
WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

GLENDALE, ARIZONA

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

Issued by:
Business and Finance Department

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

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INTRODUCTORY SECTION

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December 14, 2018

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, 2018.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

Dr. Paul Stanton, Superintendent

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

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

PROFILE OF THE DISTRICT

The Washington Elementary School District No. 6 was established in 1891 and is one of 58 public school districts located in Maricopa County, Arizona. It is the largest elementary district in the state of Arizona and provides a program of public education from Pre-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. The District currently maintains 264 buildings totaling nearly three million square feet. The average age of buildings in the District is 40 years. 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 23,288 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 including a K-8 traditional school option. There are plans to increase the number of signature programs within the District to encourage further growth in the near future. The District continues to expand STEM, Gifted, Makers Space, robotics and early childhood enrichment programs at several schools. The District continues to evaluate input received by parents to consider the feasibility of increasing more childhood opportunities and other alternatives within the District that would best support our students and families.

Washington Elementary School District has embarked on a system-wide program that encourages and expects continuous improvement for all aspects of the District. Each school and department develops action plans that reflect what goals they will address in the immediate future related to the four areas of focus for the District. These areas include: Leadership, Instructional Improvement, Climate and Culture, and Family and Community Engagement.

To facilitate community outreach and increase transparency, the District works with several committees and has begun to incorporate multiple web based applications and programs to increase public awareness. Links to new applications such as School Locator Tool, Bond Projects, PeachJar flyer distribution, Budget Reports and many more allow anyone to see progress and developments in the WESD as it pertains to the District as a whole and on a smaller school-focused level as well.

The Leadership and Budget Committees provide opportunities for the District to ensure a common purpose with our stakeholders and create a better understanding of district educational and business practices. These committees also provide a platform for stakeholders to provide feedback and suggestions to the District. As the District continues to focus on the whole child, the Climate and Culture Committee encourages dialogue and action in order to increase positive and productive learning environments for all campuses. The Family and Community Engagement Committee increases opportunities for family and community to be involved in improving academic and social emotional growth and outcomes for all students.

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

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

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

For fiscal year 2017-2018, the District experienced a 5.5 percent increase in its primary assessed valuation. The economy of the District is representative of the economies of the cities that overlap the District. Approximately 92 percent of the District lies within the boundaries of the City of Phoenix with only 8 percent falling within the boundaries of the City of Glendale.

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 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 includes 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 fifth largest city in the nation by population, with more than 1.6 million residents and growing. The city encompasses an area approximately 519 square miles. The Phoenix metropolitan area is the population and economic activity center of the entire state. Phoenix is one of the leaders in the economics of the Southwestern area of the United States.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Mesa, Glendale, Scottsdale, Tempe, Chandler, Peoria and Gilbert. The County's population is estimated at 4.3 million or about 60 percent of the total population of the state. Maricopa County has a very wide range of economic sectors supporting its substantial growth. As of June 2018, the unemployment rate in the Phoenix area and Maricopa County was approximately 4.2 percent, just slightly higher than the national average of 4.0 percent.

Several years ago, the economic downturn greatly affected the State of Arizona, but statewide revenues have been performing far above projections over the last few years. This recent growth in revenue and an increase in public awareness related to education funding has provided a new focus on developing a sustainable funding system for the future. However, increased rent and home values present a challenge to school districts such as ours with a population of varied demographics. Washington Elementary School District is working with city leaders to create policies that encourage job creation and affordable housing within our boundaries. A voter initiative approved in May 2016 provides a consistent factor for an inflation increase added to school district budgets each year. Additional funding was also provided with this initiative for a period of ten years. The legislative session in 2018 resulted in a budget that favored K-12 education by providing funds to increase teacher salaries and a plan to continue this increase over the next few years.

Long-term Financial Planning. The District incorporates shared-decision making processes into every aspect of District management and planning. The shared-decision making process allows the input of 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. Committees related to bonds, overrides, business and community interests are just some of the progressive groups WESD has established to further successful planning for our District.

One such committee is the Bond Task Force. The District has recently evaluated all elements in its school buildings using a comprehensive tiered structure software and determined the condition of these elements as well as projected replacement date and cost to replace. Future capital plans have been updated to account for this information and changes in projected enrollment, based on demographic studies. The Bond Task Force reviewed recommendations related to building needs throughout the District and recommended a bond authorization election in November 2016. Voters approved this authorization and the District will continue to implement the capital improvement plan moved forward by the task force. Although demographic studies illustrate a slight increase in student enrollment over the next few years, the capital plan continues to address aging facilities to meet the needs of all grade configurations, and is consistent with the vision of the learning environment embraced by the stakeholders of the District.

With annual budgets and funding now based on current year student enrollment, it is necessary to build reasonable reserves to offset the anticipated fluctuation in student average daily membership over the course of the next three to five years. The Governing Board at Washington Elementary School District supports this approach and understands the need to balance staff and student needs with conservative budget strategies.

AWARDS AND ACKNOWLEDGMENTS

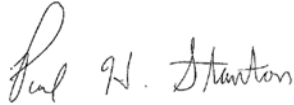
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2018 certificates.

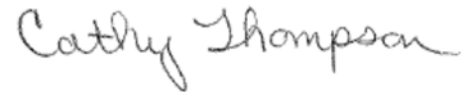
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation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

Washington Elementary School District No. 6

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

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



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

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

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

John D. Musso, CAE
Executive Director



Government Finance Officers Association

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

Presented to

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

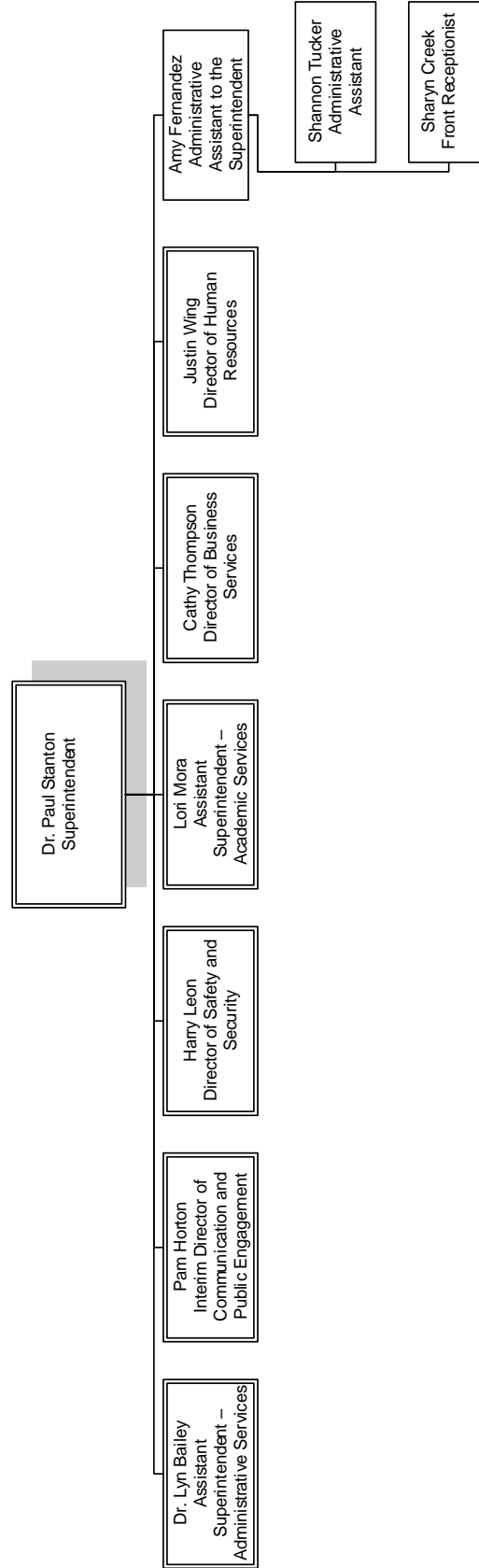
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

Organizational Chart



WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Bill Adams, President

Aaron Jahneke, Vice President

Larry Herrera, Member

Tee Lambert, Member

Nikkie Whaley, Member

ADMINISTRATIVE STAFF

Paul Stanton, Ed.D., Superintendent

Cathy Thompson, Director of Business Services

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Washington Elementary School District No. 6

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washington Elementary School District No. 6 (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2018, 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. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The Introductory Section and Statistical 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, 2018 on our consideration of Washington Elementary School District No. 6's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washington Elementary School District No. 6's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 14, 2018

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, 2018**

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, 2018. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$17.9 million to \$66.6 million and the business-type activities decreased \$110,312 to \$1.2 million. The increase in net position for governmental activities is primarily due to the repayment of debt, which resulted in a decrease of long-term liabilities.
- General revenues from governmental activities accounted for \$170.8 million in revenue, or 77 percent of all revenues from governmental activities. Program specific revenues in the form of charges for services and grants and contributions accounted for \$50.1 million or 23 percent of total governmental activities revenues. The District had \$1.1 million in program revenues and \$6,650 in general revenues related to business-type activities.
- The District had approximately \$203.0 million in expenses related to governmental activities, a decrease of less than one percent from the prior fiscal year. The District had \$1.2 million in expenses related to business-type activities, an increase of \$124,065 from the prior fiscal year.
- Among major funds, the General Fund had \$146.3 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$141.5 million in expenditures. The General Fund's fund balance increase from \$28.2 million at the prior fiscal year end to \$33.8 million at the end of the current fiscal year was a result of instructional-technology related expenditures being paid from other funding sources.
- The Bond Building Fund's fund balance decreased \$21.0 million due to the completion of various school renovation projects.
- Net position for the Internal Service Funds decreased \$1.1 million from the prior fiscal year. Operating expenses of \$21.2 million exceeded operating revenues of \$20.0 million at the end of the current year.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

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 equitable services to students attending private schools through the Private School Consortium and public purchases of alternative fuel. These services are supported by user fees and costs of services.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, governmental activities assets and deferred outflows exceeded liabilities and deferred inflows by \$66.6 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, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Business-Type Activities		Total	
	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017
Current and other assets	\$ 116,145,185	\$ 145,734,788	\$ 767,481	\$ 770,218	\$ 116,912,666	\$ 146,505,006
Capital assets, net	246,392,730	232,514,484	1,324,248	1,323,160	247,716,978	233,837,644
Total assets	<u>362,537,915</u>	<u>378,249,272</u>	<u>2,091,729</u>	<u>2,093,378</u>	<u>364,629,644</u>	<u>380,342,650</u>
Deferred outflows	<u>24,453,789</u>	<u>33,760,105</u>	<u>109,532</u>	<u>144,674</u>	<u>24,563,321</u>	<u>33,904,779</u>
Current and other liabilities	15,117,555	28,648,740	64,067	19,749	15,181,622	28,668,489
Long-term liabilities	292,373,451	309,451,435	844,760	767,871	293,218,211	310,219,306
Total liabilities	<u>307,491,006</u>	<u>338,100,175</u>	<u>908,827</u>	<u>787,620</u>	<u>308,399,833</u>	<u>338,887,795</u>
Deferred inflows	<u>12,947,281</u>	<u>25,247,786</u>	<u>56,256</u>	<u>103,942</u>	<u>13,003,537</u>	<u>25,351,728</u>
Net position:						
Net investment in capital assets	171,036,125	164,180,762	1,324,248	1,323,160	172,360,373	165,503,922
Restricted	31,646,079	27,324,624			31,646,079	27,324,624
Unrestricted	<u>(136,128,787)</u>	<u>(142,843,970)</u>	<u>(88,070)</u>	<u>23,330</u>	<u>(136,216,857)</u>	<u>(142,820,640)</u>
Total net position	<u>\$ 66,553,417</u>	<u>\$ 48,661,416</u>	<u>\$ 1,236,178</u>	<u>\$ 1,346,490</u>	<u>\$ 67,789,595</u>	<u>\$ 50,007,906</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position for both governmental and business-type activities. Governmental activities unrestricted net position, which is normally used to meet the District's mission reported a deficit of \$136.1 million. Business-type activities reported a deficit of \$88,070. Both of the deficits are due to the District's proportionate share of the state pension plan's unfunded liability.

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

- The principal retirement of \$13.0 million of bonds.
- The decrease of \$3.7 million in pension liabilities for governmental activities.
- The addition of \$22.3 million in capital assets for governmental activities.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

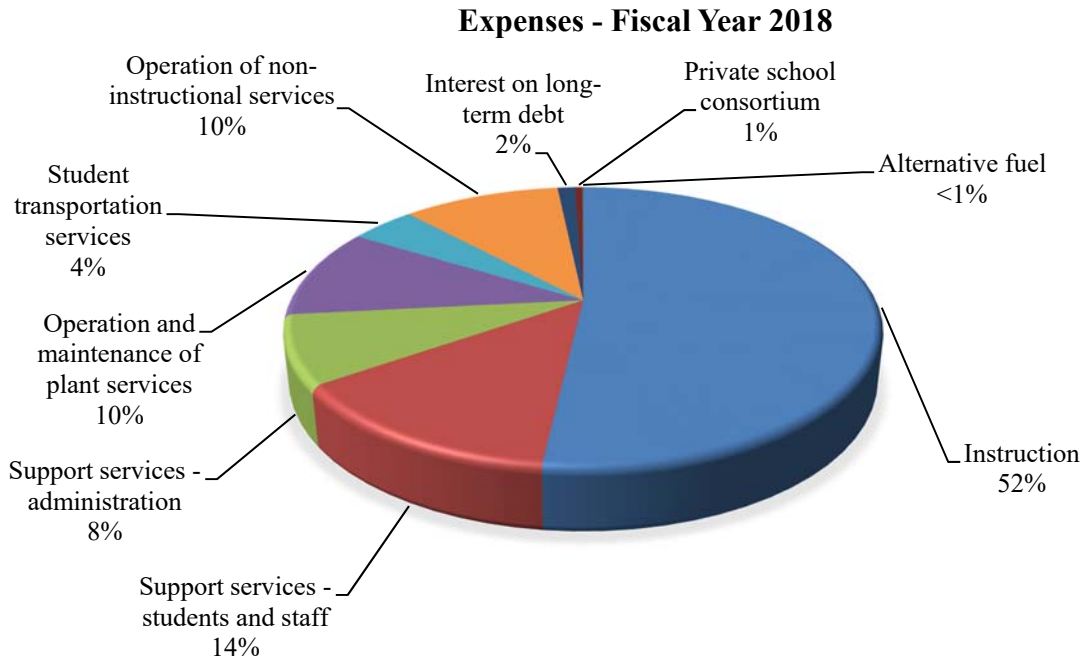
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$220.9 million. The total cost of all programs and services was \$203.0 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2018 and June 30, 2017.

	Governmental Activities		Business-Type Activities		Total	
	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017
Revenues:						
Program revenues:						
Charges for services	\$ 4,690,681	\$ 4,812,444	\$ 1,105,138	\$ 872,585	\$ 5,795,819	\$ 5,685,029
Operating grants and contributions	43,691,986	42,887,352			43,691,986	42,887,352
Capital grants and contributions	1,720,923	2,244,306			1,720,923	2,244,306
General revenues:						
Property taxes	58,605,086	60,157,183			58,605,086	60,157,183
Investment income	896,899	480,040	6,650	5,065	903,549	485,105
Unrestricted county aid	9,685,188	9,376,533			9,685,188	9,376,533
Unrestricted state aid	99,673,014	97,832,022			99,673,014	97,832,022
Unrestricted federal aid	1,927,651	1,709,925			1,927,651	1,709,925
Total revenues	<u>220,891,428</u>	<u>219,499,805</u>	<u>1,111,788</u>	<u>877,650</u>	<u>222,003,216</u>	<u>220,377,455</u>
Expenses:						
Instruction	105,181,329	106,648,242			105,181,329	106,648,242
Support services – students and staff	27,358,008	27,816,395			27,358,008	27,816,395
Support services – administration	16,094,942	16,477,056			16,094,942	16,477,056
Operation and maintenance of plant services	22,058,166	21,380,529			22,058,166	21,380,529
Student transportation services	8,601,342	8,825,125			8,601,342	8,825,125
Operation of non-instructional services	20,537,365	21,168,721			20,537,365	21,168,721
Interest on long-term debt	3,196,178	2,343,635			3,196,178	2,343,635
Private school consortium			1,124,241	1,006,566	1,124,241	1,006,566
Alternative fuel			97,859	91,469	97,859	91,469
Total expenses	<u>203,027,330</u>	<u>204,659,703</u>	<u>1,222,100</u>	<u>1,098,035</u>	<u>204,249,430</u>	<u>205,757,738</u>
Changes in net position	<u>17,864,098</u>	<u>14,840,102</u>	<u>(110,312)</u>	<u>(220,385)</u>	<u>17,753,786</u>	<u>14,619,717</u>
Net position, beginning, as restated	<u>48,689,319</u>	<u>33,821,314</u>	<u>1,346,490</u>	<u>1,566,875</u>	<u>50,035,809</u>	<u>35,388,189</u>
Net position, ending	<u>\$ 66,553,417</u>	<u>\$ 48,661,416</u>	<u>\$ 1,236,178</u>	<u>\$ 1,346,490</u>	<u>\$ 67,789,595</u>	<u>\$ 50,007,906</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- Property tax revenue decreased \$1.6 million due to a decrease in the primary and secondary tax rates.
- Unrestricted state aid increased \$1.8 million.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

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, 2018</u>		<u>Year Ended June 30, 2017</u>	
	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>	<u>Total Expenses</u>	<u>Net (Expense)/ Revenue</u>
Governmental Activities				
Instruction	\$105,181,329	\$ (88,528,107)	\$ 106,648,242	\$ (89,404,283)
Support services – students and staff	27,358,008	(19,863,521)	27,816,395	(19,673,217)
Support services – administration	16,094,942	(15,853,064)	16,477,056	(16,225,848)
Operation and maintenance of plant services	22,058,166	(19,133,925)	21,380,529	(20,796,691)
Student transportation services	8,601,342	(8,538,781)	8,825,125	(8,739,953)
Operation of non-instructional services	20,537,365	2,189,836	21,168,721	2,468,026
Interest on long-term debt	3,196,178	(3,196,178)	2,343,635	(2,343,635)
Total expenses	<u>203,027,330</u>	<u>(152,923,740)</u>	<u>204,659,703</u>	<u>(154,715,601)</u>
Business-Type Activities				
Private school consortium	1,124,241	(99,429)	1,006,566	(195,648)
Alternative fuel	97,859	(17,533)	91,469	(29,802)
Total expenses	<u>1,222,100</u>	<u>(116,962)</u>	<u>1,098,035</u>	<u>(225,450)</u>
Total	<u>\$204,249,430</u>	<u>\$(153,040,702)</u>	<u>\$ 205,757,738</u>	<u>\$(154,941,051)</u>

- The cost of all governmental activities this year was \$203.0 million. The cost of all business-type activities this year was \$1.2 million.
- Federal and State governments and charges for services subsidized certain governmental and business-type programs with grants and contributions and other local revenues of \$51.2 million.
- Net cost of governmental activities of \$152.9 million was financed by general revenues, which are made up of primarily property taxes of \$58.6 million and state and county aid of \$109.4 million.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$79.4 million, a decrease of \$16.1 million due primarily to increased capital costs for the completion of various school renovation projects.

The General Fund comprises 43 percent of the total fund balance. Approximately \$23.5 million, or 70 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 \$5.6 million to \$33.8 million as of fiscal year end was primarily a result of instruction expenditures being paid by different funding sources.

The fund balance in the Food Service Fund increased \$656,100 primarily due to an excess of revenues over expenditures resulting from efficient food service operations.

The fund balance for the Debt Service Fund increased \$211,383.

Fund balance in the Bond Building Fund decreased \$21.0 million due to increased expenditures for the completion of various school renovation projects and the utilization of a strategy to only sell bonds as needed in an effort to minimize the impact to taxpayers.

Fund balance in the Building Renewal Grant fund decreased \$1.6 million as a result of two large roofing projects for which the District is still waiting for reimbursement from the Arizona School Facilities Board.

Proprietary funds. Total net position of the Enterprise Funds and Internal Service Funds at the end of the fiscal year amounted to \$1.2 million and \$3.5 million, respectively. Net position for the Enterprise Funds decreased \$110,312, while net position for the Internal Service Funds decreased \$1.1 million.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$2.8 million decrease.

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

- The favorable variances in instruction, support services-students and staff, support services-administration, operation and maintenance of plant services, and student transportation services was primarily due to the number of vacant/unfilled positions and a greater than expected FY2017 carryforward.

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 \$411.4 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 \$22.0 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 \$8.5 million.

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

	Governmental Activities		Business-Type Activities		Total	
	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017	As of June 30, 2018	As of June 30, 2017
Capital assets – non-depreciable	\$ 29,290,868	\$ 22,027,042	\$	\$	\$ 29,290,868	\$ 22,027,042
Capital assets – depreciable, net	217,101,862	210,487,442	1,324,248	1,323,160	218,426,110	211,810,602
Total	\$ 246,392,730	\$ 232,514,484	\$ 1,324,248	\$ 1,323,160	\$ 247,716,978	\$ 233,837,644

The estimated cost to complete current construction projects is \$26.4 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, 2018**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration. At year end, the District had \$106.6 million in long-term debt outstanding, \$12.2 million due within one year. Long-term debt decreased by \$14.3 million due to repayment of debt according to the District's debt agreements.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$250.7 million and the Class B debt limit is \$167.2 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 2018-19 budget. Among them:

- An estimated budget balance carryforward of \$14.1 million in the Maintenance and Operation budget for the 2018-2019 fiscal year.
- An increase in assessed values by 6.75 percent for the 2018 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 2019.
- Employee health insurance costs will most likely increase.
- An average 15 percent increase in employee salaries due to the state's commitment to increase teacher salaries by 20 percent by fiscal year 2020.
- A one-time lump sum payment to be awarded to continuing employees with an aggregate cost of approximately \$3.0 million by utilizing unexpended budget balance carryforward and additional funding from the state.
- Continued reductions in capital funding to school districts by the State Legislature. However, beginning in fiscal year 2019, the State Legislature will begin phasing in the restoration of funding over five years. The District continues to seek alternative funding sources to meet capital needs.
- Continued commitment to provide full-day kindergarten. The State Legislature funds for half-day kindergarten. The District funds the remaining half-day with a voter approved override.
- The continuation of a District program for students with emotional disabilities in lieu of outsourcing the program to private schools.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The utilization of bond funds to renovate facilities in accordance with the Bond Master Plan.
- The utilization of bond funds and ERate funds to update technology infrastructure and technology devices for students and employees.
- The utilization of Adjacent Ways funds for eligible projects in the Bond Master Plan.
- An 8.0 percent increase in utilities, such as water, electricity and communications.
- 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 statewide and nationwide teacher shortage and hard to fill classified positions.
- Utilization of demographic analysis software to better anticipate the changes in student enrollment from year to year.
- Decrease in projected student enrollment based on student mobility and historical trends.
- Possible reductions in federal funding of approximately 10 percent for fiscal year 2019.

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 nine percent to \$163.4 million in fiscal year 2018-19. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2018-19 budget. However, the addition of the Results-based and Early Literacy Grants allowed the District to expand intervention and professional development services.

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, 2018

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 76,397,963	\$ 767,481	\$ 77,165,444
Property taxes receivable	4,032,618		4,032,618
Accounts receivable	447,495		447,495
Due from governmental entities	33,733,893		33,733,893
Prepaid items	75,890		75,890
Inventory	826,938		826,938
Total current assets	115,514,797	767,481	116,282,278
Noncurrent assets:			
Net other postemployment benefit assets	630,388		630,388
Capital assets not being depreciated	29,290,868		29,290,868
Capital assets, net of accumulated depreciation	217,101,862	1,324,248	218,426,110
Total noncurrent assets	247,023,118	1,324,248	248,347,366
Total assets	362,537,915	2,091,729	364,629,644
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension and other postemployment benefit plan items	24,453,789	109,532	24,563,321
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	2,185,757	47,982	2,233,739
Construction contracts payable	5,634,252		5,634,252
Claims payable	4,906,860		4,906,860
Accrued payroll and employee benefits	401,465	16,085	417,550
Compensated absences payable	713,791		713,791
Accrued interest payable	1,622,076		1,622,076
Unearned revenues	367,145		367,145
Obligations under capital leases	674,050		674,050
Bonds payable	11,505,000		11,505,000
Total current liabilities	28,010,396	64,067	28,074,463
Noncurrent liabilities:			
Non-current portion of long-term obligations	279,480,610	844,760	280,325,370
Total noncurrent liabilities	279,480,610	844,760	280,325,370
Total liabilities	307,491,006	908,827	308,399,833
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension and other postemployment benefit plan items	12,947,281	56,256	13,003,537
<u>NET POSITION</u>			
Net investment in capital assets	171,036,125	1,324,248	172,360,373
Restricted for:			
Voter approved initiatives	1,448,866		1,448,866
Federal and state projects	1,569,699		1,569,699
Food service	14,388,944		14,388,944
Community school	1,540,033		1,540,033
Extracurricular activities	798,546		798,546
Other local initiatives	703,732		703,732
Debt service	1,304,957		1,304,957
Capital outlay	9,891,302		9,891,302
Unrestricted	(136,128,787)	(88,070)	(136,216,857)
Total net position	\$ 66,553,417	\$ 1,236,178	\$ 67,789,595

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government					
Governmental activities:					
Instruction	\$ 105,181,329	\$ 799,325	\$ 15,773,473	\$ 80,424	\$ (88,528,107)
Support services - students and staff	27,358,008		7,494,487		(19,863,521)
Support services - administration	16,094,942		241,878		(15,853,064)
Operation and maintenance of plant services	22,058,166	101,531	1,182,211	1,640,499	(19,133,925)
Student transportation services	8,601,342		62,561		(8,538,781)
Operation of non-instructional services	20,537,365	3,789,825	18,937,376		2,189,836
Interest on long-term debt	3,196,178				(3,196,178)
Total governmental activities	<u>203,027,330</u>	<u>4,690,681</u>	<u>43,691,986</u>	<u>1,720,923</u>	<u>(152,923,740)</u>
Business-type activities:					
Private school consortium	1,124,241	1,024,812			
Alternative fuel	97,859	80,326			
Total business-type activities	<u>1,222,100</u>	<u>1,105,138</u>			
Total primary government	<u>\$ 204,249,430</u>	<u>\$ 5,795,819</u>	<u>\$ 43,691,986</u>	<u>\$ 1,720,923</u>	<u>(152,923,740)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	44,183,867
Property taxes, levied for debt service	14,421,219
Investment income	896,899
Unrestricted county aid	9,685,188
Unrestricted state aid	99,673,014
Unrestricted federal aid	1,927,651
Total general revenues	<u>170,787,838</u>

Changes in net position

Net position, beginning of year, as restated

Net position, end of year

17,864,098

48,689,319

\$ 66,553,417

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
\$	\$ (88,528,107)
	(19,863,521)
	(15,853,064)
	(19,133,925)
	(8,538,781)
	2,189,836
	(3,196,178)
	(152,923,740)
	(99,429)
	(17,533)
	(116,962)
	(116,962)
	(153,040,702)
	44,183,867
	14,421,219
6,650	903,549
	9,685,188
	99,673,014
	1,927,651
	170,794,488
	(110,312)
	17,753,786
	50,035,809
1,346,490	
\$ 1,236,178	\$ 67,789,595

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FUND FINANCIAL STATEMENTS

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	General	Food Service	Debt Service
<u>ASSETS</u>			
Cash and investments	\$ 2,649,470	\$ 14,150,514	\$ 14,200,205
Property taxes receivable	3,800,790		231,828
Accounts receivable			
Due from governmental entities	28,662,012	207,552	
Due from other funds	3,018,868		
Inventory	638,005	188,933	
Total assets	\$ 38,769,145	\$ 14,546,999	\$ 14,432,033
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,107,410	\$ 142,591	\$
Construction contracts payable			
Due to other funds			
Accrued payroll and employee benefits	306,681	15,464	
Unearned revenues			
Bonds payable			11,505,000
Bond interest payable			1,622,076
Total liabilities	1,414,091	158,055	13,127,076
Deferred inflows of resources:			
Unavailable revenues - property taxes	3,507,606		135,367
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	3,507,606		135,367
Fund balances (deficits):			
Nonspendable	638,005	188,933	
Restricted	9,681,337	14,200,011	1,169,590
Unassigned	23,528,106		
Total fund balances	33,847,448	14,388,944	1,169,590
 Total liabilities, deferred inflows of resources and fund balances	 \$ 38,769,145	 \$ 14,546,999	 \$ 14,432,033

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

<u>Bond Building</u>	<u>Building Renewal Grant</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 32,034,703	\$	\$ 5,640,864	\$ 68,675,756
			4,032,618
		145,449	145,449
	1,510,655	3,353,674	33,733,893
			3,018,868
			826,938
<u>\$ 32,034,703</u>	<u>\$ 1,510,655</u>	<u>\$ 9,139,987</u>	<u>\$ 110,433,522</u>
\$ 5,429,843	\$ 204,409	\$ 878,702	\$ 2,128,703
	1,462,331		5,634,252
		1,556,537	3,018,868
		79,320	401,465
		367,145	367,145
			11,505,000
			1,622,076
<u>5,429,843</u>	<u>1,666,740</u>	<u>2,881,704</u>	<u>24,677,509</u>
			3,642,973
	1,510,655	1,184,948	2,695,603
	<u>1,510,655</u>	<u>1,184,948</u>	<u>6,338,576</u>
			826,938
26,604,860		5,971,812	57,627,610
	(1,666,740)	(898,477)	20,962,889
<u>26,604,860</u>	<u>(1,666,740)</u>	<u>5,073,335</u>	<u>79,417,437</u>
<u>\$ 32,034,703</u>	<u>\$ 1,510,655</u>	<u>\$ 9,139,987</u>	<u>\$ 110,433,522</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, 2018

Total governmental fund balances		\$ 79,417,437
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 408,467,034	
Less accumulated depreciation	<u>(162,415,224)</u>	246,051,810
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	3,642,973	
Intergovernmental	<u>2,695,603</u>	6,338,576
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions/OPEB	24,453,789	
Deferred inflows of resources related to pensions/OPEB	<u>(12,947,281)</u>	11,506,508
<p>The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.</p>		
		630,388
<p>The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.</p>		
		3,477,149
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(2,572,550)	
Obligations under capital leases	(6,018,186)	
Net OPEB liability	(422,974)	
Net pension liability	(182,798,649)	
Bonds payable	<u>(89,056,092)</u>	<u>(280,868,451)</u>
Net position of governmental activities		<u><u>\$ 66,553,417</u></u>

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, 2018

	<u>General</u>	<u>Food Service</u>	<u>Debt Service</u>
Revenues:			
Other local	\$ 11,230,939	\$ 340,721	\$ 22,655
Property taxes	44,296,351		14,457,762
State aid and grants	88,885,938		
Federal aid, grants and reimbursements	1,927,651	18,744,599	
Total revenues	<u>146,340,879</u>	<u>19,085,320</u>	<u>14,480,417</u>
Expenditures:			
Current -			
Instruction	78,318,028		
Support services - students and staff	20,267,627		
Support services - administration	15,319,285		
Operation and maintenance of plant services	18,528,338	63,862	
Student transportation services	7,646,702		
Operation of non-instructional services	486,045	16,362,511	
Capital outlay	424,506	662,971	
Debt service -			
Principal retirement	489,981		11,505,000
Interest and fiscal charges	38,070		3,432,213
Total expenditures	<u>141,518,582</u>	<u>17,089,344</u>	<u>14,937,213</u>
Excess (deficiency) of revenues over expenditures	<u>4,822,297</u>	<u>1,995,976</u>	<u>(456,796)</u>
Other financing sources (uses):			
Transfers in	1,576,285		668,179
Transfers out	(724,766)	(1,381,380)	
Total other financing sources (uses)	<u>851,519</u>	<u>(1,381,380)</u>	<u>668,179</u>
Changes in fund balances	<u>5,673,816</u>	<u>614,596</u>	<u>211,383</u>
Fund balances (deficits), beginning of year	28,228,961	13,732,844	958,207
Increase (decrease) in reserve for inventory	(55,329)	41,504	
Fund balances (deficits), end of year	<u>\$ 33,847,448</u>	<u>\$ 14,388,944</u>	<u>\$ 1,169,590</u>

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

<u>Bond Building</u>	<u>Building Renewal Grant</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 463,413	\$	\$ 4,143,410	\$ 16,201,138
	200,436	13,411,868	58,754,113
		20,722,303	102,498,242
<u>463,413</u>	<u>200,436</u>	<u>38,277,581</u>	<u>41,394,553</u>
			<u>218,848,046</u>
		24,961,288	103,279,316
		7,944,991	28,212,618
		234,920	15,554,205
	29,372	919,708	19,541,280
		137,547	7,784,249
		3,642,651	20,491,207
21,019,164	1,767,044	198,390	24,072,075
		329,460	12,324,441
		192,195	3,662,478
<u>21,019,164</u>	<u>1,796,416</u>	<u>38,561,150</u>	<u>234,921,869</u>
<u>(20,555,751)</u>	<u>(1,595,980)</u>	<u>(283,569)</u>	<u>(16,073,823)</u>
		520,000	2,764,464
(463,413)		(194,905)	(2,764,464)
<u>(463,413)</u>		<u>325,095</u>	
<u>(21,019,164)</u>	<u>(1,595,980)</u>	<u>41,526</u>	<u>(16,073,823)</u>
47,624,024	(70,760)	5,031,809	95,505,085
			(13,825)
<u>\$ 26,604,860</u>	<u>\$ (1,666,740)</u>	<u>\$ 5,073,335</u>	<u>\$ 79,417,437</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, 2018

Changes in fund balances - total governmental funds **\$ (16,073,823)**

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	\$ 22,329,644	
Less current year depreciation	<u>(8,349,925)</u>	13,979,719

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

Property taxes	(149,027)	
Intergovernmental	<u>2,141,093</u>	1,992,066

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	819,441	
Bond principal retirement	<u>11,505,000</u>	12,324,441

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

Current year pension/OPEB contributions	13,152,116	
Pension/OPEB expense	<u>(6,259,246)</u>	6,892,870

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

Inventory	(13,825)	
Loss on disposal of assets	(44,427)	
Amortization of deferred bond items	466,300	
Compensated absences	<u>(543,953)</u>	(135,905)

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

(1,115,270)

Changes in net position in governmental activities

\$ 17,864,098

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, 2018

	<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	\$ 767,481	\$ 7,722,207
Accounts receivable		302,046
Prepaid items		75,890
Total current assets	767,481	8,100,143
Noncurrent assets:		
Capital assets, net of accumulated depreciation	1,324,248	340,920
Total noncurrent assets	1,324,248	340,920
Total assets	2,091,729	8,441,063
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Pension and other postemployment benefit plan items	109,532	
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	47,982	57,054
Claims payable		4,906,860
Accrued payroll and employee benefits	16,085	
Total current liabilities	64,067	4,963,914
Noncurrent liabilities:		
Non-current portion of long-term obligations	844,760	
Total noncurrent liabilities	844,760	
Total liabilities	908,827	4,963,914
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Pension and other postemployment benefit plan items	56,256	
<u>NET POSITION</u>		
Investment in capital assets	1,324,248	340,920
Unrestricted	(88,070)	3,136,229
Total net position	\$ 1,236,178	\$ 3,477,149

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Enterprise Funds</u>	<u>Governmental Activities: Internal Service Funds</u>
	<u>Non-Major Enterprise Funds</u>	
Operating revenues:		
Contributions	\$	\$ 19,573,577
Charges for services	1,105,138	432,769
Total operating revenues	<u>1,105,138</u>	<u>20,006,346</u>
Operating expenses:		
Claims		16,090,534
Premiums		1,978,775
Administrative and other		2,643,466
Cost of services	1,104,194	386,322
Depreciation	117,906	73,835
Total operating expenses	<u>1,222,100</u>	<u>21,172,932</u>
Operating income (loss)	<u>(116,962)</u>	<u>(1,166,586)</u>
Nonoperating revenues (expenses):		
Investment income	6,650	51,316
Total nonoperating revenues (expenses)	<u>6,650</u>	<u>51,316</u>
Changes in net position	<u>(110,312)</u>	<u>(1,115,270)</u>
Total net position, beginning of year	1,346,490	4,592,419
Total net position, end of year	<u>\$ 1,236,178</u>	<u>\$ 3,477,149</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, 2018**

	Enterprise Funds	Governmental Activities: Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	Non-Major Enterprise Funds	
Cash flows from operating activities:		
Cash received from contributions	\$	\$ 19,879,813
Cash received for services	1,105,138	432,769
Cash payments to suppliers for goods and services	(304,511)	(4,961,700)
Cash payments to employees for services	(691,020)	
Cash payments for claims		(15,552,189)
	109,607	(201,307)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(118,994)	(16,789)
	(118,994)	(16,789)
Cash flows from investing activities:		
Investment income	6,650	51,316
	6,650	51,316
Net increase/decrease in cash and cash equivalents	(2,737)	(166,780)
Cash and cash equivalents, beginning of year	770,218	7,888,987
Cash and cash equivalents, end of year	\$ 767,481	\$ 7,722,207
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>		
Operating income/loss	\$ (116,962)	\$ (1,166,586)
Adjustments to reconcile operating income/loss to net provided by/used for operating activities:		
Depreciation	117,906	73,835
Changes in assets and liabilities:		
Increase/decrease in accounts receivable		306,236
Increase/decrease in prepaid items		24,616
Increase/decrease in accounts payable	38,854	22,247
Increase/decrease in claims payable		538,345
Increase/decrease in accrued payroll and employee benefits	5,464	
Change in pension items	64,345	
	226,569	965,279
Total adjustments	226,569	965,279
Net cash provided by/used for operating activities	\$ 109,607	\$ (201,307)

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2018

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 325,393
Total assets	\$ 325,393
 <u>LIABILITIES</u>	
Deposits held for others	\$ 166,053
Due to student groups	159,340
Total liabilities	\$ 325,393

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, 2018

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

A. Reporting Entity

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

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

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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. Interfund services provided and used are not eliminated in the process of consolidation. 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, 2018

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.

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, 2018

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 Medicaid Reimbursement, School Plant, Auxiliary Operations, Gifts and Donations, Insurance Proceeds, Litigation Recovery, Indirect Costs, Advertisement, and Unrestricted Capital Outlay Funds. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

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

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

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

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

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, 2018

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, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

E. Investment Income

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018

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. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Land improvements	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, 2018

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 and Other Postemployment Benefits

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

N. Long-term Obligations

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

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

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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

	General Fund	Food Service Fund	Debt Service Fund	Bond Building Fund	Building Renewal Grant Fund	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	\$ 638,005	\$ 188,933	\$	\$	\$	\$
Restricted:						
Debt service			1,169,590			
Capital projects	9,097,753					793,549
Bond building projects				26,604,860		
Voter approved initiatives						1,448,866
Federal and state projects						1,270,670
Food service		14,200,011				
Community school						1,540,033
Extracurricular activities						798,546
Gifts and donations	583,584					
Other purposes						120,148
Unassigned	23,528,106				(1,666,740)	(898,477)
Total fund balances	<u>\$ 33,847,448</u>	<u>\$ 14,388,944</u>	<u>\$ 1,169,590</u>	<u>\$ 26,604,860</u>	<u>\$(1,666,740)</u>	<u>\$ 5,073,335</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Fund:	
Building Renewal Grant	\$ 1,666,740
Non-Major Governmental Funds:	
Title I Grants	101,076
Professional Development and Technology Grants	34,216
Title IV Grants	293,526
Indian Education	33,620
Special Education Grants	244,131
Homeless Education	11,594
Other Federal Projects	180,314

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2018-19 are expected to eliminate the deficits.

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

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$2,759,578 and the bank balance was \$4,072,066. At year end, \$3,822,066 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 \$2,100 of cash on hand at year end.

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 – CASH AND INVESTMENTS

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

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

	Average Maturities	Fair Value
County Treasurer’s investment pool	502 days	\$ 74,729,159
Total		\$ 74,729,159

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

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

Custodial Credit Risk – Investments. The District’s investment in the County Treasurer’s investment pool represents a proportionate interest in the pool’s portfolio; however, the District’s portion is not identified with specific investments and is not subject to custodial credit risk.

NOTE 5 – RECEIVABLES

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

	General Fund	Food Service Fund	Building Renewal Grant	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$ 62,010	\$ 207,552	\$	\$ 1,777,796
Due from state government	28,600,002		1,510,655	1,575,878
Net due from governmental entities	\$ 28,662,012	\$ 207,552	\$ 1,510,655	\$ 3,353,674

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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	17,615,695	20,483,926	13,220,100	24,879,521
Total capital assets, not being depreciated	<u>22,027,042</u>	<u>20,483,926</u>	<u>13,220,100</u>	<u>29,290,868</u>
Capital assets, being depreciated:				
Land improvements	25,030,102	1,848,655		26,878,757
Buildings and improvements	301,312,328	11,976,691		313,289,019
Vehicles, furniture and equipment	38,984,482	1,257,261	445,354	39,796,389
Total capital assets being depreciated	<u>365,326,912</u>	<u>15,082,607</u>	<u>445,354</u>	<u>379,964,165</u>
Less accumulated depreciation for:				
Land improvements	(13,386,054)	(1,003,521)		(14,389,575)
Buildings and improvements	(117,732,370)	(5,536,391)		(123,268,761)
Vehicles, furniture and equipment	(23,721,046)	(1,883,848)	(400,927)	(25,203,967)
Total accumulated depreciation	<u>(154,839,470)</u>	<u>(8,423,760)</u>	<u>(400,927)</u>	<u>(162,862,303)</u>
Total capital assets, being depreciated, net	<u>210,487,442</u>	<u>6,658,847</u>	<u>44,427</u>	<u>217,101,862</u>
Governmental activities capital assets, net	<u>\$ 232,514,484</u>	<u>\$27,142,773</u>	<u>\$13,264,527</u>	<u>\$ 246,392,730</u>
<u>Business-Type Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Land improvements	\$ 1,150,765	\$	\$	\$ 1,150,765
Buildings and improvements	60,774	32,425		93,199
Vehicles, furniture and equipment	804,800	86,569		891,369
Total capital assets being depreciated	<u>2,016,339</u>	<u>118,994</u>		<u>2,135,333</u>
Less accumulated depreciation for:				
Land improvements	(266,581)	(57,538)		(324,119)
Buildings and improvements	(19,555)	(2,128)		(21,683)
Vehicles, furniture and equipment	(407,043)	(58,240)		(465,283)
Total accumulated depreciation	<u>(693,179)</u>	<u>(117,906)</u>		<u>(811,085)</u>
Total capital assets, being depreciated, net	<u>1,323,160</u>	<u>1,088</u>		<u>1,324,248</u>
Business-type activities capital assets, net	<u>\$ 1,323,160</u>	<u>\$ 1,088</u>	<u>\$</u>	<u>\$ 1,324,248</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
Instruction	\$ 3,898,914
Support services – students and staff	60,557
Support services – administration	917,329
Operation and maintenance of plant services	2,484,740
Student transportation services	802,787
Operation of non-instructional services	259,433
Total depreciation expense	\$ 8,423,760
Business-type activities:	
Private school consortium	\$ 57,222
Alternative fuel	60,684
Total depreciation expense	\$ 117,906

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the renovation of buildings. At year end the District had spent \$24.9 million on the projects and had estimated remaining contractual commitments of \$26.4 million. These projects are being funded with bond proceeds and state grant revenues from the School Facilities Board.

NOTE 7 – SHORT TERM DEBT

Tax Anticipation Notes – In July 2016, the District issued \$12.0 million in tax anticipation notes in advance of property tax collections, depositing the proceeds in the General Fund. Property tax revenues of the General Fund were used to repay these notes in July 2017. Short-term debt activity for the current fiscal year was as follows:

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – SHORT TERM DEBT

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

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$ 4,108,000	\$ 7,414,000	\$11,522,000	\$

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	\$ 2,394,075
Less: Accumulated depreciation	699,388
Total	\$ 1,694,687

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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:	<u>Governmental Activities</u>
2019	\$ 904,357
2020	904,358
2021	904,358
2022	904,357
2023	521,655
2024-28	2,608,278
2029	<u>521,655</u>
Total minimum lease payments	7,269,018
Less: amount representing interest	<u>1,250,832</u>
Present value of minimum lease payments	<u>6,018,186</u>
Due within one year	<u>\$ 674,050</u>

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$61,000,000 remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Principal requirements at year end, were as follows:

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2018	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project 2010, Series A	\$ 10,000,000	3.75-4.125%	7/1/18-22	\$ 10,000,000	\$ 2,000,000
School Improvement Bonds, Project 2010, Series B	20,000,000	3.0-4.0%	7/1/18-26	20,000,000	840,000
School Improvement Bonds, Project 2010, Series C	5,000,000	1.63%	7/1/18	3,000,000	3,000,000
School Improvement Bonds, Project 2010, Series D	4,500,000	1.27-1.57%	7/1/18-19	4,500,000	1,500,000
School Improvement Bonds, Project 2010, Series E	25,500,000	2.0-3.0%	7/1/18-26	24,725,000	1,075,000
School Improvement Bonds, Project 2016, Series A	33,555,000	3.0-5.0%	7/1/18-29	33,555,000	3,090,000
Total				<u>\$ 95,780,000</u>	<u>\$ 11,505,000</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
2019	\$ 11,505,000	\$ 3,069,702
2020	12,025,000	2,657,977
2021	8,680,000	2,292,364
2022	8,780,000	2,025,013
2023	8,395,000	1,768,100
2024-28	36,135,000	4,818,200
2029-30	10,260,000	318,200
Total	<u>\$ 95,780,000</u>	<u>\$ 16,949,556</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 108,820,000	\$	\$ 13,040,000	\$ 95,780,000	\$ 11,505,000
Premium	5,247,392		466,300	4,781,092	
Total bonds payable	<u>114,067,392</u>		<u>13,506,300</u>	<u>100,561,092</u>	<u>11,505,000</u>
Obligations under capital leases	6,837,627		819,441	6,018,186	674,050
Net OPEB liability	260,640	162,334		422,974	
Net pension liability	186,517,819		3,719,170	182,798,649	
Compensated absences payable	2,028,597	1,850,999	1,307,046	2,572,550	713,791
Governmental activity long-term liabilities	<u>\$ 309,712,075</u>	<u>\$ 2,013,333</u>	<u>\$ 19,351,957</u>	<u>\$ 292,373,451</u>	<u>\$ 12,892,841</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Net pension liability	\$ 767,871	\$ 76,889	\$	\$ 844,760	\$
Business-type activity long-term liabilities	<u>\$ 767,871</u>	<u>\$ 76,889</u>	<u>\$</u>	<u>\$ 844,760</u>	<u>\$</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	General Fund
Building Renewal Grant Fund	\$ 1,462,331
Non-Major Governmental Funds	1,556,537
Total Due from Other Funds	<u>\$ 3,018,868</u>

At year end, several funds had negative cash balances in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with 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, 2018

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	\$	\$ 204,766	\$ 520,000	\$ 724,766
Food Service Fund	1,381,380			1,381,380
Bond Building Fund		463,413		463,413
Non-Major Governmental Funds	194,905			194,905
Total	<u>\$ 1,576,285</u>	<u>\$ 668,179</u>	<u>\$ 520,000</u>	<u>\$ 2,764,464</u>

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, (2) to move federal grant funds restricted for indirect costs, (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) and (4) to transfer school plant proceeds in accordance with A.R.S. §15-1102.

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, 2018

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 \$180,000 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. The District obtains coverage through the Arizona School risk Retention Trust (ASRRT).

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

For the Employee Benefit Trust and the Workers' Compensation 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, 2018

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>				
2017-18	\$ 2,771,000	\$ 15,189,856	\$ 14,332,856	\$ 3,628,000
2016-17	2,653,000	15,347,165	15,229,165	2,771,000
<u>Workers' Compensation</u>				
2017-18	1,329,917	675,283	931,596	1,073,604
2016-17	1,476,339	718,606	865,028	1,329,917
<u>Property and Casualty Insurance</u>				
2017-18	267,598	225,395	287,737	205,256
2016-17	190,148	210,911	133,461	267,598
<u>Total</u>				
2017-18	4,368,515	16,090,534	15,552,189	4,906,860
2016-17	4,319,487	16,276,682	16,227,654	4,368,515

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, 2018

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Pension	OPEB
Net assets	\$	\$ (630,388)
Net liability	183,643,409	422,974
Deferred outflows of resources	23,874,134	700,471
Deferred inflows of resources	12,229,642	773,895
Expense	5,786,511	594,384
Contributions	12,520,233	700,471

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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.50 percent (11.34 percent for retirement and 0.16 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.50 percent (10.90 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions for the year ended June 30, 2018 were as follows:

	Contributions
Pension	\$ 12,520,233
Health Insurance Premium	505,404
Long-Term Disability	183,783

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 183,643,409	1.179	0.019
Health Insurance Premium	(630,388)	1.158	
Long-Term Disability	422,974	1.167	

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

	Expense
Pension	\$ 5,786,511
Health Insurance Premium	368,716
Long-Term Disability	225,668

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$	\$	\$
Changes of assumptions or other inputs	7,976,055		
Net difference between projected and actual earnings on pension investments	1,318,433		
Changes in proportion and differences between contributions and proportionate share of contributions	2,059,413		
Contributions subsequent to the measurement date	12,520,233	505,404	183,783
Total	<u>\$ 23,874,134</u>	<u>\$ 505,404</u>	<u>\$ 183,783</u>

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 5,506,644	\$	\$
Changes of assumptions or other inputs	5,491,268		
Net difference between projected and actual earnings on pension investments		709,792	63,272
Changes in proportion and differences between contributions and proportionate share of contributions	1,231,730	769	62
Total	<u>\$ 12,229,642</u>	<u>\$ 710,561</u>	<u>\$ 63,334</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2019	\$ (7,464,796)	\$ (177,605)	\$ (15,827)
2020	8,375,894	(177,605)	(15,827)
2021	2,437,507	(177,605)	(15,827)
2022	(4,224,346)	(177,605)	(15,827)
2023		(141)	(9)
Thereafter			(17)

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

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The long-term expected rate of return on ASRS plan investments was determined to be 8.70 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

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

Discount Rate. The discount rate used to measure the ASRS total pension and OPEB liability was 8.0 percent, which is less than the long-term expected rate of return of 8.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	7.0%	8.0%	9.0%
Pension	\$ 235,709,507	\$ 183,643,409	\$ 140,137,726
Health Insurance Premium	1,046,892	(630,388)	(2,055,791)
Long-Term Disability	505,772	422,974	352,773

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

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

	Statement of Activities
Net position, June 30, 2017, as previously reported	\$ 48,661,416
Net OPEB asset	288,543
Net OPEB liability	(260,640)
Net position, July 1, 2017, as restated	\$ 48,689,319

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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, 2018

	<u>Budgeted Amounts</u>		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local	\$ 9,960,825	\$ 9,960,825	\$ 9,770,094	\$ (190,731)
Property taxes	41,171,001	41,171,001	44,269,113	3,098,112
State aid and grants	87,682,190	87,682,190	88,885,938	1,203,748
Total revenues	<u>138,814,016</u>	<u>138,814,016</u>	<u>142,925,145</u>	<u>4,111,129</u>
Expenditures:				
Current -				
Instruction	86,288,340	84,467,123	76,758,326	7,708,797
Support services - students and staff	20,271,478	20,950,469	19,009,294	1,941,175
Support services - administration	15,809,000	15,298,404	13,442,520	1,855,884
Operation and maintenance of plant services	20,068,000	20,096,543	18,322,203	1,774,340
Student transportation services	10,115,000	8,911,709	7,518,771	1,392,938
Operation of non-instructional services	478,800	475,600	438,563	37,037
Total expenditures	<u>153,030,618</u>	<u>150,199,848</u>	<u>135,489,677</u>	<u>14,710,171</u>
Excess (deficiency) of revenues over expenditures	<u>(14,216,602)</u>	<u>(11,385,832)</u>	<u>7,435,468</u>	<u>18,821,300</u>
Other financing sources (uses):				
Transfers out	(520,000)	(520,000)	(5,057,869)	(4,537,869)
Total other financing sources (uses)	<u>(520,000)</u>	<u>(520,000)</u>	<u>(5,057,869)</u>	<u>(4,537,869)</u>
Changes in fund balances	<u>(14,736,602)</u>	<u>(11,905,832)</u>	<u>2,377,599</u>	<u>14,283,431</u>
Fund balances, beginning of year	14,736,601	14,736,601	16,192,549	1,455,948
Increase (decrease) in reserve for inventory			(55,329)	(55,329)
Fund balances (deficits), end of year	<u>\$ (1)</u>	<u>\$ 2,830,769</u>	<u>\$ 18,514,819</u>	<u>\$ 15,684,050</u>

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, 2018

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	
Revenues:			
Other local	\$ 202,229	\$ 340,721	\$ 138,492
Federal aid, grants and reimbursements	18,572,771	18,744,599	171,828
Total revenues	<u>18,775,000</u>	<u>19,085,320</u>	<u>310,320</u>
Expenditures:			
Current -			
Operation and maintenance of plant services	80,237	63,862	16,375
Operation of non-instructional services	31,200,000	16,362,511	14,837,489
Capital outlay	1,000,000	662,971	337,029
Total expenditures	<u>32,280,237</u>	<u>17,089,344</u>	<u>15,190,893</u>
Excess (deficiency) of revenues over expenditures	<u>(13,505,237)</u>	<u>1,995,976</u>	<u>15,501,213</u>
Other financing sources (uses):			
Transfers out	(1,500,000)	(1,381,380)	118,620
Total other financing sources (uses)	<u>(1,500,000)</u>	<u>(1,381,380)</u>	<u>118,620</u>
Changes in fund balances	<u>(15,005,237)</u>	<u>614,596</u>	<u>15,619,833</u>
Fund balances, beginning of year	13,585,415	13,732,844	147,429
Increase (decrease) in reserve for inventory		41,504	41,504
Fund balances (deficits), end of year	<u>\$ (1,419,822)</u>	<u>\$ 14,388,944</u>	<u>\$ 15,808,766</u>

See accompanying notes to this schedule.

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	1.18%	1.16%	1.18%	1.18%
District's proportionate share of the net pension (assets) liability	\$ 183,643,409	\$ 187,285,690	\$ 183,789,475	\$ 174,862,945
District's covered payroll	\$ 115,687,579	\$ 108,540,249	\$ 108,407,585	\$ 106,490,897
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	158.74%	172.55%	169.54%	164.20%
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 12,520,233	\$ 12,471,121	\$ 11,776,617	\$ 11,805,586
Contributions in relation to the actuarially determined contribution	<u>12,520,233</u>	<u>12,471,121</u>	<u>11,776,617</u>	<u>11,805,586</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 114,864,523	\$ 115,687,579	\$ 108,540,249	\$ 108,407,585
Contributions as a percentage of covered payroll	10.90%	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2018**

2018

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	1.16%
District's proportionate share of the net OPEB (assets) liability	\$ (630,388)
District's covered payroll	\$ 115,687,579
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-0.54%
Plan fiduciary net position as a percentage of the total OPEB liability	103.57%

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

2018

Actuarially determined contribution	\$ 505,404
Contributions in relation to the actuarially determined contribution	<u>505,404</u>
Contribution deficiency (excess)	<u><u>\$</u></u>
District's covered payroll	\$ 114,864,523
Contributions as a percentage of covered payroll	0.44%

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

See accompanying notes to this schedule.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2018**

2018

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	1.17%
District's proportionate share of the net OPEB (assets) liability	\$ 422,974
District's covered payroll	\$ 115,687,579
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	84.44%

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

2018

Actuarially determined contribution	\$ 183,783
Contributions in relation to the actuarially determined contribution	<u>183,783</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered payroll	\$ 114,864,523
Contributions as a percentage of covered payroll	0.16%

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

See accompanying notes to this schedule.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following 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	\$ 141,518,582	\$ 33,847,448
Activity budgeted as special revenue funds	(4,404,384)	(6,234,876)
Activity budgeted as capital projects funds	(1,624,521)	(9,097,753)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 135,489,677	\$ 18,514,819

NOTE 2 – PENSION AND OPEB PLAN SCHEDULES

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

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

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

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GOVERNMENTAL FUNDS

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 4,847,315	\$ 793,549	\$ 5,640,864
Accounts receivable	145,449		145,449
Due from governmental entities	3,353,674		3,353,674
Total assets	<u>\$ 8,346,438</u>	<u>\$ 793,549</u>	<u>\$ 9,139,987</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 878,702	\$	\$ 878,702
Due to other funds	1,556,537		1,556,537
Accrued payroll and employee benefits	79,320		79,320
Unearned revenues	367,145		367,145
Total liabilities	<u>2,881,704</u>		<u>2,881,704</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>1,184,948</u>		<u>1,184,948</u>
Fund balances (deficits):			
Restricted	5,178,263	793,549	5,971,812
Unassigned	(898,477)		(898,477)
Total fund balances	<u>4,279,786</u>	<u>793,549</u>	<u>5,073,335</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,346,438</u>	<u>\$ 793,549</u>	<u>\$ 9,139,987</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
 YEAR ENDED JUNE 30, 2018**

	Special Revenue	Capital Projects	Total Non-Major Governmental Funds
Revenues:			
Other local	\$ 4,135,553	\$ 7,857	\$ 4,143,410
State aid and grants	13,411,868		13,411,868
Federal aid, grants and reimbursements	20,722,303		20,722,303
Total revenues	38,269,724	7,857	38,277,581
Expenditures:			
Current -			
Instruction	24,961,288		24,961,288
Support services - students and staff	7,944,991		7,944,991
Support services - administration	234,920		234,920
Operation and maintenance of plant services	919,708		919,708
Student transportation services	137,547		137,547
Operation of non-instructional services	3,642,651		3,642,651
Capital outlay	149,971	48,419	198,390
Debt service -			
Principal retirement		329,460	329,460
Interest and fiscal charges		192,195	192,195
Total expenditures	37,991,076	570,074	38,561,150
Excess (deficiency) of revenues over expenditures	278,648	(562,217)	(283,569)
Other financing sources (uses):			
Transfers in		520,000	520,000
Transfers out	(194,905)		(194,905)
Total other financing sources (uses)	(194,905)	520,000	325,095
Changes in fund balances	83,743	(42,217)	41,526
Fund balances, beginning of year	4,196,043	835,766	5,031,809
Fund balances, end of year	\$ 4,279,786	\$ 793,549	\$ 5,073,335

SPECIAL REVENUE FUNDS

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

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

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

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

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

Title IV Grants - to account for financial assistance received for 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.

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

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

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

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.

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, 2018**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 787,619	\$ 417
Accounts receivable			
Due from governmental entities	819,261	411,464	
Total assets	\$ 819,261	\$ 1,199,083	\$ 417
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	569,478		
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	569,478		
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	249,783	1,199,083	417
Unassigned			
Total fund balances	249,783	1,199,083	417
 Total liabilities, deferred inflows of resources and fund balances	\$ 819,261	\$ 1,199,083	\$ 417

<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>
\$ 26,036	\$	\$ 17,032	\$ 5,773	\$	\$
101,076	34,216	293,526		33,620	244,131
<u>\$ 127,112</u>	<u>\$ 34,216</u>	<u>\$ 310,558</u>	<u>\$ 5,773</u>	<u>\$ 33,620</u>	<u>\$ 244,131</u>
\$ 26,576	\$ 17,195	\$ 63,601	\$	\$	\$
73,978	17,021	228,352		33,620	244,131
26,558		18,605			
			5,773		
<u>127,112</u>	<u>34,216</u>	<u>310,558</u>	<u>5,773</u>	<u>33,620</u>	<u>244,131</u>
<u>101,076</u>	<u>34,216</u>	<u>293,526</u>		<u>33,620</u>	<u>244,131</u>
<u>(101,076)</u>	<u>(34,216)</u>	<u>(293,526)</u>		<u>(33,620)</u>	<u>(244,131)</u>
<u>(101,076)</u>	<u>(34,216)</u>	<u>(293,526)</u>		<u>(33,620)</u>	<u>(244,131)</u>
<u>\$ 127,112</u>	<u>\$ 34,216</u>	<u>\$ 310,558</u>	<u>\$ 5,773</u>	<u>\$ 33,620</u>	<u>\$ 244,131</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018**

	<u>Homeless Education</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 395,435	\$
Accounts receivable			
Due from governmental entities	11,594	579,801	479,832
Total assets	<u>\$ 11,594</u>	<u>\$ 975,236</u>	<u>\$ 479,832</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 114,027
Due to other funds	11,594		378,363
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	<u>11,594</u>	<u></u>	<u>492,390</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>11,594</u>	<u>299,029</u>	<u>167,756</u>
Fund balances (deficits):			
Restricted		676,207	
Unassigned	(11,594)		(180,314)
Total fund balances	<u>(11,594)</u>	<u>676,207</u>	<u>(180,314)</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 11,594</u>	 <u>\$ 975,236</u>	 <u>\$ 479,832</u>

<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Textbooks</u>
\$ 615,852	\$ 575,908	\$ 74,982	\$ 1,504,966 145,449	\$ 798,546	\$ 40,309
<u>\$ 615,852</u>	<u>345,153</u> <u>\$ 921,061</u>	<u>\$ 74,982</u>	<u>\$ 1,650,415</u>	<u>\$ 798,546</u>	<u>\$ 40,309</u>
\$ 22,500	\$ 558,578	\$	\$ 76,225	\$	\$
			34,157		
<u>22,500</u>	<u>361,372</u> <u>919,950</u>		<u>110,382</u>		
593,352	1,111	74,982	1,540,033	798,546	40,309
<u>593,352</u>	<u>1,111</u>	<u>74,982</u>	<u>1,540,033</u>	<u>798,546</u>	<u>40,309</u>
<u>\$ 615,852</u>	<u>\$ 921,061</u>	<u>\$ 74,982</u>	<u>\$ 1,650,415</u>	<u>\$ 798,546</u>	<u>\$ 40,309</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018**

	Grants and Gifts to Teachers	Totals
<u>ASSETS</u>		
Cash and investments	\$ 4,440	\$ 4,847,315
Accounts receivable		145,449
Due from governmental entities		3,353,674
Total assets	\$ 4,440	\$ 8,346,438
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$	\$ 878,702
Due to other funds		1,556,537
Accrued payroll and employee benefits		79,320
Unearned revenues		367,145
Total liabilities		2,881,704
Deferred inflows of resources:		
Unavailable revenues - intergovernmental		1,184,948
Fund balances (deficits):		
Restricted	4,440	5,178,263
Unassigned		(898,477)
Total fund balances	4,440	4,279,786
 Total liabilities, deferred inflows of resources and fund balances	 \$ 4,440	 \$ 8,346,438

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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, 2018**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 34,465	\$ 9,765	\$ 18,000
State aid and grants	9,831,132	955,944	
Federal aid, grants and reimbursements			
Total revenues	9,865,597	965,709	18,000
Expenditures:			
Current -			
Instruction	9,238,121	1,027,386	7,658
Support services - students and staff	467,161	168,484	7,799
Support services - administration			
Operation and maintenance of plant services			2,482
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	9,705,282	1,195,870	17,939
Excess (deficiency) of revenues over expenditures	160,315	(230,161)	61
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	160,315	(230,161)	61
Fund balances (deficits), beginning of year	89,468	1,429,244	356
Fund balances (deficits), end of year	\$ 249,783	\$ 1,199,083	\$ 417

<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>
\$	\$	\$	\$	\$	\$
<u>8,796,442</u>	<u>874,922</u>	<u>1,780,218</u>	<u>581,697</u>	<u>112,234</u>	<u>4,900,207</u>
<u>8,796,442</u>	<u>874,922</u>	<u>1,780,218</u>	<u>581,697</u>	<u>112,234</u>	<u>4,900,207</u>
4,490,149		1,403,375	27,375	143,963	4,722,166
4,239,256	899,157	440,585	537,836		365,696
70,174		154,534	10,212		
1,750		13,148			
		39,362		420	
<u>8,801,329</u>	<u>899,157</u>	<u>2,051,004</u>	<u>575,423</u>	<u>144,383</u>	<u>5,087,862</u>
<u>(4,887)</u>	<u>(24,235)</u>	<u>(270,786)</u>	<u>6,274</u>	<u>(32,149)</u>	<u>(187,655)</u>
<u>(96,189)</u>	<u>(9,981)</u>	<u>(22,740)</u>	<u>(6,274)</u>	<u>(1,471)</u>	<u>(56,476)</u>
<u>(96,189)</u>	<u>(9,981)</u>	<u>(22,740)</u>	<u>(6,274)</u>	<u>(1,471)</u>	<u>(56,476)</u>
<u>(101,076)</u>	<u>(34,216)</u>	<u>(293,526)</u>		<u>(33,620)</u>	<u>(244,131)</u>
<u>\$ (101,076)</u>	<u>\$ (34,216)</u>	<u>\$ (293,526)</u>	<u>\$</u>	<u>\$ (33,620)</u>	<u>\$ (244,131)</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, 2018

	Homeless Education	E-Rate	Other Federal Projects
Revenues:			
Other local	\$	\$ 851	\$
State aid and grants			
Federal aid, grants and reimbursements	57,192	354,629	3,264,762
Total revenues	57,192	355,480	3,264,762
Expenditures:			
Current -			
Instruction	829		2,627,875
Support services - students and staff	48,409		588,931
Support services - administration			
Operation and maintenance of plant services			87,790
Student transportation services	18,793		436
Operation of non-instructional services			28,560
Capital outlay			80,424
Total expenditures	68,031		3,414,016
Excess (deficiency) of revenues over expenditures	(10,839)	355,480	(149,254)
Other financing sources (uses):			
Transfers out	(755)		(1,019)
Total other financing sources (uses)	(755)		(1,019)
Changes in fund balances	(11,594)	355,480	(150,273)
Fund balances (deficits), beginning of year		320,727	(30,041)
Fund balances (deficits), end of year	\$ (11,594)	\$ 676,207	\$ (180,314)

<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Textbooks</u>
\$ 744,404	\$ 1,880,388	\$ 82,463	\$ 3,552,992	\$ 401,477	\$ 9,904
<u>744,404</u>	<u>1,880,388</u>	<u>82,463</u>	<u>3,552,992</u>	<u>401,477</u>	<u>9,904</u>
151,052	955,809 7,960			289,688 1,020	783 18,334
	756,837	59,451		76,786	
	158,671	77,900	3,377,520		
<u>151,052</u>	<u>1,879,277</u>	<u>161,898</u>	<u>3,422,520</u>	<u>367,494</u>	<u>19,117</u>
<u>593,352</u>	<u>1,111</u>	<u>(79,435)</u>	<u>130,472</u>	<u>33,983</u>	<u>(9,213)</u>
<u>593,352</u>	<u>1,111</u>	<u>(79,435)</u>	<u>130,472</u>	<u>33,983</u>	<u>(9,213)</u>
		154,417	1,409,561	764,563	49,522
<u>\$ 593,352</u>	<u>\$ 1,111</u>	<u>\$ 74,982</u>	<u>\$ 1,540,033</u>	<u>\$ 798,546</u>	<u>\$ 40,309</u>

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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, 2018

	Grants and Gifts to Teachers	Totals
Revenues:		
Other local	\$ 25,636	\$ 4,135,553
State aid and grants		13,411,868
Federal aid, grants and reimbursements		20,722,303
Total revenues	25,636	38,269,724
Expenditures:		
Current -		
Instruction	26,111	24,961,288
Support services - students and staff	3,311	7,944,991
Support services - administration		234,920
Operation and maintenance of plant services		919,708
Student transportation services		137,547
Operation of non-instructional services		3,642,651
Capital outlay		149,971
Total expenditures	29,422	37,991,076
Excess (deficiency) of revenues over expenditures	(3,786)	278,648
Other financing sources (uses):		
Transfers out		(194,905)
Total other financing sources (uses)		(194,905)
Changes in fund balances	(3,786)	83,743
Fund balances (deficits), beginning of year	8,226	4,196,043
Fund balances, end of year	\$ 4,440	\$ 4,279,786

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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, 2018

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 34,465	\$ 34,465
State aid and grants	9,925,097	9,831,132	(93,965)
Federal aid, grants and reimbursements			
Total revenues	9,925,097	9,865,597	(59,500)
Expenditures:			
Current -			
Instruction	9,522,311	9,238,121	284,190
Support services - students and staff	488,504	467,161	21,343
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	10,010,815	9,705,282	305,533
Excess (deficiency) of revenues over expenditures	(85,718)	160,315	246,033
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(85,718)	160,315	246,033
Fund balances (deficits), beginning of year	59,198	89,468	30,270
Fund balances (deficits), end of year	\$ (26,520)	\$ 249,783	\$ 276,303

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 970,756	\$ 9,765 955,944	\$ 9,765 (14,812)	\$ 18,000	\$ 18,000	\$
<u>970,756</u>	<u>965,709</u>	<u>(5,047)</u>	<u>18,000</u>	<u>18,000</u>	
2,000,000	1,027,386	972,614	12,500	7,658	4,842
400,000	168,484	231,516	12,500	7,799	4,701
				2,482	(2,482)
			8,000		8,000
<u>2,400,000</u>	<u>1,195,870</u>	<u>1,204,130</u>	<u>33,000</u>	<u>17,939</u>	<u>15,061</u>
<u>(1,429,244)</u>	<u>(230,161)</u>	<u>1,199,083</u>	<u>(15,000)</u>	<u>61</u>	<u>15,061</u>
<u>(1,429,244)</u>	<u>(230,161)</u>	<u>1,199,083</u>	<u>(15,000)</u>	<u>61</u>	<u>15,061</u>
1,429,244	1,429,244		357	356	(1)
<u>\$</u>	<u>\$ 1,199,083</u>	<u>\$ 1,199,083</u>	<u>\$ (14,643)</u>	<u>\$ 417</u>	<u>\$ 15,060</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, 2018

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	10,261,882	8,796,442	(1,465,440)
Total revenues	<u>10,261,882</u>	<u>8,796,442</u>	<u>(1,465,440)</u>
Expenditures:			
Current -			
Instruction	4,950,000	4,490,149	459,851
Support services - students and staff	5,030,000	4,239,256	790,744
Support services - administration		70,174	(70,174)
Operation and maintenance of plant services			
Student transportation services	3,717	1,750	1,967
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>9,983,717</u>	<u>8,801,329</u>	<u>1,182,388</u>
Excess (deficiency) of revenues over expenditures	<u>278,165</u>	<u>(4,887)</u>	<u>(283,052)</u>
Other financing sources (uses):			
Transfers in			
Transfers out	(113,907)	(96,189)	17,718
Total other financing sources (uses)	<u>(113,907)</u>	<u>(96,189)</u>	<u>17,718</u>
Changes in fund balances	<u>164,258</u>	<u>(101,076)</u>	<u>(265,334)</u>
Fund balances (deficits), beginning of year	(583,916)		583,916
Fund balances (deficits), end of year	<u>\$ (419,658)</u>	<u>\$ (101,076)</u>	<u>\$ 318,582</u>

<u>Professional Development and Technology Grants</u>			<u>Title IV Grants</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
<u>1,000,151</u>	<u>874,922</u>	<u>(125,229)</u>	<u>2,147,050</u>	<u>1,780,218</u>	<u>(366,832)</u>
<u>1,000,151</u>	<u>874,922</u>	<u>(125,229)</u>	<u>2,147,050</u>	<u>1,780,218</u>	<u>(366,832)</u>
			1,634,562	1,403,375	231,187
1,000,151	899,157	100,994	450,000	440,585	9,415
			155,000	154,534	466
			15,000	13,148	1,852
			40,000	39,362	638
<u>1,000,151</u>	<u>899,157</u>	<u>100,994</u>	<u>2,294,562</u>	<u>2,051,004</u>	<u>243,558</u>
	<u>(24,235)</u>	<u>(24,235)</u>	<u>(147,512)</u>	<u>(270,786)</u>	<u>(123,274)</u>
<u>(11,102)</u>	<u>(9,981)</u>	<u>1,121</u>	<u>(23,832)</u>	<u>(22,740)</u>	<u>1,092</u>
<u>(11,102)</u>	<u>(9,981)</u>	<u>1,121</u>	<u>(23,832)</u>	<u>(22,740)</u>	<u>1,092</u>
<u>(11,102)</u>	<u>(34,216)</u>	<u>(23,114)</u>	<u>(171,344)</u>	<u>(293,526)</u>	<u>(122,182)</u>
<u>(24,857)</u>		<u>24,857</u>	<u>(339,522)</u>		<u>339,522</u>
<u>\$ (35,959)</u>	<u>\$ (34,216)</u>	<u>\$ 1,743</u>	<u>\$ (510,866)</u>	<u>\$ (293,526)</u>	<u>\$ 217,340</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, 2018

	Limited English & Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	683,079	581,697	(101,382)
Total revenues	683,079	581,697	(101,382)
Expenditures:			
Current -			
Instruction	30,000	27,375	2,625
Support services - students and staff	633,079	537,836	95,243
Support services - administration	20,000	10,212	9,788
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	683,079	575,423	107,656
Excess (deficiency) of revenues over expenditures		6,274	6,274
Other financing sources (uses):			
Transfers in			
Transfers out	(7,582)	(6,274)	1,308
Total other financing sources (uses)	(7,582)	(6,274)	1,308
Changes in fund balances	(7,582)		7,582
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	\$ (7,582)	\$	\$ 7,582

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
<u>157,006</u>	<u>112,234</u>	<u>(44,772)</u>	<u>6,138,209</u>	<u>4,900,207</u>	<u>(1,238,002)</u>
<u>157,006</u>	<u>112,234</u>	<u>(44,772)</u>	<u>6,138,209</u>	<u>4,900,207</u>	<u>(1,238,002)</u>
156,006	143,963	12,043	5,738,209	4,722,166	1,016,043
			400,000	365,696	34,304
1,000	420	580			
<u>157,006</u>	<u>144,383</u>	<u>12,623</u>	<u>6,138,209</u>	<u>5,087,862</u>	<u>1,050,347</u>
	<u>(32,149)</u>	<u>(32,149)</u>		<u>(187,655)</u>	<u>(187,655)</u>
<u>(1,743)</u>	<u>(1,471)</u>	<u>272</u>	<u>(68,134)</u>	<u>(56,476)</u>	<u>11,658</u>
<u>(1,743)</u>	<u>(1,471)</u>	<u>272</u>	<u>(68,134)</u>	<u>(56,476)</u>	<u>11,658</u>
<u>(1,743)</u>	<u>(33,620)</u>	<u>(31,877)</u>	<u>(68,134)</u>	<u>(244,131)</u>	<u>(175,997)</u>
(3,217)		3,217	(42,618)		42,618
<u>\$ (4,960)</u>	<u>\$ (33,620)</u>	<u>\$ (28,660)</u>	<u>\$ (110,752)</u>	<u>\$ (244,131)</u>	<u>\$ (133,379)</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, 2018

	Homeless Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	80,000	57,192	(22,808)
Total revenues	80,000	57,192	(22,808)
Expenditures:			
Current -			
Instruction	1,000	829	171
Support services - students and staff	50,000	48,409	1,591
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	29,000	18,793	10,207
Operation of non-instructional services			
Capital outlay			
Total expenditures	80,000	68,031	11,969
Excess (deficiency) of revenues over expenditures		(10,839)	(10,839)
Other financing sources (uses):			
Transfers in			
Transfers out	(888)	(755)	133
Total other financing sources (uses)	(888)	(755)	133
Changes in fund balances	(888)	(11,594)	(10,706)
Fund balances (deficits), beginning of year	(8,605)		8,605
Fund balances (deficits), end of year	\$ (9,493)	\$ (11,594)	\$ (2,101)

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 17,106	\$ 17,106	\$	\$ 851	\$ 851
<u>1,693,500</u>	<u>1,927,651</u>	<u>234,151</u>	<u>679,273</u>	<u>354,629</u>	<u>(324,644)</u>
<u>1,693,500</u>	<u>1,944,757</u>	<u>251,257</u>	<u>679,273</u>	<u>355,480</u>	<u>(323,793)</u>
200,000	155,851	44,149	1,000,000		1,000,000
4,300,000	979,497	3,320,503			
250,000	155,560	94,440			
100,000	85,643	14,357			
100,000	52,379	47,621			
50,000	29,195	20,805			
<u>5,000,000</u>	<u>1,458,125</u>	<u>3,541,875</u>	<u>1,000,000</u>		<u>1,000,000</u>
<u>(3,306,500)</u>	<u>486,632</u>	<u>3,793,132</u>	<u>(320,727)</u>	<u>355,480</u>	<u>676,207</u>
<u>(3,306,500)</u>	<u>486,632</u>	<u>3,793,132</u>	<u>(320,727)</u>	<u>355,480</u>	<u>676,207</u>
3,460,219	3,460,219		320,727	320,727	
<u>\$ 153,719</u>	<u>\$ 3,946,851</u>	<u>\$ 3,793,132</u>	<u>\$</u>	<u>\$ 676,207</u>	<u>\$ 676,207</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, 2018

	Other Federal Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	3,372,578	3,264,762	(107,816)
Total revenues	3,372,578	3,264,762	(107,816)
Expenditures:			
Current -			
Instruction	2,605,918	2,627,875	(21,957)
Support services - students and staff	590,000	588,931	1,069
Support services - administration			
Operation and maintenance of plant services	88,000	87,790	210
Student transportation services	1,000	436	564
Operation of non-instructional services	30,000	28,560	1,440
Capital outlay	81,000	80,424	576
Total expenditures	3,395,918	3,414,016	(18,098)
Excess (deficiency) of revenues over expenditures	(23,340)	(149,254)	(125,914)
Other financing sources (uses):			
Transfers in			
Transfers out	(555)	(1,019)	(464)
Total other financing sources (uses)	(555)	(1,019)	(464)
Changes in fund balances	(23,895)	(150,273)	(126,378)
Fund balances (deficits), beginning of year	(54,668)	(30,041)	24,627
Fund balances (deficits), end of year	\$ (78,563)	\$ (180,314)	\$ (101,751)

Results-based Funding			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 1,221,200	\$ 744,404	\$ (476,796)	\$ 2,326,062	\$ 1,880,388	\$ (445,674)
<u>1,221,200</u>	<u>744,404</u>	<u>(476,796)</u>	<u>2,326,062</u>	<u>1,880,388</u>	<u>(445,674)</u>
744,305	151,052	593,253	1,140,000	955,809	184,191
			25,280	7,960	17,320
			1,000,000	756,837	243,163
			160,000	158,671	1,329
<u>744,305</u>	<u>151,052</u>	<u>593,253</u>	<u>2,325,280</u>	<u>1,879,277</u>	<u>446,003</u>
<u>476,895</u>	<u>593,352</u>	<u>116,457</u>	<u>782</u>	<u>1,111</u>	<u>329</u>
<u>476,895</u>	<u>593,352</u>	<u>116,457</u>	<u>782</u>	<u>1,111</u>	<u>329</u>
			1,111		(1,111)
<u>\$ 476,895</u>	<u>\$ 593,352</u>	<u>\$ 116,457</u>	<u>\$ 1,893</u>	<u>\$ 1,111</u>	<u>\$ (782)</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, 2018

	School Plant		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 49,600	\$ 70,000	\$ 20,400
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	49,600	70,000	20,400
Expenditures:			
Current -			
Instruction	59,000	19,778	39,222
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	250,000	38,441	211,559
Student transportation services			
Operation of non-instructional services			
Capital outlay	250,000	34,812	215,188
Total expenditures	559,000	93,031	465,969
Excess (deficiency) of revenues over expenditures	(509,400)	(23,031)	486,369
Other financing sources (uses):			
Transfers in			
Transfers out		(204,766)	(204,766)
Total other financing sources (uses)		(204,766)	(204,766)
Changes in fund balances	(509,400)	(227,797)	281,603
Fund balances (deficits), beginning of year	509,050	509,050	
Fund balances (deficits), end of year	\$ (350)	\$ 281,253	\$ 281,603

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$ 104,500	\$ 82,463	\$ (22,037)	\$ 3,064,000	\$ 3,552,992	\$ 488,992
<u>104,500</u>	<u>82,463</u>	<u>(22,037)</u>	<u>3,064,000</u>	<u>3,552,992</u>	<u>488,992</u>
70,000	59,451	10,549			
160,000	77,900	82,100	4,400,000	3,377,520	1,022,480
30,000	24,547	5,453	75,000	45,000	30,000
<u>260,000</u>	<u>161,898</u>	<u>98,102</u>	<u>4,475,000</u>	<u>3,422,520</u>	<u>1,052,480</u>
<u>(155,500)</u>	<u>(79,435)</u>	<u>76,065</u>	<u>(1,411,000)</u>	<u>130,472</u>	<u>1,541,472</u>
<u>(155,500)</u>	<u>(79,435)</u>	<u>76,065</u>	<u>(1,411,000)</u>	<u>130,472</u>	<u>1,541,472</u>
154,417	154,417		1,409,561	1,409,561	
<u>\$ (1,083)</u>	<u>\$ 74,982</u>	<u>\$ 76,065</u>	<u>\$ (1,439)</u>	<u>\$ 1,540,033</u>	<u>\$ 1,541,472</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, 2018

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 689,500	\$ 727,543	\$ 38,043
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	689,500	727,543	38,043
Expenditures:			
Current -			
Instruction	932,000	497,173	434,827
Support services - students and staff	50,000	16,389	33,611
Support services - administration	125,000	57,640	67,360
Operation and maintenance of plant services	50,000	17,072	32,928
Student transportation services	125,000	58,402	66,598
Operation of non-instructional services	50,000	9,239	40,761
Capital outlay			
Total expenditures	1,332,000	655,915	676,085
Excess (deficiency) of revenues over expenditures	(642,500)	71,628	714,128
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(642,500)	71,628	714,128
Fund balances (deficits), beginning of year	641,895	641,895	
Fund balances (deficits), end of year	\$ (605)	\$ 713,523	\$ 714,128

<u>Extracurricular Activities Fees Tax Credit</u>			<u>Gifts and Donations</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$ 398,500	\$ 401,477	\$ 2,977	\$ 644,500	\$ 585,497	\$ (59,003)
<u>398,500</u>	<u>401,477</u>	<u>2,977</u>	<u>644,500</u>	<u>585,497</u>	<u>(59,003)</u>
1,000,000	289,688	710,312	1,006,000	301,681	704,319
4,000	1,020	2,980	200,000	138,433	61,567
			5,000	2,212	2,788
			5,000	2,373	2,627
160,000	76,786	83,214	25,000	10,700	14,300
			25,000	8,377	16,623
<u>1,164,000</u>	<u>367,494</u>	<u>796,506</u>	<u>1,266,000</u>	<u>463,776</u>	<u>802,224</u>
<u>(765,500)</u>	<u>33,983</u>	<u>799,483</u>	<u>(621,500)</u>	<u>121,721</u>	<u>743,221</u>
<u>(765,500)</u>	<u>33,983</u>	<u>799,483</u>	<u>(621,500)</u>	<u>121,721</u>	<u>743,221</u>
764,563	764,563		621,391	621,391	
<u>\$ (937)</u>	<u>\$ 798,546</u>	<u>\$ 799,483</u>	<u>\$ (109)</u>	<u>\$ 743,112</u>	<u>\$ 743,221</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, 2018

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 85	\$ 127	\$ 42
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>85</u>	<u>127</u>	<u>42</u>
Expenditures:			
Current -			
Instruction	13,100		13,100
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>13,100</u>	<u></u>	<u>13,100</u>
Excess (deficiency) of revenues over expenditures	<u>(13,015)</u>	<u>127</u>	<u>13,142</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>(13,015)</u>	<u>127</u>	<u>13,142</u>
Fund balances (deficits), beginning of year	12,957	12,957	
Fund balances (deficits), end of year	<u>\$ (58)</u>	<u>\$ 13,084</u>	<u>\$ 13,142</u>

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 13,850	\$ 9,904	\$ (3,946)	\$ 100	\$ 1,015	\$ 915
<u>13,850</u>	<u>9,904</u>	<u>(3,946)</u>	<u>100</u>	<u>1,015</u>	<u>915</u>
4,000	783	3,217	9,200		9,200
60,000	18,334	41,666			
<u>64,000</u>	<u>19,117</u>	<u>44,883</u>	<u>9,200</u>	<u></u>	<u>9,200</u>
<u>(50,150)</u>	<u>(9,213)</u>	<u>40,937</u>	<u>(9,100)</u>	<u>1,015</u>	<u>10,115</u>
<u>(50,150)</u>	<u>(9,213)</u>	<u>40,937</u>	<u>(9,100)</u>	<u>1,015</u>	<u>10,115</u>
49,522	49,522		9,091	9,091	
<u>\$ (628)</u>	<u>\$ 40,309</u>	<u>\$ 40,937</u>	<u>\$ (9)</u>	<u>\$ 10,106</u>	<u>\$ 10,115</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, 2018

	Indirect Costs		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 3,400	\$ 832	\$ (2,568)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>3,400</u>	<u>832</u>	<u>(2,568)</u>
Expenditures:			
Current -			
Instruction	200,000	167,731	32,269
Support services - students and staff	100,000	99,713	287
Support services - administration	2,070,000	1,464,119	605,881
Operation and maintenance of plant services	10,000	1,804	8,196
Student transportation services	10,000	170	9,830
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,390,000</u>	<u>1,733,537</u>	<u>656,463</u>
Excess (deficiency) of revenues over expenditures	<u>(2,386,600)</u>	<u>(1,732,705)</u>	<u>653,895</u>
Other financing sources (uses):			
Transfers in	1,728,000	1,576,285	(151,715)
Transfers out			
Total other financing sources (uses)	<u>1,728,000</u>	<u>1,576,285</u>	<u>(151,715)</u>
Changes in fund balances	<u>(658,600)</u>	<u>(156,420)</u>	<u>502,180</u>
Fund balances (deficits), beginning of year	657,984	657,984	
Fund balances (deficits), end of year	<u>\$ (616)</u>	<u>\$ 501,564</u>	<u>\$ 502,180</u>

Grants and Gifts to Teachers			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 26,000	\$ 25,636	\$ (364)	\$ 25,160	\$ 247	\$ (24,913)
<u>26,000</u>	<u>25,636</u>	<u>(364)</u>	<u>25,160</u>	<u>247</u>	<u>(24,913)</u>
30,000	26,111	3,889	51,000		51,000
5,000	3,311	1,689			
<u>35,000</u>	<u>29,422</u>	<u>5,578</u>	<u>51,000</u>		<u>51,000</u>
<u>(9,000)</u>	<u>(3,786)</u>	<u>5,214</u>	<u>(25,840)</u>	<u>247</u>	<u>26,087</u>
<u>(9,000)</u>	<u>(3,786)</u>	<u>5,214</u>	<u>(25,840)</u>	<u>247</u>	<u>26,087</u>
8,226	8,226		25,136	25,136	
<u>\$ (774)</u>	<u>\$ 4,440</u>	<u>\$ 5,214</u>	<u>\$ (704)</u>	<u>\$ 25,383</u>	<u>\$ 26,087</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, 2018

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 5,037,195	\$ 5,537,920	\$ 500,725
State aid and grants	14,443,115	13,411,868	(1,031,247)
Federal aid, grants and reimbursements	26,212,728	22,649,954	(3,562,774)
Total revenues	<u>45,693,038</u>	<u>41,599,742</u>	<u>(4,093,296)</u>
Expenditures:			
Current -			
Instruction	32,294,806	26,103,502	6,191,304
Support services - students and staff	14,542,819	9,179,023	5,363,796
Support services - administration	2,625,000	1,914,451	710,549
Operation and maintenance of plant services	1,588,000	1,065,041	522,959
Student transportation services	502,717	259,198	243,519
Operation of non-instructional services	4,875,000	3,689,462	1,185,538
Capital outlay	436,000	184,783	251,217
Total expenditures	<u>56,864,342</u>	<u>42,395,460</u>	<u>14,468,882</u>
Excess (deficiency) of revenues over expenditures	<u>(11,171,304)</u>	<u>(795,718)</u>	<u>10,375,586</u>
Other financing sources (uses):			
Transfers in	1,728,000	1,576,285	(151,715)
Transfers out	(227,743)	(399,671)	(171,928)
Total other financing sources (uses)	<u>1,500,257</u>	<u>1,176,614</u>	<u>(323,643)</u>
Changes in fund balances	<u>(9,671,047)</u>	<u>380,896</u>	<u>10,051,943</u>
Fund balances (deficits), beginning of year	9,077,246	10,133,766	1,056,520
Fund balances (deficits), end of year	<u>\$ (593,801)</u>	<u>\$ 10,514,662</u>	<u>\$ 11,108,463</u>

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
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2018

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$ 133,000	\$ 22,655	\$ (110,345)
Property taxes	14,015,677	14,457,762	442,085
Total revenues	<u>14,148,677</u>	<u>14,480,417</u>	<u>331,740</u>
Expenditures:			
Debt service -			
Principal retirement	11,505,000	11,505,000	
Interest and fiscal charges	3,495,000	3,432,213	62,787
Total expenditures	<u>15,000,000</u>	<u>14,937,213</u>	<u>62,787</u>
Excess (deficiency) of revenues over expenditures	<u>(851,323)</u>	<u>(456,796)</u>	<u>394,527</u>
Other financing sources (uses):			
Transfers in		668,179	668,179
Total other financing sources (uses)		<u>668,179</u>	<u>668,179</u>
Changes in fund balances	<u>(851,323)</u>	<u>211,383</u>	<u>1,062,706</u>
Fund balances, beginning of year	851,323	958,207	106,884
Fund balances, end of year	<u>\$</u>	<u>\$ 1,169,590</u>	<u>\$ 1,169,590</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.

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
 COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2018**

	Adjacent Ways	Energy and Water Savings	Totals
<u>ASSETS</u>			
Cash and investments	\$ 15,949	\$ 777,600	\$ 793,549
Total assets	\$ 15,949	\$ 777,600	\$ 793,549
<u>LIABILITIES AND FUND BALANCES</u>			
Fund balances:			
Restricted	\$ 15,949	\$ 777,600	\$ 793,549
Total fund balances	15,949	777,600	793,549
Total liabilities and fund balances	\$ 15,949	\$ 777,600	\$ 793,549

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2018

	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>	<u>Totals</u>
Revenues:			
Other local	\$ 173	\$ 7,684	\$ 7,857
Total revenues	<u>173</u>	<u>7,684</u>	<u>7,857</u>
Expenditures:			
Capital outlay		48,419	48,419
Debt service -			
Principal retirement		329,460	329,460
Interest and fiscal charges		192,195	192,195
Total expenditures		<u>570,074</u>	<u>570,074</u>
Excess (deficiency) of revenues over expenditures	<u>173</u>	<u>(562,390)</u>	<u>(562,217)</u>
Other financing sources (uses):			
Transfers in		520,000	520,000
Total other financing sources (uses)		<u>520,000</u>	<u>520,000</u>
Changes in fund balances	<u>173</u>	<u>(42,390)</u>	<u>(42,217)</u>
Fund balances, beginning of year	15,776	819,990	835,766
Fund balances, end of year	<u>\$ 15,949</u>	<u>\$ 777,600</u>	<u>\$ 793,549</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, 2018

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 35,000	\$ 58,478	\$ 23,478
Property taxes	122,326	27,238	(95,088)
State aid and grants			
Total revenues	157,326	85,716	(71,610)
Expenditures:			
Current -			
Instruction	3,243,349	417,488	2,825,861
Support services - students and staff	426,658	24,301	402,357
Support services - administration	502,313	197,234	305,079
Operation and maintenance of plant services	590,367	60,802	529,565
Student transportation services	1,775,000	6,280	1,768,720
Operation of non-instructional services	12,877	671	12,206
Capital outlay	1,981,764	389,694	1,592,070
Debt service -			
Principal retirement	489,981	489,981	
Interest and fiscal charges	38,070	38,070	
Total expenditures	9,060,379	1,624,521	7,435,858
Excess (deficiency) of revenues over expenditures	(8,903,053)	(1,538,805)	7,364,248
Other financing sources (uses):			
Transfers in		4,537,869	4,537,869
Transfers out			
Total other financing sources (uses)		4,537,869	4,537,869
Changes in fund balances	(8,903,053)	2,999,064	11,902,117
Fund balances (deficits), beginning of year	6,080,810	6,098,689	17,879
Fund balances (deficits), end of year	\$ (2,822,243)	\$ 9,097,753	\$ 11,919,996

<u>Adjacent Ways</u>			<u>Bond Building</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$ 100	\$ 173	\$ 73	\$	\$ 463,413	\$ 463,413
100		(100)			
<u>200</u>	<u>173</u>	<u>(27)</u>		<u>463,413</u>	<u>463,413</u>
15,700		15,700	108,841,791	21,019,164	87,822,627
<u>15,700</u>		<u>15,700</u>	<u>108,841,791</u>	<u>21,019,164</u>	<u>87,822,627</u>
<u>(15,500)</u>	<u>173</u>	<u>15,673</u>	<u>(108,841,791)</u>	<u>(20,555,751)</u>	<u>88,286,040</u>
				<u>(463,413)</u>	<u>(463,413)</u>
				<u>(463,413)</u>	<u>(463,413)</u>
<u>(15,500)</u>	<u>173</u>	<u>15,673</u>	<u>(108,841,791)</u>	<u>(21,019,164)</u>	<u>87,822,627</u>
15,776	15,776		48,014,602	47,624,024	(390,578)
<u>\$ 276</u>	<u>\$ 15,949</u>	<u>\$ 15,673</u>	<u>\$ (60,827,189)</u>	<u>\$ 26,604,860</u>	<u>\$ 87,432,049</u>

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WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2018

	Energy and Water Savings		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$ 529,500	\$ 7,684	\$ (521,816)
Property taxes			
State aid and grants			
Total revenues	529,500	7,684	(521,816)
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	1,348,345	48,419	1,299,926
Debt service -			
Principal retirement	329,460	329,460	
Interest and fiscal charges	192,195	192,195	
Total expenditures	1,870,000	570,074	1,299,926
Excess (deficiency) of revenues over expenditures	(1,340,500)	(562,390)	778,110
Other financing sources (uses):			
Transfers in		520,000	520,000
Transfers out	520,000		(520,000)
Total other financing sources (uses)	520,000	520,000	
Changes in fund balances	(820,500)	(42,390)	778,110
Fund balances (deficits), beginning of year	819,990	819,990	
Fund balances (deficits), end of year	\$ (510)	\$ 777,600	\$ 778,110

Building Renewal Grant			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
			564,600	529,748	(34,852)
			122,426	27,238	(95,188)
<u>2,100,000</u>	<u>200,436</u>	<u>(1,899,564)</u>	<u>2,100,000</u>	<u>200,436</u>	<u>(1,899,564)</u>
<u>2,100,000</u>	<u>200,436</u>	<u>(1,899,564)</u>	<u>2,787,026</u>	<u>757,422</u>	<u>(2,029,604)</u>
			3,243,349	417,488	2,825,861
			426,658	24,301	402,357
			502,313	197,234	305,079
100,000	29,372	70,628	690,367	90,174	600,193
			1,775,000	6,280	1,768,720
			12,877	671	12,206
2,000,000	1,767,044	232,956	114,187,600	23,224,321	90,963,279
			819,441	819,441	
			230,265	230,265	
<u>2,100,000</u>	<u>1,796,416</u>	<u>303,584</u>	<u>121,887,870</u>	<u>25,010,175</u>	<u>96,877,695</u>
	<u>(1,595,980)</u>	<u>(1,595,980)</u>	<u>(119,100,844)</u>	<u>(24,252,753)</u>	<u>94,848,091</u>
				5,057,869	5,057,869
			520,000	(463,413)	(983,413)
			520,000	4,594,456	4,074,456
	<u>(1,595,980)</u>	<u>(1,595,980)</u>	<u>(118,580,844)</u>	<u>(19,658,297)</u>	<u>98,922,547</u>
	(70,760)	(70,760)	54,931,178	54,487,719	(443,459)
<u>\$</u>	<u>\$ (1,666,740)</u>	<u>\$ (1,666,740)</u>	<u>\$ (63,649,666)</u>	<u>\$ 34,829,422</u>	<u>\$ 98,479,088</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, 2018

	<u>Private School Consortium</u>	<u>Alternative Fuel</u>	<u>Totals</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 451,233	\$ 316,248	\$ 767,481
Total current assets	<u>451,233</u>	<u>316,248</u>	<u>767,481</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	455,815	868,433	1,324,248
Total noncurrent assets	<u>455,815</u>	<u>868,433</u>	<u>1,324,248</u>
Total assets	<u>907,048</u>	<u>1,184,681</u>	<u>2,091,729</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension and other postemployment benefit plan items	<u>109,532</u>		<u>109,532</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	45,473	2,509	47,982
Accrued payroll and employee benefits	16,085		16,085
Total current liabilities	<u>61,558</u>	<u>2,509</u>	<u>64,067</u>
Noncurrent liabilities:			
Non-current portion of long-term obligations	844,760		844,760
Total noncurrent liabilities	<u>844,760</u>		<u>844,760</u>
Total liabilities	<u>906,318</u>	<u>2,509</u>	<u>908,827</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension and other postemployment benefit plan items	<u>56,256</u>		<u>56,256</u>
<u>NET POSITION</u>			
Investment in capital assets	455,815	868,433	1,324,248
Unrestricted	(401,809)	313,739	(88,070)
Total net position	<u>\$ 54,006</u>	<u>\$ 1,182,172</u>	<u>\$ 1,236,178</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
ALL ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Private School Consortium</u>	<u>Alternative Fuel</u>	<u>Totals</u>
Operating revenues:			
Charges for services	\$ 1,024,812	\$ 80,326	\$ 1,105,138
Total operating revenues	<u>1,024,812</u>	<u>80,326</u>	<u>1,105,138</u>
Operating expenses:			
Cost of services	1,067,019	37,175	1,104,194
Depreciation	57,222	60,684	117,906
Total operating expenses	<u>1,124,241</u>	<u>97,859</u>	<u>1,222,100</u>
Operating income (loss)	<u>(99,429)</u>	<u>(17,533)</u>	<u>(116,962)</u>
Nonoperating revenues (expenses):			
Investment income	3,741	2,909	6,650
Total nonoperating revenues (expenses)	<u>3,741</u>	<u>2,909</u>	<u>6,650</u>
Changes in net position	<u>(95,688)</u>	<u>(14,624)</u>	<u>(110,312)</u>
Total net position, beginning of year	149,694	1,196,796	1,346,490
Total net position, end of year	<u>\$ 54,006</u>	<u>\$ 1,182,172</u>	<u>\$ 1,236,178</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF CASH FLOWS - ALL ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2018**

	Private School Consortium	Alternative Fuel	Totals
<u>Increase/Decrease in Cash and Cash Equivalents</u>			
Cash flows from operating activities:			
Cash received for services	\$ 1,024,812	\$ 80,326	\$ 1,105,138
Cash payments to suppliers for goods and services	(266,556)	(37,955)	(304,511)
Cash payments to employees for services	(691,020)		(691,020)
	67,236	42,371	109,607
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(118,994)		(118,994)
	(118,994)		(118,994)
Cash flows from investing activities:			
Investment income	3,741	2,909	6,650
	3,741	2,909	6,650
Net increase/decrease in cash and cash equivalents	(48,017)	45,280	(2,737)
Cash and cash equivalents, beginning of year	499,250	270,968	770,218
Cash and cash equivalents, end of year	\$ 451,233	\$ 316,248	\$ 767,481
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>			
Operating income/loss	\$ (99,429)	\$ (17,533)	\$ (116,962)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:			
Depreciation	57,222	60,684	117,906
Changes in assets and liabilities:			
Increase/decrease in accounts payable	39,634	(780)	38,854
Increase/decrease in accrued payroll and employee benefits	5,464		5,464
Change in pension items	64,345		64,345
	166,665	59,904	226,569
Total adjustments	166,665	59,904	226,569
Net cash provided by/used for operating activities	\$ 67,236	\$ 42,371	\$ 109,607

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, 2018

	<u>Employee Benefit Trust</u>	<u>Workers' Compensation</u>	<u>Property and Casualty Insurance</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 5,058,479	\$ 1,959,768	\$ 488,551
Accounts receivable	302,046		
Prepaid items			75,890
Total current assets	<u>5,360,525</u>	<u>1,959,768</u>	<u>564,441</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation			
Total noncurrent assets			
Total assets	<u>5,360,525</u>	<u>1,959,768</u>	<u>564,441</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable			44,768
Claims payable	3,628,000	1,073,604	205,256
Total current liabilities	<u>3,628,000</u>	<u>1,073,604</u>	<u>250,024</u>
Total liabilities	<u>3,628,000</u>	<u>1,073,604</u>	<u>250,024</u>
<u>NET POSITION</u>			
Investment in capital assets			
Unrestricted	1,732,525	886,164	314,417
Total net position	<u>\$ 1,732,525</u>	<u>\$ 886,164</u>	<u>\$ 314,417</u>

<u>Print Shop</u>	<u>Totals</u>
\$ 215,409	\$ 7,722,207
	302,046
	75,890
<u>215,409</u>	<u>8,100,143</u>
340,920	340,920
<u>340,920</u>	<u>340,920</u>
<u>556,329</u>	<u>8,441,063</u>
12,286	57,054
	4,906,860
<u>12,286</u>	<u>4,963,914</u>
<u>12,286</u>	<u>4,963,914</u>
340,920	340,920
203,123	3,136,229
<u>\$ 544,043</u>	<u>\$ 3,477,149</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Employee Benefit Trust</u>	<u>Workers' Compensation</u>	<u>Property and Casualty Insurance</u>
Operating revenues:			
Contributions	\$ 17,581,488	\$ 1,021,593	\$ 970,496
Charges for services			
Total operating revenues	<u>17,581,488</u>	<u>1,021,593</u>	<u>970,496</u>
Operating expenses:			
Claims	15,189,856	675,283	225,395
Premiums	949,604	78,309	950,862
Administrative and other	2,399,569	189,154	54,743
Cost of services			
Depreciation			
Total operating expenses	<u>18,539,029</u>	<u>942,746</u>	<u>1,231,000</u>
Operating income (loss)	<u>(957,541)</u>	<u>78,847</u>	<u>(260,504)</u>
Nonoperating revenues (expenses):			
Investment income	29,805	18,315	1,134
Total nonoperating revenues (expenses)	<u>29,805</u>	<u>18,315</u>	<u>1,134</u>
Changes in net position	<u>(927,736)</u>	<u>97,162</u>	<u>(259,370)</u>
Total net position, beginning of year	2,660,261	789,002	573,787
Total net position, end of year	<u>\$ 1,732,525</u>	<u>\$ 886,164</u>	<u>\$ 314,417</u>

<u>Print Shop</u>	<u>Totals</u>
\$	\$
432,769	19,573,577
<u>432,769</u>	<u>432,769</u>
	<u>20,006,346</u>
	16,090,534
	1,978,775
	2,643,466
386,322	386,322
73,835	73,835
<u>460,157</u>	<u>21,172,932</u>
<u>(27,388)</u>	<u>(1,166,586)</u>
<u>2,062</u>	<u>51,316</u>
<u>2,062</u>	<u>51,316</u>
<u>(25,326)</u>	<u>(1,115,270)</u>
569,369	4,592,419
<u>\$ 544,043</u>	<u>\$ 3,477,149</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	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	\$ 17,887,724	\$ 1,021,593	\$ 970,496
Cash received for services			
Cash payments to suppliers for goods and services	(3,349,173)	(267,463)	(951,401)
Cash payments for claims	(14,332,856)	(931,596)	(287,737)
Net cash provided by/used for operating activities	205,695	(177,466)	(268,642)
Cash flows from capital and related financing activities:			
Acquisition of capital assets			
Net cash provided by/used for capital and related financing activities			
Cash flows from investing activities:			
Investment income	29,805	18,315	1,134
Net cash provided by/used for investing activities	29,805	18,315	1,134
Net increase/decrease in cash and cash equivalents	235,500	(159,151)	(267,508)
Cash and cash equivalents, beginning of year	4,822,979	2,118,919	756,059
Cash and cash equivalents, end of year	\$ 5,058,479	\$ 1,959,768	\$ 488,551
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>			
Operating income/loss	\$ (957,541)	\$ 78,847	\$ (260,504)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:			
Depreciation			
Changes in assets and liabilities:			
Increase/decrease in accounts receivable	306,236		
Increase/decrease in prepaid items			24,616
Increase/decrease in accounts payable			29,588
Increase/decrease in claims payable	857,000	(256,313)	(62,342)
Total adjustments	1,163,236	(256,313)	(8,138)
Net cash provided by/used for operating activities	\$ 205,695	\$ (177,466)	\$ (268,642)

<u>Print Shop</u>	<u>Totals</u>
\$	\$
432,769	19,879,813
(393,663)	432,769
	(4,961,700)
	<u>(15,552,189)</u>
<u>39,106</u>	<u>(201,307)</u>
<u>(16,789)</u>	<u>(16,789)</u>
<u>(16,789)</u>	<u>(16,789)</u>
<u>2,062</u>	<u>51,316</u>
<u>2,062</u>	<u>51,316</u>
<u>24,379</u>	<u>(166,780)</u>
<u>191,030</u>	<u>7,888,987</u>
\$ <u><u>215,409</u></u>	\$ <u><u>7,722,207</u></u>
\$ (27,388)	\$ (1,166,586)
73,835	73,835
	306,236
	24,616
(7,341)	22,247
	<u>538,345</u>
<u>66,494</u>	<u>965,279</u>
\$ <u><u>39,106</u></u>	\$ <u><u>(201,307)</u></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, 2018**

	<u>Student Activities</u>	<u>Employee Withholding</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 159,340	\$ 166,053	\$ 325,393
Total assets	<u>\$ 159,340</u>	<u>\$ 166,053</u>	<u>\$ 325,393</u>
 <u>LIABILITIES</u>			
Deposits held for others	\$	\$ 166,053	\$ 166,053
Due to student groups	159,340		159,340
Total liabilities	<u>\$ 159,340</u>	<u>\$ 166,053</u>	<u>\$ 325,393</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2018

	<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>156,287</u>	\$ <u>129,775</u>	\$ <u>126,722</u>	\$ <u>159,340</u>
Total assets	\$ <u><u>156,287</u></u>	\$ <u><u>129,775</u></u>	\$ <u><u>126,722</u></u>	\$ <u><u>159,340</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>156,287</u>	\$ <u>129,775</u>	\$ <u>126,722</u>	\$ <u>159,340</u>
Total liabilities	\$ <u><u>156,287</u></u>	\$ <u><u>129,775</u></u>	\$ <u><u>126,722</u></u>	\$ <u><u>159,340</u></u>
<u>EMPLOYEE WITHHOLDING</u>				
<u>Assets</u>				
Cash and investments	\$ <u>146,225</u>	\$ <u>311,527</u>	\$ <u>291,699</u>	\$ <u>166,053</u>
Total assets	\$ <u><u>146,225</u></u>	\$ <u><u>311,527</u></u>	\$ <u><u>291,699</u></u>	\$ <u><u>166,053</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>146,225</u>	\$ <u>311,527</u>	\$ <u>291,699</u>	\$ <u>166,053</u>
Total liabilities	\$ <u><u>146,225</u></u>	\$ <u><u>311,527</u></u>	\$ <u><u>291,699</u></u>	\$ <u><u>166,053</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>302,512</u>	\$ <u>441,302</u>	\$ <u>418,421</u>	\$ <u>325,393</u>
Total assets	\$ <u><u>302,512</u></u>	\$ <u><u>441,302</u></u>	\$ <u><u>418,421</u></u>	\$ <u><u>325,393</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>146,225</u>	\$ <u>311,527</u>	\$ <u>291,699</u>	\$ <u>166,053</u>
Due to student groups	<u>156,287</u>	<u>129,775</u>	<u>126,722</u>	<u>159,340</u>
Total liabilities	\$ <u><u>302,512</u></u>	\$ <u><u>441,302</u></u>	\$ <u><u>418,421</u></u>	\$ <u><u>325,393</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental activities:					
Net investment in capital assets	\$ 171,036,125	\$ 164,180,762	\$ 152,225,774	\$ 147,843,966	\$ 140,651,648
Restricted	31,646,079	27,324,624	31,413,624	25,808,205	23,121,936
Unrestricted	(136,128,787)	(142,843,970)	(149,818,084)	(158,118,288)	27,173,827
Total governmental activities net position	\$ 66,553,417	\$ 48,661,416	\$ 33,821,314	\$ 15,533,883	\$ 190,947,411
Business-type activities:					
Net investment in capital assets	\$ 1,324,248	\$ 1,323,160	\$ 1,404,559	\$ 1,517,228	\$ 1,413,714
Restricted					
Unrestricted	(88,070)	23,330	162,316	56,297	786,635
Total business-type activities net position	\$ 1,236,178	\$ 1,346,490	\$ 1,566,875	\$ 1,573,525	\$ 2,200,349
Primary government:					
Net investment in capital assets	\$ 172,360,373	\$ 165,503,922	\$ 153,630,333	\$ 149,361,194	\$ 142,065,362
Restricted	31,646,079	27,324,624	31,413,624	25,808,205	23,121,936
Unrestricted	(136,216,857)	(142,820,640)	(149,655,768)	(158,061,991)	27,960,462
Total net position	\$ 67,789,595	\$ 50,007,906	\$ 35,388,189	\$ 17,107,408	\$ 193,147,760

(Continued)

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

	Fiscal Year Ended June 30				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities:					
Net investment in capital assets	\$ 134,338,769	\$ 131,154,280	\$ 126,084,903	\$ 119,499,966	\$ 113,210,283
Restricted	16,387,192	15,370,563	15,934,592	32,546,642	28,488,877
Unrestricted	38,585,487	51,127,160	48,705,719	30,721,294	28,729,147
Total governmental activities net position	<u>\$ 189,311,448</u>	<u>\$ 197,652,003</u>	<u>\$ 190,725,214</u>	<u>\$ 182,767,902</u>	<u>\$ 170,428,307</u>
Business-type activities:					
Net investment in capital assets	\$ 1,422,509	\$	\$	\$	\$
Restricted					
Unrestricted	913,615				
Total business-type activities net position	<u>\$ 2,336,124</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Primary government:					
Net investment in capital assets	\$ 135,761,278	\$ 131,154,280	\$ 126,084,903	\$ 119,499,966	\$ 113,210,283
Restricted	16,387,192	15,370,563	15,934,592	32,546,642	28,488,877
Unrestricted	39,499,102	51,127,160	48,705,719	30,721,294	28,729,147
Total net position	<u>\$ 191,647,572</u>	<u>\$ 197,652,003</u>	<u>\$ 190,725,214</u>	<u>\$ 182,767,902</u>	<u>\$ 170,428,307</u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Governmental activities:					
Instruction	\$ 105,181,329	\$ 106,648,242	\$ 102,834,169	\$ 99,473,480	\$ 99,497,671
Support services - students and staff	27,358,008	27,816,395	27,153,837	25,259,949	25,400,733
Support services - administration	16,094,942	16,477,056	16,019,927	16,863,927	19,545,606
Operation and maintenance of plant services	22,058,166	21,380,529	20,967,936	20,573,400	21,755,307
Student transportation services	8,601,342	8,825,125	8,685,581	8,931,677	8,921,262
Operation of non-instructional services	20,537,365	21,168,721	19,204,711	20,757,679	20,672,728
Interest on long-term debt	3,196,178	2,343,635	2,556,097	3,184,743	3,527,782
Total governmental activities	<u>203,027,330</u>	<u>204,659,703</u>	<u>197,422,258</u>	<u>195,044,855</u>	<u>199,321,089</u>
Business-type activities:					
Private school consortium	1,124,241	1,006,566	825,441	760,335	813,384
Alternative fuel	97,859	91,469	94,244	107,874	146,965
Total business-type activities	<u>1,222,100</u>	<u>1,098,035</u>	<u>919,685</u>	<u>868,209</u>	<u>960,349</u>
Total expenses	<u>204,249,430</u>	<u>205,757,738</u>	<u>198,341,943</u>	<u>195,913,064</u>	<u>200,281,438</u>
Program Revenues					
Governmental activities:					
Charges for services					
Instruction	799,325	818,477	834,514	857,280	755,459
Operation of non-instructional services	3,789,825	3,637,223	3,556,652	3,640,577	3,986,380
Other activities	101,531	356,744	106,743	64,020	103,159
Operating grants and contributions	43,691,986	42,887,352	41,811,603	39,616,244	37,619,978
Capital grants and contributions	1,720,923	2,244,306	1,712,149	95,728	106,271
Total governmental activities	<u>50,103,590</u>	<u>49,944,102</u>	<u>48,021,661</u>	<u>44,273,849</u>	<u>42,571,247</u>
Business-type activities:					
Charges for services					
Private school consortium	1,024,812	810,918	842,479	854,194	670,617
Alternative fuel	80,326	61,667	66,466	81,532	150,775
Total business-type activities	<u>1,105,138</u>	<u>872,585</u>	<u>908,945</u>	<u>935,726</u>	<u>821,392</u>
Total program revenues	<u>51,208,728</u>	<u>50,816,687</u>	<u>48,930,606</u>	<u>45,209,575</u>	<u>43,392,639</u>
Net (Expense)/Revenue	<u><u>\$ (153,040,702)</u></u>	<u><u>\$ (154,941,051)</u></u>	<u><u>\$ (149,411,337)</u></u>	<u><u>\$ (150,703,489)</u></u>	<u><u>\$ (156,888,799)</u></u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses					
Governmental activities:					
Instruction	\$ 96,287,120	\$ 95,655,933	\$ 96,302,960	\$ 98,377,469	\$ 117,265,653
Support services - students and staff	24,437,353	22,683,312	23,438,972	24,283,027	25,761,443
Support services - administration	16,847,819	15,851,740	15,161,986	16,586,101	17,017,140
Operation and maintenance of plant services	21,464,307	20,505,294	20,006,076	20,421,447	21,856,335
Student transportation services	10,322,705	8,352,478	8,219,151	8,720,012	8,960,848
Operation of non-instructional services	19,580,110	17,777,812	17,216,475	16,360,922	15,158,592
Interest on long-term debt	4,451,926	4,065,351	4,319,857	4,498,547	4,768,597
Total governmental activities	<u>193,391,340</u>	<u>184,891,920</u>	<u>184,665,477</u>	<u>189,247,525</u>	<u>210,788,608</u>
Business-type activities:					
Private school consortium	971,139				
Alternative fuel	81,577				
Total business-type activities	<u>1,052,716</u>				
Total expenses	<u>194,444,056</u>	<u>184,891,920</u>	<u>184,665,477</u>	<u>189,247,525</u>	<u>210,788,608</u>
Program Revenues					
Governmental activities:					
Charges for services					
Instruction	860,809	837,596	600,792	393,270	758,398
Operation of non-instructional services	3,294,615	3,876,383	3,851,113	2,914,250	3,159,713
Other activities	164,133	117,199	207,273	875,928	2,356,020
Operating grants and contributions	38,718,810	48,386,041	50,249,772	55,573,950	41,423,780
Capital grants and contributions					
Total governmental activities	<u>43,038,367</u>	<u>53,217,219</u>	<u>54,908,950</u>	<u>59,757,398</u>	<u>47,697,911</u>
Business-type activities:					
Charges for services					
Private school consortium	778,214				
Alternative fuel	164,943				
Total business-type activities	<u>943,157</u>				
Total program revenues	<u>43,981,524</u>	<u>53,217,219</u>	<u>54,908,950</u>	<u>59,757,398</u>	<u>47,697,911</u>
Net (Expense)/Revenue	<u>\$ (150,462,532)</u>	<u>\$ (131,674,701)</u>	<u>\$ (129,756,527)</u>	<u>\$ (129,490,127)</u>	<u>\$ (163,090,697)</u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense)/Revenue	\$ (153,040,702)	\$ (154,941,051)	\$ (149,411,337)	\$ (150,703,489)	\$ (156,888,799)
General Revenues:					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	44,183,867	42,324,539	40,734,144	40,529,370	41,086,061
Property taxes, levied for debt service	14,421,219	14,619,586	16,204,896	15,992,162	16,105,036
Property taxes, levied for capital outlay		3,213,058	1,554,523	2,911,214	2,569,357
Investment income	896,899	480,040	333,876	208,981	360,314
Other					
Gain (loss) on disposal of capital assets					
Special items					
Unrestricted county aid	9,685,188	9,376,533	9,213,359	8,780,891	8,061,126
Unrestricted state aid	99,673,014	97,832,022	97,860,492	93,009,088	89,230,772
Unrestricted federal aid	1,927,651	1,709,925	1,786,738	640,647	973,139
Total governmental activities	<u>170,787,838</u>	<u>169,555,703</u>	<u>167,688,028</u>	<u>162,072,353</u>	<u>158,385,805</u>
General Revenues:					
Business-type activities:					
Investment income	<u>6,650</u>	<u>5,065</u>	<u>4,090</u>	<u>3,073</u>	<u>3,182</u>
Total business-type activities	<u>6,650</u>	<u>5,065</u>	<u>4,090</u>	<u>3,073</u>	<u>3,182</u>
Changes in Net Position	<u>\$ 17,753,786</u>	<u>\$ 14,619,717</u>	<u>\$ 18,280,781</u>	<u>\$ 11,371,937</u>	<u>\$ 1,500,188</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (Expense)/Revenue	\$ (150,462,532)	\$ (131,674,701)	\$ (129,756,527)	\$ (129,490,127)	\$ (163,090,697)
General Revenues:					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	51,976,289 *	57,336,243 *	52,881,727 *	57,360,259 *	68,672,108 *
Property taxes, levied for debt service					
Property taxes, levied for capital outlay					
Investment income	250,924	611,471	564,347	866,943	1,882,516
Other		814,480	957,518	1,842,065	1,914,375
Gain (loss) on disposal of capital assets					1,006,564
Special items					(797,653)
Unrestricted county aid	7,786,874				
Unrestricted state aid	83,833,717	79,839,296	83,310,247	81,760,455	97,000,637
Unrestricted federal aid	606,560				
Total general revenues	<u>144,454,364</u>	<u>138,601,490</u>	<u>137,713,839</u>	<u>141,829,722</u>	<u>169,678,547</u>
Net (Expense)/Revenue					
Business-type activities:					
Investment income	<u>3,737</u>				
Total business-type activities	<u>3,737</u>				
Changes in Net Position	<u>\$ (6,004,431)</u>	<u>\$ 6,926,789</u>	<u>\$ 7,957,312</u>	<u>\$ 12,339,595</u>	<u>\$ 6,587,850</u>

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

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal year 2008-09.

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nonspendable	\$ 638,005	\$ 693,334	\$ 1,094,793	\$ 704,702	\$ 672,748
Restricted	9,681,337	6,567,759	8,202,561	4,566,212	4,142,611
Committed					
Assigned					
Unassigned	23,528,106	20,967,868	17,358,336	10,439,133	9,747,586
Reserved					
Unreserved					
Total General Fund	<u>\$ 33,847,448</u>	<u>\$ 28,228,961</u>	<u>\$ 26,655,690</u>	<u>\$ 15,710,047</u>	<u>\$ 14,562,945</u>
All Other Governmental Funds:					
Nonspendable	\$ 188,933	\$ 147,429	\$ 133,406	\$ 138,187	\$ 120,475
Restricted	47,946,273	67,229,496	45,807,388	26,002,278	23,118,195
Committed					
Assigned					
Unassigned	(2,565,217)	(100,801)	(121,156)	(40,728)	
Reserved					
Unreserved, reported in:					
Special revenue funds					
Capital projects funds					
Debt service fund					
Total all other governmental funds	<u>\$ 45,569,989</u>	<u>\$ 67,276,124</u>	<u>\$ 45,819,638</u>	<u>\$ 26,099,737</u>	<u>\$ 23,238,670</u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:					
Nonspendable	\$ 606,151	\$ 648,293	\$ 598,955	\$	\$
Restricted	259,946	249,987	239,976		
Committed					
Assigned	695,977	2,200,000	1,000,000		
Unassigned	15,450,753	23,777,607	22,280,697		
Reserved				580,116	684,173
Unreserved				6,255,374	1,251,979
Total General Fund	<u>\$ 17,012,827</u>	<u>\$ 26,875,887</u>	<u>\$ 24,119,628</u>	<u>\$ 6,835,490</u>	<u>\$ 1,936,152</u>
All Other Governmental Funds:					
Nonspendable	\$ 123,416	\$ 99,789	\$ 95,444	\$	\$
Restricted	21,794,618	17,349,012	25,305,337		
Committed					
Assigned					
Unassigned					
Reserved				102,138	75,845
Unreserved, reported in:					
Special revenue funds				12,981,586	10,576,112
Capital projects funds				9,213,790	12,471,973
Debt service fund				11,281,870	9,415,245
Total all other governmental funds	<u>\$ 21,918,034</u>	<u>\$ 17,448,801</u>	<u>\$ 25,400,781</u>	<u>\$ 33,579,384</u>	<u>\$ 32,539,175</u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Federal sources:					
Federal grants	\$ 22,649,954	\$ 26,546,492	\$ 24,952,307	\$ 22,715,570	\$ 21,117,016
National School Lunch Program	18,744,599	18,923,117	18,714,302	16,967,915	15,118,150
Total federal sources	<u>41,394,553</u>	<u>45,469,609</u>	<u>43,666,609</u>	<u>39,683,485</u>	<u>36,235,166</u>
State sources:					
State equalization assistance	88,885,938	88,507,150	88,642,833	84,341,877	80,526,567
State grants	2,624,792	159,999	188,186	174,932	804,741
School Facilities Board	200,436	100,125	138,378		
Other revenues	10,787,076	9,324,872	9,217,659	8,667,211	8,704,205
Total state sources	<u>102,498,242</u>	<u>98,092,146</u>	<u>98,187,056</u>	<u>93,184,020</u>	<u>90,035,513</u>
Local sources:					
Property taxes	58,754,113	60,419,448	59,774,527	59,342,671	59,004,911
County aid	9,685,188	9,376,533	9,213,359	8,780,891	8,061,126
Food service sales	204,100	307,393	510,560	725,566	883,187
Investment income	846,583	433,484	299,089	212,054	330,333
Other revenues	5,465,267	5,424,755	4,914,355	4,880,569	4,812,307
Total local sources	<u>74,955,251</u>	<u>75,961,613</u>	<u>74,711,890</u>	<u>73,941,751</u>	<u>73,091,864</u>
Total revenues	<u><u>\$ 218,848,046</u></u>	<u><u>\$ 219,523,368</u></u>	<u><u>\$ 216,565,555</u></u>	<u><u>\$ 206,809,256</u></u>	<u><u>\$ 199,362,543</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Federal sources:					
Federal grants	\$ 21,427,638	\$ 25,586,389	\$ 27,480,698	\$	\$
National School Lunch Program	14,550,077	13,416,071	12,550,100		
Total federal sources	<u>35,977,715</u>	<u>39,002,460</u>	<u>40,030,798</u>		
State sources:					
State equalization assistance	86,982,842	83,096,833	87,861,045		
State grants	7,368,386	6,126,044	5,668,177		
Other revenues					
Total state sources	<u>94,351,228</u>	<u>89,222,877</u>	<u>93,529,222</u>		
Intergovernmental				<u>145,504,533</u>	<u>130,373,366</u>
Local sources:					
Property taxes	52,278,031	57,063,913	52,940,965	55,938,271	66,881,917
County aid					
Food service sales	982,965	1,081,538	1,095,450	1,234,802	1,522,731
Investment income	219,265	553,258	483,209	772,985	1,608,295
Other revenues	4,936,669	4,466,985	4,521,246	4,790,711	6,546,751
Total local sources	<u>58,416,930</u>	<u>63,165,694</u>	<u>59,040,870</u>	<u>62,736,769</u>	<u>76,559,694</u>
Total revenues	<u><u>\$ 188,745,873</u></u>	<u><u>\$ 191,391,031</u></u>	<u><u>\$ 192,600,890</u></u>	<u><u>\$ 208,241,302</u></u>	<u><u>\$ 206,933,060</u></u>

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

- Notes:** 1) The Arizona State Legislature suspended county equalization payments to school districts for fiscal year 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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenditures:					
Current -					
Instruction	\$ 103,279,316	\$ 103,756,910	\$ 96,624,633	\$ 96,153,216	\$ 93,717,118
Support services - students and staff	28,212,618	28,574,859	27,339,907	25,232,512	24,034,750
Support services - administration	15,554,205	15,967,810	15,341,259	16,057,968	15,536,516
Operation and maintenance of plant services	19,541,280	18,582,265	17,661,743	17,133,331	18,381,447
Student transportation services	7,784,249	8,150,047	7,870,766	8,161,998	7,601,273
Operation of non-instructional services	20,491,207	21,057,220	19,027,664	20,573,969	19,809,292
Capital outlay	24,072,075	17,871,595	11,662,549	6,555,118	14,422,452
Debt service -					
Judgements against the district					
Interest and fiscal charges	3,662,478	2,588,254	2,708,821	3,337,467	3,680,506
Principal retirement	12,324,441	18,257,051	14,748,350	14,121,124	13,299,276
Bond issuance costs		278,020	145,492	24,050	24,100
Total expenditures	<u><u>\$ 234,921,869</u></u>	<u><u>\$ 235,084,031</u></u>	<u><u>\$ 213,131,184</u></u>	<u><u>\$ 207,350,753</u></u>	<u><u>\$ 210,506,730</u></u>
Expenditures for capitalized assets	\$ 22,329,644	\$ 17,242,995	\$ 11,504,989	\$ 6,389,320	\$ 8,117,800
Debt service as a percentage of noncapital expenditures	8%	10%	9%	9%	8%

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures:					
Current -					
Instruction	\$ 93,736,675	\$ 91,410,445	\$ 93,436,783	\$ 95,382,583	\$ 110,896,410
Support services - students and staff	24,748,411	22,509,492	23,522,232	24,445,641	25,441,760
Support services - administration	15,300,720	14,366,216	14,553,115	15,576,253	15,765,520
Operation and maintenance of plant services	18,880,306	17,918,737	18,183,028	18,299,725	19,410,991
Student transportation services	9,066,412	9,093,523	7,964,428	9,045,909	8,274,958
Operation of non-instructional services	19,401,013	17,582,358	17,164,310	17,539,169	17,435,562
Capital outlay	18,384,635	7,197,451	2,452,543	6,206,156	20,529,424
Debt service -					
Judgements against the district					797,653
Interest and fiscal charges	4,192,759	4,151,391	4,391,286	4,559,541	5,015,522
Principal retirement	13,437,039	12,410,822	11,927,791	11,613,857	11,211,725
Bond issuance costs	319,439		212,540		
Total expenditures	<u>\$ 217,467,409</u>	<u>\$ 196,640,435</u>	<u>\$ 193,808,056</u>	<u>\$ 202,668,834</u>	<u>\$ 234,779,525</u>
Expenditures for capitalized assets	\$ 22,394,368	\$ 8,933,690	\$ 4,800,749	\$ 7,884,467	\$ 23,224,044
Debt service as a percentage of noncapital expenditures	9%	9%	9%	8%	8%

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ (16,073,823)	\$ (15,560,663)	\$ 3,434,371	\$ (541,497)	\$ (11,144,187)
Other financing sources (uses):					
General obligation bonds issued		33,555,000	25,500,000	4,500,000	5,000,000
Premium on sale of bonds		3,674,792	918,929		
Capital lease agreements		1,748,064	426,934		5,864,900
Transfers in	2,764,464	1,920,295	3,177,753	1,895,772	1,622,419
Transfers out	(2,764,464)	(1,920,295)	(3,177,753)	(1,895,772)	(1,622,419)
Total other financing sources (uses)		<u>38,977,856</u>	<u>26,845,863</u>	<u>4,500,000</u>	<u>10,864,900</u>
Changes in fund balances	<u>\$ (16,073,823)</u>	<u>\$ 23,417,193</u>	<u>\$ 30,280,234</u>	<u>\$ 3,958,503</u>	<u>\$ (279,287)</u>
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Excess (deficiency) of revenues over expenditures	\$ (28,721,536)	\$ (5,249,404)	\$ (1,207,166)	\$ 5,572,468	\$ (27,846,465)
Other financing sources (uses):					
General obligation bonds issued	20,000,000		10,000,000		
Premium on sale of bonds	933,589		300,556		
Capital lease agreements	2,412,635			357,180	2,558,224
Transfers in	1,753,837	1,183,613	1,596,391	4,851,589	1,425,865
Transfers out	(1,753,837)	(1,183,613)	(1,596,391)	(4,851,589)	(1,425,865)
Total other financing sources (uses)	<u>23,346,224</u>	<u></u>	<u>10,300,556</u>	<u>357,180</u>	<u>2,558,224</u>
Changes in fund balances	<u>\$ (5,375,312)</u>	<u>\$ (5,249,404)</u>	<u>\$ 9,093,390</u>	<u>\$ 5,929,648</u>	<u>\$ (25,288,241)</u>

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 503,747,626	\$ 477,227,516	\$ 464,736,999	\$ 472,181,411	\$ 485,838,284
Agricultural and Vacant	14,016,698	12,881,777	18,838,328	17,842,349	23,067,497
Residential (Owner Occupied)	481,888,173	456,022,508	433,480,548	417,896,904	395,683,367
Residential (Rental)	206,976,139	196,732,743	185,389,793	170,725,842	151,279,607
Historical Property	50,813	42,142	40,341	108,115	107,971
Certain Government Property Improvements	82,366	79,022	101,399	101,963	71,136
Total	\$ 1,206,761,815	\$ 1,142,985,708	\$ 1,102,587,408	\$ 1,078,856,584	\$ 1,056,047,862
Gross Full Cash Value	\$ 15,769,241,274	\$ 14,509,954,943	\$ 13,228,634,436	\$ 10,484,096,797	\$ 9,467,272,155
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	8%	10%	11%
Total Direct Rate	5.21	5.63	5.78	5.70	6.02

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 536,566,162	\$ 579,720,714	\$ 725,098,667	\$ 735,720,516	\$ 694,191,956
Agricultural and Vacant	27,014,320	29,116,900	35,428,644	30,234,334	30,782,822
Residential (Owner Occupied)	467,196,013	552,197,999	723,837,868	915,060,239	835,901,644
Residential (Rental)	140,976,564	161,371,870	221,975,671	231,105,357	202,087,114
Historical Property	121,435	74,699	251,582	188,200	70,415
Certain Government Property Improvements	79,365				
Total	\$ 1,171,953,859	\$ 1,322,575,609	\$ 1,706,592,432	\$ 1,912,308,646	\$ 1,763,033,951
Gross Full Cash Value	\$ 10,327,375,233	\$ 11,732,224,759	\$ 15,406,725,213	\$ 19,155,917,245	\$ 19,576,459,825
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	11%	10%	9%
Total Direct Rate	4.71	4.61	3.38	3.08	3.69

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 604,216,777	\$ 540,833,512	\$ 482,548,361	\$ 477,395,349	\$ 486,699,613
Agricultural and Vacant	20,264,718	17,044,596	21,105,862	18,691,974	23,256,358
Residential (Owner Occupied)	717,074,405	677,123,813	635,669,446	453,825,849	396,879,515
Residential (Rental)	329,833,257	294,898,987	264,011,064	191,757,548	154,128,545
Historical Property	80,355	67,775	63,665	314,954	320,400
Certain Government Property Improvements	103,842	95,055	107,594	103,652	71,136
Total	\$ 1,671,573,354	\$ 1,530,063,738	\$ 1,403,505,992	\$ 1,142,089,326	\$ 1,061,355,567
Gross Full Cash Value	\$ 15,769,241,274	\$ 14,509,954,943	\$ 13,228,634,436	\$ 10,484,096,797	\$ 9,467,272,155
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	\$ 13,591,332,804	\$ 12,489,262,212	\$ 11,338,332,132	\$ 8,791,063,652	\$ 7,912,752,725
Total Direct Rate	5.21	5.63	5.78	5.70	6.02

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 537,112,888	\$ 580,807,450	\$ 775,772,528	\$ 855,894,214	\$ 794,168,072
Agricultural and Vacant	27,227,906	29,735,357	43,207,330	42,232,397	45,505,270
Residential (Owner Occupied)	468,675,857	553,225,987	724,641,151	1,025,049,246	1,146,323,316
Residential (Rental)	141,505,000	161,519,148	230,778,080	279,860,694	268,960,914
Historical Property	349,360	263,469	1,018,959	828,080	323,900
Certain Government Property Improvements	79,365				
Total	\$ 1,174,950,376	\$ 1,325,644,838	\$ 1,775,418,048	\$ 2,203,864,631	\$ 2,255,281,472
Gross Full Cash Value	\$ 10,327,375,233	\$ 11,732,224,759	\$ 15,406,725,213	\$ 19,155,917,245	\$ 19,576,459,825
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	12%	12%	12%
Estimated Net Full Cash Value	\$ 8,716,991,986	\$ 9,946,112,208	\$ 13,171,240,475	\$ 16,783,587,477	\$ 17,481,375,746
Total Direct Rate	4.71	4.61	3.38	3.08	3.69

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

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	21 %	22 %	23 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	17	18	20

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

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

**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 Equalization	County	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Glendale	Primary	Secondary	Total
	2018	0.49	1.40	0.18	1.41	0.14	2.16	2.08	2.57	2.64
2017	0.50	1.40	0.18	1.47	0.14	2.17	2.15	2.83	2.80	5.63
2016	0.51	1.36	0.16	1.49	0.14	1.82	2.19	2.82	2.96	5.78
2015	0.51	1.32	0.14	1.52	0.14	1.82	2.15	2.92	2.78	5.70
2014	0.51	1.28	0.14	1.53	0.14	1.82	2.29	3.05	2.97	6.02
2013	0.47	1.24	0.18	1.38	0.10	1.82	1.90	2.04	2.67	4.71
2012	0.43	1.24	0.18	1.21	0.10	1.82	1.60	2.43	2.18	4.61
2011	0.36	1.05	0.15	0.97	0.10	1.82	1.60	1.94	1.44	3.38
2010	0.33	0.99	0.14	0.88	0.10	1.82	1.60	1.66	1.42	3.08
2009		1.03	0.14	0.94	0.10	1.82	1.60	2.14	1.55	3.69

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

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

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

Taxpayer	2018		2009	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Arizona Public Service Company	\$ 134,577,073	11.15 %	\$ 90,986,590	4.04 %
Arizona Public Service Company (CWIP)	14,182,886	1.18		
Qwest Corporation	9,565,813	0.79	22,784,424	1.01
VHS of Phoenix Inc	7,422,663	0.62	9,810,977	0.44
Canyon Corporate Plaza Properties LLC	6,615,000	0.55	11,029,850	0.49
M2 Phoenix 1222 LLC	6,481,691	0.54		
Bay Pacific Phoenix Corporate Center	5,048,777	0.42	11,083,880	0.49
Wal Mart Stores Inc	4,864,778	0.40		
Southwest Gas Corporation (T&D)	4,430,238	0.37		
Bell Towne Centre Associates LLC	4,112,487	0.34	10,336,457	0.46
TP Racing LLP			14,325,607	0.64
Metrorising Ams Owner LLC			13,435,795	0.60
PDG America Properties LLC			11,219,254	0.50
The Lamar Group			8,727,610	0.39
Total	<u>\$ 197,301,406</u>	<u>16.36 %</u>	<u>\$ 203,740,444</u>	<u>9.06 %</u>

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

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

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

Fiscal Year Ended June 30	Adopted Taxes Levied for the Fiscal Year	Adjusted Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 62,904,606	\$ 62,681,619	\$ 60,471,626	96.13 %	\$	\$ 60,471,626	96.13 %
2017	64,598,260	64,302,573	61,845,672	95.74	2,442,554	64,288,226	99.52
2016	63,865,622	63,598,846	62,526,782	97.90	1,046,973	63,573,755	99.54
2015	63,385,373	62,817,245	60,878,648	96.05	1,905,423	62,784,071	99.05
2014	63,427,847	62,801,530	60,695,060	95.69	2,090,254	62,785,314	98.99
2013	55,507,371	54,669,376	53,174,793	95.80	1,491,010	54,665,803	98.48
2012	60,907,130	60,380,469	58,011,623	95.25	1,919,165	59,930,788	98.40
2011	58,521,650	57,819,027	56,065,697	95.80	1,749,028	57,814,725	98.79
2010	63,161,121	62,357,763	57,874,718	91.63	2,429,875	60,304,593	95.48
2009	72,821,698	72,353,090	68,433,791	93.97	3,281,746	71,715,537	98.48

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	
2018	\$ 100,561,092	\$ 1,304,957	\$ 99,256,135	0.63 %	\$ 439	\$ 6,018,186	\$ 106,579,278	0.68 %	\$ 471	N/A %	
2017	114,067,392	1,130,117	112,937,275	0.78	493	6,837,627	120,905,019	0.83	527	0.07	
2016	95,068,169	5,589,720	89,478,449	0.68	363	6,386,614	101,454,783	0.77	412	0.06	
2015	82,277,915	4,761,843	77,516,072	0.74	332	6,808,030	89,085,945	0.85	382	0.05	
2014	90,871,590	4,810,140	86,061,450	0.91	368	7,619,154	98,490,744	1.04	421	0.06	
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	

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, 2018**

Governmental Unit	Debt Outstanding	Net Full Cash Assessed Value	Net Limited Assessed Value	Estimated Percentage Applicable to School District	Estimated Amount Applicable to School District
Overlapping:					
State of Arizona	\$ None	\$ 71,673,967,461	\$ 59,406,279,473	2.02 %	\$ None
Maricopa County	None	48,351,864,363	38,251,891,249	3.16	None
Maricopa Community College District	445,570,000	48,351,864,363	38,251,891,249	3.16	14,080,012
Maricopa Country Fire District Assistance Tax	N/A	48,351,864,363	38,251,891,249	N/A	N/A
Maricopa County Special Healthcare District	112,000,000	48,351,864,363	38,251,891,249	3.16	3,539,200
Maricopa County Library District	N/A	48,351,864,363	38,251,891,249	N/A	N/A
Maricopa County Flood Control District	N/A	N/A	34,709,158,781	N/A	N/A
Central Arizona Water Conservation District	N/A	48,351,864,363	38,251,891,249	N/A	N/A
City of Glendale	134,435,000	1,519,664,662	1,227,220,727	2.52	3,387,762
City of Phoenix	1,201,405,000	14,008,918,676	11,721,385,399	10.16	122,062,748
Glendale Union High School District No. 205	116,850,000	1,897,996,770	1,400,607,317	81.61	95,361,285
Western Maricopa Education Center District	141,255,000	16,503,866,823	13,271,790,771	8.60	12,147,930
Subtotal, Overlapping Debt					<u>250,578,937</u>
Direct:					
Washington Elementary School District No. 6					<u>106,579,278</u>
Total Direct and Overlapping Governmental Activities Debt					<u>\$ 357,158,215</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	8.22 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	\$ 1,547
As a Percentage of Net Limited Assessed Valuation	28.99 %
As a Percentage of Gross Full Cash Value	2.22 %

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
2) Outstanding debt as of June 30, 2017 is presented for the overlapping governments as this is the most recent available information.
3) N/A indicates that the information is not available.

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

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2018:

Net full cash assessed valuation	\$ 1,671,573,354
Debt limit (10% of assessed value)	167,157,335
Debt applicable to limit	<u>99,225,000</u>
Legal debt margin	<u><u>\$ 67,932,335</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2018:

Net full cash assessed valuation	\$ 1,671,573,354
Debt limit (15% of assessed value)	250,736,003
Debt applicable to limit	<u>99,225,000</u>
Legal debt margin	<u><u>\$ 151,511,003</u></u>

Fiscal Year Ended June 30

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 250,736,003	\$ 229,509,561	\$ 210,525,899	\$ 171,313,399	\$ 159,203,335
Total net debt applicable to limit	<u>99,225,000</u>	<u>112,265,000</u>	<u>89,165,000</u>	<u>80,895,000</u>	<u>89,170,000</u>
Legal debt margin	<u><u>\$ 151,511,003</u></u>	<u><u>\$ 117,244,561</u></u>	<u><u>\$ 121,360,899</u></u>	<u><u>\$ 90,418,399</u></u>	<u><u>\$ 70,033,335</u></u>
Total net debt applicable to the limit as a percentage of debt limit	40%	49%	42%	47%	56%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 176,242,556	\$ 198,846,726	\$ 266,312,707	\$ 330,579,695	\$ 338,292,221
Total net debt applicable to limit	<u>44,859,378</u>	<u>56,465,217</u>	<u>80,158,243</u>	<u>72,678,130</u>	<u>91,835,965</u>
Legal debt margin	<u><u>\$ 131,383,178</u></u>	<u><u>\$ 142,381,509</u></u>	<u><u>\$ 186,154,464</u></u>	<u><u>\$ 257,901,565</u></u>	<u><u>\$ 246,456,256</u></u>
Total net debt applicable to the limit as a percentage of debt limit	25%	28%	30%	22%	27%

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 outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.

2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

**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>
2017	4,221,684	\$ N/A	\$ N/A	4.2 %	226,136
2016	4,137,076	185,111,698	43,628	4.6	229,248
2015	4,076,438	175,437,829	42,092	5.3	246,256
2014	4,087,191	168,483,421	41,222	5.9	233,511
2013	4,013,164	160,537,029	40,003	6.0	234,177
2012	3,942,868	159,384,756	40,424	7.1	222,464
2011	3,870,076	151,026,789	39,024	8.4	233,166
2010	3,823,609	142,690,740	37,318	9.6	225,909
2009	3,803,779	140,611,698	36,966	9.0	251,689
2008	3,771,061	148,601,191	39,406	5.2	255,695

Sources: The source of the estimated District population is the City of Phoenix and the Maricopa Association of Government.

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

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

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

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

<u>Employer</u>	<u>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	36,310	1.58 %	50,935	2.55 %
Banner Health Systems	34,766	1.51	23,100	1.16
Wal-Mart Stores Inc.	34,090	1.49	32,815	1.64
Wells Fargo Company	14,818	0.65	14,000	0.70
City of Phoenix	13,776	0.60	17,070	0.86
Maricopa County	12,939	0.56	14,015	0.70
Arizona State University	12,715	0.55	13,005	0.65
US Postal Service	7,318	0.32	10,545	0.53
American Express Co.	7,174	0.31		
Honeywell Aerospace	6,814	0.30	12,600	0.63
US Airways			9,935	0.50
Total	<u>180,720</u>	<u>7.87 %</u>	<u>198,020</u>	<u>9.92 %</u>
Total employment	<u>2,295,092</u>		<u>1,995,000</u>	

Source: This information is for Metropolitan Phoenix. The source of this information is the Business Journal Book of Lists.

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Supervisory					
Instructional administrators	12	12	11	11	11
Noninstructional administrators	12	12	18	17	15
Consultants/supervisors of instruction	5	5	12	7	11
Principals	32	32	32	32	32
Assistant principals	18	18	18	17	15
Total supervisory	<u>79</u>	<u>79</u>	<u>91</u>	<u>84</u>	<u>84</u>
Instruction					
Elementary classroom teachers	661	657	675	682	683
Secondary classroom teachers	183	181	176	174	175
Other teachers	485	479	480	473	448
Other professionals	187	185	178	176	119
Aides	548	541	561	554	560
Total instruction	<u>2,064</u>	<u>2,043</u>	<u>2,070</u>	<u>2,059</u>	<u>1,985</u>
Student Services					
Visiting teachers/social workers	30	30	28	28	28
Psychologist	26	26	25	24	24
Librarians	10	10	10	10	10
Other professionals (noninstructional)					49
Technicians	30	30	31	31	31
Total student services	<u>96</u>	<u>96</u>	<u>94</u>	<u>93</u>	<u>142</u>
Support and Administration					
Clerical/secretarial	342	346	331	328	314
Service workers	174	172	163	160	160
Skilled crafts	104	104	98	100	98
Unskilled laborers	340	342	324	308	314
Total support and administration	<u>960</u>	<u>964</u>	<u>916</u>	<u>896</u>	<u>886</u>
Total	<u><u>3,199</u></u>	<u><u>3,182</u></u>	<u><u>3,171</u></u>	<u><u>3,132</u></u>	<u><u>3,097</u></u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Supervisory					
Instructional administrators	10	10	10	11	13
Noninstructional administrators	13	13	13	13	15
Consultants/supervisors of instruction	5	5	5	4	4
Principals	32	32	32	34	33
Assistant principals	13	12	10	10	9
Total supervisory	<u>73</u>	<u>72</u>	<u>70</u>	<u>72</u>	<u>74</u>
Instruction					
Elementary classroom teachers	655	647	653	674	713
Secondary classroom teachers	175	176	191	195	202
Other teachers	449	423	431	439	421
Other professionals	113	110	110	118	120
Aides	546	507	501	502	509
Total instruction	<u>1,938</u>	<u>1,863</u>	<u>1,886</u>	<u>1,928</u>	<u>1,965</u>
Student Services					
Visiting teachers/social workers	26	20	19	19	17
Psychologist	23	26	26	28	24
Librarians	11	11	13	14	15
Other professionals (noninstructional)	51	72	69	78	77
Technicians	29	28	24	24	24
Total student services	<u>140</u>	<u>157</u>	<u>151</u>	<u>163</u>	<u>157</u>
Support and Administration					
Clerical/secretarial	299	290	293	296	284
Service workers	254	151	153	157	161
Skilled crafts	98	99	98	106	103
Unskilled laborers	309	295	295	301	303
Total support and administration	<u>960</u>	<u>835</u>	<u>839</u>	<u>860</u>	<u>851</u>
Total	<u><u>3,111</u></u>	<u><u>2,927</u></u>	<u><u>2,946</u></u>	<u><u>3,023</u></u>	<u><u>3,047</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
2018	21,723	\$ 194,862,875	\$ 8,970	0.39 %	\$ 203,027,330	\$ 9,346	0.21 %	1,450	15.0	92.8 %
2017	21,944	196,089,111	8,936	6.36	204,659,703	9,326	3.39	1,440	15.2	92.8
2016	21,885	183,865,972	8,401	(0.36)	197,422,258	9,021	0.55	1,468	14.9	84.4
2015	21,741	183,312,994	8,432	1.80	195,044,855	8,971	(2.69)	1,418	15.3	81.7
2014	21,621	179,080,396	8,283	(3.20)	199,321,089	9,219	0.91	1,420	15.2	74.9
2013	21,168	181,133,537	8,557	3.68	193,391,340	9,136	3.51	1,403	15.1	76.9
2012	20,948	172,880,771	8,253	(1.23)	184,891,920	8,826	(0.00)	1,367	15.3	75.7
2011	20,922	174,823,896	8,356	(0.06)	184,665,477	8,826	0.57	1,390	15.1	73.8
2010	21,564	180,289,280	8,361	(6.41)	189,247,525	8,776	(8.08)	1,425	15.1	72.0
2009	22,078	197,225,201	8,933	10.70	210,788,608	9,547	12.09	1,468	15.0	66.3

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Schools</u>										
<u>Elementary</u>										
Sites	27	27	27	27	27	27	27	27	27	27
Square feet	2,181,389	2,186,097	2,181,703	2,177,492	2,177,492	2,171,201	2,166,893	2,166,893	2,174,688	2,168,388
Capacity	22,303	22,266	22,306	23,785	23,785	23,711	23,660	23,660	23,660	23,660
Enrollment	19,409	19,663	19,677	19,710	19,864	19,330	18,749	18,713	19,118	19,266
<u>Middle</u>										
Sites	5	5	5	5	5	5	5	5	5	5
Square feet	539,717	539,717	539,717	539,717	539,717	539,717	548,784	548,784	548,784	546,990
Capacity	5,523	5,523	5,556	5,601	5,601	5,494	5,601	5,601	5,601	5,601
Enrollment	3,879	3,930	3,886	3,749	3,716	3,797	3,846	3,815	3,996	4,070
<u>Administrative</u>										
Sites	4	4	4	4	4	4	3	3	3	4
Square feet	213,348	213,348	213,348	215,212	215,212	215,212	206,145	206,145	206,145	210,339
<u>Transportation</u>										
Garages	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car
Buses	106	106	111	111	111	113	130	133	133	128

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

Note: Enrollment is based on 100th day figures.

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