

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

DOUGLAS, ARIZONA

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

Issued by:
Business and Finance Department

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	6
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Principal Officials	9
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	13
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	17
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	40

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
BASIC FINANCIAL STATEMENTS	
Statement of Assets and Liabilities – Fiduciary Funds	41
Notes to Financial Statements	42
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	66
Joint Technical Education Fund	67
Schedule of Proportionate Share of the Net Pension Liability	68
Schedule of Contributions	68
Notes to Required Supplementary Information	69
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	76
Special Revenue Funds:	
Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	86
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	92

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	114
Capital Projects Funds:	
Combining Balance Sheet	116
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	118
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	120
Agency Funds:	
Combining Statement of Assets and Liabilities	126
Combining Statement of Changes in Assets and Liabilities	127
 <u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	131
Expenses, Program Revenues, and Net (Expense)/Revenue	132
General Revenues and Total Changes in Net Position	134
Fund Balances – Governmental Funds	136
Governmental Funds Revenues	138
Governmental Funds Expenditures and Debt Service Ratio	140
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	142

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	143
Net Full Cash Assessed Value of Taxable Property by Class	144
Property Tax Assessment Ratios	145
Direct and Overlapping Property Tax Rates	146
Principal Property Taxpayers	147
Property Tax Levies and Collections	148
Debt Capacity:	
Outstanding Debt by Type	149
Direct and Overlapping Governmental Activities Debt	150
Direct and Overlapping General Bonded Debt Ratios	150
Legal Debt Margin Information	151
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	152
Principal Employers	153
Operating Information:	
Full-Time Equivalent District Employees by Type	154
Operating Statistics	156
Capital Assets Information	157

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INTRODUCTORY SECTION

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DOUGLAS UNIFIED SCHOOL DISTRICT # 27

Administrative Offices ~ 1132 12th Street

Douglas, Arizona 85607

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

Ron Aguallo
Superintendent

December 20, 2016

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, 2016.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

Douglas Unified School District #27 does not discriminate against any individual on the basis of race, color, religion, sex, age, disability or national origin in its educational and employment practices or programs.

El Distrito Escolar #27 de Douglas no discriminara a ninguna persona por motivos de raza, color, religi3n, sexo, edad, discapacidad u origen nacional en sus centros de ense1anza y las practicas de empleo o programas.

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The 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 3,800 students for fiscal year 2016-17.

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 3,750 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 88%, 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 3,650 during the 2015-16 school year, the District is projecting enrollment to increase to 3,750 for 2016-17.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the eleventh 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, 2015. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs’ requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2016 certificates.

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

In closing, 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, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

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

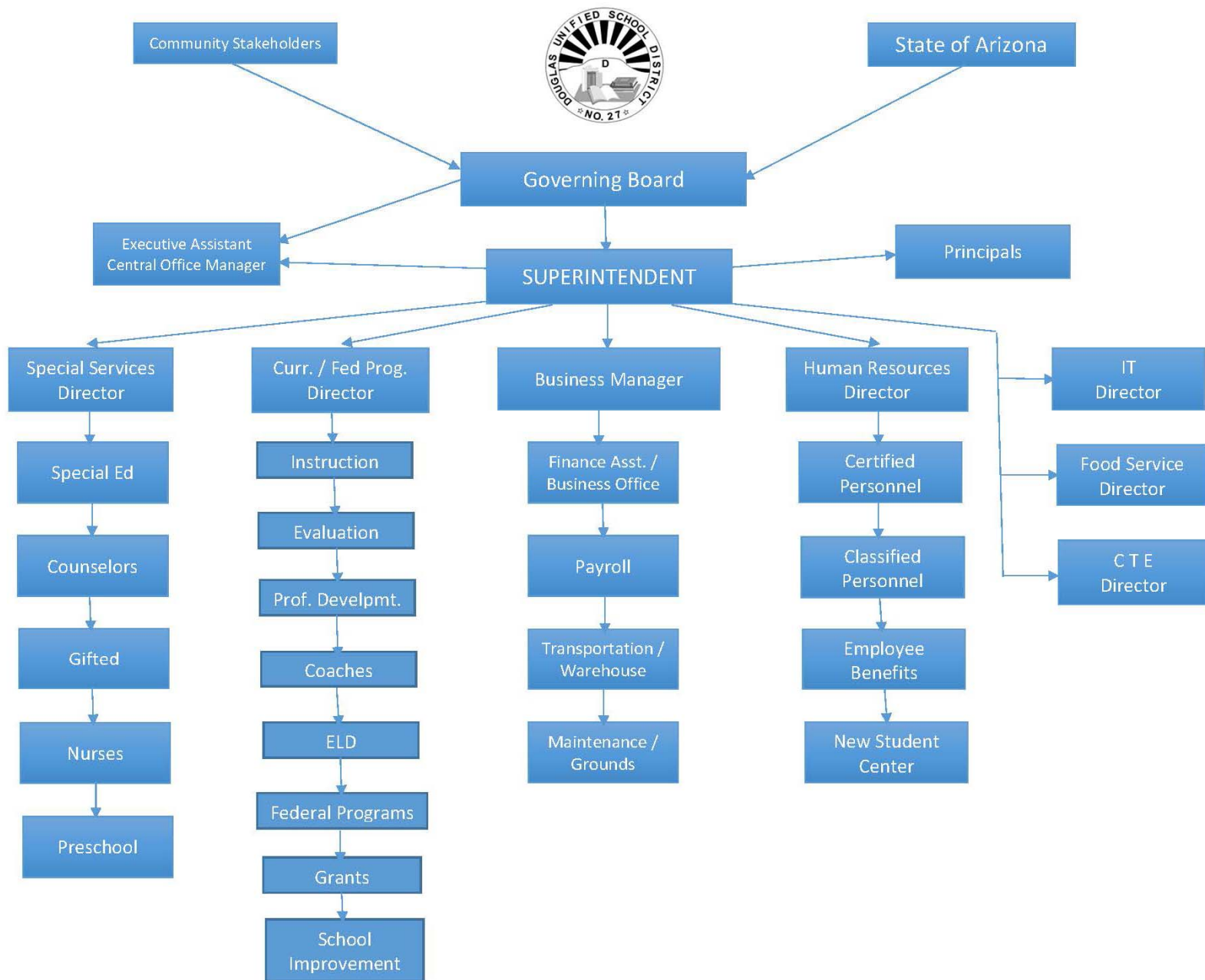
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

A handwritten signature in black ink, reading "Jeffrey R. Enos". The signature is written in a cursive, flowing style.

Executive Director/CEO

Douglas Unified School District No. 27 Organizational Chart 2015-16



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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Douglas Unified School District No. 27, as of June 30, 2016, 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. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, 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 20, 2016, 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.
Tucson, Arizona
December 20, 2016

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, 2016

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, 2016. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$4.7 million which represents a 1,562 percent increase from the prior fiscal year as a result of additional state aid funding related to a prior year rollover payback adjustment.
- General revenues accounted for \$24.4 million in revenue, or 73 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$8.9 million or 27 percent of total current fiscal year revenues.
- The District had approximately \$28.6 million in expenses related to governmental activities, a decrease of two percent from the prior fiscal year.
- Among major funds, the General Fund had \$22.2 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$17.8 million in expenditures. The General Fund's fund balance increase from a deficit of \$1.4 million at the prior fiscal year end to 3.0 million at the end of the current fiscal year was primarily due to additional state revenue received.
- The Joint Technical Education Fund had \$891,019 in current year revenues, which consisted of local revenues, and \$718,416 in expenditures.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016

OVERVIEW OF 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.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016

OVERVIEW OF FINANCIAL STATEMENTS

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$5.0 million as the current fiscal year end.

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 position represents resources that are subject to external restrictions on how they may be used.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	As of June 30, 2016	As of June 30, 2015
Current and other assets	\$ 11,742,516	\$ 7,838,312
Capital assets, net	32,169,244	33,666,933
Total assets	<u>43,911,760</u>	<u>41,505,245</u>
Deferred outflows	<u>2,275,228</u>	<u>2,919,605</u>
Current and other liabilities	4,558,842	5,464,015
Long-term liabilities	33,241,976	33,371,324
Total liabilities	<u>37,800,818</u>	<u>38,835,339</u>
Deferred inflows	<u>3,377,289</u>	<u>5,288,153</u>
Net position:		
Net investment in capital assets	26,079,048	27,173,428
Restricted	3,337,150	3,096,515
Unrestricted	(24,407,317)	(29,968,585)
Total net position	<u>\$ 5,008,881</u>	<u>\$ 301,358</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$24.4 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 payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

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

- The increase of \$362,704 in pension liabilities.
- The addition of \$2.1 million in accumulated depreciation.
- The principal retirement of \$330,000 of bonds.
- The addition of \$586,445 in capital assets through school improvements and equipment.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016

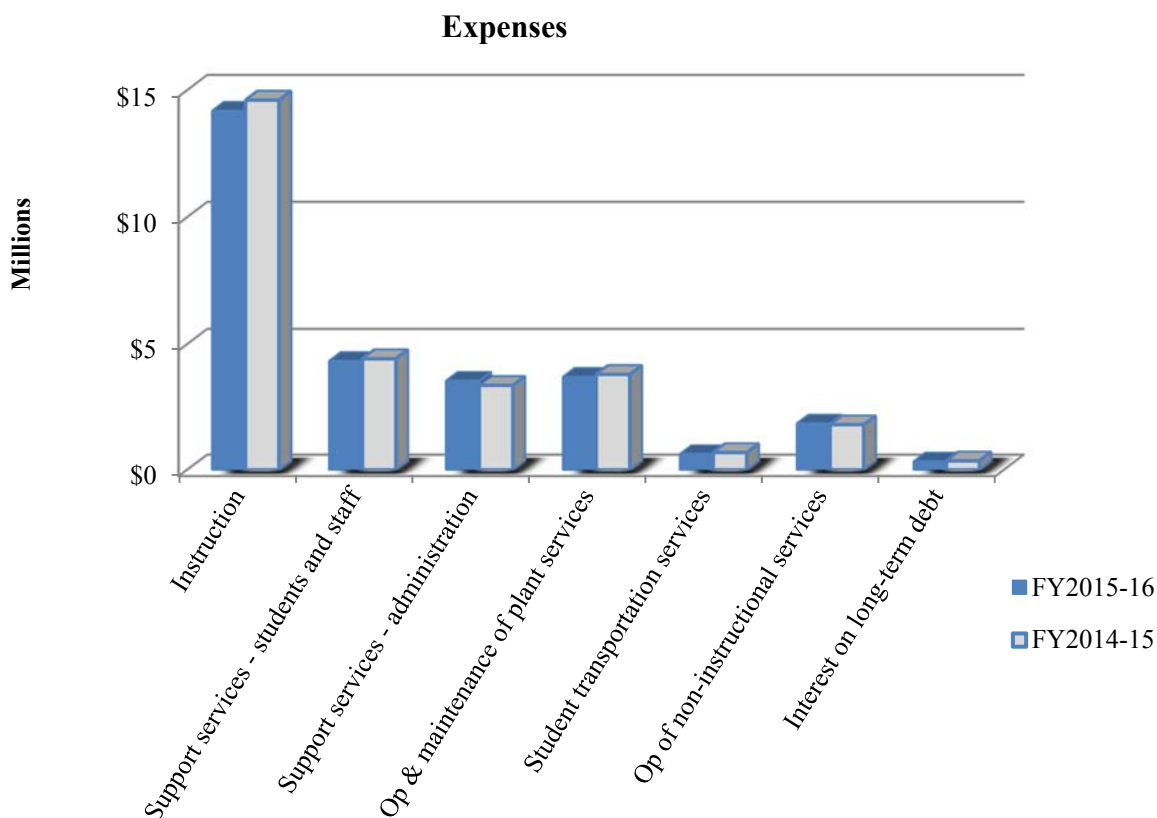
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$33.3 million. The total cost of all programs and services was \$28.6 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015
Revenues:		
Program revenues:		
Charges for services	\$ 1,407,122	\$ 1,411,613
Operating grants and contributions	6,639,895	6,460,157
Capital grants and contributions	863,929	421,555
General revenues:		
Property taxes	4,772,937	3,751,653
Investment income	13,935	11,340
Unrestricted county aid	1,163,335	1,226,277
Unrestricted state aid	18,328,825	14,343,367
Unrestricted federal aid	103,403	161,956
Total revenues	<u>33,293,381</u>	<u>27,787,918</u>
Expenses:		
Instruction	14,184,255	14,603,571
Support services – students and staff	4,334,854	4,421,951
Support services – administration	3,553,594	3,369,234
Operation and maintenance of plant services	3,711,337	3,803,705
Student transportation services	624,845	682,905
Operation of non-instructional services	1,847,568	1,797,067
Interest on long-term debt	329,405	349,651
Total expenses	<u>28,585,858</u>	<u>29,028,084</u>
Changes in net position	4,707,523	(1,240,166)
Net position, beginning	301,358	1,541,524
Net position, ending	<u>\$ 5,008,881</u>	<u>\$ 301,358</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- State aid revenues increased \$4.0 million due to an increase in state equalization funding related to a payback adjustment.
- The increase of \$1.0 million in property taxes revenue was primarily due to an increase in tax rates.
- The overall decrease in expenses of \$442,226 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, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	<u>Year Ended June 30, 2016</u>		<u>Year Ended June 30, 2015</u>	
	Total	Net	Total	Net
	Expenses	(Expense)/ Revenue	Expenses	(Expense)/ Revenue
Instruction	\$ 14,184,255	\$ (9,883,139)	\$ 14,603,571	\$(11,080,536)
Support services – students and staff	4,334,854	(2,235,288)	4,421,951	(2,317,545)
Support services – administration	3,553,594	(3,499,948)	3,369,234	(3,180,877)
Operation and maintenance of plant services	3,711,337	(3,294,315)	3,803,705	(3,569,905)
Student transportation services	624,845	(612,154)	682,905	(672,763)
Operation of non-instructional services	1,847,568	138,189	1,797,067	390,348
Interest on long-term debt	329,405	(288,257)	349,651	(303,481)
Total	<u>\$ 28,585,858</u>	<u>\$(19,674,912)</u>	<u>\$ 29,028,084</u>	<u>\$(20,734,759)</u>

- The cost of all governmental activities this year was \$28.6 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.9 million.
- Net cost of governmental activities of \$19.7 million was financed by general revenues, which are made up of primarily property taxes of \$4.8 million and unrestricted state aid of \$18.3 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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 \$6.2 million, an increase of \$4.5 million primarily due to unexpended state aid revenues to be utilized to pay outstanding line of credit debt.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$4.3 million to \$3.0 million as of fiscal year end was a result of an increase in state equalization funding due to a prior year payback adjustment. General Fund revenues increased \$4.6 million as a result of increased state equalization funding due to a prior year adjustment. General Fund expenditures decreased \$688,211 as a result of efforts by the District to reduce expenses.

The Joint Technical Education Fund's fund balance increased \$172,603 to \$1.2 million at fiscal year as a result of efforts by the District to reduce expenditures.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget due to additional funding received from Proposition 123. The difference between the original budget and the final amended budget was an \$897,037 increase, or five 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 \$487,277 in instruction and \$227,914 in support services – administration were both a result of budgeting the maximum budget limit to maximize budget carry forward to provide capacity in future years.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$58.6 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 \$566,758 from the prior fiscal year, primarily due to acquisition of building improvements and equipment. Total depreciation expense for the current fiscal year was \$2.1 million.

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

	As of June 30, 2016	As of June 30, 2015
Capital assets – non-depreciable	\$ 223,488	\$ 223,488
Capital assets – depreciable, net	31,945,756	33,443,445
Total	<u>\$ 32,169,244</u>	<u>\$ 33,666,933</u>

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

Debt Administration. At year end, the District had \$6.8 million in long-term debt outstanding, \$456,420 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 net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$20.2 million and the Class B debt limit is \$13.5 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Fiscal year 2015-16 budget balance carry forward (\$1,029,629).
- K-3 reading increase (\$9,030).

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

Budgeted expenditures in the General Fund increased four percent to \$19.0 million in fiscal year 2016-17. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2016-17 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, 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, 2016

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 3,519,647
Property taxes receivable	791,733
Due from governmental entities	6,906,532
Prepaid items	329,955
Inventory	134,802
Other assets	59,847
Total current assets	<u>11,742,516</u>
Noncurrent assets:	
Capital assets not being depreciated	223,488
Capital assets, net of accumulated depreciation	<u>31,945,756</u>
Total noncurrent assets	<u>32,169,244</u>
Total assets	<u>43,911,760</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	<u>2,275,228</u>
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	113,765
Credit line payable	3,005,970
Accrued payroll and employee benefits	1,277,864
Compensated absences payable	348,366
Accrued interest payable	131,131
Unearned revenues	30,112
Obligations under capital leases	121,420
Bonds payable	<u>335,000</u>
Total current liabilities	<u>5,363,628</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>32,437,190</u>
Total noncurrent liabilities	<u>32,437,190</u>
Total liabilities	<u>37,800,818</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	<u>3,377,289</u>
 <u>NET POSITION</u>	
Net investment in capital assets	26,079,048
Restricted for:	
Voter approved initiatives	703,050
Federal and state projects	211,866
Food service	560,765
Joint technical education	1,179,558
Other local initiatives	235,488
Debt service	127,537
Capital outlay	318,886
Unrestricted	<u>(24,407,317)</u>
Total net position	<u>\$ 5,008,881</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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 14,184,255	\$ 1,269,788	\$ 2,598,989	\$ 432,339	\$ (9,883,139)
Support services - students and staff	4,334,854		2,099,566		(2,235,288)
Support services - administration	3,553,594		53,646		(3,499,948)
Operation and maintenance of plant services	3,711,337	3,477	23,103	390,442	(3,294,315)
Student transportation services	624,845		12,691		(612,154)
Operation of non-instructional services	1,847,568	133,857	1,851,900		138,189
Interest on long-term debt	329,405			41,148	(288,257)
Total governmental activities	<u>\$ 28,585,858</u>	<u>\$ 1,407,122</u>	<u>\$ 6,639,895</u>	<u>\$ 863,929</u>	<u>(19,674,912)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes 4,157,202

Property taxes, levied for debt service 608,127

Property taxes, levied for capital outlay 7,608

Investment income 13,935

Unrestricted county aid 1,163,335

Unrestricted state aid 18,328,825

Unrestricted federal aid 103,403

Total general revenues 24,382,435

Changes in net position 4,707,523

Net position, beginning of year 301,358

Net position, end of year \$ 5,008,881

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, 2016

	General	Joint Technical Education	Non-Major Governmental Funds
<u>ASSETS</u>			
Cash and investments	\$ 489,214	\$ 591,187	\$ 2,439,246
Property taxes receivable	649,187		142,546
Due from governmental entities	5,860,711	335,725	710,096
Due from other funds		294,192	
Prepaid items	329,955		
Inventory	134,802		
Other assets			59,847
Total assets	<u><u>\$ 7,463,869</u></u>	<u><u>\$ 1,221,104</u></u>	<u><u>\$ 3,351,735</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 32,766	\$	\$ 80,999
Credit line payable	3,005,970		
Due to other funds			294,192
Accrued payroll and employee benefits	908,309	41,546	328,009
Unearned revenues			30,112
Bonds payable			335,000
Bond interest payable			131,131
Total liabilities	<u><u>3,947,045</u></u>	<u><u>41,546</u></u>	<u><u>1,199,443</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u><u>559,978</u></u>		<u><u>129,569</u></u>
Fund balances (deficits):			
Nonspendable	464,757		
Restricted		1,179,558	2,028,023
Unassigned	2,492,089		(5,300)
Total fund balances	<u><u>2,956,846</u></u>	<u><u>1,179,558</u></u>	<u><u>2,022,723</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 7,463,869</u></u>	<u><u>\$ 1,221,104</u></u>	<u><u>\$ 3,351,735</u></u>

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

Total
Governmental
Funds

\$	3,519,647
	791,733
	6,906,532
	294,192
	329,955
	134,802
	59,847
\$	<u>12,036,708</u>

\$	113,765
	3,005,970
	294,192
	1,277,864
	30,112
	335,000
	131,131
	<u>5,188,034</u>

	<u>689,547</u>
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	464,757
	3,207,581
	2,486,789
	<u>6,159,127</u>

\$	<u>12,036,708</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, 2016

Total governmental fund balances	\$	6,159,127
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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	\$ 58,576,160	
Less accumulated depreciation	<u>(26,406,916)</u>	32,169,244

Property taxes are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.	689,547
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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	2,275,228	
Deferred inflows of resources related to pensions	<u>(3,377,289)</u>	(1,102,061)

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

Compensated absences payable	(485,396)	
Obligations under capital leases	(706,243)	
Net pension liability	(25,960,142)	
Bonds payable	<u>(5,755,195)</u>	<u>(32,906,976)</u>

Net position of governmental activities	\$	<u>5,008,881</u>
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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, 2016

	General	Joint Technical Education	Non-Major Governmental Funds
Revenues:			
Other local	\$ 1,546,809	\$ 891,019	\$ 211,396
Property taxes	3,914,570		588,691
State aid and grants	16,652,137		2,231,705
Federal aid, grants and reimbursements	103,403		6,883,975
Total revenues	<u>22,216,919</u>	<u>891,019</u>	<u>9,915,767</u>
Expenditures:			
Current -			
Instruction	8,625,199	566,103	4,120,823
Support services - students and staff	2,031,876	91,052	2,262,237
Support services - administration	3,446,109	40,581	83,328
Operation and maintenance of plant services	3,098,870	984	23,796
Student transportation services	490,003		17,004
Operation of non-instructional services	62,249		1,766,517
Capital outlay	47,216	19,696	833,565
Debt service -			
Principal retirement			524,632
Interest and fiscal charges			325,959
Total expenditures	<u>17,801,522</u>	<u>718,416</u>	<u>9,957,861</u>
Excess (deficiency) of revenues over expenditures	<u>4,415,397</u>	<u>172,603</u>	<u>(42,094)</u>
Other financing sources (uses):			
Transfer in	188,006		265,788
Transfer out	(265,788)		(188,006)
Total other financing sources (uses):	<u>(77,782)</u>		<u>77,782</u>
Changes in fund balances	<u>4,337,615</u>	<u>172,603</u>	<u>35,688</u>
Fund balances (deficits), beginning of year	(1,379,967)	1,006,955	1,997,438
Increase (decrease) in reserve for prepaid items	(19,239)		(10,403)
Increase (decrease) in reserve for inventory	18,437		
Fund balances (deficits), end of year	<u>\$ 2,956,846</u>	<u>\$ 1,179,558</u>	<u>\$ 2,022,723</u>

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

Total Governmental Funds	
\$	2,649,224
	4,503,261
	18,883,842
	6,987,378
	<u>33,023,705</u>

	13,312,125
	4,385,165
	3,570,018
	3,123,650
	507,007
	1,828,766
	900,477
	524,632
	325,959
	<u>28,477,799</u>
	<u>4,545,906</u>

	453,794
	<u>(453,794)</u>

	<u>4,545,906</u>
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	1,624,426
	(29,642)
	18,437

\$	<u><u>6,159,127</u></u>
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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, 2016

Changes in fund balances - total governmental funds **\$ 4,545,906**

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	\$ 586,445	
Less current year depreciation	<u>(2,076,296)</u>	(1,489,851)

Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	269,676
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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	189,632	
Bond principal retirement	<u>335,000</u>	524,632

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	1,566,832	
Pension expense	<u>(663,049)</u>	903,783

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.

Prepaid items	(29,642)	
Inventory	18,437	
Loss on disposal of assets	(7,838)	
Amortization of bond discount	(3,446)	
Compensated absences	<u>(24,134)</u>	<u>(46,623)</u>

Changes in net position in governmental activities **\$ 4,707,523**

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, 2016

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 487,748
Total assets	<u>\$ 487,748</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 396,874
Due to student groups	90,874
Total liabilities	<u>\$ 487,748</u>

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

A. Reporting Entity

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

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. 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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 are amortized over the life of the bonds using the straight-line method. Deferred amounts on refunding result from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, 2016

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, 2016

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	\$ 134,802	\$	\$
Prepaid items	329,955		
Restricted:			
Debt service			26,475
Capital projects			290,379
Voter approved initiatives			703,050
Federal and state projects			211,866
Food service			560,765
Community school			62,319
Joint technical education		1,179,558	
Other purposes			173,169
Unassigned	2,492,089		(5,300)
Total fund balances	<u>\$ 2,956,846</u>	<u>\$ 1,179,558</u>	<u>\$ 2,022,723</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Building Renewal Grant Fund, a non-major governmental fund, reported a deficit of \$5,300 in fund balance.

The deficit arose because of operations during the current year. Additional revenues received in fiscal year 2016-17 are expected to eliminate the deficit.

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$670,096 and the bank balance was \$979,346. At year end, \$729,346 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name.

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

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

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	3.42 years	<u>\$ 3,337,299</u>

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

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District's investment in the County Treasurer's investment pool 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, 2016

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	Joint Technical Education Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 7,328	\$	\$ 299,193
Due from state government	5,830,232		410,903
Due from county government	23,151		
Due from other districts		335,725	
Net due from governmental entities	<u>\$ 5,860,711</u>	<u>\$ 335,725</u>	<u>\$ 710,096</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	49,364,561	556,607		49,921,168
Vehicles, furniture and equipment	5,828,727	29,838	19,687	5,838,878
Total capital assets being depreciated	<u>57,785,914</u>	<u>586,445</u>	<u>19,687</u>	<u>58,352,672</u>
Less accumulated depreciation for:				
Land improvements	(983,801)	(315,944)		(1,299,745)
Buildings and improvements	(19,740,255)	(1,405,468)		(21,145,723)
Vehicles, furniture and equipment	(3,618,413)	(354,884)	(11,849)	(3,961,448)
Total accumulated depreciation	<u>(24,342,469)</u>	<u>(2,076,296)</u>	<u>(11,849)</u>	<u>(26,406,916)</u>
Total capital assets, being depreciated, net	33,443,445	(1,489,851)	7,838	31,945,756
Governmental activities capital assets, net	<u>\$ 33,666,933</u>	<u>\$ (1,489,851)</u>	<u>\$ 7,838</u>	<u>\$ 32,169,244</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$1,200,851
Support services – students and staff	39,776
Support services – administration	15,496
Operation and maintenance of plant services	672,754
Student transportation services	112,746
Operation of non-instructional services	34,673
Total depreciation expense – governmental activities	<u>\$2,076,296</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>\$ 3,886,980</u>	<u>\$ 14,690,080</u>	<u>\$ 15,571,090</u>	<u>\$ 3,005,970</u>

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired utility management equipment under the provisions of a long-term lease agreement classified as a capital lease. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its 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 obligation. 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. No assets acquired through capital leases meet the District's capitalization threshold.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

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

Year Ending June 30:	Governmental Activities
2017	\$ 174,883
2018	174,883
2019	174,883
2020	174,883
2021	174,883
Total minimum lease payments	<u>874,415</u>
Less: amount representing interest	<u>168,172</u>
Present value of minimum lease payments	<u>\$ 706,243</u>
Due within one year	<u><u>\$ 121,420</u></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, 2016	Due Within One Year
Governmental activities:					
School Improvement Bonds, Projects of 2009, Series 2010 (Class B)	\$7,648,000	3.125-4.75%	7/1/16-29	\$ 6,135,000	\$ 335,000
Total				<u>\$ 6,135,000</u>	<u>\$ 335,000</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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
2017	\$ 335,000	\$ 257,028
2018	350,000	245,669
2019	360,000	233,019
2020	375,000	218,994
2021	390,000	203,694
2022-26	2,190,000	758,573
2027-30	2,135,000	208,406
Total	<u>\$ 6,135,000</u>	<u>\$ 2,125,383</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
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 6,465,000	\$	\$ 330,000	\$ 6,135,000	\$ 335,000
Discount	(48,251)		(3,446)	(44,805)	
Total bonds payable	<u>6,416,749</u>		<u>326,554</u>	<u>6,090,195</u>	<u>335,000</u>
Obligations under capital leases	895,875		189,632	706,243	121,420
Net pension liability	25,597,438	362,704		25,960,142	
Compensated absences payable	<u>461,262</u>	<u>371,101</u>	<u>346,967</u>	<u>485,396</u>	<u>348,366</u>
Governmental activity long-term liabilities	<u>\$33,371,324</u>	<u>\$ 733,805</u>	<u>\$ 863,153</u>	<u>\$33,241,976</u>	<u>\$ 804,786</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, several several non-major governmental funds had negative cash balances of \$294,192 in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the Joint Technical Education Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

		Transfers in	
		Non-Major	
	General	Governmental	
Transfers out	Fund	Funds	Total
General Fund	\$	\$ 265,788	\$ 265,788
Non-Major Governmental Funds	188,006		188,006
Total	<u>\$ 188,006</u>	<u>\$ 265,788</u>	<u>\$ 453,794</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 Unrestricted Capital Outlay Fund.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016

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.

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, 2016

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 11.47 percent (11.35 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2016 were \$1,566,832.

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

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

		Health Benefit Supplement Fund	Long-Term Disability Fund
Year ending June 30:			
2016	\$	72,204	\$ 17,329
2015		87,696	17,837
2014		89,742	35,897

Pension Liability. At June 30, 2016, the District reported a liability of \$26.0 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District's proportion was 0.167 percent, which was a decrease of 0.006 from its proportion measured as of June 30, 2014.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2016, the District recognized pension expense of \$663,049 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	\$ 708,396	\$ 1,360,339
Net difference between projected and actual earnings on pension plan investments		831,965
Changes in proportion and differences between contributions and proportionate share of contributions		1,184,985
Contributions subsequent to the measurement date	1,566,832	
Total	<u>\$ 2,275,228</u>	<u>\$ 3,377,289</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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2017	\$ (1,233,976)
2018	(1,368,305)
2019	(667,185)
2020	600,574

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2014
Actuarial roll forward date	June 30, 2015
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, 2014 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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	\$34,016,657	\$25,960,142	\$20,438,789

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.

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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, 2016

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 1,205,792	\$ 1,205,792
Property taxes			3,914,570	3,914,570
State aid and grants			16,652,137	16,652,137
Total revenues			<u>21,772,499</u>	<u>21,772,499</u>
Expenditures:				
Current -				
Instruction	8,942,842	9,167,595	8,680,318	487,277
Support services - students and staff	1,628,275	1,928,071	1,968,210	(40,139)
Support services - administration	3,193,601	3,411,663	3,183,749	227,914
Operation and maintenance of plant services	3,067,412	3,234,683	3,065,583	169,100
Student transportation services	562,996	536,773	487,434	49,339
Operation of non-instructional services	45,097	58,475	58,476	(1)
Total expenditures	<u>17,440,223</u>	<u>18,337,260</u>	<u>17,443,770</u>	<u>893,490</u>
Excess (deficiency) of revenues over expenditures	<u>(17,440,223)</u>	<u>(18,337,260)</u>	<u>4,328,729</u>	<u>22,665,989</u>
Other financing sources (uses):				
Transfer out			(265,788)	(265,788)
Total other financing sources (uses):			<u>(265,788)</u>	<u>(265,788)</u>
Changes in fund balances	<u>(17,440,223)</u>	<u>(18,337,260)</u>	<u>4,062,941</u>	<u>22,400,201</u>
Fund balances (deficits), beginning of year			(2,377,295)	(2,377,295)
Increase (decrease) in reserve for prepaid items			237,745	237,745
Increase (decrease) in reserve for inventory			18,437	18,437
Fund balances (deficits), end of year	<u>\$ (17,440,223)</u>	<u>\$ (18,337,260)</u>	<u>\$ 1,941,828</u>	<u>\$ 20,279,088</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
JOINT TECHNICAL EDUCATION
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u></u>
Revenues:			
Other local	\$	\$ 891,019	\$ 891,019
Total revenues		<u>891,019</u>	<u>891,019</u>
Expenditures:			
Current -			
Instruction	778,784	566,103	212,681
Support services - students and staff	125,259	91,052	34,207
Support services - administration	55,827	40,581	15,246
Operation and maintenance of plant services	1,354	984	370
Capital outlay	27,096	19,696	7,400
Total expenditures	<u>988,320</u>	<u>718,416</u>	<u>269,904</u>
Changes in fund balances	<u>(988,320)</u>	<u>172,603</u>	<u>1,160,923</u>
Fund balances, beginning of year		1,006,955	1,006,955
Fund balances (deficits), end of year	<u>\$ (988,320)</u>	<u>\$ 1,179,558</u>	<u>\$ 2,167,878</u>

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
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.167%	0.173%
District's proportionate share of the net pension liability (asset)	\$ 25,960,142	\$ 25,597,438
District's covered payroll	\$ 14,863,802	\$ 14,957,084
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	174.65%	171.14%
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST TWO FISCAL YEARS

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,566,832	\$ 1,618,668
Contributions in relation to the actuarially determined contribution	<u>1,566,832</u>	<u>1,618,668</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 14,440,848	\$ 14,863,802
Contributions as a percentage of covered payroll	10.85%	10.89%

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

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2016

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for the following 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	\$ 17,801,522	\$ 2,956,846
Activity budgeted as special revenue funds	(643,681)	(1,015,018)
Current-year prepaid items	300,000	
Prior-year prepaid items	<u>(14,071)</u>	<u> </u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 17,443,770</u>	<u>\$ 1,941,828</u>

NOTE 2 – PENSION PLAN SCHEDULES

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

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

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

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

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GOVERNMENTAL FUNDS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2016

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,639,017	\$ 479,629	\$ 320,600
Property taxes receivable		114,039	28,507
Due from governmental entities	477,281		232,815
Other assets	59,847		
Total assets	<u>\$ 2,176,145</u>	<u>\$ 593,668</u>	<u>\$ 581,922</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 50,778	\$	\$ 30,221
Due to other funds	56,077		238,115
Accrued payroll and employee benefits	328,009		
Unearned revenues	30,112		
Bonds payable		335,000	
Bond interest payable		131,131	
Total liabilities	<u>464,976</u>	<u>466,131</u>	<u>268,336</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		101,062	28,507
Fund balances (deficits):			
Restricted	1,711,169	26,475	290,379
Unassigned			(5,300)
Total fund balances	<u>1,711,169</u>	<u>26,475</u>	<u>285,079</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,176,145</u>	<u>\$ 593,668</u>	<u>\$ 581,922</u>

Total Non-
Major
Governmental
Fund

\$	2,439,246
	142,546
	710,096
	59,847
\$	<u>3,351,735</u>

\$	80,999
	294,192
	328,009
	30,112
	335,000
	<u>131,131</u>
	<u>1,199,443</u>

	<u>129,569</u>
--	----------------

	2,028,023
	<u>(5,300)</u>
	<u>2,022,723</u>

\$	<u>3,351,735</u>
----	------------------

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, 2016

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 205,272	\$ 1,837	\$ 4,287
Property taxes		582,321	6,370
State aid and grants	1,854,336		377,369
Federal aid, grants and reimbursements	6,842,827		41,148
Total revenues	<u>8,902,435</u>	<u>584,158</u>	<u>429,174</u>
Expenditures:			
Current -			
Instruction	4,120,823		
Support services - students and staff	2,262,237		
Support services - administration	83,328		
Operation and maintenance of plant services	23,796		
Student transportation services	17,004		
Operation of non-instructional services	1,766,517		
Capital outlay	349,901		483,664
Debt service -			
Principal retirement		335,000	189,632
Interest and fiscal charges		262,263	63,696
Total expenditures	<u>8,623,606</u>	<u>597,263</u>	<u>736,992</u>
Excess (deficiency) of revenues over expenditures	<u>278,829</u>	<u>(13,105)</u>	<u>(307,818)</u>
Other financing sources (uses):			
Transfer in			265,788
Transfer out	(188,006)		
Total other financing sources (uses):	<u>(188,006)</u>		<u>265,788</u>
Changes in fund balances	<u>90,823</u>	<u>(13,105)</u>	<u>(42,030)</u>
Fund balances, beginning of year	1,621,749	39,580	336,109
Increase (decrease) in reserve for prepaid items	(1,403)		(9,000)
Fund balances, end of year	<u>\$ 1,711,169</u>	<u>\$ 26,475</u>	<u>\$ 285,079</u>

Total Non-
Major
Governmental
Funds

\$	211,396
	588,691
	2,231,705
	6,883,975
	<u>9,915,767</u>

4,120,823
2,262,237
83,328
23,796
17,004
1,766,517
833,565

524,632
325,959
<u>9,957,861</u>

(42,094)

265,788
<u>(188,006)</u>
<u>77,782</u>

35,688

1,997,438

(10,403)

\$	<u>2,022,723</u>
----	------------------

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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, 2016

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 516,003	\$ 25,983	\$ 314
Due from governmental entities	125,490	41,755	
Other assets			
Total assets	<u>\$ 641,493</u>	<u>\$ 67,738</u>	<u>\$ 314</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits		6,181	
Unearned revenues			
Total liabilities	<u></u>	<u>6,181</u>	<u></u>
Fund balances:			
Restricted	641,493	61,557	314
Total fund balances	<u>641,493</u>	<u>61,557</u>	<u>314</u>
Total liabilities and fund balances	<u>\$ 641,493</u>	<u>\$ 67,738</u>	<u>\$ 314</u>

Structured English Immersion	Title I Grants	Professional Development and Technology Grants	Special Education Grants	Vocational Education	E-Rate
\$ 10,542	\$ 39,494 100,090	\$ 3,112 8,543	\$ 41,324 21,095	\$ 45,234	\$ 118,850 99,772
<u>\$ 10,542</u>	<u>\$ 139,584</u>	<u>\$ 11,655</u>	<u>\$ 62,419</u>	<u>\$ 45,234</u>	<u>\$ 218,622</u>
\$	\$	\$ 1,520	\$ 9,000	\$ 45,234	\$ 9,407
10,542	139,584	10,135	53,419		
<u>10,542</u>	<u>139,584</u>	<u>11,655</u>	<u>62,419</u>	<u>45,234</u>	<u>9,407</u>
					209,215
					<u>209,215</u>
<u>\$ 10,542</u>	<u>\$ 139,584</u>	<u>\$ 11,655</u>	<u>\$ 62,419</u>	<u>\$ 45,234</u>	<u>\$ 218,622</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Academic Contests</u>
<u>ASSETS</u>			
Cash and investments	\$ 128,012	\$ 9,742	\$
Due from governmental entities			10,843
Other assets			
Total assets	<u>\$ 128,012</u>	<u>\$ 9,742</u>	<u>\$ 10,843</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 8,749	\$ 8,853	\$
Due to other funds			10,843
Accrued payroll and employee benefits	88,618		
Unearned revenues	27,994	889	
Total liabilities	<u>125,361</u>	<u>9,742</u>	<u>10,843</u>
Fund balances:			
Restricted	2,651		
Total fund balances	<u>2,651</u>		
Total liabilities and fund balances	<u>\$ 128,012</u>	<u>\$ 9,742</u>	<u>\$ 10,843</u>

Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Textbooks
\$ 1,229	\$ 509,238 24,459 59,847	\$ 45,540	\$ 62,319	\$ 55,403	\$ 69,899
<u>\$ 1,229</u>	<u>\$ 593,544</u>	<u>\$ 45,540</u>	<u>\$ 62,319</u>	<u>\$ 55,403</u>	<u>\$ 69,899</u>
\$	\$ 13,249	\$	\$	\$	\$
	19,530				
<u>1,229</u>	<u>32,779</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>1,229</u>					
	560,765	45,540	62,319	55,403	69,899
	560,765	45,540	62,319	55,403	69,899
<u>\$ 1,229</u>	<u>\$ 593,544</u>	<u>\$ 45,540</u>	<u>\$ 62,319</u>	<u>\$ 55,403</u>	<u>\$ 69,899</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Grants and Gifts to Teachers	Totals
<u>ASSETS</u>		
Cash and investments	\$ 2,013	\$ 1,639,017
Due from governmental entities		477,281
Other assets		59,847
Total assets	<u>\$ 2,013</u>	<u>\$ 2,176,145</u>
<u>LIABILITIES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$	\$ 50,778
Due to other funds		56,077
Accrued payroll and employee benefits		328,009
Unearned revenues		30,112
Total liabilities		<u>464,976</u>
Fund balances:		
Restricted	<u>2,013</u>	<u>1,711,169</u>
Total fund balances	<u>2,013</u>	<u>1,711,169</u>
Total liabilities and fund balances	<u>\$ 2,013</u>	<u>\$ 2,176,145</u>

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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, 2016

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 233	\$ 128	\$
State aid and grants	1,505,890	162,659	
Federal aid, grants and reimbursements			
Total revenues	<u>1,506,123</u>	<u>162,787</u>	
Expenditures:			
Current -			
Instruction	1,397,009	173,989	119
Support services - students and staff	72,940	15,680	
Support services - administration			
Operation and maintenance of plant services		21,894	
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,469,949</u>	<u>211,563</u>	<u>119</u>
Excess (deficiency) of revenues over expenditures	<u>36,174</u>	<u>(48,776)</u>	<u>(119)</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>36,174</u>	<u>(48,776)</u>	<u>(119)</u>
Fund balances, beginning of year	605,319	110,333	433
Increase (decrease) in reserve for prepaid items			
Fund balances, end of year	<u>\$ 641,493</u>	<u>\$ 61,557</u>	<u>\$ 314</u>

Structured English Immersion	Title I Grants	Professional Development and Technology Grants	Special Education Grants	Vocational Education	E-Rate
\$	\$	\$	\$	\$	\$ 588
111,087	2,447,807	223,227	921,350	100,283	390,442
111,087	2,447,807	223,227	921,350	100,283	391,030
102,560	1,110,456	54,265	612,339	33,073	
8,527	1,259,005	156,587	271,441	53,306	98,476
	47,886	3,712	5,088		500
			8,213	58	
	2,412			10,806	246,653
111,087	2,419,759	214,564	897,081	97,243	345,629
	28,048	8,663	24,269	3,040	45,401
	(28,048)	(8,663)	(24,269)	(3,040)	
	(28,048)	(8,663)	(24,269)	(3,040)	
					45,401
					163,814
\$	\$	\$	\$	\$	\$ 209,215

(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, 2016

	Other Federal Projects	State Vocational Education	Academic Contests
Revenues:			
Other local	\$	\$	\$
State aid and grants		60,699	10,843
Federal aid, grants and reimbursements	907,818		
Total revenues	<u>907,818</u>	<u>60,699</u>	<u>10,843</u>
Expenditures:			
Current -			
Instruction	542,784	24,744	10,843
Support services - students and staff	291,377	21,682	
Support services - administration	17,892		
Operation and maintenance of plant services		737	
Student transportation services	4,250		
Operation of non-instructional services			
Capital outlay	30,667	13,536	
Total expenditures	<u>886,970</u>	<u>60,699</u>	<u>10,843</u>
Excess (deficiency) of revenues over expenditures	<u>20,848</u>		
Other financing sources (uses):			
Transfer out	(22,205)		
Total other financing sources (uses):	<u>(22,205)</u>		
Changes in fund balances	<u>(1,357)</u>		
Fund balances, beginning of year	5,411		
Increase (decrease) in reserve for prepaid items	(1,403)		
Fund balances, end of year	<u>\$ 2,651</u>	<u>\$</u>	<u>\$</u>

Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Textbooks
\$ 3,158	\$ 138,012	\$ 3,686	\$ 38,310	\$ 23,615	\$ 692
	1,851,900				
3,158	1,989,912	3,686	38,310	23,615	692
1,470			48,039	9,133	
			3,811	8,845	560
		8,026	224		
		1,107			
				4,541	
1,688	1,766,517				
	42,514			1,625	
3,158	1,809,031	9,133	52,074	24,144	560
	180,881	(5,447)	(13,764)	(529)	132
	(101,781)				
	(101,781)				
	79,100	(5,447)	(13,764)	(529)	132
	481,665	50,987	76,083	55,932	69,767
\$	\$ 560,765	\$ 45,540	\$ 62,319	\$ 55,403	\$ 69,899

(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, 2016

	Grants and Gifts to Teachers	Totals
Revenues:		
Other local	\$ 8	\$ 205,272
State aid and grants		1,854,336
Federal aid, grants and reimbursements		6,842,827
Total revenues	<u>8</u>	<u>8,902,435</u>
Expenditures:		
Current -		
Instruction		4,120,823
Support services - students and staff		2,262,237
Support services - administration		83,328
Operation and maintenance of plant services		23,796
Student transportation services		17,004
Operation of non-instructional services		1,766,517
Capital outlay		349,901
Total expenditures		<u>8,623,606</u>
Excess (deficiency) of revenues over expenditures	<u>8</u>	<u>278,829</u>
Other financing sources (uses):		
Transfer out		(188,006)
Total other financing sources (uses):		<u>(188,006)</u>
Changes in fund balances	<u>8</u>	<u>90,823</u>
Fund balances, beginning of year	2,005	1,621,749
Increase (decrease) in reserve for prepaid items		(1,403)
Fund balances, end of year	<u>\$ 2,013</u>	<u>\$ 1,711,169</u>

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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, 2016

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 233	\$ 233
State aid and grants		1,505,890	1,505,890
Federal aid, grants and reimbursements			
Total revenues		<u>1,506,123</u>	<u>1,506,123</u>
Expenditures:			
Current -			
Instruction	2,123,067	1,397,009	726,058
Support services - students and staff	155,467	72,940	82,527
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,278,534</u>	<u>1,469,949</u>	<u>808,585</u>
Excess (deficiency) of revenues over expenditures	<u>(2,278,534)</u>	<u>36,174</u>	<u>2,314,708</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(2,278,534)</u>	<u>36,174</u>	<u>2,314,708</u>
Fund balances, beginning of year		605,319	605,319
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (2,278,534)</u>	<u>\$ 641,493</u>	<u>\$ 2,920,027</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 128 162,659	\$ 128 162,659	\$	\$	\$
	162,787	162,787			
352,000	173,989 15,680 21,894	178,011 (15,680) (21,894)		119	(119)
352,000	211,563	140,437		119	(119)
(352,000)	(48,776)	303,224		(119)	(119)
(352,000)	(48,776)	303,224		(119)	(119)
	110,333	110,333		433	433
\$ (352,000)	\$ 61,557	\$ 413,557	\$	\$ 314	\$ 314

(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, 2016

	Structured English Immersion		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		111,087	111,087
Federal aid, grants and reimbursements			
Total revenues		<u>111,087</u>	<u>111,087</u>
Expenditures:			
Current -			
Instruction	104,000	102,560	1,440
Support services - students and staff		8,527	(8,527)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>104,000</u>	<u>111,087</u>	<u>(7,087)</u>
Excess (deficiency) of revenues over expenditures	<u>(104,000)</u>		<u>104,000</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(104,000)</u>		<u>104,000</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (104,000)</u>	<u>\$</u>	<u>\$ 104,000</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	2,447,807	2,447,807		223,227	223,227
	2,447,807	2,447,807		223,227	223,227
2,831,739	1,110,456	(1,110,456)		54,265	(54,265)
	1,259,005	1,572,734	286,823	156,587	130,236
	47,886	(47,886)		3,712	(3,712)
	2,412	(2,412)			
2,831,739	2,419,759	411,980	286,823	214,564	72,259
(2,831,739)	28,048	2,859,787	(286,823)	8,663	295,486
	(28,048)	(28,048)		(8,663)	(8,663)
	(28,048)	(28,048)		(8,663)	(8,663)
(2,831,739)		2,831,739	(286,823)		286,823
\$ (2,831,739)	\$	\$ 2,831,739	\$ (286,823)	\$	\$ 286,823

(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, 2016

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		921,350	921,350
Total revenues		<u>921,350</u>	<u>921,350</u>
Expenditures:			
Current -			
Instruction	956,625	612,339	344,286
Support services - students and staff		271,441	(271,441)
Support services - administration		5,088	(5,088)
Operation and maintenance of plant services			
Student transportation services		8,213	(8,213)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>956,625</u>	<u>897,081</u>	<u>59,544</u>
Excess (deficiency) of revenues over expenditures	<u>(956,625)</u>	<u>24,269</u>	<u>980,894</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(24,269)	(24,269)
Total other financing sources (uses):		<u>(24,269)</u>	<u>(24,269)</u>
Changes in fund balances	<u>(956,625)</u>		<u>956,625</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (956,625)</u>	<u>\$</u>	<u>\$ 956,625</u>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 371	\$ 371
	100,283	100,283		83,199	83,199
	100,283	100,283		83,570	83,570
	33,073	(33,073)		2,388	(2,388)
212,778	53,306	159,472		16,827	(16,827)
			251,155	33,221	217,934
	58	(58)		1,645	(1,645)
	10,806	(10,806)		225	(225)
212,778	97,243	115,535	251,155	54,306	196,849
(212,778)	3,040	215,818	(251,155)	29,264	280,419
	(3,040)	(3,040)		(939)	(939)
	(3,040)	(3,040)		(939)	(939)
(212,778)		212,778	(251,155)	28,325	279,480
				103,763	103,763
\$ (212,778)	\$	\$ 212,778	\$ (251,155)	\$ 132,088	\$ 383,243

(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, 2016

	National Forest Fees		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		18,622	18,622
Total revenues		18,622	18,622
Expenditures:			
Current -			
Instruction			
Support services - students and staff		900	(900)
Support services - administration		910	(910)
Operation and maintenance of plant services		3,303	(3,303)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		5,113	(5,113)
Excess (deficiency) of revenues over expenditures		13,509	13,509
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances		13,509	13,509
Fund balances, beginning of year		16,369	16,369
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$	\$ 29,878	\$ 29,878

Taylor Grazing Fees			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 588	\$ 588
	1,582	1,582		390,442	390,442
	1,582	1,582		391,030	391,030
	480	(480)		98,476	(98,476)
	60	(60)		500	(500)
	35	(35)			
			650,000	246,653	403,347
	575	(575)	650,000	345,629	304,371
	1,007	1,007	(650,000)	45,401	695,401
	1,007	1,007	(650,000)	45,401	695,401
	3,949	3,949		163,814	163,814
\$	\$ 4,956	\$ 4,956	\$ (650,000)	\$ 209,215	\$ 859,215

(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, 2016

	Other Federal Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		907,818	907,818
Total revenues		<u>907,818</u>	<u>907,818</u>
Expenditures:			
Current -			
Instruction	1,264,528	542,784	721,744
Support services - students and staff		291,377	(291,377)
Support services - administration		17,892	(17,892)
Operation and maintenance of plant services			
Student transportation services		4,250	(4,250)
Operation of non-instructional services			
Capital outlay		30,667	(30,667)
Total expenditures	<u>1,264,528</u>	<u>886,970</u>	<u>377,558</u>
Excess (deficiency) of revenues over expenditures	<u>(1,264,528)</u>	<u>20,848</u>	<u>1,285,376</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(22,205)	(22,205)
Total other financing sources (uses):		<u>(22,205)</u>	<u>(22,205)</u>
Changes in fund balances	<u>(1,264,528)</u>	<u>(1,357)</u>	<u>1,263,171</u>
Fund balances, beginning of year		5,411	5,411
Increase (decrease) in reserve for prepaid items		(1,403)	(1,403)
Fund balances (deficits), end of year	<u>\$ (1,264,528)</u>	<u>\$ 2,651</u>	<u>\$ 1,267,179</u>

State Vocational Education			Academic Contests		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	60,699	60,699		10,843	10,843
	60,699	60,699		10,843	10,843
69,001	24,744	44,257	24,040	10,843	13,197
	21,682	(21,682)			
	737	(737)			
	13,536	(13,536)			
69,001	60,699	8,302	24,040	10,843	13,197
(69,001)		69,001	(24,040)		24,040
(69,001)		69,001	(24,040)		24,040
\$ (69,001)	\$	\$ 69,001	\$ (24,040)	\$	\$ 24,040

(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, 2016

	Other State Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		3,158	3,158
Federal aid, grants and reimbursements			
Total revenues		<u>3,158</u>	<u>3,158</u>
Expenditures:			
Current -			
Instruction		1,470	(1,470)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	9,734	1,688	8,046
Total expenditures	<u>9,734</u>	<u>3,158</u>	<u>6,576</u>
Excess (deficiency) of revenues over expenditures	<u>(9,734)</u>		<u>9,734</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(9,734)</u>		<u>9,734</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (9,734)</u>	<u>\$</u>	<u>\$ 9,734</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 79,398	\$ 79,398	\$	\$ 138,012	\$ 138,012
				1,851,900	1,851,900
	79,398	79,398		1,989,912	1,989,912
190,039	67,315	122,724			
	8,629	(8,629)			
	5,759	(5,759)			
	26,964	(26,964)			
			2,428,887	1,766,517	662,370
	1,662	(1,662)		42,514	(42,514)
190,039	110,329	79,710	2,428,887	1,809,031	619,856
(190,039)	(30,931)	159,108	(2,428,887)	180,881	2,609,768
				(101,781)	(101,781)
				(101,781)	(101,781)
(190,039)	(30,931)	159,108	(2,428,887)	79,100	2,507,987
	248,350	248,350		481,665	481,665
\$ (190,039)	\$ 217,419	\$ 407,458	\$ (2,428,887)	\$ 560,765	\$ 2,989,652

(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, 2016

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3,686	\$ 3,686
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>3,686</u>	<u>3,686</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	68,153	8,026	60,127
Operation and maintenance of plant services		1,107	(1,107)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>68,153</u>	<u>9,133</u>	<u>59,020</u>
Excess (deficiency) of revenues over expenditures	<u>(68,153)</u>	<u>(5,447)</u>	<u>62,706</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(68,153)</u>	<u>(5,447)</u>	<u>62,706</u>
Fund balances, beginning of year		50,987	50,987
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (68,153)</u>	<u>\$ 45,540</u>	<u>\$ 113,693</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 38,310	\$ 38,310	\$	\$ 221,086	\$ 221,086
	38,310	38,310		221,086	221,086
46,571	48,039	(1,468)	450,000	154,820	295,180
	3,811	(3,811)		25,857	(25,857)
	224	(224)		3,466	(3,466)
				1,249	(1,249)
				560	(560)
				3,773	(3,773)
				15,842	(15,842)
46,571	52,074	(5,503)	450,000	205,567	244,433
(46,571)	(13,764)	32,807	(450,000)	15,519	465,519
(46,571)	(13,764)	32,807	(450,000)	15,519	465,519
	76,083	76,083		103,926	103,926
\$ (46,571)	\$ 62,319	\$ 108,890	\$ (450,000)	\$ 119,445	\$ 569,445

(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, 2016

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 23,615	\$ 23,615
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>23,615</u>	<u>23,615</u>
Expenditures:			
Current -			
Instruction	250,000	9,133	240,867
Support services - students and staff		8,845	(8,845)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		4,541	(4,541)
Operation of non-instructional services			
Capital outlay		1,625	(1,625)
Total expenditures	<u>250,000</u>	<u>24,144</u>	<u>225,856</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>(529)</u>	<u>249,471</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	<u>(250,000)</u>	<u>(529)</u>	<u>249,471</u>
Fund balances, beginning of year		55,932	55,932
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (250,000)</u>	<u>\$ 55,403</u>	<u>\$ 305,403</u>

Gifts and Donations			Insurance Proceeds		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 37,217	\$ 37,217	\$	\$ 1,519	\$ 1,519
	37,217	37,217		1,519	1,519
187,570	12,787	174,783	69,390		69,390
	4,530	(4,530)			
	3,597	(3,597)			
	91	(91)			
	2,009	(2,009)			
	12,516	(12,516)			
187,570	35,530	152,040	69,390		69,390
(187,570)	1,687	189,257	(69,390)	1,519	70,909
(187,570)	1,687	189,257	(69,390)	1,519	70,909
	99,717	99,717		82,905	82,905
				43,016	43,016
\$ (187,570)	\$ 101,404	\$ 288,974	\$ (69,390)	\$ 127,440	\$ 196,830

(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, 2016

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 692	\$ 692
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		692	692
Expenditures:			
Current -			
Instruction			
Support services - students and staff	60,929	560	60,369
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	60,929	560	60,369
Excess (deficiency) of revenues over expenditures	(60,929)	132	61,061
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	(60,929)	132	61,061
Fund balances, beginning of year		69,767	69,767
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (60,929)	\$ 69,899	\$ 130,828

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,421	\$ 1,421	\$	\$	\$
	1,421	1,421			
85,317	43,016	42,301	261,791	393 171,581	(393) 90,210
85,317	43,016	42,301	261,791	16,971 188,945	(16,971) 72,846
(85,317)	(41,595)	43,722	(261,791)	(188,945)	72,846
				188,945	188,945
				188,945	188,945
(85,317)	(41,595)	43,722	(261,791)		261,791
	322,714	322,714			
\$ (85,317)	\$ 281,119	\$ 366,436	\$ (261,791)	\$	\$ 261,791

(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, 2016

	Grants and Gifts to Teachers		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 8	\$ 8
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		8	8
Expenditures:			
Current -			
Instruction	2,316		2,316
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	2,316		2,316
Excess (deficiency) of revenues over expenditures	(2,316)	8	2,324
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses):			
Changes in fund balances	(2,316)	8	2,324
Fund balances, beginning of year		2,005	2,005
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (2,316)	\$ 2,013	\$ 4,329

Advertisement			Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 5	\$ 5	\$	\$ 546,289	\$ 546,289
				1,854,336	1,854,336
				6,946,230	6,946,230
	5	5		9,346,855	9,346,855
14,039	300	13,739	6,089,147	4,358,133	1,731,014
			3,561,775	2,320,153	1,241,622
			666,416	344,938	321,478
				57,083	(57,083)
				19,573	(19,573)
			2,428,887	1,770,290	658,597
			659,734	397,117	262,617
14,039	300	13,739	13,405,959	9,267,287	4,138,672
(14,039)	(295)	13,744	(13,405,959)	79,568	13,485,527
				188,945	188,945
				(188,945)	(188,945)
(14,039)	(295)	13,744	(13,405,959)	79,568	13,485,527
	1,564	1,564		2,605,006	2,605,006
				41,613	41,613
\$ (14,039)	\$ 1,269	\$ 15,308	\$ (13,405,959)	\$ 2,726,187	\$ 16,132,146

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DEBT SERVICE FUND

Debt Service - to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2016

	Debt Service		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 1,837	\$ 1,837
Property taxes		582,321	582,321
Total revenues		584,158	584,158
Expenditures:			
Debt service -			
Principal retirement	335,000	335,000	
Interest and fiscal charges	438,177	262,263	175,914
Total expenditures	773,177	597,263	175,914
Changes in fund balances	(773,177)	(13,105)	760,072
Fund balances, beginning of year		39,580	39,580
Fund balances (deficits), end of year	\$ (773,177)	\$ 26,475	\$ 799,652

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, 2016

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
<u>ASSETS</u>			
Cash and investments	\$ 30,221	\$ 202,780	\$ 2
Property taxes receivable	28,507		
Due from governmental entities			
Total assets	<u>\$ 58,728</u>	<u>\$ 202,780</u>	<u>\$ 2</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 30,221	\$	\$
Due to other funds			
Total liabilities	<u>30,221</u>		
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>28,507</u>		
Fund balances (deficits):			
Restricted		202,780	2
Unassigned			
Total fund balances		<u>202,780</u>	<u>2</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 58,728</u>	<u>\$ 202,780</u>	<u>\$ 2</u>

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 87,597	\$	\$ 320,600
		28,507
	232,815	232,815
<u>\$ 87,597</u>	<u>\$ 232,815</u>	<u>\$ 581,922</u>

\$	\$	\$ 30,221
	238,115	238,115
	<u>238,115</u>	<u>268,336</u>

		<u>28,507</u>
--	--	---------------

87,597		290,379
	(5,300)	(5,300)
<u>87,597</u>	<u>(5,300)</u>	<u>285,079</u>

<u>\$ 87,597</u>	<u>\$ 232,815</u>	<u>\$ 581,922</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, 2016

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
Revenues:			
Other local	\$	\$ 46	\$ 4,000
Property taxes	6,056	314	
State aid and grants	8,139		
Federal aid, grants and reimbursements			
Total revenues	<u>14,195</u>	<u>360</u>	<u>4,000</u>
Expenditures:			
Capital outlay	105,134		4,000
Debt service -			
Principal retirement	189,632		
Interest and fiscal charges	63,696		
Total expenditures	<u>358,462</u>	<u></u>	<u>4,000</u>
Excess (deficiency) of revenues over expenditures	<u>(344,267)</u>	<u>360</u>	<u></u>
Other financing sources (uses):			
Transfer in	265,788		
Total other financing sources (uses):	<u>265,788</u>	<u></u>	<u></u>
Changes in fund balances	<u>(78,479)</u>	<u>360</u>	<u></u>
Fund balances, beginning of year	87,479	202,420	2
Increase (decrease) in reserve for prepaid items	(9,000)		
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 202,780</u>	<u>\$ 2</u>

Energy and Water Savings	Building Renewal Grant	Totals
\$ 241	\$	\$ 4,287
		6,370
	369,230	377,369
41,148		41,148
<u>41,389</u>	<u>369,230</u>	<u>429,174</u>
	374,530	483,664
		189,632
		63,696
	<u>374,530</u>	<u>736,992</u>
<u>41,389</u>	<u>(5,300)</u>	<u>(307,818)</u>
		265,788
		<u>265,788</u>
<u>41,389</u>	<u>(5,300)</u>	<u>(42,030)</u>
46,208		336,109
		(9,000)
<u>\$ 87,597</u>	<u>\$ (5,300)</u>	<u>\$ 285,079</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, 2016

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes		6,056	6,056
State aid and grants		8,139	8,139
Federal aid, grants and reimbursements			
Total revenues		14,195	14,195
Expenditures:			
Capital outlay	305,888	105,134	200,754
Debt service -			
Principal retirement	189,632	189,632	
Interest and fiscal charges	63,696	63,696	
Total expenditures	559,216	358,462	200,754
Excess (deficiency) of revenues over expenditures	(559,216)	(344,267)	214,949
Other financing sources (uses):			
Transfer in		265,788	265,788
Total other financing sources (uses):		265,788	265,788
Changes in fund balances	(559,216)	(78,479)	480,737
Fund balances, beginning of year		87,479	87,479
Increase (decrease) in reserve for prepaid items		(9,000)	(9,000)
Fund balances (deficits), end of year	\$ (559,216)	\$	\$ 559,216

Adjacent Ways			Gifts and Donations - Capital		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 46 314	\$ 46 314	\$	\$ 4,000	\$ 4,000
	360	360		4,000	4,000
219,959		219,959	7,500	4,000	3,500
219,959		219,959	7,500	4,000	3,500
(219,959)	360	220,319	(7,500)		7,500
(219,959)	360	220,319	(7,500)		7,500
	202,420	202,420		2	2
\$ (219,959)	\$ 202,780	\$ 422,739	\$ (7,500)	\$ 2	\$ 7,502

(Continued)

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, 2016

	Energy and Water Savings		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 241	\$ 241
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements		41,148	41,148
Total revenues		<u>41,389</u>	<u>41,389</u>
Expenditures:			
Capital outlay	349,000		349,000
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>349,000</u>		<u>349,000</u>
Excess (deficiency) of revenues over expenditures	<u>(349,000)</u>	<u>41,389</u>	<u>390,389</u>
Other financing sources (uses):			
Transfer in			
Total other financing sources (uses):			
Changes in fund balances	<u>(349,000)</u>	<u>41,389</u>	<u>390,389</u>
Fund balances, beginning of year		46,208	46,208
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (349,000)</u>	<u>\$ 87,597</u>	<u>\$ 436,597</u>

Building Renewal			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				369,230	369,230
				369,230	369,230
50,000		50,000	843,713	374,530	469,183
50,000		50,000	843,713	374,530	469,183
(50,000)		50,000	(843,713)	(5,300)	838,413
(50,000)		50,000	(843,713)	(5,300)	838,413
\$ (50,000)	\$	\$ 50,000	\$ (843,713)	\$ (5,300)	\$ 838,413

(Continued)

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, 2016

	Totals		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 4,287	\$ 4,287
Property taxes		6,370	6,370
State aid and grants		377,369	377,369
Federal aid, grants and reimbursements		41,148	41,148
Total revenues		<u>429,174</u>	<u>429,174</u>
Expenditures:			
Capital outlay	1,776,060	483,664	1,292,396
Debt service -			
Principal retirement	189,632	189,632	
Interest and fiscal charges	63,696	63,696	
Total expenditures	<u>2,029,388</u>	<u>736,992</u>	<u>1,292,396</u>
Excess (deficiency) of revenues over expenditures	<u>(2,029,388)</u>	<u>(307,818)</u>	<u>1,721,570</u>
Other financing sources (uses):			
Transfer in		265,788	265,788
Total other financing sources (uses):		<u>265,788</u>	<u>265,788</u>
Changes in fund balances	<u>(2,029,388)</u>	<u>(42,030)</u>	<u>1,987,358</u>
Fund balances, beginning of year		336,109	336,109
Increase (decrease) in reserve for prepaid items		(9,000)	(9,000)
Fund balances (deficits), end of year	<u>\$ (2,029,388)</u>	<u>\$ 285,079</u>	<u>\$ 2,314,467</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, 2016

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 90,874	\$ 396,874	\$ 487,748
Total assets	<u>\$ 90,874</u>	<u>\$ 396,874</u>	<u>\$ 487,748</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 396,874	\$ 396,874
Due to student groups	90,874		90,874
Total liabilities	<u>\$ 90,874</u>	<u>\$ 396,874</u>	<u>\$ 487,748</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>88,401</u>	\$ <u>133,475</u>	\$ <u>131,002</u>	\$ <u>90,874</u>
Total assets	\$ <u><u>88,401</u></u>	\$ <u><u>133,475</u></u>	\$ <u><u>131,002</u></u>	\$ <u><u>90,874</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>88,401</u>	\$ <u>133,475</u>	\$ <u>131,002</u>	\$ <u>90,874</u>
Total liabilities	\$ <u><u>88,401</u></u>	\$ <u><u>133,475</u></u>	\$ <u><u>131,002</u></u>	\$ <u><u>90,874</u></u>
<u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>699,399</u>	<u>3,913,297</u>	<u>4,215,822</u>	\$ <u>396,874</u>
Total assets	\$ <u><u>699,399</u></u>	\$ <u><u>3,913,297</u></u>	\$ <u><u>4,215,822</u></u>	\$ <u><u>396,874</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>699,399</u>	\$ <u>3,913,297</u>	\$ <u>4,215,822</u>	\$ <u>396,874</u>
Total liabilities	\$ <u><u>699,399</u></u>	\$ <u><u>3,913,297</u></u>	\$ <u><u>4,215,822</u></u>	\$ <u><u>396,874</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>787,800</u>	\$ <u>4,046,772</u>	\$ <u>4,346,824</u>	\$ <u>487,748</u>
Total assets	\$ <u><u>787,800</u></u>	\$ <u><u>4,046,772</u></u>	\$ <u><u>4,346,824</u></u>	\$ <u><u>487,748</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>699,399</u>	\$ <u>3,913,297</u>	\$ <u>4,215,822</u>	\$ <u>396,874</u>
Due to student groups	<u>88,401</u>	<u>133,475</u>	<u>131,002</u>	<u>90,874</u>
Total liabilities	\$ <u><u>787,800</u></u>	\$ <u><u>4,046,772</u></u>	\$ <u><u>4,346,824</u></u>	\$ <u><u>487,748</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 26,079,048	\$ 27,173,428	\$ 28,197,425	\$ 28,343,182	\$ 29,276,531
Restricted	3,337,150	3,096,515	3,728,258	2,954,030	3,558,660
Unrestricted	(24,407,317)	(29,968,585)	(2,130,930)	3,608,836	5,980,901
Total net position	<u>\$ 5,008,881</u>	<u>\$ 301,358</u>	<u>\$ 29,794,753</u>	<u>\$ 34,906,048</u>	<u>\$ 38,816,092</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Position:					
Net investment in capital assets	\$ 30,572,945	\$ 34,850,360	\$ 30,817,230	\$ 30,074,988	\$ 30,056,109
Restricted	3,897,010	2,189,507	1,285,491	2,945,518	4,228,481
Unrestricted	7,528,236	5,936,929	5,491,455	4,498,888	2,474,019
Total net position	<u>\$ 41,998,191</u>	<u>\$ 42,976,796</u>	<u>\$ 37,594,176</u>	<u>\$ 37,519,394</u>	<u>\$ 36,758,609</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Instruction	\$ 14,184,255	\$ 14,603,571	\$ 15,416,389	\$ 15,561,057	\$ 16,260,656
Support services - students and staff	4,334,854	4,421,951	4,021,817	4,146,037	4,044,306
Support services - administration	3,553,594	3,369,234	3,827,620	3,937,840	3,506,391
Operation and maintenance of plant services	3,711,337	3,803,705	3,737,948	3,809,971	3,835,953
Student transportation services	624,845	682,905	702,835	685,326	688,064
Operation of non-instructional services	1,847,568	1,797,067	1,810,894	1,878,777	1,790,705
Interest on long-term debt	329,405	349,651	363,294	386,430	408,367
Total expenses	<u>28,585,858</u>	<u>29,028,084</u>	<u>29,880,797</u>	<u>30,405,438</u>	<u>30,534,442</u>
Program Revenues					
Charges for services:					
Instruction	1,269,788	998,254	1,211,936	963,143	1,325,996
Operation of non-instructional services	133,857	374,908	319,818	409,732	420,149
Other activities	3,477	38,451	33,565	38,669	29,769
Operating grants and contributions	6,639,895	6,460,157	6,517,034	6,846,685	7,013,310
Capital grants and contributions	863,929	421,555	124,658	488,268	533,701
Total program revenues	<u>8,910,946</u>	<u>8,293,325</u>	<u>8,207,011</u>	<u>8,746,497</u>	<u>9,322,925</u>
Net (Expense)/Revenue	<u>\$ (19,674,912)</u>	<u>\$ (20,734,759)</u>	<u>\$ (21,673,786)</u>	<u>\$ (21,658,941)</u>	<u>\$ (21,211,517)</u>

(Continued)

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses					
Instruction	\$ 17,841,561	\$ 17,193,268	\$ 17,343,288	\$ 17,834,162	\$ 19,063,940
Support services - students and staff	4,213,389	4,909,283	3,377,009	2,879,445	2,728,216
Support services - administration	3,852,387	4,278,874	4,161,607	3,664,508	3,343,558
Operation and maintenance of plant services	4,113,500	3,781,781	4,413,063	4,311,968	4,099,917
Student transportation services	1,037,984	696,240	644,805	617,619	547,154
Operation of non-instructional services	1,776,853	2,111,085	2,019,035	1,908,757	1,759,754
Interest on long-term debt	431,757	92,143	123,043	153,544	180,909
Total expenses	<u>33,267,431</u>	<u>33,062,674</u>	<u>32,081,850</u>	<u>31,370,003</u>	<u>31,723,448</u>
Program Revenues					
Charges for services:					
Instruction	1,077,451	992,987	1,068,210	1,038,252	888,597
Operation of non-instructional services	161,359	398,342	49,981	281,964	272,112
Other activities	30,000	429,339	384,528	45,114	17,831
Operating grants and contributions	7,004,441	9,497,217	6,822,564	6,014,897	5,464,554
Capital grants and contributions	665,494	4,623,246	1,006,217	430,206	260,781
Total program revenues	<u>8,938,745</u>	<u>15,941,131</u>	<u>9,331,500</u>	<u>7,810,433</u>	<u>6,903,875</u>
Net (Expense)/Revenue	<u>\$ (24,328,686)</u>	<u>\$ (17,121,543)</u>	<u>\$ (22,750,350)</u>	<u>\$ (23,559,570)</u>	<u>\$ (24,819,573)</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net (Expense)/Revenue	\$ (19,674,912)	\$ (20,734,759)	\$ (21,673,786)	\$ (21,658,941)	\$ (21,211,517)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	4,157,202	3,157,083	667,556	1,163,447	397,877
Property taxes, levied for debt service	608,127	585,112	605,881	378,410	585,907
Property taxes, levied for capital outlay	7,608	9,458		370,988	1,123,544
Investment income	13,935	11,340	7,161	19,895	39,679
Unrestricted county aid	1,163,335	1,226,277	1,402,326	1,124,042	987,121
Unrestricted state aid	18,328,825	14,343,367	13,822,775	14,638,011	14,895,290
Unrestricted federal aid	103,403	161,956	56,792	54,104	
Total general revenues	<u>24,382,435</u>	<u>19,494,593</u>	<u>16,562,491</u>	<u>17,748,897</u>	<u>18,029,418</u>
Changes in Net Position	<u>\$ 4,707,523</u>	<u>\$ (1,240,166)</u>	<u>\$ (5,111,295)</u>	<u>\$ (3,910,044)</u>	<u>\$ (3,182,099)</u>

(Continued)

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (Expense)/Revenue	\$ (24,328,686)	\$ (17,121,543)	\$ (22,750,350)	\$ (23,559,570)	\$ (24,819,573)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	4,061,894	1,918,514	2,011,783	1,747,944	705,729
Property taxes, levied for debt service	677,328	593,885	1,211,057	1,112,759	868,837
Property taxes, levied for capital outlay	664,704	1,215,963		59,363	1,715,755
Investment income	43,212	63,807	110,593	352,938	257,928
Unrestricted county aid	835,422	722,029	669	4,037	16,886
Unrestricted state aid	16,886,641	15,907,279	19,491,030	21,043,314	20,322,960
Unrestricted federal aid	180,880	2,082,686			
Total general revenues	<u>23,350,081</u>	<u>22,504,163</u>	<u>22,825,132</u>	<u>24,320,355</u>	<u>23,888,095</u>
Changes in Net Position	<u>\$ (978,605)</u>	<u>\$ 5,382,620</u>	<u>\$ 74,782</u>	<u>\$ 760,785</u>	<u>\$ (931,478)</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.

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nondisposable	\$ 464,757	\$ 465,559	\$ 138,991	\$ 323,988	\$ 682,028
Unassigned	2,492,089	(1,845,526)	(1,137,939)	3,120,729	5,069,803
Total General Fund	<u>\$ 2,956,846</u>	<u>\$ (1,379,967)</u>	<u>\$ (998,948)</u>	<u>\$ 3,444,717</u>	<u>\$ 5,751,831</u>
All Other Governmental Funds:					
Nondisposable	\$	\$ 10,403	\$ 132,413	\$	\$
Restricted	3,207,581	2,993,990	3,487,452	2,845,152	3,388,301
Unassigned	(5,300)		(139,778)	(46,372)	(77,491)
Total all other governmental funds	<u>\$ 3,202,281</u>	<u>\$ 3,004,393</u>	<u>\$ 3,480,087</u>	<u>\$ 2,798,780</u>	<u>\$ 3,310,810</u>

(Continued)

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:					
Nonspendable	\$ 503,343	\$	\$	\$	\$
Unassigned	6,594,709				
Reserved		333,882	322,881	480,181	125,846
Unreserved		850,466	(158,614)	314,448	195,064
Total General Fund	<u>\$ 7,098,052</u>	<u>\$ 1,184,348</u>	<u>\$ 164,267</u>	<u>\$ 794,629</u>	<u>\$ 320,910</u>
All Other Governmental Funds:					
Restricted	\$ 3,272,963	\$	\$	\$	\$
Reserved			7,526	10,524	12,528
Unreserved, reported in:					
Special revenue funds		3,034,201	2,715,339	2,297,125	1,279,780
Capital projects funds		8,101,938	796,388	2,664,402	3,945,363
Debt service fund		144,222	256,958	136,972	100,645
Total all other governmental funds	<u>\$ 3,272,963</u>	<u>\$ 11,280,361</u>	<u>\$ 3,776,211</u>	<u>\$ 5,109,023</u>	<u>\$ 5,338,316</u>

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

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal sources:					
Federal grants	\$ 5,135,478	\$ 4,761,213	\$ 4,689,544	\$ 5,584,171	\$ 5,377,822
Education Jobs					53,151
National School Lunch Program	1,851,900	1,812,507	1,761,029	1,679,849	1,768,791
Total federal sources	<u>6,987,378</u>	<u>6,573,720</u>	<u>6,450,573</u>	<u>7,264,020</u>	<u>7,199,764</u>
State sources:					
State equalization assistance	16,660,276	12,845,463	12,220,975	13,324,991	14,148,977
State grants	185,787	95,380	185,160	111,699	195,925
School Facilities Board	369,230				
Other revenues	1,668,549	1,799,445	1,601,800	1,304,650	1,292,206
Total state sources	<u>18,883,842</u>	<u>14,740,288</u>	<u>14,007,935</u>	<u>14,741,340</u>	<u>15,637,108</u>
Local sources:					
Property taxes	4,503,261	3,597,918	1,365,118	1,962,618	2,375,743
County aid	1,163,335	1,226,277	1,402,326	1,124,042	987,121
Food service sales	133,857	146,310	148,002	165,190	185,369
Investment income	13,935	11,340	7,161	19,895	39,679
Other revenues	1,338,097	1,338,330	1,480,068	1,268,062	1,741,867
Total local sources	<u>7,152,485</u>	<u>6,320,175</u>	<u>4,402,675</u>	<u>4,539,807</u>	<u>5,329,779</u>
Total revenues	<u><u>\$ 33,023,705</u></u>	<u><u>\$ 27,634,183</u></u>	<u><u>\$ 24,861,183</u></u>	<u><u>\$ 26,545,167</u></u>	<u><u>\$ 28,166,651</u></u>

(Continued)

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Federal sources:					
Federal grants	\$ 5,320,653	\$ 11,396,212	\$ 5,002,016	\$ 4,620,887	\$ 4,080,218
State Fiscal Stabilization (ARRA)	180,880	2,082,686			
Education Jobs	707,913				
National School Lunch Program	1,669,864	1,773,698	1,646,185	1,510,340	1,344,709
Total federal sources	<u>7,879,310</u>	<u>15,252,596</u>	<u>6,648,201</u>	<u>6,131,227</u>	<u>5,424,927</u>
State sources:					
State equalization assistance	15,751,557	16,097,611	16,553,192	18,442,289	17,735,350
State grants	90,601	234,667	2,078,367	383,990	245,059
School Facilities Board				352,670	713,339
Other revenues	1,157,726	1,214,935	32,980	2,248,355	1,874,271
Total state sources	<u>16,999,884</u>	<u>17,547,213</u>	<u>18,664,539</u>	<u>21,427,304</u>	<u>20,568,019</u>
Local sources:					
Property taxes	5,180,392	3,671,680	3,157,114	2,877,938	3,402,374
County aid	835,422	722,029	669	4,037	16,886
Food service sales	161,359	184,889	202,739	188,051	202,802
Investment income	43,212	63,809	110,593	352,938	257,928
Other revenues	1,205,416	1,721,349	1,582,957	1,376,895	975,738
Total local sources	<u>7,425,801</u>	<u>6,363,756</u>	<u>5,054,072</u>	<u>4,799,859</u>	<u>4,855,728</u>
Total revenues	<u><u>\$ 32,304,995</u></u>	<u><u>\$ 39,163,565</u></u>	<u><u>\$ 30,366,812</u></u>	<u><u>\$ 32,358,390</u></u>	<u><u>\$ 30,848,674</u></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.

(Concluded)

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Current -					
Instruction	\$ 13,312,125	\$ 13,312,255	\$ 13,762,080	\$ 13,806,716	\$ 14,729,785
Support services - students and staff	4,385,165	4,233,189	4,043,262	4,112,269	3,912,817
Support services - administration	3,570,018	3,680,435	3,496,732	3,804,782	3,227,155
Operation and maintenance of plant services	3,123,650	3,232,004	3,213,774	3,194,046	3,234,682
Student transportation services	507,007	506,557	564,413	551,958	493,999
Operation of non-instructional services	1,828,766	1,761,234	1,772,586	1,831,798	1,755,419
Capital outlay	900,477	1,113,539	1,092,574	931,233	1,522,832
Debt service -					
Claims and judgments					
Interest, premium and fiscal charges	325,959	346,205	359,848	372,786	394,723
Principal retirement	524,632	510,036	495,993	400,683	382,298
Bond issuance costs					
Total expenditures	<u><u>\$ 28,477,799</u></u>	<u><u>\$ 28,695,454</u></u>	<u><u>\$ 28,801,262</u></u>	<u><u>\$ 29,006,271</u></u>	<u><u>\$ 29,653,710</u></u>
Expenditures for capitalized assets	\$ 586,445	\$ 385,977	\$ 559,158	\$ 596,419	\$ 462,044
Debt service as a percentage of noncapital expenditures	3%	3%	3%	3%	3%

(Continued)

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenditures:					
Current -					
Instruction	\$ 13,523,776	\$ 15,731,136	\$ 15,102,110	\$ 15,898,466	\$ 16,297,105
Support services - students and staff	3,613,733	4,858,762	3,295,576	2,759,700	2,607,179
Support services - administration	3,560,419	3,756,522	3,758,653	3,687,157	3,251,906
Operation and maintenance of plant services	3,259,655	3,313,024	3,632,650	3,477,072	3,547,550
Student transportation services	527,036	605,059	542,207	485,546	449,169
Operation of non-instructional services	1,648,569	1,910,702	1,859,046	1,807,614	1,628,702
Capital outlay	8,997,027	7,092,311	2,878,248	3,201,447	2,988,582
Debt service -					
Claims and judgments	29,497		16,248		
Interest, premium and fiscal charges	350,018	24,050	54,950	85,451	112,816
Principal retirement	248,000	740,000	1,030,000	1,063,842	1,040,977
Bond issuance costs		189,834			
Total expenditures	<u><u>\$ 35,757,730</u></u>	<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>
Expenditures for capitalized assets	\$ 4,294,000	\$ 5,983,990	\$ 1,076,419	\$ 417,468	\$ 1,154,667
Debt service as a percentage of noncapital expenditures	2%	2%	3%	4%	4%

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

(Concluded)

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ 4,545,906	\$ (1,061,271)	\$ (3,940,079)	\$ (2,461,104)	\$ (1,487,059)
Other financing sources (uses):					
Capital lease agreements			230,305		
Transfers in	453,794	283,261	1,016,702	271,038	170,085
Transfers out	(453,794)	(283,261)	(1,016,702)	(271,038)	(170,085)
Total other financing sources (uses)			230,305		
Changes in fund balances	<u>\$ 4,545,906</u>	<u>\$ (1,061,271)</u>	<u>\$ (3,709,774)</u>	<u>\$ (2,461,104)</u>	<u>\$ (1,487,059)</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (deficiency) of revenues over expenditures	\$ (3,452,735)	\$ 942,165	\$ (1,802,876)	\$ (107,905)	\$ (1,075,312)
Other financing sources (uses):					
School improvement bonds issued		7,648,000			
Discount on sale of bonds		(69,409)			
Capital lease agreements	1,189,580				
Transfers in	179,723	203,394	1,471,552	702,599	229,962
Transfers out	(179,723)	(203,394)	(1,471,552)	(702,599)	(229,962)
Total other financing sources (uses)	1,189,580	7,578,591			
Changes in fund balances	<u>\$ (2,263,155)</u>	<u>\$ 8,520,756</u>	<u>\$ (1,802,876)</u>	<u>\$ (107,905)</u>	<u>\$ (1,075,312)</u>

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 22,678,308	\$ 23,144,013	\$ 23,596,186	\$ 24,929,998	\$ 25,535,106
Agricultural and Vacant	8,790,296	8,732,829	9,150,657	9,242,515	8,874,977
Residential (Owner Occupied)	23,181,063	23,513,949	25,956,258	26,185,770	33,804,467
Residential (Rental)	12,450,746	12,559,231	13,370,678	13,125,265	6,145,947
Historical Property	58,866	58,866	68,231	68,231	71,120
Certain Government Property Improvements	12,969	12,969	12,969	11,465	
Total	<u>\$ 67,172,248</u>	<u>\$ 68,021,857</u>	<u>\$ 72,154,979</u>	<u>\$ 73,563,244</u>	<u>\$ 74,431,617</u>
Gross Full Cash Value	\$ 640,811,628	\$ 641,632,122	\$ 679,973,106	\$ 688,509,192	\$ 694,974,282
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	11%	11%	11%	11%
Total Direct Rate	8.18	6.19	2.00	3.01	3.32

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 26,415,221	\$ 26,525,258	\$ 26,844,013	\$ 26,783,763	\$ 25,063,404
Agricultural and Vacant	8,424,590	7,359,880	7,226,800	7,468,002	6,941,207
Residential (Owner Occupied)	33,820,165	32,328,606	30,232,963	27,193,359	25,404,484
Residential (Rental)	6,029,431	5,743,575	5,423,091	4,542,108	4,325,921
Railroad, Private Cars and Airlines					39,752
Historical Property	78,645	63,335	65,370	59,589	59,573
Total	<u>\$ 74,768,052</u>	<u>\$ 72,020,654</u>	<u>\$ 69,792,237</u>	<u>\$ 66,046,821</u>	<u>\$ 61,834,341</u>
Gross Full Cash Value	\$ 701,419,679	\$ 647,530,839	\$ 635,863,021	\$ 572,506,151	\$ 537,953,409
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	11%	12%	11%
Total Direct Rate	8.74	6.12	5.16	4.68	6.37

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 22,684,730	\$ 23,156,027	\$ 23,631,939	\$ 25,139,136	\$ 25,767,786
Agricultural and Vacant	8,851,713	8,832,932	9,474,420	10,031,488	10,155,891
Residential (Owner Occupied)	23,206,679	23,519,372	25,969,064	26,226,198	33,862,691
Residential (Rental)	12,462,057	12,561,184	13,376,856	13,184,541	6,190,301
Historical Property	58,866	58,866	68,231	68,231	71,186
Certain Government Property Improvements	12,969	12,969	12,969	12,969	
Total	<u>\$ 67,277,014</u>	<u>\$ 68,141,350</u>	<u>\$ 72,533,479</u>	<u>\$ 74,662,563</u>	<u>\$ 76,047,855</u>
Gross Full Cash Value	\$ 640,811,628	\$ 641,632,122	\$ 679,973,106	\$ 688,509,192	\$ 694,974,282
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	11%	11%	11%	11%
Total Direct Rate	8.18	6.19	2.00	3.01	3.32

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 27,073,241	\$ 27,552,654	\$ 28,527,823	\$ 27,735,980	\$ 26,441,166
Agricultural and Vacant	10,486,873	7,913,565	8,084,191	8,658,478	8,570,787
Residential (Owner Occupied)	34,427,551	32,859,795	32,137,204	27,968,296	26,778,053
Residential (Rental)	6,132,339	5,913,254	5,904,100	4,687,886	4,596,760
Railroad, Private Cars and Airlines					42,290
Historical Property	79,615	66,751	69,538	62,686	63,643
Total	<u>\$ 78,199,619</u>	<u>\$ 74,306,019</u>	<u>\$ 74,722,856</u>	<u>\$ 69,113,326</u>	<u>\$ 66,492,699</u>
Gross Full Cash Value	\$ 701,419,679	\$ 647,530,839	\$ 635,863,021	\$ 572,506,151	\$ 537,953,409
Ratio of Net Full Cash Value to Gross Full Cash Value	11%	11%	12%	12%	12%
Total Direct Rate	8.74	6.12	5.16	4.68	6.37

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	19 %	19 %	20 %	20 %	20 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	16	15	15	15

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

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

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

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	Primary	Secondary	Total
	Equalization	County	Free Library	Control District	College District	District Assistance	Technology District	of Douglas			
2016	0.51	2.63	0.15	0.26	2.18	0.10	0.05	1.18	7.29	0.89	8.18
2015	0.51	2.63	0.15	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	0.00	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

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	2016			2007	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation		Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Valuation
Arizona Public Service Company	\$ 4,264,345	6.35 %		\$ 1,732,369	2.61 %
Wal-Mart Stores Inc.	2,223,020	3.31		6,428,919	9.67
Phelps Dodge Corporation	1,200,829	1.79			
Southwest Gas Corporation	601,028	0.89		797,925	1.20
DHD LLC	571,247	0.85			
Qwest Corporation	544,178	0.81		903,151	1.36
Cochise Pacific Assoc Az LP	494,925	0.74			
Kinder Morgan	487,659	0.73			
SFP Pool Five Shopping Centers LLC	427,482	0.64			
BH Properties LLC	406,800	0.61			
Safeway Inc.				1,597,830	2.40
Reay's Ranch Investor's LLC				1,438,980	2.16
MT Development LLC				925,945	1.39
Cox Communications Inc.				888,070	1.34
Food City				687,280	1.03
FAE Holdings 356216R LLC				625,670	0.94
. Total	<u>\$ 11,221,513</u>	<u>16.72 %</u>		<u>\$ 16,026,139</u>	<u>24.10 %</u>

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

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

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

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 4,688,928	\$ 4,209,359	89.77 %	\$	\$ 4,209,359	89.77 %
2015	3,673,948	3,308,359	90.05	301,969	3,610,328	98.27
2014	1,283,355	1,130,385	88.08	135,991	1,266,376	98.68
2013	1,961,938	1,763,680	89.89	181,291	1,944,971	99.14
2012	2,115,717	1,903,366	89.96	195,540	2,098,906	99.21
2011	5,248,055	4,702,230	89.60	499,475	5,201,705	99.12
2010	3,640,145	3,258,319	89.51	356,512	3,614,831	99.30
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

Source: The source of this information is the 2016 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		Actual Value				Actual Value			
		for Principal		(Full Cash Value)				(Full Cash Value)			
2016	\$ 6,090,195	\$ 127,537	\$ 5,962,658	0.93 %	\$ 351	\$ 706,243	\$ 6,796,438	1.06 %	\$ 400	N/A %	
2015	6,416,749	114,836	6,301,913	0.98	371	895,875	7,312,624	1.14	430	0.16	
2014	6,733,303	130,819	6,602,484	0.97	389	1,075,911	7,809,214	1.15	461	0.16	
2013	7,039,857	127,451	6,912,406	1.00	384	1,021,599	8,061,456	1.17	448	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	

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, 2016

<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	\$ 2,007,494	7.31 %	\$ 146,709
City of Douglas	8,631,753	100.00	8,631,753
Subtotal, Overlapping Debt			<u>8,778,462</u>
Direct:			
Douglas Unified School District No. 27			<u>6,796,438</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 15,574,900</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	8.88	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 867	
As a Percentage of Net Limited Assessed Valuation	21.95	%
As a Percentage of Gross Full Cash Value	2.30	%

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 a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2015 is presented for the overlapping governments as this is the most recent available information.

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

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

Net full cash assessed valuation	\$ 67,277,014
Debt limit (20% of assessed value)	13,455,403
Debt applicable to limit	<u>6,135,000</u>
Legal debt margin	<u><u>\$ 7,320,403</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2016:

Net full cash assessed valuation	\$ 67,277,014
Debt limit (30% of assessed value)	20,183,104
Debt applicable to limit	<u>6,135,000</u>
Legal debt margin	<u><u>\$ 14,048,104</u></u>

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 20,183,104	\$ 20,442,405	\$ 21,760,044	\$ 22,398,736	\$ 22,814,357
Total net debt applicable to limit	<u>6,135,000</u>	<u>6,416,749</u>	<u>6,733,303</u>	<u>7,039,857</u>	<u>7,400,000</u>
Legal debt margin	<u><u>\$ 14,048,104</u></u>	<u><u>\$ 14,025,656</u></u>	<u><u>\$ 15,026,741</u></u>	<u><u>\$ 15,358,879</u></u>	<u><u>\$ 15,414,357</u></u>
Total net debt applicable to the limit as a percentage of debt limit	30%	31%	31%	31%	32%

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	\$ 23,459,886	\$ 29,722,408	\$ 22,416,857	\$ 20,733,998	\$ 19,947,810
Total net debt applicable to limit	<u>7,600,000</u>	<u>8,388,000</u>	<u>1,770,000</u>	<u>2,770,000</u>	<u>3,750,000</u>
Legal debt margin	<u><u>\$ 15,859,886</u></u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	32%	28%	8%	13%	19%

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>
2015	129,112	\$ N/A	\$ N/A	7.4 %	17,000
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

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 2006 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2015, 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	2016			2007		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Arizona Department of Corrections	615	20.02	%	618	10.15	%
Douglas Unified School District	492	16.02		556	9.13	
Advanced Call Center Technologies, L.L.C.	248	8.07				
City of Douglas	183	5.96		244	4.01	
Cochise College	165	5.37		354	5.81	
Chiricahua Community Health Center	116	3.78				
Cochise Private Industry Council	90	2.93				
Cochise County	48	1.56		1,014	16.66	
Copper Queen Community Hospital	37	1.20				
Homeland Security				740	12.16	
United States Border Patrol				600	9.86	
Wal-Mart Stores, Inc.				350	5.75	
Southeast Arizona Medical Center				166	2.73	
United States Customs				114	1.87	
Total	1,994	64.91	%	4,756	78.13	%
Total employment	3,072			6,088		

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents			1	1	1
Consultants/supervisors of instruction	1	1	1	1	2
Principals	8	8	8	8	8
Assistant principals	4	4	4	4	4
Total supervisory	<u>14</u>	<u>14</u>	<u>15</u>	<u>15</u>	<u>16</u>
Instruction					
Teachers	184	184	197	188	180
Other professionals (instructional)	15	15	16	16	16
Aides	107	107	99	115	116
Total instruction	<u>306</u>	<u>306</u>	<u>312</u>	<u>319</u>	<u>312</u>
Student Services					
Nurses	4	4	4	4	4
Counselors/Advisors	8	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>19</u>	<u>18</u>	<u>18</u>
Support and Administration					
Clerical workers	23	23	24	24	24
Maintenance workers	16	16	16	16	16
Bus drivers	7	8	8	7	7
Service workers	4	4	4	4	4
Unskilled laborers	74	74	74	75	75
Total support and administration	<u>124</u>	<u>125</u>	<u>126</u>	<u>126</u>	<u>126</u>
Total	<u><u>463</u></u>	<u><u>464</u></u>	<u><u>472</u></u>	<u><u>478</u></u>	<u><u>472</u></u>

(Continued)

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Supervisory					
Superintendent					
Assistant superintendents					
Consultants/supervisors of instruction				3	
Principals	8	7	8	8	8
Assistant principals	4	4	4	2	3
Total supervisory	<u>12</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>11</u>
Instruction					
Teachers	187	198	203	189	206
Other professionals (instructional)	16	14	14	14	7
Aides	112	96	110	118	127
Total instruction	<u>315</u>	<u>308</u>	<u>327</u>	<u>321</u>	<u>340</u>
Student Services					
Nurses					
Counselors/Advisors					
Librarians	1	2	2	2	2
Technicians	6	8	9	8	10
Total student services	<u>7</u>	<u>10</u>	<u>11</u>	<u>10</u>	<u>12</u>
Support and Administration					
Clerical workers					
Maintenance workers					
Bus drivers					
Service workers	34	38	42	42	39
Unskilled laborers	107	80	84	87	80
Total support and administration	<u>141</u>	<u>118</u>	<u>126</u>	<u>129</u>	<u>119</u>
Total	<u><u>475</u></u>	<u><u>447</u></u>	<u><u>476</u></u>	<u><u>473</u></u>	<u><u>482</u></u>

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

(Concluded)

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

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2016	3,629	\$ 26,726,731	\$ 7,365	(0.01) %	\$ 28,585,858	\$ 7,878	(1.54) %	306	11.9	88.0 %
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

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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Schools</u>										
Elementary										
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	2,315	2,251	2,251	2,251	2,251	2,251	2,251	2,251	2,251
Enrollment	1,441	1,441	1,591	1,616	1,616	1,698	1,675	1,696	1,803	1,785
Middle										
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	1,365	1,694	1,694	1,694	1,694	1,694	1,694	1,694	1,694
Enrollment	884	884	859	940	940	944	919	918	976	988
High										
Buildings	23	23	23	23	23	23	23	23	23	23
Square feet	158,775	158,775	157,335	157,335	157,335	157,335	157,335	157,335	157,335	157,335
Capacity	1,478	1,478	1,967	1,967	1,967	1,967	1,967	1,967	1,967	1,967
Enrollment	1,310	1,310	1,267	1,353	1,353	1,324	1,269	1,145	1,217	1,241
Other										
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	352	532	352	352	352	352	352	352	352	357
Enrollment	90	90	90	147	147	146	146	162	172	191
<u>Administrative</u>										
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
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	14	14	14	16	16	17	17	16	16	16
<u>Athletics</u>										
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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