
Fund balances, beginning of year	801,625	1,003,930	
Fund balances, end of year	\$ 415,439	\$ 1,681,347	\$

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$	\$	\$	\$	\$	\$
9,021,954	1,054,681	2,618,462	690,309	122,374	4,219,991
<u>9,021,954</u>	<u>1,054,681</u>	<u>2,618,462</u>	<u>690,309</u>	<u>122,374</u>	<u>4,219,991</u>
4,440,212		1,737,901	69,599	116,430	3,861,962
4,051,409	1,026,054	14,732	607,746	1,565	238,534
269,379		563,166			4,953
		13,209			
18,456		78,736		1,060	
		139,789			
<u>8,779,456</u>	<u>1,026,054</u>	<u>2,547,533</u>	<u>677,345</u>	<u>119,055</u>	<u>4,105,449</u>
<u>242,498</u>	<u>28,627</u>	<u>70,929</u>	<u>12,964</u>	<u>3,319</u>	<u>114,542</u>
<u>(242,498)</u>	<u>(28,627)</u>	<u>(70,929)</u>	<u>(12,964)</u>	<u>(3,319)</u>	<u>(114,542)</u>
<u>(242,498)</u>	<u>(28,627)</u>	<u>(70,929)</u>	<u>(12,964)</u>	<u>(3,319)</u>	<u>(114,542)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Homeless Education	E-Rate	Other Federal Projects
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	74,459	693,129	3,114,682
Total revenues	74,459	693,129	3,114,682
Expenditures:			
Current -			
Instruction	3,761		28,869
Support services - students and staff	23,915		564,254
Support services - administration	16,414		7,668
Operation and maintenance of plant services		332,719	
Student transportation services	28,348		1,000
Operation of non-instructional services			2,462,016
Capital outlay			95,728
Total expenditures	72,438	332,719	3,159,535
Excess (deficiency) of revenues over expenditures	2,021	360,410	(44,853)
Other financing sources (uses):			
Transfers out	(2,021)		(16,711)
Total other financing sources (uses):	(2,021)		(16,711)
Changes in fund balances		360,410	(61,564)
Fund balances, beginning of year		512,065	20,836
Fund balances (deficits), end of year	\$	\$ 872,475	\$ (40,728)

<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 174,932	\$ 111,020	\$ 2,863,795	\$ 339,215	\$ 120	\$ 11,690
<u>174,932</u>	<u>111,020</u>	<u>2,863,795</u>	<u>339,215</u>	<u>120</u>	<u>11,690</u>
18,173			243,407		12
156,759			5,748		4,092
		500		22,432	
	50,985	281			
	72,893	2,883,536	63,719	550	
<u>174,932</u>	<u>123,878</u>	<u>2,884,317</u>	<u>312,874</u>	<u>22,982</u>	<u>4,104</u>
	<u>(12,858)</u>	<u>(20,522)</u>	<u>26,341</u>	<u>(22,862)</u>	<u>7,586</u>
	<u>(12,858)</u>	<u>(20,522)</u>	<u>26,341</u>	<u>(22,862)</u>	<u>7,586</u>
	237,810	1,193,575	733,503	45,179	42,255
<u>\$</u>	<u>\$ 224,952</u>	<u>\$ 1,173,053</u>	<u>\$ 759,844</u>	<u>\$ 22,317</u>	<u>\$ 49,841</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015**

	Grants and Gifts to Teachers	Totals
Revenues:		
Other local	\$ 13,455	\$ 3,374,451
State aid and grants		8,431,338
Federal aid, grants and reimbursements		21,610,041
Total revenues	13,455	33,415,830
Expenditures:		
Current -		
Instruction	15,086	18,059,728
Support services - students and staff	300	7,168,762
Support services - administration		884,512
Operation and maintenance of plant services		398,561
Student transportation services		191,869
Operation of non-instructional services		5,559,228
Capital outlay		95,728
Total expenditures	15,386	32,358,388
Excess (deficiency) of revenues over expenditures	(1,931)	1,057,442
Other financing sources (uses):		
Transfers out		(491,611)
Total other financing sources (uses):		(491,611)
Changes in fund balances	(1,931)	565,831
Fund balances, beginning of year	7,110	4,597,888
Fund balances, end of year	\$ 5,179	\$ 5,163,719

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WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 12,071	\$ 12,071
State aid and grants	7,443,000	7,395,925	(47,075)
Federal aid, grants and reimbursements			
Total revenues	<u>7,443,000</u>	<u>7,407,996</u>	<u>(35,004)</u>
Expenditures:			
Current -			
Instruction	7,835,631	7,395,457	440,174
Support services - students and staff	434,756	398,725	36,031
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>8,270,387</u>	<u>7,794,182</u>	<u>476,205</u>
Excess (deficiency) of revenues over expenditures	<u>(827,387)</u>	<u>(386,186)</u>	<u>441,201</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(827,387)</u>	<u>(386,186)</u>	<u>441,201</u>
Fund balances (deficits), beginning of year	801,625	801,625	
Fund balances (deficits), end of year	<u>\$ (25,762)</u>	<u>\$ 415,439</u>	<u>\$ 441,201</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 983,000	\$ 3,271 860,481	\$ 3,271 (122,519)	\$	\$ 19,814	\$ 19,814
<u>983,000</u>	<u>863,752</u>	<u>(119,248)</u>		<u>19,814</u>	<u>19,814</u>
1,005,000	124,860	880,140	5,000	3,999	1,001
62,000	61,475	525	24,500	13,454	11,046
			1,500	1,367	133
			1,000	994	6
<u>1,067,000</u>	<u>186,335</u>	<u>880,665</u>	<u>32,000</u>	<u>19,814</u>	<u>12,186</u>
<u>(84,000)</u>	<u>677,417</u>	<u>761,417</u>	<u>(32,000)</u>		<u>32,000</u>
<u>(84,000)</u>	<u>677,417</u>	<u>761,417</u>	<u>(32,000)</u>		<u>32,000</u>
1,003,930	1,003,930				
<u>\$ 919,930</u>	<u>\$ 1,681,347</u>	<u>\$ 761,417</u>	<u>\$ (32,000)</u>	<u>\$</u>	<u>\$ 32,000</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Student Success		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		410,805	410,805
Federal aid, grants and reimbursements			
Total revenues		<u>410,805</u>	<u>410,805</u>
Expenditures:			
Current -			
Instruction	391,007	390,835	172
Support services - students and staff	19,800	19,762	38
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>410,807</u>	<u>410,597</u>	<u>210</u>
Excess (deficiency) of revenues over expenditures	<u>(410,807)</u>	<u>208</u>	<u>411,015</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(410,807)</u>	<u>208</u>	<u>411,015</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (410,807)</u>	<u>\$ 208</u>	<u>\$ 411,015</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
10,287,000	9,021,954	(1,265,046)	1,115,000	1,054,681	(60,319)
<u>10,287,000</u>	<u>9,021,954</u>	<u>(1,265,046)</u>	<u>1,115,000</u>	<u>1,054,681</u>	<u>(60,319)</u>
4,966,000	4,440,212	525,788			
5,000,000	4,051,409	948,591	1,115,000	1,026,054	88,946
300,000	269,379	30,621			
20,000	18,456	1,544			
<u>10,286,000</u>	<u>8,779,456</u>	<u>1,506,544</u>	<u>1,115,000</u>	<u>1,026,054</u>	<u>88,946</u>
<u>1,000</u>	<u>242,498</u>	<u>241,498</u>		<u>28,627</u>	<u>28,627</u>
<u>(267,000)</u>	<u>(242,498)</u>	<u>24,502</u>	<u>(30,000)</u>	<u>(28,627)</u>	<u>1,373</u>
<u>(267,000)</u>	<u>(242,498)</u>	<u>24,502</u>	<u>(30,000)</u>	<u>(28,627)</u>	<u>1,373</u>
<u>(266,000)</u>		<u>266,000</u>	<u>(30,000)</u>		<u>30,000</u>
<u>(634,724)</u>		<u>634,724</u>	<u>(100,454)</u>		<u>100,454</u>
<u>\$ (900,724)</u>	<u>\$</u>	<u>\$ 900,724</u>	<u>\$ (130,454)</u>	<u>\$</u>	<u>\$ 130,454</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Title IV Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	2,835,000	2,618,462	(216,538)
Total revenues	<u>2,835,000</u>	<u>2,618,462</u>	<u>(216,538)</u>
Expenditures:			
Current -			
Instruction	1,970,000	1,737,901	232,099
Support services - students and staff	20,000	14,732	5,268
Support services - administration	600,000	563,166	36,834
Operation and maintenance of plant services	15,000	13,209	1,791
Student transportation services	80,000	78,736	1,264
Operation of non-instructional services	150,000	139,789	10,211
Capital outlay			
Total expenditures	<u>2,835,000</u>	<u>2,547,533</u>	<u>287,467</u>
Excess (deficiency) of revenues over expenditures		<u>70,929</u>	<u>70,929</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(74,000)	(70,929)	3,071
Total other financing sources (uses):	<u>(74,000)</u>	<u>(70,929)</u>	<u>3,071</u>
Changes in fund balances	<u>(74,000)</u>		<u>74,000</u>
Fund balances (deficits), beginning of year	(526,188)		526,188
Fund balances (deficits), end of year	<u>\$ (600,188)</u>	<u>\$</u>	<u>\$ 600,188</u>

Limited English & Immigrant Students			Indian Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
965,000	690,309	(274,691)	135,000	122,374	(12,626)
<u>965,000</u>	<u>690,309</u>	<u>(274,691)</u>	<u>135,000</u>	<u>122,374</u>	<u>(12,626)</u>
70,000	69,599	401	131,000	116,430	14,570
895,000	607,746	287,254	2,000	1,565	435
			2,000	1,060	940
<u>965,000</u>	<u>677,345</u>	<u>287,655</u>	<u>135,000</u>	<u>119,055</u>	<u>15,945</u>
	<u>12,964</u>	<u>12,964</u>		<u>3,319</u>	<u>3,319</u>
<u>(13,000)</u>	<u>(12,964)</u>	<u>36</u>	<u>(4,000)</u>	<u>(3,319)</u>	<u>681</u>
<u>(13,000)</u>	<u>(12,964)</u>	<u>36</u>	<u>(4,000)</u>	<u>(3,319)</u>	<u>681</u>
<u>(13,000)</u>		<u>13,000</u>	<u>(4,000)</u>		<u>4,000</u>
(156,928)		156,928			
<u>\$ (169,928)</u>	<u>\$</u>	<u>\$ 169,928</u>	<u>\$ (4,000)</u>	<u>\$</u>	<u>\$ 4,000</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	5,010,000	4,219,991	(790,009)
Total revenues	<u>5,010,000</u>	<u>4,219,991</u>	<u>(790,009)</u>
Expenditures:			
Current -			
Instruction	4,700,000	3,861,962	838,038
Support services - students and staff	300,000	238,534	61,466
Support services - administration	10,000	4,953	5,047
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>5,010,000</u>	<u>4,105,449</u>	<u>904,551</u>
Excess (deficiency) of revenues over expenditures		<u>114,542</u>	<u>114,542</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(136,000)	(114,542)	21,458
Total other financing sources (uses):	<u>(136,000)</u>	<u>(114,542)</u>	<u>21,458</u>
Changes in fund balances	<u>(136,000)</u>		<u>136,000</u>
Fund balances (deficits), beginning of year	(70,347)		70,347
Fund balances (deficits), end of year	<u>\$ (206,347)</u>	<u>\$</u>	<u>\$ 206,347</u>

Homeless Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
100,000	74,459	(25,541)	766,000	1,105,529	339,529
<u>100,000</u>	<u>74,459</u>	<u>(25,541)</u>	<u>766,000</u>	<u>1,105,529</u>	<u>339,529</u>
5,000	3,761	1,239	100,000	82,362	17,638
30,000	23,915	6,085	1,559,000	518,019	1,040,981
20,000	16,414	3,586	50,000	39,079	10,921
45,000	28,348	16,652	10,000	8,240	1,760
<u>100,000</u>	<u>72,438</u>	<u>27,562</u>	<u>1,719,000</u>	<u>647,700</u>	<u>1,071,300</u>
	<u>2,021</u>	<u>2,021</u>	<u>(953,000)</u>	<u>457,829</u>	<u>1,410,829</u>
<u>(2,000)</u>	<u>(2,021)</u>	<u>(21)</u>			
<u>(2,000)</u>	<u>(2,021)</u>	<u>(21)</u>			
<u>(2,000)</u>		<u>2,000</u>	<u>(953,000)</u>	<u>457,829</u>	<u>1,410,829</u>
(16,493)		16,493	1,797,888	1,333,006	(464,882)
<u>\$ (18,493)</u>	<u>\$</u>	<u>\$ 18,493</u>	<u>\$ 844,888</u>	<u>\$ 1,790,835</u>	<u>\$ 945,947</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	853,000	693,129	(159,871)
Total revenues	<u>853,000</u>	<u>693,129</u>	<u>(159,871)</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	1,365,600	332,719	1,032,881
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,365,600</u>	<u>332,719</u>	<u>1,032,881</u>
Excess (deficiency) of revenues over expenditures	<u>(512,600)</u>	<u>360,410</u>	<u>873,010</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(512,600)</u>	<u>360,410</u>	<u>873,010</u>
Fund balances (deficits), beginning of year	512,065	512,065	
Fund balances (deficits), end of year	<u>\$ (535)</u>	<u>\$ 872,475</u>	<u>\$ 873,010</u>

Other Federal Projects			Other State Projects		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
			121,000	174,932	53,932
<u>3,648,646</u>	<u>3,114,682</u>	<u>(533,964)</u>	<u>121,000</u>	<u>174,932</u>	<u>53,932</u>
<u>3,648,646</u>	<u>3,114,682</u>	<u>(533,964)</u>	<u>121,000</u>	<u>174,932</u>	<u>53,932</u>
30,000	28,869	1,131	20,000	18,173	1,827
824,000	564,254	259,746	165,000	156,759	8,241
10,000	7,668	2,332			
1,000	1,000				
2,671,646	2,462,016	209,630			
100,000	95,728	4,272			
<u>3,636,646</u>	<u>3,159,535</u>	<u>477,111</u>	<u>185,000</u>	<u>174,932</u>	<u>10,068</u>
<u>12,000</u>	<u>(44,853)</u>	<u>(56,853)</u>	<u>(64,000)</u>		<u>64,000</u>
<u>(24,000)</u>	<u>(16,711)</u>	<u>7,289</u>			
<u>(24,000)</u>	<u>(16,711)</u>	<u>7,289</u>			
<u>(12,000)</u>	<u>(61,564)</u>	<u>(49,564)</u>	<u>(64,000)</u>		<u>64,000</u>
1,249	20,836	19,587	60,377		(60,377)
<u>\$ (10,751)</u>	<u>\$ (40,728)</u>	<u>\$ (29,977)</u>	<u>\$ (3,623)</u>	<u>\$</u>	<u>\$ 3,623</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$ 27,000	\$ 76,078	\$ 49,078
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>27,000</u>	<u>76,078</u>	<u>49,078</u>
Expenditures:			
Current -			
Instruction	100,000	54,147	45,853
Support services - students and staff			
Support services - administration	50,000	35,075	14,925
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	<u>551,000</u>	<u>155,868</u>	<u>395,132</u>
Total expenditures	<u>701,000</u>	<u>245,090</u>	<u>455,910</u>
Excess (deficiency) of revenues over expenditures	<u>(674,000)</u>	<u>(169,012)</u>	<u>504,988</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(674,000)</u>	<u>(169,012)</u>	<u>504,988</u>
Fund balances (deficits), beginning of year	523,522	523,522	
Fund balances (deficits), end of year	<u>\$ (150,478)</u>	<u>\$ 354,510</u>	<u>\$ 504,988</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 105,000	\$ 111,020	\$ 6,020	\$ 2,808,000	\$ 2,863,795	\$ 55,795
<u>105,000</u>	<u>111,020</u>	<u>6,020</u>	<u>2,808,000</u>	<u>2,863,795</u>	<u>55,795</u>
100,000	50,985	49,015	1,000	500	500
350,000	72,893	277,107	1,000	281	719
<u>450,000</u>	<u>123,878</u>	<u>326,122</u>	<u>4,298,000</u>	<u>2,883,536</u>	<u>1,414,464</u>
<u>(345,000)</u>	<u>(12,858)</u>	<u>332,142</u>	<u>4,300,000</u>	<u>2,884,317</u>	<u>1,415,683</u>
			<u>(1,492,000)</u>	<u>(20,522)</u>	<u>1,471,478</u>
<u>(345,000)</u>	<u>(12,858)</u>	<u>332,142</u>	<u>(1,492,000)</u>	<u>(20,522)</u>	<u>1,471,478</u>
237,810	237,810		1,193,575	1,193,575	
<u>\$ (107,190)</u>	<u>\$ 224,952</u>	<u>\$ 332,142</u>	<u>\$ (298,425)</u>	<u>\$ 1,173,053</u>	<u>\$ 1,471,478</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 718,000	\$ 683,415	\$ (34,585)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>718,000</u>	<u>683,415</u>	<u>(34,585)</u>
Expenditures:			
Current -			
Instruction	949,000	521,169	427,831
Support services - students and staff	21,000	14,341	6,659
Support services - administration	30,000	24,545	5,455
Operation and maintenance of plant services	75,000	51,033	23,967
Student transportation services	50,000	42,344	7,656
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,125,000</u>	<u>653,432</u>	<u>471,568</u>
Excess (deficiency) of revenues over expenditures	<u>(407,000)</u>	<u>29,983</u>	<u>436,983</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(407,000)</u>	<u>29,983</u>	<u>436,983</u>
Fund balances (deficits), beginning of year	459,852	459,852	
Fund balances, end of year	<u>\$ 52,852</u>	<u>\$ 489,835</u>	<u>\$ 436,983</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 474,000	\$ 339,215	\$ (134,785)	\$ 519,000	\$ 443,124	\$ (75,876)
<u>474,000</u>	<u>339,215</u>	<u>(134,785)</u>	<u>519,000</u>	<u>443,124</u>	<u>(75,876)</u>
1,015,000	243,407	771,593	698,000	194,793	503,207
10,000	5,748	4,252	100,000	81,595	18,405
			22,000	14,604	7,396
			10,000	6,549	3,451
75,000	63,719	11,281	10,000	6,297	3,703
			10,000	9,400	600
<u>1,100,000</u>	<u>312,874</u>	<u>787,126</u>	<u>850,000</u>	<u>313,238</u>	<u>536,762</u>
<u>(626,000)</u>	<u>26,341</u>	<u>652,341</u>	<u>(331,000)</u>	<u>129,886</u>	<u>460,886</u>
<u>(626,000)</u>	<u>26,341</u>	<u>652,341</u>	<u>(331,000)</u>	<u>129,886</u>	<u>460,886</u>
733,503	733,503		452,264	452,264	
<u>\$ 107,503</u>	<u>\$ 759,844</u>	<u>\$ 652,341</u>	<u>\$ 121,264</u>	<u>\$ 582,150</u>	<u>\$ 460,886</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2015**

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 100	\$ 120	\$ 20
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>100</u>	<u>120</u>	<u>20</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	44,500	22,432	22,068
Operation and maintenance of plant services			
Student transportation services	1,000	550	450
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>45,500</u>	<u>22,982</u>	<u>22,518</u>
Excess (deficiency) of revenues over expenditures	<u>(45,400)</u>	<u>(22,862)</u>	<u>22,538</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(45,400)</u>	<u>(22,862)</u>	<u>22,538</u>
Fund balances (deficits), beginning of year	45,179	45,179	
Fund balances (deficits), end of year	<u>\$ (221)</u>	<u>\$ 22,317</u>	<u>\$ 22,538</u>

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 10	\$ 8	\$ (2)	\$ 18,200	\$ 11,690	\$ (6,510)
<u>10</u>	<u>8</u>	<u>(2)</u>	<u>18,200</u>	<u>11,690</u>	<u>(6,510)</u>
2,000		2,000	1,000	12	988
			59,000	4,092	54,908
<u>2,000</u>	<u></u>	<u>2,000</u>	<u>60,000</u>	<u>4,104</u>	<u>55,896</u>
<u>(1,990)</u>	<u>8</u>	<u>1,998</u>	<u>(41,800)</u>	<u>7,586</u>	<u>49,386</u>
<u>(1,990)</u>	<u>8</u>	<u>1,998</u>	<u>(41,800)</u>	<u>7,586</u>	<u>49,386</u>
1,870	1,870		42,255	42,255	
<u>\$ (120)</u>	<u>\$ 1,878</u>	<u>\$ 1,998</u>	<u>\$ 455</u>	<u>\$ 49,841</u>	<u>\$ 49,386</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2015

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 800	\$ 543	\$ (257)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	800	543	(257)
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	99,400	97,176	2,224
Total expenditures	99,400	97,176	2,224
Excess (deficiency) of revenues over expenditures	(98,600)	(96,633)	1,967
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(98,600)	(96,633)	1,967
Fund balances (deficits), beginning of year	98,655	98,655	
Fund balances (deficits), end of year	\$ 55	\$ 2,022	\$ 1,967

Indirect Costs			Grants and Gifts to Teachers		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 5,000	\$ 5,334	\$ 334	\$ 15,000	\$ 13,455	\$ (1,545)
<u>5,000</u>	<u>5,334</u>	<u>334</u>	<u>15,000</u>	<u>13,455</u>	<u>(1,545)</u>
100,000	87,505	12,495	24,000	15,086	8,914
320,000	293,062	26,938	1,000	300	700
2,110,000	1,156,785	953,215			
20,000	15,523	4,477			
10,000	9,366	634			
<u>2,560,000</u>	<u>1,562,241</u>	<u>997,759</u>	<u>25,000</u>	<u>15,386</u>	<u>9,614</u>
<u>(2,555,000)</u>	<u>(1,556,907)</u>	<u>998,093</u>	<u>(10,000)</u>	<u>(1,931)</u>	<u>8,069</u>
1,550,000	1,383,479	(166,521)			
<u>1,550,000</u>	<u>1,383,479</u>	<u>(166,521)</u>			
<u>(1,005,000)</u>	<u>(173,428)</u>	<u>831,572</u>	<u>(10,000)</u>	<u>(1,931)</u>	<u>8,069</u>
1,708,907	1,708,907		7,110	7,110	
<u>\$ 703,907</u>	<u>\$ 1,535,479</u>	<u>\$ 831,572</u>	<u>\$ (2,890)</u>	<u>\$ 5,179</u>	<u>\$ 8,069</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 NON-MAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2015**

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$ 8,000	\$ 5,038	\$ (2,962)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>8,000</u>	<u>5,038</u>	<u>(2,962)</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	12,500		12,500
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>12,500</u>	<u></u>	<u>12,500</u>
Excess (deficiency) of revenues over expenditures	<u>(4,500)</u>	<u>5,038</u>	<u>9,538</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>(4,500)</u>	<u>5,038</u>	<u>9,538</u>
Fund balances (deficits), beginning of year	7,048	7,048	
Fund balances (deficits), end of year	<u>\$ 2,548</u>	<u>\$ 12,086</u>	<u>\$ 9,538</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 4,698,110	\$ 4,587,991	\$ (110,119)
8,547,000	8,842,143	295,143
<u>25,714,646</u>	<u>22,715,570</u>	<u>(2,999,076)</u>
<u>38,959,756</u>	<u>36,145,704</u>	<u>(2,814,052)</u>
24,117,638	19,390,539	4,727,099
10,974,556	8,095,541	2,879,015
3,247,500	2,154,600	1,092,900
1,588,100	471,666	1,116,434
294,000	248,750	45,250
7,490,646	5,577,994	1,912,652
750,400	348,772	401,628
<u>48,462,840</u>	<u>36,287,862</u>	<u>12,174,978</u>
<u>(9,503,084)</u>	<u>(142,158)</u>	<u>9,360,926</u>
1,550,000	1,383,479	(166,521)
<u>(550,000)</u>	<u>(491,611)</u>	<u>58,389</u>
<u>1,000,000</u>	<u>891,868</u>	<u>(108,132)</u>
<u>(8,503,084)</u>	<u>749,710</u>	<u>9,252,794</u>
8,183,550	9,183,012	999,462
<u>\$ (319,534)</u>	<u>\$ 9,932,722</u>	<u>\$ 10,252,256</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, 2015**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 24,000	\$ 53,969	\$ 29,969
Property taxes	15,675,685	15,971,201	295,516
Total revenues	<u>15,699,685</u>	<u>16,025,170</u>	<u>325,485</u>
Expenditures:			
Debt service -			
Principal retirement	13,310,000	13,310,000	
Interest and fiscal charges	3,190,000	3,049,141	140,859
Total expenditures	<u>16,500,000</u>	<u>16,359,141</u>	<u>140,859</u>
Excess (deficiency) of revenues over expenditures	<u>(800,315)</u>	<u>(333,971)</u>	<u>466,344</u>
Other financing sources (uses):			
Transfers in		12,293	12,293
Total other financing sources (uses):		<u>12,293</u>	<u>12,293</u>
Changes in fund balances	<u>(800,315)</u>	<u>(321,678)</u>	<u>478,637</u>
Fund balances, beginning of year	800,315	4,810,140	4,009,825
Fund balances, end of year	<u>\$</u>	<u>\$ 4,488,462</u>	<u>\$ 4,488,462</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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING BALANCE SHEET - ALL CAPITAL PROJECTS FUNDS
 JUNE 30, 2015**

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Gifts and Donations - Capital</u>
<u>ASSETS</u>			
Cash and investments	\$ 15,661	\$ 6,447,066	\$ 2,976
Total assets	<u>\$ 15,661</u>	<u>\$ 6,447,066</u>	<u>\$ 2,976</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Construction contracts payable	\$	\$ 731,226	\$
Total liabilities	<u></u>	<u>731,226</u>	<u></u>
Fund balances:			
Restricted	15,661	5,715,840	2,976
Total fund balances	<u>15,661</u>	<u>5,715,840</u>	<u>2,976</u>
 Total liabilities and fund balances	 <u>\$ 15,661</u>	 <u>\$ 6,447,066</u>	 <u>\$ 2,976</u>

<u>Energy and Water Savings</u>	<u>Totals</u>
\$ 640,301	\$ 7,106,004
<u>\$ 640,301</u>	<u>\$ 7,106,004</u>

<u>\$</u>	<u>\$ 731,226</u>
	<u>731,226</u>

<u>640,301</u>	<u>6,374,778</u>
<u>640,301</u>	<u>6,374,778</u>
<u>\$ 640,301</u>	<u>\$ 7,106,004</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, 2015

	Adjacent Ways	Bond Building	Gifts and Donations - Capital
Revenues:			
Other local	\$ 69	\$ 12,293	\$ 1
Total revenues	69	12,293	1
Expenditures:			
Current -			
Support services - students and staff			1,398
Operation and maintenance of plant services			2,693
Capital outlay	957	3,897,724	
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs		24,050	
Total expenditures	957	3,921,774	4,091
Excess (deficiency) of revenues over expenditures	(888)	(3,909,481)	(4,090)
Other financing sources (uses):			
Transfers in			
Transfers out		(12,293)	
Issuance of school improvement bonds		4,500,000	
Total other financing sources (uses):		4,487,707	
Changes in fund balances	(888)	578,226	(4,090)
Fund balances, beginning of year	16,549	5,137,614	7,066
Fund balances, end of year	\$ 15,661	\$ 5,715,840	\$ 2,976

Energy and Water Savings	Totals
\$ 304,747	\$ 317,110
<u>304,747</u>	<u>317,110</u>
	1,398
	2,693
	3,898,681
296,136	296,136
225,519	225,519
	24,050
<u>521,655</u>	<u>4,448,477</u>
<u>(216,908)</u>	<u>(4,131,367)</u>
500,000	500,000
	(12,293)
	4,500,000
<u>500,000</u>	<u>4,987,707</u>
<u>283,092</u>	<u>856,340</u>
357,209	5,518,438
<u>\$ 640,301</u>	<u>\$ 6,374,778</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, 2015

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 141,430	\$ 15,261	\$ (126,169)
Property taxes	486,690	2,809,994	2,323,304
State aid and grants	1,200,350	378,556	(821,794)
Total revenues	<u>1,828,470</u>	<u>3,203,811</u>	<u>1,375,341</u>
Expenditures:			
Current -			
Instruction	2,000,000	1,341,025	658,975
Support services - students and staff	110,000	79,882	30,118
Support services - administration	210,000	159,895	50,105
Operation and maintenance of plant services	150,000	122,326	27,674
Student transportation services	50,000	40,138	9,862
Capital outlay	5,238,478	1,904,040	3,334,438
Debt service -			
Principal retirement	514,988	514,988	
Interest and fiscal charges	62,807	62,807	
Bond issuance costs			
Total expenditures	<u>8,336,273</u>	<u>4,225,101</u>	<u>4,111,172</u>
Excess (deficiency) of revenues over expenditures	<u>(6,507,803)</u>	<u>(1,021,290)</u>	<u>5,486,513</u>
Other financing sources (uses):			
Transfers in		1,383,695	1,383,695
Transfers out			
Issuance of school improvement bonds			
Total other financing sources (uses):		<u>1,383,695</u>	<u>1,383,695</u>
Changes in fund balances	<u>(6,507,803)</u>	<u>362,405</u>	<u>6,870,208</u>
Fund balances, beginning of year	3,736,891	3,757,151	20,260
Fund balances (deficits), end of year	<u>\$ (2,770,912)</u>	<u>\$ 4,119,556</u>	<u>\$ 6,890,468</u>

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 50 1,500	\$ 69	\$ 19 (1,500)	\$	\$ 12,293	\$ 12,293
<u>1,550</u>	<u>69</u>	<u>(1,481)</u>		<u>12,293</u>	<u>12,293</u>
16,500	957	15,543	35,047,964	3,897,724	31,150,240
<u>16,500</u>	<u>957</u>	<u>15,543</u>	<u>24,050</u> <u>35,072,014</u>	<u>24,050</u> <u>3,921,774</u>	<u>31,150,240</u>
<u>(14,950)</u>	<u>(888)</u>	<u>14,062</u>	<u>(35,072,014)</u>	<u>(3,909,481)</u>	<u>31,162,533</u>
				(12,293)	(12,293)
				<u>4,500,000</u>	<u>4,500,000</u>
				<u>4,487,707</u>	<u>4,487,707</u>
<u>(14,950)</u>	<u>(888)</u>	<u>14,062</u>	<u>(35,072,014)</u>	<u>578,226</u>	<u>35,650,240</u>
16,549	16,549		5,137,614	5,137,614	
<u>\$ 1,599</u>	<u>\$ 15,661</u>	<u>\$ 14,062</u>	<u>\$ (29,934,400)</u>	<u>\$ 5,715,840</u>	<u>\$ 35,650,240</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, 2015

	Gifts and Donations - Capital		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes		1	1
State aid and grants			
Total revenues		1	1
Expenditures:			
Current -			
Instruction			
Support services - students and staff	4,000	1,398	2,602
Support services - administration			
Operation and maintenance of plant services	4,000	2,693	1,307
Student transportation services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	8,000	4,091	3,909
Excess (deficiency) of revenues over expenditures	(8,000)	(4,090)	3,910
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Total other financing sources (uses):			
Changes in fund balances	(8,000)	(4,090)	3,910
Fund balances, beginning of year	7,066	7,066	
Fund balances (deficits), end of year	\$ (934)	\$ 2,976	\$ 3,910

Energy and Water Savings			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 1,000	\$ 304,747	\$ 303,747	\$ 142,480	\$ 332,371	\$ 189,891
			488,190	2,809,994	2,321,804
			1,200,350	378,556	(821,794)
<u>1,000</u>	<u>304,747</u>	<u>303,747</u>	<u>1,831,020</u>	<u>3,520,921</u>	<u>1,689,901</u>
			2,000,000	1,341,025	658,975
			114,000	81,280	32,720
			210,000	159,895	50,105
			154,000	125,019	28,981
			50,000	40,138	9,862
			40,302,942	5,802,721	34,500,221
458,000	296,136	161,864	972,988	811,124	161,864
400,000	225,519	174,481	462,807	288,326	174,481
			24,050	24,050	
<u>858,000</u>	<u>521,655</u>	<u>336,345</u>	<u>44,290,787</u>	<u>8,673,578</u>	<u>35,617,209</u>
<u>(857,000)</u>	<u>(216,908)</u>	<u>640,092</u>	<u>(42,459,767)</u>	<u>(5,152,657)</u>	<u>37,307,110</u>
500,000	500,000		500,000	1,883,695	1,383,695
				(12,293)	(12,293)
				4,500,000	4,500,000
<u>500,000</u>	<u>500,000</u>		<u>500,000</u>	<u>6,371,402</u>	<u>5,871,402</u>
<u>(357,000)</u>	<u>283,092</u>	<u>640,092</u>	<u>(41,959,767)</u>	<u>1,218,745</u>	<u>43,178,512</u>
357,209	357,209		9,255,329	9,275,589	20,260
<u>\$ 209</u>	<u>\$ 640,301</u>	<u>\$ 640,092</u>	<u>\$ (32,704,438)</u>	<u>\$ 10,494,334</u>	<u>\$ 43,198,772</u>

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ENTERPRISE FUNDS

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF NET POSITION -
ALL ENTERPRISE FUNDS
JUNE 30, 2015

	Private School Consortium	Alternative Fuel	Totals
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 557,373	\$ 203,961	\$ 761,334
Total current assets	557,373	203,961	761,334
Noncurrent assets:			
Capital assets, net of accumulated depreciation	466,743	1,050,485	1,517,228
Total noncurrent assets	466,743	1,050,485	1,517,228
Total assets	1,024,116	1,254,446	2,278,562
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension plan items	77,160		77,160
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	8,724	2,835	11,559
Total current liabilities	8,724	2,835	11,559
Noncurrent liabilities:			
Non-current portion of long-term obligations	650,714		650,714
Total noncurrent liabilities	650,714		650,714
Total liabilities	659,438	2,835	662,273
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension plan items	119,924		119,924
<u>NET POSITION</u>			
Investment in capital assets	466,743	1,050,485	1,517,228
Unrestricted	(144,829)	201,126	56,297
Total net position	\$ 321,914	\$ 1,251,611	\$ 1,573,525

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Private School Consortium	Alternative Fuel	Totals
Operating revenues:			
Charges for services	\$ 854,194	\$ 81,532	\$ 935,726
Total operating revenues	854,194	81,532	935,726
Operating expenses:			
Cost of services	712,461	51,507	763,968
Depreciation	47,874	56,367	104,241
Total operating expenses	760,335	107,874	868,209
Operating income (loss)	93,859	(26,342)	67,517
Nonoperating revenues (expenses):			
Investment income	2,218	855	3,073
Total nonoperating revenues (expenses)	2,218	855	3,073
Changes in net position	96,077	(25,487)	70,590
Total net position, beginning of year, as restated	225,837	1,277,098	1,502,935
Total net position, end of year	\$ 321,914	\$ 1,251,611	\$ 1,573,525

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF CASH FLOWS
ALL ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2015**

	Private School Consortium	Alternative Fuel	Totals
<u>Increase/(Decrease) in Cash and Cash Equivalents</u>			
Cash flows from operating activities:			
Cash received for services	\$ 899,934	\$ 81,532	\$ 981,466
Cash payments to suppliers for goods and services	(170,170)	(130,958)	(301,128)
Cash payments to employees for services	(552,446)		(552,446)
Net cash provided by/(used for) operating activities	177,318	(49,426)	127,892
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(82,220)	(125,535)	(207,755)
Net cash used for capital and related financing activities	(82,220)	(125,535)	(207,755)
Cash flows from investing activities:			
Investment income	2,218	855	3,073
Net cash provided by investing activities	2,218	855	3,073
Net increase/(decrease) in cash and cash equivalents	97,316	(174,106)	(76,790)
Cash and cash equivalents, beginning of year	460,057	378,067	838,124
Cash and cash equivalents, end of year	\$ 557,373	\$ 203,961	\$ 761,334
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities</u>			
Operating income/(loss)	\$ 93,859	\$ (26,342)	\$ 67,517
Adjustments to reconcile operating income/(loss) to net cash provided by/(used for) operating activities:			
Depreciation	47,874	56,367	104,241
Changes in assets and liabilities:			
Decrease in due from governmental entities	45,740		45,740
Decrease in accounts payable	(6,219)	(79,451)	(85,670)
Decrease in pension items	(3,936)		(3,936)
Total adjustments	83,459	(23,084)	60,375
Net cash provided by/(used for) operating activities	\$ 177,318	\$ (49,426)	\$ 127,892

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, 2015

	<u>Employee Benefit Trust</u>	<u>Workers' Compensation</u>	<u>Property and Casualty Insurance</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 5,073,294	\$ 1,812,095	\$ 819,495
Accounts receivable	386,404		
Prepaid items			99,354
Total current assets	<u>5,459,698</u>	<u>1,812,095</u>	<u>918,849</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation			
Total noncurrent assets			
Total assets	<u>5,459,698</u>	<u>1,812,095</u>	<u>918,849</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable			18,184
Claims payable	2,104,000	1,330,365	284,863
Total current liabilities	<u>2,104,000</u>	<u>1,330,365</u>	<u>303,047</u>
Total liabilities	<u>2,104,000</u>	<u>1,330,365</u>	<u>303,047</u>
<u>NET POSITION</u>			
Investment in capital assets			
Unrestricted	3,355,698	481,730	615,802
Total net position	<u>\$ 3,355,698</u>	<u>\$ 481,730</u>	<u>\$ 615,802</u>

<u>Print Shop</u>	<u>Totals</u>
\$ 103,109	\$ 7,807,993
	386,404
	99,354
<u>103,109</u>	<u>8,293,751</u>
<u>390,418</u>	<u>390,418</u>
<u>390,418</u>	<u>390,418</u>
<u>493,527</u>	<u>8,684,169</u>
13,935	32,119
	3,719,228
<u>13,935</u>	<u>3,751,347</u>
<u>13,935</u>	<u>3,751,347</u>
390,418	390,418
89,174	4,542,404
<u>\$ 479,592</u>	<u>\$ 4,932,822</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, 2015

	Employee Benefit Trust	Workers' Compensation	Property and Casualty Insurance
Operating revenues:			
Contributions	\$ 16,877,933	\$ 1,223,773	\$ 998,875
Charges for services			
Total operating revenues	<u>16,877,933</u>	<u>1,223,773</u>	<u>998,875</u>
Operating expenses:			
Claims	14,552,540	854,265	141,893
Premiums	689,175	84,936	814,746
Administrative and other	1,817,180	269,193	199,769
Cost of services			
Depreciation			
Total operating expenses	<u>17,058,895</u>	<u>1,208,394</u>	<u>1,156,408</u>
Operating income (loss)	<u>(180,962)</u>	<u>15,379</u>	<u>(157,533)</u>
Nonoperating revenues (expenses):			
Investment income	18,810	6,252	1,645
Total nonoperating revenues (expenses)	<u>18,810</u>	<u>6,252</u>	<u>1,645</u>
Changes in net position	<u>(162,152)</u>	<u>21,631</u>	<u>(155,888)</u>
Total net position, beginning of year	3,517,850	460,099	771,690
Total net position, end of year	<u>\$ 3,355,698</u>	<u>\$ 481,730</u>	<u>\$ 615,802</u>

<u>Print Shop</u>	<u>Totals</u>
\$	\$ 19,100,581
358,171	358,171
<u>358,171</u>	<u>19,458,752</u>
	15,548,698
	1,588,857
	2,286,142
299,044	299,044
61,100	61,100
<u>360,144</u>	<u>19,783,841</u>
<u>(1,973)</u>	<u>(325,089)</u>
760	27,467
<u>760</u>	<u>27,467</u>
<u>(1,213)</u>	<u>(297,622)</u>
480,805	5,230,444
<u>\$ 479,592</u>	<u>\$ 4,932,822</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF CASH FLOWS
ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2015

	Employee Benefit Trust	Workers' Compensation	Property and Casualty Insurance
<u>Increase/(Decrease) in Cash and Cash Equivalents</u>			
Cash flows from operating activities:			
Cash received from contributions	\$ 16,672,568	\$ 1,223,773	\$ 998,875
Cash received for services			
Cash payments to suppliers for goods and services	(2,506,355)	(366,212)	(1,034,427)
Cash payments for claims	(14,526,540)	(660,303)	(37,015)
Net cash provided by/(used for) operating activities	(360,327)	197,258	(72,567)
Cash flows from capital and related financing activities:			
Acquisition of capital assets			
Disposal of capital assets			
Net cash used for capital and related financing activities			
Cash flows from investing activities:			
Investment income	18,810	6,252	1,645
Net cash provided by investing activities	18,810	6,252	1,645
Net increase/(decrease) in cash and cash equivalents	(341,517)	203,510	(70,922)
Cash and cash equivalents, beginning of year	5,414,811	1,608,585	890,417
Cash and cash equivalents, end of year	\$ 5,073,294	\$ 1,812,095	\$ 819,495
<u>Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities</u>			
Operating income/(loss)	\$ (180,962)	\$ 15,379	\$ (157,533)
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	(205,365)		
Increase in prepaid items			(15,949)
Increase/(decrease) in accounts payable		(12,083)	(3,963)
Increase in claims payable	26,000	193,962	104,878
Total adjustments	(179,365)	181,879	84,966
Net cash provided by/(used for) operating activities	\$ (360,327)	\$ 197,258	\$ (72,567)

<u>Print Shop</u>	<u>Totals</u>
\$	\$
358,171	18,895,216
(297,337)	358,171
	(4,204,331)
	<u>(15,223,858)</u>
<u>60,834</u>	<u>(174,802)</u>
(246,375)	(246,375)
33,331	33,331
<u>(213,044)</u>	<u>(213,044)</u>
760	27,467
760	27,467
<u>(151,450)</u>	<u>(360,379)</u>
<u>254,559</u>	<u>8,168,372</u>
<u>\$ 103,109</u>	<u>\$ 7,807,993</u>

\$	\$
(1,973)	(325,089)
61,100	61,100
	(205,365)
	(15,949)
1,707	(14,339)
	<u>324,840</u>
<u>62,807</u>	<u>150,287</u>
<u>\$ 60,834</u>	<u>\$ (174,802)</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, 2015**

	Student Activities	Employee Withholding	Totals
<u>ASSETS</u>			
Cash and investments	\$ 174,424	\$ 140,133	\$ 314,557
Total assets	\$ 174,424	\$ 140,133	\$ 314,557
 <u>LIABILITIES</u>			
Deposits held for others	\$	\$ 140,133	\$ 140,133
Due to student groups	174,424		174,424
Total liabilities	\$ 174,424	\$ 140,133	\$ 314,557

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2015

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balance</u>
<u>STUDENT ACTIVITIES</u>				
<u>Assets</u>				
Cash and investments	\$ <u>156,677</u>	\$ <u>186,706</u>	\$ <u>168,959</u>	\$ <u>174,424</u>
Total assets	\$ <u><u>156,677</u></u>	\$ <u><u>186,706</u></u>	\$ <u><u>168,959</u></u>	\$ <u><u>174,424</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>156,677</u>	\$ <u>186,706</u>	\$ <u>168,959</u>	\$ <u>174,424</u>
Total liabilities	\$ <u><u>156,677</u></u>	\$ <u><u>186,706</u></u>	\$ <u><u>168,959</u></u>	\$ <u><u>174,424</u></u>
 <u>EMPLOYEE WITHHOLDING</u>				
<u>Assets</u>				
Cash and investments	\$ <u>111,649</u>	\$ <u>314,871</u>	\$ <u>286,387</u>	\$ <u>140,133</u>
Total assets	\$ <u><u>111,649</u></u>	\$ <u><u>314,871</u></u>	\$ <u><u>286,387</u></u>	\$ <u><u>140,133</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>111,649</u>	\$ <u>314,871</u>	\$ <u>286,387</u>	\$ <u>140,133</u>
Total liabilities	\$ <u><u>111,649</u></u>	\$ <u><u>314,871</u></u>	\$ <u><u>286,387</u></u>	\$ <u><u>140,133</u></u>
 <u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>268,326</u>	\$ <u>501,577</u>	\$ <u>455,346</u>	\$ <u>314,557</u>
Total assets	\$ <u><u>268,326</u></u>	\$ <u><u>501,577</u></u>	\$ <u><u>455,346</u></u>	\$ <u><u>314,557</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>111,649</u>	\$ <u>314,871</u>	\$ <u>286,387</u>	\$ <u>140,133</u>
Due to student groups	<u>156,677</u>	<u>186,706</u>	<u>168,959</u>	<u>174,424</u>
Total liabilities	\$ <u><u>268,326</u></u>	\$ <u><u>501,577</u></u>	\$ <u><u>455,346</u></u>	\$ <u><u>314,557</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Governmental activities:					
Net investment in capital assets	\$ 147,843,966	\$ 140,651,648	\$ 134,338,769	\$ 131,154,280	\$ 126,084,903
Restricted	25,808,205	23,121,936	16,387,192	15,370,563	15,934,592
Unrestricted	(158,118,288)	27,173,827	38,585,487	51,127,160	48,705,719
Total governmental activities net position	<u><u>\$ 15,533,883</u></u>	<u><u>\$ 190,947,411</u></u>	<u><u>\$ 189,311,448</u></u>	<u><u>\$ 197,652,003</u></u>	<u><u>\$ 190,725,214</u></u>
Business-type activities:					
Net investment in capital assets	\$ 1,517,228	\$ 1,413,714	\$ 1,422,509	\$	\$
Restricted					
Unrestricted	56,297	786,635	913,615		
Total business-type activities net position	<u><u>\$ 1,573,525</u></u>	<u><u>\$ 2,200,349</u></u>	<u><u>\$ 2,336,124</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
Primary government:					
Net investment in capital assets	\$ 149,361,194	\$ 142,065,362	\$ 135,761,278	\$ 131,154,280	\$ 126,084,903
Restricted	25,808,205	23,121,936	16,387,192	15,370,563	15,934,592
Unrestricted	(158,061,991)	27,960,462	39,499,102	51,127,160	48,705,719
Total net position	<u><u>\$ 17,107,408</u></u>	<u><u>\$ 193,147,760</u></u>	<u><u>\$ 191,647,572</u></u>	<u><u>\$ 197,652,003</u></u>	<u><u>\$ 190,725,214</u></u>

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

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental activities:					
Net investment in capital assets	\$ 119,499,966	\$ 113,210,283	\$ 104,904,914	\$ 100,355,784	\$ 89,711,533
Restricted	32,546,642	28,488,877	30,991,421	29,712,821	35,489,887
Unrestricted	30,721,294	28,729,147	27,944,122	19,532,725	20,332,683
Total governmental activities net position	<u><u>\$ 182,767,902</u></u>	<u><u>\$ 170,428,307</u></u>	<u><u>\$ 163,840,457</u></u>	<u><u>\$ 149,601,330</u></u>	<u><u>\$ 145,534,103</u></u>
Business-type activities:					
Net investment in capital assets	\$	\$	\$	\$	\$
Restricted					
Unrestricted					
Total business-type activities net position	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
Primary government:					
Net investment in capital assets	\$ 119,499,966	\$ 113,210,283	\$ 104,904,914	\$ 100,355,784	\$ 89,711,533
Restricted	32,546,642	28,488,877	30,991,421	29,712,821	35,489,887
Unrestricted	30,721,294	28,729,147	27,944,122	19,532,725	20,332,683
Total net position	<u><u>\$ 182,767,902</u></u>	<u><u>\$ 170,428,307</u></u>	<u><u>\$ 163,840,457</u></u>	<u><u>\$ 149,601,330</u></u>	<u><u>\$ 145,534,103</u></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 through 2015 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 TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Governmental activities:					
Instruction	\$ 99,473,480	\$ 99,497,671	\$ 96,287,120	\$ 95,655,933	\$ 96,302,960
Support services - students and staff	25,259,949	25,400,733	24,437,353	22,683,312	23,438,972
Support services - administration	16,863,927	19,545,606	16,847,819	15,851,740	15,161,986
Operation and maintenance of plant services	20,573,400	21,755,307	21,464,307	20,505,294	20,006,076
Student transportation services	8,931,677	8,921,262	10,322,705	8,352,478	8,219,151
Operation of non-instructional services	20,757,679	20,672,728	19,580,110	17,777,812	17,216,475
Interest on long-term debt	3,184,743	3,527,782	4,451,926	4,065,351	4,319,857
Total governmental activities	<u>195,044,855</u>	<u>199,321,089</u>	<u>193,391,340</u>	<u>184,891,920</u>	<u>184,665,477</u>
Business-type activities:					
Private school consortium	760,335	813,384	971,139		
Alternative fuel	107,874	146,965	81,577		
Total business-type activities	<u>868,209</u>	<u>960,349</u>	<u>1,052,716</u>		
Total expenses	<u>195,913,064</u>	<u>200,281,438</u>	<u>194,444,056</u>	<u>184,891,920</u>	<u>184,665,477</u>
Program Revenues					
Governmental activities:					
Charges for services					
Instruction	857,280	755,459	860,809	837,596	600,792
Operation of non-instructional services	3,640,577	3,986,380	3,294,615	3,876,383	3,851,113
Other activities	64,020	103,159	164,133	117,199	207,273
Operating grants and contributions	39,616,244	37,619,978	38,718,810	48,386,041	50,249,772
Capital grants and contributions	95,728	106,271			
Total governmental activities	<u>44,273,849</u>	<u>42,571,247</u>	<u>43,038,367</u>	<u>53,217,219</u>	<u>54,908,950</u>
Business-type activities:					
Charges for services					
Private school consortium	854,194	670,617	778,214		
Alternative fuel	81,532	150,775	164,943		
Total business-type activities	<u>935,726</u>	<u>821,392</u>	<u>943,157</u>		
Total program revenues	<u>45,209,575</u>	<u>43,392,639</u>	<u>43,981,524</u>	<u>53,217,219</u>	<u>54,908,950</u>
Net (Expense)/Revenue	<u>\$ (150,703,489)</u>	<u>\$ (156,888,799)</u>	<u>\$ (150,462,532)</u>	<u>\$ (131,674,701)</u>	<u>\$ (129,756,527)</u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenses					
Governmental activities:					
Instruction	\$ 98,377,469	\$ 117,265,653	\$ 109,805,178	\$ 112,047,322	\$ 106,099,983
Support services - students and staff	24,283,027	25,761,443	25,374,863	21,501,721	17,700,072
Support services - administration	16,586,101	17,017,140	17,348,813	18,741,436	21,232,061
Operation and maintenance of plant services	20,421,447	21,856,335	21,404,866	18,314,891	13,541,089
Student transportation services	8,720,012	8,960,848	8,665,577	8,972,338	7,801,167
Operation of non-instructional services	16,360,922	15,158,592	17,421,449	17,618,231	18,342,349
Interest on long-term debt	4,498,547	4,768,597	5,671,847	5,852,659	6,414,431
Total governmental activities	<u>189,247,525</u>	<u>210,788,608</u>	<u>205,692,593</u>	<u>203,048,598</u>	<u>191,131,152</u>
Business-type activities:					
Private school consortium					
Alternative fuel					
Total business-type activities					
Total expenses	<u>189,247,525</u>	<u>210,788,608</u>	<u>205,692,593</u>	<u>203,048,598</u>	<u>191,131,152</u>
Program Revenues					
Governmental activities:					
Charges for services					
Instruction	393,270	758,398	1,692,438	1,641,410	4,886,935
Operation of non-instructional services	2,914,250	3,159,713	4,148,923	3,414,490	2,415,245
Other activities	875,928	2,356,020	303,455	653,844	345,235
Operating grants and contributions	55,573,950	41,423,780	44,947,412	45,386,501	43,237,531
Capital grants and contributions					2,097,940
Total governmental activities	<u>59,757,398</u>	<u>47,697,911</u>	<u>51,092,228</u>	<u>51,096,245</u>	<u>52,982,886</u>
Business-type activities:					
Charges for services					
Private school consortium					
Alternative fuel					
Total business-type activities					
Total program revenues	<u>59,757,398</u>	<u>47,697,911</u>	<u>51,092,228</u>	<u>51,096,245</u>	<u>52,982,886</u>
Net (Expense)/Revenue	<u>\$ (129,490,127)</u>	<u>\$ (163,090,697)</u>	<u>\$ (154,600,365)</u>	<u>\$ (151,952,353)</u>	<u>\$ (138,148,266)</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 through 2015 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 TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (150,703,489)	\$ (156,888,799)	\$ (150,462,532)	\$ (131,674,701)	\$ (129,756,527)
General Revenues:					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	40,529,370	41,086,061	51,976,289 *	57,336,243 *	52,881,727 *
Property taxes, levied for debt service	15,992,162	16,105,036			
Property taxes, levied for capital outlay	2,911,214	2,569,357			
Investment income	208,981	360,314	250,924	611,471	564,347
Other				814,480	957,518
Gain (loss) on disposal of capital assets					
Special items					
Unrestricted county aid	8,780,891	8,061,126	7,786,874		
Unrestricted state aid	93,009,088	89,230,772	83,833,717	79,839,296	83,310,247
Unrestricted federal aid	640,647	973,139	606,560		
Total governmental activities	<u>162,072,353</u>	<u>158,385,805</u>	<u>144,454,364</u>	<u>138,601,490</u>	<u>137,713,839</u>
General Revenues:					
Business-type activities:					
Investment income	<u>3,073</u>	<u>3,182</u>	<u>3,737</u>		
Total business-type activities	<u>3,073</u>	<u>3,182</u>	<u>3,737</u>		
Changes in Net Position	<u>\$ 11,371,937</u>	<u>\$ 1,500,188</u>	<u>\$ (6,004,431)</u>	<u>\$ 6,926,789</u>	<u>\$ 7,957,312</u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net (Expense)/Revenue	\$ (129,490,127)	\$ (163,090,697)	\$ (154,600,365)	\$ (151,952,353)	\$ (138,148,266)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	57,360,259 *	68,672,108 *	61,748,198 *	54,292,820 *	53,187,313 *
Property taxes, levied for debt service					
Property taxes, levied for capital outlay					
Investment income	866,943	1,882,516	3,294,576	2,800,591	2,741,989
Other	1,842,065	1,914,375	1,516,688	3,209,376	2,464,199
Gain (loss) on disposal of capital assets		1,006,564			
Special items		(797,653)			
Unrestricted county aid				79,989	6,572,695
Unrestricted state aid	81,760,455	97,000,637	102,280,030	95,636,804	78,275,846
Unrestricted federal aid					
Total general revenues	<u>141,829,722</u>	<u>169,678,547</u>	<u>168,839,492</u>	<u>156,019,580</u>	<u>143,242,042</u>
Net (Expense)/Revenue					
Business-type activities:					
Investment income	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total business-type activities	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Changes in Net Position	<u>\$ 12,339,595</u>	<u>\$ 6,587,850</u>	<u>\$ 14,239,127</u>	<u>\$ 4,067,227</u>	<u>\$ 5,093,776</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 TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nonspendable	\$ 704,702	\$ 672,748	\$ 606,151	\$ 648,293	\$ 598,955
Restricted	4,566,212	4,142,611	259,946	249,987	239,976
Committed					
Assigned			695,977	2,200,000	1,000,000
Unassigned	10,439,133	9,747,586	15,450,753	23,777,607	22,280,697
Reserved					
Unreserved					
Total General Fund	<u>\$ 15,710,047</u>	<u>\$ 14,562,945</u>	<u>\$ 17,012,827</u>	<u>\$ 26,875,887</u>	<u>\$ 24,119,628</u>
All Other Governmental Funds:					
Nonspendable	\$ 138,187	\$ 120,475	\$ 123,416	\$ 99,789	\$ 95,444
Restricted	26,002,278	23,118,195	21,794,618	17,349,012	25,305,337
Committed					
Assigned					
Unassigned	(40,728)				
Reserved					
Unreserved, reported in:					
Special revenue funds					
Capital projects funds					
Debt service fund					
Total all other governmental funds	<u>\$ 26,099,737</u>	<u>\$ 23,238,670</u>	<u>\$ 21,918,034</u>	<u>\$ 17,448,801</u>	<u>\$ 25,400,781</u>

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Nonspendable	\$	\$	\$	\$	\$
Restricted					
Committed					
Assigned					
Unassigned					
Reserved	580,116	684,173	809,097	811,417	784,762
Unreserved	<u>6,255,374</u>	<u>1,251,979</u>	<u>7,792,683</u>	<u>3,752,386</u>	<u>5,730,903</u>
Total General Fund	<u>\$ 6,835,490</u>	<u>\$ 1,936,152</u>	<u>\$ 8,601,780</u>	<u>\$ 4,563,803</u>	<u>\$ 6,515,665</u>
All Other Governmental Funds:					
Nonspendable	\$	\$	\$	\$	\$
Restricted					
Committed					
Assigned					
Unassigned					
Reserved	102,138	75,845	70,062	58,412	41,079
Unreserved, reported in:					
Special revenue funds	12,981,586	10,576,112	16,739,272	17,277,553	18,515,745
Capital projects funds	9,213,790	12,471,973	28,745,360	20,248,874	33,915,276
Debt service fund	<u>11,281,870</u>	<u>9,415,245</u>	<u>5,813,898</u>	<u>5,019,527</u>	<u>7,941,901</u>
Total all other governmental funds	<u>\$ 33,579,384</u>	<u>\$ 32,539,175</u>	<u>\$ 51,368,592</u>	<u>\$ 42,604,366</u>	<u>\$ 60,414,001</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 TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 22,715,570	\$ 21,117,016	\$ 21,427,638	\$ 25,586,389	\$ 27,480,698
State Fiscal Stabilization (ARRA) Education Jobs					
National School Lunch Program	16,967,915	15,118,150	14,550,077	13,416,071	12,550,100
Total federal sources	<u>39,683,485</u>	<u>36,235,166</u>	<u>35,977,715</u>	<u>39,002,460</u>	<u>40,030,798</u>
State sources:					
State equalization assistance	84,341,877	80,526,567	86,982,842	83,096,833	87,861,045
State grants	174,932	804,741	7,368,386	6,126,044	5,668,177
Other revenues	8,667,211	8,704,205			
Total state sources	<u>93,184,020</u>	<u>90,035,513</u>	<u>94,351,228</u>	<u>89,222,877</u>	<u>93,529,222</u>
Local sources:					
Property taxes	59,342,671	59,004,911	52,278,031	57,063,913	52,940,965
County aid	8,780,891	8,061,126			
Food service sales	725,566	883,187	982,965	1,081,538	1,095,450
Investment income	212,054	330,333	219,265	553,258	483,209
Other revenues	4,880,569	4,812,307	4,936,669	4,466,985	4,521,246
Total local sources	<u>73,941,751</u>	<u>73,091,864</u>	<u>58,416,930</u>	<u>63,165,694</u>	<u>59,040,870</u>
Total revenues	<u><u>\$ 206,809,256</u></u>	<u><u>\$ 199,362,543</u></u>	<u><u>\$ 188,745,873</u></u>	<u><u>\$ 191,391,031</u></u>	<u><u>\$ 192,600,890</u></u>

(Continued)

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

	Fiscal Year Ended June 30				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Intergovernmental	\$ 145,504,533	\$ 130,373,366	\$ 148,280,643	\$ 143,774,555	\$ 132,418,774
Local sources:					
Property taxes	55,938,271	66,881,917	61,310,275	54,260,737	53,124,145
County aid					
Food service sales	1,234,802	1,522,731	1,680,844	1,777,282	1,922,366
Investment income	772,985	1,608,295	2,925,698	2,521,438	2,555,175
Other revenues	4,790,711	6,546,751	4,927,459	4,470,577	5,954,486
Total local sources	62,736,769	76,559,694	70,844,276	63,030,034	63,556,172
Total revenues	\$ 208,241,302	\$ 206,933,060	\$ 219,124,919	\$ 206,804,589	\$ 195,974,946

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

Notes: 1) The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

2) Detailed information for intergovernmental revenues prior to fiscal year 2011 is not available.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 96,153,216	\$ 93,717,118	\$ 93,736,675	\$ 91,410,445	\$ 93,436,783
Support services - students and staff	25,232,512	24,034,750	24,748,411	22,509,492	23,522,232
Support services - administration	16,057,968	15,536,516	15,300,720	14,366,216	14,553,115
Operation and maintenance of plant services	17,133,331	18,381,447	18,880,306	17,918,737	18,183,028
Student transportation services	8,161,998	7,601,273	9,066,412	9,093,523	7,964,428
Operation of non-instructional services	20,573,969	19,809,292	19,401,013	17,582,358	17,164,310
Capital outlay	6,555,118	14,422,452	18,384,635	7,197,451	2,452,543
Debt service -					
Judgements against the district					
Interest and fiscal charges	3,337,467	3,680,506	4,192,759	4,151,391	4,391,286
Principal retirement	14,121,124	13,299,276	13,437,039	12,410,822	11,927,791
Bond issuance costs	24,050	24,100	319,439		212,540
Total expenditures	<u><u>\$ 207,350,753</u></u>	<u><u>\$ 210,506,730</u></u>	<u><u>\$ 217,467,409</u></u>	<u><u>\$ 196,640,435</u></u>	<u><u>\$ 193,808,056</u></u>
Expenditures for capitalized assets	\$ 6,389,320	\$ 8,117,800	\$ 22,394,368	\$ 8,933,690	\$ 4,800,749
Debt service as a percentage of noncapital expenditures	9%	8%	9%	9%	9%

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Expenditures:					
Current -					
Instruction	\$ 95,382,583	\$ 110,896,410	\$ 107,957,523	\$ 110,833,854	\$ 101,898,778
Support services - students and staff	24,445,641	25,441,760	25,020,739	20,773,370	17,720,930
Support services - administration	15,576,253	15,765,520	15,970,947	16,203,736	25,194,055
Operation and maintenance of plant services	18,299,725	19,410,991	19,620,473	16,814,629	15,065,198
Student transportation services	9,045,909	8,274,958	8,758,791	8,602,202	7,399,174
Operation of non-instructional services	17,539,169	17,435,562	17,541,403	18,142,640	18,488,874
Capital outlay	6,206,156	20,529,424	6,055,263	15,818,482	16,627,314
Debt service -					
Judgements against the district		797,653			
Interest and fiscal charges	4,559,541	5,015,522	5,732,841	5,903,155	6,464,927
Principal retirement	11,613,857	11,211,725	11,323,934	11,246,751	10,740,177
Bond issuance costs			95,114		
Total expenditures	<u>\$ 202,668,834</u>	<u>\$ 234,779,525</u>	<u>\$ 218,077,028</u>	<u>\$ 224,338,819</u>	<u>\$ 219,599,427</u>
Expenditures for capitalized assets	\$ 7,884,467	\$ 23,224,044	\$ 7,320,814	\$ 20,083,584	\$ 25,948,748
Debt service as a percentage of noncapital expenditures	9%	8%	8%	8%	8%

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 TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (541,497)	\$ (11,144,187)	\$ (28,721,536)	\$ (5,249,404)	\$ (1,207,166)
Other financing sources (uses):					
General obligation bonds issued	4,500,000	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		
Transfers in	1,895,772	1,622,419	1,753,837	1,183,613	1,596,391
Transfers out	(1,895,772)	(1,622,419)	(1,753,837)	(1,183,613)	(1,596,391)
Payment to refunded bond escrow agent					
Total other financing sources (uses)	<u>4,500,000</u>	<u>10,864,900</u>	<u>23,346,224</u>		<u>10,300,556</u>
Changes in fund balances	<u>\$ 3,958,503</u>	<u>\$ (279,287)</u>	<u>\$ (5,375,312)</u>	<u>\$ (5,249,404)</u>	<u>\$ 9,093,390</u>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Excess (deficiency) of revenues over expenditures	\$ 5,572,468	\$ (27,846,465)	\$ 1,047,891	\$ (17,534,230)	\$ (23,624,481)
Other financing sources (uses):					
Refunding bonds issued			11,640,000		
Premium on sale of bonds			104,982		
Capital lease agreements	357,180	2,558,224		1,928,745	
Transfers in	4,851,589	1,425,865	784,683	1,306,180	1,479,337
Transfers out	(4,851,589)	(1,425,865)	(784,683)	(1,306,180)	(1,479,337)
Payment to refunded bond escrow agent				(4,200,000)	
Total other financing sources (uses)	<u>357,180</u>	<u>2,558,224</u>	<u>11,744,982</u>	<u>(2,271,255)</u>	
Changes in fund balances	<u>\$ 5,929,648</u>	<u>\$ (25,288,241)</u>	<u>\$ 12,792,873</u>	<u>\$ (19,805,485)</u>	<u>\$ (23,624,481)</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 TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 472,181,411	\$ 485,838,284	\$ 536,566,162	\$ 579,720,714	\$ 725,098,667
Agricultural and Vacant	17,842,349	23,067,497	27,014,320	29,116,900	35,428,644
Residential (Owner Occupied)	417,896,904	395,683,367	467,196,013	552,197,999	723,837,868
Residential (Rental)	170,725,842	151,279,607	140,976,564	161,371,870	221,975,671
Historical Property	108,115	107,971	121,435	74,699	251,582
Certain Government Property Improvements	101,963	71,136	79,365	93,427	
Total	\$ 1,078,856,584	\$ 1,056,047,862	\$ 1,171,953,859	\$ 1,322,575,609	\$ 1,706,592,432
Estimated Actual Value (Full Cash Value)	\$ 10,484,096,797	\$ 9,467,272,155	\$ 10,327,375,233	\$ 11,732,224,759	\$ 15,406,725,213
Ratio of Primary Assessed Value to Estimated Actual Value	10%	11%	11%	11%	11%
Total Direct Rate	5.70	6.02	4.71	4.61	3.38

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 735,720,516	\$ 694,191,956	\$ 653,757,072	\$ 614,279,112	\$ 590,029,713
Agricultural and Vacant	30,234,334	30,782,822	25,544,873	23,480,301	19,117,441
Residential (Owner Occupied)	915,060,239	835,901,644	726,531,107	639,373,435	609,191,389
Residential (Rental)	231,105,357	202,087,114	176,088,448	162,954,277	154,127,301
Historical Property	188,200	70,415	58,225		
Total	\$ 1,912,308,646	\$ 1,763,033,951	\$ 1,581,979,725	\$ 1,440,087,125	\$ 1,372,465,844
Estimated Actual Value (Full Cash Value)	\$ 19,155,917,245	\$ 19,576,459,825	\$ 16,346,463,462	\$ 12,089,204,311	\$ 11,659,229,274
Ratio of Primary Value to Estimated Actual Value	10%	9%	10%	12%	12%
Total Direct Rate	3.08	3.69	3.84	4.12	4.07

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 TEN FISCAL YEARS**

Fiscal Year

<u>Class</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 477,395,349	\$ 486,699,613	\$ 537,112,888	\$ 580,807,450	\$ 775,772,528
Agricultural and Vacant	18,691,974	23,256,358	27,227,906	29,735,357	43,207,330
Residential (Owner Occupied)	453,825,849	396,879,515	468,675,857	553,225,987	724,641,151
Residential (Rental)	191,757,548	154,128,545	141,505,000	161,519,148	230,778,080
Historical Property	314,954	320,400	349,360	263,469	1,018,959
Certain Government Property Improvements	103,652	71,136	79,365	93,427	
Total	\$ 1,142,089,326	\$ 1,061,355,567	\$ 1,174,950,376	\$ 1,325,644,838	\$ 1,775,418,048
Ratio of Secondary Assessed Value to Estimated Actual Value	11%	11%	11%	11%	12%
Total Direct Rate	5.70	6.02	4.71	4.61	3.38

Fiscal Year

<u>Class</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 855,894,214	\$ 794,168,072	\$ 715,689,913	\$ 658,768,022	\$ 617,651,509
Agricultural and Vacant	42,232,397	45,505,270	34,082,237	31,061,836	23,175,060
Residential (Owner Occupied)	1,025,049,246	1,146,323,316	958,271,014	648,137,480	642,918,051
Residential (Rental)	279,860,694	268,960,914	217,086,615	168,081,216	165,346,845
Historical Property	828,080	323,900	279,475		
Total	\$ 2,203,864,631	\$ 2,255,281,472	\$ 1,925,409,254	\$ 1,506,048,554	\$ 1,449,091,465
Ratio of Secondary Assessed Value to Estimated Actual Value	12%	12%	12%	12%	12%
Total Direct Rate	3.08	3.69	3.84	4.12	4.07

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 TEN FISCAL YEARS**

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

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

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

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

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

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State	County	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Glendale	Primary	Secondary	Total
	Equalization									
2015	0.51	1.32	0.14	1.52	0.14	1.82	2.15	2.92	2.78	5.70
2014	0.51	1.28	0.14	1.53	0.14	1.82	2.29	3.05	2.97	6.02
2013	0.47	1.24	0.18	1.38	0.10	1.82	1.90	2.04	2.67	4.71
2012	0.43	1.24	0.18	1.21	0.10	1.82	1.60	2.43	2.18	4.61
2011	0.36	1.05	0.15	0.97	0.10	1.82	1.60	1.94	1.44	3.38
2010	0.33	0.99	0.14	0.88	0.10	1.82	1.60	1.66	1.42	3.08
2009		1.03	0.14	0.94	0.10	1.82	1.60	2.14	1.55	3.69
2008		1.10	0.15	0.98	0.10	1.82	1.62	2.19	1.65	3.84
2007		1.10	0.20	1.03	0.12	1.82	1.72	2.14	1.98	4.12
2006		1.20	0.21	1.03	0.12	1.82	1.72	2.09	1.98	4.07

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>2015</u>		<u>2006</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	9.74 %	\$ 65,214,210	4.50 %
Qwest Corporation	10,089,725	0.88	31,436,653	2.17
Vhs Of Phoenix Inc.	8,188,395	0.72		
Canyon Corporate Plaza Properties LLC	6,650,000	0.58		
Pdg America Properties LLC	5,471,936	0.48		
M2 Phoenix 1222 LLC	5,450,120	0.48		
Bay Pacific Phoenix Corporate Center LLC	4,750,001	0.42		
4801 East Washington Street Holdings LLC	3,908,889	0.33		
Black Canyon CC LLC	3,522,391	0.31		
Tp Racing LLP	3,407,915	0.30	10,908,234	0.75
Southwest Gas Corporation (T&D)			8,682,662	0.60
Canyon Corporate Plaza			8,552,192	0.59
Vhs Of Phoenix Inc.			7,486,874	0.52
Phoenix Corporate Associates			7,195,453	0.50
Metrorising AMS			6,900,379	0.48
Karsten Manufacturing			6,659,798	0.46
Bell Towne Centre Associates			6,240,061	0.43
 Total	 <u>\$ 162,682,316</u>	 <u>14.24 %</u>	 <u>\$ 159,276,516</u>	 <u>11.00 %</u>

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 63,385,373	\$ 60,878,648	96.05 %	\$	\$ 60,878,648	96.05 %
2014	63,427,847	60,695,060	95.69	2,699,100	63,394,160	99.95
2013	55,507,371	53,174,793	95.80	2,323,046	55,497,839	99.98
2012	60,907,130	58,011,623	95.25	2,439,405	60,451,028	99.25
2011	58,521,650	56,065,697	95.80	2,450,204	58,515,901	99.99
2010	63,161,121	57,874,718	91.63	3,229,676	61,104,394	96.74
2009	72,821,698	68,433,791	93.97	3,747,012	72,180,803	99.12
2008	66,510,368	65,175,437	97.99	1,329,584	66,505,021	99.99
2007	60,336,259	58,717,892	97.32	1,612,707	60,330,599	99.99
2006	57,525,730	55,693,222	96.81	1,744,483	57,437,705	99.85

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

Notes: 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

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

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2015	\$ 80,895,000	\$ 4,761,843	\$ 76,133,157	0.73 %	\$ 326	\$ 6,808,030	\$ 87,703,030	0.84 %	\$ 376	N/A %	
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	

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa Community College District	\$ 654,190,000	3.26 %	\$ 21,326,594
City of Phoenix	1,495,776,176	10.29	153,915,369
City of Glendale	145,315,000	2.65	3,850,848
Glendale Union High School District No. 205	109,690,000	81.52	89,419,288
Subtotal, Overlapping Debt			<u>268,512,099</u>
Direct:			
Washington Elementary School District No. 6			<u>87,703,030</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 356,215,129</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation		6.67 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,476	
As a Percentage of Net Secondary Assessed Valuation		30.18 %
As a Percentage of Estimated Actual Value (Full Cash Value)		3.29 %

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, the Maricopa County Treasurer 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 2014-15.

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

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

Secondary assessed valuation	\$ 1,142,089,326
Debt limit (10% of assessed value)	114,208,933
Debt applicable to limit	<u>56,220,000</u>
Legal debt margin	<u>\$ 57,988,933</u>

Total Legal Debt Margin Calculation for Fiscal Year 2015:

Secondary assessed valuation	\$ 1,142,089,326
Debt limit (15% of assessed value)	171,313,399
Debt applicable to limit	<u>80,895,000</u>
Legal debt margin	<u>\$ 90,418,399</u>

Fiscal Year Ended June 30

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 171,313,399	\$ 159,203,335	\$ 176,242,556	\$ 198,846,726	\$ 266,312,707
Total net debt applicable to limit	<u>80,895,000</u>	<u>89,170,000</u>	<u>44,859,378</u>	<u>56,465,217</u>	<u>80,158,243</u>
Legal debt margin	<u>\$ 90,418,399</u>	<u>\$ 70,033,335</u>	<u>\$ 131,383,178</u>	<u>\$ 142,381,509</u>	<u>\$ 186,154,464</u>
Total net debt applicable to the limit as a percentage of debt limit	47%	56%	25%	28%	30%

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 330,579,695	\$ 338,292,221	\$ 288,811,388	\$ 225,907,283	\$ 217,363,720
Total net debt applicable to limit	<u>72,678,130</u>	<u>91,835,965</u>	<u>102,722,446</u>	<u>101,958,535</u>	<u>107,212,260</u>
Legal debt margin	<u>\$ 257,901,565</u>	<u>\$ 246,456,256</u>	<u>\$ 186,088,942</u>	<u>\$ 123,948,748</u>	<u>\$ 110,151,460</u>
Total net debt applicable to the limit as a percentage of debt limit	22%	27%	36%	45%	49%

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2014	4,087,191	\$ N/A	\$ 27,256	5.9 %	233,511
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

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.

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

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

<u>Employer</u>	<u>2015</u>		<u>2006</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	48,910	2.57 %	49,958	2.87 %
Wal-Mart Stores Inc.	32,438	1.70	28,246	1.62
Banner Health Systems	30,266	1.59	19,250	1.11
City of Phoenix	14,875	0.78	13,844	0.79
Wells Fargo Company	14,126	0.74	11,533	0.66
Maricopa County	13,341	0.70	13,002	0.75
Arizona State University	12,229	0.64	11,202	0.64
Intel Corp.	11,700	0.61		
Scottsdale Lincoln Health Network	10,500	0.55		
U.S. Postal Service			11,000	0.63
Honeywell	10,000	0.54	10,700	0.61
Raytheon Co.			10,300	0.59
Total	<u>198,385</u>	<u>10.42 %</u>	<u>179,035</u>	<u>10.27 %</u>
Total employment	<u>1,903,173</u>		<u>1,742,500</u>	

Source: The source of this information is Elliot D. Pollack & Co., and the Greater Phoenix Economic Council, and the Arizona Department of Economic Security.

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

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

	Full-time Equivalent Employees as of June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Instructional administrators	11	11	10	10	10
Noninstructional administrators	17	15	13	13	13
Consultants/supervisors of instruction	7	11	5	5	5
Principals	32	32	32	32	32
Assistant principals	17	15	13	12	10
Total supervisory	<u>84</u>	<u>84</u>	<u>73</u>	<u>72</u>	<u>70</u>
Instruction					
Elementary classroom teachers	682	683	655	647	653
Secondary classroom teachers	174	175	175	176	191
Other teachers	473	448	449	423	431
Other professionals	176	119	113	110	110
Aides	554	560	546	507	501
Total instruction	<u>2,059</u>	<u>1,985</u>	<u>1,938</u>	<u>1,863</u>	<u>1,886</u>
Student Services					
Visiting teachers/social workers	28	28	26	20	19
Psychologist	24	24	23	26	26
Librarians	10	10	11	11	13
Other professionals (noninstructional)		49	51	72	69
Technicians	31	31	29	28	24
Total student services	<u>93</u>	<u>142</u>	<u>140</u>	<u>157</u>	<u>151</u>
Support and Administration					
Clerical/secretarial	328	314	299	290	293
Service workers	160	160	254	151	153
Skilled crafts	100	98	98	99	98
Unskilled laborers	308	314	309	295	295
Total support and administration	<u>896</u>	<u>886</u>	<u>960</u>	<u>835</u>	<u>839</u>
Total	<u><u>3,132</u></u>	<u><u>3,097</u></u>	<u><u>3,111</u></u>	<u><u>2,927</u></u>	<u><u>2,946</u></u>

(Continued)

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Supervisory					
Instructional administrators	11	13	13	13	13
Noninstructional administrators	13	15	17	17	21
Consultants/supervisors of instruction	4	4	5	5	5
Principals	34	33	34	35	32
Assistant principals	10	9	12	12	11
Total supervisory	<u>72</u>	<u>74</u>	<u>81</u>	<u>82</u>	<u>82</u>
Instruction					
Elementary classroom teachers	674	713	790	792	792
Secondary classroom teachers	195	202	207	195	145
Other teachers	439	421	466	416	595
Other professionals	118	120	133	128	64
Aides	502	509	558	471	577
Total instruction	<u>1,928</u>	<u>1,965</u>	<u>2,154</u>	<u>2,002</u>	<u>2,173</u>
Student Services					
Visiting teachers/social workers	19	17	14	14	13
Psychologist	28	24	28	22	25
Librarians	14	15	15	16	13
Other professionals (noninstructional)	78	77	72	67	30
Technicians	24	24	26	26	19
Total student services	<u>163</u>	<u>157</u>	<u>155</u>	<u>145</u>	<u>100</u>
Support and Administration					
Clerical/secretarial	296	284	304	282	239
Service workers	157	161	183	157	267
Skilled crafts	106	103	100	93	79
Unskilled laborers	301	303	320	272	135
Total support and administration	<u>860</u>	<u>851</u>	<u>907</u>	<u>804</u>	<u>720</u>
Total	<u><u>3,023</u></u>	<u><u>3,047</u></u>	<u><u>3,297</u></u>	<u><u>3,033</u></u>	<u><u>3,075</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.
 - 3) This data is representative of PCS as of June 30th for each year provided and includes both vacant and filled positions.
 - 4) Although the categorization file has been completed and is expected to be used in future years there are still many unanswered categorization questions. Answers to these questions may effect the categorization process for future years and as a result may create percentage increases and decreases in certain categories strictly due to the change in categorization concepts/methodologies.
 - 5) Coding of positions may differ based on interpretation.

(Concluded)

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Governmental Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2015	21,741	\$ 183,312,994	\$ 8,432	1.80 %	\$ 195,044,855	\$ 8,971	(2.69) %	1,418	15.3	81.7 %
2014	21,621	179,080,396	8,283	(3.20)	199,321,089	9,219	0.91	1,420	15.2	74.9
2013	21,168	181,133,537	8,557	3.68	193,391,340	9,136	3.51	1,403	15.1	76.9
2012	20,948	172,880,771	8,253	(1.23)	184,891,920	8,826	(0.00)	1,367	15.3	75.7
2011	20,922	174,823,896	8,356	(0.06)	184,665,477	8,826	0.57	1,390	15.1	73.8
2010	21,564	180,289,280	8,361	(6.41)	189,247,525	8,776	(8.08)	1,425	15.1	72.0
2009	22,078	197,225,201	8,933	10.70	210,788,608	9,547	12.09	1,468	15.0	66.3
2008	24,148	194,869,876	8,070	4.51	205,692,593	8,518	3.97	1,569	15.4	63.8
2007	24,783	191,370,431	7,722	1.55	203,048,598	8,193	4.73	1,548	16.0	61.7
2006	24,431	185,767,009	7,604	11.94	191,131,152	7,823	8.58	1,544	15.8	59.4

Source: The District's Business and Finance Department.

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

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

	Fiscal Year Ended June 30									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<u>Schools</u>										
<u>Elementary</u>										
Sites	27	27	27	27	27	27	27	27	27	27
Square feet	2,177,492	2,177,492	2,171,201	2,166,893	2,166,893	2,174,688	2,168,388	2,168,388	2,184,904	2,184,904
Capacity	23,785	23,785	23,711	23,660	23,660	23,660	23,660	23,660	23,660	23,660
Enrollment	19,710	19,864	19,330	18,749	18,713	19,118	19,266	19,812	20,309	20,123
<u>Middle</u>										
Sites	5	5	5	5	5	5	5	5	5	5
Square feet	539,717	539,717	539,717	548,784	548,784	548,784	546,990	527,588	510,427	510,427
Capacity	5,601	5,601	5,494	5,601	5,601	5,601	5,601	5,601	5,601	5,601
Enrollment	3,749	3,716	3,797	3,846	3,815	3,996	4,070	4,336	4,458	4,907
<u>Administrative</u>										
Sites	4	4	4	3	3	3	4	4	3	2
Square feet	215,212	215,212	215,212	206,145	206,145	206,145	210,339	242,794	177,234	100,170
<u>Transportation</u>										
Garages	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	5 bus/1 car	5 bus/1 car	5 bus/1 car
Buses	111	111	113	130	133	133	128	132	128	135

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

Note: Enrollment is based on 100th day figures.

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