

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**

**DOUGLAS, ARIZONA**

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

Issued by:  
Business and Finance Department

# **DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**

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## **INTRODUCTORY SECTION**



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## ***DOUGLAS UNIFIED SCHOOL DISTRICT # 27***

*Administrative Offices ~ 1132 12<sup>th</sup> Street*

*Douglas, Arizona 85607*

*(520) 364-2447 ~ Fax: (520) 224-2470*

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**Ron Aguallo**  
Superintendent

December 9, 2015

Citizens and Governing Board  
Douglas Unified School District No. 27  
1132 12th St.  
Douglas, AZ 85607

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 of America 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 Douglas Unified School District No. 27 (District) for the fiscal year ended June 30, 2015.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting

principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

## **PROFILE OF THE DISTRICT**

The District is one of 24 public school districts located in Cochise County, Arizona. It provides a program of public education from preschool through grade twelve with an estimated current enrollment of 3,700 students for fiscal year 2015-16.

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation.

purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, bookstore and athletic functions.

Douglas lies in a southeastern corner of Arizona on the border with Agua Prieta, Sonora, Mexico, at an elevation of nearly 3,990 feet. Its citizens enjoy a quiet, rural lifestyle and one of the best climates in the nation.

The population of Douglas is approximately 17,000 people, and the population of Agua Prieta is over 155,000. The two cities, separated by a chain link fence, share an interdependent economy and culture.

The Douglas area is composed of a population in which approximately 88% of the people are Hispanic. The Douglas Unified School District serves 3,600 students, 15% of whom are considered English Language Learners (ELL). The District has developed a strong English As A Second Language (ESL) program to serve these students. The District also has a Free and Reduced Lunch student population of 87%, which allows for eligibility for Federal grant funding.

The annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District's Governing Board.

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have overexpenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

**Local Economy.** Douglas, on the Mexican border, is 118 miles southeast of Tucson, and is reached via Interstate 10 to U.S. 80. Across the border from Douglas is Agua Prieta, Sonora, Mexico. Douglas, at an elevation of 3,990 feet, was founded in 1901 as a site for a copper smelter and was incorporated in 1905. However, the smelter curtailed operations in 1987. Originally, it was an annual round-up spot for ranchers. Agriculture and ranching are still important segments of the area's economy.

Because of its location on the U.S.-Mexico border, international commerce is an important part of the local economy. Douglas has three manufacturing plants; and Agua Prieta has 23, many of the latter operating under the twin-plant concept. The lure of shopping and sight-seeing in “Old Mexico” and the nearness to several outdoor recreation areas have made tourism and retirement significant to Douglas’ economy.

Major private employers include Advance Call Center Technologies, Walmart Stores, Inc., Chiricahua Community Health Center, Bashas’ Inc. Major public employers include Cochise County, Arizona Department of Corrections, Douglas Unified School District No. 27, U.S. Border Patrol, Cochise College, City of Douglas, U.S. Customs, and Homeland Security: Field Operations.

**Long-term Financial Planning.** By planning for long range goals of maintaining facilities, the District is able to optimize the use of building renewal money to upgrade and maintain existing buildings in an ongoing plan. Systematic improvements allow the District to improve sites to minimize utility usage and provide a safe and upgraded environment for student learning. The average age of school buildings is 70 years.

By benefiting from an 89 percent E-rate funded technology, the District is upgrading technology to students and staff. Communication systems throughout the District are being upgraded to allow for prompt and efficient communications between classrooms, offices and the public.

After seeing stable enrollment of approximately 3,600 during the 2014-15 school year, the District is projecting enrollment to increase to 3,700 for 2015-16.

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

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

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

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,



Ron Aguallo  
Superintendent



Cesar Soto  
Business Manager

# Association of School Business Officials International



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

**Douglas Unified School District No. 27**

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

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



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

Mark C. Pepera, MBA, RSBO, SFO  
President

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

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

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

Presented to

**Douglas Unified School  
District No. 27, Arizona**

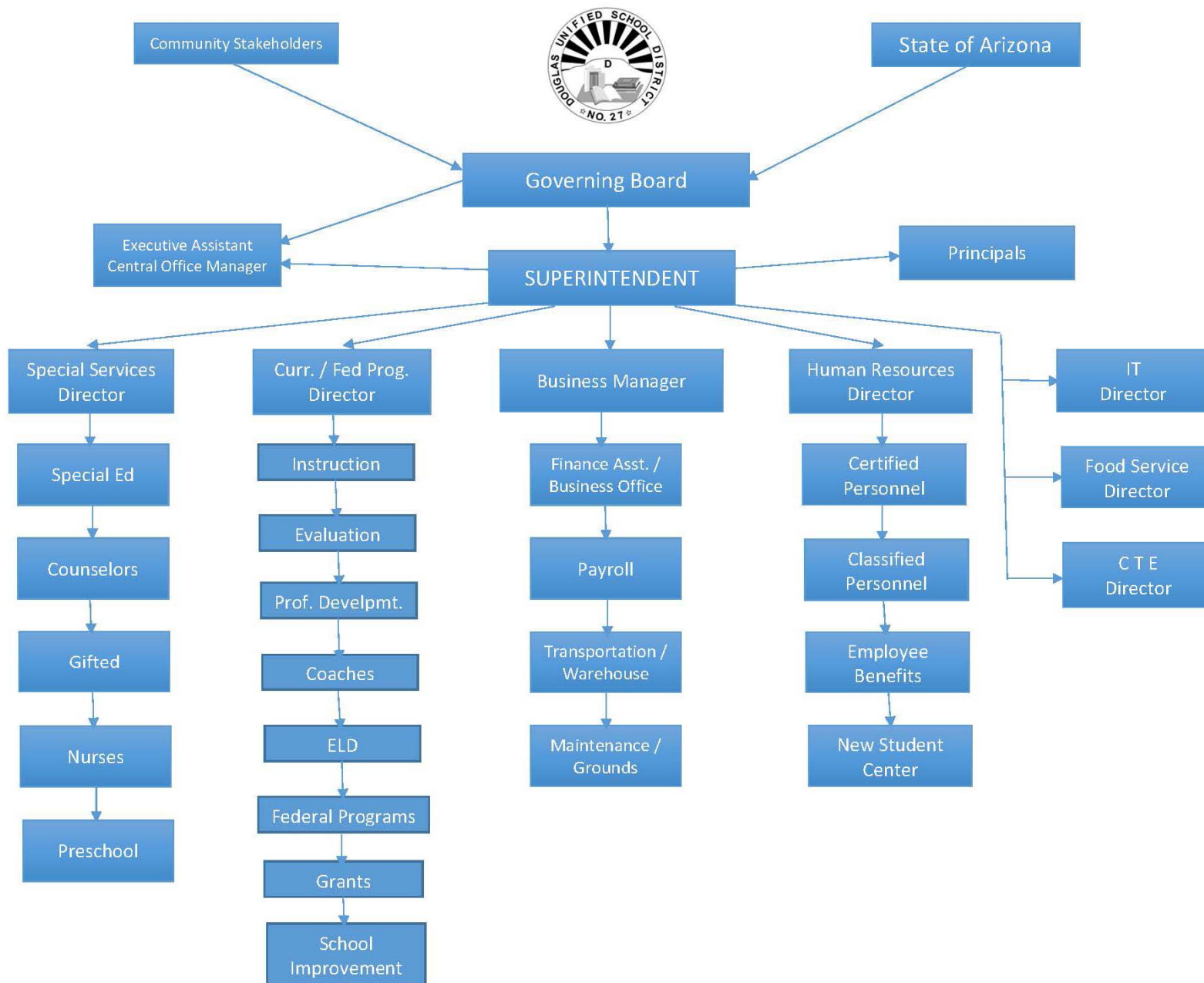
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



# Douglas Unified School District No. 27 Organizational Chart 2014-15



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Dr. Ed Gomez, President

Susan Kramer, Member

Mitch Lindemann, Member

Natalio Sabal, Member

Mario Ramos, Member

**ADMINISTRATIVE STAFF**

Ron Aguallo, Superintendent

Ana Samaniego, Human Resources Director

Cesar Soto, Business Manager

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Douglas Unified School District No. 27

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Douglas Unified School District No. 27 (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Douglas Unified School District No. 27, as of June 30, 2015, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

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

### ***Other Matters***

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

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

#### ***Other Information***

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

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

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

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2015, on our consideration of Douglas Unified School District No. 27'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 Douglas Unified School District No. 27's internal control over financial reporting and compliance.

*Heinfeld, Meech & Co., P.C.*

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

December 9, 2015

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



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**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2015**

As management of the Douglas Unified School District No. 27 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities decreased \$1.2 million which represents an 81 percent decrease from the prior fiscal year as a result of current year pension activity.
- General revenues accounted for \$19.5 million in revenue, or 70 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8.3 million or 30 percent of total current fiscal year revenues.
- The District had approximately \$29.0 million in expenses related to governmental activities, a decrease of three percent from the prior fiscal year.
- Among major funds, the General Fund had \$17.6 million in current fiscal year revenues, which primarily consisted of state aid, and \$18.4 million in expenditures. The General Fund's fund balance decrease from a deficit of \$1.0 million at the prior fiscal year end to a deficit of \$1.4 million at the end of the current fiscal year was due to expenditures that exceed currently available revenues.
- The Title I Grants Fund had \$2.5 million in current fiscal year revenues, which consisted entirely of federal grants, and \$2.5 million in expenditures.
- The Joint Technical Education Fund had \$891,473 in current year revenues, which consisted of local revenues, and \$733,807 in expenditures.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2015**

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services, and interest on long-term debt.

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

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2015**

**OVERVIEW OF FINANCIAL STATEMENTS**

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 decision. 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, Title I Grants, and Joint Technical Education Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$301,358 as the current fiscal year end.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The largest portion of the District's positive net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, and vehicles, furniture and equipment), 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 represents resources that are subject to external restrictions on how they may be used.

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

	As of June 30, 2015	As of June 30, 2014
Current and other assets	\$ 7,838,312	\$ 8,117,481
Capital assets, net	33,666,933	35,082,588
Total assets	<u>41,505,245</u>	<u>43,200,069</u>
Deferred outflows	<u>2,919,605</u>	
Current and other liabilities	5,464,015	5,050,206
Long-term liabilities	33,371,324	8,355,110
Total liabilities	<u>38,835,339</u>	<u>13,405,316</u>
Deferred inflows	<u>5,288,153</u>	
Net position:		
Net investment in capital assets	27,173,428	28,197,425
Restricted	3,096,515	3,728,258
Unrestricted	(29,968,585)	(2,130,930)
Total net position	<u>\$ 301,358</u>	<u>\$ 29,794,753</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$30.0 million as a result of an unfunded pension liability. Positive net position was reported in the other two categories.

The District's financial position is the product of several financial transactions including the net results of activities, the issuance and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following are significant current year transactions that have had an impact on the Statement of Net Position.

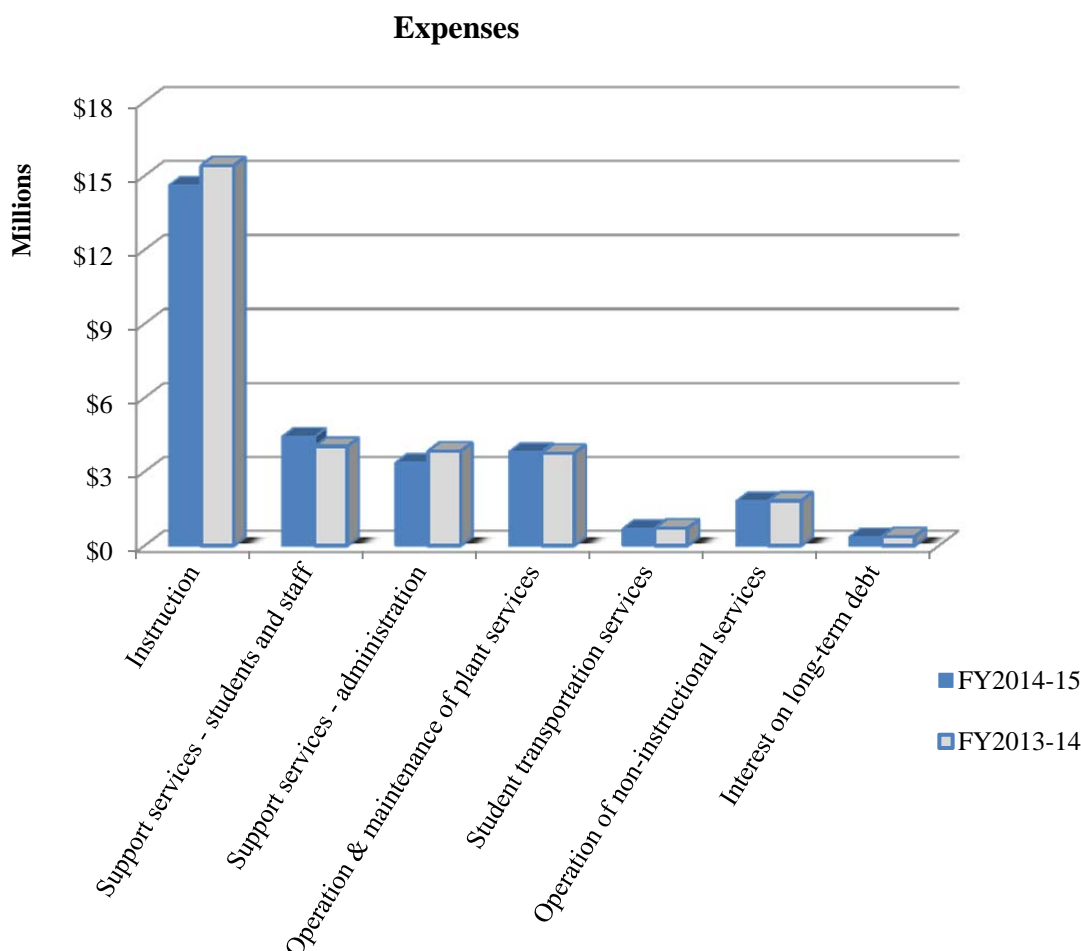
- The principal retirement of \$320,000 of bonds.
- The addition of \$25.6 million in pension liabilities due to the implementation of new pension reporting standards.
- The addition of \$1.8 million in accumulated depreciation.

**Changes in net position.** The District's total revenues for the current fiscal year were \$27.8 million. The total cost of all programs and services was \$29.0 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	Fiscal Year Ended June 30, 2015	Fiscal Year Ended June 30, 2014
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 1,411,613	\$ 1,565,319
Operating grants and contributions	6,460,157	6,517,034
Capital grants and contributions	421,555	124,658
General revenues:		
Property taxes	3,751,653	1,273,437
Investment income	11,340	7,161
Unrestricted county aid	1,226,277	1,402,326
Unrestricted state aid	14,343,367	13,822,775
Unrestricted federal aid	161,956	56,792
<b>Total revenues</b>	<u>27,787,918</u>	<u>24,769,502</u>
<b>Expenses:</b>		
Instruction	14,603,571	15,416,389
Support services – students and staff	4,421,951	4,021,817
Support services – administration	3,369,234	3,827,620
Operation and maintenance of plant services	3,803,705	3,737,948
Student transportation services	682,905	702,835
Operation of non-instructional services	1,797,067	1,810,894
Interest on long-term debt	349,651	363,294
<b>Total expenses</b>	<u>29,028,084</u>	<u>29,880,797</u>
<b>Changes in net position</b>	<u>(1,240,166)</u>	<u>(5,111,295)</u>
<b>Net position, beginning, as restated</b>	<u>1,541,524</u>	<u>34,906,048</u>
<b>Net position, ending</b>	<u>\$ 301,358</u>	<u>\$ 29,794,753</u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**



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

- The increase of \$2.5 million in property taxes revenue was primarily due to an increase in tax rates.
- The increase of \$520,592 in unrestricted state aid was primarily due to a change in the state funding formula.
- The overall decrease in expenses of \$852,713 was primarily due to efforts by the District to reduce expenses.

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.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	<u>Year Ended June 30, 2015</u>		<u>Year Ended June 30, 2014</u>	
	Total	Net	Total	Net
	Expenses	(Expense)/ Revenue	Expenses	(Expense)/ Revenue
Instruction	\$ 14,603,571	\$(11,080,536)	\$ 15,416,389	\$(11,716,197)
Support services – students and staff	4,421,951	(2,317,545)	4,021,817	(1,779,738)
Support services – administration	3,369,234	(3,180,877)	3,827,620	(3,728,499)
Operation and maintenance of plant services	3,803,705	(3,569,905)	3,737,948	(3,704,275)
Student transportation services	682,905	(672,763)	702,835	(702,835)
Operation of non-instructional services	1,797,067	390,348	1,810,894	269,953
Interest on long-term debt	349,651	(303,481)	363,294	(312,195)
<b>Total</b>	<u>\$ 29,028,084</u>	<u>\$(20,734,759)</u>	<u>\$ 29,880,797</u>	<u>\$(21,673,786)</u>

- The cost of all governmental activities this year was \$29.0 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.3 million.
- Net cost of governmental activities of \$20.7 million was financed by general revenues, which are made up of primarily property taxes of \$3.8 million and unrestricted state aid of \$14.3 million.

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

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$1.6 million, a decrease of \$856,713 primarily due to expenditure levels that continue to exceed currently available revenues.



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

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

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$433,326 to a deficit of \$1.4 million as of fiscal year end was a result of expenditure levels that continue to exceed currently available revenues. General Fund revenues increased \$2.7 million as a result of increased property taxes revenues due to an increase in property value and increase in tax rate. General Fund expenditures decreased \$74,714.

The Joint Technical Education Fund's fund balance increased \$157,666 to \$1.0 million at fiscal year as a result of increased local revenues.

**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 \$187,043 increase, or one percent.

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. Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. The favorable variances of \$203,946 in instructional expenditures and \$112,517 in operation and maintenance of plant services expenditures were both a result of budgeting the maximum possible amount for anticipated expenditure activity.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2015**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$58.0 million in capital assets, including land, school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$375,227 from the prior fiscal year, primarily due to acquisition of buildings and improvements. Total depreciation expense for the current fiscal year was \$1.8 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2015 and June 30, 2014.

	As of June 30, 2015	As of June 30, 2014
Capital assets – non-depreciable	\$ 223,488	\$ 223,488
Capital assets – depreciable, net	33,443,445	34,859,100
<b>Total</b>	<u>\$ 33,666,933</u>	<u>\$ 35,082,588</u>

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

**Debt Administration.** At year end, the District had \$7.3 million in long-term debt outstanding, \$519,632 due within one year.

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 30 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$20.4 million and the Class B debt limit is \$13.6 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.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**YEAR ENDED JUNE 30, 2015**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

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

- Fiscal year 2014-15 budget balance carry forward (\$536,101).
- K-3 reading increase (\$124,702).

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

Budgeted expenditures in the General Fund decreased one percent to \$17.4 million in fiscal year 2015-16. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2015-16 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Douglas Unified School District No. 27, 1132 12th Street, Douglas, Arizona 85607.

## **BASIC FINANCIAL STATEMENTS**

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## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 1,159,583
Property taxes receivable	546,379
Due from governmental entities	5,596,541
Prepaid items	359,597
Inventory	116,365
Other assets	59,847
Total current assets	<u>7,838,312</u>
Noncurrent assets:	
Capital assets not being depreciated	223,488
Capital assets, net of accumulated depreciation	<u>33,443,445</u>
Total noncurrent assets	<u>33,666,933</u>
<b>Total assets</b>	<u><u>41,505,245</u></u>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension plan items	<u>2,919,605</u>
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	137,485
Credit line payable	3,886,980
Accrued payroll and employee benefits	1,287,665
Compensated absences payable	331,824
Accrued interest payable	136,081
Unearned revenues	15,804
Obligations under capital leases	189,632
Bonds payable	330,000
Total current liabilities	<u>6,315,471</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>32,519,868</u>
Total noncurrent liabilities	<u>32,519,868</u>
<b>Total liabilities</b>	<u><u>38,835,339</u></u>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	<u>5,288,153</u>
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	27,173,428
Restricted for:	
Voter approved initiatives	715,652
Federal and state projects	167,822
Food service	481,665
Joint technical education	1,006,955
Other local initiatives	255,207
Debt service	114,836
Capital outlay	354,378
Unrestricted	<u>(29,968,585)</u>
<b>Total net position</b>	<u><u>\$ 301,358</u></u>

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instruction	\$ 14,603,571	\$ 998,254	\$ 2,149,396	\$ 375,385	\$ (11,080,536)
Support services - students and staff	4,421,951		2,104,406		(2,317,545)
Support services - administration	3,369,234		188,357		(3,180,877)
Operation and maintenance of plant services	3,803,705	38,451	195,349		(3,569,905)
Student transportation services	682,905		10,142		(672,763)
Operation of non-instructional services	1,797,067	374,908	1,812,507		390,348
Interest on long-term debt	349,651			46,170	(303,481)
<b>Total governmental activities</b>	<u>\$ 29,028,084</u>	<u>\$ 1,411,613</u>	<u>\$ 6,460,157</u>	<u>\$ 421,555</u>	<u>(20,734,759)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	3,157,083
Property taxes, levied for debt service	585,112
Property taxes, levied for capital outlay	9,458
Investment income	11,340
Unrestricted county aid	1,226,277
Unrestricted state aid	14,343,367
Unrestricted federal aid	161,956

**Total general revenues** 19,494,593

**Changes in net position** (1,240,166)

**Net position, beginning of year, as restated** 1,541,524

**Net position, end of year** \$ 301,358

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



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## **FUND FINANCIAL STATEMENTS**

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<u>General</u>	<u>Title I Grants</u>	<u>Joint Technical Education</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$	\$
Property taxes receivable	418,906		
Due from governmental entities	4,435,396	293,380	464,095
Due from other funds			589,129
Prepaid items	349,194		
Inventory	116,365		
Other assets			
<b>Total assets</b>	<u>\$ 5,319,861</u>	<u>\$ 293,380</u>	<u>\$ 1,053,224</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 64,965	\$ 20,366	\$ 3,957
Credit line payable	3,886,980		
Due to other funds	1,477,269	148,436	
Accrued payroll and employee benefits	953,268	124,578	42,312
Unearned revenues			
Bonds payable			
Bond interest payable			
<b>Total liabilities</b>	<u>6,382,482</u>	<u>293,380</u>	<u>46,269</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>317,346</u>		
Fund balances (deficits):			
Nonspendable	465,559		
Restricted			1,006,955
Unassigned	(1,845,526)		
<b>Total fund balances</b>	<u>(1,379,967)</u>		<u>1,006,955</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 5,319,861</u>	<u>\$ 293,380</u>	<u>\$ 1,053,224</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,159,583	\$ 1,159,583
127,473	546,379
403,670	5,596,541
1,040,827	1,629,956
10,403	359,597
	116,365
59,847	59,847
<u>\$ 2,801,803</u>	<u>\$ 9,468,268</u>

\$ 48,197	\$ 137,485
	3,886,980
4,251	1,629,956
167,507	1,287,665
15,804	15,804
330,000	330,000
136,081	136,081
<u>701,840</u>	<u>7,423,971</u>

<u>102,525</u>	<u>419,871</u>
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10,403	475,962
1,987,035	2,993,990
	(1,845,526)
<u>1,997,438</u>	<u>1,624,426</u>

<u>\$ 2,801,803</u>	<u>\$ 9,468,268</u>
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**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>1,624,426</b>
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 58,009,402	
Less accumulated depreciation	<u>(24,342,469)</u>	33,666,933

Property taxes are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		419,871
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	2,919,605	
Deferred inflows of resources related to pensions	<u>(5,288,153)</u>	(2,368,548)

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

Compensated absences payable	(461,262)	
Obligations under capital leases	(895,875)	
Net pension liability	(25,597,438)	
Bonds payable	<u>(6,086,749)</u>	<u>(33,041,324)</u>

<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>301,358</u></b>
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**The notes to the basic financial statements are an integral part of this statement.**

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	General	Title I Grants	Joint Technical Education
<b>Revenues:</b>			
Other local	\$ 1,626,711	\$	\$ 891,473
Property taxes	2,994,312		
State aid and grants	12,841,149		
Federal aid, grants and reimbursements	161,956	2,541,254	
<b>Total revenues</b>	<u>17,624,128</u>	<u>2,541,254</u>	<u>891,473</u>
<b>Expenditures:</b>			
Current -			
Instruction	9,201,780	1,158,013	569,562
Support services - students and staff	1,921,276	1,289,452	87,444
Support services - administration	3,458,353	66,061	9,166
Operation and maintenance of plant services	3,194,474		8,525
Student transportation services	494,096		315
Operation of non-instructional services	33,216		
Capital outlay	116,538	5,187	58,795
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>18,419,733</u>	<u>2,518,713</u>	<u>733,807</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(795,605)</u>	<u>22,541</u>	<u>157,666</u>
<b>Other financing sources (uses):</b>			
Transfer in	159,486		
Transfer out	(123,775)	(22,541)	
<b>Total other financing sources (uses):</b>	<u>35,711</u>	<u>(22,541)</u>	
<b>Changes in fund balances</b>	<u>(759,894)</u>		<u>157,666</u>
<b>Fund balances (deficits), beginning of year</b>	(946,641)	130,413	849,289
Increase (decrease) in reserve for prepaid items	313,023	(130,413)	
Increase (decrease) in reserve for inventory	13,545		
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,379,967)</u>	<u>\$</u>	<u>\$ 1,006,955</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 204,073	\$ 2,722,257
603,606	3,597,918
1,899,139	14,740,288
3,870,510	6,573,720
<u>6,577,328</u>	<u>27,634,183</u>
2,382,900	13,312,255
935,017	4,233,189
146,855	3,680,435
29,005	3,232,004
12,146	506,557
1,728,018	1,761,234
933,019	1,113,539
510,036	510,036
346,205	346,205
<u>7,023,201</u>	<u>28,695,454</u>
<u>(445,873)</u>	<u>(1,061,271)</u>
123,775	283,261
<u>(136,945)</u>	<u>(283,261)</u>
<u>(13,170)</u>	
<u>(459,043)</u>	<u>(1,061,271)</u>
2,448,078	2,481,139
8,403	191,013
	13,545
<u>\$ 1,997,438</u>	<u>\$ 1,624,426</u>



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2015**

**Net changes in fund balances - total governmental funds** **\$ (856,713)**

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	\$ 385,977	
Less current year depreciation	<u>(1,801,632)</u>	(1,415,655)

Property tax revenue in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		153,735
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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	180,036	
Bond principal retirement	<u>330,000</u>	510,036

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

Current year pension contributions	1,618,668	
Pension expense	<u>(1,331,425)</u>	287,243

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.

Amortization of bond items	(3,446)	
Compensated absences	<u>84,634</u>	<u>81,188</u>

**Changes in net position in governmental activities** **\$ (1,240,166)**

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	<u>Agency</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 787,800
<b>Total assets</b>	<u>\$ 787,800</u>
<b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 699,399
Due to student groups	88,401
<b>Total liabilities</b>	<u>\$ 787,800</u>

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

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**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Douglas Unified School District No. 27 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

**A. Reporting Entity**

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

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

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

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

**Government-Wide Financial Statements** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

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

Joint Technical Education Fund – The Joint Technical Education Fund accounts for monies received from Joint Technical Education Districts for vocational education programs.

Additionally, the District reports the following fund type:

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 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 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**

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 reported at fair value.

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**E. Investment Income**

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

**F. Receivables and Payables**

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

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



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**G. Property Tax Calendar**

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

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

**H. Inventory**

All inventories are valued at cost using the average cost method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

**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; and vehicles, furniture, and equipment, are reported in the government-wide financial statements.

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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	15 – 50 years
Buildings and improvements	10 – 50 years
Vehicles, furniture and equipment	5 – 20 years

**K. Deferred Outflows/Inflows of Resources**

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

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

**L. Compensated Absences**

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

**M. Pensions**

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**N. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, as well as the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

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

**O. Interfund Activity**

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

**P. Net Position Flow Assumption**

In the government-wide 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.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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 legally or contractually required to be maintained intact.

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

***Committed.*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District does not have a formal policy or procedures for the utilization of committed fund balance, accordingly, no committed fund balance amounts are reported.

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

***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 be restricted, committed, or assigned.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

	General Fund	Joint Technical Education Fund	Non-Major Governmental Funds
Fund Balances:			
Nonspendable:			
Inventory	\$ 116,365	\$	\$
Prepaid items	349,194		10,403
Restricted:			
Debt service			39,580
Capital projects			327,109
Voter approved initiatives			715,652
Federal and state projects			167,822
Food service			481,665
Community school			76,083
Joint technical education		1,006,955	
Other purposes			179,124
Unassigned	(1,845,526)		
Total fund balances	<u>\$ (1,379,967)</u>	<u>\$ 1,006,955</u>	<u>\$ 1,997,438</u>

The District reclassified the activity of the National Forest Fees and Taylor Grazing Fees funds to the General Fund based on the provisions of GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The resulting beginning fund balances have been restated from the prior year to reflect the change

	General Fund	Non-Major Governmental Funds
Net position, June 30, 2014, as previously reported	\$ (998,948)	\$ 2,500,385
Fund reclassification	52,307	(52,307)
Fund balance, July 1, 2014	<u>\$ (946,641)</u>	<u>\$ 2,448,078</u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

**Individual Deficit Fund Balance** – At year end, the General Fund reported a deficit of \$1,379,967 in fund balance.

The deficit arose because of operations during the current and prior year. Additional revenues received in fiscal year 2015-16 are expected to eliminate the deficit.

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

**NOTE 4 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$955,158 and the bank balance was \$967,885.

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	3.93 years	\$ 992,225

*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.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – RECEIVABLES**

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

	General Fund	Title I Grants Fund	Joint Technical Education Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$ 21,806	\$ 293,380	\$	\$ 226,509
Due from state government	4,390,942			177,161
Due from county government	22,648			
Due from other districts			464,095	
Net due from governmental entities	<u>\$ 4,435,396</u>	<u>\$ 293,380</u>	<u>\$ 464,095</u>	<u>\$ 403,670</u>

**NOTE 6 – CAPITAL ASSETS**

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 223,488	\$	\$	\$ 223,488
Total capital assets, not being depreciated	<u>223,488</u>			<u>223,488</u>
Capital assets, being depreciated:				
Land improvements	2,592,626			2,592,626
Buildings and improvements	49,068,011	296,550		49,364,561
Vehicles, furniture and equipment	5,750,050	89,427	10,750	5,828,727
Total capital assets being depreciated	<u>57,410,687</u>	<u>385,977</u>	<u>10,750</u>	<u>57,785,914</u>
Less accumulated depreciation for:				
Land improvements	(908,615)	(75,186)		(983,801)
Buildings and improvements	(18,348,782)	(1,391,473)		(19,740,255)
Vehicles, furniture and equipment	(3,294,190)	(334,973)	(10,750)	(3,618,413)
Total accumulated depreciation	<u>(22,551,587)</u>	<u>(1,801,632)</u>	<u>(10,750)</u>	<u>(24,342,469)</u>
Total capital assets, being depreciated, net	<u>34,859,100</u>	<u>(1,415,655)</u>		<u>33,443,445</u>
Governmental activities capital assets, net	<u>\$ 35,082,588</u>	<u>\$ (1,415,655)</u>	<u>\$</u>	<u>\$ 33,666,933</u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 6 – CAPITAL ASSETS**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,051,479
Support services – students and staff	31,331
Support services – administration	15,879
Operation and maintenance of plant services	573,546
Student transportation services	100,405
Operation of non-instructional services	28,992
Total depreciation expense – governmental activities	<u>\$ 1,801,632</u>

**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. Short-term debt activity for the current fiscal year was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	<u>\$ 3,024,000</u>	<u>\$ 11,571,740</u>	<u>\$ 10,708,760</u>	<u>\$ 3,886,980</u>

**NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES**

The District has acquired buses and utility management equipment under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund, a non-major governmental fund, are used to pay the capital lease obligations on the buses and the utility management equipment. Revenues accumulated in the Energy and Water Savings Fund consist of a federal interest subsidy and will be used to pay the utility management equipment lease obligations in future years. 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:

	<u>Governmental Activities</u>
Asset:	
Vehicles, furniture and equipment	\$ 230,305
Less: Accumulated depreciation	(21,070)
Total	<u>\$ 209,235</u>



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES**

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

Year Ending June 30:	Governmental Activities
2016	\$ 253,328
2017	174,883
2018	174,883
2019	174,883
2020	174,883
2021	174,884
Total minimum lease payments	<u>1,127,744</u>
Less: amount representing interest	<u>231,869</u>
Present value of minimum lease payments	<u>\$ 895,875</u>
Due within one year	<u>\$ 189,632</u>

**NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE**

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

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2015	Due Within One Year
<b>Governmental activities:</b>					
School Improvement Bonds, Projects of 2009, Series 2010 (Class B)	\$7,648,000	3.0-4.75%	7/1/15-29	\$ 6,465,000	\$ 330,000
Total				<u>\$ 6,465,000</u>	<u>\$ 330,000</u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE**

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2016	\$ 330,000	\$ 267,212
2017	335,000	257,028
2018	350,000	245,669
2019	360,000	233,019
2020	375,000	218,994
2021-25	2,105,000	849,573
2026-30	2,610,000	321,100
Total	<u>\$ 6,465,000</u>	<u>\$ 2,392,595</u>

**NOTE 10 – CHANGES IN LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 6,785,000	\$	\$ 320,000	\$ 6,465,000	\$ 330,000
Discount	(51,697)		(3,446)	(48,251)	
Total bonds payable	<u>6,733,303</u>		<u>316,554</u>	<u>6,416,749</u>	<u>330,000</u>
Obligations under capital leases	1,075,911		180,036	895,875	189,632
Net pension liability	28,253,229		2,655,791	25,597,438	
Compensated absences payable	<u>545,896</u>	<u>318,431</u>	<u>403,065</u>	<u>461,262</u>	<u>331,824</u>
Governmental activity long-term liabilities	<u>\$36,608,339</u>	<u>\$ 318,431</u>	<u>\$3,555,446</u>	<u>\$33,371,324</u>	<u>\$ 851,456</u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows:

**Due to/from other funds:**

	Joint Technical Education Fund	Non-Major Governmental Funds	Total Due to Other Funds
General Fund	\$ 436,442	\$ 1,040,827	\$ 1,477,269
Title I Grants Fund	148,436		148,436
Non-Major Governmental Funds	4,251		4,251
Total Due from Other Funds	<u>\$ 589,129</u>	<u>\$ 1,040,827</u>	<u>\$ 1,629,956</u>

At year end, several major and several non-major governmental 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 other funds. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

	General Fund	Transfers in Non-Major Governmental Funds	Total
Transfers out			
General Fund	\$	\$ 123,775	\$ 123,775
Title I Grants Fund	22,541		22,541
Non-Major Governmental Funds	136,945		136,945
Total	<u>\$ 159,486</u>	<u>\$ 123,775</u>	<u>\$ 283,261</u>

Transfers between funds were used to (1) move federal grant funds and other monies restricted for indirect costs and (2) eliminate the negative fund balance in the Energy and Water Savings Fund due to insufficient funding in the prior year.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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.

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

The District's employees have health and accident insurance coverage with the Arizona School Board Association Insurance Trust (ASBAIT). ASBAIT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to ASBAIT for employees' health and accident insurance coverage. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**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](http://www.azasrs.gov).

**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	30 years age 55
	10 years age 62	25 years age 60
	5 years age 50*	10 years age 62
	Any years age 65	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.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.60 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2015 were \$1,618,668.

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

		Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2015	\$	87,696	\$ 17,837
2014		89,742	35,897
2013		106,129	39,186

**Pension Liability.** At June 30, 2015, the District reported a liability of \$25.6 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 0.17 percent, which was a decrease of 0.007 from its proportion measured as of June 30, 2013.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Pension Expense and Deferred Outflows/Inflows of Resources.** For the year ended June 30, 2015, the District recognized pension expense of \$1.3 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,300,937	\$
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments		4,476,202
Changes in proportion and differences between contributions and proportionate share of contributions		811,951
Contributions subsequent to the measurement date	<u>1,618,668</u>	
Total	<u>\$ 2,919,605</u>	<u>\$ 5,288,153</u>

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

Year Ending June 30:	
2016	\$ (906,448)
2017	(906,448)
2018	(1,055,270)
2019	(1,119,050)

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

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

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

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

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



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$32,353,848	\$25,597,438	\$21,931,745

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

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

	Statement of Activities
Net position, June 30, 2014, as previously reported	\$ 29,794,753
Net pension liability	(28,253,229)
Net position, July 1, 2014, as restated	<u>\$ 1,541,524</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL**  
**YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 1,280,622	\$ 1,280,622
Property taxes			2,994,312	2,994,312
State aid and grants			12,780,022	12,780,022
<b>Total revenues</b>			<u>17,054,956</u>	<u>17,054,956</u>
<b>Expenditures:</b>				
Current -				
Instruction	8,837,299	8,867,396	8,663,450	203,946
Support services - students and staff	1,619,742	1,690,843	1,736,505	(45,662)
Support services - administration	3,239,919	3,299,570	3,265,828	33,742
Operation and maintenance of plant services	3,192,257	3,273,246	3,160,729	112,517
Student transportation services	584,139	531,966	490,100	41,866
Operation of non-instructional services	35,810	33,188	33,216	(28)
<b>Total expenditures</b>	<u>17,509,166</u>	<u>17,696,209</u>	<u>17,349,828</u>	<u>346,381</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(17,509,166)</u>	<u>(17,696,209)</u>	<u>(294,872)</u>	<u>17,401,337</u>
<b>Other financing sources (uses):</b>				
Transfer out			(123,775)	(123,775)
<b>Total other financing sources (uses):</b>			<u>(123,775)</u>	<u>(123,775)</u>
<b>Changes in fund balances</b>	<u>(17,509,166)</u>	<u>(17,696,209)</u>	<u>(418,647)</u>	<u>17,277,562</u>
<b>Fund balances (deficits), beginning of year</b>			(2,286,230)	(2,286,230)
Increase (decrease) in reserve for prepaid items			321,608	321,608
Increase (decrease) in reserve for inventory			13,545	13,545
<b>Fund balances (deficits), end of year</b>	<u>\$ (17,509,166)</u>	<u>\$ (17,696,209)</u>	<u>\$ (2,369,724)</u>	<u>\$ 15,326,485</u>

See accompanying notes to this schedule.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**TITLE I GRANTS**  
**YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Federal aid, grants and reimbursements	\$	\$	\$ 2,541,254	\$ 2,541,254
<b>Total revenues</b>			2,541,254	2,541,254
<b>Expenditures:</b>				
Current -				
Instruction	2,811,629	1,170,266	1,158,013	12,253
Support services - students and staff	3,130,759	1,464,213	1,289,452	174,761
Support services - administration	160,394	68,350	66,061	2,289
Capital outlay	12,594	5,242	5,187	55
<b>Total expenditures</b>	6,115,376	2,708,071	2,518,713	189,358
<b>Excess (deficiency) of revenues over expenditures</b>	(6,115,376)	(2,708,071)	22,541	2,730,612
<b>Other financing sources (uses):</b>				
Transfer out			(22,541)	(22,541)
<b>Total other financing sources (uses):</b>			(22,541)	(22,541)
<b>Changes in fund balances</b>	(6,115,376)	(2,708,071)		2,708,071
<b>Fund balances, beginning of year</b>			130,413	130,413
Increase (decrease) in reserve for prepaid items			(130,413)	(130,413)
<b>Fund balances (deficits), end of year</b>	\$ (6,115,376)	\$ (2,708,071)	\$	\$ 2,708,071

See accompanying notes to this schedule.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**JOINT TECHNICAL EDUCATION**  
**YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Other local	\$	\$	\$ 891,473	\$ 891,473
<b>Total revenues</b>			891,473	891,473
<b>Expenditures:</b>				
Current -				
Instruction	680,052	767,108	569,562	197,546
Support services - students and staff	104,407	117,773	87,444	30,329
Support services - administration	10,945	12,345	9,166	3,179
Operation and maintenance of plant services	10,179	11,482	8,525	2,957
Student transportation services	376	424	315	109
Capital outlay	70,200	79,188	58,795	20,393
<b>Total expenditures</b>	876,159	988,320	733,807	254,513
<b>Changes in fund balances</b>	(876,159)	(988,320)	157,666	1,145,986
<b>Fund balances, beginning of year</b>			849,289	849,289
<b>Fund balances (deficits), end of year</b>	\$ (876,159)	\$ (988,320)	\$ 1,006,955	\$ 1,995,275

See accompanying notes to this schedule.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**YEAR ENDED JUNE 30, 2015**

**2015**

District's proportion of the net pension liability (asset)	0.17%
District's proportionate share of the net pension liability (asset)	\$ 25,597,438
District's covered-employee payroll	\$ 16,147,091
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	158.53%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

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

**2015**

Actuarially determined contribution	\$ 1,618,668
Contributions in relation to the actuarially determined contribution	<u>1,618,668</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered-employee payroll	\$ 18,133,509
Contributions as a percentage of covered-employee payroll	8.93%

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 18,419,733	\$ (1,379,967)
Activity budgeted as special revenue funds	(905,976)	(989,757)
Current-year prepaid items	14,071	
Prior-year prepaid items	<u>(178,000)</u>	<u>                    </u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 17,349,828</u>	<u>\$ (2,369,724)</u>

**NOTE 2 – PENSION PLAN SCHEDULES**

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

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

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



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## **GOVERNMENTAL FUNDS**

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2015**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 544,793	\$ 484,355	\$ 130,435
Property taxes receivable		96,562	30,911
Due from governmental entities	403,670		
Due from other funds	820,721		220,106
Prepaid items	1,403		9,000
Other assets	59,847		
<b>Total assets</b>	<u><u>\$ 1,830,434</u></u>	<u><u>\$ 580,917</u></u>	<u><u>\$ 390,452</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 21,123	\$	\$ 27,074
Due to other funds	4,251		
Accrued payroll and employee benefits	167,507		
Unearned revenues	15,804		
Bonds payable		330,000	
Bond interest payable		136,081	
<b>Total liabilities</b>	<u>208,685</u>	<u>466,081</u>	<u>27,074</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		<u>75,256</u>	<u>27,269</u>
Fund balances:			
Nonspendable	1,403		9,000
Restricted	1,620,346	39,580	327,109
<b>Total fund balances</b>	<u>1,621,749</u>	<u>39,580</u>	<u>336,109</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 1,830,434</u></u>	<u><u>\$ 580,917</u></u>	<u><u>\$ 390,452</u></u>

Total Non-  
Major  
Governmental  
Fund

---

\$	1,159,583
	127,473
	403,670
	1,040,827
	10,403
	59,847
\$	<u>2,801,803</u>

\$	48,197
	4,251
	167,507
	15,804
	330,000
	<u>136,081</u>
	<u>701,840</u>

<u>102,525</u>
----------------

10,403
<u>1,987,035</u>
<u>1,997,438</u>

\$	<u>2,801,803</u>
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**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2015**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Revenues:</b>			
Other local	\$ 202,051	\$ 1,818	\$ 204
Property taxes		589,257	14,349
State aid and grants	1,593,284		305,855
Federal aid, grants and reimbursements	3,824,340		46,170
<b>Total revenues</b>	<u>5,619,675</u>	<u>591,075</u>	<u>366,578</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,382,900		
Support services - students and staff	935,017		
Support services - administration	146,855		
Operation and maintenance of plant services	29,005		
Student transportation services	12,146		
Operation of non-instructional services	1,728,018		
Capital outlay	102,851		830,168
Debt service -			
Principal retirement		330,000	180,036
Interest and fiscal charges		272,913	73,292
<b>Total expenditures</b>	<u>5,336,792</u>	<u>602,913</u>	<u>1,083,496</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>282,883</u>	<u>(11,838)</u>	<u>(716,918)</u>
<b>Other financing sources (uses):</b>			
Transfer in			123,775
Transfer out	(136,945)		
<b>Total other financing sources (uses):</b>	<u>(136,945)</u>		<u>123,775</u>
<b>Changes in fund balances</b>	<u>145,938</u>	<u>(11,838)</u>	<u>(593,143)</u>
<b>Fund balances, beginning of year</b>	1,476,408	51,418	920,252
Increase (decrease) in reserve for prepaid items	(597)		9,000
<b>Fund balances, end of year</b>	<u>\$ 1,621,749</u>	<u>\$ 39,580</u>	<u>\$ 336,109</u>

Total Non-  
Major  
Governmental  
Funds

\$	204,073
	603,606
	1,899,139
	<u>3,870,510</u>
	<u>6,577,328</u>

2,382,900
935,017
146,855
29,005
12,146
1,728,018
933,019

510,036
346,205
<u>7,023,201</u>

<u>(445,873)</u>
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123,775
<u>(136,945)</u>
<u>(13,170)</u>

<u>(459,043)</u>
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2,448,078
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8,403
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\$	<u>1,997,438</u>
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## **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.

**Structured English Immersion** - to account for monies received to provide for the incremental cost of instruction to English language learners.

**Compensatory Instruction** - to account for monies received for programs in addition to normal classroom instruction to improve the English proficiency of current English language learners.

**Student Success** - to account for student success monies.

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

**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.

**Vocational Education** - to account for financial assistance received for preparation of individuals for employment or advancement in a career not requiring a baccalaureate or advanced degree.

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

**National Forest Fees** - to account for monies allocated for the purposes of benefiting public schools and public roads in counties where national forests are situated.

**Taylor Grazing Fees** - to account for financial assistance received for the purpose of protecting public lands by preventing over-grazing and soil deterioration and to provide for orderly use, improvement and development, and stabilization of the livestock industry.

**E-Rate** - to account for monies received to reimburse the District for broadband internet and telecommunications costs.

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

**State Vocational Education** - to account for financial assistance received for the preparation of individuals for employment.

**Academic Contests** - to account for financial assistance received for participation in academic contests.

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

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

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

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

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

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

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

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

**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.



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$ 45,421	\$ 433
Due from governmental entities	112,249	64,912	
Due from other funds	493,070		
Prepaid items			
Other assets			
<b>Total assets</b>	<u><u>\$ 605,319</u></u>	<u><u>\$ 110,333</u></u>	<u><u>\$ 433</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
<b>Total liabilities</b>	<u></u>	<u></u>	<u></u>
Fund balances:			
Nonspendable			
Restricted	<u>605,319</u>	<u>110,333</u>	<u>433</u>
<b>Total fund balances</b>	<u><u>605,319</u></u>	<u><u>110,333</u></u>	<u><u>433</u></u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 605,319</u></u>	<u><u>\$ 110,333</u></u>	<u><u>\$ 433</u></u>

Professional Development and Technology Grants	Special Education Grants	Vocational Education	E-Rate	Other Federal Projects	State Vocational Education
\$ 13,937	\$ 40,292 21,447	\$ 5,826	\$ 89,745 74,069	\$ 618 87,879 1,403	\$ 9,280
<u>\$ 13,937</u>	<u>\$ 61,739</u>	<u>\$ 5,826</u>	<u>\$ 163,814</u>	<u>\$ 89,900</u>	<u>\$ 9,280</u>
\$ 4,251 9,686	\$ 61,739	\$ 5,826	\$	\$ 8,709 75,780	\$ 9,280
<u>13,937</u>	<u>61,739</u>	<u>5,826</u>		<u>84,489</u>	<u>9,280</u>
			163,814	1,403 4,008	
			<u>163,814</u>	<u>5,411</u>	
<u>\$ 13,937</u>	<u>\$ 61,739</u>	<u>\$ 5,826</u>	<u>\$ 163,814</u>	<u>\$ 89,900</u>	<u>\$ 9,280</u>

(Continued)

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**

	Academic Contests	Other State Projects	Food Service
<b><u>ASSETS</u></b>			
Cash and investments	\$ 548	\$ 150	\$ 97,706
Due from governmental entities			29,177
Due from other funds			327,651
Prepaid items			
Other assets			59,847
<b>Total assets</b>	<u><u>\$ 548</u></u>	<u><u>\$ 150</u></u>	<u><u>\$ 514,381</u></u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 12,414
Due to other funds			
Accrued payroll and employee benefits			20,302
Unearned revenues	548	150	
<b>Total liabilities</b>	<u>548</u>	<u>150</u>	<u>32,716</u>
Fund balances:			
Nonspendable			
Restricted			481,665
<b>Total fund balances</b>			<u>481,665</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 548</u></u>	<u><u>\$ 150</u></u>	<u><u>\$ 514,381</u></u>

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Textbooks</u>	<u>Grants and Gifts to Teachers</u>	<u>Totals</u>
\$ 50,987	\$ 76,083	\$ 55,932	\$ 69,767	\$ 2,005	\$ 544,793
					403,670
					820,721
					1,403
					59,847
<u>\$ 50,987</u>	<u>\$ 76,083</u>	<u>\$ 55,932</u>	<u>\$ 69,767</u>	<u>\$ 2,005</u>	<u>\$ 1,830,434</u>
\$	\$	\$	\$	\$	\$ 21,123
					4,251
					167,507
					15,804
					<u>208,685</u>
					1,403
<u>50,987</u>	<u>76,083</u>	<u>55,932</u>	<u>69,767</u>	<u>2,005</u>	<u>1,620,346</u>
<u>50,987</u>	<u>76,083</u>	<u>55,932</u>	<u>69,767</u>	<u>2,005</u>	<u>1,621,749</u>
<u>\$ 50,987</u>	<u>\$ 76,083</u>	<u>\$ 55,932</u>	<u>\$ 69,767</u>	<u>\$ 2,005</u>	<u>\$ 1,830,434</u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<b>Revenues:</b>			
Other local	\$ 429	\$ 1,876	\$ 2
State aid and grants	1,346,987	150,917	
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>1,347,416</u>	<u>152,793</u>	<u>2</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,323,784	112,515	728
Support services - students and staff	52,481	1,504	
Support services - administration			
Operation and maintenance of plant services		29,005	
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>1,376,265</u>	<u>143,024</u>	<u>728</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(28,849)</u>	<u>9,769</u>	<u>(726)</u>
<b>Other financing sources (uses):</b>			
Transfer out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(28,849)</u>	<u>9,769</u>	<u>(726)</u>
<b>Fund balances, beginning of year</b>	634,168	100,564	1,159
Increase (decrease) in reserve for prepaid items			
<b>Fund balances, end of year</b>	<u><u>\$ 605,319</u></u>	<u><u>\$ 110,333</u></u>	<u><u>\$ 433</u></u>

Professional Development and Technology Grants	Special Education Grants	Vocational Education	E-Rate	Other Federal Projects	State Vocational Education
\$	\$	\$	\$ 486	\$	\$
233,332	890,198	69,994	195,349	622,960	77,869
233,332	890,198	69,994	195,835	622,960	77,869
58,358	421,938	33,836		325,604	31,088
149,476	446,998	19,043	89,668	154,692	14,319
16,263	3,898	1,059	25,262	98,310	43
	7,600			2,395	
6,735		16,056	13,911	13,447	32,419
230,832	880,434	69,994	128,841	594,448	77,869
2,500	9,764		66,994	28,512	
(2,500)	(9,764)			(24,504)	
(2,500)	(9,764)			(24,504)	
			66,994	4,008	
			96,820		
				1,403	
\$	\$	\$	\$ 163,814	\$ 5,411	\$

(Continued)

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Academic Contests	Food Service	Civic Center
<b>Revenues:</b>			
Other local	\$	\$ 147,691	\$ 3,939
State aid and grants	17,511		
Federal aid, grants and reimbursements		1,812,507	
<b>Total revenues</b>	<u>17,511</u>	<u>1,960,198</u>	<u>3,939</u>
<b>Expenditures:</b>			
Current -			
Instruction	17,511		
Support services - students and staff			
Support services - administration			181
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		1,728,018	
Capital outlay		19,152	
<b>Total expenditures</b>	<u>17,511</u>	<u>1,747,170</u>	<u>181</u>
<b>Excess (deficiency) of revenues over expenditures</b>		<u>213,028</u>	<u>3,758</u>
<b>Other financing sources (uses):</b>			
Transfer out		(100,177)	
<b>Total other financing sources (uses):</b>		<u>(100,177)</u>	
<b>Changes in fund balances</b>		<u>112,851</u>	<u>3,758</u>
<b>Fund balances, beginning of year</b>		368,814	47,229
Increase (decrease) in reserve for prepaid items			
<b>Fund balances, end of year</b>	<u>\$</u>	<u>\$ 481,665</u>	<u>\$ 50,987</u>

Community School	Extracurricular Activities Fees Tax Credit	Textbooks	Grants and Gifts to Teachers	Totals
\$ 24,975	\$ 21,666	\$ 981	\$ 6	\$ 202,051
				1,593,284
				3,824,340
<u>24,975</u>	<u>21,666</u>	<u>981</u>	<u>6</u>	<u>5,619,675</u>
44,652	12,886			2,382,900
6,718	118			935,017
1,839				146,855
				29,005
	2,151			12,146
				1,728,018
	1,131			102,851
<u>53,209</u>	<u>16,286</u>			<u>5,336,792</u>
<u>(28,234)</u>	<u>5,380</u>	<u>981</u>	<u>6</u>	<u>282,883</u>
				(136,945)
				(136,945)
<u>(28,234)</u>	<u>5,380</u>	<u>981</u>	<u>6</u>	<u>145,938</u>
106,317	50,552	68,786	1,999	1,476,408
(2,000)				(597)
<u>\$ 76,083</u>	<u>\$ 55,932</u>	<u>\$ 69,767</u>	<u>\$ 2,005</u>	<u>\$ 1,621,749</u>



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 429	\$ 429
State aid and grants		1,346,987	1,346,987
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>1,347,416</u>	<u>1,347,416</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,113,012	1,323,784	789,228
Support services - students and staff	35,467	52,481	(17,014)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		-	
Capital outlay			
<b>Total expenditures</b>	<u>2,148,479</u>	<u>1,376,265</u>	<u>772,214</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,148,479)</u>	<u>(28,849)</u>	<u>2,119,630</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(2,148,479)</u>	<u>(28,849)</u>	<u>2,119,630</u>
<b>Fund balances, beginning of year</b>		634,168	634,168
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,148,479)</u>	<u>\$ 605,319</u>	<u>\$ 2,753,798</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,876 150,917	\$ 1,876 150,917	\$	\$ 2	\$ 2
	152,793	152,793		2	2
352,000	112,515 1,504 29,005	239,485 (1,504) (29,005)		728	(728)
352,000	143,024	208,976		728	(728)
(352,000)	9,769	361,769		(726)	(726)
(352,000)	9,769	361,769		(726)	(726)
	100,564	100,564		1,159	1,159
\$ (352,000)	\$ 110,333	\$ 462,333	\$	\$ 433	\$ 433

(Continued)

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Structured English Immersion		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction	121,082		121,082
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	121,082		121,082
<b>Excess (deficiency) of revenues over expenditures</b>	(121,082)		121,082
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(121,082)		121,082
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	\$ (121,082)	\$	\$ 121,082

Compensatory Instruction			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 87 61,127	\$ 87 61,127
				61,214	61,214
295		295	22,308 1,190	22,394 1,190	(86)
295		295	37,630 61,128	37,630 61,214	(86)
(295)		295	(61,128)		61,128
(295)		295	(61,128)		61,128
\$ (295)	\$	\$ 295	\$ (61,128)	\$	\$ 61,128

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		233,332	233,332
<b>Total revenues</b>		<u>233,332</u>	<u>233,332</u>
<b>Expenditures:</b>			
Current -			
Instruction	70,676	58,358	12,318
Support services - students and staff	181,027	149,476	31,551
Support services - administration	19,696	16,263	3,433
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	8,157	6,735	1,422
<b>Total expenditures</b>	<u>279,556</u>	<u>230,832</u>	<u>48,724</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(279,556)</u>	<u>2,500</u>	<u>282,056</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out		(2,500)	(2,500)
<b>Total other financing sources (uses):</b>		<u>(2,500)</u>	<u>(2,500)</u>
<b>Changes in fund balances</b>	<u>(279,556)</u>		<u>279,556</u>
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (279,556)</u>	<u>\$</u>	<u>\$ 279,556</u>

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				890,198	890,198
				890,198	890,198
1,026		1,026	452,870	421,938	30,932
			479,768	446,998	32,770
			4,184	3,898	286
			8,157	7,600	557
1,026		1,026	944,979	880,434	64,545
(1,026)		1,026	(944,979)	9,764	954,743
				(9,764)	(9,764)
				(9,764)	(9,764)
(1,026)		1,026	(944,979)		944,979
\$ (1,026)	\$	\$ 1,026	\$ (944,979)	\$	\$ 944,979

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		69,994	69,994
<b>Total revenues</b>		69,994	69,994
<b>Expenditures:</b>			
Current -			
Instruction	66,799	33,836	32,963
Support services - students and staff	37,595	19,043	18,552
Support services - administration	2,091	1,059	1,032
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	31,697	16,056	15,641
<b>Total expenditures</b>	138,182	69,994	68,188
<b>Excess (deficiency) of revenues over expenditures</b>	(138,182)		138,182
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(138,182)		138,182
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	\$ (138,182)	\$	\$ 138,182

Medicaid Reimbursement			National Forest Fees		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 5,864	\$ 5,864	\$	\$	\$
	141,825	141,825		17,430	17,430
	147,689	147,689		17,430	17,430
94,037	58,234	35,803		18,848	(18,848)
135,988	89,963	46,025			
118,603	74,197	44,406			
46,206	28,614	17,592			
462	286	176			
93,482	57,891	35,591			
488,778	309,185	179,593		18,848	(18,848)
(488,778)	(161,496)	327,282		(1,418)	(1,418)
(488,778)	(161,496)	327,282		(1,418)	(1,418)
	266,273	266,273		17,787	17,787
	5,486	5,486			
\$ (488,778)	\$ 110,263	\$ 599,041	\$	\$ 16,369	\$ 16,369

(Continued)



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Taylor Grazing Fees		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		2,701	2,701
<b>Total revenues</b>		2,701	2,701
<b>Expenditures:</b>			
Current -			
Instruction		33,177	(33,177)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services		95	(95)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>		33,272	(33,272)
<b>Excess (deficiency) of revenues over expenditures</b>		(30,571)	(30,571)
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		(30,571)	(30,571)
<b>Fund balances, beginning of year</b>		34,520	34,520
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	\$	\$ 3,949	\$ 3,949

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 486	\$ 486	\$	\$	\$
	195,349	195,349		622,960	622,960
	195,835	195,835		622,960	622,960
452,373	89,668	362,705	539,865	325,604	214,261
127,446	25,262	102,184	256,486	154,692	101,794
			163,002	98,310	64,692
			3,971	2,395	1,576
70,181	13,911	56,270	22,296	13,447	8,849
650,000	128,841	521,159	985,620	594,448	391,172
(650,000)	66,994	716,994	(985,620)	28,512	1,014,132
				(24,504)	(24,504)
				(24,504)	(24,504)
(650,000)	66,994	716,994	(985,620)	4,008	989,628
	96,820	96,820			
				1,403	1,403
\$ (650,000)	\$ 163,814	\$ 813,814	\$ (985,620)	\$ 5,411	\$ 991,031

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		77,869	77,869
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>77,869</u>	<u>77,869</u>
<b>Expenditures:</b>			
Current -			
Instruction	34,770	31,088	3,682
Support services - students and staff	16,015	14,319	1,696
Support services - administration	48	43	5
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	36,259	32,419	3,840
<b>Total expenditures</b>	<u>87,092</u>	<u>77,869</u>	<u>9,223</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(87,092)</u>		<u>87,092</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(87,092)</u>		<u>87,092</u>
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (87,092)</u>	<u>\$</u>	<u>\$ 87,092</u>

Academic Contests			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	17,511	17,511		34,634	34,634
	17,511	17,511		34,634	34,634
24,040	17,511	6,529			
			175,724	463	175,261
24,040	17,511	6,529	175,724	463	175,261
(24,040)		24,040	(175,724)	34,171	209,895
(24,040)		24,040	(175,724)	34,171	209,895
				214,179	214,179
\$ (24,040)	\$	\$ 24,040	\$ (175,724)	\$ 248,350	\$ 424,074

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Food Service		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 147,691	\$ 147,691
State aid and grants			
Federal aid, grants and reimbursements		1,812,507	1,812,507
<b>Total revenues</b>		<u>1,960,198</u>	<u>1,960,198</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	2,402,262	1,728,018	674,244
Capital outlay	26,625	19,152	7,473
<b>Total expenditures</b>	<u>2,428,887</u>	<u>1,747,170</u>	<u>681,717</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,428,887)</u>	<u>213,028</u>	<u>2,641,915</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out		(100,177)	(100,177)
<b>Total other financing sources (uses):</b>		<u>(100,177)</u>	<u>(100,177)</u>
<b>Changes in fund balances</b>	<u>(2,428,887)</u>	<u>112,851</u>	<u>2,541,738</u>
<b>Fund balances, beginning of year</b>		368,814	368,814
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,428,887)</u>	<u>\$ 481,665</u>	<u>\$ 2,910,552</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,939	\$ 3,939	\$	\$ 24,975	\$ 24,975
	3,939	3,939		24,975	24,975
68,153	181	67,972	39,081	44,652	(5,571)
			5,880	6,718	(838)
			1,610	1,839	(229)
68,153	181	67,972	46,571	53,209	(6,638)
(68,153)	3,758	71,911	(46,571)	(28,234)	18,337
(68,153)	3,758	71,911	(46,571)	(28,234)	18,337
	47,229	47,229		106,317	106,317
				(2,000)	(2,000)
\$ (68,153)	\$ 50,987	\$ 119,140	\$ (46,571)	\$ 76,083	\$ 122,654

(Continued)

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 227,983	\$ 227,983
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>227,983</u>	<u>227,983</u>
<b>Expenditures:</b>			
Current -			
Instruction	397,913	193,246	204,667
Support services - students and staff	8,956	4,349	4,607
Support services - administration	9,894	4,805	5,089
Operation and maintenance of plant services	383	186	197
Student transportation services	2,809	1,364	1,445
Operation of non-instructional services			
Capital outlay	30,045	14,562	15,483
<b>Total expenditures</b>	<u>450,000</u>	<u>218,512</u>	<u>231,488</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(450,000)</u>	<u>9,471</u>	<u>459,471</u>
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(450,000)</u>	<u>9,471</u>	<u>459,471</u>
<b>Fund balances, beginning of year</b>		94,455	94,455
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (450,000)</u>	<u>\$ 103,926</u>	<u>\$ 553,926</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 21,666	\$ 21,666	\$	\$ 73,027	\$ 73,027
	21,666	21,666		73,027	73,027
167,038	12,886	154,152	62,123	34,431	27,692
1,530	118	1,412	101,160	56,066	45,094
			2,293	1,271	1,022
			6,115	3,389	2,726
66,771	2,151	64,620	4,233	2,346	1,887
14,661	1,131	13,530	11,646	6,455	5,191
250,000	16,286	233,714	187,570	103,958	83,612
(250,000)	5,380	255,380	(187,570)	(30,931)	156,639
(250,000)	5,380	255,380	(187,570)	(30,931)	156,639
	50,552	50,552		130,648	130,648
\$ (250,000)	\$ 55,932	\$ 305,932	\$ (187,570)	\$ 99,717	\$ 287,287

(Continued)



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 211	\$ 211
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		211	211
<b>Expenditures:</b>			
Current -			
Instruction	69,390		69,390
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	69,390		69,390
<b>Excess (deficiency) of revenues over expenditures</b>	(69,390)	211	69,601
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(69,390)	211	69,601
<b>Fund balances, beginning of year</b>		82,694	82,694
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	\$ (69,390)	\$ 82,905	\$ 152,295

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 981	\$ 981	\$	\$ 4,276	\$ 4,276
	981	981		4,276	4,276
60,929		60,929	85,317		85,317
60,929		60,929	85,317		85,317
(60,929)	981	61,910	(85,317)	4,276	89,593
(60,929)	981	61,910	(85,317)	4,276	89,593
	68,786	68,786		318,438	318,438
\$ (60,929)	\$ 69,767	\$ 130,696	\$ (85,317)	\$ 322,714	\$ 408,031

(Continued)

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Indirect Costs		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	62,236	37,915	24,321
Support services - administration	197,917	120,573	77,344
Operation and maintenance of plant services	1,638	998	640
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>261,791</u>	<u>159,486</u>	<u>102,305</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(261,791)</u>	<u>(159,486)</u>	<u>102,305</u>
<b>Other financing sources (uses):</b>			
Transfer in		159,486	159,486
Transfer out			
<b>Total other financing sources (uses):</b>		<u>159,486</u>	<u>159,486</u>
<b>Changes in fund balances</b>	<u>(261,791)</u>		<u>261,791</u>
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (261,791)</u>	<u>\$</u>	<u>\$ 261,791</u>

Grants and Gifts to Teachers			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 6	\$ 6	\$	\$ 7	\$ 7
	6	6		7	7
2,316		2,316	14,039	1,038	13,001
2,316		2,316	14,039	1,038	13,001
(2,316)	6	2,322	(14,039)	(1,031)	13,008
(2,316)	6	2,322	(14,039)	(1,031)	13,008
	1,999	1,999		2,595	2,595
\$ (2,316)	\$ 2,005	\$ 4,321	\$ (14,039)	\$ 1,564	\$ 15,603

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 548,140	\$ 548,140
State aid and grants		1,654,411	1,654,411
Federal aid, grants and reimbursements		3,986,296	3,986,296
<b>Total revenues</b>		<u>6,188,847</u>	<u>6,188,847</u>
<b>Expenditures:</b>			
Current -			
Instruction	4,776,887	2,743,230	2,033,657
Support services - students and staff	1,789,710	1,125,538	664,172
Support services - administration	714,937	347,701	367,236
Operation and maintenance of plant services	230,066	62,750	167,316
Student transportation services	86,403	16,142	70,261
Operation of non-instructional services	2,402,262	1,728,018	674,244
Capital outlay	382,679	219,389	163,290
<b>Total expenditures</b>	<u>10,382,944</u>	<u>6,242,768</u>	<u>4,140,176</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(10,382,944)</u>	<u>(53,921)</u>	<u>10,329,023</u>
<b>Other financing sources (uses):</b>			
Transfer in		159,486	159,486
Transfer out		(136,945)	(136,945)
<b>Total other financing sources (uses):</b>		<u>22,541</u>	<u>22,541</u>
<b>Changes in fund balances</b>	<u>(10,382,944)</u>	<u>(31,380)</u>	<u>10,351,564</u>
<b>Fund balances, beginning of year</b>		2,637,997	2,637,997
Increase (decrease) in reserve for prepaid items		4,889	4,889
<b>Fund balances (deficits), end of year</b>	<u>\$ (10,382,944)</u>	<u>\$ 2,611,506</u>	<u>\$ 12,994,450</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.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE**  
**YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Original & Final	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 1,818	\$ 1,818
Property taxes		589,257	589,257
<b>Total revenues</b>		591,075	591,075
<b>Expenditures:</b>			
Debt service -			
Principal retirement	330,000	330,000	
Interest and fiscal charges	443,177	272,913	170,264
<b>Total expenditures</b>	773,177	602,913	170,264
<b>Changes in fund balances</b>	(773,177)	(11,838)	761,339
<b>Fund balances, beginning of year</b>		51,418	51,418
<b>Fund balances (deficits), end of year</b>	\$ (773,177)	\$ 39,580	\$ 812,757

## 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.

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

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

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

**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.



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2015**

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
<b><u>ASSETS</u></b>			
Cash and investments	\$ 79,216	\$	\$ 2
Property taxes receivable	25,778	5,133	
Due from other funds		220,106	
Prepaid items	9,000		
<b>Total assets</b>	<u>\$ 113,994</u>	<u>\$ 225,239</u>	<u>\$ 2</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 3,706	\$ 18,359	\$
<b>Total liabilities</b>	<u>3,706</u>	<u>18,359</u>	
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>22,809</u>	<u>4,460</u>	
Fund balances:			
Nonspendable	9,000		
Restricted	<u>78,479</u>	<u>202,420</u>	<u>2</u>
<b>Total fund balances</b>	<u>87,479</u>	<u>202,420</u>	<u>2</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 113,994</u>	<u>\$ 225,239</u>	<u>\$ 2</u>

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 46,208	\$ 5,009	\$ 130,435
		30,911
		220,106
		9,000
<u>\$ 46,208</u>	<u>\$ 5,009</u>	<u>\$ 390,452</u>

<u>\$</u>	<u>\$ 5,009</u>	<u>\$ 27,074</u>
	<u>5,009</u>	<u>27,074</u>

		<u>27,269</u>
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		9,000
<u>46,208</u>		<u>327,109</u>
<u>46,208</u>		<u>336,109</u>

<u>\$ 46,208</u>	<u>\$ 5,009</u>	<u>\$ 390,452</u>
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**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
<b>Revenues:</b>			
Other local	\$ 90	\$ 76	\$
Property taxes	12,999	1,350	
State aid and grants	4,314		
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>17,403</u>	<u>1,426</u>	
<b>Expenditures:</b>			
Capital outlay	364,279	180,351	
Debt service -			
Principal retirement	180,036		
Interest and fiscal charges	73,292		
<b>Total expenditures</b>	<u>617,607</u>	<u>180,351</u>	
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(600,204)</u>	<u>(178,925)</u>	
<b>Other financing sources (uses):</b>			
Transfer in			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(600,204)</u>	<u>(178,925)</u>	
<b>Fund balances (deficits), beginning of year</b>	678,683	381,345	2
Increase (decrease) in reserve for prepaid items	9,000		
<b>Fund balances, end of year</b>	<u>\$ 87,479</u>	<u>\$ 202,420</u>	<u>\$ 2</u>

Energy and Water Savings	Building Renewal Grant	Totals
\$ 38	\$	\$ 204
		14,349
	301,541	305,855
46,170		46,170
<u>46,208</u>	<u>301,541</u>	<u>366,578</u>
	285,538	830,168
		180,036
		73,292
	<u>285,538</u>	<u>1,083,496</u>
<u>46,208</u>	<u>16,003</u>	<u>(716,918)</u>
123,775		123,775
<u>123,775</u>		<u>123,775</u>
<u>169,983</u>	<u>16,003</u>	<u>(593,143)</u>
(123,775)	(16,003)	920,252
		9,000
<u>\$ 46,208</u>	<u>\$</u>	<u>\$ 336,109</u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 90	\$ 90
Property taxes		12,999	12,999
State aid and grants		4,314	4,314
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>17,403</u>	<u>17,403</u>
<b>Expenditures:</b>			
Capital outlay	427,517	364,279	63,238
Debt service -			
Principal retirement	180,036	180,036	
Interest and fiscal charges	73,292	73,292	
<b>Total expenditures</b>	<u>680,845</u>	<u>617,607</u>	<u>63,238</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(680,845)</u>	<u>(600,204)</u>	<u>80,641</u>
<b>Other financing sources (uses):</b>			
Transfer in			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(680,845)</u>	<u>(600,204)</u>	<u>80,641</u>
<b>Fund balances (deficits), beginning of year</b>		678,683	678,683
Increase (decrease) in reserve for prepaid items		9,000	9,000
<b>Fund balances (deficits), end of year</b>	<u>\$ (680,845)</u>	<u>\$ 87,479</u>	<u>\$ 768,324</u>

Adjacent Ways			Gifts and Donations - Capital		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 76 1,350	\$ 76 1,350	\$	\$	\$
	1,426	1,426			
2,206,736	180,351	2,026,385	7,500		7,500
2,206,736	180,351	2,026,385	7,500		7,500
(2,206,736)	(178,925)	2,027,811	(7,500)		7,500
(2,206,736)	(178,925)	2,027,811	(7,500)		7,500
	381,345	381,345		2	2
\$ (2,206,736)	\$ 202,420	\$ 2,409,156	\$ (7,500)	\$ 2	\$ 7,502

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Energy and Water Savings		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 38	\$ 38
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements		46,170	46,170
<b>Total revenues</b>		<u>46,208</u>	<u>46,208</u>
<b>Expenditures:</b>			
Capital outlay	349,000		349,000
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>349,000</u>		<u>349,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(349,000)</u>	<u>46,208</u>	<u>395,208</u>
<b>Other financing sources (uses):</b>			
Transfer in		123,775	123,775
<b>Total other financing sources (uses):</b>		<u>123,775</u>	<u>123,775</u>
<b>Changes in fund balances</b>	<u>(349,000)</u>	<u>169,983</u>	<u>518,983</u>
<b>Fund balances (deficits), beginning of year</b>		(123,775)	(123,775)
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (349,000)</u>	<u>\$ 46,208</u>	<u>\$ 395,208</u>

Building Renewal			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				301,541	301,541
				301,541	301,541
50,000		50,000	517,892	285,538	232,354
50,000		50,000	517,892	285,538	232,354
(50,000)		50,000	(517,892)	16,003	533,895
(50,000)		50,000	(517,892)	16,003	533,895
				(16,003)	(16,003)
\$ (50,000)	\$	\$ 50,000	\$ (517,892)	\$	\$ 517,892



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Totals		Variance -
	Budget	Actual	Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 204	\$ 204
Property taxes		14,349	14,349
State aid and grants		305,855	305,855
Federal aid, grants and reimbursements		46,170	46,170
<b>Total revenues</b>		<u>366,578</u>	<u>366,578</u>
<b>Expenditures:</b>			
Capital outlay	3,558,645	830,168	2,728,477
Debt service -			
Principal retirement	180,036	180,036	
Interest and fiscal charges	73,292	73,292	
<b>Total expenditures</b>	<u>3,811,973</u>	<u>1,083,496</u>	<u>2,728,477</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,811,973)</u>	<u>(716,918)</u>	<u>3,095,055</u>
<b>Other financing sources (uses):</b>			
Transfer in		123,775	123,775
<b>Total other financing sources (uses):</b>		<u>123,775</u>	<u>123,775</u>
<b>Changes in fund balances</b>	<u>(3,811,973)</u>	<u>(593,143)</u>	<u>3,218,830</u>
<b>Fund balances (deficits), beginning of year</b>		920,252	920,252
Increase (decrease) in reserve for prepaid items		9,000	9,000
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,811,973)</u>	<u>\$ 336,109</u>	<u>\$ 4,148,082</u>

## **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 Insurance** - to account for unremitted insurance deductions held by the District as an agent.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2015**

	Student Activities	Employee Insurance	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 88,401	\$ 699,399	\$ 787,800
<b>Total assets</b>	<u>\$ 88,401</u>	<u>\$ 699,399</u>	<u>\$ 787,800</u>
<b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 699,399	\$ 699,399
Due to student groups	88,401		88,401
<b>Total liabilities</b>	<u>\$ 88,401</u>	<u>\$ 699,399</u>	<u>\$ 787,800</u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>111,675</u>	\$ <u>115,365</u>	\$ <u>138,639</u>	\$ <u>88,401</u>
Total assets	\$ <u><u>111,675</u></u>	\$ <u><u>115,365</u></u>	\$ <u><u>138,639</u></u>	\$ <u><u>88,401</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>111,675</u>	\$ <u>115,365</u>	\$ <u>138,639</u>	\$ <u>88,401</u>
Total liabilities	\$ <u><u>111,675</u></u>	\$ <u><u>115,365</u></u>	\$ <u><u>138,639</u></u>	\$ <u><u>88,401</u></u>
<b><u>EMPLOYEE INSURANCE FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>699,102</u>	<u>3,774,252</u>	<u>3,773,955</u>	\$ <u>699,399</u>
Total assets	\$ <u><u>699,102</u></u>	\$ <u><u>3,774,252</u></u>	\$ <u><u>3,773,955</u></u>	\$ <u><u>699,399</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>699,102</u>	\$ <u>3,774,252</u>	\$ <u>3,773,955</u>	\$ <u>699,399</u>
Total liabilities	\$ <u><u>699,102</u></u>	\$ <u><u>3,774,252</u></u>	\$ <u><u>3,773,955</u></u>	\$ <u><u>699,399</u></u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>810,777</u>	\$ <u>3,889,617</u>	\$ <u>3,912,594</u>	\$ <u>787,800</u>
Total assets	\$ <u><u>810,777</u></u>	\$ <u><u>3,889,617</u></u>	\$ <u><u>3,912,594</u></u>	\$ <u><u>787,800</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>699,102</u>	\$ <u>3,774,252</u>	\$ <u>3,773,955</u>	\$ <u>699,399</u>
Due to student groups	<u>111,675</u>	<u>115,365</u>	<u>138,639</u>	<u>88,401</u>
Total liabilities	\$ <u><u>810,777</u></u>	\$ <u><u>3,889,617</u></u>	\$ <u><u>3,912,594</u></u>	\$ <u><u>787,800</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.

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**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 27,173,428	\$ 28,197,425	\$ 28,343,182	\$ 29,276,531	\$ 30,572,945
Restricted	3,096,515	3,728,258	2,954,030	3,558,660	3,897,010
Unrestricted	(29,968,585)	(2,130,930)	3,608,836	5,980,901	7,528,236
Total net position	<u>\$ 301,358</u>	<u>\$ 29,794,753</u>	<u>\$ 34,906,048</u>	<u>\$ 38,816,092</u>	<u>\$ 41,998,191</u>
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 34,850,360	\$ 30,817,230	\$ 30,074,988	\$ 30,056,109	\$ 29,270,589
Restricted	2,189,507	1,285,491	2,945,518	4,228,481	2,657,505
Unrestricted	5,936,929	5,491,455	4,498,888	2,474,019	5,761,993
Total net position	<u>\$ 42,976,796</u>	<u>\$ 37,594,176</u>	<u>\$ 37,519,394</u>	<u>\$ 36,758,609</u>	<u>\$ 37,690,087</u>

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



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenses</b>					
Instruction	\$ 14,603,571	\$ 15,416,389	\$ 15,561,057	\$ 16,260,656	\$ 17,841,561
Support services - students and staff	4,421,951	4,021,817	4,146,037	4,044,306	4,213,389
Support services - administration	3,369,234	3,827,620	3,937,840	3,506,391	3,852,387
Operation and maintenance of plant services	3,803,705	3,737,948	3,809,971	3,835,953	4,113,500
Student transportation services	682,905	702,835	685,326	688,064	1,037,984
Operation of non-instructional services	1,797,067	1,810,894	1,878,777	1,790,705	1,776,853
Interest on long-term debt	349,651	363,294	386,430	408,367	431,757
Total expenses	<u>29,028,084</u>	<u>29,880,797</u>	<u>30,405,438</u>	<u>30,534,442</u>	<u>33,267,431</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	998,254	1,211,936	963,143	1,325,996	1,077,451
Operation of non-instructional services	374,908	319,818	409,732	420,149	161,359
Other activities	38,451	33,565	38,669	29,769	30,000
Operating grants and contributions	6,460,157	6,517,034	6,846,685	7,013,310	7,004,441
Capital grants and contributions	421,555	124,658	488,268	533,701	665,494
Total program revenues	<u>8,293,325</u>	<u>8,207,011</u>	<u>8,746,497</u>	<u>9,322,925</u>	<u>8,938,745</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (20,734,759)</u>	<u>\$ (21,673,786)</u>	<u>\$ (21,658,941)</u>	<u>\$ (21,211,517)</u>	<u>\$ (24,328,686)</u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Expenses</b>					
Instruction	\$ 17,193,268	\$ 17,343,288	\$ 17,834,162	\$ 19,063,940	\$ 16,820,718
Support services - students and staff	4,909,283	3,377,009	2,879,445	2,728,216	2,670,700
Support services - administration	4,278,874	4,161,607	3,664,508	3,343,558	3,281,778
Operation and maintenance of plant services	3,781,781	4,413,063	4,311,968	4,099,917	3,620,249
Student transportation services	696,240	644,805	617,619	547,154	482,146
Operation of non-instructional services	2,111,085	2,019,035	1,908,757	1,759,754	1,478,780
Interest on long-term debt	92,143	123,043	153,544	180,909	205,395
Total expenses	<u>33,062,674</u>	<u>32,081,850</u>	<u>31,370,003</u>	<u>31,723,448</u>	<u>28,559,766</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	992,987	1,068,210	1,038,252	888,597	837,764
Operation of non-instructional services	398,342	49,981	281,964	272,112	410,206
Other activities	429,339	384,528	45,114	17,831	13,643
Operating grants and contributions	9,497,217	6,822,564	6,014,897	5,464,554	5,733,337
Capital grants and contributions	4,623,246	1,006,217	430,206	260,781	764,779
Total program revenues	<u>15,941,131</u>	<u>9,331,500</u>	<u>7,810,433</u>	<u>6,903,875</u>	<u>7,759,729</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (17,121,543)</u>	<u>\$ (22,750,350)</u>	<u>\$ (23,559,570)</u>	<u>\$ (24,819,573)</u>	<u>\$ (20,800,037)</u>

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Net (Expense)/Revenue</b>	\$ (20,734,759)	\$ (21,673,786)	\$ (21,658,941)	\$ (21,211,517)	\$ (24,328,686)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	3,157,083	667,556	1,163,447	397,877	4,061,894
Property taxes, levied for debt service	585,112	605,881	378,410	585,907	677,328
Property taxes, levied for capital outlay	9,458		370,988	1,123,544	664,704
Investment income	11,340	7,161	19,895	39,679	43,212
Unrestricted county aid	1,226,277	1,402,326	1,124,042	987,121	835,422
Unrestricted state aid	14,343,367	13,822,775	14,638,011	14,895,290	16,886,641
Unrestricted federal aid	161,956	56,792	54,104		180,880
<b>Total general revenues</b>	<b><u>19,494,593</u></b>	<b><u>16,562,491</u></b>	<b><u>17,748,897</u></b>	<b><u>18,029,418</u></b>	<b><u>23,350,081</u></b>
<b>Changes in Net Position</b>	<b><u>\$ (1,240,166)</u></b>	<b><u>\$ (5,111,295)</u></b>	<b><u>\$ (3,910,044)</u></b>	<b><u>\$ (3,182,099)</u></b>	<b><u>\$ (978,605)</u></b>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>
<b>Net (Expense)/Revenue</b>	\$ (17,121,543)	\$ (22,750,350)	\$ (23,559,570)	\$ (24,819,573)	\$ (20,800,037)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	1,918,514	2,011,783	1,747,944	705,729	1,154,847
Property taxes, levied for debt service	593,885	1,211,057	1,112,759	868,837	640,847
Property taxes, levied for capital outlay	1,215,963		59,363	1,715,755	1,244,032
Investment income	63,807	110,593	352,938	257,928	190,707
Unrestricted county aid	722,029	669	4,037	16,886	577,687
Unrestricted state aid	15,907,279	19,491,030	21,043,314	20,322,960	19,179,853
Unrestricted federal aid	2,082,686				
<b>Total general revenues</b>	<u>22,504,163</u>	<u>22,825,132</u>	<u>24,320,355</u>	<u>23,888,095</u>	<u>22,987,973</u>
<b>Changes in Net Position</b>	<u>\$ 5,382,620</u>	<u>\$ 74,782</u>	<u>\$ 760,785</u>	<u>\$ (931,478)</u>	<u>\$ 2,187,936</u>

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

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
General Fund:					
Nondisposable	\$ 465,559	\$ 138,991	\$ 323,988	\$ 682,028	\$ 503,343
Unassigned	(1,845,526)	(1,137,939)	3,120,729	5,069,803	6,594,709
Total General Fund	<u><u>\$ (1,379,967)</u></u>	<u><u>\$ (998,948)</u></u>	<u><u>\$ 3,444,717</u></u>	<u><u>\$ 5,751,831</u></u>	<u><u>\$ 7,098,052</u></u>
All Other Governmental Funds:					
Nondisposable	\$ 10,403	\$ 132,413	\$	\$	\$
Restricted	2,993,990	3,487,452	2,845,152	3,388,301	3,272,963
Unassigned		(139,778)	(46,372)	(77,491)	
Total all other governmental funds	<u><u>\$ 3,004,393</u></u>	<u><u>\$ 3,480,087</u></u>	<u><u>\$ 2,798,780</u></u>	<u><u>\$ 3,310,810</u></u>	<u><u>\$ 3,272,963</u></u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Reserved	\$ 333,882	\$ 322,881	\$ 480,181	\$ 125,846	\$ 162,973
Unreserved	850,466	(158,614)	314,448	195,064	1,367,162
Total General Fund	<u>\$ 1,184,348</u>	<u>\$ 164,267</u>	<u>\$ 794,629</u>	<u>\$ 320,910</u>	<u>\$ 1,530,135</u>
All Other Governmental Funds:					
Reserved	\$	\$ 7,526	\$ 10,524	\$ 12,528	\$ 17,267
Unreserved, reported in:					
Special revenue funds	3,034,201	2,715,339	2,297,125	1,279,780	2,782,126
Capital projects funds	8,101,938	796,388	2,664,402	3,945,363	2,195,063
Debt service fund	144,222	256,958	136,972	100,645	251,813
Total all other governmental funds	<u>\$ 11,280,361</u>	<u>\$ 3,776,211</u>	<u>\$ 5,109,023</u>	<u>\$ 5,338,316</u>	<u>\$ 5,246,269</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.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Federal sources:</b>					
Federal grants	\$ 4,761,213	\$ 4,689,544	\$ 5,584,171	\$ 5,377,822	\$ 5,320,653
State Fiscal Stabilization (ARRA)					180,880
Education Jobs				53,151	707,913
National School Lunch Program	1,812,507	1,761,029	1,679,849	1,768,791	1,669,864
Total federal sources	<u>6,573,720</u>	<u>6,450,573</u>	<u>7,264,020</u>	<u>7,199,764</u>	<u>7,879,310</u>
<b>State sources:</b>					
State equalization assistance	12,845,463	12,220,975	13,324,991	14,148,977	15,751,557
State grants	95,380	185,160	111,699	195,925	90,601
Other revenues	1,799,445	1,601,800	1,304,650	1,292,206	1,157,726
Total state sources	<u>14,740,288</u>	<u>14,007,935</u>	<u>14,741,340</u>	<u>15,637,108</u>	<u>16,999,884</u>
<b>Local sources:</b>					
Property taxes	3,597,918	1,365,118	1,962,618	2,375,743	5,180,392
County aid	1,226,277	1,402,326	1,124,042	987,121	835,422
Food service sales	146,310	148,002	165,190	185,369	161,359
Investment income	11,340	7,161	19,895	39,679	43,212
Other revenues	1,338,330	1,480,068	1,268,062	1,741,867	1,205,416
Total local sources	<u>6,320,175</u>	<u>4,402,675</u>	<u>4,539,807</u>	<u>5,329,779</u>	<u>7,425,801</u>
<b>Total revenues</b>	<u>\$ 27,634,183</u>	<u>\$ 24,861,183</u>	<u>\$ 26,545,167</u>	<u>\$ 28,166,651</u>	<u>\$ 32,304,995</u>

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Federal sources:</b>					
Federal grants	\$ 11,396,212	\$ 5,002,016	\$ 4,620,887	\$ 4,080,218	\$ 4,572,004
State Fiscal Stabilization (ARRA)	2,082,686				
National School Lunch Program	1,773,698	1,646,185	1,510,340	1,344,709	1,281,516
Total federal sources	<u>15,252,596</u>	<u>6,648,201</u>	<u>6,131,227</u>	<u>5,424,927</u>	<u>5,853,520</u>
<b>State sources:</b>					
State equalization assistance	16,097,611	16,553,192	18,442,289	17,735,350	15,984,916
State grants	234,667	2,078,367	383,990	245,059	207,961
School Facilities Board			352,670	713,339	1,082,701
Other revenues	1,214,935	32,980	2,248,355	1,874,271	2,118,795
Total state sources	<u>17,547,213</u>	<u>18,664,539</u>	<u>21,427,304</u>	<u>20,568,019</u>	<u>19,394,373</u>
<b>Local sources:</b>					
Property taxes	3,671,680	3,157,114	2,877,938	3,402,374	3,141,544
County aid	722,029	669	4,037	16,886	577,687
Food service sales	184,889	202,739	188,051	202,802	195,114
Investment income	63,809	110,593	352,938	257,928	190,707
Other revenues	1,721,349	1,582,957	1,376,895	975,738	1,066,499
Total local sources	<u>6,363,756</u>	<u>5,054,072</u>	<u>4,799,859</u>	<u>4,855,728</u>	<u>5,171,551</u>
<b>Total revenues</b>	<u>\$ 39,163,565</u>	<u>\$ 30,366,812</u>	<u>\$ 32,358,390</u>	<u>\$ 30,848,674</u>	<u>\$ 30,419,444</u>

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

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



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 13,312,255	\$ 13,762,080	\$ 13,806,716	\$ 14,729,785	\$ 13,523,776
Support services - students and staff	4,233,189	4,043,262	4,112,269	3,912,817	3,613,733
Support services - administration	3,680,435	3,496,732	3,804,782	3,227,155	3,560,419
Operation and maintenance of plant services	3,232,004	3,213,774	3,194,046	3,234,682	3,259,655
Student transportation services	506,557	564,413	551,958	493,999	527,036
Operation of non-instructional services	1,761,234	1,772,586	1,831,798	1,755,419	1,648,569
Capital outlay	1,113,539	1,092,574	931,233	1,522,832	8,997,027
Debt service -					
Claims and judgments					29,497
Interest, premium and fiscal charges	346,205	359,848	372,786	394,723	350,018
Principal retirement	510,036	495,993	400,683	382,298	248,000
Bond issuance costs					
<b>Total expenditures</b>	<u>\$ 28,695,454</u>	<u>\$ 28,801,262</u>	<u>\$ 29,006,271</u>	<u>\$ 29,653,710</u>	<u>\$ 35,757,730</u>
Expenditures for capitalized assets	\$ 385,977	\$ 559,158	\$ 596,419	\$ 462,044	\$ 4,294,000
Debt service as a percentage of noncapital expenditures	3%	3%	3%	3%	2%

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 15,731,136	\$ 15,102,110	\$ 15,898,466	\$ 16,297,105	\$ 14,755,818
Support services - students and staff	4,858,762	3,295,576	2,759,700	2,607,179	2,599,809
Support services - administration	3,756,522	3,758,653	3,687,157	3,251,906	3,174,986
Operation and maintenance of plant services	3,313,024	3,632,650	3,477,072	3,547,550	3,153,788
Student transportation services	605,059	542,207	485,546	449,169	326,570
Operation of non-instructional services	1,910,702	1,859,046	1,807,614	1,628,702	1,378,282
Capital outlay	7,092,311	2,878,248	3,201,447	2,988,582	3,343,787
Debt service -					
Claims and judgments		16,248			
Interest, premium and fiscal charges	24,050	54,950	85,451	112,816	137,302
Principal retirement	740,000	1,030,000	1,063,842	1,040,977	928,241
Bond issuance costs	189,834				
<b>Total expenditures</b>	<u><u>\$ 38,221,400</u></u>	<u><u>\$ 32,169,688</u></u>	<u><u>\$ 32,466,295</u></u>	<u><u>\$ 31,923,986</u></u>	<u><u>\$ 29,798,583</u></u>
Expenditures for capitalized assets	\$ 5,983,990	\$ 1,076,419	\$ 417,468	\$ 1,154,667	\$ 1,680,135
Debt service as a percentage of noncapital expenditures	2%	3%	4%	4%	4%

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (1,061,271)	\$ (3,940,079)	\$ (2,461,104)	\$ (1,487,059)	\$ (3,452,735)
<b>Other financing sources (uses):</b>					
Capital lease agreements		230,305			1,189,580
Transfers in	283,261	1,016,702	271,038	170,085	179,723
Transfers out	(283,261)	(1,016,702)	(271,038)	(170,085)	(179,723)
Total other financing sources (uses)		230,305			1,189,580
<b>Changes in fund balances</b>	<u>\$ (1,061,271)</u>	<u>\$ (3,709,774)</u>	<u>\$ (2,461,104)</u>	<u>\$ (1,487,059)</u>	<u>\$ (2,263,155)</u>
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 942,165	\$ (1,802,876)	\$ (107,905)	\$ (1,075,312)	\$ 620,861
<b>Other financing sources (uses):</b>					
School improvement bonds issued	7,648,000				
Discount on sale of bonds	(69,409)				
Transfers in	203,394	1,471,552	702,599	229,962	
Transfers out	(203,394)	(1,471,552)	(702,599)	(229,962)	
Total other financing sources (uses)	7,578,591				
<b>Changes in fund balances</b>	<u>\$ 8,520,756</u>	<u>\$ (1,802,876)</u>	<u>\$ (107,905)</u>	<u>\$ (1,075,312)</u>	<u>\$ 620,861</u>

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**PRIMARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 23,144,013	\$ 23,596,186	\$ 24,929,998	\$ 25,535,106	\$ 26,415,221
Agricultural and Vacant	8,732,829	9,150,657	9,242,515	8,874,977	8,424,590
Residential (Owner Occupied)	23,513,949	25,956,258	26,185,770	33,804,467	33,820,165
Residential (Rental)	12,559,231	13,370,678	13,125,265	6,145,947	6,029,431
Historical Property	58,866	68,231	68,231	71,120	78,645
Certain Government Property Improvements	12,969	12,969	11,465		
Total	<u>\$ 68,021,857</u>	<u>\$ 72,154,979</u>	<u>\$ 73,563,244</u>	<u>\$ 74,431,617</u>	<u>\$ 74,768,052</u>
Estimated Actual Value (Full Cash Value)	\$ 641,632,122	\$ 679,973,106	\$ 688,509,192	\$ 694,974,282	\$ 701,419,679
Ratio of Primary Assessed Value to Estimated Actual Value	11%	11%	11%	11%	11%
Total Direct Rate	6.19	2.00	3.01	3.32	8.74

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 26,525,258	\$ 26,844,013	\$ 26,783,763	\$ 25,063,404	\$ 24,276,648
Agricultural and Vacant	7,359,880	7,226,800	7,468,002	6,941,207	5,646,780
Residential (Owner Occupied)	32,328,606	30,232,963	27,193,359	25,404,484	22,157,694
Residential (Rental)	5,743,575	5,423,091	4,542,108	4,325,921	3,651,219
Railroad, Private Cars and Airlines				39,752	36,943
Historical Property	63,335	65,370	59,589	59,573	52,290
Total	<u>\$ 72,020,654</u>	<u>\$ 69,792,237</u>	<u>\$ 66,046,821</u>	<u>\$ 61,834,341</u>	<u>\$ 55,821,574</u>
Estimated Actual Value (Full Cash Value)	\$ 647,530,839	\$ 635,863,021	\$ 572,506,151	\$ 537,953,409	\$ 474,089,819
Ratio of Primary Value to Estimated Actual Value	11%	11%	12%	11%	12%
Total Direct Rate	6.12	5.16	4.68	6.37	6.16

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

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**SECONDARY ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 23,156,027	\$ 23,631,939	\$ 25,139,136	\$ 25,767,786	\$ 27,073,241
Agricultural and Vacant	8,832,932	9,474,420	10,031,488	10,155,891	10,486,873
Residential (Owner Occupied)	23,519,372	25,969,064	26,226,198	33,862,691	34,427,551
Residential (Rental)	12,561,184	13,376,856	13,184,541	6,190,301	6,132,339
Historical Property	58,866	68,231	68,231	71,186	79,615
Certain Government Property Improvements	12,969	12,969	12,969		
Total	<u>\$ 68,141,350</u>	<u>\$ 72,533,479</u>	<u>\$ 74,662,563</u>	<u>\$ 76,047,855</u>	<u>\$ 78,199,619</u>
Ratio of Secondary Assessed Value to Estimated Actual Value	11%	11%	11%	11%	11%
Total Direct Rate	6.19	2.00	3.01	3.32	8.74

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 27,552,654	\$ 28,527,823	\$ 27,735,980	\$ 26,441,166	\$ 24,476,213
Agricultural and Vacant	7,913,565	8,084,191	8,658,478	8,570,787	5,989,789
Residential (Owner Occupied)	32,859,795	32,137,204	27,968,296	26,778,053	23,166,987
Residential (Rental)	5,913,254	5,904,100	4,687,886	4,596,760	3,866,699
Railroad, Private Cars and Airlines				42,290	40,806
Historical Property	66,751	69,538	62,686	63,643	55,178
Total	<u>\$ 74,306,019</u>	<u>\$ 74,722,856</u>	<u>\$ 69,113,326</u>	<u>\$ 66,492,699</u>	<u>\$ 57,595,672</u>
Ratio of Secondary Assessed Value to Estimated Actual Value	11%	12%	12%	12%	12%
Total Direct Rate	6.12	5.16	4.68	6.37	6.16

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

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**PROPERTY TAX ASSESSMENT RATIOS**  
**LAST TEN FISCAL YEARS**

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

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

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

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates								District Direct Rates		
	State	County	County	Flood	Community	Fire	Joint	City			
	Equalization		Free	Control	College	District	Technology	of	Primary	Secondary	Total
			Library	District	District	Assistance	District	Douglas			
2015	0.51	2.63	1.15	0.26	2.03	0.10	0.05	1.15	5.32	0.87	6.19
2014	0.51	2.63	0.15	0.26	1.85	0.09	0.05	1.08	1.14	0.86	2.00
2013	0.47	2.63	0.15	0.26	1.73	0.09	0.05	1.05	2.48	0.53	3.01
2012	0.43	2.63	0.15	0.26	1.67	0.08	0.05	0.98	2.53	0.79	3.32
2011	0.00	2.63	0.15	0.26	1.60	0.08	0.05	0.98	7.86	0.88	8.74
2010	0.00	2.64	0.15	0.26	1.60	0.09	0.05	1.00	5.30	0.82	6.12
2009	0.00	2.68	0.16	0.26	1.66	0.08	0.05	1.02	3.51	1.65	5.16
2008	0.00	2.87	0.16	0.26	1.74	0.09	0.05	0.99	3.10	1.58	4.68
2007	0.00	2.92	0.16	0.26	1.79	0.09	0.05	1.05	4.94	1.43	6.37
2006	0.00	2.94	0.16	0.26	1.79	0.09	0.05	1.09	5.33	0.83	6.16

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2015			2006	
	Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation		Secondary Assessed Valuation	Percentage of District's Net Assessed Valuation
Arizona Public Service Company	\$ 3,767,560	5.53 %		\$ 4,077,774	7.08 %
Wal-Mart Stores Inc.	2,065,785	3.03		1,088,558	1.89
Phelps Dodge Corporation	1,319,625	1.94		933,050	1.62
Kinder Morgan	618,831	0.91			
DHD LLC	587,115	0.86			
Southwest Gas Corporation	577,878	0.85		1,353,498	2.35
Qwest Corporation	562,979	0.83		1,330,460	2.31
SFP Pool Five Shopping Centers LLC	439,357	0.64			
BH Properties LLC	418,100	0.61			
UIRC - GSA V	369,273	0.54			
Safeway Inc.				1,002,165	1.74
General Motors Corporation				973,367	1.69
Newhall Douglas Limited				627,793	1.09
J.C. Penney Stores				575,957	1.00
Borane Ronald J. & Rona				541,399	0.94
Total	<u>\$ 10,726,503</u>	<u>15.75 %</u>		<u>\$ 12,504,021</u>	<u>21.71 %</u>

**Source:** The source of this information is the Cochise County Assessor's records.



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2015	\$ 3,673,948	\$ 3,308,359	90.05 %	\$	\$ 3,308,359	90.05 %
2014	1,283,355	1,130,385	88.08	131,342	1,261,727	98.31
2013	1,961,938	1,763,680	89.89	173,671	1,937,351	98.75
2012	2,115,717	1,903,366	89.96	190,461	2,093,827	98.97
2011	5,248,055	4,702,230	89.60	493,498	5,195,728	99.00
2010	3,640,145	3,258,319	89.51	354,066	3,612,385	99.24
2009	3,115,816	2,795,410	89.72	298,422	3,093,832	99.29
2008	2,668,469	2,400,827	89.97	267,642	2,668,469	100.00
2007	3,326,693	3,119,942	93.79	206,751	3,326,693	100.00
2006	2,904,085	2,647,543	91.17	256,542	2,904,085	100.00

**Source:** The source of this information is the 2015 Cochise 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.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less:	Total	Percentage of	Per Capita	Capital Leases	Total	Percentage of	Per Capita	Percentage of Personal Income	
		Amounts		Estimated				Estimated			
		Restricted for Principal		Actual Value (Full Cash Value)				Actual Value (Full Cash Value)			
2015	\$ 6,465,000	\$ 114,836	\$ 6,350,164	0.99 %	\$ 374	\$ 895,875	\$ 7,360,875	1.15 %	\$ 433	N/A %	
2014	6,785,000	130,819	6,654,181	0.98	393	1,075,911	7,860,911	1.16	464	0.17	
2013	7,095,000	127,451	6,967,549	1.01	387	1,021,599	8,116,599	1.18	451	0.17	
2012	7,400,000	331,441	7,068,559	1.02	393	1,112,282	8,512,282	1.22	473	0.18	
2011	7,600,000	344,413	7,255,587	1.03	403	1,189,580	8,789,580	1.25	488	0.19	
2010	8,388,000	248,030	8,139,970	1.26	452		8,388,000	1.30	466	0.19	
2009	1,770,000	396,409	1,373,591	0.22	76		1,770,000	0.28	98	0.04	
2008	2,770,000	253,787	2,516,213	0.44	140		2,770,000	0.48	154	0.07	
2007	3,750,000	183,151	3,566,849	0.66	210	63,842	3,813,842	0.71	224	0.11	
2006	4,620,000	349,958	4,270,042	0.90	251	124,819	4,744,819	1.00	279	0.14	

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

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

**Note:** The District had no capital lease obligations from 2008-2010

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Cochise County	\$ 3,375,804	7.13 %	\$ 240,690
City of Douglas	10,105,285	100.00	10,105,285
Subtotal, Overlapping Debt			<u>10,345,975</u>
Direct:			
Douglas Unified School District No. 27			<u>7,360,875</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 17,706,850</u></u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation	9.32	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 982	
As a Percentage of Net Secondary Assessed Valuation	24.50	%
As a Percentage of Estimated Actual Value (Full Cash Value)	2.60	%

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2014 is presented for the overlapping governments as this is the most recent available information.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

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

Secondary assessed valuation	\$ 68,141,350
Debt limit (20% of assessed value)	13,628,270
Debt applicable to limit	<u>6,465,000</u>
Legal debt margin	<u><u>\$ 7,163,270</u></u>

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

Secondary assessed valuation	\$ 68,141,350
Debt limit (30% of assessed value)	20,442,405
Debt applicable to limit	<u>6,465,000</u>
Legal debt margin	<u><u>\$ 13,977,405</u></u>

**Fiscal Year Ended June 30**

	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>
Debt Limit	\$ 20,442,405	\$ 21,760,044	\$ 22,398,736	\$ 22,814,357	\$ 23,459,886
Total net debt applicable to limit	<u>6,465,000</u>	<u>6,785,000</u>	<u>7,095,000</u>	<u>7,400,000</u>	<u>7,600,000</u>
Legal debt margin	<u><u>\$ 13,977,405</u></u>	<u><u>\$ 14,975,044</u></u>	<u><u>\$ 15,303,736</u></u>	<u><u>\$ 15,414,357</u></u>	<u><u>\$ 15,859,886</u></u>
Total net debt applicable to the limit as a percentage of debt limit	32%	31%	32%	32%	32%

	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>	<u><b>2006</b></u>
Debt Limit	\$ 29,722,408	\$ 22,416,857	\$ 20,733,998	\$ 19,947,810	\$ 17,278,702
Total net debt applicable to limit	<u>8,388,000</u>	<u>1,770,000</u>	<u>2,770,000</u>	<u>3,750,000</u>	<u>4,620,000</u>
Legal debt margin	<u><u>\$ 21,334,408</u></u>	<u><u>\$ 20,646,857</u></u>	<u><u>\$ 17,963,998</u></u>	<u><u>\$ 16,197,810</u></u>	<u><u>\$ 12,658,702</u></u>
Total net debt applicable to the limit as a percentage of debt limit	28%	8%	13%	19%	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 and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.

2) Bond premium is not subject to the statutory debt limit.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>		<u>Personal Income (thousands)</u>		<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2014	139,372	\$	4,679,941	\$	36,720	8.4 %	17,000
2013	130,906		4,740,219		36,612	8.8	16,953
2012	130,752		4,837,759		36,467	8.2	18,000
2011	130,537		4,763,499		35,738	8.8	18,000
2010	142,000		4,688,309		35,592	8.0	18,000
2009	140,263		4,435,021		34,243	7.4	18,000
2008	139,434		4,271,255		33,259	5.6	18,000
2007	137,200		3,823,812		29,890	4.0	18,000
2006	135,150		3,570,455		28,166	4.4	17,000
2005	131,790		3,383,842		26,958	4.8	17,000

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2005 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2014, the source of the information is the Arizona Office of Employment and Population Statistics.

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**PRINCIPAL EMPLOYERS**  
**CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Employer	2015			2006		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Arizona State Prison Complex	615	13.68	%	651	11.53	%
Douglas Unified School District	502	11.16		541	9.58	
Advanced Call Center Technologies, L.L.C.	260	5.78				
Wal-Mart Stores, Inc.	249	5.54		339	6.01	
City of Douglas	188	4.18		222	3.93	
Cochise College	175	3.89		223	3.95	
Cochise Private Industry Council	103	2.29				
Cochise Regional Hospital	74	1.65				
Chiricahua Community Health Center	72	1.60				
Basha’s Inc.	56	1.25		71	1.26	
Haven of Douglas	51	1.13				
Southeast Arizona Medical Center				98	1.74	
Cochise County				59	1.05	
Homeland Security				112	1.98	
Safeway						
Gadsden Hotel						
United States Border Patrol				471	8.34	
Total	2,345	52.15	%	2,787	49.37	%
Total employment	4,497			5,645		

**Source:** The source of this information is the records of the Cochise College Center for Economic Research.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Supervisory</b>					
Superintendent	1	1	1	1	
Assistant superintendents		1	1	1	
Consultants/supervisors of instruction	1	1	1	2	
Principals	8	8	8	8	8
Assistant principals	4	4	4	4	4
Total supervisory	<u>14</u>	<u>15</u>	<u>15</u>	<u>16</u>	<u>12</u>
<b>Instruction</b>					
Teachers	184	197	188	180	187
Other professionals (instructional)	15	16	16	16	16
Aides	107	99	115	116	112
Total instruction	<u>306</u>	<u>312</u>	<u>319</u>	<u>312</u>	<u>315</u>
<b>Student Services</b>					
Nurses	4	4	4	4	
Counselors/Advisors	8	8	7	7	
Librarians	1	1	1	1	1
Technicians	6	6	6	6	6
Total student services	<u>19</u>	<u>19</u>	<u>18</u>	<u>18</u>	<u>7</u>
<b>Support and Administration</b>					
Clerical workers	23	24	24	24	
Maintenance workers	16	16	16	16	
Bus drivers	8	8	7	7	
Service workers	4	4	4	4	34
Unskilled laborers	74	74	75	75	107
Total support and administration	<u>125</u>	<u>126</u>	<u>126</u>	<u>126</u>	<u>141</u>
<b>Total</b>	<u><u>464</u></u>	<u><u>472</u></u>	<u><u>478</u></u>	<u><u>472</u></u>	<u><u>475</u></u>

(Continued)

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Supervisory</b>					
Superintendent					
Assistant superintendents					
Consultants/supervisors of instruction			3		5
Principals	7	8	8	8	8
Assistant principals	4	4	2	3	3
Total supervisory	<u>11</u>	<u>12</u>	<u>13</u>	<u>11</u>	<u>16</u>
<b>Instruction</b>					
Teachers	198	203	189	206	174
Other professionals (instructional)	14	14	14	7	8
Aides	96	110	118	127	90
Total instruction	<u>308</u>	<u>327</u>	<u>321</u>	<u>340</u>	<u>272</u>
<b>Student Services</b>					
Nurses					
Counselors/Advisors					
Librarians	2	2	2	2	2
Technicians	8	9	8	10	6
Total student services	<u>10</u>	<u>11</u>	<u>10</u>	<u>12</u>	<u>8</u>
<b>Support and Administration</b>					
Clerical workers					
Maintenance workers					
Bus drivers					
Service workers	38	42	42	39	31
Unskilled laborers	80	84	87	80	83
Total support and administration	<u>118</u>	<u>126</u>	<u>129</u>	<u>119</u>	<u>114</u>
<b>Total</b>	<u><u>447</u></u>	<u><u>476</u></u>	<u><u>473</u></u>	<u><u>482</u></u>	<u><u>410</u></u>

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



**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil- Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2015	3,628	\$ 26,725,674	\$ 7,367	(1.43) %	\$ 29,028,084	\$ 8,001	(3.79) %	306	11.9	88.0 %
2014	3,593	26,852,847	7,474	0.77	29,880,797	8,316	0.68	312	11.5	86.7
2013	3,681	27,301,569	7,417	6.26	30,405,438	8,260	6.02	319	11.5	85.4
2012	3,919	27,353,857	6,980	6.33	30,534,442	7,791	(6.76)	312	12.6	85.0
2011	3,981	26,133,188	6,564	(12.79)	33,267,431	8,357	1.33	315	12.6	85.0
2010	4,009	30,175,205	7,527	4.69	33,062,674	8,247	0.80	308	13.0	86.0
2009	3,921	28,190,242	7,190	1.60	32,081,850	8,182	3.63	327	12.0	83.0
2008	3,973	28,115,555	7,077	1.74	31,370,003	7,896	(0.59)	321	12.4	79.0
2007	3,994	27,781,611	6,956	13.53	31,723,448	7,943	15.25	340	11.7	76.0
2006	4,144	25,389,253	6,127	5.13	28,559,766	6,892	3.55	272	15.2	76.0

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

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27**  
**CAPITAL ASSETS INFORMATION**  
**LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b><u>Schools</u></b>										
<b>Elementary</b>										
Buildings	22	22	22	22	22	22	22	22	22	22
Square feet	180,233	180,233	180,233	180,233	180,233	180,233	180,233	180,233	180,233	180,233
Capacity	2,315	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251
Enrollment	1,441	1,591	1,616	1,616	1,698	1,675	1,696	1,803	1,785	1,904
<b>Middle</b>										
Buildings	14	14	14	14	14	14	14	14	14	14
Square feet	135,538	135,538	135,538	135,538	135,538	135,538	135,538	135,538	135,538	135,538
Capacity	1,365	1,694	1,694	1,694	1,694	1,694	1,694	1,694	1,694	1,694
Enrollment	884	859	940	940	944	919	918	976	988	1,041
<b>High</b>										
Buildings	23	23	23	23	23	23	23	23	23	23
Square feet	158,775	157,335	157,335	157,335	157,335	157,335	157,335	157,335	157,335	157,335
Capacity	1,478	1,967	1,967	1,967	1,967	1,967	1,967	1,967	1,967	1,967
Enrollment	1,310	1,267	1,353	1,353	1,324	1,269	1,145	1,217	1,241	1,379
<b>Other</b>										
Buildings	4	4	4	4	4	4	4	4	4	4
Square feet	28,561	28,561	28,561	28,561	28,561	28,561	28,561	28,561	28,561	28,561
Capacity	532	352	352	352	352	352	352	352	357	357
Enrollment	90	90	147	147	146	146	162	172	191	211
<b><u>Administrative</u></b>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	48,400	48,400	48,400	48,400	48,400	48,400	48,400	48,400	48,400	48,400
<b><u>Transportation</u></b>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	14	14	16	16	17	17	16	16	16	16
<b><u>Athletics</u></b>										
Football fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	7	7	7	7	7	7	7	7	7	7
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	18	18	18	18	18	18	18	18	18	18

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

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