
TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016



TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214

TOLLESON, ARIZONA

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

Issued by:
Business and Finance Department

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214

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INTRODUCTORY SECTION

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ADMINISTRATIVE CENTER
9801 West Van Buren Street
Tolleson, Arizona 85353
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(623) 936-5048 Fax
Website: www.tuhsd.org

GOVERNING BOARD OF EDUCATION
Steven Chapman, President
Devin Del Palacio, Vice President
Corina Madruga, Member
Vincent Moreno, Member
Freddie Villalon, Member

SUPERINTENDENT
Nora Gutierrez

December 21, 2016

Citizens and Governing Board
Tolleson Union High School District No. 214
9801 West Van Buren Street
Tolleson, Arizona 85353

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Tolleson Union High School District No. 214 (District) for the fiscal year ended June 30, 2016.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2016, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* 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 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from grade nine through grade twelve, with a fiscal year 2015-16 average daily membership of 11,051.

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, food services, bookstore, and athletic functions.

The District was organized in 1914 and currently encompasses approximately 102.5 square miles. Located within Maricopa County and the greater Phoenix metropolitan area, the District lies approximately ten miles west of downtown Phoenix, Arizona. Portions of the cities of Phoenix, Avondale, Glendale, and the entire city of Tolleson are included within the boundaries of the District.

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. The economy of the District is based primarily on the economies of the cities of Tolleson and Avondale. Commercial, agricultural and industrial influences are present throughout the District. Employment opportunities can be found locally and in the greater Phoenix metropolitan area.

Historically, Tolleson's economy has been agriculturally based. However, with the growth of Phoenix to its west, Tolleson is in a transitional period from an agricultural based economy to a commercial and industrial based economy. Tolleson has become a strong distribution hub for companies wishing to deliver products to southwestern markets due to Tolleson's location south of Interstate 10 and the interchange with Loop 101.

In prior years, residential development had been increasing due to the expansion of the greater Phoenix metropolitan area towards the District; however, as has been widely reported, there has been a significant slowdown in the development of single-family housing in Arizona. Consequently, the homebuilders who had been purchasing the majority of agricultural land within the District for residential development have scaled back the size and scope of these developments.

Long-term Financial Planning. In fiscal year 2008-09, the District's general budget limit began to decrease and continued to decrease through fiscal year 2010-11. There are various reasons for the reduction in revenues, including: reduction in the maintenance and operation override funding, elimination of excess utilities funding, and legislative budget reductions to public school funding. Since fiscal year 1999-2000, the District has been experiencing growth in

its student enrollment. In fiscal year 2014-15, the District continued to experience growth in its student enrollment and in the subsequent year the District anticipates an increase of approximately 300 students. In November 2010, the District voters approved a Maintenance and Operation (M&O) override that generated approximately \$6.5 million each year for up to five years. In 2016-17, the override funding will decrease by one-third pursuant to A.R.S. 15-481, since the District did not submit an override renewal to the voters in 2015. On November 8, 2016, however, the voters of the Tolleson Union High School District approved a budget override renewal allowing the District to exceed the M&O Budget Limit by 15% of the revenue control limit to fund existing programs over a period of seven years. With voter approval of this override, it is estimated that the total amount of the override for FY 2017-18 will be \$7,250,461.

In November 2007, District voters approved a \$44 million bond authorization. In fiscal year 2010-11, the District began to allocate 30 percent (or \$935,000) of its Capital Outlay Revenue Limit (CORL) to its capital budget in order to build a capital reserve in anticipation of the expiration of the capital override. In fiscal year 2011-12, the District budgeted approximately \$6.0 million by combining the Revenue Control Limit (RCL) and CORL towards its capital budget. Historically, the District has budgeted the RCL and CORL in M&O. The District's goal was to use its current funding to replace the capital override that expired at the end of fiscal year 2012-13. This budgetary change will assist the District in meeting some, but not all, of its capital needs. The average age of our school buildings is 19 years.

Within the last several years, Standard & Poors upgraded the District's rating to "A+" and Moody's Investor Service has assigned the District a rating of "Aa2." The District's business practice has been to prepay medical, dental, and liability insurance prior to the new fiscal year, and to maintain a healthy budget balance carry forward. The District's business practices have helped the District maintain programs and strong student/teacher levels, along with a high level of student instruction during the last several years at a time when the District's revenues have decreased.

AWARDS AND ACKNOWLEDGMENT

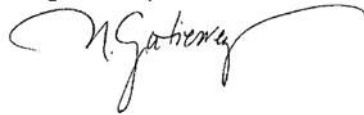
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2015. This was the fifth consecutive year that the District received this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

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

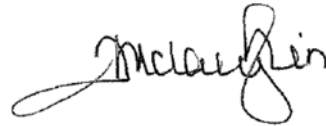
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation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

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

Respectfully submitted,



Nora Gutierrez
Superintendent



Tracy McLaughlin, CFE
Director of Financial Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting Award
is presented to

Tolleson Union High School District No. 214

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2015.**

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



Brenda Burkett

Brenda R. Burkett, CPA, CSBA, SFO
President

John D. Musso

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

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

Presented to

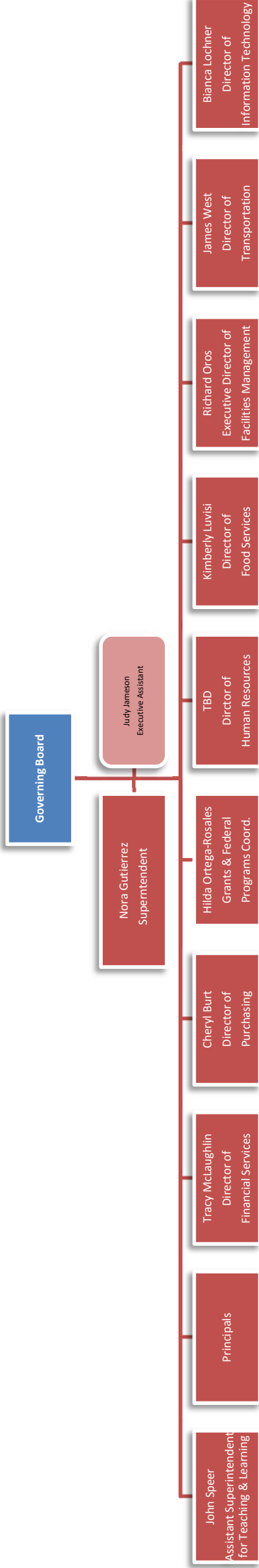
**Tolleson Union High School
District No. 214, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

TOLLESON UNION HIGH SCHOOL DISTRICT #214 DISTRICT OFFICE ORGANIZATION



TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Steven Chapman, President

Devin Del Palacio, Vice President

Freddie Villalon, Member

Vincent Moreno, Member

Corina Madruga, Member

ADMINISTRATIVE STAFF

Nora Gutierrez, Superintendent

John Speer, Assistant Superintendent for Teaching & Learning

Tracy McLaughlin, Director of Financial Services

Cheryl Burt, Director of Purchasing

Richard Oros, Executive Director of Facilities Management

Kimberly Luvisi, Director of Food Services

James West, Director of Transportation

Wendy Barrie, Director of Special Services

Hilda Ortega-Rosales, Grants and Federal Programs Coordinator

Robin York, English Acquisition Program Coordinator

Vickie Landis, Director of Curriculum & Instruction

Bianca Lochner, Director of Information Technology

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Tolleson Union High School District No. 214

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 Tolleson Union High School District No. 214 (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tolleson Union High School District No. 214, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, for the year ended June 30, 2016, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2016, on our consideration of Tolleson Union High School District No. 214's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tolleson Union High School District No. 214's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 21, 2016

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

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**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

As management of the Tolleson Union High School District No. 214 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2016. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$10.1 million which represents a seven percent increase from the prior fiscal year primarily as a result of efficient management of expenses despite growing enrollment.
- General revenues accounted for \$81.7 million in revenue, or 85 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$14.1 million or 15 percent of total current fiscal year revenues.
- The District had approximately \$85.8 million in expenses related to governmental activities, an increase of eight percent from the prior fiscal year.
- Among major funds, the General Fund had \$50.2 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$53.8 million in expenditures. The General Fund's fund balance decreased from \$34.0 million at the prior fiscal year end to \$31.2 million at the end of the current fiscal year primarily due to decreased property tax revenues from a decrease in the maintenance and operation component of the primary property tax rate.
- The Unrestricted Capital Outlay Fund's fund balance increase from \$6.3 million at the prior fiscal year end to \$12.4 million at the end of the current fiscal year was primarily due to increased property tax revenues from an increase in the capital outlay component of the primary property tax rate.

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.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

OVERVIEW OF FINANCIAL STATEMENTS

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.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

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, Classroom Site, Debt Service, and the Unrestricted Capital Outlay 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 Classroom Site Fund as required supplementary information. Schedules for the pension plan have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$163.4 million at the current fiscal year end.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	As of June 30, 2016	As of June 30, 2015
Current assets	\$ 72,478,187	\$ 66,711,364
Capital assets, net	201,663,111	200,730,680
Total assets	<u>274,141,298</u>	<u>267,442,044</u>
Deferred outflows	<u>11,222,518</u>	<u>9,035,248</u>
Current liabilities	8,732,651	6,613,634
Long-term liabilities	107,282,184	105,861,110
Total liabilities	<u>116,014,835</u>	<u>112,474,744</u>
Deferred inflows	<u>5,903,234</u>	<u>10,645,404</u>
Net position:		
Net investment in capital assets	165,609,147	156,135,103
Restricted	25,057,598	16,754,937
Unrestricted	(27,220,998)	(19,532,896)
Total net position	<u>\$ 163,445,747</u>	<u>\$ 153,357,144</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position reported a deficit of \$27.2 million due to the District's proportionate share of the State pension plan's unfunded liability. The same situation held true for the prior fiscal year.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

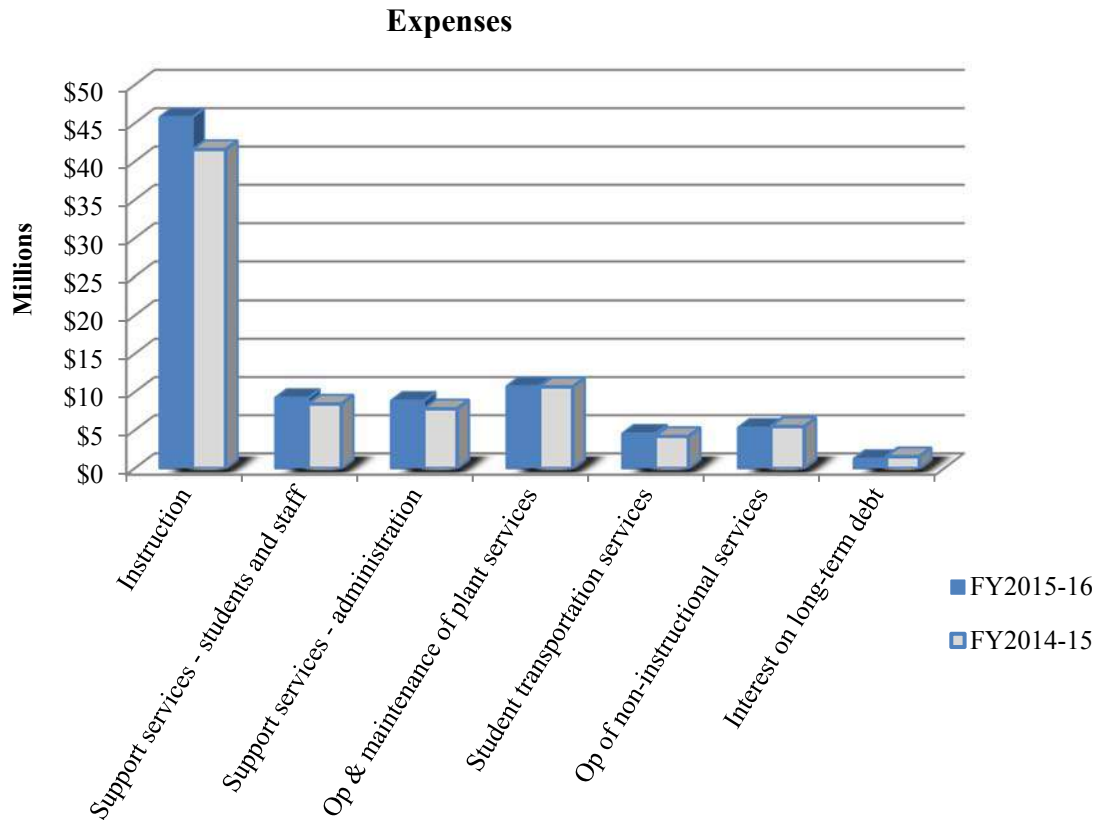
- The principal retirement of \$7.5 million of bonds.
- The addition of \$9.9 million in capital assets through the completion of various school improvements and purchases of vehicles, furniture and equipment.
- The increase of \$9.0 million in pension liabilities.

Changes in net position. The District's total revenues for the current fiscal year were \$95.9 million. The total cost of all programs and services was \$85.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2016 and June 30, 2015.

	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015
Revenues:		
Program revenues:		
Charges for services	\$ 4,204,421	\$ 3,724,904
Operating grants and contributions	8,507,803	8,743,473
Capital grants and contributions	1,433,382	558,372
General revenues:		
Property taxes	35,842,069	40,519,357
Investment income	276,012	202,969
Unrestricted county aid	3,592,379	3,854,071
Unrestricted state aid	42,025,222	39,255,691
Total revenues	95,881,288	96,858,837
Expenses:		
Instruction	45,778,279	41,559,302
Support services – students and staff	9,246,300	8,432,957
Support services – administration	8,859,722	7,791,910
Operation and maintenance of plant services	10,762,379	10,675,799
Student transportation services	4,565,677	4,174,404
Operation of non-instructional services	5,333,271	5,467,527
Interest on long-term debt	1,247,057	1,524,051
Total expenses	85,792,685	79,625,950
Changes in net position	10,088,603	17,232,887
Net position, beginning	153,357,144	136,124,257
Net position, ending	\$ 163,445,747	\$ 153,357,144

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- An increase of \$4.2 million in instructional expenses due primarily to increased purchases for capital items that fall under the capitalization threshold.
- A decrease of \$4.7 million in property tax revenues as a result of a decrease in tax rates.

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.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2016		Year Ended June 30, 2015	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 45,778,279	\$ (40,041,661)	\$ 41,559,302	\$ (36,589,539)
Support services – students and staff	9,246,300	(7,281,201)	8,432,957	(6,277,636)
Support services – administration	8,859,722	(8,257,922)	7,791,910	(7,546,991)
Operation and maintenance of plant services	10,762,379	(10,296,062)	10,675,799	(9,979,285)
Student transportation services	4,565,677	(4,511,158)	4,174,404	(4,174,404)
Operation of non-instructional services	5,333,271	(12,018)	5,467,527	(507,295)
Interest on long-term debt	1,247,057	(1,247,057)	1,524,051	(1,524,051)
Total	<u>\$ 85,792,685</u>	<u>\$ (71,647,079)</u>	<u>\$ 79,625,950</u>	<u>\$ (66,599,201)</u>

- The cost of all governmental activities this year was \$85.8 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$14.1 million.
- Net cost of governmental activities of \$71.6 million was financed by general revenues, which are made up of primarily property taxes of \$35.8 million and state aid of \$42.0 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$54.7 million, an increase of \$4.4 million due primarily to the District adhering to its five year capital expenditure plan while maintaining consistent spending on instruction despite increasing enrollment.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 57 percent of the total fund balance. Approximately 95 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$2.8 million to \$31.2 million was a result of utilization of fund balance.

Fund balance in the Classroom Site Fund increased \$594,294, as a result of increased state aid revenues.

The fund balance of the Debt Service Fund decreased \$52,156, which is not significant.

The fund balance of the Unrestricted Capital Outlay Fund increased \$6.1 million due to increased property tax revenues as a result of higher tax rates.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was an increase of \$1.9 million, or three percent due to student growth and the passage of Proposition 123. There were significant changes in the several line items. The budget was revised up in the support services-administration line item by \$5.5 million while being decreased in the operation and maintenance of plant services line item by \$3.8 million due to revisions made to the budget from anticipated Proposition 123 funding and to more accurately reflect projected energy savings resulting from new roofing and HVAC projects.

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. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant expenditure variances between the final amended budget and actual amounts are summarized as follows:

- The favorable and unfavorable variances in instruction, operation and maintenance of plant, and support services-administration was because the budget was revised late in June 2016 due to Proposition 123 funding and anticipated budget capacity was placed as contingencies in various expenditure functions.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$278.1 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 \$8.9 million from the prior fiscal year, primarily due to completion of several construction projects at school sites. Total depreciation expense for the current fiscal year was \$8.3 million.

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

	As of <u>June 30, 2016</u>	As of <u>June 30, 2015</u>
Capital assets – non-depreciable	\$ 22,808,891	\$ 24,093,405
Capital assets – depreciable, net	<u>178,854,220</u>	<u>176,637,275</u>
Total	<u><u>\$ 201,663,111</u></u>	<u><u>\$ 200,730,680</u></u>

The estimated cost to complete current construction projects is \$2.3 million.

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

Debt Administration. At year end, the District had \$36.0 million in long-term debt outstanding, \$7.3 million due within one year. Long-term debt decreased by \$7.6 million.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$179.6 million and the Class B debt limit is \$119.7 million, both of which are greater 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 7 through 9.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2016**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Fiscal year 2015-16 budget balance carry forward (estimated \$6.9 million).
- District student population (estimated 11,500).

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 seven percent to \$64.5 million in fiscal year 2016-17. This resulted from an increase in average daily membership and carryforward of Proposition 123 monies. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2016-17 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Tolleson Unified School District No. 214, 9801 West Van Buren Street, Tolleson, Arizona 85353.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 54,589,313
Property taxes receivable	1,999,850
Deposits	201,509
Due from governmental entities	14,027,515
Prepaid items	1,660,000
Total current assets	72,478,187
Noncurrent assets:	
Capital assets not being depreciated	22,808,891
Capital assets, net of accumulated depreciation	178,854,220
Total noncurrent assets	201,663,111
Total assets	274,141,298
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	11,222,518
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	3,206,739
Construction contracts payable	14,725
Accrued payroll and employee benefits	4,734,576
Compensated absences payable	167,165
Accrued interest payable	616,625
Unearned revenues	159,986
Obligations under capital leases	92,576
Bonds payable	7,200,000
Total current liabilities	16,192,392
Noncurrent liabilities:	
Non-current portion of long-term obligations	99,822,443
Total noncurrent liabilities	99,822,443
Total liabilities	116,014,835
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	5,903,234
 <u>NET POSITION</u>	
Net investment in capital assets	165,609,147
Restricted for:	
Voter approved initiatives	3,043,082
Federal projects	584,996
Food service	2,342,158
Civic center	520,847
Community school	187,790
Extracurricular activities	274,742
Gifts and donation	396,418
Joint technical education	936,281
Other local initiatives	92,689
Debt service	421,658
Capital outlay	16,256,937
Unrestricted	(27,220,998)
Total net position	\$ 163,445,747

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

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 45,778,279	\$ 2,514,310	\$ 2,325,600	\$ 896,708	\$ (40,041,661)
Support services - students and staff	9,246,300		1,965,099		(7,281,201)
Support services - administration	8,859,722	75,524	98,519	427,757	(8,257,922)
Operation and maintenance of plant services	10,762,379		357,400	108,917	(10,296,062)
Student transportation services	4,565,677		54,519		(4,511,158)
Operation of non-instructional services	5,333,271	1,614,587	3,706,666		(12,018)
Interest on long-term debt	1,247,057				(1,247,057)
Total governmental activities	<u>\$ 85,792,685</u>	<u>\$ 4,204,421</u>	<u>\$ 8,507,803</u>	<u>\$ 1,433,382</u>	<u>(71,647,079)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	9,153,533
Property taxes, levied for debt service	8,322,056
Property taxes, levied for capital outlay	18,366,480
Investment income	276,012
Unrestricted county aid	3,592,379
Unrestricted state aid	42,025,222
Total general revenues	<u>81,735,682</u>

Changes in net position	10,088,603
Net position, beginning of year	<u>153,357,144</u>
Net position, end of year	<u>\$ 163,445,747</u>

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

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FUND FINANCIAL STATEMENTS

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2016

	General	Classroom Site	Debt Service
<u>ASSETS</u>			
Cash and investments	\$ 17,411,314	\$ 5,644,896	\$ 8,110,955
Property taxes receivable	392,065		127,328
Deposits			
Due from governmental entities	12,489,273	397,290	
Due from other funds	477,112		
Prepaid items	1,660,000		
Total assets	\$ 32,429,764	\$ 6,042,186	\$ 8,238,283
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 521,256	\$	\$
Construction contracts payable			
Due to other funds			
Accrued payroll and employee benefits	358,198	4,189,588	
Unearned revenues			
Bonds payable			7,200,000
Bond interest payable			616,625
Total liabilities	879,454	4,189,588	7,816,625
Deferred inflows of resources:			
Unavailable revenues - property taxes	343,285		95,539
Fund balances (deficits):			
Nonspendable	1,660,000		
Restricted		1,852,598	326,119
Unassigned	29,547,025		
Total fund balances	31,207,025	1,852,598	326,119
 Total liabilities, deferred inflows of resources and fund balances	\$ 32,429,764	\$ 6,042,186	\$ 8,238,283

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

Unrestricted Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
\$ 14,344,679	\$ 9,077,469	\$ 54,589,313
1,302,787	177,670	1,999,850
	201,509	201,509
47,224	1,093,728	14,027,515
		477,112
		1,660,000
<u>\$ 15,694,690</u>	<u>\$ 10,550,376</u>	<u>\$ 72,955,299</u>
\$ 2,017,410	\$ 668,073	\$ 3,206,739
	14,725	14,725
	477,112	477,112
	186,790	4,734,576
	159,986	159,986
		7,200,000
		616,625
<u>2,017,410</u>	<u>1,506,686</u>	<u>16,409,763</u>
<u>1,256,433</u>	<u>170,244</u>	<u>1,865,501</u>
12,420,847	8,935,818	1,660,000
	(62,372)	23,535,382
<u>12,420,847</u>	<u>8,873,446</u>	<u>29,484,653</u>
		54,680,035
<u>\$ 15,694,690</u>	<u>\$ 10,550,376</u>	<u>\$ 72,955,299</u>

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TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total governmental fund balances	\$	54,680,035
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 278,121,629	
Less accumulated depreciation	<u>(76,458,518)</u>	201,663,111
<p>Property tax receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
		1,865,501
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	11,222,518	
Deferred inflows of resources related to pensions	<u>(5,903,234)</u>	5,319,284
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(1,339,818)	
Obligations under capital leases	(239,239)	
Net pension liability	(69,903,127)	
Bonds payable	<u>(28,600,000)</u>	<u>(100,082,184)</u>
Net position of governmental activities	\$	<u>163,445,747</u>

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

	<u>General</u>	<u>Classroom Site</u>	<u>Debt Service</u>
Revenues:			
Other local	\$ 4,879,607	\$ 18,048	\$ 23,558
Property taxes	10,653,298		8,358,411
State aid and grants	34,687,554	4,767,479	
Federal aid, grants and reimbursements			
Total revenues	<u>50,220,459</u>	<u>4,785,527</u>	<u>8,381,969</u>
Expenditures:			
Current -			
Instruction	30,849,129	3,745,531	
Support services - students and staff	5,656,048	412,092	
Support services - administration	7,140,077	33,610	
Operation and maintenance of plant services	6,468,156		
Student transportation services	3,073,295		
Operation of non-instructional services	408,680		
Capital outlay	214,659		
Debt service -			
Principal retirement			7,200,000
Interest and fiscal charges			1,234,125
Total expenditures	<u>53,810,044</u>	<u>4,191,233</u>	<u>8,434,125</u>
Excess (deficiency) of revenues over expenditures	<u>(3,589,585)</u>	<u>594,294</u>	<u>(52,156)</u>
Other financing sources (uses):			
Transfers in	598,378		
Transfers out			
Total other financing sources (uses):	<u>598,378</u>		
Changes in fund balances	<u>(2,991,207)</u>	<u>594,294</u>	<u>(52,156)</u>
Fund balances, beginning of year	34,038,232	1,258,304	378,275
Increase (decrease) in reserve for prepaid items	160,000		
Fund balances, end of year	<u>\$ 31,207,025</u>	<u>\$ 1,852,598</u>	<u>\$ 326,119</u>

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

Unrestricted Capital Outlay	Non-Major Governmental Funds	Total Governmental Funds
\$ 68,411	\$ 3,206,993	\$ 8,196,617
15,241,244	2,344,890	36,597,843
1,880,992	1,296,311	42,632,336
	9,210,266	9,210,266
<u>17,190,647</u>	<u>16,058,460</u>	<u>96,637,062</u>
	2,461,502	37,056,162
	1,926,485	7,994,625
	132,452	7,306,139
	543,156	7,011,312
	50,901	3,124,196
	4,440,126	4,848,806
10,992,290	5,009,168	16,216,117
89,068		7,289,068
12,932		1,247,057
<u>11,094,290</u>	<u>14,563,790</u>	<u>92,093,482</u>
<u>6,096,357</u>	<u>1,494,670</u>	<u>4,543,580</u>
		598,378
	<u>(598,378)</u>	<u>(598,378)</u>
	<u>(598,378)</u>	
<u>6,096,357</u>	<u>896,292</u>	<u>4,543,580</u>
6,324,490	7,977,154	49,976,455
		160,000
<u>\$ 12,420,847</u>	<u>\$ 8,873,446</u>	<u>\$ 54,680,035</u>

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

Changes in fund balances - total governmental funds **\$ 4,543,580**

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	\$ 9,891,119	
Less current year depreciation	<u>(8,347,637)</u>	1,543,482

Some property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (755,774)

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	89,068	
Bond principal retirement	<u>7,200,000</u>	7,289,068

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

Current year pension contributions	4,234,191	
Pension expense	<u>(6,331,469)</u>	(2,097,278)

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	160,000	
Loss on disposal of assets	(611,051)	
Compensated absences	<u>16,576</u>	<u>(434,475)</u>

Changes in net position in governmental activities **\$ 10,088,603**

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2016

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 862,504
Total assets	\$ 862,504
 <u>LIABILITIES</u>	
Accounts payable	\$ 13,072
Deposits held for others	133,090
Due to student groups	716,342
Total liabilities	\$ 862,504

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Tolleson Union High School District No. 214 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2016, the District implemented the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements and establishes a hierarchy of inputs to valuation techniques used to measure fair value. This Statement also enhances accountability and transparency through revised note disclosures.

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

A. Reporting Entity

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, bookstore and athletic functions.

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted county and state 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.

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Property taxes, 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.

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classroom Site Fund – The Classroom Site Fund accounts 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.

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.

Unrestricted Capital Outlay Fund – The Unrestricted Capital Outlay Fund accounts for transactions relating to the acquisition of capital items.

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 using 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 stated 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.

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

E. Investment Income

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Property Tax Calendar

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

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

H. 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 on the fund financial statements.

I. Capital Assets

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

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

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Land improvements	10 - 20 years
Buildings and improvements	5 - 60 years
Vehicles, furniture and equipment	3 - 20 years

J. Deferred Outflows/Inflows of Resources

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

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

K. 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.

L. Pensions

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. 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.

N. 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.

O. 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.

P. 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.

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Debt Service Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:					
Nonspendable:					
Prepaid items	\$ 1,660,000	\$	\$	\$	\$
Restricted:					
Debt service			326,119		
Capital projects				12,420,847	2,409,413
Voter approved initiatives		1,852,598			1,190,484
Federal and state projects					584,996
Food service					2,342,158
Civic center					520,847
Community school					187,790
Extracurricular activities					274,742
Gifts and donations					396,418
Joint technical education					936,281
Other purposes					92,689
Unassigned	<u>29,547,025</u>				<u>(62,372)</u>
Total fund balances	<u>\$ 31,207,025</u>	<u>\$1,852,598</u>	<u>\$ 326,119</u>	<u>\$ 12,420,847</u>	<u>\$ 8,873,446</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Other Federal Projects Fund, a non-major governmental fund, reported a deficit in fund balance of \$62,372. The deficit arose because of operations during the year and prior years. Additional revenues received in fiscal year 2016-17 are expected to eliminate the deficit in the Other Federal Projects Fund.

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$269,930 and the bank balance was \$431,996. At year end, \$185,636 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 June year end, the District’s investments consisted of the following:

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	342 days	\$ 55,181,887
Total		\$ 55,181,887

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.

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5 – RECEIVABLES

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

	General Fund	Classroom Site Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$	\$	\$	\$ 919,121
Due from state government	12,489,273	397,290	47,224	148,870
Due from other districts				25,737
Net due from governmental entities	<u>\$ 12,489,273</u>	<u>\$ 397,290</u>	<u>\$ 47,224</u>	<u>\$ 1,093,728</u>

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 20,625,106	\$	\$	\$ 20,625,106
Construction in progress	3,468,299	4,351,314	5,635,828	2,183,785
Total capital assets, not being depreciated	<u>24,093,405</u>	<u>4,351,314</u>	<u>5,635,828</u>	<u>22,808,891</u>
Capital assets, being depreciated:				
Land improvements	14,120,209	2,598,050		16,718,259
Buildings and improvements	207,065,319	3,955,101		211,020,420
Vehicles, furniture and equipment	23,895,307	4,622,482	943,730	27,574,059
Total capital assets being depreciated	<u>245,080,835</u>	<u>11,175,633</u>	<u>943,730</u>	<u>255,312,738</u>
Less accumulated depreciation for:				
Land improvements	(3,221,586)	(811,119)		(4,032,705)
Buildings and improvements	(53,959,818)	(5,445,988)		(59,405,806)
Vehicles, furniture and equipment	(11,262,156)	(2,090,530)	(332,679)	(13,020,007)
Total accumulated depreciation	<u>(68,443,560)</u>	<u>(8,347,637)</u>	<u>(332,679)</u>	<u>(76,458,518)</u>
Total capital assets, being depreciated, net	<u>176,637,275</u>	<u>2,827,996</u>	<u>611,051</u>	<u>178,854,220</u>
Governmental activities capital assets, net	<u>\$ 200,730,680</u>	<u>\$ 7,179,310</u>	<u>\$ 6,246,879</u>	<u>\$ 201,663,111</u>

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,057,146
Support services – students and staff	201,207
Support services – administration	730,890
Operation and maintenance of plant services	3,307,059
Student transportation services	758,781
Operation of non-instructional services	292,554
Total depreciation expense – governmental activities	<u>\$ 8,347,637</u>

Construction Commitments – At year end, the District had contractual commitments related to various renovation projects at Tolleson, Westview, and La Joya Community High Schools, as well as other school upgrades. At year end the District had spent \$2.2 million on the projects and had estimated remaining contractual commitments of \$2.3 million. These projects are being funded with property taxes levied for capital purposes.

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired copiers under the provisions of a long-term lease agreement classified as a capital lease. The 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 are used to pay the capital lease obligations.

The assets acquired through capital leases that meet the District’s capitalization threshold are as follows. Amortization of assets held under capital leases is included with depreciation expense.

	<u>Governmental Activities</u>
Asset:	
Vehicles, furniture and equipment	\$ 452,697
Less: Accumulated depreciation	218,804
Total	<u>\$ 233,893</u>

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

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

Year Ending June 30:	Governmental Activities
2017	\$ 102,000
2018	102,000
2019	<u>52,427</u>
Total minimum lease payments	256,427
Less: amount representing interest	<u>17,188</u>
Present value of minimum lease payments	<u>239,239</u>
Due within one year	<u><u>\$ 92,576</u></u>

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2016	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2007, Series A (2008)	\$ 13,000,000	3.75-4.125%	7/1/16-20	\$ 8,300,000	\$ 1,300,000
School Improvement Bonds, Project of 2007, Series B (2009)	17,900,000	3.0-3.25%	7/1/16-18	15,000,000	5,000,000
School Improvement Bonds, Project of 2007, Series C (2010)	6,500,000	3.0-3.75%	7/1/16-21	6,000,000	900,000
School Improvement Bonds, Project of 2007, Series D (2011)	6,500,000	3.25-3.5%	7/1/19-21	6,500,000	
Total				<u>\$ 35,800,000</u>	<u>\$ 7,200,000</u>

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2017	\$ 7,200,000	\$ 1,120,375
2018	7,400,000	885,125
2019	7,600,000	631,375
2020	4,500,000	417,500
2021	4,500,000	249,375
2022	4,600,000	81,875
Total	<u>\$ 35,800,000</u>	<u>\$ 3,385,625</u>

NOTE 9 – 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:					
General obligation bonds	\$ 43,300,000	\$	\$ 7,500,000	\$ 35,800,000	\$ 7,200,000
Obligations under capital leases	328,307		89,068	239,239	92,576
Net pension liability	60,876,409	9,026,718		69,903,127	
Compensated absences payable	1,356,394	369,324	385,900	1,339,818	167,165
Governmental activity long-term liabilities	<u>\$105,861,110</u>	<u>\$ 9,396,042</u>	<u>\$ 7,974,968</u>	<u>\$ 107,282,184</u>	<u>\$ 7,459,741</u>

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

At year end, several non-major governmental funds had negative cash balances in the Treasurer's pooled cash accounts of \$477,112. 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.

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

Transfers between funds are used to move \$598,378 of federal grant funds restricted for indirect costs.

NOTE 11 – CONTINGENT LIABILITIES

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

NOTE 12 – RISK MANAGEMENT

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

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

The District 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.

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 – RISK MANAGEMENT

The District joined the Valley Schools Employee Benefit Trust (VSEBT) for risks of loss related to employee health and accident claims. VSEBT 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 VSEBT for employees’ health and accident insurance coverage. The agreement provides that VSEBT 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 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2016 were \$4,234,191.

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

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

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2016	\$	195,124	\$	46,830
2015		243,775		49,581
2014		230,136		92,055

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Liability. At June 30, 2016, the District reported a liability of \$69.9 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District’s proportion was 0.45 percent, which was an increase of .04 percent from its proportion measured as of June 30, 2014.

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2016, the District recognized pension expense of \$6,331,469 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,907,505	\$ 3,662,994
Net difference between projected and actual earnings on pension plan investments		2,240,240
Changes in proportion and differences between contributions and proportionate share of contributions	5,080,822	
Contributions subsequent to the measurement date	4,234,191	
Total	\$ 11,222,518	\$ 5,903,234

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2017	\$ 1,082,425
2018	(383,509)
2019	(1,230,997)
2020	1,617,174

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Actuarial valuation date	June 30, 2014
Actuarial roll forward date	June 30, 2015
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

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

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

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

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$91,596,984	\$69,903,127	\$55,035,725

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

NOTE 14 – SUBSEQUENT EVENT

In November 2016, voters of the District authorized a Maintenance and Operations override of 15 percent, to begin in fiscal year 2017-18.

REQUIRED SUPPLEMENTARY INFORMATION

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 3,779,594	\$ 3,779,594
Property taxes			10,653,298	10,653,298
State aid and grants			34,687,554	34,687,554
Total revenues			<u>49,120,446</u>	<u>49,120,446</u>
Expenditures:				
Current -				
Instruction	31,235,206	31,599,479	30,057,078	1,542,401
Support services - students and staff	6,034,750	5,485,670	5,390,296	95,374
Support services - administration	9,611,989	15,134,518	6,918,955	8,215,563
Operation and maintenance of plant services	8,512,514	4,704,044	6,348,428	(1,644,384)
Student transportation services	2,927,575	3,255,420	3,041,855	213,565
Operation of non-instructional services	229,718	294,500	327,758	(33,258)
Total expenditures	<u>58,551,752</u>	<u>60,473,631</u>	<u>52,084,370</u>	<u>8,389,261</u>
Changes in fund balances	<u>(58,551,752)</u>	<u>(60,473,631)</u>	<u>(2,963,924)</u>	<u>57,509,707</u>
Fund balances, beginning of year			30,611,871	30,611,871
Increase (decrease) in reserve for prepaid items			160,000	160,000
Fund balances (deficits), end of year	<u>\$ (58,551,752)</u>	<u>\$ (60,473,631)</u>	<u>\$ 27,807,947</u>	<u>\$ 88,281,578</u>

See accompanying notes to this schedule.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLASSROOM SITE
YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local	\$	\$	\$ 18,048	\$ 18,048
State aid and grants			4,767,479	4,767,479
Total revenues			<u>4,785,527</u>	<u>4,785,527</u>
Expenditures:				
Current -				
Instruction	4,180,211	6,406,637	3,745,531	2,661,106
Support services - students and staff	342,391	612,887	412,092	200,795
Support services - administration			33,610	(33,610)
Total expenditures	<u>4,522,602</u>	<u>7,019,524</u>	<u>4,191,233</u>	<u>2,828,291</u>
Changes in fund balances	<u>(4,522,602)</u>	<u>(7,019,524)</u>	<u>594,294</u>	<u>7,613,818</u>
Fund balances, beginning of year			1,258,304	1,258,304
Fund balances (deficits), end of year	<u>\$ (4,522,602)</u>	<u>\$ (7,019,524)</u>	<u>\$ 1,852,598</u>	<u>\$ 8,872,122</u>

See accompanying notes to this schedule.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.45%	0.41%
District's proportionate share of the net pension liability (asset)	\$ 69,903,127	\$ 60,876,409
District's covered payroll	\$ 41,317,805	\$ 38,356,047
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	169.18%	158.71%
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%

**SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 4,234,191	\$ 4,499,509
Contributions in relation to the actuarially determined contribution	<u>4,234,191</u>	<u>4,499,509</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 39,024,802	\$ 41,317,805
Contributions as a percentage of covered payroll	10.85%	10.89%

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

See accompanying notes to this schedule.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 JUNE 30, 2016**

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 53,810,044	\$ 31,207,025
Activity budgeted as special revenue funds	(1,725,674)	(3,399,078)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 52,084,370	\$ 27,807,947

NOTE 2 – PENSION PLAN SCHEDULES

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

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

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

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

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GOVERNMENTAL FUNDS

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 6,633,521	\$ 2,443,948	\$ 9,077,469
Property taxes receivable		177,670	177,670
Deposits	201,509		201,509
Due from governmental entities	1,070,105	23,623	1,093,728
Total assets	<u>\$ 7,905,135</u>	<u>\$ 2,645,241</u>	<u>\$ 10,550,376</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 617,214	\$ 50,859	\$ 668,073
Construction contracts payable		14,725	14,725
Due to other funds	477,112		477,112
Accrued payroll and employee benefits	186,790		186,790
Unearned revenues	159,986		159,986
Total liabilities	<u>1,441,102</u>	<u>65,584</u>	<u>1,506,686</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		170,244	170,244
Fund balances (deficits):			
Restricted	6,526,405	2,409,413	8,935,818
Unassigned	(62,372)		(62,372)
Total fund balances	<u>6,464,033</u>	<u>2,409,413</u>	<u>8,873,446</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 7,905,135</u>	 <u>\$ 2,645,241</u>	 <u>\$ 10,550,376</u>

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2016

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 3,000,977	\$ 206,016	\$ 3,206,993
Property taxes		2,344,890	2,344,890
State aid and grants	1,187,394	108,917	1,296,311
Federal aid, grants and reimbursements	9,210,266		9,210,266
Total revenues	<u>13,398,637</u>	<u>2,659,823</u>	<u>16,058,460</u>
Expenditures:			
Current -			
Instruction	2,461,502		2,461,502
Support services - students and staff	1,926,485		1,926,485
Support services - administration	132,452		132,452
Operation and maintenance of plant services	543,156		543,156
Student transportation services	50,901		50,901
Operation of non-instructional services	4,440,126		4,440,126
Capital outlay	2,354,729	2,654,439	5,009,168
Total expenditures	<u>11,909,351</u>	<u>2,654,439</u>	<u>14,563,790</u>
Excess (deficiency) of revenues over expenditures	<u>1,489,286</u>	<u>5,384</u>	<u>1,494,670</u>
Other financing sources (uses):			
Transfers out	(598,378)		(598,378)
Total other financing sources (uses):	<u>(598,378)</u>		<u>(598,378)</u>
Changes in fund balances	<u>890,908</u>	<u>5,384</u>	<u>896,292</u>
Fund balances, beginning of year	5,573,125	2,404,029	7,977,154
Fund balances, end of year	<u>\$ 6,464,033</u>	<u>\$ 2,409,413</u>	<u>\$ 8,873,446</u>

SPECIAL REVENUE FUNDS

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

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

Student Success - to account for student success monies.

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

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

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

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

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

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

Johnson O'Malley - to account for financial assistance received to meet the unique educational needs of eligible Indian 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.

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

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

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

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

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

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.

Career and Technical Education and Vocational Education Projects - to account for activity related to the production and subsequent sale of items produced in an instructional program by career and technical and vocational education pupils.

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

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.

Joint Technical Education - to account for monies received from Joint Technical Education Districts for vocational education programs.

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Instructional Improvement	County, City, and Town Grants	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 1,065,237	\$ 5,826	\$ 83,866
Deposits			
Due from governmental entities	125,247		382,542
Total assets	\$ 1,190,484	\$ 5,826	\$ 466,408
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 399,560
Due to other funds			
Accrued payroll and employee benefits			66,848
Unearned revenues			
Total liabilities			466,408
Fund balances (deficits):			
Restricted	1,190,484	5,826	
Unassigned			
Total fund balances	1,190,484	5,826	
Total liabilities and fund balances	\$ 1,190,484	\$ 5,826	\$ 466,408

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>
\$ 83,480	\$	\$	\$	\$	\$
	28	635	7,388	310,689	495
<u>\$ 83,480</u>	<u>\$ 28</u>	<u>\$ 635</u>	<u>\$ 7,388</u>	<u>\$ 310,689</u>	<u>\$ 495</u>
\$ 5,316	\$	\$	\$	\$ 82,715	\$
9,101	28	635	7,388	227,974	495
<u>69,063</u>					
<u>83,480</u>	<u>28</u>	<u>635</u>	<u>7,388</u>	<u>310,689</u>	<u>495</u>
<u>\$ 83,480</u>	<u>\$ 28</u>	<u>\$ 635</u>	<u>\$ 7,388</u>	<u>\$ 310,689</u>	<u>\$ 495</u>

(Continued)

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016**

	Vocational Education	Homeless Education	E-Rate
<u>ASSETS</u>			
Cash and investments	\$	\$	\$ 597,194
Deposits			
Due from governmental entities	175,175	3,041	
Total assets	\$ 175,175	\$ 3,041	\$ 597,194
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 12,198
Due to other funds	175,175	3,041	
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	175,175	3,041	12,198
Fund balances (deficits):			
Restricted			584,996
Unassigned			
Total fund balances			584,996
Total liabilities and fund balances	\$ 175,175	\$ 3,041	\$ 597,194

<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
\$	\$ 10,818	\$ 148,461	\$ 2,175,830	\$ 560,868	\$ 233,374
			201,509		
4			39,124		
<u>\$ 4</u>	<u>\$ 10,818</u>	<u>\$ 148,461</u>	<u>\$ 2,416,463</u>	<u>\$ 560,868</u>	<u>\$ 233,374</u>
\$	\$	\$ 68,356	\$ 49,069	\$	\$
62,376			25,236	40,021	45,584
	10,818	80,105			
<u>62,376</u>	<u>10,818</u>	<u>148,461</u>	<u>74,305</u>	<u>40,021</u>	<u>45,584</u>
			2,342,158	520,847	187,790
<u>(62,372)</u>			<u>2,342,158</u>	<u>520,847</u>	<u>187,790</u>
<u>\$ 4</u>	<u>\$ 10,818</u>	<u>\$ 148,461</u>	<u>\$ 2,416,463</u>	<u>\$ 560,868</u>	<u>\$ 233,374</u>

(Continued)

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2016**

	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Career, Technical and Vocational Education
<u>ASSETS</u>			
Cash and investments	\$ 274,742	\$ 396,418	\$ 10,013
Deposits			
Due from governmental entities			
Total assets	\$ 274,742	\$ 396,418	\$ 10,013
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues	_____	_____	_____
Total liabilities	_____	_____	_____
Fund balances (deficits):			
Restricted	274,742	396,418	10,013
Unassigned			
Total fund balances	274,742	396,418	10,013
 Total liabilities and fund balances	\$ 274,742	\$ 396,418	\$ 10,013

<u>Fingerprint</u>	<u>Textbooks</u>	<u>Grants and Gifts to Teachers</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 2,216	\$ 69,867	\$ 4,767	\$ 910,544	\$ 6,633,521
				201,509
			25,737	1,070,105
<u>\$ 2,216</u>	<u>\$ 69,867</u>	<u>\$ 4,767</u>	<u>\$ 936,281</u>	<u>\$ 7,905,135</u>
\$	\$	\$	\$	\$ 617,214
				477,112
				186,790
				159,986
				<u>1,441,102</u>
2,216	69,867	4,767	936,281	6,526,405
				(62,372)
<u>2,216</u>	<u>69,867</u>	<u>4,767</u>	<u>936,281</u>	<u>6,464,033</u>
<u>\$ 2,216</u>	<u>\$ 69,867</u>	<u>\$ 4,767</u>	<u>\$ 936,281</u>	<u>\$ 7,905,135</u>

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Instructional Improvement	County, City, and Town Grants	Title I Grants
Revenues:			
Other local	\$ 4,701	\$ 15,146	\$
State aid and grants	689,197		
Federal aid, grants and reimbursements			2,547,716
Total revenues	693,898	15,146	2,547,716
Expenditures:			
Current -			
Instruction	114,474	11,915	1,251,802
Support services - students and staff			724,425
Support services - administration			38,471
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	65,403		
Capital outlay			442,760
Total expenditures	179,877	11,915	2,457,458
Excess (deficiency) of revenues over expenditures	514,021	3,231	90,258
Other financing sources (uses):			
Transfers out			(90,258)
Total other financing sources (uses):			(90,258)
Changes in fund balances	514,021	3,231	
Fund balances (deficits), beginning of year	676,463	2,595	
Fund balances, end of year	\$ 1,190,484	\$ 5,826	\$

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Indian Education	Special Education Grants	Johnson O'Malley
\$	\$	\$	\$	\$	\$
168,762	150,349	21,349	10,903	1,365,399	2,936
<u>168,762</u>	<u>150,349</u>	<u>21,349</u>	<u>10,903</u>	<u>1,365,399</u>	<u>2,936</u>
134,321	111,885	9,575	5,683	470,207	1,285
27,205	11,776	10,411	4,391	720,975	1,525
		150		8,920	
		797	24	376	
	17,067			113,380	
<u>161,526</u>	<u>140,728</u>	<u>20,933</u>	<u>10,098</u>	<u>1,313,858</u>	<u>2,810</u>
7,236	9,621	416	805	51,541	126
(7,236)	(9,621)	(416)	(805)	(51,541)	(126)
<u>(7,236)</u>	<u>(9,621)</u>	<u>(416)</u>	<u>(805)</u>	<u>(51,541)</u>	<u>(126)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Vocational Education	Homeless Education	E-Rate
Revenues:			
Other local	\$	\$	\$ 311
State aid and grants			
Federal aid, grants and reimbursements	561,223	20,045	555,528
Total revenues	561,223	20,045	555,839
Expenditures:			
Current -			
Instruction	175,524	8,803	
Support services - students and staff	175,276	10,082	
Support services - administration	8,972		10,335
Operation and maintenance of plant services			
Student transportation services		300	
Operation of non-instructional services			
Capital outlay	195,730		651,105
Total expenditures	555,502	19,185	661,440
Excess (deficiency) of revenues over expenditures	5,721	860	(105,601)
Other financing sources (uses):			
Transfers out	(5,721)	(860)	
Total other financing sources (uses):	(5,721)	(860)	
Changes in fund balances			(105,601)
Fund balances (deficits), beginning of year			690,597
Fund balances (deficits), end of year	\$	\$	\$ 584,996

<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
\$	\$	\$	\$	\$	\$
	151,771	346,426	1,254,743	300,476	164,575
99,390			3,706,666		
<u>99,390</u>	<u>151,771</u>	<u>346,426</u>	<u>4,961,409</u>	<u>300,476</u>	<u>164,575</u>
110,887	116,717				64,261
11,469			9,506		8,378
		346,426	175,129	11,540	5,286
	35,054				
			4,152,432	170,714	51,577
			182,946		
<u>122,356</u>	<u>151,771</u>	<u>346,426</u>	<u>4,520,013</u>	<u>182,254</u>	<u>129,502</u>
<u>(22,966)</u>			<u>441,396</u>	<u>118,222</u>	<u>35,073</u>
(917)			(430,877)		
<u>(917)</u>			<u>(430,877)</u>		
<u>(23,883)</u>			<u>10,519</u>	<u>118,222</u>	<u>35,073</u>
<u>(38,489)</u>			<u>2,331,639</u>	<u>402,625</u>	<u>152,717</u>
<u>\$ (62,372)</u>	<u>\$</u>	<u>\$</u>	<u>\$ 2,342,158</u>	<u>\$ 520,847</u>	<u>\$ 187,790</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Career, Technical and Vocational Education
Revenues:			
Other local	\$ 77,805	\$ 49,427	\$ 12,989
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	77,805	49,427	12,989
Expenditures:			
Current -			
Instruction	39,533	11,684	2,799
Support services - students and staff	225	463	
Support services - administration		2,820	
Operation and maintenance of plant services		4,775	
Student transportation services	11,204	3,094	52
Operation of non-instructional services			
Capital outlay	4,597	1,515	325
Total expenditures	55,559	24,351	3,176
Excess (deficiency) of revenues over expenditures	22,246	25,076	9,813
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	22,246	25,076	9,813
Fund balances (deficits), beginning of year	252,496	371,342	200
Fund balances, end of year	\$ 274,742	\$ 396,418	\$ 10,013

<u>Fingerprint</u>	<u>Textbooks</u>	<u>Grants and Gifts to Teachers</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 1,409	\$ 41,812	\$ 355	\$ 1,077,228	\$ 3,000,977
				1,187,394
				9,210,266
<u>1,409</u>	<u>41,812</u>	<u>355</u>	<u>1,077,228</u>	<u>13,398,637</u>
			66,353	2,461,502
		150	20,887	1,926,485
1,694			4,225	132,452
				543,156
				50,901
				4,440,126
			745,304	2,354,729
<u>1,694</u>		<u>150</u>	<u>836,769</u>	<u>11,909,351</u>
<u>(285)</u>	<u>41,812</u>	<u>205</u>	<u>240,459</u>	<u>1,489,286</u>
				(598,378)
				(598,378)
<u>(285)</u>	<u>41,812</u>	<u>205</u>	<u>240,459</u>	<u>890,908</u>
2,501	28,055	4,562	695,822	5,573,125
<u>\$ 2,216</u>	<u>\$ 69,867</u>	<u>\$ 4,767</u>	<u>\$ 936,281</u>	<u>\$ 6,464,033</u>

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 4,701	\$ 4,701
State aid and grants		689,197	689,197
Federal aid, grants and reimbursements			
Total revenues		<u>693,898</u>	<u>693,898</u>
Expenditures:			
Current -			
Instruction	114,476	114,474	2
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	65,403	65,403	
Capital outlay			
Total expenditures	<u>179,879</u>	<u>179,877</u>	<u>2</u>
Excess (deficiency) of revenues over expenditures	<u>(179,879)</u>	<u>514,021</u>	<u>693,900</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(179,879)</u>	<u>514,021</u>	<u>693,900</u>
Fund balances (deficits), beginning of year		676,463	676,463
Fund balances (deficits), end of year	<u>\$ (179,879)</u>	<u>\$ 1,190,484</u>	<u>\$ 1,370,363</u>

County, City, and Town Grants			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 15,146	\$ 15,146	\$	\$	\$
	<u>15,146</u>	<u>15,146</u>			
17,740	11,915	5,825	350,373		350,373
<u>17,740</u>	<u>11,915</u>	<u>5,825</u>	<u>350,373</u>		<u>350,373</u>
<u>(17,740)</u>	<u>3,231</u>	<u>20,971</u>	<u>(350,373)</u>		<u>350,373</u>
<u>(17,740)</u>	<u>3,231</u>	<u>20,971</u>	<u>(350,373)</u>		<u>350,373</u>
	2,595	2,595		697	697
<u>\$ (17,740)</u>	<u>\$ 5,826</u>	<u>\$ 23,566</u>	<u>\$ (350,373)</u>	<u>\$ 697</u>	<u>\$ 351,070</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		2,547,716	2,547,716
Total revenues		<u>2,547,716</u>	<u>2,547,716</u>
Expenditures:			
Current -			
Instruction	1,820,172	1,251,802	568,370
Support services - students and staff	770,000	724,425	45,575
Support services - administration	40,000	38,471	1,529
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	450,000	442,760	7,240
Total expenditures	<u>3,080,172</u>	<u>2,457,458</u>	<u>622,714</u>
Excess (deficiency) of revenues over expenditures	<u>(3,080,172)</u>	<u>90,258</u>	<u>3,170,430</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(90,258)	(90,258)
Total other financing sources (uses):		<u>(90,258)</u>	<u>(90,258)</u>
Changes in fund balances	<u>(3,080,172)</u>		<u>3,080,172</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (3,080,172)</u>	<u>\$</u>	<u>\$ 3,080,172</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	168,762	168,762		150,349	150,349
	168,762	168,762		150,349	150,349
10,000		10,000			
196,765	134,321	62,444		111,885	(111,885)
30,000	27,205	2,795		11,776	(11,776)
				17,067	(17,067)
236,765	161,526	75,239		140,728	(140,728)
(236,765)	7,236	244,001		9,621	9,621
	(7,236)	(7,236)		(9,621)	(9,621)
	(7,236)	(7,236)		(9,621)	(9,621)
(236,765)		236,765			
\$ (236,765)	\$	\$ 236,765	\$	\$	\$

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Limited English & Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		21,349	21,349
Total revenues		21,349	21,349
Expenditures:			
Current -			
Instruction	27,769	9,575	18,194
Support services - students and staff	15,000	10,411	4,589
Support services - administration	1,000	150	850
Operation and maintenance of plant services			
Student transportation services	1,000	797	203
Operation of non-instructional services			
Capital outlay			
Total expenditures	44,769	20,933	23,836
Excess (deficiency) of revenues over expenditures	(44,769)	416	45,185
Other financing sources (uses):			
Transfers in			
Transfers out		(416)	(416)
Total other financing sources (uses):		(416)	(416)
Changes in fund balances	(44,769)		44,769
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	\$ (44,769)	\$	\$ 44,769

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	10,903	10,903		1,365,399	1,365,399
	10,903	10,903		1,365,399	1,365,399
5,845	5,683	162	751,321	470,207	281,114
6,000	4,391	1,609	750,000	720,975	29,025
			10,000	8,920	1,080
	24	(24)	1,000	376	624
			120,000	113,380	6,620
11,845	10,098	1,747	1,632,321	1,313,858	318,463
(11,845)	805	12,650	(1,632,321)	51,541	1,683,862
	(805)	(805)		(51,541)	(51,541)
	(805)	(805)		(51,541)	(51,541)
(11,845)		11,845	(1,632,321)		1,632,321
\$ (11,845)	\$	\$ 11,845	\$ (1,632,321)	\$	\$ 1,632,321

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Johnson O'Malley		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		2,936	2,936
Total revenues		<u>2,936</u>	<u>2,936</u>
Expenditures:			
Current -			
Instruction		1,285	(1,285)
Support services - students and staff		1,525	(1,525)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		<u>2,810</u>	<u>(2,810)</u>
Excess (deficiency) of revenues over expenditures		<u>126</u>	<u>126</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(126)	(126)
Total other financing sources (uses):		<u>(126)</u>	<u>(126)</u>
Changes in fund balances			
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Vocational Education			Homeless Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	561,223	561,223		20,045	20,045
	561,223	561,223		20,045	20,045
505,318	175,524	329,794	16,991	8,803	8,188
180,000	175,276	4,724	15,000	10,082	4,918
10,100	8,972	1,128			
			1,000	300	700
200,000	195,730	4,270			
895,418	555,502	339,916	32,991	19,185	13,806
(895,418)	5,721	901,139	(32,991)	860	33,851
	(5,721)	(5,721)		(860)	(860)
	(5,721)	(5,721)		(860)	(860)
(895,418)		895,418	(32,991)		32,991
\$ (895,418)	\$	\$ 895,418	\$ (32,991)	\$	\$ 32,991

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		8	8
Federal aid, grants and reimbursements			
Total revenues		8	8
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	9,000	8,665	335
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	9,000	8,665	335
Excess (deficiency) of revenues over expenditures	(9,000)	(8,657)	343
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(9,000)	(8,657)	343
Fund balances (deficits), beginning of year		16,751	16,751
Fund balances (deficits), end of year	\$ (9,000)	\$ 8,094	\$ 17,094

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 311	\$ 311	\$	\$	\$
	555,528	555,528		99,390	99,390
	555,839	555,839		99,390	99,390
			122,896	110,887	12,009
			15,000	11,469	3,531
11,000	10,335	665			
113,300	651,105	(537,805)			
124,300	661,440	(537,140)	137,896	122,356	15,540
(124,300)	(105,601)	18,699	(137,896)	(22,966)	114,930
				(917)	(917)
				(917)	(917)
(124,300)	(105,601)	18,699	(137,896)	(23,883)	114,013
	690,597	690,597		(38,489)	(38,489)
\$ (124,300)	\$ 584,996	\$ 709,296	\$ (137,896)	\$ (62,372)	\$ 75,524

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		151,771	151,771
Federal aid, grants and reimbursements			
Total revenues		<u>151,771</u>	<u>151,771</u>
Expenditures:			
Current -			
Instruction	129,206	116,717	12,489
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	40,000	35,054	4,946
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>169,206</u>	<u>151,771</u>	<u>17,435</u>
Excess (deficiency) of revenues over expenditures	<u>(169,206)</u>		<u>169,206</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(169,206)</u>		<u>169,206</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (169,206)</u>	<u>\$</u>	<u>\$ 169,206</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	346,426	346,426		77,248	77,248
	<u>346,426</u>	<u>346,426</u>		<u>77,248</u>	<u>77,248</u>
478,947	346,426	132,521	53,457	12,500	40,957
			5,000	1,200	3,800
<u>478,947</u>	<u>346,426</u>	<u>132,521</u>	<u>58,457</u>	<u>13,700</u>	<u>44,757</u>
<u>(478,947)</u>		<u>478,947</u>	<u>(58,457)</u>	<u>63,548</u>	<u>122,005</u>
<u>(478,947)</u>		<u>478,947</u>	<u>(58,457)</u>	<u>63,548</u>	<u>122,005</u>
				311,685	311,685
<u>\$ (478,947)</u>	<u>\$</u>	<u>\$ 478,947</u>	<u>\$ (58,457)</u>	<u>\$ 375,233</u>	<u>\$ 433,690</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Food Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,254,743	\$ 1,254,743
State aid and grants			
Federal aid, grants and reimbursements		3,706,666	3,706,666
Total revenues		<u>4,961,409</u>	<u>4,961,409</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		9,506	494
Support services - administration	10,000		
Operation and maintenance of plant services	180,000	175,129	4,871
Student transportation services			
Operation of non-instructional services	4,510,000	4,152,432	357,568
Capital outlay	200,000	182,946	17,054
Total expenditures	<u>4,900,000</u>	<u>4,520,013</u>	<u>379,987</u>
Excess (deficiency) of revenues over expenditures	<u>(4,900,000)</u>	<u>441,396</u>	<u>5,341,396</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(430,877)	(430,877)
Total other financing sources (uses):		<u>(430,877)</u>	<u>(430,877)</u>
Changes in fund balances	<u>(4,900,000)</u>	<u>10,519</u>	<u>4,910,519</u>
Fund balances (deficits), beginning of year		2,331,639	2,331,639
Fund balances (deficits), end of year	<u>\$ (4,900,000)</u>	<u>\$ 2,342,158</u>	<u>\$ 7,242,158</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 300,476	\$ 300,476	\$	\$ 164,575	\$ 164,575
	<u>300,476</u>	<u>300,476</u>		<u>164,575</u>	<u>164,575</u>
			33,153	64,261	(31,108)
12,000	11,540	460	9,000	8,378	622
61,661	170,714	(109,053)	6,000	5,286	714
<u>73,661</u>	<u>182,254</u>	<u>(108,593)</u>	<u>58,153</u>	<u>129,502</u>	<u>(71,349)</u>
<u>(73,661)</u>	<u>118,222</u>	<u>191,883</u>	<u>(58,153)</u>	<u>35,073</u>	<u>93,226</u>
<u>(73,661)</u>	<u>118,222</u>	<u>191,883</u>	<u>(58,153)</u>	<u>35,073</u>	<u>93,226</u>
	402,625	402,625		152,717	152,717
<u>\$ (73,661)</u>	<u>\$ 520,847</u>	<u>\$ 594,508</u>	<u>\$ (58,153)</u>	<u>\$ 187,790</u>	<u>\$ 245,943</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 981,795	\$ 981,795
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>981,795</u>	<u>981,795</u>
Expenditures:			
Current -			
Instruction	503,665	771,778	(268,113)
Support services - students and staff	30,000	19,386	10,614
Support services - administration	46,000	41,200	4,800
Operation and maintenance of plant services	50,000	117,779	(67,779)
Student transportation services	35,000	31,440	3,560
Operation of non-instructional services	70,000	65,711	4,289
Capital outlay	20,000	131,388	(111,388)
Total expenditures	<u>754,665</u>	<u>1,178,682</u>	<u>(424,017)</u>
Excess (deficiency) of revenues over expenditures	<u>(754,665)</u>	<u>(196,887)</u>	<u>557,778</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(754,665)</u>	<u>(196,887)</u>	<u>557,778</u>
Fund balances (deficits), beginning of year		1,366,711	1,366,711
Fund balances (deficits), end of year	<u>\$ (754,665)</u>	<u>\$ 1,169,824</u>	<u>\$ 1,924,489</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 77,805	\$ 77,805	\$	\$ 49,427	\$ 49,427
	<u>77,805</u>	<u>77,805</u>		<u>49,427</u>	<u>49,427</u>
4,469	39,533	(35,064)	91,000	11,684	79,316
1,000	225	775	1,000	463	537
			5,000	2,820	2,180
			5,000	4,775	225
1,000	11,204	(10,204)	5,000	3,094	1,906
1,000	4,597	(3,597)	2,000	1,515	485
<u>7,469</u>	<u>55,559</u>	<u>(48,090)</u>	<u>109,000</u>	<u>24,351</u>	<u>84,649</u>
<u>(7,469)</u>	<u>22,246</u>	<u>29,715</u>	<u>(109,000)</u>	<u>25,076</u>	<u>134,076</u>
<u>(7,469)</u>	<u>22,246</u>	<u>29,715</u>	<u>(109,000)</u>	<u>25,076</u>	<u>134,076</u>
	252,496	252,496		371,342	371,342
<u>\$ (7,469)</u>	<u>\$ 274,742</u>	<u>\$ 282,211</u>	<u>\$ (109,000)</u>	<u>\$ 396,418</u>	<u>\$ 505,418</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Career, Technical and Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 12,989	\$ 12,989
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		12,989	12,989
Expenditures:			
Current -			
Instruction	3,176	2,799	377
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		52	(52)
Operation of non-instructional services			
Capital outlay		325	(325)
Total expenditures	3,176	3,176	
Excess (deficiency) of revenues over expenditures	(3,176)	9,813	12,989
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(3,176)	9,813	12,989
Fund balances (deficits), beginning of year		200	200
Fund balances (deficits), end of year	\$ (3,176)	\$ 10,013	\$ 13,189

Fingerprint			Textbooks		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,409	\$ 1,409	\$	\$ 41,812	\$ 41,812
	<u>1,409</u>	<u>1,409</u>		<u>41,812</u>	<u>41,812</u>
2,500	1,694	806			
<u>2,500</u>	<u>1,694</u>	<u>806</u>			
<u>(2,500)</u>	<u>(285)</u>	<u>2,215</u>		<u>41,812</u>	<u>41,812</u>
<u>(2,500)</u>	<u>(285)</u>	<u>2,215</u>		<u>41,812</u>	<u>41,812</u>
	2,501	2,501		28,055	28,055
<u>\$ (2,500)</u>	<u>\$ 2,216</u>	<u>\$ 4,716</u>	<u>\$</u>	<u>\$ 69,867</u>	<u>\$ 69,867</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Litigation Recovery		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 18,113	\$ 18,113
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>18,113</u>	<u>18,113</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>18,113</u>	<u>18,113</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		<u>18,113</u>	<u>18,113</u>
Fund balances (deficits), beginning of year		64,321	64,321
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 82,434</u>	<u>\$ 82,434</u>

Indirect Costs			Grants and Gifts to Teachers		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 22,848	\$ 22,848	\$	\$ 355	\$ 355
	<u>22,848</u>	<u>22,848</u>		<u>355</u>	<u>355</u>
25,000	20,273	4,727			
209,831	246,366	(36,535)		150	(150)
165,000	158,757	6,243			
1,000	749	251			
20,000	15,211	4,789			
90,000	83,271	6,729			
<u>510,831</u>	<u>524,627</u>	<u>(13,796)</u>		<u>150</u>	<u>(150)</u>
<u>(510,831)</u>	<u>(501,779)</u>	<u>9,052</u>		<u>205</u>	<u>205</u>
	598,378	598,378			
	<u>598,378</u>	<u>598,378</u>			
<u>(510,831)</u>	<u>96,599</u>	<u>607,430</u>		<u>205</u>	<u>205</u>
	1,665,993	1,665,993		4,562	4,562
<u>\$ (510,831)</u>	<u>\$ 1,762,592</u>	<u>\$ 2,273,423</u>	<u>\$</u>	<u>\$ 4,767</u>	<u>\$ 4,767</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2016

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 1	\$ 1
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1</u>	<u>1</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>1</u>	<u>1</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		<u>1</u>	<u>1</u>
Fund balances (deficits), beginning of year		203	203
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 204</u>	<u>\$ 204</u>

Joint Technical Education			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,077,228	\$ 1,077,228	\$	\$ 4,100,990	\$ 4,100,990
				1,187,394	1,187,394
				9,210,266	9,210,266
	<u>1,077,228</u>	<u>1,077,228</u>		<u>14,498,650</u>	<u>14,498,650</u>
70,000	66,353	3,647	4,602,570	3,253,553	1,349,017
25,000	20,887	4,113	2,214,596	2,192,237	22,359
5,000	4,225	775	407,057	353,574	53,483
			737,947	662,884	75,063
			84,000	82,341	1,659
			4,737,064	4,521,048	216,016
1,126,693	745,304	381,389	2,322,993	2,569,388	(246,395)
<u>1,226,693</u>	<u>836,769</u>	<u>389,924</u>	<u>15,106,227</u>	<u>13,635,025</u>	<u>1,471,202</u>
<u>(1,226,693)</u>	<u>240,459</u>	<u>1,467,152</u>	<u>(15,106,227)</u>	<u>863,625</u>	<u>15,969,852</u>
				598,378	598,378
				<u>(598,378)</u>	<u>(598,378)</u>
<u>(1,226,693)</u>	<u>240,459</u>	<u>1,467,152</u>	<u>(15,106,227)</u>	<u>863,625</u>	<u>15,969,852</u>
	695,822	695,822		8,999,486	8,999,486
<u>\$ (1,226,693)</u>	<u>\$ 936,281</u>	<u>\$ 2,162,974</u>	<u>\$ (15,106,227)</u>	<u>\$ 9,863,111</u>	<u>\$ 24,969,338</u>

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DEBT SERVICE FUND

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

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET AND ACTUAL
 ALL DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2016**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 23,558	\$ 23,558
Property taxes		8,358,411	8,358,411
Total revenues		<u>8,381,969</u>	<u>8,381,969</u>
Expenditures:			
Debt service -			
Principal retirement	7,200,000	7,200,000	
Interest and fiscal charges	1,054,625	1,234,125	(179,500)
Total expenditures	<u>8,254,625</u>	<u>8,434,125</u>	<u>(179,500)</u>
Changes in fund balances	<u>(8,254,625)</u>	<u>(52,156)</u>	<u>8,202,469</u>
Fund balances, beginning of year		378,275	378,275
Fund balances (deficits), end of year	<u>\$ (8,254,625)</u>	<u>\$ 326,119</u>	<u>\$ 8,580,744</u>

CAPITAL PROJECTS FUNDS

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

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.

New School Facilities - to account for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
 COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2016**

	Insurance Proceeds	Adjacent Ways	Gifts and Donations - Capital
<u>ASSETS</u>			
Cash and investments	\$ 401,093	\$ 1,912,354	\$ 1,534
Property taxes receivable		177,670	
Due from governmental entities			
Total assets	\$ 401,093	\$ 2,090,024	\$ 1,534
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Construction contracts payable		14,725	
Total liabilities		14,725	
Deferred inflows of resources:			
Unavailable revenues - property taxes		170,244	
Fund balances:			
Restricted	401,093	1,905,055	1,534
Total fund balances	401,093	1,905,055	1,534
Total liabilities, deferred inflows of resources and fund balances	\$ 401,093	\$ 2,090,024	\$ 1,534

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 81,573	\$ 45,580	\$ 1,814	\$ 2,443,948
	23,623		177,670
	<u>69,203</u>		<u>23,623</u>
<u>\$ 81,573</u>	<u>\$ 69,203</u>	<u>\$ 1,814</u>	<u>\$ 2,645,241</u>
\$ 50,859	\$	\$	\$ 50,859
<u>50,859</u>			<u>14,725</u>
			<u>65,584</u>
			<u>170,244</u>
30,714	69,203	1,814	2,409,413
<u>30,714</u>	<u>69,203</u>	<u>1,814</u>	<u>2,409,413</u>
<u>\$ 81,573</u>	<u>\$ 69,203</u>	<u>\$ 1,814</u>	<u>\$ 2,645,241</u>

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	Insurance Proceeds	Adjacent Ways	Gifts and Donations - Capital
Revenues:			
Other local	\$ 126,718	\$ 67,978	\$ 9
Property taxes		2,344,890	
State aid and grants			
Total revenues	<u>126,718</u>	<u>2,412,868</u>	<u>9</u>
Expenditures:			
Capital outlay		2,482,475	
Total expenditures		<u>2,482,475</u>	
Changes in fund balances	<u>126,718</u>	<u>(69,607)</u>	<u>9</u>
Fund balances, beginning of year	274,375	1,974,662	1,525
Fund balances, end of year	<u>\$ 401,093</u>	<u>\$ 1,905,055</u>	<u>\$ 1,534</u>

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 10,647	\$ 655	\$ 9	\$ 206,016
	108,917		2,344,890
<u>10,647</u>	<u>109,572</u>	<u>9</u>	<u>108,917</u>
			<u>2,659,823</u>
50,859	121,105		2,654,439
<u>50,859</u>	<u>121,105</u>		<u>2,654,439</u>
(40,212)	(11,533)	9	5,384
70,926	80,736	1,805	2,404,029
<u>\$ 30,714</u>	<u>\$ 69,203</u>	<u>\$ 1,814</u>	<u>\$ 2,409,413</u>

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 126,718	\$ 126,718
Property taxes			
State aid and grants			
Total revenues		<u>126,718</u>	<u>126,718</u>
Expenditures:			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures			
Changes in fund balances		<u>126,718</u>	<u>126,718</u>
Fund balances, beginning of year		274,375	274,375
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 401,093</u>	<u>\$ 401,093</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 68,411	\$ 68,411	\$	\$ 67,978	\$ 67,978
	15,241,244	15,241,244		2,344,890	2,344,890
	1,880,992	1,880,992			
	<u>17,190,647</u>	<u>17,190,647</u>		<u>2,412,868</u>	<u>2,412,868</u>
23,760,815	10,992,290	12,768,525	3,000,000	2,482,475	517,525
100,000	89,068	10,932			
100,000	12,932	87,068			
<u>23,960,815</u>	<u>11,094,290</u>	<u>12,866,525</u>	<u>3,000,000</u>	<u>2,482,475</u>	<u>517,525</u>
(23,960,815)	6,096,357	30,057,172	(3,000,000)	(69,607)	2,930,393
	6,324,490	6,324,490		1,974,662	1,974,662
<u>\$ (23,960,815)</u>	<u>\$ 12,420,847</u>	<u>\$ 36,381,662</u>	<u>\$ (3,000,000)</u>	<u>\$ 1,905,055</u>	<u>\$ 4,905,055</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	Gifts and Donations - Capital		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 9	\$ 9
Property taxes			
State aid and grants			
Total revenues		9	9
Expenditures:			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures			
Changes in fund balances		9	9
Fund balances, beginning of year		1,525	1,525
Fund balances (deficits), end of year	\$	\$ 1,534	\$ 1,534

Energy and Water Savings			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 10,647	\$ 10,647	\$	\$ 655	\$ 655
	<u>10,647</u>	<u>10,647</u>		<u>108,917</u>	<u>108,917</u>
				<u>109,572</u>	<u>109,572</u>
50,860	50,859	1	97,482	121,105	(23,623)
<u>50,860</u>	<u>50,859</u>	<u>1</u>	<u>97,482</u>	<u>121,105</u>	<u>(23,623)</u>
<u>(50,860)</u>	<u>(40,212)</u>	<u>10,648</u>	<u>(97,482)</u>	<u>(11,533)</u>	<u>85,949</u>
	70,926	70,926		80,736	80,736
<u>\$ (50,860)</u>	<u>\$ 30,714</u>	<u>\$ 81,574</u>	<u>\$ (97,482)</u>	<u>\$ 69,203</u>	<u>\$ 166,685</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2016

	New School Facilities		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 9	\$ 9
Property taxes			
State aid and grants			
Total revenues		9	9
Expenditures:			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures			
Changes in fund balances		9	9
Fund balances, beginning of year		1,805	1,805
Fund balances (deficits), end of year	\$	\$ 1,814	\$ 1,814

Totals		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 274,427	\$ 274,427
	17,586,134	17,586,134
	1,989,909	1,989,909
	<u>19,850,470</u>	<u>19,850,470</u>
26,909,157	13,646,729	13,262,428
100,000	89,068	10,932
100,000	12,932	87,068
<u>27,109,157</u>	<u>13,748,729</u>	<u>13,360,428</u>
<u>(27,109,157)</u>	<u>6,101,741</u>	<u>33,210,898</u>
	8,728,519	8,728,519
<u>\$ (27,109,157)</u>	<u>\$ 14,830,260</u>	<u>\$ 41,939,417</u>

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AGENCY FUNDS

Student Activities - to account for monies raised by students to finance student clubs and organizations but held by the District as an agent.

Employee Insurance - to account for voluntary deductions temporarily held by the District as an agent.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2016**

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 729,414	\$ 133,090	\$ 862,504
Total assets	\$ 729,414	\$ 133,090	\$ 862,504
 <u>LIABILITIES</u>			
Accounts payable	\$ 13,072	\$	\$ 13,072
Deposits held for others		133,090	133,090
Due to student groups	716,342		716,342
Total liabilities	\$ 729,414	\$ 133,090	\$ 862,504

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2016

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 679,242	\$ 868,832	\$ 818,660	\$ 729,414
Total assets	<u>\$ 679,242</u>	<u>\$ 868,832</u>	<u>\$ 818,660</u>	<u>\$ 729,414</u>
<u>Liabilities</u>				
Accounts payable	\$	\$ 13,072	\$	\$ 13,072
Due to student groups	<u>679,242</u>	<u>855,760</u>	<u>818,660</u>	<u>716,342</u>
Total liabilities	<u>\$ 679,242</u>	<u>\$ 868,832</u>	<u>\$ 818,660</u>	<u>\$ 729,414</u>
<u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 99,163	\$ 146,429	\$ 112,502	\$ 133,090
Total assets	<u>\$ 99,163</u>	<u>\$ 146,429</u>	<u>\$ 112,502</u>	<u>\$ 133,090</u>
<u>Liabilities</u>				
Deposits held for others	\$ 99,163	\$ 146,429	\$ 112,502	\$ 133,090
Total liabilities	<u>\$ 99,163</u>	<u>\$ 146,429</u>	<u>\$ 112,502</u>	<u>\$ 133,090</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 778,405	\$ 1,015,261	\$ 931,162	\$ 862,504
Total assets	<u>\$ 778,405</u>	<u>\$ 1,015,261</u>	<u>\$ 931,162</u>	<u>\$ 862,504</u>
<u>Liabilities</u>				
Accounts payable	\$	\$ 13,072	\$	\$ 13,072
Deposits held for others	99,163	146,429	112,502	133,090
Due to student groups	<u>679,242</u>	<u>855,760</u>	<u>818,660</u>	<u>716,342</u>
Total liabilities	<u>\$ 778,405</u>	<u>\$ 1,015,261</u>	<u>\$ 931,162</u>	<u>\$ 862,504</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Net Position:					
Net investment in capital assets	\$ 165,609,147	\$ 156,135,103	\$ 145,715,464	\$ 138,534,786	\$ 129,798,350
Restricted	25,057,598	16,754,937	18,194,065	17,962,572	12,589,857
Unrestricted	<u>(27,220,998)</u>	<u>(19,532,896)</u>	<u>34,567,936</u>	<u>22,498,065</u>	<u>22,087,810</u>
Total net position	<u><u>\$ 163,445,747</u></u>	<u><u>\$ 153,357,144</u></u>	<u><u>\$ 198,477,465</u></u>	<u><u>\$ 178,995,423</u></u>	<u><u>\$ 164,476,017</u></u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net Position:					
Net investment in capital assets	\$ 122,920,137	\$ 116,603,942	\$ 112,209,802	\$ 100,444,445	\$ 70,836,154
Restricted	14,640,622	12,525,308	12,891,343	11,511,259	13,848,303
Unrestricted	<u>14,307,497</u>	<u>15,840,893</u>	<u>15,160,311</u>	<u>17,843,246</u>	<u>20,420,949</u>
Total net position	<u><u>\$ 151,868,256</u></u>	<u><u>\$ 144,970,143</u></u>	<u><u>\$ 140,261,456</u></u>	<u><u>\$ 129,798,950</u></u>	<u><u>\$ 105,105,406</u></u>

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenses					
Instruction	\$ 45,778,279	\$ 41,559,302	\$ 42,090,724	\$ 40,424,590	\$ 40,824,873
Support services - students and staff	9,246,300	8,432,957	6,735,591	6,478,507	6,595,230
Support services - administration	8,859,722	7,791,910	9,017,374	8,217,829	6,720,440
Operation and maintenance of plant services	10,762,379	10,675,799	8,922,762	9,398,288	9,820,511
Student transportation services	4,565,677	4,174,404	4,190,592	4,326,020	4,253,317
Operation of non-instructional services	5,333,271	5,467,527	4,894,144	4,481,261	3,879,034
Interest on long-term debt	1,247,057	1,524,051	1,937,351	2,296,146	2,639,396
Total expenses	<u>85,792,685</u>	<u>79,625,950</u>	<u>77,788,538</u>	<u>75,622,641</u>	<u>74,732,801</u>
Program Revenues					
Charges for services:					
Instruction	2,514,310	2,202,235	1,067,946	1,224,983	1,658,871
Operation of non-instructional services	1,614,587	1,522,669	1,668,000	1,457,329	1,207,728
Other activities	75,524		112,498	228,517	77,498
Operating grants and contributions	8,507,803	8,743,473	8,493,069	6,893,667	8,355,818
Capital grants and contributions	1,433,382	558,372	22,201	969,912	1,244,235
Total program revenues	<u>14,145,606</u>	<u>13,026,749</u>	<u>11,363,714</u>	<u>10,774,408</u>	<u>12,544,150</u>
Net (Expense)/Revenue	<u>\$ (71,647,079)</u>	<u>\$ (66,599,201)</u>	<u>\$ (66,424,824)</u>	<u>\$ (64,848,233)</u>	<u>\$ (62,188,651)</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenses					
Instruction	\$ 37,144,771	\$ 39,538,735	\$ 39,686,855	\$ 41,306,438	\$ 36,740,979
Support services - students and staff	4,825,056	6,073,082	8,676,267	8,097,917	7,115,794
Support services - administration	6,563,430	6,630,563	7,431,537	6,254,826	3,981,158
Operation and maintenance of plant services	10,266,321	8,095,043	10,145,889	7,603,953	6,914,788
Student transportation services	3,743,401	3,772,960	4,313,620	3,672,086	2,981,082
Operation of non-instructional services	3,558,355	3,329,374	3,869,824	3,600,059	3,478,619
Interest on long-term debt	3,008,843	3,279,769	2,912,527	2,627,420	2,966,106
Total expenses	<u>69,110,177</u>	<u>70,719,526</u>	<u>77,036,519</u>	<u>73,162,699</u>	<u>64,178,526</u>
Program Revenues					
Charges for services:					
Instruction	962,686	1,029,347	588,438	195,737	455,464
Operation of non-instructional services	1,318,950	1,272,988	2,084,198	2,403,844	2,449,459
Other activities	63,980	12,707	332,076	21,034	213,863
Operating grants and contributions	6,943,401	5,817,192	4,481,735	3,807,136	3,245,749
Capital grants and contributions	173,903	485,608	245,085	131,417	145,207
Total program revenues	<u>9,462,920</u>	<u>8,617,842</u>	<u>7,731,532</u>	<u>6,559,168</u>	<u>6,509,742</u>
Net (Expense)/Revenue	<u>\$ (59,647,257)</u>	<u>\$ (62,101,684)</u>	<u>\$ (69,304,987)</u>	<u>\$ (66,603,531)</u>	<u>\$ (57,668,784)</u>

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

(Concluded)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2016	2015	2014	2013	2012
Net (Expense)/Revenue	\$ (71,647,079)	\$ (66,599,201)	\$ (66,424,824)	\$ (64,848,233)	\$ (62,188,651)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	9,153,533	24,264,290	30,103,864	20,991,387	22,983,855
Property taxes, levied for debt service	8,322,056	9,122,729	12,746,746	13,270,117	12,459,174
Property taxes, levied for capital outlay	18,366,480	7,132,338	3,134,412	10,026,639	6,858,377
Investment income	276,012	202,969	148,649	115,366	114,533
Unrestricted county aid	3,592,379	3,854,071	3,280,528	3,017,252	2,947,606
Unrestricted state aid	42,025,222	39,255,691	36,892,277	31,946,878	29,432,867
Unrestricted federal aid					
Total general revenues	81,735,682	83,832,088	86,306,476	79,367,639	74,796,412
Changes in Net Position	\$ 10,088,603	\$ 17,232,887	\$ 19,881,652	\$ 14,519,406	\$ 12,607,761

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Net (Expense)/Revenue	\$ (59,647,257)	\$ (62,101,684)	\$ (69,304,987)	\$ (66,603,531)	\$ (57,668,784)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	17,533,859	14,746,518	16,536,008	15,419,925	17,544,858
Property taxes, levied for debt service	13,157,856	12,203,007	9,857,131	8,518,614	7,158,187
Property taxes, levied for capital outlay	4,133,772	4,871,829	8,955,779	7,517,905	10,266,493
Investment income	211,410	369,891	960,359	1,488,983	1,289,718
Unrestricted county aid	2,747,849	2,343,862			21,523
Unrestricted state aid	28,321,064	25,916,805	43,458,216	58,351,648	31,478,856
Unrestricted federal aid	439,560	3,358,459			
Total general revenues	<u>66,545,370</u>	<u>63,810,371</u>	<u>79,767,493</u>	<u>91,297,075</u>	<u>67,759,635</u>
Changes in Net Position	<u>\$ 6,898,113</u>	<u>\$ 1,708,687</u>	<u>\$ 10,462,506</u>	<u>\$ 24,693,544</u>	<u>\$ 10,090,851</u>

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

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

(Concluded)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Nonspendable	\$ 1,660,000	\$ 1,500,000	\$	\$	\$
Assigned					
Unassigned	29,547,025	32,538,232	22,784,539	11,047,919	10,433,491
Unreserved					
Total General Fund	<u>\$ 31,207,025</u>	<u>\$ 34,038,232</u>	<u>\$ 22,784,539</u>	<u>\$ 11,047,919</u>	<u>\$ 10,433,491</u>
All Other Governmental Funds:					
Nonspendable	\$	\$	\$	\$	\$
Restricted	23,535,382	15,976,712	17,459,692	18,950,328	14,020,837
Unassigned	(62,372)	(38,489)	(44,041)		
Unreserved, reported in:					
Special revenue funds					
Capital projects funds					
Debt service fund					
Total all other governmental funds	<u>\$ 23,473,010</u>	<u>\$ 15,938,223</u>	<u>\$ 17,415,651</u>	<u>\$ 18,950,328</u>	<u>\$ 14,020,837</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:					
Nonspendable	\$ 589,181	\$	\$	\$	\$
Restricted					
Committed					
Assigned	189,439				
Unassigned	4,598,498				
Reserved				1,597,501	491,253
Unreserved		1,147,270	2,757,755	7,285,650	11,115,687
Total General Fund	<u>\$ 5,377,118</u>	<u>\$ 1,147,270</u>	<u>\$ 2,757,755</u>	<u>\$ 8,883,151</u>	<u>\$ 11,606,940</u>
All Other Governmental Funds:					
Nonspendable	\$ 101,505	\$	\$	\$	\$
Restricted	18,458,550				
Committed					
Assigned					
Unassigned					
Reserved				63,731	65,729
Unreserved, reported in:					
Special revenue funds		5,381,383	5,802,502	4,248,724	4,182,298
Capital projects funds		17,038,961	21,088,474	12,776,113	15,505,875
Debt service fund		711,856	703,251	907,087	518,816
Total all other governmental funds	<u>\$ 18,560,055</u>	<u>\$ 23,132,200</u>	<u>\$ 27,594,227</u>	<u>\$ 17,995,655</u>	<u>\$ 20,272,718</u>

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

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

(Concluded)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Federal sources:					
Federal grants	\$ 5,503,600	\$ 5,168,318	\$ 4,618,382	\$ 4,339,281	\$ 5,576,554
Education Jobs					767,610
National School Lunch Program	3,706,666	3,437,563	3,178,087	2,977,492	2,678,300
Total federal sources	<u>9,210,266</u>	<u>8,605,881</u>	<u>7,796,469</u>	<u>7,316,773</u>	<u>9,022,464</u>
State sources:					
State equalization assistance	36,568,546	34,818,586	32,576,588	29,027,533	26,596,338
State grants	498,197	508,312	327,669	153,551	258,167
School Facilities Board	108,917	330,569	37,513	334,687	
Other revenues	5,456,676	4,437,105	4,317,930	3,011,921	2,743,953
Total state sources	<u>42,632,336</u>	<u>40,094,572</u>	<u>37,259,700</u>	<u>32,527,692</u>	<u>29,598,458</u>
Local sources:					
Property taxes	36,597,843	40,589,674	46,224,037	44,005,483	42,382,249
County aid	3,592,379	3,854,071	3,280,528	3,017,252	2,947,606
Food service sales	1,242,748	1,171,870	1,466,344	1,457,329	1,073,576
Investment income	276,012	202,969	148,649	115,366	1,367,967
Other revenues	3,085,478	2,656,310	1,502,597	1,634,467	1,008,529
Total local sources	<u>44,794,460</u>	<u>48,474,894</u>	<u>52,622,155</u>	<u>50,229,897</u>	<u>48,779,927</u>
Total revenues	<u>\$ 96,637,062</u>	<u>\$ 97,175,347</u>	<u>\$ 97,678,324</u>	<u>\$ 90,074,362</u>	<u>\$ 87,400,849</u>

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Federal sources:					
Federal grants	\$ 3,111,665	\$ 3,653,271	\$ 2,681,780	\$ 2,218,608	\$ 2,178,368
State Fiscal Stabilization (ARRA)	439,560	3,358,459			
Education Jobs	1,056,419				
National School Lunch Program	2,275,456	2,053,504	1,488,780	1,122,673	891,500
Total federal sources	<u>6,883,100</u>	<u>9,065,234</u>	<u>4,170,560</u>	<u>3,341,281</u>	<u>3,069,868</u>
State sources:					
State equalization assistance	25,599,046	23,059,407	27,322,385	29,182,203	27,817,344
State grants	222,681	279,754	383,644	234,801	323,180
School Facilities Board		92,794	12,956,948	24,976,230	430,311
Other revenues	2,809,056	2,728,170	3,178,883	4,250,446	3,231,201
Total state sources	<u>28,630,783</u>	<u>26,160,125</u>	<u>43,841,860</u>	<u>58,643,680</u>	<u>31,802,036</u>
Local sources:					
Property taxes	34,974,367	31,193,125	34,481,686	27,282,673	34,627,817
County aid	2,747,849	2,343,862			21,523
Food service sales	1,115,838	995,660	1,187,986	1,417,746	1,370,021
Investment income	211,410	369,891	960,359	1,488,983	1,289,718
Other revenues	1,638,922	1,585,049	2,101,412	1,522,109	1,748,765
Total local sources	<u>40,688,386</u>	<u>36,487,587</u>	<u>38,731,443</u>	<u>31,711,511</u>	<u>39,057,844</u>
Total revenues	<u>\$ 76,202,269</u>	<u>\$ 71,712,946</u>	<u>\$ 86,743,863</u>	<u>\$ 93,696,472</u>	<u>\$ 73,929,748</u>

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

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

(Concluded)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Expenditures:					
Current -					
Instruction	\$ 37,056,162	\$ 36,833,398	\$ 36,067,108	\$ 33,248,412	\$ 33,269,979
Support services - students and staff	7,994,625	7,839,012	6,228,202	5,867,839	5,763,854
Support services - administration	7,306,139	7,094,736	8,307,678	7,345,409	5,975,249
Operation and maintenance of plant services	7,011,312	8,610,051	7,046,973	7,760,728	7,757,215
Student transportation services	3,124,196	3,177,785	3,201,492	3,254,005	3,123,925
Operation of non-instructional services	4,848,806	5,038,335	4,376,754	3,940,555	3,395,354
Capital outlay	16,216,117	11,188,071	9,418,163	9,717,349	13,374,541
Debt service -					
Principal retirement	7,289,068	7,593,643	10,967,175	11,100,000	10,995,000
Interest, premium and fiscal charges	1,247,057	1,524,051	1,937,351	2,296,146	2,639,396
Total expenditures	<u><u>\$ 92,093,482</u></u>	<u><u>\$ 88,899,082</u></u>	<u><u>\$ 87,550,896</u></u>	<u><u>\$ 84,530,443</u></u>	<u><u>\$ 86,294,513</u></u>
Expenditures for capitalized assets	\$ 9,891,119	\$ 7,830,053	\$ 6,108,031	\$ 5,607,135	\$ 8,330,756
Debt service as a percentage of noncapital expenditures	10%	11%	16%	17%	17%

(Continued)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Expenditures:					
Current -					
Instruction	\$ 30,370,275	\$ 32,761,769	\$ 28,971,063	\$ 31,039,845	\$ 27,837,030
Support services - students and staff	4,090,075	5,366,124	6,855,398	7,590,017	6,639,172
Support services - administration	5,939,272	6,094,505	5,978,886	5,951,541	3,717,624
Operation and maintenance of plant services	9,919,231	7,461,878	7,648,672	7,398,630	7,160,689
Student transportation services	2,712,811	2,754,059	2,944,155	2,915,755	2,308,600
Operation of non-instructional services	3,110,134	2,980,052	3,515,910	3,414,297	3,347,659
Capital outlay	14,773,106	17,592,302	33,065,357	50,003,896	23,328,409
Debt service -					
Judgments against the district			162,487		
Principal retirement	9,710,000	8,995,000	7,455,000	5,785,000	4,435,000
Interest, premium and fiscal charges	2,960,022	3,262,058	2,878,732	2,563,480	2,989,160
Payment to refunded bond escrow agent	108,433				
Bond issuance costs	213,149	114,750	290,600	205,550	81,631
Total expenditures	<u>\$ 83,906,508</u>	<u>\$ 87,382,497</u>	<u>\$ 99,766,260</u>	<u>\$ 116,868,011</u>	<u>\$ 81,844,974</u>
Expenditures for capitalized assets	\$ 9,926,747	\$ 12,691,976	\$ 21,560,379	\$ 42,257,706	\$ 13,640,072
Debt service as a percentage of noncapital expenditures	18%	17%	14%	11%	11%

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

(Concluded)

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Excess (deficiency) of revenues over expenditures	\$ 4,543,580	\$ 8,276,265	\$ 10,127,428	\$ 5,543,919	\$ 1,106,336
Other financing sources (uses):					
Transfers in	598,378	704,639	4,200,079	545,133	522,469
Transfers out	(598,378)	(704,639)	(4,200,079)	(545,133)	(522,469)
Capital lease agreements			474,125		
Total other financing sources (uses)			<u>474,125</u>		
Changes in fund balances	<u>\$ 4,543,580</u>	<u>\$ 8,276,265</u>	<u>\$ 10,601,553</u>	<u>\$ 5,543,919</u>	<u>\$ 1,106,336</u>
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Excess (deficiency) of revenues over expenditures	\$ (7,704,239)	\$ (15,669,551)	\$ (13,022,397)	\$ (23,171,539)	\$ (7,915,226)
Other financing sources (uses):					
General obligation bonds issued	6,500,000	6,500,000	17,900,000	13,000,000	7,000,000
Refunding bonds issued	5,365,000				
Premium on sale of bonds	279,194	97,039	256,805	141,610	104,685
Transfers in	489,185	597,662	250,688	115,391	210,704
Transfers out	(489,185)	(597,662)	(250,688)	(115,391)	(210,704)
Payment to refunded bond escrow agent	(5,371,433)				
Total other financing sources (uses)	<u>6,772,761</u>	<u>6,597,039</u>	<u>18,156,805</u>	<u>13,141,610</u>	<u>7,104,685</u>
Changes in fund balances	<u>\$ (931,478)</u>	<u>\$ (9,072,512)</u>	<u>\$ 5,134,408</u>	<u>\$ (10,029,929)</u>	<u>\$ (810,541)</u>

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

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 484,493,581	\$ 457,945,760	\$ 454,416,054	\$ 507,746,958	\$ 588,355,449
Agricultural and Vacant	48,062,173	46,314,261	47,445,092	56,525,107	76,787,720
Residential (Owner Occupied)	241,110,983	228,199,372	214,554,438	257,045,741	297,222,696
Residential (Rental)	156,669,693	148,764,920	128,587,773	110,752,791	114,051,170
Railroad, Private Cars and Airlines	2,508,708	2,675,148	2,424,052	1,912,910	1,553,848
Historical Property	4,797,525	4,124,960	4,046,704	2,481,935	3,080,830
Certain Government Property Improvements	7,547	61,400	6,960	7,588	8,237
Total	\$ 937,650,210	\$ 888,085,821	\$ 851,481,073	\$ 936,473,030	\$ 1,081,059,950
Gross Full Cash Value	\$ 12,543,274,432	\$ 10,251,379,911	\$ 9,456,875,810	\$ 9,715,403,791	\$ 10,053,655,325
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7%	9%	9%	10%	11%
Total Direct Rate	4.01	4.53	5.49	4.84	4.05

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 641,889,163	\$ 576,786,996	\$ 469,243,609	\$ 380,575,399	\$ 329,680,599
Agricultural and Vacant	104,173,988	113,341,353	101,480,076	90,300,508	70,530,248
Residential (Owner Occupied)	402,585,338	613,648,915	562,732,707	459,875,161	381,362,178
Residential (Rental)	131,353,967	143,118,237	114,990,142	89,860,036	64,720,420
Railroad, Private Cars and Airlines	1,555,166	1,614,469	1,859,837	1,990,074	1,837,519
Historical Property	3,515,046	3,375,709	3,444,709	3,614,126	1,282,237
Certain Government Property Improvements					
Total	\$ 1,285,072,668	\$ 1,451,885,679	\$ 1,253,751,080	\$ 1,026,215,304	\$ 849,413,201
Gross Full Cash Value	\$ 12,527,349,260	\$ 15,299,520,576	\$ 15,014,536,204	\$ 11,167,554,812	\$ 7,733,096,379
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	9%	8%	9%	11%
Total Direct Rate	2.72	2.10	2.61	2.86	4.26

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 requirement and other voter-approved overrides.

TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 565,912,558	\$ 469,631,929	\$ 456,361,197	\$ 510,004,625	\$ 598,277,033
Agricultural and Vacant	59,151,689	49,771,267	49,371,857	57,854,762	80,297,789
Residential (Owner Occupied)	344,068,971	251,854,824	215,056,806	257,131,256	297,629,213
Residential (Rental)	214,986,853	164,123,192	131,273,261	110,785,582	114,367,045
Railroad, Private Cars and Airlines	2,557,608	2,700,744	2,447,388	1,949,514	1,734,292
Historical Property	10,477,450	7,756,504	8,109,539	2,625,879	3,266,732
Certain Government Property Improvements	8,593	66,762	6,960	7,742	8,405
Total	\$ 1,197,163,722	\$ 945,905,222	\$ 862,627,008	\$ 940,359,360	\$ 1,095,580,509
Gross Full Cash Value	12,543,274,432	10,251,379,911	9,456,875,810	9,715,403,791	10,053,655,325
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	9%	9%	10%	11%
Total Direct Rate	4.01	4.53	5.49	4.84	4.05

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 737,634,014	\$ 712,043,832	\$ 552,464,299	\$ 423,437,651	\$ 361,623,286
Agricultural and Vacant	128,288,192	164,805,495	156,034,454	132,528,928	101,722,270
Residential (Owner Occupied)	403,258,291	657,222,901	777,017,085	616,543,841	386,704,515
Residential (Rental)	134,513,039	157,438,480	156,664,487	117,169,024	67,897,160
Railroad, Private Cars and Airlines	1,857,316	1,905,499	2,098,403	2,197,863	1,942,801
Historical Property	3,810,581	3,766,895	3,661,721	3,891,231	1,386,408
Total	\$ 1,409,361,433	\$ 1,697,183,102	\$ 1,647,940,449	\$ 1,295,768,538	\$ 921,276,440
Gross Full Cash Value	12,527,349,260	15,299,520,576	15,014,536,204	11,167,554,812	7,733,096,379
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	12%	12%
Total Direct Rate	2.72	2.10	2.61	2.86	4.26

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.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

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

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

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

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

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates										District Direct Rates		
	State Equalization	County	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Tolleson	City of Avondale	City of Glendale	Elementary School Districts	Primary	Secondary	Total
	2016	0.51	1.36	0.16	1.49	0.14	1.82	3.97	1.75	2.20	26.48	2.40	1.61
2015	0.51	1.32	0.14	1.52	0.10	1.82	3.75	1.75	2.15	25.74	2.86	1.68	4.53
2014	0.47	1.28	0.14	1.53	0.14	1.82	3.76	1.81	2.29	26.28	3.22	2.27	5.49
2013	0.43	1.24	0.18	1.38	0.10	1.82	3.42	1.33	1.90	23.55	2.30	2.54	4.84
2012	0.36	1.24	0.18	1.21	0.10	1.82	2.91	1.33	1.60	22.34	1.95	2.10	4.05
2011	0.33	1.05	0.10	0.97	0.10	1.82	2.44	1.11	1.60	20.26	1.51	1.21	2.72
2010		0.99	0.14	0.88	0.10	1.82	2.51	1.11	1.60	18.49	1.06	1.04	2.10
2009		1.03	0.14	0.94	0.10	1.82	2.30	1.11	1.60	19.26	1.60	1.01	2.61
2008		1.10	0.15	0.98	0.10	1.82	2.67	1.11	1.62	26.33	1.62	1.24	2.86
2007		1.18	0.20	1.06	0.12	1.82	2.97	1.17	1.72	28.18	2.71	1.55	4.26

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

Note: There was no state equalization tax rate overlap prior to 2010.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2016</u>		<u>2007</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Target Corporation	\$ 11,064,272	1.18 %	\$ 18,876,726	2.02 %
Smith's Food & Drug Centers Inc.	9,845,327	1.05	18,087,736	1.94
Falcon Inc.	8,907,677	0.95		
Entertainment Center Development	8,438,852	0.90		
LBA Realty LLC	7,501,202	0.80		
Swift Transportation Co Inc.	6,563,551	0.70	8,232,627	0.88
Svc Manufacturing Inc.	6,469,786	0.69	12,055,156	1.29
JQH Glendale Development	5,532,136	0.59		
Coyote Center Development LLC	4,594,486	0.49		
Phoenix Speedway Corp.	4,500,721	0.48		
Wal Mart Stores Inc			8,005,418	0.86
Costco Wholesale Corp			7,314,075	0.78
CenturyLink			6,617,459	0.71
Arizona Public Service Company			5,740,668	0.61
Abs SW Investor LLC			5,597,803	0.60
Gateway Pavilions LLC			5,478,795	0.59
Total	<u>\$ 73,418,010</u>	<u>7.83 %</u>	<u>\$ 96,006,463</u>	<u>10.28 %</u>

Source: The source of this information is the Maricopa 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.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 37,737,524	\$ 37,132,841	98.40 %	\$	\$ 37,132,841	98.40 %
2015	41,457,495	40,090,493	96.70	1,342,328	41,432,821	99.94
2014	46,936,383	42,275,604	90.07	4,644,880	46,920,484	99.97
2013	45,516,175	44,073,363	96.83	1,434,273	45,507,636	99.98
2012	44,329,704	42,774,287	96.49	1,344,728	44,119,015	99.52
2011	36,621,666	35,163,844	96.02	1,454,055	36,617,899	99.99
2010	33,038,879	30,420,773	92.08	1,757,292	32,178,065	97.39
2009	36,861,011	34,405,279	93.34	2,183,887	36,589,166	99.26
2008	32,987,446	31,307,432	94.91	1,560,805	32,868,237	99.64
2007	37,800,542	36,571,881	96.75	1,224,870	37,796,751	99.99

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

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

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

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2016	\$ 35,800,000	\$ 421,658	\$ 35,378,342	0.28 %	\$ 207	\$ 239,239	\$ 36,039,239	0.29 %	\$ 211	N/A %
2015	43,300,000	510,169	42,789,831	0.42	251	328,307	43,628,307	0.43	256	0.03
2014	54,215,000	387,964	53,827,036	0.57	316	421,950	54,636,950	0.58	320	0.04
2013	65,315,000	182,779	65,132,221	0.67	382		65,315,000	0.67	383	0.04
2012	76,310,000	338,111	75,971,889	0.76	476		76,310,000	0.76	479	0.05
2011	86,020,000	1,230,225	84,789,775	0.68	498		86,020,000	0.69	505	0.06
2010	88,515,000	8,995,000	79,520,000	0.52	436		88,515,000	0.58	485	0.06
2009	89,470,000	7,455,000	82,015,000	0.55	482		89,470,000	0.60	526	0.06
2008	77,355,000	5,785,000	71,570,000	0.64	455		77,355,000	0.69	492	0.06
2007	68,790,000	4,435,000	64,355,000	0.83	444		68,790,000	0.89	474	0.06

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

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

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2016**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 654,190,000	2.35 %	\$ 15,373,465
City of Tolleson	36,486,000	100.00	36,486,000
City of Avondale	26,515,000	63.79	16,913,919
City of Phoenix	2,126,137,000	3.48	73,989,568
City of Glendale	126,305,000	2.99	3,776,520
Tolleson Elementary School District No. 17	8,790,000	100.00	8,790,000
Fowler Elementary School District No. 45	9,200,000	100.00	9,200,000
Union Elementary School District No. 62	2,065,000	100.00	2,065,000
Littleton Elementary School District No. 65	24,765,480	100.00	24,765,480
Pendergast Elementary School District No. 92	28,487,742	100.00	28,487,742
			<u>219,847,694</u>
Direct:			
Tolleson Union High School District No. 214			<u>36,039,239</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 255,886,933</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		3.77 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,497	
As a Percentage of Net Limited Assessed Valuation		27.22 %
As a Percentage of Gross Full Value		2.03 %

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

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
 - 2) Outstanding debt as of June 30, 2015 is presented for the overlapping governments as this is the most recent available information.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

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

Net full cash assessed valuation	\$ 1,197,163,722
Debt limit (10% of assessed value)	119,716,372
Debt applicable to limit	<u>35,800,000</u>
Legal debt margin	<u><u>\$ 83,916,372</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2016:

Net full cash assessed valuation	\$ 1,197,163,722
Debt limit (15% of assessed value)	179,574,558
Debt applicable to limit	<u>35,800,000</u>
Legal debt margin	<u><u>\$ 143,774,558</u></u>

Fiscal Year Ended June 30

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 179,574,558	\$ 141,885,783	\$ 129,394,051	\$ 141,053,904	\$ 164,337,076
Total net debt applicable to limit	<u>35,800,000</u>	<u>43,300,000</u>	<u>54,215,000</u>	<u>65,315,000</u>	<u>76,310,000</u>
Legal debt margin	<u><u>\$ 143,774,558</u></u>	<u><u>\$ 98,585,783</u></u>	<u><u>\$ 75,179,051</u></u>	<u><u>\$ 75,738,904</u></u>	<u><u>\$ 88,027,076</u></u>
Total net debt applicable to the limit as a percentage of debt limit	20%	31%	42%	46%	46%

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	\$ 211,404,215	\$ 254,577,465	\$ 247,191,067	\$ 194,365,281	\$ 138,191,466
Total net debt applicable to limit	<u>86,020,000</u>	<u>88,515,000</u>	<u>89,470,000</u>	<u>77,355,000</u>	<u>68,790,000</u>
Legal debt margin	<u><u>\$ 125,384,215</u></u>	<u><u>\$ 166,062,465</u></u>	<u><u>\$ 157,721,067</u></u>	<u><u>\$ 117,010,281</u></u>	<u><u>\$ 69,401,466</u></u>
Total net debt applicable to the limit as a percentage of debt limit	41%	35%	36%	40%	50%

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

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

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2015	4,076,438	\$ N/A	\$ N/A	5.5 %	170,530
2014	4,008,651	168,483,421	27,256	5.9	170,530
2013	4,009,412	147,700,000	27,552	6.2	170,530
2012	3,824,058	147,374,500	38,238	9.1	170,530
2011	3,843,370	142,864,275	37,352	8.4	159,441
2010	3,817,117	142,091,618	35,319	8.5	170,199
2009	4,023,331	147,122,076	37,168	8.3	182,558
2008	3,987,942	139,665,253	36,135	4.8	170,189
2007	3,907,492	132,423,154	35,046	3.2	157,262
2006	3,792,675	120,716,738	33,178	3.5	144,975

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2006 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2015, the source of the information is the Arizona Office of Employment and Population Statistics.

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

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	50,820	2.67 %	49,305	2.68 %
Banner Health Systems	41,530	2.18	16,400	0.89
Wal-Mart Stores Inc.	32,370	1.70	28,800	1.57
Fry's Food and Drug Stores	17,290	0.91	-	-
City of Phoenix	14,590	0.77	14,166	0.77
Wells Fargo Company	14,480	0.76	11,800	0.64
Maricopa County	13,570	0.71	13,274	0.72
Arizona State University	12,680	0.67	12,083	0.66
Dignity Health	12,100	0.64	-	-
University of Arizona	11,440	0.60	-	-
U.S. Postal Service			11,000	0.60
Honeywell			10,700	0.58
Intel Corp			10,100	0.55
Total	<u>220,870</u>	<u>11.61 %</u>	<u>177,628</u>	<u>9.66 %</u>
Total employment	<u>1,902,687</u>		<u>1,838,500</u>	

Source: The source of this county-wide information is the Business Journal Book of Lists. The source of the "Total employment" for 2016 is the U.S. Department of Labor, Bureau of Labor Statistics, by Arizona Department of Administration, Office of Employment and Population Statistics.

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	1	1	1	1	1
Consultants/supervisors of instruction	7	7	7	7	7
Principals	6	6	6	6	6
Assistant principals	15	15	15	15	15
Total supervisory	<u>30</u>	<u>30</u>	<u>30</u>	<u>30</u>	<u>29</u>
Instruction					
Teachers	508	473	455	470	498
Other professionals (instructional)	5	5	5	5	5
Aides	85	73	81	70	55
Total instruction	<u>598</u>	<u>551</u>	<u>541</u>	<u>545</u>	<u>558</u>
Student Services					
Nurses	5	5	5	5	5
Counselors/Advisors	33	27	23	28	27
Librarians	5	5	5	5	5
Technicians	5	5	5	5	5
Total student services	<u>48</u>	<u>42</u>	<u>38</u>	<u>43</u>	<u>42</u>
Support and Administration					
Clerical workers	83	83	83	78	71
Maintenance workers	41	39	66	66	56
Bus Drivers	57	54	52	49	56
Food Service workers	65	58	48	44	52
Other classified	67	62	62	60	63
Total support and administration	<u>313</u>	<u>296</u>	<u>311</u>	<u>297</u>	<u>298</u>
Total	<u><u>989</u></u>	<u><u>919</u></u>	<u><u>920</u></u>	<u><u>915</u></u>	<u><u>927</u></u>

(Continued)

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents		2	2	2	2
Consultants/supervisors of instruction	7	7	8	8	5
Principals	6	6	6	4	4
Assistant principals	11	13	13	10	11
Total supervisory	<u>25</u>	<u>29</u>	<u>30</u>	<u>25</u>	<u>23</u>
Instruction					
Teachers	488	458	448	448	343
Other professionals (instructional)	5	5	5	3	2
Aides	52	64	69	37	32
Total instruction	<u>545</u>	<u>527</u>	<u>522</u>	<u>488</u>	<u>377</u>
Student Services					
Nurses	5	5	5	4	4
Counselors/Advisors	21	25	23	17	15
Librarians	5	5	5	4	3
Technicians	5	5	5	4	4
Total student services	<u>36</u>	<u>40</u>	<u>38</u>	<u>29</u>	<u>26</u>
Support and Administration					
Clerical workers	68	61	64	68	63
Maintenance workers	56	84	94	80	75
Bus Drivers	50	43	60	63	57
Food Service workers	46	31	25	39	36
Other classified	63	57	70	74	75
Total support and administration	<u>283</u>	<u>276</u>	<u>313</u>	<u>324</u>	<u>306</u>
Total	<u><u>889</u></u>	<u><u>872</u></u>	<u><u>903</u></u>	<u><u>866</u></u>	<u><u>732</u></u>

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

(Concluded)

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2016	11,051	\$ 67,341,240	\$ 6,094	(4.50) %	\$ 85,792,685	\$ 7,763	4.81 %	598	18.5	69.0 %
2015	10,750	68,593,317	6,381	2.70	79,625,950	7,407	(0.03)	551	19.5	70.0
2014	10,499	65,228,207	6,213	0.66	77,788,538	7,409	(2.50)	541	19.4	69.0
2013	9,951	61,416,948	6,172	(0.41)	75,622,641	7,600	(2.72)	545	18.3	67.5
2012	9,566	59,285,576	6,198	1.95	74,732,801	7,812	4.39	558	17.1	66.3
2011	9,235	56,141,798	6,079	(2.51)	69,110,177	7,484	(2.56)	545	16.9	61.1
2010	9,208	57,418,387	6,236	(1.65)	70,719,526	7,680	(12.08)	527	17.5	56.9
2009	8,819	55,914,084	6,340	(7.72)	77,036,519	8,735	1.33	522	16.9	53.0
2008	8,487	58,310,085	6,871	6.56	73,162,699	8,621	6.28	488	17.4	45.6
2007	7,912	51,010,774	6,447	10.04	64,178,526	8,112	16.07	377	21.0	39.8

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

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

**TOLLESON UNION HIGH SCHOOL DISTRICT NO. 214
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Schools</u>										
<u>High</u>										
Buildings	75	75	75	75	75	75	74	74	67	65
Square feet	1,310,221	1,310,221	1,310,221	1,310,221	1,310,221	1,310,221	1,287,235	1,287,235	1,040,586	1,020,618
Capacity	11,578	11,578	11,578	11,578	11,578	11,578	11,578	11,578	8,464	8,464
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	30,970	30,970	30,970	30,970	30,970	30,970	30,970	30,970	30,970	30,970
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	79	79	75	74	74	69	74	66	61	46
<u>Athletics</u>										
Football fields	5	5	5	5	5	5	5	5	4	4
Soccer fields	5	5	5	5	5	5	5	5	4	4
Running tracks	5	5	5	5	5	5	5	5	4	4
Baseball/softball	5	5	5	5	5	5	5	5	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1

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