
DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

DOUGLAS, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	68
Title I Grants Fund	69
Career Technical Education Fund	70
Pension Schedules	71
OPEB Schedules	72
Notes to Required Supplementary Information	74
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	79
Special Revenue Funds:	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	94

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

TABLE OF CONTENTS

FINANCIAL SECTION

Page

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Debt Service Fund:

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	118
--	-----

Capital Projects Funds:

Combining Balance Sheet	120
-------------------------	-----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances	122
--	-----

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	124
--	-----

Agency Funds:

Combining Statement of Assets and Liabilities	130
---	-----

Combining Statement of Changes in Assets and Liabilities	131
--	-----

STATISTICAL SECTION

Financial Trends:

Net Position by Component	135
---------------------------	-----

Expenses, Program Revenues, and Net (Expense)/Revenue	136
---	-----

General Revenues and Total Changes in Net Position	138
--	-----

Fund Balances – Governmental Funds	140
------------------------------------	-----

Governmental Funds Revenues	142
-----------------------------	-----

Governmental Funds Expenditures and Debt Service Ratio	144
--	-----

Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	146
--	-----

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	147
Net Full Cash Assessed Value of Taxable Property by Class	148
Property Tax Assessment Ratios	149
Direct and Overlapping Property Tax Rates	150
Principal Property Taxpayers	151
Property Tax Levies and Collections	152
Debt Capacity:	
Outstanding Debt by Type	153
Direct and Overlapping Governmental Activities Debt	154
Direct and Overlapping General Bonded Debt Ratios	154
Legal Debt Margin Information	155
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	156
Principal Employers	157
Operating Information:	
Full-Time Equivalent District Employees by Type	158
Operating Statistics	160
Capital Assets Information	161

(This page intentionally left blank)

INTRODUCTORY SECTION

(This page intentionally left blank)



DOUGLAS UNIFIED SCHOOL DISTRICT # 27

Administrative Offices ~ 1132 12th Street

Douglas, Arizona 85607

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

Ana Samaniego
Superintendent

Cesar Soto
Chief Financial & Operations Officer

Fernando Nuñez
Assistant Superintendent

December 20, 2019

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, 2019.

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, 2019, are free of material misstatement.

Working together, raising standards, and developing leaders.

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, religión, sexo, edad, discapacidad u origen nacional en sus centros de enseñanza y las prácticas de empleo o programas.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2019, 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 3,850 students for fiscal year 2019-20.

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 3,900 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 85%, 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 75 years.

By benefiting from a 90 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 3,874 during the 2017-18 school year, the District is projecting enrollment to increase to 3,942 for 2018-19.

AWARDS AND ACKNOWLEDGMENTS

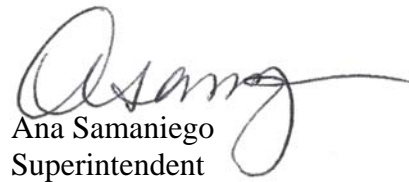
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the fourteenth consecutive year that the District has received 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, 2018. 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, 2019 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,



Ana Samaniego
Superintendent



Cesar Soto
Chief Financial & Operations Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Douglas Unified School District No. 27

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

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

Presented to

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

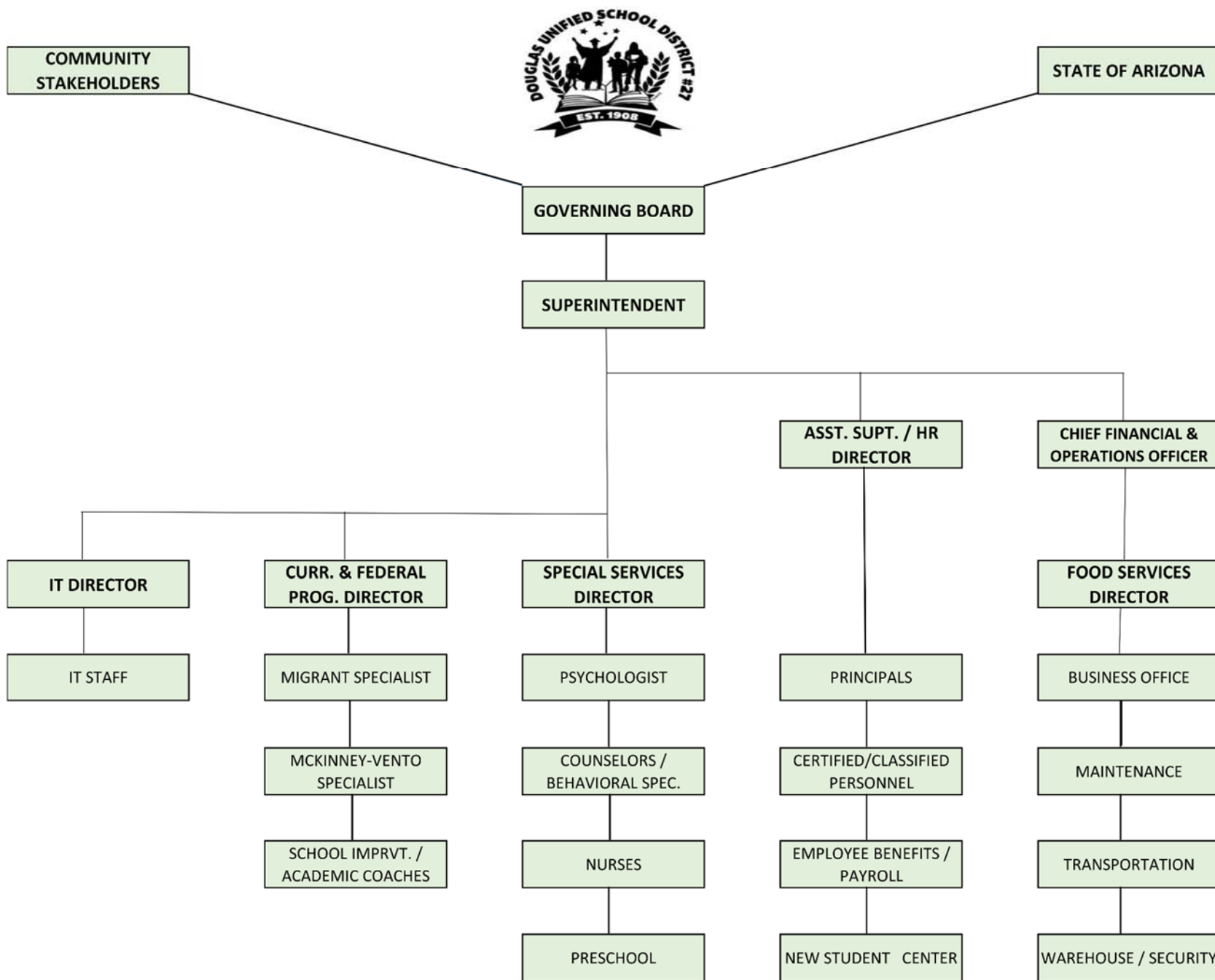
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

Douglas Unified School District No. 27
Organizational Chart 2018-19



DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Ray Borane, President

Mitch Lindemann, Member

Natalio Sabal, Member

Dr. Ed Gomez, Member

Mario Ramos, Sr., Member

ADMINISTRATIVE STAFF

Ana Samaniego, Superintendent

Fernando Nuñez, Human Resources Director/Assistant Superintendent

Cesar Soto, Chief Financial & Operations Officer

(This page intentionally left blank)

FINANCIAL SECTION

(This page intentionally left blank)

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, 2019, 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, 2019, 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.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The Introductory Section and Statistical 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, 2019, 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 solely 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 effectiveness of the Douglas Unified School District No. 27's 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. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 20, 2019

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

(This page intentionally left blank)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

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, 2019. 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 \$4.3 million which represents a 35 percent increase from the prior fiscal year as a result of pension contributions exceeding pension expense, and efforts by the District to keep costs stable and to build reserves for future years.
- General revenues accounted for \$27.2 million in revenue, or 76 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$8.4 million or 24 percent of total current fiscal year revenues.
- The District had approximately \$31.4 million in expenses related to governmental activities, an increase of eight percent from the prior fiscal year primarily due to an increase in student enrollment.
- Among major funds, the General Fund had \$24.3 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$21.9 million in expenditures. The General Fund's fund balance increase from \$6.0 million at the prior fiscal year end to \$8.6 million at the end of the current fiscal year was primarily due to efforts by the District to maximize budget and cash carry forward for future year expenditures.
- The Title I Grants Fund had \$2.2 million in current year revenues, which consisted of federal assistance, and \$2.2 million in expenditures.
- The Career Technical Education Fund had \$1.3 million in current year revenues, which consisted of local revenues, and \$840,778 in expenditures.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

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 \$16.4 million at the current fiscal year end.

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

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	As of June 30, 2019	As of June 30, 2018
Current and other assets	\$ 16,161,849	\$ 13,383,001
Capital assets, net	29,061,907	29,858,866
Total assets	<u>45,223,756</u>	<u>43,241,867</u>
Deferred outflows	<u>3,586,193</u>	<u>2,929,442</u>
Current and other liabilities	1,338,152	1,179,886
Long-term liabilities	27,686,904	29,750,890
Total liabilities	<u>29,025,056</u>	<u>30,930,776</u>
Deferred inflows	<u>3,384,312</u>	<u>3,113,099</u>
Net position:		
Net investment in capital assets	23,745,876	24,446,779
Restricted	5,380,838	5,302,349
Unrestricted	(12,726,133)	(17,621,694)
Total net position	<u>\$ 16,400,581</u>	<u>\$ 12,127,434</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$12.7 million as a result of an unfunded pension liability. Positive net position was reported in the other two categories.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The District's financial position is the product of several financial transactions including the net result 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 had an impact on the Statement of Net Position.

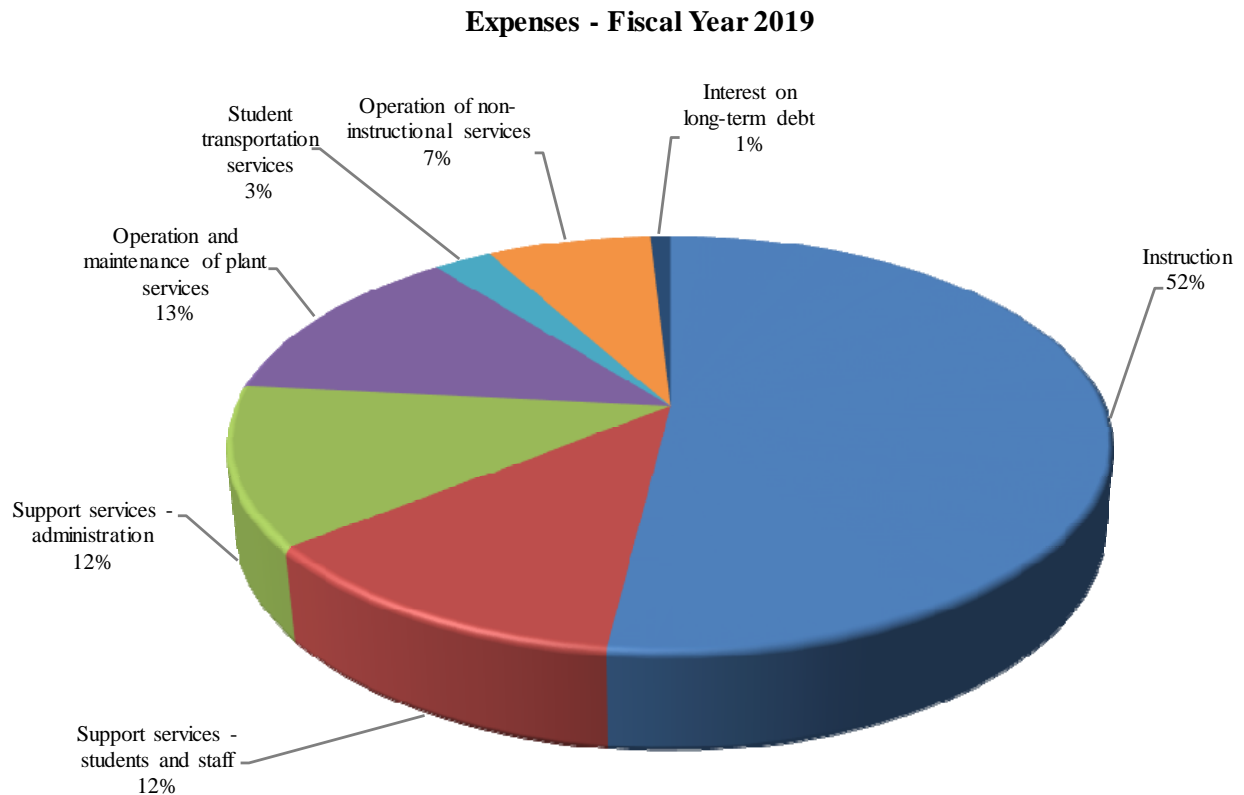
- The increase of \$2.0 million in pension liabilities.
- The addition of \$1.9 million in accumulated depreciation.
- The principal retirement of \$360,000 of bonds.
- The addition of \$1.1 million in capital assets through land and school improvements, and equipment.

Changes in net position. The District's total revenues for the current fiscal year were \$35.7 million. The total cost of all programs and services was \$31.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
Revenues:		
Program revenues:		
Charges for services	\$ 1,918,390	\$ 1,724,046
Operating grants and contributions	5,944,812	5,724,558
Capital grants and contributions	565,358	1,031,855
General revenues:		
Property taxes	4,760,531	4,611,356
Investment income	139,502	69,846
Unrestricted county aid	1,117,758	1,149,733
Unrestricted state aid	20,892,668	18,425,438
Unrestricted federal aid	333,386	238,687
Total revenues	35,672,405	32,975,519
Expenses:		
Instruction	16,301,580	14,636,826
Support services - students and staff	3,882,718	3,936,132
Support services - administration	3,863,047	3,536,346
Operation and maintenance of plant services	4,044,739	3,910,843
Student transportation services	796,432	736,796
Operation of non-instructional services	2,245,668	1,964,082
Interest on long-term debt	265,074	288,011
Total expenses	31,399,258	29,009,036
Changes in net position	4,273,147	3,966,483
Net position, beginning	12,127,434	8,160,951
Net position, ending	\$ 16,400,581	\$ 12,127,434

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- The decrease of \$466,497 in capital grants and contributions was due to a decrease in projects funded by the school facilities board.
- State aid revenues increased \$2.5 million due to an increase in state equalization funding due to an increase in average daily membership.
- Instructional expense increased \$1.7 million due to an increase in student enrollment.

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, 2019

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2019		Year Ended June 30, 2018	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 16,301,580	\$ (12,349,415)	\$ 14,636,826	\$ (10,801,068)
Support services - students and staff	3,882,718	(2,338,362)	3,936,132	(2,251,944)
Support services - administration	3,863,047	(3,779,130)	3,536,346	(3,464,212)
Operation and maintenance of plant services	4,044,739	(3,791,843)	3,910,843	(3,158,604)
Student transportation services	796,432	(796,432)	736,796	(719,754)
Operation of non-instructional Services	2,245,668	326,594	1,964,082	125,575
Interest on long-term debt	265,074	(242,110)	288,011	(258,570)
Total	<u>\$ 31,399,258</u>	<u>\$ (22,970,698)</u>	<u>\$ 29,009,036</u>	<u>\$ (20,528,577)</u>

- The cost of all governmental activities this year was \$31.4 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.4 million.
- Net cost of governmental activities of \$23.0 million was financed by general revenues, which are made up of primarily property taxes of \$4.8 million and state and county aid of \$22.0 million. Investment earnings accounted for \$139,502 of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$13.8 million, an increase of \$2.6 million due primarily to efforts by the District to maximize budget and cash carry forward for future year expenditures.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 63 percent of the total fund balance. Approximately \$8.5 million, or 99 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$2.6 million to \$8.6 million as of fiscal year end was a result of efforts by the District to maximize budget and cash carry forward for future year expenditures. General Fund revenues increased \$2.7 million as a result of an increase in state equalization funding due to an increase in average daily membership. General Fund expenditures increased \$2.3 million as a result of increased salaries and related expenses.

The Career Technical Education Fund's fund balance increased \$426,838 to \$2.2 million as of fiscal year end due to an increase in funding provided by other districts for technical education.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for increased salaries and related expenses as a result of increased student enrollment. The difference between the original budget and the final amended budget was a \$317,655 increase, or one percent.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. The favorable variance of \$556,620 in instruction, \$279,217 in support services – administration, and \$279,265 in operation and maintenance of plant services were a result of budgeting the maximum budget limit to maximize budget carryforward to provide capacity in future years.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$60.8 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$965,382 from the prior fiscal year, primarily due to the acquisition of vehicles, furniture and equipment. Total depreciation expense for the current fiscal year was \$1.9 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2019 and June 30, 2018.

	As of June 30, 2019	As of June 30, 2018
Capital assets - non-depreciable	\$ 523,503	\$ 523,503
Capital assets - depreciable, net	28,538,404	29,335,363
Total	<u>\$ 29,061,907</u>	<u>\$ 29,858,866</u>

Additional information on the District's capital assets can be found in Note 7.

Debt Administration. At year end, the District had \$5.7 million in long-term debt outstanding, \$587,443 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 \$21.9 million and the Class B debt limit is \$14.6 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 9 through 11.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

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 2019-20 budget. Among them:

- Fiscal year 2018-19 budget balance carry forward (\$1,278,641).
- K-3 reading increase (\$3,334).

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 five percent to \$23.6 million in fiscal year 2019-20. Student growth, and increased payroll and employee benefit costs are the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2019-20 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

(This page intentionally left blank)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 7,120,954
Property taxes receivable	745,995
Due from governmental entities	8,080,063
Inventory	100,984
Other assets	60,041
Total current assets	<u>16,108,037</u>
Noncurrent assets:	
Net other postemployment benefit assets	53,812
Capital assets not being depreciated	523,503
Capital assets, net of accumulated depreciation	<u>28,538,404</u>
Total noncurrent assets	<u>29,115,719</u>
Total assets	<u>45,223,756</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>3,586,193</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	220,761
Accrued payroll and employee benefits	849,515
Compensated absences payable	293,461
Accrued interest payable	113,247
Unearned revenues	154,629
Obligations under capital leases	212,443
Bonds payable	375,000
Total current liabilities	<u>2,219,056</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>26,806,000</u>
Total noncurrent liabilities	<u>26,806,000</u>
Total liabilities	<u>29,025,056</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>3,384,312</u>
<u>NET POSITION</u>	
Net investment in capital assets	23,745,876
Restricted	5,380,838
Unrestricted	<u>(12,726,133)</u>
Total net position	<u>\$ 16,400,581</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, 2019

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	\$ 16,301,580	\$ 1,319,407	\$ 2,159,150	\$ 473,608	\$ (12,349,415)
Support services - students and staff	3,882,718		1,544,356		(2,338,362)
Support services - administration	3,863,047		83,917		(3,779,130)
Operation and maintenance of plant services	4,044,739	161,101	45	91,750	(3,791,843)
Student transportation services	796,432				(796,432)
Operation of non-instructional services	2,245,668	437,882	2,134,380		326,594
Interest on long-term debt	265,074		22,964		(242,110)
Total governmental activities	<u>\$ 31,399,258</u>	<u>\$ 1,918,390</u>	<u>\$ 5,944,812</u>	<u>\$ 565,358</u>	<u>(22,970,698)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	3,712,526
Property taxes, levied for debt service	643,263
Property taxes, levied for capital outlay	404,742
Investment income	139,502
Unrestricted county aid	1,117,758
Unrestricted state aid	20,892,668
Unrestricted federal aid	333,386
Total general revenues	<u>27,243,845</u>

Changes in net position 4,273,147

Net position, beginning of year 12,127,434

Net position, end of year \$ 16,400,581

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

(This page intentionally left blank)

FUND FINANCIAL STATEMENTS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>Title I Grants</u>	<u>Career Technical Education</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,339,616	\$	\$ 1,881,636
Property taxes receivable	536,085		
Due from governmental entities	5,338,523	1,411,803	368,217
Due from other funds	1,534,382		
Inventory	100,984		
Other assets			
Total assets	<u><u>\$ 9,849,590</u></u>	<u><u>\$ 1,411,803</u></u>	<u><u>\$ 2,249,853</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 134,068	\$ 42,683	\$ 2,232
Due to other funds		1,302,829	
Accrued payroll and employee benefits	670,659	66,291	35,403
Unearned revenues			
Bonds payable			
Bond interest payable			
Total liabilities	<u><u>804,727</u></u>	<u><u>1,411,803</u></u>	<u><u>37,635</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	437,550		
Unavailable revenues - intergovernmental		4,219	
Total deferred inflows of resources	<u><u>437,550</u></u>	<u><u>4,219</u></u>	
Fund balances (deficits):			
Nonspendable	100,984		
Restricted			2,212,218
Unassigned	8,506,329	(4,219)	
Total fund balances	<u><u>8,607,313</u></u>	<u><u>(4,219)</u></u>	<u><u>2,212,218</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 9,849,590</u></u>	<u><u>\$ 1,411,803</u></u>	<u><u>\$ 2,249,853</u></u>

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

Debt Service	Non-Major Governmental Funds	Total Governmental Funds
\$ 871,289	\$ 2,028,413	\$ 7,120,954
96,081	113,829	745,995
	961,520	8,080,063
		1,534,382
		100,984
	60,041	60,041
<u>\$ 967,370</u>	<u>\$ 3,163,803</u>	<u>\$ 17,642,419</u>

\$	\$ 41,778	\$ 220,761
	231,553	1,534,382
	77,162	849,515
	154,629	154,629
375,000		375,000
113,247		113,247
<u>488,247</u>	<u>505,122</u>	<u>3,247,534</u>

76,323	90,358	604,231
	26,663	30,882
<u>76,323</u>	<u>117,021</u>	<u>635,113</u>

		100,984
402,800	2,568,257	5,183,275
	(26,597)	8,475,513
<u>402,800</u>	<u>2,541,660</u>	<u>13,759,772</u>

<u>\$ 967,370</u>	<u>\$ 3,163,803</u>	<u>\$ 17,642,419</u>
-------------------	---------------------	----------------------

(This page intentionally left blank)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total governmental fund balances	\$	13,759,772
---	-----------	-------------------

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	\$ 60,751,706	
Less accumulated depreciation	<u>(31,689,799)</u>	29,061,907

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

Property taxes	604,231	
Intergovernmental	<u>30,882</u>	635,113

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

Deferred outflows of resources related to pensions/OPEB	3,586,193	
Deferred inflows of resources related to pensions/OPEB	<u>(3,384,312)</u>	201,881

The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.	53,812
--	--------

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

Compensated absences payable	(609,251)	
Obligations under capital leases	(574,210)	
Net OPEB liability	(80,507)	
Net pension liability	(21,367,403)	
Bonds payable	<u>(4,680,533)</u>	<u>(27,311,904)</u>

Net position of governmental activities	\$	<u>16,400,581</u>
--	-----------	--------------------------

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, 2019

	<u>General</u>	<u>Title I Grants</u>	<u>Career Technical Education</u>
Revenues:			
Other local	\$ 1,636,075	\$	\$ 1,267,616
Property taxes	3,715,308		
State aid and grants	18,611,389		
Federal aid, grants and reimbursements	333,386	2,212,347	
Total revenues	<u>24,296,158</u>	<u>2,212,347</u>	<u>1,267,616</u>
Expenditures:			
Current -			
Instruction	11,380,718	1,043,610	703,266
Support services - students and staff	2,403,397	792,513	74,728
Support services - administration	3,760,793	70,498	47,808
Operation and maintenance of plant services	3,499,961		5,126
Student transportation services	567,041		
Operation of non-instructional services	99,288		
Capital outlay	171,800	288,418	9,850
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>21,882,998</u>	<u>2,195,039</u>	<u>840,778</u>
Excess (deficiency) of revenues over expenditures	<u>2,413,160</u>	<u>17,308</u>	<u>426,838</u>
Other financing sources (uses):			
Transfer in	183,855		
Transfer out		(21,527)	
Capital lease agreements			
Total other financing sources (uses)	<u>183,855</u>	<u>(21,527)</u>	
Changes in fund balances	<u>2,597,015</u>	<u>(4,219)</u>	<u>426,838</u>
Fund balances, beginning of year	6,020,646		1,785,380
Increase (decrease) in reserve for prepaid items	(59,055)		
Increase (decrease) in reserve for inventory	48,707		
Fund balances, end of year	<u>\$ 8,607,313</u>	<u>\$ (4,219)</u>	<u>\$ 2,212,218</u>

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

<u>Debt Service</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 10,049	\$ 301,321	\$ 3,215,061
664,491	398,816	4,778,615
	2,553,533	21,164,922
	3,979,351	6,525,084
<u>674,540</u>	<u>7,233,021</u>	<u>35,683,682</u>
	2,998,424	16,126,018
	859,667	4,130,305
	14,020	3,893,119
	34,686	3,539,773
	1,997	569,038
	2,164,721	2,264,009
	1,521,606	1,991,674
375,000	212,331	587,331
227,244	34,384	261,628
<u>602,244</u>	<u>7,841,836</u>	<u>33,362,895</u>
<u>72,296</u>	<u>(608,815)</u>	<u>2,320,787</u>
		183,855
	(162,328)	(183,855)
	332,330	332,330
	<u>170,002</u>	<u>332,330</u>
<u>72,296</u>	<u>(438,813)</u>	<u>2,653,117</u>
330,504	2,980,473	11,117,003
		(59,055)
		48,707
<u>\$ 402,800</u>	<u>\$ 2,541,660</u>	<u>\$ 13,759,772</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Changes in fund balances - total governmental funds **\$ 2,653,117**

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	\$ 1,075,442	
Less current year depreciation	<u>(1,869,083)</u>	(793,641)

Issuance of obligations under capital leases provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(332,330)
---	--	-----------

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

Property taxes	(18,084)	
Intergovernmental	<u>6,807</u>	(11,277)

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	212,331	
Bond principal retirement	<u>375,000</u>	587,331

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

Current year pension/OPEB contributions	1,959,390	
Pension/OPEB expense	<u>354,607</u>	2,313,997

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	(59,055)	
Inventory	48,707	
Loss on disposal of assets	(3,318)	
Amortization of deferred bond items	(3,446)	
Compensated absences	<u>(126,938)</u>	<u>(144,050)</u>

Changes in net position in governmental activities **\$ 4,273,147**

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, 2019

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 791,709
Total assets	<u>\$ 791,709</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 636,386
Due to student groups	155,323
Total liabilities	<u>\$ 791,709</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, 2019

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.

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.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Additionally, the District reports the following fund 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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. 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, 2019

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

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

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

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

K. Deferred Outflows/Inflows of Resources

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 and Other Postemployment Benefits

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

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Interfund Activity

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

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.

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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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.

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	Title I Grants Fund	CareerTechnical Education Fund	Debt Service Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 100,984	\$	\$	\$	\$
Restricted:					
Debt service				402,800	
Capital projects					881,192
Voter approved initiatives					949,624
Federal and state projects					95,033
Food service					433,268
Civic center					48,145
Community school					49,290
Extracurricular activities					71,937
Career technical education			2,212,218		
Other purposes					39,768
Unassigned	8,506,329	(4,219)			(26,597)
Total fund balances	<u>\$ 8,607,313</u>	<u>\$ (4,219)</u>	<u>\$ 2,212,218</u>	<u>\$ 402,800</u>	<u>\$ 2,541,660</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 – RESTRICTED NET POSITION

The table below provides detail of the major components of the District's restricted net position at year end.

	<u>Governmental Activities</u>
Restricted Net Position:	
Debt service	\$ 479,123
Capital projects	971,550
Voter approved initiatives	949,624
Federal and state projects	125,915
Food service	433,268
Career technical education	2,212,218
Other purposes	209,140
Total	<u>\$ 5,380,838</u>

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	<u>Deficit</u>
Major Fund:	
Title I Grants	\$ 4,219
Non-Major Governmental Funds:	
Limited English & Immigrant Students	6,025
Special Education Grants	58
Vocational Education	613
Other Federal Projects	19,901

The deficits arose because of operations during the year. Additional revenues received in fiscal year 2019-20 are expected to eliminate the deficits.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$1,086,978 and the bank balance was \$1,243,092. At year end, \$993,092 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	1.74 years	<u>\$ 6,825,685</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, 2019

NOTE 6 – RECEIVABLES

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

	General Fund	Title I Grants Fund	Career Technical Education Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$ 44,107	\$ 1,411,803	\$	\$ 378,556
Due from state government	5,281,652			582,964
Due from other districts	12,764		368,217	
Net due from governmental entities	<u>\$ 5,338,523</u>	<u>\$ 1,411,803</u>	<u>\$ 368,217</u>	<u>\$ 961,520</u>

NOTE 7 – 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	\$ 523,503	\$	\$	\$ 523,503
Total capital assets, not being depreciated	<u>523,503</u>			<u>523,503</u>
Capital assets, being depreciated:				
Land improvements	2,361,141	32,672		2,393,813
Buildings and improvements	51,375,109	84,184		51,459,293
Vehicles, furniture and equipment	5,526,571	958,586	110,060	6,375,097
Total capital assets being depreciated	<u>59,262,821</u>	<u>1,075,442</u>	<u>110,060</u>	<u>60,228,203</u>
Less accumulated depreciation for:				
Land improvements	(1,429,916)	(114,046)		(1,543,962)
Buildings and improvements	(24,531,508)	(1,464,618)		(25,996,126)
Vehicles, furniture and equipment	(3,966,034)	(290,419)	(106,742)	(4,149,711)
Total accumulated depreciation	<u>(29,927,458)</u>	<u>(1,869,083)</u>	<u>(106,742)</u>	<u>(31,689,799)</u>
Total capital assets, being depreciated, net	<u>29,335,363</u>	<u>(793,641)</u>	<u>3,318</u>	<u>28,538,404</u>
Governmental activities capital assets, net	<u>\$ 29,858,866</u>	<u>\$ (793,641)</u>	<u>\$ 3,318</u>	<u>\$ 29,061,907</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,069,135
Support services – students and staff	38,085
Support services – administration	6,493
Operation and maintenance of plant services	627,783
Student transportation services	99,473
Operation of non-instructional services	28,114
Total depreciation expense – governmental activities	<u>\$ 1,869,083</u>

NOTE 8 – 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. At year end, the District had \$5.0 million in unused line of credit.

NOTE 9 – 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 this capital lease meet the District's capitalization threshold.

The District has also acquired buses under the provisions of a long-term lease agreement classified as a capital lease. Revenues from the Unrestricted Capital Outlay Fund, a non-major governmental fund, will be used to pay this capital lease obligation. Amortization of the buses recorded under this capital lease is included with depreciation expense.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 – OBLIGATIONS UNDER CAPITAL LEASES

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

	Governmental Activities
Asset:	
Vehicles, furniture and equipment	\$ 332,330
Less: Accumulated depreciation	- 0 -
Total	<u>\$ 332,330</u>

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
2020	\$ 246,715
2021	246,715
2022	71,832
2023	<u>71,832</u>
Total minimum lease payments	637,094
Less: amount representing interest	<u>62,884</u>
Present value of minimum lease payments	<u>\$ 574,210</u>
Due within one year	<u>\$ 212,443</u>

NOTE 10 – 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. The District's legal debt limit is \$21.9 million, and the legal debt margin is \$16.8 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2019	Due Within One Year
Governmental activities:					
School Improvement Bonds, Projects of 2009, Series 2010 (Class B)	\$7,648,000	3.5-4.75%	7/1/19-29	<u>\$ 5,090,000</u>	<u>\$ 375,000</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – 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
2020	\$ 375,000	\$ 218,994
2021	390,000	203,694
2022	405,000	187,794
2023	420,000	171,031
2024	435,000	153,125
2025-29	2,495,000	441,491
2030	570,000	13,538
Total	<u>\$ 5,090,000</u>	<u>\$ 1,389,667</u>

NOTE 11 – 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	\$ 5,450,000	\$	\$ 360,000	\$ 5,090,000	\$ 375,000
Discount	(37,913)		(3,446)	(34,467)	
Total bonds payable	<u>5,412,087</u>		<u>356,554</u>	<u>5,055,533</u>	<u>375,000</u>
Obligations under capital leases	454,211	332,330	212,331	574,210	212,443
Net OPEB liability	53,897	26,610		80,507	
Net pension liability	23,348,382		1,980,979	21,367,403	
Compensated absences payable	<u>482,313</u>	<u>424,277</u>	<u>297,339</u>	<u>609,251</u>	<u>293,461</u>
Governmental activity long-term liabilities	<u>\$ 29,750,890</u>	<u>\$ 783,217</u>	<u>\$ 2,847,203</u>	<u>\$ 27,686,904</u>	<u>\$ 880,904</u>

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Title I Grants Fund, a major governmental fund, and several non-major governmental funds had negative cash balances of \$1,302,829 and \$231,553, respectively, in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers – Transfers between funds were used to move federal grant funds and other monies of \$183,855 restricted for indirect costs.

NOTE 13 – CONTINGENT LIABILITIES

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

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

NOTE 14 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The District was unable to obtain 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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – RISK MANAGEMENT

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.

NOTE 15 – 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.

Aggregate Amounts. At June 30, 2019, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB
	\$	\$
Net assets		(53,812)
Net liability	21,367,403	80,507
Deferred outflows of resources	3,357,949	228,244
Deferred inflows of resources	3,219,267	165,045
Expense	(440,134)	85,527
Contributions	1,856,439	102,951

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

*With actuarially reduced benefits

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

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.80 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. The District's contributions for the year ended June 30, 2019 were as follows:

	<u>Contributions</u>
Pension	\$ 1,856,439
Health Insurance Premium	76,383
Long-Term Disability	26,568

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 for retirement, 0.06 percent for health insurance premium benefit, and 0.13 percent for long-term disability). ACR contributions are included in employer contributions presented above.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2018. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The total liability as of June 30, 2018 reflects changes in actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2016, including decreasing the discount rate from 8.0 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates. The District's proportion of the net assets/liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2018.

At June 30, 2019, the District reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2018, the District's percentage proportion for each plan and the related change from its proportion measured as of June 30, 2017 was:

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 21,367,403	0.153	0.003
Health Insurance Premium	(53,812)	0.149	0.003
Long-Term Disability	80,507	0.154	0.005

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2019, the District recognized pension and OPEB expense as follows:

	Expense
Pension	\$ (440,134)
Health Insurance Premium	56,287
Long-Term Disability	29,240

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Deferred Outflows of Resources			
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 588,655	\$	\$ 2,059
Changes of assumptions or other inputs	565,421	103,777	17,438
Changes in proportion and differences between contributions and proportionate share of contributions	347,434	96	1,923
Contributions subsequent to the measurement date	1,856,439	76,383	26,568
Total	<u>\$ 3,357,949</u>	<u>\$ 180,256</u>	<u>\$ 47,988</u>

Deferred Inflows of Resources			
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 117,795	\$ 49,666	\$
Changes of assumptions or other inputs	1,894,514		
Net difference between projected and actual earnings on pension investments	513,835	107,498	7,798
Changes in proportion and differences between contributions and proportionate share of contributions	693,123	78	5
Total	<u>\$ 3,219,267</u>	<u>\$ 157,242</u>	<u>\$ 7,803</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

	Pension	Health Insurance Premium	Long-Term Disability
2020	\$ (245,841)	\$ (20,835)	\$ 503
2021	(462,030)	(20,834)	502
2022	(779,451)	(20,834)	503
2023	(230,435)	2,068	2,593
2024		7,066	2,976
Thereafter			6,540

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

	Pension	OPEB
Actuarial valuation date	June 30, 2017	June 30, 2017
Actuarial roll forward date	June 30, 2018	June 30, 2018
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.5%	7.5%
Projected salary increases	2.7-7.2%	Not applicable
Inflation	2.3%	2.3%
Permanent base increases	Included	Not applicable
Mortality rates	2017 SRA Scale U-MP	Health Ins: 2017 SRA Scale U-MP, LTD: 2012 GLDT
Healthcare cost trend rate	Not applicable	Not applicable

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage excluding any expected inflation.

On June 29, 2018, the ASRS Board approved updated strategic asset allocation targets, to be effective July 2018. The target allocation and best estimates of geometric real rates of return for each major asset class for all ASRS plans are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	50%	5.50%
Fixed income	30	3.83
Real estate	20	5.85
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the ASRS total pension and OPEB liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Sensitivity of the Proportionate Share of the Net Pension and OPEB Asset/Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension and OPEB assets/liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension and OPEB asset/liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Pension	\$ 30,459,725	\$ 21,367,403	\$ 13,770,915
Health Insurance Premium	190,668	(53,812)	(262,060)
Long-Term Disability	91,237	80,507	70,096

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

(This page intentionally left blank)

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, 2019

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
Revenues:				
Other local	\$	\$	\$ 1,152,948	\$ 1,152,948
Property taxes			3,715,308	3,715,308
State aid and grants			18,611,389	18,611,389
Total revenues			<u>23,479,645</u>	<u>23,479,645</u>
Expenditures:				
Current -				
Instruction	11,969,634	11,689,976	11,133,356	556,620
Support services - students and staff	2,297,011	2,415,054	2,340,751	74,303
Support services - administration	3,680,765	3,957,872	3,678,655	279,217
Operation and maintenance of plant services	3,525,709	3,655,203	3,375,938	279,265
Student transportation services	631,601	649,623	566,746	82,877
Operation of non-instructional services	56,781	111,428	93,627	17,801
Total expenditures	<u>22,161,501</u>	<u>22,479,156</u>	<u>21,189,073</u>	<u>1,290,083</u>
Changes in fund balances	<u>(22,161,501)</u>	<u>(22,479,156)</u>	<u>2,290,572</u>	<u>24,769,728</u>
Fund balances, beginning of year			3,872,364	3,872,364
Increase (decrease) in reserve for prepaid items			565,882	565,882
Increase (decrease) in reserve for inventory			48,707	48,707
Fund balances (deficits), end of year	<u>\$ (22,161,501)</u>	<u>\$ (22,479,156)</u>	<u>\$ 6,777,525</u>	<u>\$ 29,256,681</u>

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TITLE I GRANTS
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 2,212,347	\$ 2,212,347
Total revenues			<u>2,212,347</u>	<u>2,212,347</u>
Expenditures:				
Current -				
Instruction	935,187	1,266,199	1,043,610	222,589
Support services - students and staff	710,177	961,546	792,513	169,033
Support services - administration	63,174	85,534	70,498	15,036
Capital outlay	258,454	349,934	288,418	61,516
Total expenditures	<u>1,966,992</u>	<u>2,663,213</u>	<u>2,195,039</u>	<u>468,174</u>
Excess (deficiency) of revenues over expenditures	<u>(1,966,992)</u>	<u>(2,663,213)</u>	<u>17,308</u>	<u>2,680,521</u>
Other financing sources (uses):				
Transfer out	(19,291)	(26,118)	(21,527)	4,591
Total other financing sources (uses)	<u>(19,291)</u>	<u>(26,118)</u>	<u>(21,527)</u>	<u>4,591</u>
Changes in fund balances	<u>(1,986,283)</u>	<u>(2,689,331)</u>	<u>(4,219)</u>	<u>2,685,112</u>
Fund balances, beginning of year				
Fund balances (deficits), end of year	<u>\$ (1,986,283)</u>	<u>\$ (2,689,331)</u>	<u>\$ (4,219)</u>	<u>\$ 2,685,112</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
CAREER TECHNICAL EDUCATION
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local	\$	\$	\$ 1,267,616	\$ 1,267,616
Total revenues			<u>1,267,616</u>	<u>1,267,616</u>
Expenditures:				
Current -				
Instruction	826,677	975,277	703,266	272,011
Support services - students and staff	87,841	103,632	74,728	28,904
Support services - administration	56,197	66,299	47,808	18,491
Operation and maintenance of plant services	6,026	7,109	5,126	1,983
Capital outlay	11,579	13,660	9,850	3,810
Total expenditures	<u>988,320</u>	<u>1,165,977</u>	<u>840,778</u>	<u>325,199</u>
Changes in fund balances	<u>(988,320)</u>	<u>(1,165,977)</u>	<u>426,838</u>	<u>1,592,815</u>
Fund balances, beginning of year			1,785,380	1,785,380
Fund balances (deficits), end of year	<u>\$ (988,320)</u>	<u>\$ (1,165,977)</u>	<u>\$ 2,212,218</u>	<u>\$ 3,378,195</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 FIVE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	0.15%	0.15%	0.16%	0.17%	0.17%
District's proportionate share of the net pension (assets) liability	\$ 21,367,403	\$ 23,348,382	\$ 25,846,591	\$ 25,960,142	\$ 25,597,438
District's covered payroll	\$ 15,197,771	\$ 14,591,327	\$ 14,440,848	\$ 14,863,802	\$ 14,957,084
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	140.60%	160.02%	178.98%	174.65%	171.14%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,856,439	\$ 1,656,557	\$ 1,572,994	\$ 1,566,832	\$ 1,618,668
Contributions in relation to the actuarially determined contribution	<u>1,856,439</u>	<u>1,656,557</u>	<u>1,572,994</u>	<u>1,566,832</u>	<u>1,618,668</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 16,605,000	\$ 15,197,771	\$ 14,591,327	\$ 14,440,848	\$ 14,863,802
Contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.15%	0.15%
District's proportionate share of the net OPEB (assets) liability	\$ (53,812)	\$ (79,722)
District's covered payroll	\$ 15,197,771	\$ 14,591,327
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	(0.35)%	(0.55)%
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 76,383	\$ 66,870
Contributions in relation to the actuarially determined contribution	<u>76,383</u>	<u>66,870</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 16,605,000	\$ 15,197,771
Contributions as a percentage of covered payroll	0.46%	0.44%

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

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.15%	0.15%
District's proportionate share of the net OPEB (assets) liability	\$ 80,507	\$ 53,897
District's covered payroll	\$ 15,197,771	\$ 14,591,327
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.53%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 26,568	\$ 24,316
Contributions in relation to the actuarially determined contribution	<u>26,568</u>	<u>24,316</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 16,605,000	\$ 15,197,771
Contributions as a percentage of covered payroll	0.16%	0.16%

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

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

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	\$ 21,882,998	\$ 8,607,313
Activity budgeted as special revenue funds	(995,517)	(1,829,788)
Current-year prepaid items	619,114	
Prior-year prepaid items	<u>(317,522)</u>	<u> </u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 21,189,073</u>	<u>\$ 6,777,525</u>

NOTE 2 – PENSION AND OPEB PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

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

(This page intentionally left blank)

GOVERNMENTAL FUNDS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,157,437	\$ 870,976	\$ 2,028,413
Property taxes receivable		113,829	113,829
Due from governmental entities	917,386	44,134	961,520
Other assets	60,041		60,041
Total assets	<u>\$ 2,134,864</u>	<u>\$ 1,028,939</u>	<u>\$ 3,163,803</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 15,165	\$ 26,613	\$ 41,778
Due to other funds	200,777	30,776	231,553
Accrued payroll and employee benefits	77,162		77,162
Unearned revenues	154,629		154,629
Total liabilities	<u>447,733</u>	<u>57,389</u>	<u>505,122</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		90,358	90,358
Unavailable revenues - intergovernmental	26,663		26,663
Total deferred inflows of resources	<u>26,663</u>	<u>90,358</u>	<u>117,021</u>
Fund balances (deficits):			
Restricted	1,687,065	881,192	2,568,257
Unassigned	(26,597)		(26,597)
Total fund balances	<u>1,660,468</u>	<u>881,192</u>	<u>2,541,660</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,134,864</u>	<u>\$ 1,028,939</u>	<u>\$ 3,163,803</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, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 266,514	\$ 34,807	\$ 301,321
Property taxes		398,816	398,816
State aid and grants	2,452,784	100,749	2,553,533
Federal aid, grants and reimbursements	<u>3,956,387</u>	<u>22,964</u>	<u>3,979,351</u>
Total revenues	<u>6,675,685</u>	<u>557,336</u>	<u>7,233,021</u>
Expenditures:			
Current -			
Instruction	2,998,424		2,998,424
Support services - students and staff	859,667		859,667
Support services - administration	14,020		14,020
Operation and maintenance of plant services	34,686		34,686
Student transportation services	1,997		1,997
Operation of non-instructional services	2,164,721		2,164,721
Capital outlay	341,459	1,180,147	1,521,606
Debt service -			
Principal retirement		212,331	212,331
Interest and fiscal charges		34,384	34,384
Total expenditures	<u>6,414,974</u>	<u>1,426,862</u>	<u>7,841,836</u>
Excess (deficiency) of revenues over expenditures	<u>260,711</u>	<u>(869,526)</u>	<u>(608,815)</u>
Other financing sources (uses):			
Transfer out	(162,328)		(162,328)
Capital lease agreements		332,330	332,330
Total other financing sources (uses)	<u>(162,328)</u>	<u>332,330</u>	<u>170,002</u>
Changes in fund balances	<u>98,383</u>	<u>(537,196)</u>	<u>(438,813)</u>
Fund balances, beginning of year	1,562,085	1,418,388	2,980,473
Fund balances, end of year	<u>\$ 1,660,468</u>	<u>\$ 881,192</u>	<u>\$ 2,541,660</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.

Title IV Grants - to account for financial assistance received for chemical abuse awareness programs and expanding projects that benefit educational and health needs of the communities.

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

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.

Gifted - to account for financial assistance received for programs for gifted students.

College Credit Exam Incentives - to account for financial assistance received for college credit exams.

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

Rural Assistance - to account for state assistance received to assist homeless or special needs pupils.

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, 2019

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 499,271	\$ 26,515	\$ 315
Due from governmental entities	348,695	80,135	
Other assets			
Total assets	<u>\$ 847,966</u>	<u>\$ 106,650</u>	<u>\$ 315</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits		4,992	
Unearned revenues			
Total liabilities	<u></u>	<u>4,992</u>	<u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	847,966	101,658	315
Unassigned			
Total fund balances	<u>847,966</u>	<u>101,658</u>	<u>315</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 847,966</u>	<u>\$ 106,650</u>	<u>\$ 315</u>

<u>Structured English Immersion</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>
\$ 14	\$ 162,551	\$ 16,755	\$ 17,520	\$ 49,368	\$ 613
<u>\$ 14</u>	<u>\$ 162,551</u>	<u>\$ 16,755</u>	<u>\$ 17,520</u>	<u>\$ 49,368</u>	<u>\$ 613</u>
\$	\$ 3,391	\$	\$	\$	\$
	152,144	16,755	13,038	13,390	613
	7,016		4,482	35,978	
14					
<u>14</u>	<u>162,551</u>	<u>16,755</u>	<u>17,520</u>	<u>49,368</u>	<u>613</u>
			6,025	58	613
			(6,025)	(58)	(613)
			<u>(6,025)</u>	<u>(58)</u>	<u>(613)</u>
<u>\$ 14</u>	<u>\$ 162,551</u>	<u>\$ 16,755</u>	<u>\$ 17,520</u>	<u>\$ 49,368</u>	<u>\$ 613</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>College Credit Exam Incentives</u>
<u>ASSETS</u>			
Cash and investments	\$ 34,619	\$ 22,911	\$ 3,899
Due from governmental entities	56,515	41,685	
Other assets			
Total assets	<u>\$ 91,134</u>	<u>\$ 64,596</u>	<u>\$ 3,899</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 5,862	\$
Due to other funds			
Accrued payroll and employee benefits		9,216	
Unearned revenues		49,452	
Total liabilities		<u>64,530</u>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental		<u>19,967</u>	
Fund balances (deficits):			
Restricted	91,134		3,899
Unassigned		(19,901)	
Total fund balances	<u>91,134</u>	<u>(19,901)</u>	<u>3,899</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 91,134</u>	<u>\$ 64,596</u>	<u>\$ 3,899</u>

Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Textbooks
\$ 110,000	\$ 359,433 33,549 60,041	\$ 48,145	\$ 50,925	\$ 71,937	\$ 37,402
<u>\$ 110,000</u>	<u>\$ 453,023</u>	<u>\$ 48,145</u>	<u>\$ 50,925</u>	<u>\$ 71,937</u>	<u>\$ 37,402</u>
\$ 4,837	\$ 5,912	\$	\$	\$	\$
105,163	13,843		1,635		
<u>110,000</u>	<u>19,755</u>		<u>1,635</u>		
	433,268	48,145	49,290	71,937	37,402
	<u>433,268</u>	<u>48,145</u>	<u>49,290</u>	<u>71,937</u>	<u>37,402</u>
<u>\$ 110,000</u>	<u>\$ 453,023</u>	<u>\$ 48,145</u>	<u>\$ 50,925</u>	<u>\$ 71,937</u>	<u>\$ 37,402</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Grants and Gifts to Teachers	Totals
<u>ASSETS</u>		
Cash and investments	\$ 2,051	\$ 1,157,437
Due from governmental entities		917,386
Other assets		60,041
Total assets	<u>\$ 2,051</u>	<u>\$ 2,134,864</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$	\$ 15,165
Due to other funds		200,777
Accrued payroll and employee benefits		77,162
Unearned revenues		154,629
Total liabilities		<u>447,733</u>
Deferred inflows of resources:		
Unavailable revenues - intergovernmental		<u>26,663</u>
Fund balances (deficits):		
Restricted	2,051	1,687,065
Unassigned		(26,597)
Total fund balances	<u>2,051</u>	<u>1,660,468</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,051</u>	<u>\$ 2,134,864</u>

(This page intentionally left blank)

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, 2019

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
Revenues:			
Other local	\$ 30,153	\$ 1,023	\$
State aid and grants	2,092,168	180,112	
Federal aid, grants and reimbursements			
Total revenues	<u>2,122,321</u>	<u>181,135</u>	
Expenditures:			
Current -			
Instruction	1,810,808	110,512	
Support services - students and staff	163,440	12,307	
Support services - administration			
Operation and maintenance of plant services		26,739	
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,974,248</u>	<u>149,558</u>	
Excess (deficiency) of revenues over expenditures	<u>148,073</u>	<u>31,577</u>	
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>148,073</u>	<u>31,577</u>	
Fund balances (deficits), beginning of year	699,893	70,081	315
Fund balances (deficits), end of year	<u>\$ 847,966</u>	<u>\$ 101,658</u>	<u>\$ 315</u>

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Special Education Grants	Vocational Education	E-Rate
\$	\$	\$	\$	\$	\$ 1,718
243,324	17,067	74,049	726,734	69,934	119,850
243,324	17,067	74,049	726,734	69,934	121,568
24,567	7,894	1,962	558,038	5,437	
197,822	3,906	72,681	162,188	20,890	75,796
10,135		847			
	4,616			44,220	
232,524	16,416	75,490	720,226	70,547	75,796
10,800	651	(1,441)	6,508	(613)	45,772
(10,800)	(651)	(4,584)	(5,579)		
(10,800)	(651)	(4,584)	(5,579)		
		(6,025)	929	(613)	45,772
			(987)		45,362
\$	\$	\$ (6,025)	\$ (58)	\$ (613)	\$ 91,134

(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, 2019

	Other Federal Projects	State Vocational Education	Gifted
Revenues:			
Other local	\$	\$	\$
State aid and grants		59,867	2,264
Federal aid, grants and reimbursements	571,049		
Total revenues	<u>571,049</u>	<u>59,867</u>	<u>2,264</u>
Expenditures:			
Current -			
Instruction	391,426	41,167	2,264
Support services - students and staff	148,365		
Support services - administration	897		
Operation and maintenance of plant services	44		
Student transportation services			
Operation of non-instructional services			
Capital outlay	7,654	18,700	
Total expenditures	<u>548,386</u>	<u>59,867</u>	<u>2,264</u>
Excess (deficiency) of revenues over expenditures	<u>22,663</u>		
Other financing sources (uses):			
Transfer out	(19,542)		
Total other financing sources (uses)	<u>(19,542)</u>		
Changes in fund balances	<u>3,121</u>		
Fund balances (deficits), beginning of year	(23,022)		
Fund balances (deficits), end of year	<u>\$ (19,901)</u>	<u>\$</u>	<u>\$</u>

College Credit Exam Incentives	Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
\$ 6,491	\$ 111,882	\$ 178,191	\$ 5,400	\$ 35,044	\$ 13,755
		2,134,380			
<u>6,491</u>	<u>111,882</u>	<u>2,312,571</u>	<u>5,400</u>	<u>35,044</u>	<u>13,755</u>
2,592	1,882			27,824	6,297
		105	224	1,772	500
			7,903	1,812	
					1,997
	110,000	2,164,721			
<u>2,592</u>	<u>111,882</u>	<u>154,776</u>	<u>8,127</u>	<u>31,408</u>	<u>1,493</u>
		2,319,602			10,287
<u>3,899</u>		<u>(7,031)</u>	<u>(2,727)</u>	<u>3,636</u>	<u>3,468</u>
		(121,172)			
		<u>(121,172)</u>			
<u>3,899</u>		<u>(128,203)</u>	<u>(2,727)</u>	<u>3,636</u>	<u>3,468</u>
		561,471	50,872	45,654	68,469
<u>\$ 3,899</u>	<u>\$</u>	<u>\$ 433,268</u>	<u>\$ 48,145</u>	<u>\$ 49,290</u>	<u>\$ 71,937</u>

(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, 2019

	Textbooks	Grants and Gifts to Teachers	Totals
Revenues:			
Other local	\$ 1,219	\$ 11	\$ 266,514
State aid and grants			2,452,784
Federal aid, grants and reimbursements			3,956,387
Total revenues	<u>1,219</u>	<u>11</u>	<u>6,675,685</u>
Expenditures:			
Current -			
Instruction	5,754		2,998,424
Support services - students and staff			859,667
Support services - administration			14,020
Operation and maintenance of plant services			34,686
Student transportation services			1,997
Operation of non-instructional services			2,164,721
Capital outlay			341,459
Total expenditures	<u>5,754</u>	<u></u>	<u>6,414,974</u>
Excess (deficiency) of revenues over expenditures	<u>(4,535)</u>	<u>11</u>	<u>260,711</u>
Other financing sources (uses):			
Transfer out			(162,328)
Total other financing sources (uses)			<u>(162,328)</u>
Changes in fund balances	<u>(4,535)</u>	<u>11</u>	<u>98,383</u>
Fund balances (deficits), beginning of year	41,937	2,040	1,562,085
Fund balances, end of year	<u>\$ 37,402</u>	<u>\$ 2,051</u>	<u>\$ 1,660,468</u>

(This page intentionally left blank)

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, 2019

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 30,153	\$ 30,153
State aid and grants		2,092,168	2,092,168
Federal aid, grants and reimbursements			
Total revenues		<u>2,122,321</u>	<u>2,122,321</u>
Expenditures:			
Current -			
Instruction	2,776,551	1,810,808	965,743
Support services - students and staff	176,146	163,440	12,706
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,952,697</u>	<u>1,974,248</u>	<u>978,449</u>
Excess (deficiency) of revenues over expenditures	<u>(2,952,697)</u>	<u>148,073</u>	<u>3,100,770</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(2,952,697)</u>	<u>148,073</u>	<u>3,100,770</u>
Fund balances (deficits), beginning of year		699,893	699,893
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (2,952,697)</u>	<u>\$ 847,966</u>	<u>\$ 3,800,663</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,023 180,112	\$ 1,023 180,112	\$	\$	\$
	181,135	181,135			
352,000	110,512 12,307 26,739	241,488 (12,307) (26,739)			
352,000	149,558	202,442			
(352,000)	31,577	383,577			
(352,000)	31,577	383,577			
	70,081	70,081		315	315
\$ (352,000)	\$ 101,658	\$ 453,658	\$	\$ 315	\$ 315

(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, 2019

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		243,324	243,324
Total revenues		<u>243,324</u>	<u>243,324</u>
Expenditures:			
Current -			
Instruction		24,567	(24,567)
Support services - students and staff	362,462	197,822	164,640
Support services - administration		10,135	(10,135)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>362,462</u>	<u>232,524</u>	<u>129,938</u>
Excess (deficiency) of revenues over expenditures	<u>(362,462)</u>	<u>10,800</u>	<u>373,262</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(10,800)	(10,800)
Total other financing sources (uses)		<u>(10,800)</u>	<u>(10,800)</u>
Changes in fund balances	<u>(362,462)</u>		<u>362,462</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (362,462)</u>	<u>\$</u>	<u>\$ 362,462</u>

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	17,067	17,067		74,049	74,049
	17,067	17,067		74,049	74,049
117,880	7,894	109,986		1,962	(1,962)
	3,906	(3,906)	156,135	72,681	83,454
				847	(847)
	4,616	(4,616)			
117,880	16,416	101,464	156,135	75,490	80,645
(117,880)	651	118,531	(156,135)	(1,441)	154,694
	(651)	(651)		(4,584)	(4,584)
	(651)	(651)		(4,584)	(4,584)
(117,880)		117,880	(156,135)	(6,025)	150,110
\$ (117,880)	\$	\$ 117,880	\$ (156,135)	\$ (6,025)	\$ 150,110

(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, 2019

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		726,734	726,734
Total revenues		<u>726,734</u>	<u>726,734</u>
Expenditures:			
Current -			
Instruction	756,365	558,038	198,327
Support services - students and staff		162,188	(162,188)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>756,365</u>	<u>720,226</u>	<u>36,139</u>
Excess (deficiency) of revenues over expenditures	<u>(756,365)</u>	<u>6,508</u>	<u>762,873</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(5,579)	(5,579)
Total other financing sources (uses)		<u>(5,579)</u>	<u>(5,579)</u>
Changes in fund balances	<u>(756,365)</u>	<u>929</u>	<u>757,294</u>
Fund balances (deficits), beginning of year		(987)	(987)
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (756,365)</u>	<u>\$ (58)</u>	<u>\$ 756,307</u>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 8,177	\$ 8,177
	69,934	69,934		324,696	324,696
	69,934	69,934		332,873	332,873
175,480	5,437 20,890	(5,437) 154,590	251,155	58,090 62,473 26,694 3,293	(58,090) 188,682 (26,694) (3,293)
	44,220	(44,220)		4,076	(4,076)
175,480	70,547	104,933	251,155	154,626	96,529
(175,480)	(613)	174,867	(251,155)	178,247	429,402
				(2,376)	(2,376)
				(2,376)	(2,376)
(175,480)	(613)	174,867	(251,155)	175,871	427,026
				315,382	315,382
				(15,400)	(15,400)
\$ (175,480)	\$ (613)	\$ 174,867	\$ (251,155)	\$ 475,853	\$ 727,008

(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, 2019

	National Forest Fees		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		8,625	8,625
Total revenues		<u>8,625</u>	<u>8,625</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		<u>8,625</u>	<u>8,625</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances		<u>8,625</u>	<u>8,625</u>
Fund balances (deficits), beginning of year		39,928	39,928
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 48,553</u>	<u>\$ 48,553</u>

Taylor Grazing Fees			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 1,718	\$ 1,718
	65	65		119,850	119,850
	65	65		121,568	121,568
			650,000	75,796	574,204
			650,000	75,796	574,204
	65	65	(650,000)	45,772	695,772
	65	65	(650,000)	45,772	695,772
	6,324	6,324		45,362	45,362
\$	\$ 6,389	\$ 6,389	\$ (650,000)	\$ 91,134	\$ 741,134

(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, 2019

	Other Federal Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		571,049	571,049
Total revenues		<u>571,049</u>	<u>571,049</u>
Expenditures:			
Current -			
Instruction	940,554	391,426	549,128
Support services - students and staff		148,365	(148,365)
Support services - administration		897	(897)
Operation and maintenance of plant services		44	(44)
Student transportation services			
Operation of non-instructional services			
Capital outlay		7,654	(7,654)
Total expenditures	<u>940,554</u>	<u>548,386</u>	<u>392,168</u>
Excess (deficiency) of revenues over expenditures	<u>(940,554)</u>	<u>22,663</u>	<u>963,217</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(19,542)	(19,542)
Total other financing sources (uses)		<u>(19,542)</u>	<u>(19,542)</u>
Changes in fund balances	<u>(940,554)</u>	<u>3,121</u>	<u>943,675</u>
Fund balances (deficits), beginning of year		(23,022)	(23,022)
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (940,554)</u>	<u>\$ (19,901)</u>	<u>\$ 920,653</u>

State Vocational Education			Gifted		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	59,867	59,867		2,264	2,264
	59,867	59,867		2,264	2,264
74,004	41,167	32,837	4,561	2,264	2,297
	18,700	(18,700)			
74,004	59,867	14,137	4,561	2,264	2,297
(74,004)		74,004	(4,561)		4,561
(74,004)		74,004	(4,561)		4,561
\$ (74,004)	\$	\$ 74,004	\$ (4,561)	\$	\$ 4,561

(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, 2019

	College Credit Exam Incentives		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		6,491	6,491
Federal aid, grants and reimbursements			
Total revenues		<u>6,491</u>	<u>6,491</u>
Expenditures:			
Current -			
Instruction	2,700	2,592	108
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,700</u>	<u>2,592</u>	<u>108</u>
Excess (deficiency) of revenues over expenditures	<u>(2,700)</u>	<u>3,899</u>	<u>6,599</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(2,700)</u>	<u>3,899</u>	<u>6,599</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (2,700)</u>	<u>\$ 3,899</u>	<u>\$ 6,599</u>

Results-based Funding			Rural Assistance		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
6,000		6,000			
6,000		6,000			
(6,000)		6,000			
(6,000)		6,000			
				5,461	5,461
\$ (6,000)	\$	\$ 6,000	\$	\$ 5,461	\$ 5,461

(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, 2019

	Other State Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		111,882	111,882
Federal aid, grants and reimbursements			
Total revenues		111,882	111,882
Expenditures:			
Current -			
Instruction		1,882	(1,882)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	251,870	110,000	141,870
Total expenditures	251,870	111,882	139,988
Excess (deficiency) of revenues over expenditures	(251,870)		251,870
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(251,870)		251,870
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (251,870)	\$	\$ 251,870

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 171,122	\$ 171,122	\$	\$ 178,191	\$ 178,191
				2,134,380	2,134,380
	171,122	171,122		2,312,571	2,312,571
514,253	170,357	343,896		105	(105)
			2,433,387	2,164,721	268,666
	96,766	(96,766)		154,776	(154,776)
514,253	267,123	247,130	2,433,387	2,319,602	113,785
(514,253)	(96,001)	418,252	(2,433,387)	(7,031)	2,426,356
				(121,172)	(121,172)
				(121,172)	(121,172)
(514,253)	(96,001)	418,252	(2,433,387)	(128,203)	2,305,184
	597,457	597,457		561,471	561,471
\$ (514,253)	\$ 501,456	\$ 1,015,709	\$ (2,433,387)	\$ 433,268	\$ 2,866,655

(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, 2019

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 5,400	\$ 5,400
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>5,400</u>	<u>5,400</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		224	(224)
Operation and maintenance of plant services	68,153	7,903	60,250
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>68,153</u>	<u>8,127</u>	<u>60,026</u>
Excess (deficiency) of revenues over expenditures	<u>(68,153)</u>	<u>(2,727)</u>	<u>65,426</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(68,153)</u>	<u>(2,727)</u>	<u>65,426</u>
Fund balances (deficits), beginning of year		50,872	50,872
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (68,153)</u>	<u>\$ 48,145</u>	<u>\$ 116,298</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 35,044	\$ 35,044	\$	\$ 267,847	\$ 267,847
	35,044	35,044		267,847	267,847
46,571	27,824	18,747	450,000	173,486	276,514
	1,772	(1,772)		47,116	(47,116)
	1,812	(1,812)		3,185	(3,185)
				1,063	(1,063)
				295	(295)
				5,661	(5,661)
				11,869	(11,869)
46,571	31,408	15,163	450,000	242,675	207,325
(46,571)	3,636	50,207	(450,000)	25,172	475,172
(46,571)	3,636	50,207	(450,000)	25,172	475,172
	45,654	45,654		173,401	173,401
\$ (46,571)	\$ 49,290	\$ 95,861	\$ (450,000)	\$ 198,573	\$ 648,573

(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, 2019

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 13,755	\$ 13,755
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>13,755</u>	<u>13,755</u>
Expenditures:			
Current -			
Instruction	250,000	6,297	243,703
Support services - students and staff		500	(500)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		1,997	(1,997)
Operation of non-instructional services			
Capital outlay		<u>1,493</u>	<u>(1,493)</u>
Total expenditures	<u>250,000</u>	<u>10,287</u>	<u>239,713</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>3,468</u>	<u>253,468</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(250,000)</u>	<u>3,468</u>	<u>253,468</u>
Fund balances (deficits), beginning of year		68,469	68,469
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (250,000)</u>	<u>\$ 71,937</u>	<u>\$ 321,937</u>

Gifts and Donations			Insurance Proceeds		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 30,729	\$ 30,729	\$	\$ 1,491	\$ 1,491
	30,729	30,729		1,491	1,491
267,666	65,786	201,880	69,390		69,390
	9,704	(9,704)			
	700	(700)			
	1,310	(1,310)			
	27,594	(27,594)			
267,666	105,094	162,572	69,390		69,390
(267,666)	(74,365)	193,301	(69,390)	1,491	70,881
(267,666)	(74,365)	193,301	(69,390)	1,491	70,881
	279,824	279,824		104,256	104,256
\$ (267,666)	\$ 205,459	\$ 473,125	\$ (69,390)	\$ 105,747	\$ 175,137

(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, 2019

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,219	\$ 1,219
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		1,219	1,219
Expenditures:			
Current -			
Instruction	60,929	5,754	55,175
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	60,929	5,754	55,175
Excess (deficiency) of revenues over expenditures	(60,929)	(4,535)	56,394
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(60,929)	(4,535)	56,394
Fund balances (deficits), beginning of year		41,937	41,937
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (60,929)	\$ 37,402	\$ 98,331

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 3,743	\$ 3,743	\$	\$	\$
	3,743	3,743			
128,333	39,768	88,565	261,791	3,353 151,383	(3,353) 110,408
128,333	39,768	88,565	261,791	31,495 186,231	(31,495) 75,560
(128,333)	(36,025)	92,308	(261,791)	(186,231)	75,560
				186,231	186,231
				186,231	186,231
(128,333)	(36,025)	92,308	(261,791)		261,791
	307,441	307,441			
	9,577	9,577			
\$ (128,333)	\$ 280,993	\$ 409,326	\$ (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, 2019

	Grants and Gifts to Teachers		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 11	\$ 11
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		11	11
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)	11	2,327
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(2,316)	11	2,327
Fund balances (deficits), beginning of year		2,040	2,040
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (2,316)	\$ 2,051	\$ 4,367

Advertisement			Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 18	\$ 18	\$	\$ 749,641	\$ 749,641
				2,452,784	2,452,784
				4,289,773	4,289,773
	18	18		7,492,198	7,492,198
14,039		14,039	6,191,526	3,295,786	2,895,740
			1,771,378	982,313	789,065
			390,124	235,750	154,374
			582,406	210,709	371,697
				2,292	(2,292)
			2,433,387	2,170,382	263,005
			251,870	513,259	(261,389)
14,039		14,039	11,620,691	7,410,491	4,210,200
(14,039)	18	14,057	(11,620,691)	81,707	11,702,398
				186,231	186,231
				(164,704)	(164,704)
				21,527	21,527
(14,039)	18	14,057	(11,620,691)	103,234	11,723,925
	1,286	1,286		3,392,845	3,392,845
				(5,823)	(5,823)
\$ (14,039)	\$ 1,304	\$ 15,343	\$ (11,620,691)	\$ 3,490,256	\$ 15,110,947

(This page intentionally left blank)

DEBT SERVICE FUND

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2019

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 10,049	\$ 10,049
Property taxes		664,491	664,491
Total revenues		<u>674,540</u>	<u>674,540</u>
Expenditures:			
Debt service -			
Principal retirement	375,000	375,000	
Interest and fiscal charges	868,239	227,244	640,995
Total expenditures	<u>1,243,239</u>	<u>602,244</u>	<u>640,995</u>
Changes in fund balances	<u>(1,243,239)</u>	<u>72,296</u>	<u>1,315,535</u>
Fund balances, beginning of year		330,504	330,504
Fund balances (deficits), end of year	<u>\$ (1,243,239)</u>	<u>\$ 402,800</u>	<u>\$ 1,646,039</u>

CAPITAL PROJECTS FUNDS

Unrestricted Capital Outlay - to account for transactions relating to the acquisition of capital items.

Adjacent Ways - to account for monies received to finance improvements of public ways adjacent to school property.

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 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, 2019

	Unrestricted Capital Outlay	Adjacent Ways	Energy and Water Savings
<u>ASSETS</u>			
Cash and investments	\$ 482,578	\$ 211,797	\$ 176,601
Property taxes receivable	113,829		
Due from governmental entities	2,684		
Total assets	<u>\$ 599,091</u>	<u>\$ 211,797</u>	<u>\$ 176,601</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 26,613	\$	\$
Due to other funds			
Total liabilities	<u>26,613</u>		
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>90,358</u>		
Fund balances:			
Restricted	<u>482,120</u>	<u>211,797</u>	<u>176,601</u>
Total fund balances	<u>482,120</u>	<u>211,797</u>	<u>176,601</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 599,091</u>	<u>\$ 211,797</u>	<u>\$ 176,601</u>

<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$ 870,976
	113,829
41,450	44,134
<u>\$ 41,450</u>	<u>\$ 1,028,939</u>

\$	\$ 26,613
30,776	30,776
<u>30,776</u>	<u>57,389</u>

	<u>90,358</u>
--	---------------

10,674	881,192
<u>10,674</u>	<u>881,192</u>

<u>\$ 41,450</u>	<u>\$ 1,028,939</u>
------------------	---------------------

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, 2019

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
Revenues:			
Other local	\$ 26,849	\$ 4,986	\$ 1,011
Property taxes	398,215	601	
State aid and grants	8,999		
Federal aid, grants and reimbursements			
Total revenues	<u>434,063</u>	<u>5,587</u>	<u>1,011</u>
Expenditures:			
Capital outlay	1,070,870		1,867
Debt service -			
Principal retirement	212,331		
Interest and fiscal charges	34,384		
Total expenditures	<u>1,317,585</u>	<u></u>	<u>1,867</u>
Excess (deficiency) of revenues over expenditures	<u>(883,522)</u>	<u>5,587</u>	<u>(856)</u>
Other financing sources (uses):			
Capital lease agreements	332,330		
Total other financing sources (uses)	<u>332,330</u>	<u></u>	<u></u>
Changes in fund balances	<u>(551,192)</u>	<u>5,587</u>	<u>(856)</u>
Fund balances, beginning of year	1,033,312	206,210	856
Fund balances, end of year	<u>\$ 482,120</u>	<u>\$ 211,797</u>	<u>\$</u>

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 1,961	\$	\$ 34,807
		398,816
	91,750	100,749
22,964		22,964
<u>24,925</u>	<u>91,750</u>	<u>557,336</u>
	107,410	1,180,147
		212,331
		34,384
	<u>107,410</u>	<u>1,426,862</u>
<u>24,925</u>	<u>(15,660)</u>	<u>(869,526)</u>
		332,330
		<u>332,330</u>
<u>24,925</u>	<u>(15,660)</u>	<u>(537,196)</u>
151,676	26,334	1,418,388
<u>\$ 176,601</u>	<u>\$ 10,674</u>	<u>\$ 881,192</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 26,849	\$ 26,849
Property taxes		398,215	398,215
State aid and grants		8,999	8,999
Federal aid, grants and reimbursements			
Total revenues		<u>434,063</u>	<u>434,063</u>
Expenditures:			
Capital outlay	897,364	738,540	158,824
Debt service -			
Principal retirement	212,331	212,331	
Interest and fiscal charges	34,384	34,384	
Total expenditures	<u>1,144,079</u>	<u>985,255</u>	<u>158,824</u>
Changes in fund balances	<u>(1,144,079)</u>	<u>(551,192)</u>	<u>592,887</u>
Fund balances, beginning of year		1,033,312	1,033,312
Fund balances (deficits), end of year	<u>\$ (1,144,079)</u>	<u>\$ 482,120</u>	<u>\$ 1,626,199</u>

Adjacent Ways			Gifts and Donations - Capital		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 4,986 601	\$ 4,986 601	\$	\$ 1,011	\$ 1,011
	5,587	5,587		1,011	1,011
			78,500	1,867	76,633
			78,500	1,867	76,633
	5,587	5,587	(78,500)	(856)	77,644
	206,210	206,210		856	856
\$	\$ 211,797	\$ 211,797	\$ (78,500)	\$	\$ 78,500

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Energy and Water Savings		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,961	\$ 1,961
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements		22,964	22,964
Total revenues		<u>24,925</u>	<u>24,925</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>
Changes in fund balances	<u>(349,000)</u>	<u>24,925</u>	<u>373,925</u>
Fund balances, beginning of year		151,676	151,676
Fund balances (deficits), end of year	<u>\$ (349,000)</u>	<u>\$ 176,601</u>	<u>\$ 525,601</u>

Building Renewal Grant			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	91,750	91,750		34,807	34,807
				398,816	398,816
				100,749	100,749
				22,964	22,964
	91,750	91,750		557,336	557,336
866,463	107,410	759,053	2,191,327	847,817	1,343,510
			212,331	212,331	
			34,384	34,384	
866,463	107,410	759,053	2,438,042	1,094,532	1,343,510
(866,463)	(15,660)	850,803	(2,438,042)	(537,196)	1,900,846
	26,334	26,334		1,418,388	1,418,388
\$ (866,463)	\$ 10,674	\$ 877,137	\$ (2,438,042)	\$ 881,192	\$ 3,319,234

(This page intentionally left blank)

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, 2019

	<u>Student Activities</u>	<u>Employee Insurance</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 155,323	\$ 636,386	\$ 791,709
Total assets	<u>\$ 155,323</u>	<u>\$ 636,386</u>	<u>\$ 791,709</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 636,386	\$ 636,386
Due to student groups	155,323		155,323
Total liabilities	<u>\$ 155,323</u>	<u>\$ 636,386</u>	<u>\$ 791,709</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2019

	<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>147,205</u>	\$ <u>192,358</u>	\$ <u>184,240</u>	\$ <u>155,323</u>
Total assets	\$ <u><u>147,205</u></u>	\$ <u><u>192,358</u></u>	\$ <u><u>184,240</u></u>	\$ <u><u>155,323</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>147,205</u>	\$ <u>192,358</u>	\$ <u>184,240</u>	\$ <u>155,323</u>
Total liabilities	\$ <u><u>147,205</u></u>	\$ <u><u>192,358</u></u>	\$ <u><u>184,240</u></u>	\$ <u><u>155,323</u></u>
<u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>921,841</u>	<u>3,747,578</u>	<u>4,033,033</u>	\$ <u>636,386</u>
Total assets	\$ <u><u>921,841</u></u>	\$ <u><u>3,747,578</u></u>	\$ <u><u>4,033,033</u></u>	\$ <u><u>636,386</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>921,841</u>	\$ <u>3,747,578</u>	\$ <u>4,033,033</u>	\$ <u>636,386</u>
Total liabilities	\$ <u><u>921,841</u></u>	\$ <u><u>3,747,578</u></u>	\$ <u><u>4,033,033</u></u>	\$ <u><u>636,386</u></u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>1,069,046</u>	\$ <u>3,939,936</u>	\$ <u>4,217,273</u>	\$ <u>791,709</u>
Total assets	\$ <u><u>1,069,046</u></u>	\$ <u><u>3,939,936</u></u>	\$ <u><u>4,217,273</u></u>	\$ <u><u>791,709</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>921,841</u>	\$ <u>3,747,578</u>	\$ <u>4,033,033</u>	\$ <u>636,386</u>
Due to student groups	<u>147,205</u>	<u>192,358</u>	<u>184,240</u>	<u>155,323</u>
Total liabilities	\$ <u><u>1,069,046</u></u>	\$ <u><u>3,939,936</u></u>	\$ <u><u>4,217,273</u></u>	\$ <u><u>791,709</u></u>

(This page intentionally left blank)

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.

(This page intentionally left blank)

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

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:					
Net investment in capital assets	\$ 23,745,876	\$ 24,446,779	\$ 24,339,352	\$ 26,079,048	\$ 27,173,428
Restricted	5,380,838	5,302,349	4,873,312	3,337,150	3,096,515
Unrestricted	(12,726,133)	(17,621,694)	(21,054,991)	(24,407,317)	(29,968,585)
Total net position	<u>\$ 16,400,581</u>	<u>\$ 12,127,434</u>	<u>\$ 8,157,673</u>	<u>\$ 5,008,881</u>	<u>\$ 301,358</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position:					
Net investment in capital assets	\$ 28,197,425	\$ 28,343,182	\$ 29,276,531	\$ 30,572,945	\$ 34,850,360
Restricted	3,728,258	2,954,030	3,558,660	3,897,010	2,189,507
Unrestricted	(2,130,930)	3,608,836	5,980,901	7,528,236	5,936,929
Total net position	<u>\$ 29,794,753</u>	<u>\$ 34,906,048</u>	<u>\$ 38,816,092</u>	<u>\$ 41,998,191</u>	<u>\$ 42,976,796</u>

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

Note: Negative unrestricted net position was due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 in fiscal year 2014-15.

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Instruction	\$ 16,301,580	\$ 14,636,826	\$ 14,414,084	\$ 14,184,255	\$ 14,603,571
Support services - students and staff	3,882,718	3,936,132	4,200,858	4,334,854	4,421,951
Support services - administration	3,863,047	3,536,346	3,442,635	3,553,594	3,369,234
Operation and maintenance of plant services	4,044,739	3,910,843	3,724,968	3,711,337	3,803,705
Student transportation services	796,432	736,796	654,557	624,845	682,905
Operation of non-instructional services	2,245,668	1,964,082	1,981,581	1,847,568	1,797,067
Interest on long-term debt	265,074	288,011	310,499	329,405	349,651
Total expenses	<u>31,399,258</u>	<u>29,009,036</u>	<u>28,729,182</u>	<u>28,585,858</u>	<u>29,028,084</u>
Program Revenues					
Charges for services:					
Instruction	1,319,407	1,409,331	1,771,316	1,269,788	998,254
Operation of non-instructional services	437,882	145,780	143,253	133,857	374,908
Other activities	161,101	168,935	3,049	3,477	38,451
Operating grants and contributions	5,944,812	5,724,558	6,683,983	6,639,895	6,460,157
Capital grants and contributions	565,358	1,031,855	429,285	863,929	421,555
Total program revenues	<u>8,428,560</u>	<u>8,480,459</u>	<u>9,030,886</u>	<u>8,910,946</u>	<u>8,293,325</u>
Net (Expense)/Revenue	<u>\$ (22,970,698)</u>	<u>\$ (20,528,577)</u>	<u>\$ (19,698,296)</u>	<u>\$ (19,674,912)</u>	<u>\$ (20,734,759)</u>

(Continued)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
Instruction	\$ 15,416,389	\$ 15,561,057	\$ 16,260,656	\$ 17,841,561	\$ 17,193,268
Support services - students and staff	4,021,817	4,146,037	4,044,306	4,213,389	4,909,283
Support services - administration	3,827,620	3,937,840	3,506,391	3,852,387	4,278,874
Operation and maintenance of plant services	3,737,948	3,809,971	3,835,953	4,113,500	3,781,781
Student transportation services	702,835	685,326	688,064	1,037,984	696,240
Operation of non-instructional services	1,810,894	1,878,777	1,790,705	1,776,853	2,111,085
Interest on long-term debt	363,294	386,430	408,367	431,757	92,143
Total expenses	<u>29,880,797</u>	<u>30,405,438</u>	<u>30,534,442</u>	<u>33,267,431</u>	<u>33,062,674</u>
Program Revenues					
Charges for services:					
Instruction	1,211,936	963,143	1,325,996	1,077,451	992,987
Operation of non-instructional services	319,818	409,732	420,149	161,359	398,342
Other activities	33,565	38,669	29,769	30,000	429,339
Operating grants and contributions	6,517,034	6,846,685	7,013,310	7,004,441	9,497,217
Capital grants and contributions	124,658	488,268	533,701	665,494	4,623,246
Total program revenues	<u>8,207,011</u>	<u>8,746,497</u>	<u>9,322,925</u>	<u>8,938,745</u>	<u>15,941,131</u>
Net (Expense)/Revenue	<u>\$ (21,673,786)</u>	<u>\$ (21,658,941)</u>	<u>\$ (21,211,517)</u>	<u>\$ (24,328,686)</u>	<u>\$ (17,121,543)</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense)/Revenue	\$ (22,970,698)	\$ (20,528,577)	\$ (19,698,296)	\$ (19,674,912)	\$ (20,734,759)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	3,712,526	3,083,047	3,410,932	4,157,202	3,157,083
Property taxes, levied for debt service	643,263	742,879	754,209	608,127	585,112
Property taxes, levied for capital outlay	404,742	785,430	599,123	7,608	9,458
Investment income	139,502	69,846	20,530	13,935	11,340
Unrestricted county aid	1,117,758	1,149,733	1,104,427	1,163,335	1,226,277
Unrestricted state aid	20,892,668	18,425,438	16,807,375	18,328,825	14,343,367
Unrestricted federal aid	333,386	238,687	150,492	103,403	161,956
Total general revenues	<u>27,243,845</u>	<u>24,495,060</u>	<u>22,847,088</u>	<u>24,382,435</u>	<u>19,494,593</u>
Changes in Net Position	<u>\$ 4,273,147</u>	<u>\$ 3,966,483</u>	<u>\$ 3,148,792</u>	<u>\$ 4,707,523</u>	<u>\$ (1,240,166)</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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net (Expense)/Revenue	\$ (21,673,786)	\$ (21,658,941)	\$ (21,211,517)	\$ (24,328,686)	\$ (17,121,543)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	667,556	1,163,447	397,877	4,061,894	1,918,514
Property taxes, levied for debt service	605,881	378,410	585,907	677,328	593,885
Property taxes, levied for capital outlay		370,988	1,123,544	664,704	1,215,963
Investment income	7,161	19,895	39,679	43,212	63,807
Unrestricted county aid	1,402,326	1,124,042	987,121	835,422	722,029
Unrestricted state aid	13,822,775	14,638,011	14,895,290	16,886,641	15,907,279
Unrestricted federal aid	56,792	54,104		180,880	2,082,686
Total general revenues	<u>16,562,491</u>	<u>17,748,897</u>	<u>18,029,418</u>	<u>23,350,081</u>	<u>22,504,163</u>
Changes in Net Position	<u>\$ (5,111,295)</u>	<u>\$ (3,910,044)</u>	<u>\$ (3,182,099)</u>	<u>\$ (978,605)</u>	<u>\$ 5,382,620</u>

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

(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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Nondisposable	\$ 100,984	\$ 81,141	\$ 429,498	\$ 464,757	\$ 465,559
Unassigned	8,506,329	5,939,505	3,786,335	2,492,089	(1,845,526)
Total General Fund	<u>\$ 8,607,313</u>	<u>\$ 6,020,646</u>	<u>\$ 4,215,833</u>	<u>\$ 2,956,846</u>	<u>\$ (1,379,967)</u>
All Other Governmental Funds:					
Nondisposable	\$	\$	\$	\$	\$ 10,403
Restricted	5,183,275	5,120,366	4,659,811	3,207,581	2,993,990
Unassigned	(30,816)	(24,009)		(5,300)	
Total all other governmental funds	<u>\$ 5,152,459</u>	<u>\$ 5,096,357</u>	<u>\$ 4,659,811</u>	<u>\$ 3,202,281</u>	<u>\$ 3,004,393</u>

(Continued)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nondspendable	\$ 138,991	\$ 323,988	\$ 682,028	\$ 503,343	\$
Unassigned	(1,137,939)	3,120,729	5,069,803	6,594,709	
Reserved					333,882
Unreserved					850,466
Total General Fund	<u>\$ (998,948)</u>	<u>\$ 3,444,717</u>	<u>\$ 5,751,831</u>	<u>\$ 7,098,052</u>	<u>\$ 1,184,348</u>
All Other Governmental Funds:					
Nondspendable	\$ 132,413	\$	\$	\$	\$
Restricted	3,487,452	2,845,152	3,388,301	3,272,963	
Unassigned	(139,778)	(46,372)	(77,491)		
Reserved					
Unreserved, reported in:					
Special revenue funds					3,034,201
Capital projects funds					8,101,938
Debt service fund					144,222
Total all other governmental funds	<u>\$ 3,480,087</u>	<u>\$ 2,798,780</u>	<u>\$ 3,310,810</u>	<u>\$ 3,272,963</u>	<u>\$ 11,280,361</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: nondspendable, 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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal sources:					
Federal grants	\$ 4,390,704	\$ 3,986,382	\$ 4,296,814	\$ 5,135,478	\$ 4,761,213
National School Lunch Program	2,134,380	1,977,957	1,936,391	1,851,900	1,812,507
Total federal sources	<u>6,525,084</u>	<u>5,964,339</u>	<u>6,233,205</u>	<u>6,987,378</u>	<u>6,573,720</u>
State sources:					
State equalization assistance	18,620,388	16,506,324	15,091,910	16,660,276	12,845,463
State grants	84,532	175,831	440,253	185,787	95,380
School Facilities Board	91,750	537,065	43,050	369,230	
Other revenues	2,368,252	1,919,114	1,715,465	1,668,549	1,799,445
Total state sources	<u>21,164,922</u>	<u>19,138,334</u>	<u>17,290,678</u>	<u>18,883,842</u>	<u>14,740,288</u>
Local sources:					
Property taxes	4,778,615	4,689,903	4,752,949	4,503,261	3,597,918
County aid	1,117,758	1,149,733	1,104,427	1,163,335	1,226,277
Food service sales	168,210	145,780	143,253	133,857	146,310
Investment income	139,502	69,846	20,530	13,935	11,340
Other revenues	1,789,591	1,606,121	2,287,537	1,338,097	1,338,330
Total local sources	<u>7,993,676</u>	<u>7,661,383</u>	<u>8,308,696</u>	<u>7,152,485</u>	<u>6,320,175</u>
Total revenues	<u><u>\$ 35,683,682</u></u>	<u><u>\$ 32,764,056</u></u>	<u><u>\$ 31,832,579</u></u>	<u><u>\$ 33,023,705</u></u>	<u><u>\$ 27,634,183</u></u>

(Continued)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Federal sources:					
Federal grants	\$ 4,689,544	\$ 5,584,171	\$ 5,377,822	\$ 5,320,653	\$ 11,396,212
State Fiscal Stabilization (ARRA)				180,880	2,082,686
Education Jobs			53,151	707,913	
National School Lunch Program	1,761,029	1,679,849	1,768,791	1,669,864	1,773,698
Total federal sources	<u>6,450,573</u>	<u>7,264,020</u>	<u>7,199,764</u>	<u>7,879,310</u>	<u>15,252,596</u>
State sources:					
State equalization assistance	12,220,975	13,324,991	14,148,977	15,751,557	16,097,611
State grants	185,160	111,699	195,925	90,601	234,667
Other revenues	1,601,800	1,304,650	1,292,206	1,157,726	1,214,935
Total state sources	<u>14,007,935</u>	<u>14,741,340</u>	<u>15,637,108</u>	<u>16,999,884</u>	<u>17,547,213</u>
Local sources:					
Property taxes	1,365,118	1,962,618	2,375,743	5,180,392	3,671,680
County aid	1,402,326	1,124,042	987,121	835,422	722,029
Food service sales	148,002	165,190	185,369	161,359	184,889
Investment income	7,161	19,895	39,679	43,212	63,809
Other revenues	1,480,068	1,268,062	1,741,867	1,205,416	1,721,349
Total local sources	<u>4,402,675</u>	<u>4,539,807</u>	<u>5,329,779</u>	<u>7,425,801</u>	<u>6,363,756</u>
Total revenues	<u><u>\$ 24,861,183</u></u>	<u><u>\$ 26,545,167</u></u>	<u><u>\$ 28,166,651</u></u>	<u><u>\$ 32,304,995</u></u>	<u><u>\$ 39,163,565</u></u>

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

(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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenditures:					
Current -					
Instruction	\$ 16,126,018	\$ 14,332,830	\$ 13,658,476	\$ 13,312,125	\$ 13,312,255
Support services - students and staff	4,130,305	4,201,122	4,288,864	4,385,165	4,233,189
Support services - administration	3,893,119	3,353,608	3,617,764	3,570,018	3,680,435
Operation and maintenance of plant services	3,539,773	3,387,413	3,141,233	3,123,650	3,232,004
Student transportation services	569,038	531,336	519,194	507,007	506,557
Operation of non-instructional services	2,264,009	1,981,439	1,984,391	1,828,766	1,761,234
Capital outlay	1,991,674	1,611,415	1,092,408	900,477	1,113,539
Debt service -					
Claims and judgments					
Interest, premium and fiscal charges	261,628	284,565	307,053	325,959	346,205
Principal retirement	587,331	490,612	471,420	524,632	510,036
Bond issuance costs					
Total expenditures	<u><u>\$ 33,362,895</u></u>	<u><u>\$ 30,174,340</u></u>	<u><u>\$ 29,080,803</u></u>	<u><u>\$ 28,477,799</u></u>	<u><u>\$ 28,695,454</u></u>
Expenditures for capitalized assets	\$ 1,075,442	\$ 826,773	\$ 367,676	\$ 586,445	\$ 385,977
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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenditures:					
Current -					
Instruction	\$ 13,762,080	\$ 13,806,716	\$ 14,729,785	\$ 13,523,776	\$ 15,731,136
Support services - students and staff	4,043,262	4,112,269	3,912,817	3,613,733	4,858,762
Support services - administration	3,496,732	3,804,782	3,227,155	3,560,419	3,756,522
Operation and maintenance of plant services	3,213,774	3,194,046	3,234,682	3,259,655	3,313,024
Student transportation services	564,413	551,958	493,999	527,036	605,059
Operation of non-instructional services	1,772,586	1,831,798	1,755,419	1,648,569	1,910,702
Capital outlay	1,092,574	931,233	1,522,832	8,997,027	7,092,311
Debt service -					
Claims and judgments				29,497	
Interest, premium and fiscal charges	359,848	372,786	394,723	350,018	24,050
Principal retirement	495,993	400,683	382,298	248,000	740,000
Bond issuance costs					189,834
Total expenditures	<u><u>\$ 28,801,262</u></u>	<u><u>\$ 29,006,271</u></u>	<u><u>\$ 29,653,710</u></u>	<u><u>\$ 35,757,730</u></u>	<u><u>\$ 38,221,400</u></u>
Expenditures for capitalized assets	\$ 559,158	\$ 596,419	\$ 462,044	\$ 4,294,000	\$ 5,983,990
Debt service as a percentage of noncapital expenditures	3%	3%	3%	2%	2%

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ 2,320,787	\$ 2,589,716	\$ 2,751,776	\$ 4,545,906	\$ (1,061,271)
Other financing sources (uses):					
Capital lease agreements	332,330				
Transfers in	183,855	212,506	1,299,752	453,794	283,261
Transfers out	(183,855)	(212,506)	(1,299,752)	(453,794)	(283,261)
Total other financing sources (uses)	<u>332,330</u>	<u></u>	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>\$ 2,653,117</u>	<u>\$ 2,589,716</u>	<u>\$ 2,751,776</u>	<u>\$ 4,545,906</u>	<u>\$ (1,061,271)</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ (3,940,079)	\$ (2,461,104)	\$ (1,487,059)	\$ (3,452,735)	\$ 942,165
Other financing sources (uses):					
School improvement bonds issued					7,648,000
Discount on sale of bonds					(69,409)
Capital lease agreements	230,305			1,189,580	
Transfers in	1,016,702	271,038	170,085	179,723	203,394
Transfers out	(1,016,702)	(271,038)	(170,085)	(179,723)	(203,394)
Total other financing sources (uses)	<u>230,305</u>	<u></u>	<u></u>	<u>1,189,580</u>	<u>7,578,591</u>
Changes in fund balances	<u>\$ (3,709,774)</u>	<u>\$ (2,461,104)</u>	<u>\$ (1,487,059)</u>	<u>\$ (2,263,155)</u>	<u>\$ 8,520,756</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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 24,737,499	\$ 22,857,936	\$ 21,585,065	\$ 22,678,308	\$ 23,144,013
Agricultural and Vacant	8,112,505	8,163,805	8,264,511	8,790,296	8,732,829
Residential (Owner Occupied)	24,983,402	23,399,871	23,688,569	23,181,063	23,513,949
Residential (Rental)	12,967,999	12,972,213	12,956,444	12,450,746	12,559,231
Historical Property	58,672	60,347	60,347	58,866	58,866
Certain Government Property Improvements	12,969	12,969	12,969	12,969	12,969
Total	<u>\$ 70,873,046</u>	<u>\$ 67,467,141</u>	<u>\$ 66,567,905</u>	<u>\$ 67,172,248</u>	<u>\$ 68,021,857</u>
Gross Full Cash Value	\$ 702,088,789	\$ 655,315,495	\$ 654,235,820	\$ 640,811,628	\$ 641,632,122
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	11%
Total Direct Rate	8.04	8.43	8.42	8.18	6.19

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 23,596,186	\$ 24,929,998	\$ 25,535,106	\$ 26,415,221	\$ 26,525,258
Agricultural and Vacant	9,150,657	9,242,515	8,874,977	8,424,590	7,359,880
Residential (Owner Occupied)	25,956,258	26,185,770	33,804,467	33,820,165	32,328,606
Residential (Rental)	13,370,678	13,125,265	6,145,947	6,029,431	5,743,575
Historical Property	68,231	68,231	71,120	78,645	63,335
Certain Government Property Improvements	12,969	11,465			
Total	<u>\$ 72,154,979</u>	<u>\$ 73,563,244</u>	<u>\$ 74,431,617</u>	<u>\$ 74,768,052</u>	<u>\$ 72,020,654</u>
Gross Full Cash Value	\$ 679,973,106	\$ 688,509,192	\$ 694,974,282	\$ 701,419,679	\$ 647,530,839
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Total Direct Rate	2.00	3.01	3.32	8.74	6.12

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 24,868,262	\$ 23,092,269	\$ 21,587,934	\$ 22,684,730	\$ 23,156,027
Agricultural and Vacant	8,130,165	8,184,980	8,301,922	8,851,713	8,832,932
Residential (Owner Occupied)	26,384,293	23,421,194	23,697,093	23,206,679	23,519,372
Residential (Rental)	13,666,413	12,991,976	12,967,910	12,462,057	12,561,184
Historical Property	60,793	60,347	60,347	58,866	58,866
Certain Government Property Improvements	12,969	12,969	12,969	12,969	12,969
Total	<u>\$ 73,122,895</u>	<u>\$ 67,763,735</u>	<u>\$ 66,628,175</u>	<u>\$ 67,277,014</u>	<u>\$ 68,141,350</u>
Gross Full Cash Value	\$ 702,088,789	\$ 655,315,495	\$ 654,235,820	\$ 640,811,628	\$ 641,632,122
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	11%
Estimated Net Full Cash Value	579,404,982	534,460,070	533,760,267	519,775,973	523,247,501
Total Direct Rate	8.04	8.43	8.42	8.18	6.19

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 23,631,939	\$ 25,139,136	\$ 25,767,786	\$ 27,073,241	\$ 27,552,654
Agricultural and Vacant	9,474,420	10,031,488	10,155,891	10,486,873	7,913,565
Residential (Owner Occupied)	25,969,064	26,226,198	33,862,691	34,427,551	32,859,795
Residential (Rental)	13,376,856	13,184,541	6,190,301	6,132,339	5,913,254
Historical Property	68,231	68,231	71,186	79,615	66,751
Certain Government Property Improvements	12,969	12,969			
Total	<u>\$ 72,533,479</u>	<u>\$ 74,662,563</u>	<u>\$ 76,047,855</u>	<u>\$ 78,199,619</u>	<u>\$ 74,306,019</u>
Gross Full Cash Value	\$ 679,973,106	\$ 688,509,192	\$ 694,974,282	\$ 701,419,679	\$ 647,530,839
Ratio of Net Full Cash Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	559,467,389	568,899,591	578,561,541	586,951,973	553,185,426
Total Direct Rate	2.00	3.01	3.32	8.74	6.12

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	19 %	19 %
Agricultural and Vacant	15	15	15	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	14	15	16

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

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	Flood	Community	Fire	Joint	City			
	Equalization	County	Free Library	Control District	College District	District Assistance	Technology District	of Douglas	Primary	Secondary	Total
2019	0.47	2.67	0.15	0.26	2.40	0.10	0.05	1.19	7.11	0.94	8.04
2018	0.49	2.67	0.15	0.26	2.37	0.10	0.05	1.19	7.29	1.14	8.43
2017	0.50	2.63	0.15	0.26	2.29	0.10	0.05	1.19	7.29	1.13	8.42
2016	0.51	2.63	0.15	0.26	2.18	0.10	0.05	1.18	7.29	0.89	8.18
2015	0.00	2.63	0.15	0.26	2.03	0.10	0.05	1.15	5.32	0.87	6.19
2014	0.00	2.63	0.15	0.26	1.85	0.09	0.05	1.08	1.14	0.86	2.00
2013	0.00	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

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	2019		2010	
	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	\$ 5,454,776	7.70 %	\$ 1,961,679	2.64 %
Wal-Mart Stores Inc.	2,009,437	2.84	3,834,191	5.16
Phelps Dodge Corporation	828,285	1.17	624,171	0.84
Southwest Gas Corporation	722,637	1.02	847,089	1.14
DHD LLC	558,900	0.79		
Kinder Morgan	530,878	0.75		
SFP Pool Five Shopping Centers LLC	471,300	0.66		
Qwest Corporation	448,455	0.63	809,936	1.09
Hillcrest Apartments LLC	406,800	0.57		
UIRC-GSA V Douglas AZ LLC	359,293	0.51		
Safeway Inc.			847,089	1.14
MT Development LLC			616,740	0.83
FAE Holdings 356216R LLC			557,295	0.75
J.C. Penny Stores			542,434	0.73
Total	<u>\$ 11,790,761</u>	<u>16.64 %</u>	<u>\$ 10,640,624</u>	<u>14.32 %</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.

Note: Top nine principal property taxpayers presented for Fiscal Year 2010. Additional information was not available.

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
2019	\$ 4,658,160	\$ 4,181,462	89.77 %	\$	\$ 4,181,462	89.77 %
2018	4,796,063	4,336,152	90.41	385,201	4,721,353	98.44
2017	4,825,089	4,320,860	89.55	443,325	4,764,185	98.74
2016	4,688,928	4,209,359	89.77	428,639	4,637,998	98.91
2015	3,673,948	3,308,359	90.05	331,281	3,639,640	99.07
2014	1,283,355	1,130,385	88.08	142,765	1,273,150	99.20
2013	1,961,938	1,763,680	89.89	185,281	1,948,961	99.34
2012	2,115,717	1,903,366	89.96	201,012	2,104,378	99.46
2011	5,248,055	4,702,230	89.60	508,648	5,210,878	99.29
2010	3,640,145	3,258,319	89.51	362,358	3,620,677	99.47

Source: The source of this information is the 2019 Cochise County Treasurer's records.

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

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

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

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less:	Total	Percentage of	Per Capita	Capital Leases	Total	Percentage of	Per Capita	Percentage of Personal Income	
		Amounts		Estimated				Estimated			
		Restricted for Principal		Actual Value (Full Cash Value)				Actual Value (Full Cash Value)			
2019	\$ 5,055,533	\$ 479,123	\$ 4,576,410	0.65 %	\$ 279	\$ 574,210	\$ 5,629,743	0.80 %	\$ 343	N/A %	
2018	5,412,087	428,055	4,984,032	0.76	300	454,211	5,866,298	0.90	353	0.12	
2017	5,758,641	279,984	5,478,657	0.84	322	584,823	6,343,464	0.97	373	0.13	
2016	6,090,195	127,537	5,962,658	0.93	351	706,243	6,796,438	1.06	400	0.14	
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	

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 in fiscal year 2010

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019

<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:			
City of Douglas	7,102,561	100.00 %	\$ 7,102,561
Subtotal, Overlapping Debt			<u>7,102,561</u>
Direct:			
Douglas Unified School District No. 27			<u>5,629,743</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 12,732,304</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	6.46	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 712	
As a Percentage of Net Limited Assessed Valuation	16.48	%
As a Percentage of Gross Full Cash Value	1.66	%

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, 2018 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 2019:

Net full cash assessed valuation	\$ 73,122,895
Debt limit (20% of assessed value)	14,624,579
Debt applicable to limit	<u>5,090,000</u>
Legal debt margin	<u><u>\$ 9,534,579</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2019:

Net full cash assessed valuation	\$ 73,122,895
Debt limit (30% of assessed value)	21,936,869
Debt applicable to limit	<u>5,090,000</u>
Legal debt margin	<u><u>\$ 16,846,869</u></u>

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 21,936,869	\$ 20,329,121	\$ 19,988,453	\$ 20,183,104	\$ 20,442,405
Total net debt applicable to limit	<u>5,090,000</u>	<u>5,450,000</u>	<u>5,800,000</u>	<u>6,135,000</u>	<u>6,416,749</u>
Legal debt margin	<u><u>\$ 16,846,869</u></u>	<u><u>\$ 14,879,121</u></u>	<u><u>\$ 14,188,453</u></u>	<u><u>\$ 14,048,104</u></u>	<u><u>\$ 14,025,656</u></u>
Total net debt applicable to the limit as a percentage of debt limit	23%	27%	29%	30%	31%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 21,760,044	\$ 22,398,736	\$ 22,814,357	\$ 23,459,886	\$ 29,722,408
Total net debt applicable to limit	<u>6,733,303</u>	<u>7,039,857</u>	<u>7,400,000</u>	<u>7,600,000</u>	<u>8,388,000</u>
Legal debt margin	<u><u>\$ 15,026,741</u></u>	<u><u>\$ 15,358,879</u></u>	<u><u>\$ 15,414,357</u></u>	<u><u>\$ 15,859,886</u></u>	<u><u>\$ 21,334,408</u></u>
Total net debt applicable to the limit as a percentage of debt limit	31%	31%	32%	32%	28%

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

- Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

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>
2018	130,319	\$ N/A	\$ N/A	5.6 %	16,400
2017	128,383	4,902,154	39,294	5.6	16,600
2016	128,343	4,900,244	38,962	6.1	17,000
2015	129,112	4,821,097	38,133	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

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 2009 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2018, 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

Principal Industries	2019			2010		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Goods Producing Industries						
Manufacturing	600	1.81	%	600	1.60	%
Natural Resources and Construction	1,800	5.42		1,700	4.55	
Service Providing Industries						
Private Service Providing						
Trade, Transportation and Utilities	5,700	17.17		6,100	16.31	
Information	500	1.51		700	1.87	
Financial Activities	1,400	4.22		900	2.41	
Professional and Business Services	3,900	11.75		5,700	15.24	
Education and Health Services	4,700	14.16		4,300	11.50	
Leisure and Hospitality	3,600	10.84		4,000	10.70	
Other Serves (except Public Administration)	700	2.11		900	2.41	
Government						
Federal	4,800	14.46		5,600	14.97	
State and Local	5,500	16.57		6,900	18.45	
Total	33,200	100.00	%	37,400	100.00	%

Source: The source of this information is the labor statistics from the State of Arizona's Office of Economic Opportunity website found at <https://laborstats.az.gov>

Note: Employment information by individual employer could not be obtained for fiscal year 2019; therefore, employment information by type of employer for the entire county is presented above.

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	1	1			
Consultants/supervisors of instruction	1	1	1	1	1
Principals	8	8	8	8	8
Assistant principals	4	4	4	4	4
Total supervisory	<u>15</u>	<u>15</u>	<u>14</u>	<u>14</u>	<u>14</u>
Instruction					
Teachers	198	192	183	184	184
Other professionals (instructional)	11	13	14	15	15
Aides	125	121	106	107	107
Total instruction	<u>334</u>	<u>326</u>	<u>303</u>	<u>306</u>	<u>306</u>
Student Services					
Nurses	4	4	4	4	4
Counselors/Advisors	8	8	8	8	8
Librarians	1	1	1	1	1
Technicians	7	7	6	6	6
Total student services	<u>20</u>	<u>20</u>	<u>19</u>	<u>19</u>	<u>19</u>
Support and Administration					
Clerical workers	45	45	23	23	23
Maintenance workers	17	16	16	16	16
Bus drivers	8	7	7	7	8
Service workers	4	4	4	4	4
Unskilled laborers	64	61	74	74	74
Total support and administration	<u>138</u>	<u>133</u>	<u>124</u>	<u>124</u>	<u>125</u>
Total	<u><u>507</u></u>	<u><u>494</u></u>	<u><u>460</u></u>	<u><u>463</u></u>	<u><u>464</u></u>

(Continued)

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Supervisory					
Superintendent	1	1	1		
Assistant superintendents	1	1	1		
Consultants/supervisors of instruction	1	1	2		
Principals	8	8	8	8	7
Assistant principals	4	4	4	4	4
Total supervisory	<u>15</u>	<u>15</u>	<u>16</u>	<u>12</u>	<u>11</u>
Instruction					
Teachers	197	188	180	187	198
Other professionals (instructional)	16	16	16	16	14
Aides	99	115	116	112	96
Total instruction	<u>312</u>	<u>319</u>	<u>312</u>	<u>315</u>	<u>308</u>
Student Services					
Nurses	4	4	4		
Counselors/Advisors	8	7	7		
Librarians	1	1	1	1	2
Technicians	6	6	6	6	8
Total student services	<u>19</u>	<u>18</u>	<u>18</u>	<u>7</u>	<u>10</u>
Support and Administration					
Clerical workers	24	24	24		
Maintenance workers	16	16	16		
Bus drivers	8	7	7		
Service workers	4	4	4	34	38
Unskilled laborers	74	75	75	107	80
Total support and administration	<u>126</u>	<u>126</u>	<u>126</u>	<u>141</u>	<u>118</u>
Total	<u><u>472</u></u>	<u><u>478</u></u>	<u><u>472</u></u>	<u><u>475</u></u>	<u><u>447</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
2019	3,944	\$ 30,522,262	\$ 7,739	7.86 %	\$ 31,399,258	\$ 7,961	6.28 %	334	11.8	85.0 %
2018	3,873	27,787,748	7,175	(2.57)	29,009,036	7,491	(3.67)	326	11.9	87.0
2017	3,695	27,209,922	7,365	(0.01)	28,729,182	7,776	(1.29)	303	12.2	88.0
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

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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Schools</u>										
Elementary										
Buildings	22	22	22	22	22	22	22	22	22	22
Square feet	183,257	183,257	180,233	180,233	180,233	180,233	180,233	180,233	180,233	180,233
Capacity	2,242	2,242	2,315	2,315	2,315	2,251	2,251	2,251	2,251	2,251
Enrollment	1,682	1,475	1,546	1,441	1,441	1,591	1,616	1,616	1,698	1,675
Middle										
Buildings	25	25	14	14	14	14	14	14	14	14
Square feet	139,636	139,636	135,538	135,538	135,538	135,538	135,538	135,538	135,538	135,538
Capacity	1,409	1,409	1,365	1,365	1,365	1,694	1,694	1,694	1,694	1,694
Enrollment	911	829	925	884	884	859	940	940	944	919
High										
Buildings	24	24	23	23	23	23	23	23	23	23
Square feet	174,052	174,052	158,775	158,775	158,775	157,335	157,335	157,335	157,335	157,335
Capacity	1,507	1,507	1,478	1,478	1,478	1,967	1,967	1,967	1,967	1,967
Enrollment	1,506	1,475	1,324	1,310	1,310	1,267	1,353	1,353	1,324	1,269
Other										
Buildings	3	3	4	4	4	4	4	4	4	4
Square feet	43,703	43,703	28,561	28,561	28,561	28,561	28,561	28,561	28,561	28,561
Capacity			352	352	532	352	352	352	352	352
Enrollment			95	90	90	90	147	147	146	146
<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	15	13	13	14	14	14	16	16	17	17
<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.

(This page intentionally left blank)