

Amphitheater Unified School District No. 10

Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2017



701 West Wetmore Road - Tucson, Arizona 85705

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10

TUCSON, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Issued by:
Finance Department

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	6
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Principal Officials	9
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	13
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	17
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities	40
Statement of Net Position – Proprietary Funds	41
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	42

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
BASIC FINANCIAL STATEMENTS	
Statement of Cash Flows – Proprietary Funds	43
Statement of Assets and Liabilities – Fiduciary Funds	44
Notes to Financial Statements	45
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	68
Schedule of Proportionate Share of the Net Pension Liability	69
Schedule of Contributions	69
Notes to Required Supplementary Information	70
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	75
Special Revenue Funds:	
Combining Balance Sheet	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	86
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	92

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	116
Capital Projects Funds:	
Combining Balance Sheet	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	120
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	122
Agency Funds:	
Combining Statement of Assets and Liabilities	128
Combining Statement of Changes in Assets and Liabilities	129
<u>STATISTICAL SECTION</u>	<u>Page</u>
Financial Trends:	
Net Position by Component	133
Expenses, Program Revenues, and Net (Expense)/Revenue	134
General Revenues and Total Changes in Net Position	136
Fund Balances – Governmental Funds	138
Governmental Funds Revenues	140
Governmental Funds Expenditures and Debt Service Ratio	142
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	144

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	145
Net Full Cash Assessed Value of Taxable Property by Class	146
Property Tax Assessment Ratios	147
Direct and Overlapping Property Tax Rates	148
Principal Property Taxpayers	149
Property Tax Levies and Collections	150
Debt Capacity:	
Outstanding Debt by Type	151
Direct and Overlapping Governmental Activities Debt	152
Direct and Overlapping General Bonded Debt Ratios	152
Legal Debt Margin Information	153
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	154
Principal Employers	155
Operating Information:	
Full-Time Equivalent District Employees by Type	156
Operating Statistics	158
Capital Assets Information	159

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INTRODUCTORY SECTION

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FINANCE & ACCOUNTING

Scott Little
Chief Financial Officer
slittle@amphi.com

(520) 696-5130 • Fax (520) 696-5065

701 W. Wetmore Road • Tucson, AZ 85705 • (520) 696-5000 • www.amphi.com

GOVERNING BOARD MEMBERS

Deanna M. Day, M.Ed.
President

Vicki Cox Golder
Vice President

Scott K. Baker, Ph.D.

Scott A. Leska

SUPERINTENDENT

Todd A. Jaeger, J.D.

December 27, 2017

Citizens and Governing Board
Amphitheater Unified School District No. 10
701 West Wetmore Road
Tucson, Arizona 85705-1547

State law mandates that school districts are required to undergo an annual single audit and 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 Amphitheater Unified School District No. 10 (District) for the fiscal year ended June 30, 2017.

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, 2017, 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, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The District is one of 18 public school districts located in Pima County, Arizona. It provides a program of public education from preschool through grade 12, with an estimated current enrollment of 13,981 students for fiscal year 2018.

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 Amphitheater Unified School District No. 10 of Pima County, Arizona is situated in the northeastern portion of Pima County, Arizona, which is in south central Arizona. The boundaries of the District encompass an area of approximately 108 square miles, lying within and to the north of the City of Tucson. To the north of the City of Tucson is the Town of Oro Valley, which is totally within the District. Tucson is the County seat and is the population and economic center of southern Arizona.

The economy of the District is primarily based on light manufacturing, retail trade, automobile sales and tourism, and is supplemented by government, medical, and health services. During the 2016-17 school year, the District had a total estimated actual property valuation of \$13,303,310,119, an increase of 3.85 percent over the previous year. The District expects the recent pattern of slight economic development and assessed valuations growth to continue in 2018. Arizona's property valuation system is based upon property valuations that are delayed approximately two years.

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 Funds 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 an over expenditure 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.

The District has 272 buildings containing approximately 2,515,716 square feet. Even with construction of new buildings over the last ten years, the average building age is 44 years old.

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. Tucson is the major city located in the center of eastern Pima County, which encompasses an area of approximately 9,200 square miles in southeastern Arizona. Approximately 70 percent of Pima County consists of Federal, State and Indian-owned lands. The region is well positioned geographically and culturally for trade with Mexico.

Tucson has been a favorite destination for tourists and a mining hub, in the past twenty years, Tucson's economy has become a more diverse economy expanding to include such industries as health care, education, and manufacturing. In its strategic plan, the City of Tucson outlines its plan for the development of a clear economic identity for the metropolitan area, by emphasizing continued diversification of the current manufacturing base and encouraging an increase of jobs in international trade. The number of manufacturing and wholesale businesses located in the Tucson area continues to grow and has been stimulated by a combination of a warm climate, a substantial well-educated labor pool, and a governmental climate that has been supportive of economic growth and investment.

A few of the major firms represented in Tucson include manufacturing employers such as Raytheon Missile Systems, Freeport McMoran Copper & Gold, Inc., Intuit Incorporated, IBM Corporation, Sunquest Information Systems, Tucson Newspapers, Kalil Bottling Company, and Sargent Control & Aerospace. This diverse group is joined by various non-manufacturing employers such as Walmart Stores, TMC Healthcare, Carondelet Health Network, as well as Davis-Monthan Air Force Base.

In addition, the Tucson area provides excellent educational and training opportunities through educational institutions such as the University of Arizona, the University of Phoenix, Pima Community College, and other providers of educational services, including Amphitheater Unified School District. For 123 years, Amphitheater Public Schools have contributed to the educational development of the residents of northwest Tucson. The District also recognizes the need for growth and diversification in the economy and continues to review its curriculum to prepare its students for the future economic opportunities that the region and the world will offer.

Long-term Financial Planning. Amphitheater Unified School District continues to experience slight declines in student populations despite new home construction in the northern end of the District and in Pima County. The District is working on an updated demographic study to better plan for future needs. The District expects new commercial property development to increase slightly during the 2016-17 fiscal year.

Major Initiatives. The District continued capital projects from the \$180.0 million bond program started in 2007-08. The District issued the final bond sale of \$42.0 million in October 2013 bringing the total for these bond projects to \$141.0 million. The District voters authorized the construction of a new middle school as part of this bond program. However, economic and population changes do not support the construction of this school and the voter authorization will not be used.

The funding of school building maintenance and school capital needs continues to be one of the most significant issues facing the school district. In addition, Arizona ranks in the bottom for per pupil expenditures in the nation. A recent Bureau of Labor Statistics report indicated that Arizona's average elementary teacher salary of \$42,730 is \$13,070 below the U.S. average of \$55,800. These fiscal pressures are driving the low teacher wages in the state and is significantly impacting the recruitment of teachers.

On November 8, 2016, the voters of Amphitheater Unified School District authorized a new \$58.0 million bond program. This bond program was designed to address facility maintenance and technology needs. These needs are the result of the Arizona Legislature cutting funding to schools for facility maintenance and other capital needs.

AWARDS AND ACKNOWLEDGMENTS


Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the twentieth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. 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, 2017 certificates.

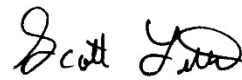
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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,



Todd A. Jaeger, J.D.
Superintendent



Scott Little
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Amphitheater Unified School District No. 10

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA
President

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

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

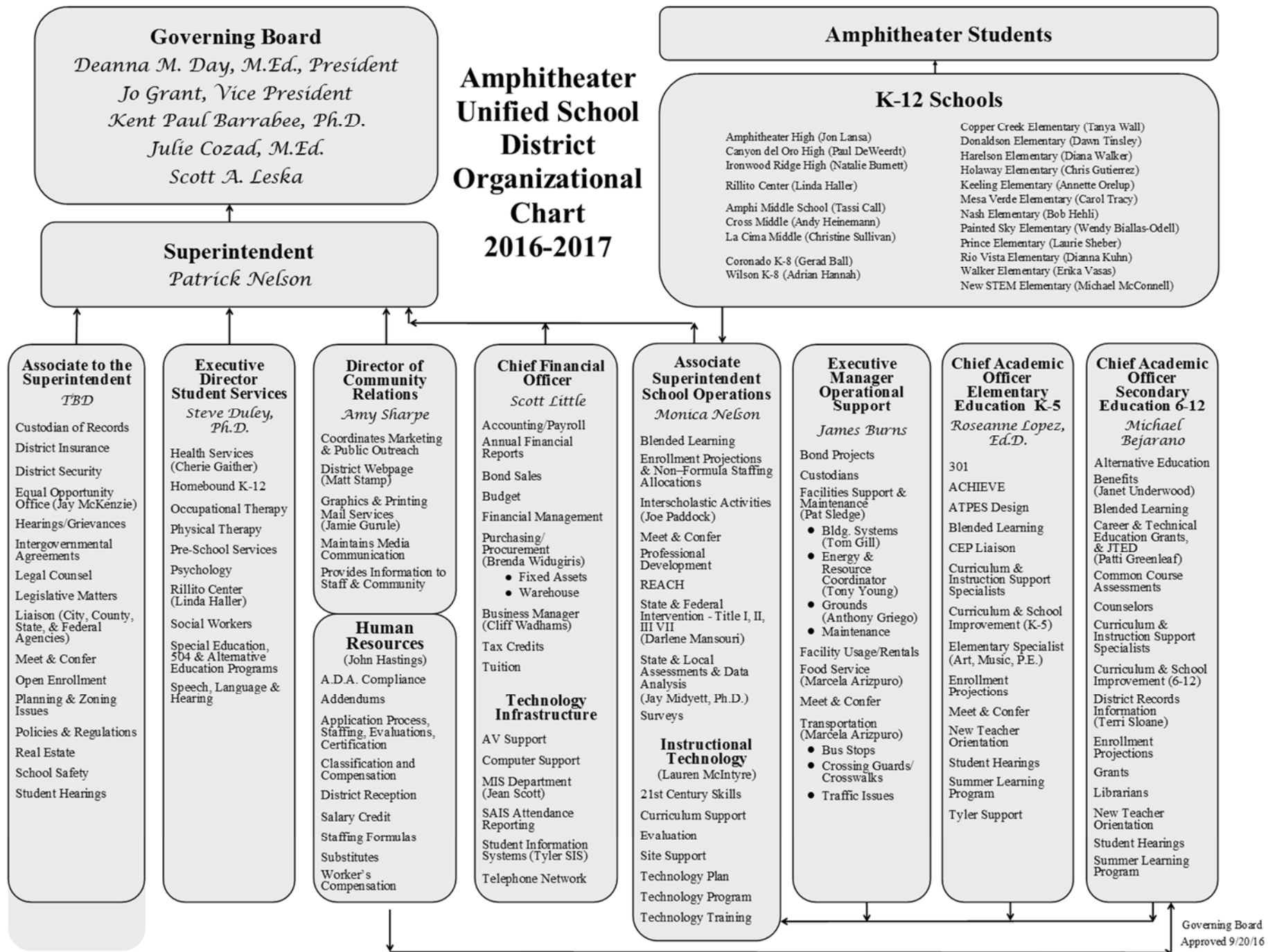
Presented to

**Amphitheater Unified School
District No. 10, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO



AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Deanna M. Day, M.Ed., President

Vickie Cox Golder, Vice President

Scott K. Baker, Ph.D., Member

Scott A. Leska, Member

Susan Zibrat, Member

ADMINISTRATIVE STAFF

Todd A. Jaeger, J.D., Superintendent

Monica Nelson, Associate Superintendent School Operations

Scott Little, Chief Financial Officer

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Amphitheater Unified School District No. 10

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 Amphitheater Unified School District No. 10 (District), as of and for the year ended June 30, 2017, 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 Amphitheater Unified School District No. 10, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 27, 2017, on our consideration of Amphitheater Unified School District No. 10'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 Amphitheater Unified School District No. 10's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 27, 2017

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

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**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

As management of the Amphitheater Unified School District No. 10 (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, 2017. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$103,787 which represents a less than one percent decrease from the prior fiscal year.
- General revenues accounted for \$102.4 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$24.1 million or 19 percent of total current fiscal year revenues.
- The District had approximately \$126.7 million in expenses related to governmental activities, an increase of four percent from the prior fiscal year primarily due to an increase in salaries for instructional purposes.
- Among major funds, the General Fund had \$86.9 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$90.0 million in expenditures. The General Fund's fund balance decreased from \$86,884,104 at the prior fiscal year end, to \$86,876,114 at the end of the current fiscal year.
- Net position for the Internal Service Funds increased \$21,903 from the prior fiscal year. Operating revenues of \$388,470 exceeded operating expenses of \$369,600 at the end of the current fiscal year.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing 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.

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

OVERVIEW OF FINANCIAL STATEMENTS

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

Proprietary funds. The District maintains one type of proprietary fund. The internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for the operation of District functions that provide goods or services to other District departments on a cost reimbursement basis. Because these activities benefit the governmental functions, they have been included within governmental activities in the government-wide financial statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

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

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

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

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$56.7 million at the current fiscal year end.

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

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of <u>June 30, 2017</u>	As of <u>June 30, 2016</u>
Current assets	\$ 55,129,562	\$ 73,815,308
Capital assets, net	<u>221,102,041</u>	<u>202,697,035</u>
Total assets	<u>276,231,603</u>	<u>276,512,343</u>
Deferred outflows	<u>21,815,434</u>	<u>10,492,510</u>
Current liabilities	7,865,644	6,121,329
Long-term liabilities	<u>214,557,855</u>	<u>212,558,851</u>
Total liabilities	<u>222,423,499</u>	<u>218,680,180</u>
Deferred inflows	<u>18,913,230</u>	<u>11,510,578</u>
Net position:		
Net investment in capital assets	138,984,123	135,581,914
Restricted	18,733,648	24,716,466
Unrestricted	<u>(101,007,463)</u>	<u>(103,484,285)</u>
Total net position	<u>\$ 56,710,308</u>	<u>\$ 56,814,095</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$101.0 million as a result of an unfunded pension liability. Positive net position was reported in the other two categories. The District's financial position is the product of several financial transactions including the net result of activities, the payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

- The principal retirement of \$12.0 million of bonds and \$894,177 of bond premium.
- The addition of \$28.4 million in capital assets through land and school improvements and purchases of vehicles, furniture, and equipment.
- The decrease of \$2.0 million in pension liabilities due to higher than expected investment returns.
- The disposal of \$3.7 million in capital assets of land and school improvements and vehicles, furniture, and equipment.
- An increase of \$6.0 million in accumulated depreciation as a result of current fiscal year depreciation expense.

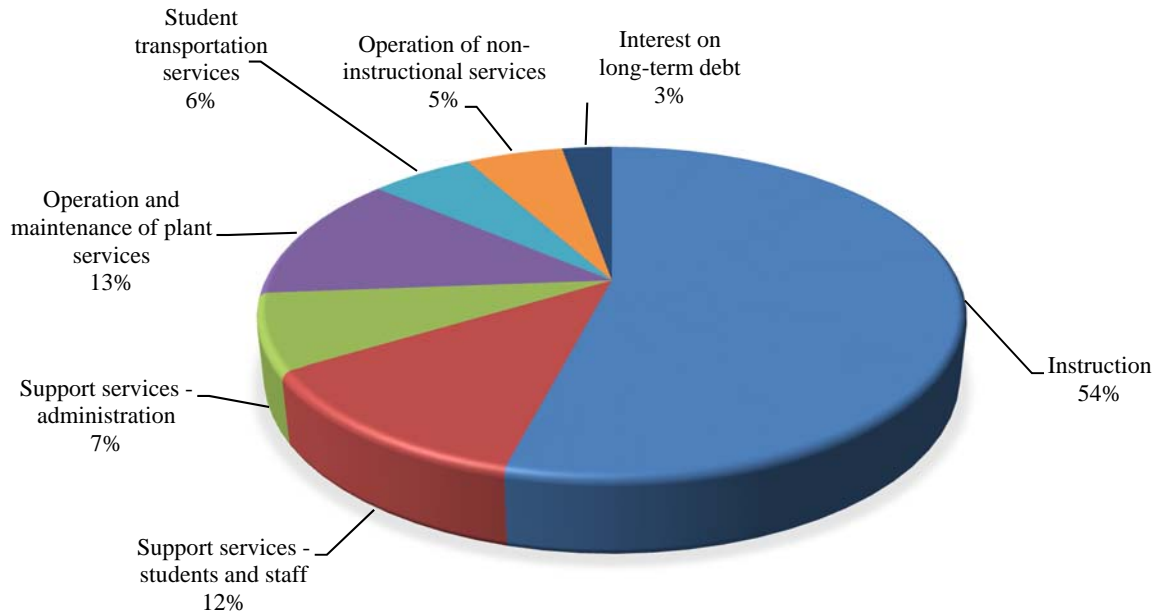
Changes in net position. The District's total revenues for the current fiscal year were \$126.6 million. The total cost of all programs and services was \$126.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	Fiscal Year Ended <u>June 30, 2017</u>	Fiscal Year Ended <u>June 30, 2016</u>
Revenues:		
Program revenues:		
Charges for services	\$ 7,239,373	\$ 7,231,616
Operating grants and contributions	15,094,520	15,389,511
Capital grants and contributions	1,782,290	1,185,476
General revenues:		
Property taxes	66,800,313	69,021,348
Investment income	330,972	227,321
Unrestricted county aid	1,826,036	1,683,607
Unrestricted state aid	32,761,002	31,772,975
Unrestricted federal aid	718,070	669,198
Total revenues	<u>126,552,576</u>	<u>127,181,052</u>
Expenses:		
Instruction	68,509,202	64,699,340
Support services – students and staff	15,482,748	15,113,534
Support services – administration	9,425,874	9,198,846
Operation and maintenance of plant services	15,795,161	15,589,812
Student transportation services	7,206,382	6,525,401
Operation of non-instructional services	6,764,596	6,257,346
Interest on long-term debt	3,472,400	3,976,078
Total expenses	<u>126,656,363</u>	<u>121,360,357</u>
Changes in net position	(103,787)	5,820,695
Net position, beginning	56,814,095	50,993,400
Net position, ending	<u>\$ 56,710,308</u>	<u>\$ 56,814,095</u>

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2017



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

- The increase of \$596,814 in capital grants and contributions was primarily due to increased capital grant funding for the Title I program.
- The decrease in property tax revenues of \$2.2 million was due to a decrease in the primary tax rate.
- The increase in instructional expenses of \$3.8 million due to salary increases for teachers.

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.

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	<u>Year Ended June 30, 2017</u>		<u>Year Ended June 30, 2016</u>	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 68,509,202	\$ (54,381,955)	\$ 64,699,340	\$ (51,571,883)
Support services – students and staff	15,482,748	(12,710,735)	15,113,534	(12,327,337)
Support services – administration	9,425,874	(8,855,611)	9,198,846	(8,759,747)
Operation and maintenance of plant services	15,795,161	(15,382,511)	15,589,812	(14,610,149)
Student transportation services	7,206,382	(7,073,005)	6,525,401	(6,464,657)
Operation of non-instructional services	6,764,596	(663,963)	6,257,346	156,097
Interest on long-term debt	3,472,400	(3,472,400)	3,976,078	(3,976,078)
Total	<u>\$126,656,363</u>	<u>\$(102,540,180)</u>	<u>\$ 121,360,357</u>	<u>\$ (97,553,754)</u>

- The cost of all governmental activities this year was \$126.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$24.1 million.
- Net cost of governmental activities of \$102.5 million was financed by general revenues, which are made up of primarily property taxes of \$66.8 million and state and county aid of \$34.6 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 \$43.4 million, a decrease of \$21.1 million due primarily to the utilization of prior year bond proceeds and other capital balances for the construction of a new school and various school improvement projects.

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 27 percent of the total fund balance. Approximately \$10.4 million, or 90 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance decreased \$1.6 million in the General Fund to \$11.6 million as of fiscal year end. General Fund revenues decreased \$7,990 and General Fund expenditures increased \$6.4 million as a result of increased personnel costs in instruction and transportation services.

The Debt Service Fund's fund balance decreased \$3.0 million to \$6.3 million at fiscal year end due to the utilization of beginning balances. Debt Service Fund revenues decreased \$521,025 and debt service expenditures increased \$5.4 million due to the principal retirement of bonds.

The Bond Building Fund's fund balance decreased \$13.0 million to \$14.5 million at fiscal year end due to utilization of prior year bond proceeds. Bond Building Fund revenues increased \$36,513 and expenditures increased \$19.7 million due to the construction of a new school.

Proprietary funds. Total net position of the Internal Service Funds at the end of the fiscal year amounted to \$609,472. The increase of \$21,903 from the prior fiscal year was primarily due to an increase in print shop fees.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget due to the carry forward of funds from Prop 123 and an increase in enrollment. The difference between the original budget and the final amended budget was a \$3.3 million increase, or four percent.

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 General Fund is provided in this report as required supplementary information. The significant favorable variance of \$1.0 million in total expenditures was a result of budget revisions due to the carry forward of funds from Prop 123 and the increase in enrollment.

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$328.8 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$24.7 million from the prior fiscal year, primarily due to land and school improvements. Total depreciation expense for the current fiscal year was \$9.3 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of <u>June 30, 2017</u>	As of <u>June 30, 2016</u>
Capital assets – non-depreciable	\$ 34,378,829	\$ 15,923,488
Capital assets – depreciable, net	<u>186,723,212</u>	<u>186,773,547</u>
Total	<u><u>\$ 221,102,041</u></u>	<u><u>\$ 202,697,035</u></u>

The estimated cost to complete current construction projects is \$2.9 million.

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

Debt Administration. At year end, the District had \$99.0 million in long-term debt outstanding, \$11.6 million due within one year. Long-term debt decreased by \$4.3 million due to payment of principal from refunding bonds.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$452.8 million and the Class B debt limit is \$301.9 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 7 and 8.

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

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 2017-18 budget. Among them:

- Fiscal year 2016-17 budget balance carry forward (estimated \$1,099,985).
- District student population (estimated 13,103).
- Employee salaries.

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 less than one percent to \$88.8 million in fiscal year 2017-18. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2017-18 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 Finance Department, Amphitheater Unified School District No. 10, 701 West Wetmore Road, Tucson, Arizona 85705-1547.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 40,124,380
Property taxes receivable	3,426,143
Accounts receivable	44,348
Due from governmental entities	10,274,913
Deposit held by others	100,016
Prepaid items	1,101,507
Inventory	58,255
Total current assets	55,129,562
Noncurrent assets:	
Capital assets not being depreciated	34,378,829
Capital assets, net of accumulated depreciation	186,723,212
Total noncurrent assets	221,102,041
Total assets	276,231,603
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	1,686,984
Pension plan items	20,128,450
Total deferred outflows of resources	21,815,434
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	4,237,776
Construction contracts payable	996,786
Accrued payroll and employee benefits	2,631,082
Compensated absences payable	650,000
Bonds payable	11,615,000
Total current liabilities	20,130,644
Noncurrent liabilities:	
Non-current portion of long-term obligations	202,292,855
Total noncurrent liabilities	202,292,855
Total liabilities	222,423,499
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	18,913,230
<u>NET POSITION</u>	
Net investment in capital assets	138,984,123
Restricted for:	
Instructional purposes	3,135,307
Federal and state projects	540,075
Food service	695,051
Non-instructional purposes	3,242,662
Debt service	6,787,782
Capital outlay	4,332,771
Unrestricted	(101,007,463)
Total net position	\$ 56,710,308

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 68,509,202	\$ 5,076,974	\$ 7,267,983	\$ 1,782,290	\$ (54,381,955)
Support services - students and staff	15,482,748	332,704	2,439,309		(12,710,735)
Support services - administration	9,425,874	320,079	250,184		(8,855,611)
Operation and maintenance of plant services	15,795,161	81,340	331,310		(15,382,511)
Student transportation services	7,206,382	90,003	43,374		(7,073,005)
Operation of non-instructional services	6,764,596	1,338,273	4,762,360		(663,963)
Interest on long-term debt	3,472,400				(3,472,400)
Total governmental activities	<u>\$ 126,656,363</u>	<u>\$ 7,239,373</u>	<u>\$ 15,094,520</u>	<u>\$ 1,782,290</u>	<u>(102,540,180)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	54,220,986
Property taxes, levied for debt service	12,579,327
Investment income	330,972
Unrestricted county aid	1,826,036
Unrestricted state aid	32,761,002
Unrestricted federal aid	718,070
Total general revenues	<u>102,436,393</u>

Changes in net position (103,787)

Net position, beginning of year 56,814,095

Net position, end of year \$ 56,710,308

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

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FUND FINANCIAL STATEMENTS

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Debt Service	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 4,598,177	\$ 6,171,547	\$ 18,257,556
Property taxes receivable	2,666,238	616,235	
Accounts receivable	12,600		
Due from governmental entities	8,512,236		
Due from other funds			
Deposit held by others			
Prepaid items	1,101,507		
Inventory	58,255		
Total assets	\$ 16,949,013	\$ 6,787,782	\$ 18,257,556
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 762,516	\$	\$ 2,656,303
Construction contracts payable			996,786
Due to other funds	6,116		93,897
Accrued payroll and employee benefits	2,308,582		
Total liabilities	3,077,214		3,746,986
Deferred inflows of resources:			
Unavailable revenues - property taxes	2,285,488	529,492	
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	2,285,488	529,492	
Fund balances (deficits):			
Nonspendable	1,159,762		
Restricted		6,258,290	14,510,570
Unassigned	10,426,549		
Total fund balances	11,586,311	6,258,290	14,510,570
 Total liabilities, deferred inflows of resources and fund balances	\$ 16,949,013	\$ 6,787,782	\$ 18,257,556

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 10,700,679	\$ 39,727,959
143,670	3,426,143
31,748	44,348
1,762,677	10,274,913
943,807	943,807
100,016	100,016
	1,101,507
	58,255
<u>\$ 13,682,597</u>	<u>\$ 55,676,948</u>

\$ 806,790	\$ 4,225,609
	996,786
857,420	957,433
<u>320,330</u>	<u>2,628,912</u>
<u>1,984,540</u>	<u>8,808,740</u>

143,670	2,958,650
<u>485,433</u>	<u>485,433</u>
<u>629,103</u>	<u>3,444,083</u>

	1,159,762
11,316,763	32,085,623
(247,809)	10,178,740
<u>11,068,954</u>	<u>43,424,125</u>

<u>\$ 13,682,597</u>	<u>\$ 55,676,948</u>
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AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total governmental fund balances **\$ 43,424,125**

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 327,915,118	
Less accumulated depreciation	<u>(107,026,839)</u>	220,888,279

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

Property taxes	2,958,650	
Intergovernmental	<u>485,433</u>	3,444,083

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds. 1,686,984

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

Deferred outflows of resources related to pensions	20,128,450	
Deferred inflows of resources related to pensions	<u>(18,913,230)</u>	1,215,220

The Internal Service Fund is used by management to charge the cost of print shop goods and services to the individual funds. The assets and liabilities of the Internal Service Fund is included in the Statement of Net Position. 609,472

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

Compensated absences payable	(3,816,602)	
Net pension liability	(111,732,876)	
Bonds payable	<u>(99,008,377)</u>	<u>(214,557,855)</u>

Net position of governmental activities **\$ 56,710,308**

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 5,603,648	\$ 223,774	\$ 100,167
Property taxes	54,094,295	12,556,196	
State aid and grants	26,460,101		
Federal aid, grants and reimbursements	718,070		
Total revenues	<u>86,876,114</u>	<u>12,779,970</u>	<u>100,167</u>
Expenditures:			
Current -			
Instruction	46,194,702		
Support services - students and staff	11,951,115		
Support services - administration	9,238,486		
Operation and maintenance of plant services	16,053,174		
Student transportation services	6,148,696		
Operation of non-instructional services	367,678		
Capital outlay	26,319		27,563,015
Debt service -			
Principal retirement		11,955,000	
Interest and fiscal charges		3,878,087	
Bond issuance costs		323,565	164,155
Total expenditures	<u>89,980,170</u>	<u>16,156,652</u>	<u>27,727,170</u>
Excess (deficiency) of revenues over expenditures	<u>(3,104,056)</u>	<u>(3,376,682)</u>	<u>(27,627,003)</u>
Other financing sources (uses):			
Insurance recoveries	81,319		
Transfers in	373,512	101,949	
Transfers out			(101,949)
Issuance of school improvement bonds			14,300,000
Issuance of refunding bonds		27,290,000	
Premium on sale of bonds		4,412,911	344,717
Payment to refunded bond escrow agent		(31,375,474)	
Total other financing sources (uses):	<u>454,831</u>	<u>429,386</u>	<u>14,542,768</u>
Changes in fund balances	<u>(2,649,225)</u>	<u>(2,947,296)</u>	<u>(13,084,235)</u>
Fund balances, beginning of year	13,156,420	9,205,586	27,594,805
Increase (decrease) in reserve for prepaid items	1,101,507		
Increase (decrease) in reserve for inventory	(22,391)		
Fund balances, end of year	<u>\$ 11,586,311</u>	<u>\$ 6,258,290</u>	<u>\$ 14,510,570</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 5,348,073	\$ 11,275,662
3,702	66,654,193
6,857,806	33,317,907
14,121,620	14,839,690
<u>26,331,201</u>	<u>126,087,452</u>
13,408,055	59,602,757
3,384,172	15,335,287
105,887	9,344,373
619,128	16,672,302
51,434	6,200,130
5,745,313	6,112,991
6,176,535	33,765,869
	11,955,000
	3,878,087
	487,720
<u>29,490,524</u>	<u>163,354,516</u>
<u>(3,159,323)</u>	<u>(37,267,064)</u>
	81,319
	475,461
(373,512)	(475,461)
	14,300,000
	27,290,000
	4,757,628
	(31,375,474)
<u>(373,512)</u>	<u>15,053,473</u>
<u>(3,532,835)</u>	<u>(22,213,591)</u>
14,601,789	64,558,600
	1,101,507
	(22,391)
<u>\$ 11,068,954</u>	<u>\$ 43,424,125</u>

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Changes in fund balances - total governmental funds **\$ (22,213,591)**

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	\$28,397,281	
Less current year depreciation	<u>(9,294,577)</u>	19,102,704

Issuance of school improvement bonds provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position. (14,300,000)

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

Property taxes	146,120	
Intergovernmental	<u>234,652</u>	380,772

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 11,955,000

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	7,258,230	
Pension expense	<u>(3,052,325)</u>	4,205,905

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	1,101,507	
Inventory	(22,391)	
Net deferred items on issuance of refunding debt	(1,117,388)	
Loss on disposal of assets	(395,959)	
Amortization of deferred bond items	850,921	
Compensated absences	<u>326,830</u>	743,520

The Internal Service Fund is used by management to charge the cost of print shop goods and services to the individual funds. The change in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities 21,903

Changes in net position in governmental activities **\$ (103,787)**

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 396,421
Due from other funds	13,626
Total current assets	410,047
Noncurrent assets:	
Capital assets, net of accumulated depreciation	213,762
Total noncurrent assets	213,762
Total assets	623,809
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	12,167
Accrued payroll and employee benefits	2,170
Total current liabilities	14,337
Total liabilities	14,337
<u>NET POSITION</u>	
Unrestricted	609,472
Total net position	\$ 609,472

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities: Internal Service Funds
Operating revenues:	
Charges for services	\$ 388,470
Total operating revenues	<u>388,470</u>
Operating expenses:	
Cost of services	332,217
Depreciation	37,383
Total operating expenses	<u>369,600</u>
Operating income (loss)	<u>18,870</u>
Nonoperating revenues (expenses):	
Investment income	3,033
Total nonoperating revenues (expenses)	<u>3,033</u>
Changes in net position	<u>21,903</u>
Total net position, beginning of year	587,569
Total net position, end of year	<u>\$ 609,472</u>

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities: Internal Service Funds
<u>Increase in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received for services	\$ 388,470
Cash payments to employees for services	(127,972)
Cash payments to suppliers for goods and services	(201,837)
Net cash provided by operating activities	58,661
Cash flows from noncapital financing activities:	
Interfund borrowing	1,276
Net cash provided by noncapital financing activities	1,276
Cash flows from investing activities:	
Investment income	3,033
Net cash provided by investing activities	3,033
Net increase in cash and cash equivalents	62,970
Cash and cash equivalents, beginning of year	333,451
Cash and cash equivalents, end of year	\$ 396,421
<u>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</u>	
Operating income	\$ 18,870
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	37,383
Changes in assets and liabilities:	
Increase in accounts payable	3,029
Increase in accrued payroll and employee benefits	(621)
Total adjustments	39,791
Net cash provided by operating activities	\$ 58,661

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 3,106,143
Total assets	<u>\$ 3,106,143</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 2,544,350
Due to student groups	561,793
Total liabilities	<u>\$ 3,106,143</u>

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Amphitheater Unified School District No. 10 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. 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.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

Property taxes, state and county aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operation Fund as well as 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.

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

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

Additionally, the District reports the following fund types:

Proprietary Funds – The Proprietary Funds are Internal Service Funds that account for activities related to the operation of District functions that provides goods and services to other District departments on a cost reimbursement basis.

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.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to District departments for goods and services. Operating expenses for the internal service funds include the cost of goods and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The agency funds are custodial in nature and do not have a measurement focus and are reported on the accrual basis of accounting. The agency funds are reported by fund type.

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash and investments held by the County Treasurer.

A.R.S. require the District to deposit all cash with the County Treasurer, except as discussed below. Cash with the County Treasurer is pooled for investment purposes, except for cash of the Debt Service and Bond Building Funds that may be invested separately. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are stated at fair value.

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

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

E. Investment Income

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

F. Receivables and Payable

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

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

G. Property Tax Calendar

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

H. Inventory

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are recorded as expenses when consumed in the government-wide financial statements and as expenditures when purchased in the fund financial statements.

J. Capital Assets

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

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

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

Land improvements	7 - 70 years
Buildings and improvements	15 - 70 years
Vehicles, furniture and equipment	5 - 20 years

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Pensions

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

N. Long-term Obligations

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

O. Interfund Activity

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

P. Net Position Flow Assumption

In the government-wide and proprietary fund financial statements the District applies restricted resources first when outlays are incurred for purposes for which either restricted or unrestricted amounts are available.

Q. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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 through a resolution approved at a Board meeting. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same action it employed to previously commit those amounts.

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The Governing Board has delegated the Chief Financial Officer that authority through formal Governing Board action.

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.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 58,255	\$	\$	\$
Prepaid items	1,101,507			
Restricted:				
Debt service		6,258,290		
Capital projects				3,941,292
Bond building projects			14,510,570	
Voter approved initiatives				3,135,307
Federal and state projects				302,451
Food service				695,051
Noninstructional purposes				3,242,662
Unassigned	10,426,549			(247,809)
Total fund balances	<u>\$ 11,586,311</u>	<u>\$ 6,258,290</u>	<u>\$ 14,510,570</u>	<u>\$ 11,068,954</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Building Renewal Grant Fund, a non-major governmental fund, reported a deficit of \$247,809 in fund balance.

The deficit arose because of operations during the year. Additional revenues received in fiscal year 2017-18 are expected to eliminate the deficit.

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 \$7.3 million and the bank balance was \$13.3 million. At year end, \$13.1 million 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 State Treasurer’s pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools as an investment company is not registered with the Securities and Exchange Commission. The activity and performance of the pools are reviewed monthly by the State Board of Investment. The fair value of each participant’s position in the State Treasurer investment pools 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.

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	306 days	\$ 16,222,512
State Treasurer’s investment pool 7	80 days	19,724,029
Total		<u>\$ 35,946,541</u>

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 – CASH AND INVESTMENTS

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. The State Treasurer’s investment pool 7 had a weighted average rating of AAA at year end as it was invested in obligations of the U.S. Government or obligations guaranteed by the U.S. Government.

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

NOTE 5 – RECEIVABLES

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

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$ 91,969	\$ 1,375,918
Due from state government	8,366,296	386,759
Due from county government	53,971	
Net due from governmental entities	\$ 8,512,236	\$ 1,762,677

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 11,808,261	\$	\$	\$ 11,808,261
Construction in progress	3,850,871	22,787,821	4,068,124	22,570,568
Total capital assets, not being depreciated	<u>15,659,132</u>	<u>22,787,821</u>	<u>4,068,124</u>	<u>34,378,829</u>
Capital assets, being depreciated:				
Land improvements	27,237,502	825,449	563,480	27,499,471
Buildings and improvements	233,967,967	6,567,168	2,658,187	237,876,948
Vehicles, furniture and equipment	26,891,503	2,284,967	445,544	28,730,926
Total capital assets being depreciated	<u>288,096,972</u>	<u>9,677,584</u>	<u>3,667,211</u>	<u>294,107,345</u>
Less accumulated depreciation for:				
Land improvements	(17,196,585)	(719,177)	(663,601)	(17,252,161)
Buildings and improvements	(72,958,477)	(6,790,891)	(2,253,734)	(77,495,634)
Vehicles, furniture and equipment	(11,168,363)	(1,821,892)	(353,917)	(12,636,338)
Total accumulated depreciation	<u>(101,323,425)</u>	<u>(9,331,960)</u>	<u>(3,271,252)</u>	<u>(107,384,133)</u>
Total capital assets, being depreciated, net	<u>186,773,547</u>	<u>345,624</u>	<u>395,959</u>	<u>186,723,212</u>
Governmental activities capital assets, net	<u>\$ 202,432,679</u>	<u>\$ 23,133,445</u>	<u>\$ 4,464,083</u>	<u>\$ 221,102,041</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$7,340,076
Support services – students and staff	190,038
Support services – administration	132,031
Operation and maintenance of plant services	266,679
Student transportation services	757,481
Operation of non-instructional services	645,655
Total depreciation expense – governmental activities	<u>\$9,331,960</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for construction of a new STEM school and various improvement projects. At year end, the District had spent \$22.8 million on the projects and had estimated remaining contractual commitments of \$2.9 million. These projects are being funded with bond proceeds.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$43.7 million remained unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2017	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2007, Series A	\$ 20,000,000	4.00%	7/1/17	\$ 600,000	\$ 600,000
School Improvement Bonds, Project of 2007, Series B	29,000,000	4.00%	7/1/17-18	2,800,000	1,400,000
School Improvement Bonds, Project of 2007, Series C	50,000,000	4.00-5.00%	7/1/17-27	25,435,000	2,700,000
School Improvement Bonds, Project of 2007, Series D	41,000,000	3.00-5.00%	7/1/17-27	26,295,000	2,230,000
School Improvement Bonds, Project of 2016, Series A	14,300,000	3.50-5.00%	7/1/17-36	9,355,000	4,685,000
Refunding Bonds, Series 2017	27,290,000	2.00-5.00%	7/1/17-27	26,985,000	
Total				<u>\$ 91,470,000</u>	<u>\$ 11,615,000</u>

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
2018	\$ 11,615,000	\$ 4,224,763
2019	6,985,000	3,713,313
2020	7,230,000	3,467,013
2021	7,545,000	3,155,263
2022	7,875,000	2,819,200
2023-27	45,550,000	7,918,750
2028-32	1,760,000	812,625
2033-37	2,910,000	283,613
Total	<u>\$ 91,470,000</u>	<u>\$ 26,394,540</u>

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE

During the year ended June 30, 2017, the District issued \$27,290,000 in refunding bonds, with an effective interest rate of 4.50 percent, to advance refund \$29,200,000 of outstanding general obligation bonds, with an average interest rate of 4.849 percent. The net proceeds of \$31,375,474, which includes \$4,412,911 of bond premium, (after payment of \$323,565 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$1,730,240. This amount is reported as deferred charges and amortized over the new debt's life. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$2,692,476 and resulted in an economic gain of \$2,315,991.

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 91,035,000	\$ 41,590,000	\$ 41,155,000	\$ 91,470,000	\$ 11,615,000
Premium	3,674,926	4,757,628	894,177	7,538,377	
Total bonds payable	<u>94,709,926</u>	<u>46,347,628</u>	<u>42,049,177</u>	<u>99,008,377</u>	<u>11,615,000</u>
Net pension liability	113,705,493		1,972,617	111,732,876	
Compensated absences payable	<u>4,143,432</u>	<u>1,922,579</u>	<u>2,249,409</u>	<u>3,816,602</u>	<u>650,000</u>
Governmental activity long-term liabilities	<u>\$ 212,558,851</u>	<u>\$ 48,270,207</u>	<u>\$ 46,271,203</u>	<u>\$ 214,557,855</u>	<u>\$ 12,265,000</u>

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	Internal Service Funds	Non-Major Governmental Funds	Total Due to Other Funds
General Fund	\$ 6,116	\$	\$ 6,116
Bond Building Fund		93,897	93,897
Non-Major Governmental Funds	7,510	849,910	857,420
Total Due from Other Funds	<u>\$ 13,626</u>	<u>\$ 943,807</u>	<u>\$ 957,433</u>

At year end, several funds had negative cash balances in the Treasurer’s pooled cash accounts. A portion of negative cash on deposit with the County Treasurer was reduced by interfund borrowing with other funds. Additionally, at year end several funds owed balances to the Internal Services Funds for goods and services provided during the fiscal year. All interfund balances are expected to be paid within one year.

Interfund transfers – Transfers between funds were used to (1) move investment income of \$101,949 earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund and (2) to move federal grant funds of \$373,512 restricted for indirect costs.

NOTE 10 – CONTINGENT LIABILITIES

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

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

Arbitrage – Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditure prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11 – RISK MANAGEMENT

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

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

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

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

The District continues to carry commercial insurance for employee dental and life insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – 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

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.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 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 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 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, 2017 were \$7.2 million.

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 for retirement, 0.21 percent for health insurance premium benefit, and 0.09 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 to the pension plan for the year ended June 30, 2017 were \$223,052.

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:				
2017	\$	377,051	\$	94,263
2016		323,946		77,747
2015		395,979		80,538

Pension Liability. At June 30, 2017, the District reported a liability of \$111.7 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. 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, 2016, the District’s proportion was 0.692 percent, which was a decrease of 0.038 from its proportion measured as of June 30, 2015.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability of retirement benefits. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. For the year ended June 30, 2017, the District recognized pension expense of \$3.1 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 678,993	\$ 7,686,405
Changes of assumptions or other inputs		5,911,562
Net difference between projected and actual earnings on pension plan investments	12,108,125	
Changes in proportion and differences between contributions and proportionate share of contributions	83,102	5,315,263
Contributions subsequent to the measurement date	<u>7,258,230</u>	
Total	<u>\$ 20,128,450</u>	<u>\$ 18,913,230</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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:	
2018	\$ (7,984,740)
2019	(5,998,320)
2020	4,544,967
2021	3,395,083

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – 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, 2015
Actuarial roll forward date	June 30, 2016
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, 2015 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 8.75 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%	6.73%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.84
Total	<u>100%</u>	

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – 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 8.75 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	\$142,467,901	\$111,732,876	\$87,090,104

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.

REQUIRED SUPPLEMENTARY INFORMATION

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 3,336,885	\$ 3,336,885
Property taxes			54,094,295	54,094,295
State aid and grants			26,460,101	26,460,101
Total revenues			<u>83,891,281</u>	<u>83,891,281</u>
Expenditures:				
Current -				
Instruction	42,658,591	44,792,182	43,969,033	823,149
Support services - students and staff	11,512,000	11,696,600	11,918,204	(221,604)
Support services - administration	8,599,869	9,155,700	8,933,097	222,603
Operation and maintenance of plant services	15,756,500	15,761,461	15,873,839	(112,378)
Student transportation services	6,139,000	6,452,600	6,121,393	331,207
Operation of non-instructional services	241,000	378,000	366,895	11,105
Total expenditures	<u>84,906,960</u>	<u>88,236,543</u>	<u>87,182,461</u>	<u>1,054,082</u>
Changes in fund balances	<u>(84,906,960)</u>	<u>(88,236,543)</u>	<u>(3,291,180)</u>	<u>84,945,363</u>
Fund balances, beginning of year			7,722,004	7,722,004
Increase (decrease) in reserve for prepaid items			1,101,507	1,101,507
Increase (decrease) in reserve for inventory			(22,391)	(22,391)
Fund balances (deficits), end of year	<u>\$ (84,906,960)</u>	<u>\$ (88,236,543)</u>	<u>\$ 5,509,940</u>	<u>\$ 93,746,483</u>

See accompanying notes to this schedule.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.69%	0.73%	0.75%
District's proportionate share of the net pension liability (asset)	\$ 111,732,876	\$ 113,705,493	\$ 110,471,045
District's covered payroll	\$ 64,789,198	\$ 67,115,060	\$ 67,168,533
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	172.46%	169.42%	164.47%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 7,258,230	\$ 7,029,628	\$ 7,308,830
Contributions in relation to the actuarially determined contribution	<u>7,258,230</u>	<u>7,029,628</u>	<u>7,308,830</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 67,330,519	\$ 64,789,198	\$ 67,115,060
Contributions as a percentage of covered payroll	10.78%	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.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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	\$ 89,980,170	\$ 11,586,311
Activity budgeted as special revenue funds	(2,797,709)	(5,942,593)
Activity budgeted as capital projects funds		(133,778)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 87,182,461	\$ 5,509,940

NOTE 2 – PENSION PLAN SCHEDULES

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

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

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

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GOVERNMENTAL FUNDS

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 7,573,701	\$ 3,126,978	\$ 10,700,679
Property taxes receivable		143,670	143,670
Accounts receivable	31,748		31,748
Due from governmental entities	1,410,369	352,308	1,762,677
Due from other funds		943,807	943,807
Deposit held by others	100,016		100,016
Total assets	<u>\$ 9,115,834</u>	<u>\$ 4,566,763</u>	<u>\$ 13,682,597</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 572,798	\$ 233,992	\$ 806,790
Due to other funds	614,819	242,601	857,420
Accrued payroll and employee benefits	315,122	5,208	320,330
Total liabilities	<u>1,502,739</u>	<u>481,801</u>	<u>1,984,540</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		143,670	143,670
Unavailable revenues - intergovernmental	237,624	247,809	485,433
Total deferred inflows of resources	<u>237,624</u>	<u>391,479</u>	<u>629,103</u>
Fund balances (deficits):			
Restricted	7,375,471	3,941,292	11,316,763
Unassigned		(247,809)	(247,809)
Total fund balances	<u>7,375,471</u>	<u>3,693,483</u>	<u>11,068,954</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,115,834</u>	<u>\$ 4,566,763</u>	<u>\$ 13,682,597</u>

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 5,223,860	\$ 124,213	\$ 5,348,073
Property taxes		3,702	3,702
State aid and grants	6,346,993	510,813	6,857,806
Federal aid, grants and reimbursements	14,121,620		14,121,620
Total revenues	<u>25,692,473</u>	<u>638,728</u>	<u>26,331,201</u>
Expenditures:			
Current -			
Instruction	13,408,055		13,408,055
Support services - students and staff	3,384,172		3,384,172
Support services - administration	105,887		105,887
Operation and maintenance of plant services	619,128		619,128
Student transportation services	51,434		51,434
Operation of non-instructional services	5,745,313		5,745,313
Capital outlay	2,711,220	3,465,315	6,176,535
Total expenditures	<u>26,025,209</u>	<u>3,465,315</u>	<u>29,490,524</u>
Excess (deficiency) of revenues over expenditures	<u>(332,736)</u>	<u>(2,826,587)</u>	<u>(3,159,323)</u>
Other financing sources (uses):			
Transfers out	(373,512)		(373,512)
Total other financing sources (uses):	<u>(373,512)</u>		<u>(373,512)</u>
Changes in fund balances	<u>(706,248)</u>	<u>(2,826,587)</u>	<u>(3,532,835)</u>
Fund balances, beginning of year	8,081,719	6,520,070	14,601,789
Fund balances, end of year	<u>\$ 7,375,471</u>	<u>\$ 3,693,483</u>	<u>\$ 11,068,954</u>

SPECIAL REVENUE FUNDS

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

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

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.

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.

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 telecommunications costs.

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

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

Early Childhood Block Grant - to account for financial assistance received for preschool education.

Failing Schools Tutoring Grant - to account for monies used to assist high school students to pass the AIMS test or to assist students who are underperforming.

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.

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

School Opening - to account for monies transferred in from the Maintenance and Operation Fund to be expended for maintenance and operation purposes incurred in the first year of operation of a new school within the District.

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

Textbooks - to account for monies received from students to replace or repair lost or damaged textbooks.

Litigation Recovery - to account for monies received for and derived from litigation.

Indirect Costs - to account for monies received from federal projects for administrative costs.

SPECIAL REVENUE FUNDS

Insurance Refund - to account for insurance premium payments that are refunded to the District.

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.

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

Intergovernmental Agreements - to account for the financial activities relating to agreements with other governments not required to be accounted for elsewhere.

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AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Classroom Site	Instructional Improvement	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 3,017,604	\$ 141,279	\$
Accounts receivable			
Due from governmental entities			574,110
Deposit held by others			
Total assets	\$ 3,017,604	\$ 141,279	\$ 574,110
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 245,197
Due to other funds			264,505
Accrued payroll and employee benefits		23,576	64,408
Total liabilities		23,576	574,110
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Restricted	3,017,604	117,703	
Total fund balances	3,017,604	117,703	
 Total liabilities, deferred inflows of resources and fund balances	\$ 3,017,604	\$ 141,279	\$ 574,110

<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>E-Rate</u>
\$ 125	\$	\$ 12,132	\$	\$	\$ 302,451
116,452	48,211	4,314	149,527	68,802	237,624
<u>\$ 116,577</u>	<u>\$ 48,211</u>	<u>\$ 16,446</u>	<u>\$ 149,527</u>	<u>\$ 68,802</u>	<u>\$ 540,075</u>
\$ 27,386	\$ 17,137	\$	\$	\$ 8,875	\$
85,434	24,460		64,814	59,927	
3,757	6,614	16,446	84,713		
<u>116,577</u>	<u>48,211</u>	<u>16,446</u>	<u>149,527</u>	<u>68,802</u>	
					<u>237,624</u>
					<u>302,451</u>
					<u>302,451</u>
<u>\$ 116,577</u>	<u>\$ 48,211</u>	<u>\$ 16,446</u>	<u>\$ 149,527</u>	<u>\$ 68,802</u>	<u>\$ 540,075</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Other Federal Projects</u>	<u>Other State Projects</u>	<u>Food Service</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 20,013	\$ 652,289
Accounts receivable			
Due from governmental entities	134,580	58,219	18,530
Deposit held by others			100,016
Total assets	<u>\$ 134,580</u>	<u>\$ 78,232</u>	<u>\$ 770,835</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 75,712	\$ 12,413	\$ 32,101
Due to other funds	48,801	64,015	2,409
Accrued payroll and employee benefits	10,067	1,804	41,274
Total liabilities	<u>134,580</u>	<u>78,232</u>	<u>75,784</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	_____	_____	_____
Fund balances:			
Restricted	_____	_____	695,051
Total fund balances	_____	_____	<u>695,051</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 134,580</u>	<u>\$ 78,232</u>	<u>\$ 770,835</u>

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 465,473 14,448	\$ 329,747	\$ 795,454	\$ 1,597,213 17,300	\$ 605	\$ 53,594
<u>\$ 479,921</u>	<u>\$ 329,747</u>	<u>\$ 795,454</u>	<u>\$ 1,614,513</u>	<u>\$ 605</u>	<u>\$ 53,594</u>
\$	\$	\$	\$ 153,977 454	\$	\$
<u>5,525</u>	<u>31,910</u>	<u> </u>	<u>5,373</u>	<u> </u>	<u> </u>
<u>5,525</u>	<u>31,910</u>	<u> </u>	<u>159,804</u>	<u> </u>	<u> </u>
<u>474,396</u>	<u>297,837</u>	<u>795,454</u>	<u>1,454,709</u>	<u>605</u>	<u>53,594</u>
<u>474,396</u>	<u>297,837</u>	<u>795,454</u>	<u>1,454,709</u>	<u>605</u>	<u>53,594</u>
<u>\$ 479,921</u>	<u>\$ 329,747</u>	<u>\$ 795,454</u>	<u>\$ 1,614,513</u>	<u>\$ 605</u>	<u>\$ 53,594</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Insurance Refund	Grants and Gifts to Teachers	Joint Technical Education
<u>ASSETS</u>			
Cash and investments	\$ 22,777	\$ 945	\$ 140,987
Accounts receivable			
Due from governmental entities			
Deposit held by others			
Total assets	\$ 22,777	\$ 945	\$ 140,987
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			19,655
Total liabilities			19,655
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances:			
Restricted	22,777	945	121,332
Total fund balances	22,777	945	121,332
Total liabilities, deferred inflows of resources and fund balances	\$ 22,777	\$ 945	\$ 140,987

<u>Intergovernmental Agreements</u>	<u>Totals</u>
\$ 21,013	\$ 7,573,701
	31,748
	1,410,369
	100,016
<u>\$ 21,013</u>	<u>\$ 9,115,834</u>
\$	\$ 572,798
	614,819
	315,122
	<u>1,502,739</u>
	<u>237,624</u>
<u>21,013</u>	<u>7,375,471</u>
<u>21,013</u>	<u>7,375,471</u>
<u>\$ 21,013</u>	<u>\$ 9,115,834</u>

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Classroom Site	Instructional Improvement	Title I Grants
Revenues:			
Other local	\$ 17,886	\$ 2,042	\$
State aid and grants	5,411,753	553,979	
Federal aid, grants and reimbursements			4,113,086
Total revenues	5,429,639	556,021	4,113,086
Expenditures:			
Current -			
Instruction	5,133,745	377,912	2,277,524
Support services - students and staff	168,925	423,778	1,085,050
Support services - administration			5,536
Operation and maintenance of plant services			
Student transportation services			21,289
Operation of non-instructional services			
Capital outlay			642,977
Total expenditures	5,302,670	801,690	4,032,376
Excess (deficiency) of revenues over expenditures	126,969	(245,669)	80,710
Other financing sources (uses):			
Transfers out			(80,710)
Total other financing sources (uses):			(80,710)
Changes in fund balances	126,969	(245,669)	
Fund balances, beginning of year	2,890,635	363,372	
Fund balances, end of year	\$ 3,017,604	\$ 117,703	\$

Professional Development and Technology Grants	Limited English and Immigrant Students	Indian Education	Special Education Grants	Johnson O'Malley	Vocational Education
\$	\$	\$	\$	\$	\$
554,081	180,383	24,994	2,639,575	12,637	321,913
<u>554,081</u>	<u>180,383</u>	<u>24,994</u>	<u>2,639,575</u>	<u>12,637</u>	<u>321,913</u>
	62,491		2,549,457	11,512	74,702
546,566	81,466	23,257	7,117	589	80,634
	71	1,000	5,126	150	2,766
	40				
	34,916				159,789
<u>546,566</u>	<u>178,984</u>	<u>24,257</u>	<u>2,561,700</u>	<u>12,251</u>	<u>317,891</u>
<u>7,515</u>	<u>1,399</u>	<u>737</u>	<u>77,875</u>	<u>386</u>	<u>4,022</u>
<u>(7,515)</u>	<u>(1,399)</u>	<u>(737)</u>	<u>(77,875)</u>	<u>(386)</u>	<u>(4,022)</u>
<u>(7,515)</u>	<u>(1,399)</u>	<u>(737)</u>	<u>(77,875)</u>	<u>(386)</u>	<u>(4,022)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	E-Rate	Other Federal Projects	State Vocational Education
Revenues:			
Other local	\$ 6,110	\$	\$
State aid and grants			111,164
Federal aid, grants and reimbursements	654,951	933,234	
Total revenues	661,061	933,234	111,164
Expenditures:			
Current -			
Instruction		471,325	3,750
Support services - students and staff		352,724	92,280
Support services - administration		895	
Operation and maintenance of plant services	264,450		
Student transportation services		52	15,134
Operation of non-instructional services			
Capital outlay	385,839	82,370	
Total expenditures	650,289	907,366	111,164
Excess (deficiency) of revenues over expenditures	10,772	25,868	
Other financing sources (uses):			
Transfers out		(25,868)	
Total other financing sources (uses):		(25,868)	
Changes in fund balances	10,772		
Fund balances, beginning of year	291,679		
Fund balances, end of year	\$ 302,451	\$	\$

<u>Failing Schools Tutoring Grant</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
\$ 46,385	\$ 223,712	\$ 1,304,828	\$ 420,839	\$ 513,616	\$ 1,338,884
<u>46,385</u>	<u>223,712</u>	<u>4,686,766</u> <u>5,991,594</u>	<u>420,839</u>	<u>513,616</u>	<u>1,338,884</u>
46,385	130,783		148,386	417,245	1,198,563
	1,354		995		500
	88,699		9,888		
		5,543,181	654	37,064	
	2,876	385,571	90,726	264	16,474
<u>46,385</u>	<u>223,712</u>	<u>5,928,752</u>	<u>504,742</u>	<u>454,573</u>	<u>1,215,537</u>
		62,842	(83,903)	59,043	123,347
		(175,000)			
		(175,000)			
		(112,158)	(83,903)	59,043	123,347
		807,209	558,299	238,794	672,107
<u>\$</u>	<u>\$</u>	<u>\$ 695,051</u>	<u>\$ 474,396</u>	<u>\$ 297,837</u>	<u>\$ 795,454</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Gifts and Donations	Fingerprint	Textbooks
Revenues:			
Other local	\$ 606,045	\$ 3,637	\$ 2,577
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	606,045	3,637	2,577
Expenditures:			
Current -			
Instruction	282,398		
Support services - students and staff	84,483		4,132
Support services - administration	75,633	3,468	
Operation and maintenance of plant services	10,847		
Student transportation services	14,919		
Operation of non-instructional services	164,414		
Capital outlay	653,152		
Total expenditures	1,285,846	3,468	4,132
Excess (deficiency) of revenues over expenditures	(679,801)	169	(1,555)
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(679,801)	169	(1,555)
Fund balances, beginning of year	2,134,510	436	55,149
Fund balances, end of year	\$ 1,454,709	\$ 605	\$ 53,594

<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>	<u>Joint Technical Education</u>	<u>Intergovernmental Agreements</u>	<u>Totals</u>
\$ 173	\$ 1,816	\$ 996,723	\$ 8,684	\$ 5,223,860
				6,346,993
				14,121,620
<u>173</u>	<u>1,816</u>	<u>996,723</u>	<u>8,684</u>	<u>25,692,473</u>
	1,035	351,625		13,408,055
		300,893		3,384,172
		1,039		105,887
				619,128
				51,434
				5,745,313
	836	255,430		2,711,220
	<u>1,871</u>	<u>908,987</u>		<u>26,025,209</u>
<u>173</u>	<u>(55)</u>	<u>87,736</u>	<u>8,684</u>	<u>(332,736)</u>
				(373,512)
				<u>(373,512)</u>
<u>173</u>	<u>(55)</u>	<u>87,736</u>	<u>8,684</u>	<u>(706,248)</u>
22,604	1,000	33,596	12,329	8,081,719
<u>\$ 22,777</u>	<u>\$ 945</u>	<u>\$ 121,332</u>	<u>\$ 21,013</u>	<u>\$ 7,375,471</u>

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 17,886	\$ 17,886
State aid and grants		5,411,753	5,411,753
Federal aid, grants and reimbursements			
Total revenues		<u>5,429,639</u>	<u>5,429,639</u>
Expenditures:			
Current -			
Instruction	7,649,930	5,133,745	2,516,185
Support services - students and staff	228,597	168,925	59,672
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>7,878,527</u>	<u>5,302,670</u>	<u>2,575,857</u>
Excess (deficiency) of revenues over expenditures	<u>(7,878,527)</u>	<u>126,969</u>	<u>8,005,496</u>
Other financing sources (uses):			
Insurance recoveries			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(7,878,527)</u>	<u>126,969</u>	<u>8,005,496</u>
Fund balances, beginning of year		2,890,635	2,890,635
Fund balances (deficits), end of year	<u>\$ (7,878,527)</u>	<u>\$ 3,017,604</u>	<u>\$ 10,896,131</u>

Instructional Improvement			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,042 553,979	\$ 2,042 553,979	\$	\$	\$
				4,113,086	4,113,086
	<u>556,021</u>	<u>556,021</u>		<u>4,113,086</u>	<u>4,113,086</u>
1,320,000	377,912 423,778	942,088 (423,778)	2,445,809 1,165,224 5,945	2,277,524 1,085,050 5,536	168,285 80,174 409
			22,862	21,289	1,573
			690,486	642,977	47,509
<u>1,320,000</u>	<u>801,690</u>	<u>518,310</u>	<u>4,330,326</u>	<u>4,032,376</u>	<u>297,950</u>
<u>(1,320,000)</u>	<u>(245,669)</u>	<u>1,074,331</u>	<u>(4,330,326)</u>	<u>80,710</u>	<u>4,411,036</u>
			(86,674)	(80,710)	5,964
			<u>(86,674)</u>	<u>(80,710)</u>	<u>5,964</u>
<u>(1,320,000)</u>	<u>(245,669)</u>	<u>1,074,331</u>	<u>(4,417,000)</u>		<u>4,417,000</u>
	363,372	363,372			
<u>\$ (1,320,000)</u>	<u>\$ 117,703</u>	<u>\$ 1,437,703</u>	<u>\$ (4,417,000)</u>	<u>\$</u>	<u>\$ 4,417,000</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		554,081	554,081
Total revenues		554,081	554,081
Expenditures:			
Current -			
Instruction			
Support services - students and staff	542,540	546,566	(4,026)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	542,540	546,566	(4,026)
Excess (deficiency) of revenues over expenditures	(542,540)	7,515	550,055
Other financing sources (uses):			
Insurance recoveries			
Transfers in			
Transfers out	(7,460)	(7,515)	(55)
Total other financing sources (uses):	(7,460)	(7,515)	(55)
Changes in fund balances	(550,000)		550,000
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (550,000)	\$	\$ 550,000

Limited English and Immigrant Students			Indian Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	180,383	180,383		24,994	24,994
	180,383	180,383		24,994	24,994
5,023	62,491	(57,468)			
6,549	81,466	(74,917)		23,257	(23,257)
6	71	(65)		1,000	(1,000)
3	40	(37)			
2,807	34,916	(32,109)			
14,388	178,984	(164,596)		24,257	(24,257)
(14,388)	1,399	15,787		737	737
(112)	(1,399)	(1,287)		(737)	(737)
(112)	(1,399)	(1,287)		(737)	(737)
(14,500)		14,500			
\$ (14,500)	\$	\$ 14,500	\$	\$	\$

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		2,639,575	2,639,575
Total revenues		<u>2,639,575</u>	<u>2,639,575</u>
Expenditures:			
Current -			
Instruction	2,704,404	2,549,457	154,947
Support services - students and staff	7,550	7,117	433
Support services - administration	5,438	5,126	312
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>2,717,392</u>	<u>2,561,700</u>	<u>155,692</u>
Excess (deficiency) of revenues over expenditures	<u>(2,717,392)</u>	<u>77,875</u>	<u>2,795,267</u>
Other financing sources (uses):			
Insurance recoveries			
Transfers in			
Transfers out	(82,608)	(77,875)	4,733
Total other financing sources (uses):	<u>(82,608)</u>	<u>(77,875)</u>	<u>4,733</u>
Changes in fund balances	<u>(2,800,000)</u>		<u>2,800,000</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (2,800,000)</u>	<u>\$</u>	<u>\$ 2,800,000</u>

Johnson O'Malley			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	12,637	12,637		321,913	321,913
	12,637	12,637		321,913	321,913
11,934	11,512	422	77,739	74,702	3,037
611	589	22	83,912	80,634	3,278
155	150	5	2,878	2,766	112
			166,285	159,789	6,496
12,700	12,251	449	330,814	317,891	12,923
(12,700)	386	13,086	(330,814)	4,022	334,836
(400)	(386)	14	(4,186)	(4,022)	164
(400)	(386)	14	(4,186)	(4,022)	164
(13,100)		13,100	(335,000)		335,000
\$ (13,100)	\$	\$ 13,100	\$ (335,000)	\$	\$ 335,000

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 10,285	\$ 10,285
State aid and grants			
Federal aid, grants and reimbursements		718,070	718,070
Total revenues		<u>728,355</u>	<u>728,355</u>
Expenditures:			
Current -			
Instruction	384,302	98,911	285,391
Support services - students and staff	115,698	29,778	85,920
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>500,000</u>	<u>128,689</u>	<u>371,311</u>
Excess (deficiency) of revenues over expenditures	<u>(500,000)</u>	<u>599,666</u>	<u>1,099,666</u>
Other financing sources (uses):			
Insurance recoveries			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(500,000)</u>	<u>599,666</u>	<u>1,099,666</u>
Fund balances, beginning of year		849,916	849,916
Fund balances (deficits), end of year	<u>\$ (500,000)</u>	<u>\$ 1,449,582</u>	<u>\$ 1,949,582</u>

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 6,110	\$ 6,110	\$	\$	\$
	654,951	654,951		933,234	933,234
	661,061	661,061		933,234	933,234
			606,053	471,325	134,728
			453,551	352,724	100,827
			1,151	895	256
203,333	264,450	(61,117)	67	52	15
296,667	385,839	(89,172)	105,916	82,370	23,546
500,000	650,289	(150,289)	1,166,738	907,366	259,372
(500,000)	10,772	510,772	(1,166,738)	25,868	1,192,606
			(33,262)	(25,868)	7,394
			(33,262)	(25,868)	7,394
(500,000)	10,772	510,772	(1,200,000)		1,200,000
	291,679	291,679			
\$ (500,000)	\$ 302,451	\$ 802,451	\$ (1,200,000)	\$	\$ 1,200,000

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		111,164	111,164
Federal aid, grants and reimbursements			
Total revenues		<u>111,164</u>	<u>111,164</u>
Expenditures:			
Current -			
Instruction	3,744	3,750	(6)
Support services - students and staff	92,144	92,280	(136)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	15,112	15,134	(22)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>111,000</u>	<u>111,164</u>	<u>(164)</u>
Excess (deficiency) of revenues over expenditures	<u>(111,000)</u>		<u>111,000</u>
Other financing sources (uses):			
Insurance recoveries			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(111,000)</u>		<u>111,000</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (111,000)</u>	<u>\$</u>	<u>\$ 111,000</u>

Early Childhood Block Grant			Failing Schools Tutoring Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				46,385	46,385
				46,385	46,385
93,900		93,900		46,385	(46,385)
93,900		93,900		46,385	(46,385)
(93,900)		93,900			
(93,900)		93,900			
\$ (93,900)	\$	\$ 93,900	\$	\$	\$

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		223,712	223,712
Federal aid, grants and reimbursements			
Total revenues		<u>223,712</u>	<u>223,712</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		130,783	(130,783)
Support services - administration	67,230	1,354	65,876
Operation and maintenance of plant services	696	88,699	(88,003)
Student transportation services	45,596		45,596
Operation of non-instructional services			
Capital outlay	1,478	2,876	(1,398)
Total expenditures	<u>115,000</u>	<u>223,712</u>	<u>(108,712)</u>
Excess (deficiency) of revenues over expenditures	<u>(115,000)</u>		<u>115,000</u>
Other financing sources (uses):			
Insurance recoveries			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(115,000)</u>		<u>115,000</u>
Fund balances, beginning of year			
Fund balances (deficits), end of year	<u>\$ (115,000)</u>	<u>\$</u>	<u>\$ 115,000</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 95,875	\$ 95,875	\$	\$ 1,304,828	\$ 1,304,828
				4,686,766	4,686,766
	<u>95,875</u>	<u>95,875</u>		<u>5,991,594</u>	<u>5,991,594</u>
1,000,000		1,000,000			
			5,903,037	5,543,181	359,856
			410,602	385,571	25,031
<u>1,000,000</u>		<u>1,000,000</u>	<u>6,313,639</u>	<u>5,928,752</u>	<u>384,887</u>
<u>(1,000,000)</u>	<u>95,875</u>	<u>1,095,875</u>	<u>(6,313,639)</u>	<u>62,842</u>	<u>6,376,481</u>
			(186,361)	(175,000)	11,361
			<u>(186,361)</u>	<u>(175,000)</u>	<u>11,361</u>
<u>(1,000,000)</u>	<u>95,875</u>	<u>1,095,875</u>	<u>(6,500,000)</u>	<u>(112,158)</u>	<u>6,387,842</u>
	1,883,495	1,883,495		807,209	807,209
<u>\$ (1,000,000)</u>	<u>\$ 1,979,370</u>	<u>\$ 2,979,370</u>	<u>\$ (6,500,000)</u>	<u>\$ 695,051</u>	<u>\$ 7,195,051</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 420,839	\$ 420,839
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>420,839</u>	<u>420,839</u>
Expenditures:			
Current -			
Instruction	176,390	148,386	28,004
Support services - students and staff	1,183	995	188
Support services - administration	11,754	9,888	1,866
Operation and maintenance of plant services	302,048	254,093	47,955
Student transportation services			
Operation of non-instructional services	777	654	123
Capital outlay	107,848	90,726	17,122
Total expenditures	<u>600,000</u>	<u>504,742</u>	<u>95,258</u>
Excess (deficiency) of revenues over expenditures	<u>(600,000)</u>	<u>(83,903)</u>	<u>516,097</u>
Other financing sources (uses):			
Insurance recoveries			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(600,000)</u>	<u>(83,903)</u>	<u>516,097</u>
Fund balances, beginning of year		558,299	558,299
Fund balances (deficits), end of year	<u>\$ (600,000)</u>	<u>\$ 474,396</u>	<u>\$ 1,074,396</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 513,616	\$ 513,616	\$	\$ 2,122,426	\$ 2,122,426
	<u>513,616</u>	<u>513,616</u>		<u>2,122,426</u>	<u>2,122,426</u>
596,625	417,245	179,380	1,479,900	2,041,603	(561,703)
			2,271	3,133	(862)
52,998	37,064	15,934	568	783	(215)
377	264	113	17,261	23,813	(6,552)
<u>650,000</u>	<u>454,573</u>	<u>195,427</u>	<u>1,500,000</u>	<u>2,069,332</u>	<u>(569,332)</u>
<u>(650,000)</u>	<u>59,043</u>	<u>709,043</u>	<u>(1,500,000)</u>	<u>53,094</u>	<u>1,553,094</u>
<u>(650,000)</u>	<u>59,043</u>	<u>709,043</u>	<u>(1,500,000)</u>	<u>53,094</u>	<u>1,553,094</u>
	238,794	238,794		929,607	929,607
<u>\$ (650,000)</u>	<u>\$ 297,837</u>	<u>\$ 947,837</u>	<u>\$ (1,500,000)</u>	<u>\$ 982,701</u>	<u>\$ 2,482,701</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,338,884	\$ 1,338,884
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		1,338,884	1,338,884
Expenditures:			
Current -			
Instruction	1,479,054	1,198,563	280,491
Support services - students and staff	617	500	117
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	20,329	16,474	3,855
Total expenditures	1,500,000	1,215,537	284,463
Excess (deficiency) of revenues over expenditures	(1,500,000)	123,347	1,623,347
Other financing sources (uses):			
Insurance recoveries			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(1,500,000)	123,347	1,623,347
Fund balances, beginning of year		672,107	672,107
Fund balances (deficits), end of year	\$ (1,500,000)	\$ 795,454	\$ 2,295,454

Gifts and Donations			Fingerprint		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 606,045	\$ 606,045	\$	\$ 3,637	\$ 3,637
	<u>606,045</u>	<u>606,045</u>		<u>3,637</u>	<u>3,637</u>
197,658	282,398	(84,740)			
59,132	84,483	(25,351)			
52,938	75,633	(22,695)	25,000	3,468	21,532
7,592	10,847	(3,255)			
10,442	14,919	(4,477)			
115,078	164,414	(49,336)			
457,160	653,152	(195,992)			
<u>900,000</u>	<u>1,285,846</u>	<u>(385,846)</u>	<u>25,000</u>	<u>3,468</u>	<u>21,532</u>
<u>(900,000)</u>	<u>(679,801)</u>	<u>220,199</u>	<u>(25,000)</u>	<u>169</u>	<u>25,169</u>
<u>(900,000)</u>	<u>(679,801)</u>	<u>220,199</u>	<u>(25,000)</u>	<u>169</u>	<u>25,169</u>
	2,134,510	2,134,510		436	436
<u>\$ (900,000)</u>	<u>\$ 1,454,709</u>	<u>\$ 2,354,709</u>	<u>\$ (25,000)</u>	<u>\$ 605</u>	<u>\$ 25,605</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	School Opening		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 7,752	\$ 7,752
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>7,752</u>	<u>7,752</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>7,752</u>	<u>7,752</u>
Other financing sources (uses):			
Insurance recoveries			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances		<u>7,752</u>	<u>7,752</u>
Fund balances, beginning of year		1,202,041	1,202,041
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 1,209,793</u>	<u>\$ 1,209,793</u>

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,301	\$ 1,301	\$	\$ 2,577	\$ 2,577
	<u>1,301</u>	<u>1,301</u>		<u>2,577</u>	<u>2,577</u>
16,153	3,000	13,153		4,132	(4,132)
23,342	4,335	19,007	40,000		40,000
147,012	27,303	119,709			
13,493	2,506	10,987			
<u>200,000</u>	<u>37,144</u>	<u>162,856</u>	<u>40,000</u>	<u>4,132</u>	<u>35,868</u>
<u>(200,000)</u>	<u>(35,843)</u>	<u>164,157</u>	<u>(40,000)</u>	<u>(1,555)</u>	<u>38,445</u>
	81,319	81,319			
	<u>81,319</u>	<u>81,319</u>			
<u>(200,000)</u>	<u>45,476</u>	<u>245,476</u>	<u>(40,000)</u>	<u>(1,555)</u>	<u>38,445</u>
	164,686	164,686		55,149	55,149
<u>\$ (200,000)</u>	<u>\$ 210,162</u>	<u>\$ 410,162</u>	<u>\$ (40,000)</u>	<u>\$ 53,594</u>	<u>\$ 93,594</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 27,346	\$ 27,346
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>27,346</u>	<u>27,346</u>
Expenditures:			
Current -			
Instruction	2,238	82,155	(79,917)
Support services - students and staff			
Support services - administration	2,762	101,350	(98,588)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>5,000</u>	<u>183,505</u>	<u>(178,505)</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>(156,159)</u>	<u>(151,159)</u>
Other financing sources (uses):			
Insurance recoveries			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(5,000)</u>	<u>(156,159)</u>	<u>(151,159)</u>
Fund balances, beginning of year		267,144	267,144
Fund balances (deficits), end of year	<u>\$ (5,000)</u>	<u>\$ 110,985</u>	<u>\$ 115,985</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 766	\$ 766	\$	\$ 173	\$ 173
	<u>766</u>	<u>766</u>		<u>173</u>	<u>173</u>
290,685	204,039	86,646			
249,315	175,000	74,315			
<u>540,000</u>	<u>379,039</u>	<u>160,961</u>			
<u>(540,000)</u>	<u>(378,273)</u>	<u>161,727</u>		<u>173</u>	<u>173</u>
	373,512	373,512			
	<u>373,512</u>	<u>373,512</u>			
<u>(540,000)</u>	<u>(4,761)</u>	<u>535,239</u>		<u>173</u>	<u>173</u>
	4,761	4,761		22,604	22,604
<u>\$ (540,000)</u>	<u>\$</u>	<u>\$ 540,000</u>	<u>\$</u>	<u>\$ 22,777</u>	<u>\$ 22,777</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Grants and Gifts to Teachers		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,816	\$ 1,816
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		1,816	1,816
Expenditures:			
Current -			
Instruction	8,298	1,035	7,263
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	6,702	836	5,866
Total expenditures	15,000	1,871	13,129
Excess (deficiency) of revenues over expenditures	(15,000)	(55)	14,945
Other financing sources (uses):			
Insurance recoveries			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	(15,000)	(55)	14,945
Fund balances, beginning of year		1,000	1,000
Fund balances (deficits), end of year	\$ (15,000)	\$ 945	\$ 15,945

Joint Technical Education			Intergovernmental Agreements		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 996,723	\$ 996,723	\$	\$ 8,684	\$ 8,684
	<u>996,723</u>	<u>996,723</u>		<u>8,684</u>	<u>8,684</u>
653,245	351,625 300,893	301,620 (300,893)			
1,040	1,039	1			
<u>255,715</u>	<u>255,430</u>	<u>285</u>	<u>50,000</u>		<u>50,000</u>
<u>910,000</u>	<u>908,987</u>	<u>1,013</u>	<u>50,000</u>		<u>50,000</u>
<u>(910,000)</u>	<u>87,736</u>	<u>997,736</u>	<u>(50,000)</u>	<u>8,684</u>	<u>58,684</u>
<u>(910,000)</u>	<u>87,736</u>	<u>997,736</u>	<u>(50,000)</u>	<u>8,684</u>	<u>58,684</u>
	33,596	33,596		12,329	12,329
<u>\$ (910,000)</u>	<u>\$ 121,332</u>	<u>\$ 1,031,332</u>	<u>\$ (50,000)</u>	<u>\$ 21,013</u>	<u>\$ 71,013</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 7,489,611	\$ 7,489,611
State aid and grants		6,346,993	6,346,993
Federal aid, grants and reimbursements		14,839,690	14,839,690
Total revenues		<u>28,676,294</u>	<u>28,676,294</u>
Expenditures:			
Current -			
Instruction	19,912,399	15,633,724	4,278,675
Support services - students and staff	2,759,579	3,417,083	(657,504)
Support services - administration	505,942	411,276	94,666
Operation and maintenance of plant services	1,787,366	798,463	988,903
Student transportation services	241,094	78,737	162,357
Operation of non-instructional services	6,072,458	5,746,096	326,362
Capital outlay	2,603,126	2,737,539	(134,413)
Total expenditures	<u>33,881,964</u>	<u>28,822,918</u>	<u>5,059,046</u>
Excess (deficiency) of revenues over expenditures	<u>(33,881,964)</u>	<u>(146,624)</u>	<u>33,735,340</u>
Other financing sources (uses):			
Insurance recoveries		81,319	81,319
Transfers in		373,512	373,512
Transfers out	(401,063)	(373,512)	27,551
Total other financing sources (uses):	<u>(401,063)</u>	<u>81,319</u>	<u>482,382</u>
Changes in fund balances	<u>(34,283,027)</u>	<u>(65,305)</u>	<u>34,217,722</u>
Fund balances, beginning of year		13,383,369	13,383,369
Fund balances (deficits), end of year	<u>\$ (34,283,027)</u>	<u>\$ 13,318,064</u>	<u>\$ 47,601,091</u>

DEBT SERVICE FUND

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 223,774	\$ 223,774
Property taxes		12,556,196	12,556,196
Total revenues		<u>12,779,970</u>	<u>12,779,970</u>
Expenditures:			
Debt service -			
Principal retirement	11,955,000	11,955,000	
Interest and fiscal charges	1,045,000	3,878,087	(2,833,087)
Bond issuance costs		323,565	(323,565)
Total expenditures	<u>13,000,000</u>	<u>16,156,652</u>	<u>(3,156,652)</u>
Excess (deficiency) of revenues over expenditures	<u>(13,000,000)</u>	<u>(3,376,682)</u>	<u>9,623,318</u>
Other financing sources (uses):			
Transfers in		101,949	101,949
Issuance of refunding bonds		27,290,000	27,290,000
Premium on sale of bonds		4,412,911	4,412,911
Payment to refunded bond escrow agent		(31,375,474)	(31,375,474)
Total other financing sources (uses):		<u>429,386</u>	<u>429,386</u>
Changes in fund balances	<u>(13,000,000)</u>	<u>(2,947,296)</u>	<u>10,052,704</u>
Fund balances, beginning of year		9,205,586	9,205,586
Fund balances (deficits), end of year	<u>\$ (13,000,000)</u>	<u>\$ 6,258,290</u>	<u>\$ 19,258,290</u>

CAPITAL PROJECTS FUNDS

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

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

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

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

Condemnation - to account for monies received from proceeds from sales by condemnation or right-of-way settlements.

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.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
<u>ASSETS</u>			
Cash and investments	\$ 2,177,564	\$ 937,634	\$ 11,780
Property taxes receivable	135,633	8,037	
Due from governmental entities	104,499		
Due from other funds	943,807		
Total assets	\$ 3,361,503	\$ 945,671	\$ 11,780
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 233,992	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Total liabilities	233,992		
Deferred inflows of resources:			
Unavailable revenues - property taxes	135,633	8,037	
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	135,633	8,037	
Fund balances (deficits):			
Restricted	2,991,878	937,634	11,780
Unassigned			
Total fund balances	2,991,878	937,634	11,780
 Total liabilities, deferred inflows of resources and fund balances	\$ 3,361,503	\$ 945,671	\$ 11,780

<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$ 3,126,978
	143,670
247,809	352,308
	943,807
<u>\$ 247,809</u>	<u>\$ 4,566,763</u>

\$	\$ 233,992
242,601	242,601
5,208	5,208
<u>247,809</u>	<u>481,801</u>

	143,670
247,809	247,809
<u>247,809</u>	<u>391,479</u>

	3,941,292
(247,809)	(247,809)
<u>(247,809)</u>	<u>3,693,483</u>

<u>\$ 247,809</u>	<u>\$ 4,566,763</u>
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AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
Revenues:			
Other local	\$ 84,232	\$ 7,864	\$ 32,117
Property taxes	287	3,415	
State aid and grants	335,169		
Total revenues	<u>419,688</u>	<u>11,279</u>	<u>32,117</u>
Expenditures:			
Capital outlay	2,188,755	687,000	90,665
Total expenditures	<u>2,188,755</u>	<u>687,000</u>	<u>90,665</u>
Changes in fund balances	<u>(1,769,067)</u>	<u>(675,721)</u>	<u>(58,548)</u>
Fund balances, beginning of year	4,760,945	1,613,355	70,328
Fund balances (deficits), end of year	<u>\$ 2,991,878</u>	<u>\$ 937,634</u>	<u>\$ 11,780</u>

<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$ 124,213
	3,702
175,644	510,813
<u>175,644</u>	<u>638,728</u>
498,895	3,465,315
<u>498,895</u>	<u>3,465,315</u>
<u>(323,251)</u>	<u>(2,826,587)</u>
75,442	6,520,070
<u>\$ (247,809)</u>	<u>\$ 3,693,483</u>

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 84,232	\$ 84,232
Property taxes		287	287
State aid and grants		335,169	335,169
Total revenues		<u>419,688</u>	<u>419,688</u>
Expenditures:			
Capital outlay	5,969,539	2,188,755	3,780,784
Debt service - Bond issuance costs			
Total expenditures	<u>5,969,539</u>	<u>2,188,755</u>	<u>3,780,784</u>
Excess (deficiency) of revenues over expenditures	<u>(5,969,539)</u>	<u>(1,769,067)</u>	<u>4,200,472</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(5,969,539)</u>	<u>(1,769,067)</u>	<u>4,200,472</u>
Fund balances, beginning of year		4,760,945	4,760,945
Fund balances (deficits), end of year	<u>\$ (5,969,539)</u>	<u>\$ 2,991,878</u>	<u>\$ 8,961,417</u>

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 7,864 3,415	\$ 7,864 3,415	\$	\$ 100,167	\$ 100,167
	<u>11,279</u>	<u>11,279</u>		<u>100,167</u>	<u>100,167</u>
1,500,000	687,000	813,000	28,318,677	27,563,015	755,662
<u>1,500,000</u>	<u>687,000</u>	<u>813,000</u>	<u>28,318,677</u>	<u>164,155</u> <u>27,727,170</u>	<u>(164,155)</u> <u>591,507</u>
<u>(1,500,000)</u>	<u>(675,721)</u>	<u>824,279</u>	<u>(28,318,677)</u>	<u>(27,627,003)</u>	<u>691,674</u>
				(101,949)	(101,949)
				14,300,000	14,300,000
				344,717	344,717
				<u>14,542,768</u>	<u>14,542,768</u>
<u>(1,500,000)</u>	<u>(675,721)</u>	<u>824,279</u>	<u>(28,318,677)</u>	<u>(13,084,235)</u>	<u>15,234,442</u>
	1,613,355	1,613,355		27,594,805	27,594,805
<u>\$ (1,500,000)</u>	<u>\$ 937,634</u>	<u>\$ 2,437,634</u>	<u>\$ (28,318,677)</u>	<u>\$ 14,510,570</u>	<u>\$ 42,829,247</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Gifts and Donations - Capital		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 32,117	\$ 32,117
Property taxes			
State aid and grants			
Total revenues		<u>32,117</u>	<u>32,117</u>
Expenditures:			
Capital outlay	50,000	90,665	(40,665)
Debt service -			
Bond issuance costs			
Total expenditures	<u>50,000</u>	<u>90,665</u>	<u>(40,665)</u>
Excess (deficiency) of revenues over expenditures	<u>(50,000)</u>	<u>(58,548)</u>	<u>(8,548)</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(50,000)</u>	<u>(58,548)</u>	<u>(8,548)</u>
Fund balances, beginning of year		70,328	70,328
Fund balances (deficits), end of year	<u>\$ (50,000)</u>	<u>\$ 11,780</u>	<u>\$ 61,780</u>

Condemnation			Building Renewal Grant		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,012	\$ 1,012	\$	\$	\$
				175,644	175,644
	1,012	1,012		175,644	175,644
			600,000	498,895	101,105
			600,000	498,895	101,105
	1,012	1,012	(600,000)	(323,251)	276,749
	1,012	1,012	(600,000)	(323,251)	276,749
	132,766	132,766		75,442	75,442
\$	\$ 133,778	\$ 133,778	\$ (600,000)	\$ (247,809)	\$ 352,191

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 225,392	\$ 225,392
Property taxes		3,702	3,702
State aid and grants		510,813	510,813
Total revenues		<u>739,907</u>	<u>739,907</u>
Expenditures:			
Capital outlay	36,438,216	31,028,330	5,409,886
Debt service -			
Bond issuance costs		164,155	(164,155)
Total expenditures	<u>36,438,216</u>	<u>31,192,485</u>	<u>5,245,731</u>
Excess (deficiency) of revenues over expenditures	<u>(36,438,216)</u>	<u>(30,452,578)</u>	<u>5,985,638</u>
Other financing sources (uses):			
Transfers out		(101,949)	(101,949)
Issuance of school improvement bonds		14,300,000	14,300,000
Premium on sale of bonds		344,717	344,717
Total other financing sources (uses):		<u>14,542,768</u>	<u>14,542,768</u>
Changes in fund balances	<u>(36,438,216)</u>	<u>(15,909,810)</u>	<u>20,528,406</u>
Fund balances, beginning of year		34,247,641	34,247,641
Fund balances (deficits), end of year	<u>\$ (36,438,216)</u>	<u>\$ 18,337,831</u>	<u>\$ 54,776,047</u>

AGENCY FUNDS

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

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

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2017**

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 561,793	\$ 2,544,350	\$ 3,106,143
Total assets	\$ 561,793	\$ 2,544,350	\$ 3,106,143
 <u>LIABILITIES</u>			
Deposits held for others	\$	\$ 2,544,350	\$ 2,544,350
Due to student groups	561,793		561,793
Total liabilities	\$ 561,793	\$ 2,544,350	\$ 3,106,143

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2017

	<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	\$ 448,269	\$ 1,035,152	\$ 921,628	\$ 561,793
Total assets	<u>\$ 448,269</u>	<u>\$ 1,035,152</u>	<u>\$ 921,628</u>	<u>\$ 561,793</u>
<u>Liabilities</u>				
Due to student groups	448,269	1,035,152	921,628	561,793
Total liabilities	<u>\$ 448,269</u>	<u>\$ 1,035,152</u>	<u>\$ 921,628</u>	<u>\$ 561,793</u>
<u>EMPLOYEE INSURANCE</u>				
<u>Assets</u>				
Cash and investments	\$ 1,189,964	\$ 9,325,783	\$ 7,971,397	\$ 2,544,350
Total assets	<u>\$ 1,189,964</u>	<u>\$ 9,325,783</u>	<u>\$ 7,971,397</u>	<u>\$ 2,544,350</u>
<u>Liabilities</u>				
Deposits held for others	1,189,964	9,325,783	7,971,397	2,544,350
Total liabilities	<u>\$ 1,189,964</u>	<u>\$ 9,325,783</u>	<u>\$ 7,971,397</u>	<u>\$ 2,544,350</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 1,638,233	\$ 10,360,935	\$ 8,893,025	\$ 3,106,143
Total assets	<u>\$ 1,638,233</u>	<u>\$ 10,360,935</u>	<u>\$ 8,893,025</u>	<u>\$ 3,106,143</u>
<u>Liabilities</u>				
Deposits held for others	\$ 1,189,964	\$ 9,325,783	\$ 7,971,397	\$ 2,544,350
Due to student groups	448,269	1,035,152	921,628	561,793
Total liabilities	<u>\$ 1,638,233</u>	<u>\$ 10,360,935</u>	<u>\$ 8,893,025</u>	<u>\$ 3,106,143</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 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 138,984,123	\$ 135,581,914	\$ 136,642,915	\$ 132,606,334	\$ 124,594,995
Restricted	18,733,648	24,716,466	23,421,279	29,736,766	27,134,290
Unrestricted	<u>(101,007,463)</u>	<u>(103,484,285)</u>	<u>(109,070,794)</u>	<u>5,181,866</u>	<u>15,516,630</u>
Total net position	<u><u>\$ 56,710,308</u></u>	<u><u>\$ 56,814,095</u></u>	<u><u>\$ 50,993,400</u></u>	<u><u>\$ 167,524,966</u></u>	<u><u>\$ 167,245,915</u></u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Position:					
Net investment in capital assets	\$ 115,861,960	\$ 104,714,457	\$ 99,391,463	\$ 87,220,704	\$ 72,715,154
Restricted	28,543,462	27,550,320	14,545,819	8,910,514	14,668,040
Unrestricted	<u>21,400,110</u>	<u>26,256,156</u>	<u>24,971,674</u>	<u>27,977,027</u>	<u>29,298,534</u>
Total net position	<u><u>\$ 165,805,532</u></u>	<u><u>\$ 158,520,933</u></u>	<u><u>\$ 138,908,956</u></u>	<u><u>\$ 124,108,245</u></u>	<u><u>\$ 116,681,728</u></u>

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

Note: The decrease in unrestricted net position during fiscal year 2015 is due to the implementation of the pension reporting standards.

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Instruction	\$ 68,509,202	\$ 64,699,340	\$ 66,289,657	\$ 67,420,166	\$ 68,006,497
Support services - students and staff	15,482,748	15,113,534	15,449,602	14,874,733	14,956,867
Support services - administration	9,425,874	9,198,846	9,673,773	9,210,831	9,114,296
Operation and maintenance of plant services	15,795,161	15,589,812	16,553,255	15,419,930	16,382,934
Student transportation services	7,206,382	6,525,401	6,814,368	6,591,865	6,792,736
Operation of non-instructional services	6,764,596	6,257,346	5,957,812	6,162,176	6,016,793
Interest on long-term debt	3,472,400	3,976,078	4,214,379	4,138,703	3,468,829
Total expenses	<u>126,656,363</u>	<u>121,360,357</u>	<u>124,952,846</u>	<u>123,818,404</u>	<u>124,738,952</u>
Program Revenues					
Charges for services:					
Instruction	5,076,974	4,831,112	4,233,563	3,999,749	3,933,284
Operation of non-instructional services	1,338,273	1,365,170	1,304,030	1,371,838	1,423,886
Other activities	824,126	1,035,334	887,297	661,647	885,369
Operating grants and contributions	15,094,520	15,389,511	15,189,659	15,152,955	16,020,917
Capital grants and contributions	1,782,290	1,185,476	1,007,145	431,269	368,789
Total program revenues	<u>24,116,183</u>	<u>23,806,603</u>	<u>22,621,694</u>	<u>21,617,458</u>	<u>22,632,245</u>
Net (Expense)/Revenue	<u>\$ (102,540,180)</u>	<u>\$ (97,553,754)</u>	<u>\$ (102,331,152)</u>	<u>\$ (102,200,946)</u>	<u>\$ (102,106,707)</u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Instruction	\$ 69,242,872	\$ 70,713,828	\$ 75,978,398	\$ 81,524,433	\$ 77,925,557
Support services - students and staff	14,290,695	14,813,278	15,722,477	16,807,419	17,390,954
Support services - administration	8,980,326	9,163,230	9,921,403	10,328,206	9,937,883
Operation and maintenance of plant services	16,263,276	16,209,322	15,992,782	16,317,003	16,147,548
Student transportation services	6,362,464	6,339,298	6,789,284	6,675,445	7,125,223
Operation of non-instructional services	5,128,055	5,030,651	5,512,656	5,447,480	7,675,899
Interest on long-term debt	3,957,928	3,007,595	3,466,552	3,411,615	2,953,108
Total expenses	<u>124,225,616</u>	<u>125,277,202</u>	<u>133,383,552</u>	<u>140,511,601</u>	<u>139,156,172</u>
Program Revenues					
Charges for services:					
Instruction	3,741,419	3,603,752	3,421,732	2,771,816	3,571,304
Operation of non-instructional services	1,402,384	2,736,615	3,002,265	3,975,684	4,268,830
Other activities	1,062,884	608,339	695,940	484,415	538,566
Operating grants and contributions	19,279,786	23,892,079	24,575,486	23,891,646	17,994,536
Capital grants and contributions	705,719	1,563,856	891,415	796,695	953,751
Total program revenues	<u>26,192,192</u>	<u>32,404,641</u>	<u>32,586,838</u>	<u>31,920,256</u>	<u>27,326,987</u>
Net (Expense)/Revenue	<u>\$ (98,033,424)</u>	<u>\$ (92,872,561)</u>	<u>\$ (100,796,714)</u>	<u>\$ (108,591,345)</u>	<u>\$ (111,829,185)</u>

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

(Concluded)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2017	2016	2015	2014	2013
Net (Expense)/Revenue	\$ (102,540,180)	\$ (97,553,754)	\$ (102,331,152)	\$ (102,200,946)	\$ (102,106,707)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	54,220,986	55,339,607	55,836,382	56,019,780	51,667,393
Property taxes, levied for debt service	12,579,327	13,254,490	12,972,470	14,416,461	14,494,845
Property taxes, levied for capital outlay		427,251	239,735	288,598	4,680,428
Investment income	330,972	227,321	147,046	183,533	454,204
Unrestricted county aid	1,826,036	1,683,607	1,788,606	1,860,600	2,028,933
Unrestricted state aid	32,761,002	31,772,975	30,415,734	30,621,560	29,855,266
Unrestricted federal aid	718,070	669,198	390,482	275,714	366,021
Total general revenues	102,436,393	103,374,449	101,790,455	103,666,246	103,547,090
Changes in Net Position	\$ (103,787)	\$ 5,820,695	\$ (540,697)	\$ 1,465,300	\$ 1,440,383

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (98,033,424)	\$ (92,872,561)	\$ (100,796,714)	\$ (108,591,345)	\$ (111,829,185)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	33,595,471	54,960,497	47,585,029	45,801,960	48,519,172
Property taxes, levied for debt service	14,846,976	15,489,595	17,993,570	16,921,674	17,436,382
Property taxes, levied for capital outlay	22,635,303	258,008		2,482,868	201,671
Investment income	270,804	404,244	354,825	732,446	1,465,121
Unrestricted county aid	2,444,344	2,309,122	2,323,857	30,705	
Unrestricted state aid	31,525,125	38,605,088	41,701,877	50,048,209	61,107,533
Total general revenues	<u>105,318,023</u>	<u>112,484,538</u>	<u>115,597,425</u>	<u>116,017,862</u>	<u>128,729,879</u>
Changes in Net Position	<u>\$ 7,284,599</u>	<u>\$ 19,611,977</u>	<u>\$ 14,800,711</u>	<u>\$ 7,426,517</u>	<u>\$ 16,900,694</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 2007-08 through 2008-09.

(Concluded)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nonspendable	\$ 1,159,762	\$ 80,646	\$ 105,340	\$ 91,055	\$ 103,470
Restricted					54,348
Unassigned	10,426,549	13,075,774	9,913,394	8,042,627	6,887,662
Total General Fund	\$ 11,586,311	\$ 13,156,420	\$ 10,018,734	\$ 8,133,682	\$ 7,045,480
All Other Governmental Funds:					
Restricted	\$ 32,085,623	\$ 51,402,180	\$ 58,486,820	\$ 71,302,111	\$ 45,626,470
Committed					5,900,818
Unassigned	(247,809)				
Total all other governmental funds	\$ 31,837,814	\$ 51,402,180	\$ 58,486,820	\$ 71,302,111	\$ 51,527,288

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable	\$ 119,515	\$ 122,876	\$	\$	\$
Restricted	150,732	174,810			
Assigned		880,460			
Unassigned	8,134,083	10,485,651			
Reserved		-	89,090	50,816	925,268
Unreserved			4,964,903	1,910,360	5,078,487
Total General Fund	<u>\$ 8,404,330</u>	<u>\$ 11,663,797</u>	<u>\$ 5,053,993</u>	<u>\$ 1,961,176</u>	<u>\$ 6,003,755</u>
All Other Governmental Funds:					
Nonspendable	\$	\$ 50,472	\$	\$	\$
Restricted	64,122,527	82,280,096			
Committed	6,933,366	6,412,499			
Unassigned		(481,977)			
Reserved		-	64,210	50,906	98,719
Unreserved, reported in:					
Special revenue funds			14,522,115	12,792,173	13,433,986
Capital projects funds			37,238,771	16,102,209	30,315,379
Debt service fund			2,396,432	2,902,078	3,466,787
Total all other governmental funds	<u>\$ 71,055,893</u>	<u>\$ 88,261,090</u>	<u>\$ 54,221,528</u>	<u>\$ 31,847,366</u>	<u>\$ 47,314,871</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)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 10,152,924	\$ 9,831,367	\$ 10,148,656	\$ 9,528,962	\$ 10,800,201
National School Lunch Program	4,686,766	4,445,662	4,386,263	4,321,560	4,087,807
Total federal sources	<u>14,839,690</u>	<u>14,277,029</u>	<u>14,534,919</u>	<u>13,850,522</u>	<u>14,888,008</u>
State sources:					
State equalization assistance	26,460,101	25,836,111	24,671,124	24,829,017	24,859,348
State grants	381,261	339,060	346,824	247,104	266,575
School Facilities Board	175,644	384,315	69,415	6,077	
Other revenues	6,300,901	5,936,864	5,744,610	5,792,543	4,995,918
Total state sources	<u>33,317,907</u>	<u>32,496,350</u>	<u>30,831,973</u>	<u>30,874,741</u>	<u>30,121,841</u>
Local sources:					
Property taxes	66,654,193	68,128,648	69,574,339	70,028,995	70,777,682
County aid	1,826,036	1,683,607	1,788,606	1,860,600	2,028,933
Food service sales	1,242,655	1,291,554	1,278,225	1,371,838	1,341,086
Investment income	327,939	225,318	145,903	182,507	452,392
Other revenues	7,879,032	8,210,997	6,788,728	6,133,761	6,788,455
Total local sources	<u>77,929,855</u>	<u>79,540,124</u>	<u>79,575,801</u>	<u>79,577,701</u>	<u>81,388,548</u>
Total revenues	<u><u>\$ 126,087,452</u></u>	<u><u>\$ 126,313,503</u></u>	<u><u>\$ 124,942,693</u></u>	<u><u>\$ 124,302,964</u></u>	<u><u>\$ 126,398,397</u></u>

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 12,413,585	\$ 18,722,040	\$ 18,997,915	\$ 18,510,443	\$ 13,257,814
State Fiscal Stabilization (ARRA)		457,984	5,638,267		
Education Jobs	2,037,816	1,024,635			
National School Lunch Program	3,329,906	2,978,594	3,111,968	2,988,377	2,829,533
Total federal sources	<u>17,781,307</u>	<u>23,183,253</u>	<u>27,748,150</u>	<u>21,498,820</u>	<u>16,087,347</u>
State sources:					
State equalization assistance	27,101,109	34,809,295	36,907,568	44,857,641	51,289,949
State grants	338,598	706,086	1,059,934	1,535,381	1,657,562
School Facilities Board					1,090,449
Other revenues	4,424,016	4,149,267	4,440,835	5,426,785	8,490,918
Total state sources	<u>31,863,723</u>	<u>39,664,648</u>	<u>42,408,337</u>	<u>51,819,807</u>	<u>62,528,878</u>
Local sources:					
Property taxes	71,550,637	70,263,528	66,308,624	64,621,005	65,733,080
County aid	2,444,344	2,309,122	2,323,857	30,705	
Food service sales	1,392,066	1,403,137	1,608,436	1,674,976	1,739,145
Investment income	270,092	403,737	354,825	727,649	1,454,121
Other revenues	7,109,397	7,395,334	8,308,225	7,138,608	7,927,909
Total local sources	<u>82,766,536</u>	<u>81,774,858</u>	<u>78,903,967</u>	<u>74,192,943</u>	<u>76,854,255</u>
Total revenues	<u>\$ 132,411,566</u>	<u>\$ 144,622,759</u>	<u>\$ 149,060,454</u>	<u>\$ 147,511,570</u>	<u>\$ 155,470,480</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 2007-08 through 2008-09.

(Concluded)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 59,602,757	\$ 56,457,965	\$ 56,669,030	\$ 58,304,828	\$ 58,732,150
Support services - students and staff	15,335,287	14,824,748	14,903,830	14,371,801	14,289,983
Support services - administration	9,344,373	8,475,159	9,441,160	8,868,782	8,632,313
Operation and maintenance of plant services	16,672,302	15,364,929	15,587,295	14,586,240	15,697,850
Student transportation services	6,200,130	5,526,585	5,669,952	5,505,736	5,580,341
Operation of non-instructional services	6,112,991	6,123,997	5,886,414	5,999,796	5,910,068
Capital outlay	33,765,869	12,657,218	13,941,073	24,388,911	26,943,964
Debt service -					
Claims and judgments					
Interest and fiscal charges	3,878,087	4,310,162	4,548,463	4,472,787	3,583,138
Principal retirement	11,955,000	6,495,000	9,240,000	9,365,000	7,900,000
Bond issuance costs	487,720			454,250	
Total expenditures	<u>\$ 163,354,516</u>	<u>\$ 130,235,763</u>	<u>\$ 135,887,217</u>	<u>\$ 146,318,131</u>	<u>\$ 147,269,807</u>
Expenditures for capitalized assets	\$ 28,397,281	\$ 9,673,062	\$ 10,051,628	\$ 21,235,438	\$ 22,187,250
Debt service as a percentage of noncapital expenditures	12%	9%	11%	11%	9%

(Continued)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:					
Current -					
Instruction	\$ 59,994,072	\$ 63,230,105	\$ 69,825,792	\$ 72,716,370	\$ 70,023,457
Support services - students and staff	14,318,905	14,305,106	15,464,330	16,792,096	16,564,738
Support services - administration	8,902,139	8,755,858	9,701,573	9,882,699	9,979,441
Operation and maintenance of plant services	15,802,906	15,875,802	15,563,830	15,253,440	15,860,446
Student transportation services	5,412,865	5,253,489	5,872,495	6,012,897	6,426,861
Operation of non-instructional services	5,042,098	4,842,341	5,362,675	7,754,331	7,659,606
Capital outlay	26,846,224	26,655,180	11,890,902	18,639,061	8,860,971
Debt service -					
Claims and judgments				311,153	
Interest and fiscal charges	3,903,188	2,783,808	3,248,150	3,073,519	2,684,177
Principal retirement	12,600,000	14,235,000	15,835,000	15,663,823	14,976,438
Bond issuance costs		531,500	455,880		266,737
Total expenditures	<u>\$ 152,822,397</u>	<u>\$ 156,468,189</u>	<u>\$ 153,220,627</u>	<u>\$ 166,099,389</u>	<u>\$ 153,302,872</u>
Expenditures for capitalized assets	\$ 24,828,964	\$ 23,299,817	\$ 10,694,484	\$ 15,681,938	\$ 4,626,538
Debt service as a percentage of noncapital expenditures	13%	13%	13%	13%	12%

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

(Concluded)

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (37,267,064)	\$ (3,922,260)	\$ (10,944,524)	\$ (22,015,167)	\$ (20,871,410)
Other financing sources (uses):					
Issuance of school improvement bonds	14,300,000			41,000,000	
Refunding bonds issued	27,290,000				
Premium on sale of bonds	4,757,628			1,890,607	
Transfers in	475,461	1,460,941	576,457	7,711,238	5,084,066
Transfers out	(475,461)	(1,460,941)	(576,457)	(7,711,238)	(5,084,066)
Payment to refunded bond escrow agent	(31,375,474)				
Insurance recoveries	81,319				
Total other financing sources (uses)	15,053,473			42,890,607	
Changes in fund balances	\$ (22,213,591)	\$ (3,922,260)	\$ (10,944,524)	\$ 20,875,440	\$ (20,871,410)
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (20,410,831)	\$ (11,845,430)	\$ (4,160,173)	\$ (18,587,819)	\$ 2,167,608
Other financing sources (uses):					
Issuance of school improvement bonds		50,000,000	29,000,000		20,000,000
Premium on sale of bonds		2,474,748	575,574		335,902
Transfers in	20,361,008	13,028,901	612,245	2,215,442	320,238
Transfers out	(20,361,008)	(13,028,901)	(612,245)	(2,215,442)	(320,238)
Total other financing sources (uses)		52,474,748	29,575,574		20,335,902
Changes in fund balances	\$ (20,410,831)	\$ 40,629,318	\$ 25,415,401	\$ (18,587,819)	\$ 22,503,510

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 386,492,477	\$ 393,112,482	\$ 400,993,164	\$ 408,811,883	\$ 426,083,534
Agricultural and Vacant	60,414,179	66,188,518	70,841,726	74,601,112	86,142,740
Residential (Owner Occupied)	680,141,297	646,731,996	630,493,060	695,595,885	756,524,895
Residential (Rental)	311,120,233	297,590,115	274,165,303	202,222,017	197,243,249
Historical Property	7,467	7,467	8,784		
Certain Government Property Improvements					
Total	<u>\$ 1,438,175,653</u>	<u>\$ 1,403,630,578</u>	<u>\$ 1,376,502,037</u>	<u>\$ 1,381,230,897</u>	<u>\$ 1,465,994,418</u>
Gross Full Cash Value	\$ 13,982,826,990	\$ 13,296,921,889	\$ 12,548,235,255	\$ 12,435,162,280	\$ 13,069,027,065
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	11%	11%	11%	11%
Total Direct Rate	\$ 5.49	\$ 5.67	\$ 5.80	\$ 5.93	\$ 5.55

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 435,998,277	\$ 441,648,947	\$ 432,901,452	\$ 406,185,178	\$ 386,505,001
Agricultural and Vacant	93,306,982	99,609,047	97,161,620	92,720,381	83,091,989
Residential (Owner Occupied)	817,154,887	889,814,977	882,373,320	808,532,844	715,030,094
Residential (Rental)	183,525,455	188,772,796	181,539,630	161,739,522	139,554,556
Historical Property					
Certain Government Property Improvements	9,559				
Total	<u>\$ 1,529,995,160</u>	<u>\$ 1,619,845,767</u>	<u>\$ 1,593,976,022</u>	<u>\$ 1,469,177,925</u>	<u>\$ 1,324,181,640</u>
Gross Full Cash Value	\$ 13,662,130,620	\$ 14,636,262,086	\$ 14,840,194,999	\$ 14,560,023,693	\$ 12,335,987,666
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	11%	10%	11%
Total Direct Rate	\$ 5.41	\$ 5.05	\$ 4.61	\$ 4.86	\$ 5.50

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

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 399,841,473	\$ 407,546,091	\$ 408,034,494	\$ 416,879,620	\$ 435,323,801
Agricultural and Vacant	62,730,922	67,740,311	72,137,412	76,563,027	89,249,772
Residential (Owner Occupied)	715,602,915	672,118,932	631,913,382	696,402,055	757,863,552
Residential (Rental)	331,184,580	309,393,855	276,538,054	204,516,618	200,241,204
Historical Property	7,467	7,467	8,784		
Certain Government Property Improvements					
Total	<u>\$ 1,509,367,357</u>	<u>\$ 1,456,806,656</u>	<u>\$ 1,388,632,126</u>	<u>\$ 1,394,361,320</u>	<u>\$ 1,482,678,329</u>
Gross Full Cash Value	\$ 13,982,826,990	\$ 13,296,921,889	\$ 12,548,235,255	\$ 12,435,162,280	\$ 13,069,027,065
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value		12,143,851,114	11,384,346,777	11,349,866,101	12,055,624,019
Total Direct Rate	\$ 5.49	\$ 5.67	\$ 5.80	\$ 5.93	\$ 5.55

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 456,798,101	\$ 486,231,035	\$ 494,145,983	\$ 437,431,041	\$ 423,200,533
Agricultural and Vacant	101,218,120	119,794,462	129,977,152	133,486,922	121,705,307
Residential (Owner Occupied)	819,226,568	900,767,355	937,324,541	959,231,036	794,089,588
Residential (Rental)	184,691,585	194,496,374	196,039,258	185,343,654	154,446,892
Historical Property					
Certain Government Property Improvements	9,559				
Total	<u>\$ 1,561,943,933</u>	<u>\$ 1,701,289,226</u>	<u>\$ 1,757,486,934</u>	<u>\$ 1,715,492,653</u>	<u>\$ 1,493,442,320</u>
Gross Full Cash Value	\$ 13,662,130,620	\$ 14,636,262,086	\$ 14,840,194,999	\$ 14,560,023,693	\$ 12,335,987,666
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	12%	12%	12%	12%
Estimated Net Full Cash Value	12,723,893,131	13,805,424,287	14,260,647,884	14,097,318,632	11,943,096,229
Total Direct Rate	\$ 5.41	\$ 5.05	\$ 4.61	\$ 4.86	\$ 5.50

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.

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	18 %	19 %	19 %	20 %	20 %
Agricultural and Vacant	15	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	16	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	20 %	21 %	22 %	23 %	24 %
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	17	18	20	21

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

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

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates										
	State Equalization	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Tucson	District Direct Rates		
									Primary	Secondary	Total
2017	0.50	4.98	0.52	0.33	1.37	0.05	0.14	1.60	4.11	1.38	5.49
2016	0.51	5.09	0.52	0.31	1.37	0.05	0.14	1.60	4.25	1.42	5.67
2015	0.51	4.98	0.44	0.30	1.33	0.05	0.14	1.46	4.37	1.44	5.80
2014	0.51	4.45	0.38	0.26	1.29	0.05	0.14	1.43	4.39	1.54	5.93
2013	0.47	4.20	0.35	0.26	1.17	0.04	0.10	1.26	4.08	1.47	5.55
2012	0.43	4.20	0.35	0.26	1.11	0.04	0.10	1.16	3.96	1.45	5.41
2011	0.36	4.06	0.31	0.26	1.08	0.04	0.10	0.96	3.65	1.40	5.05
2010	0.33	4.02	0.26	0.26	1.08	0.04	0.10	0.93	3.15	1.46	4.61
2009	0.00	4.01	0.34	0.29	1.14	0.04	0.10	0.96	3.36	1.50	4.86
2008	0.00	4.29	0.40	0.34	1.18	0.04	0.10	1.13	3.80	1.70	5.50

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

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2017</u>		<u>2008</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>
Northwest Hospital - Oro Valley Hospital LLC	\$ 31,688,244	2.20 %	\$ 8,902,480	0.60 %
Unisource Energy Corporation	20,508,254	1.43	14,334,470	0.96
DND Neffson Company	16,111,998	1.12	19,554,750	1.31
Ventana Medical Systems	8,722,683	0.61		
Southwest Gas Corporation	8,319,734	0.58	7,749,426	0.52
VPOVM LLC	8,172,564	0.57		
Weingarten Nostat Inc	7,683,723	0.53	5,701,870	0.38
J Foothills LLC	6,915,073	0.48		
Honeywell International	4,965,102	0.35		
Tucson Mather Plaza LLC	4,915,891	0.34		
CHH Tucson Partnership LP			11,352,190	0.76
Qwest Communications Corporation			12,158,267	0.81
HDP Northwest LLC			12,081,830	0.81
Garrett Corporation			7,268,040	0.49
FMP Kimco Foothills LLC			11,796,960	0.79
Total	<u>\$ 118,003,266</u>	<u>8.21 %</u>	<u>\$ 110,900,283</u>	<u>7.43 %</u>

Source: The source of this information is the Pima 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.

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
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
2017	\$ 65,065,801	\$ 63,766,444	98.00 %	\$	\$ 63,766,444	98.00 %
2016	66,319,241	64,200,699	96.81	1,307,255	65,507,954	98.78
2015	66,991,942	65,160,822	97.27	1,688,960	66,849,782	99.79
2014	68,236,730	66,106,428	96.88	1,667,127	67,773,555	99.32
2013	67,999,506	65,978,452	97.03	1,606,126	67,584,578	99.39
2012	69,287,808	67,137,625	96.90	1,816,476	68,954,101	99.52
2011	68,432,918	65,856,223	96.23	2,379,713	68,235,936	99.71
2010	63,313,995	60,815,693	96.05	2,479,022	63,294,715	99.97
2009	63,092,120	60,793,899	96.36	2,291,724	63,085,623	99.99
2008	63,390,268	61,397,635	96.86	1,983,183	63,380,818	99.99

Source: The source of this information is the 2017 Pima 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.

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
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	
2017	\$ 99,008,377	\$ 6,787,782	\$ 92,220,595	0.66 %	\$	\$	\$ 99,008,377	0.71 %	\$	N/A %	
2016	94,709,926	6,672,019	88,037,907	0.66	754		94,709,926	0.71	811	0.24	
2015	101,539,010	6,898,943	94,640,067	0.75	811		101,539,010	0.81	870	0.27	
2014	111,113,094	7,500,462	103,612,632	0.83	888		111,113,094	0.89	952	0.30	
2013	83,035,000	5,267,657	77,767,343	0.60	566		83,035,000	0.64	604	0.23	
2012	95,635,000	2,049,090	93,585,910	0.69	841		95,635,000	0.70	859	0.27	
2011	109,870,000	3,516,352	106,353,648	0.73	940		109,870,000	0.75	971	0.32	
2010	75,705,000	2,658,106	73,046,894	0.49	634		75,705,000	0.51	657	0.22	
2009	61,990,000	3,550,483	58,439,517	0.40	420		61,990,000	0.43	445	0.19	
2008	76,740,000	3,971,794	72,768,206	0.59	526	378,823	77,118,823	0.63	558	0.24	

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

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

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2017**

<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:			
Pima County	\$ 341,300,000	18.40 %	\$ 62,799,200
Golder Ranch Fire Department	7,935,000	99.85	7,923,098
Northwest Fire District	24,370,000	26.72	6,511,664
City of Tucson	208,860,000	8.06	16,834,116
Subtotal, Overlapping Debt			<u>94,068,078</u>
Direct:			
Amphitheater Unified School District No. 10			<u>99,008,377</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 193,076,455</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	6.41	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,327	
As a Percentage of Net Limited Assessed Valuation	12.95	%
As a Percentage of Gross Full Cash Value	1.33	%

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

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
 - 2) Outstanding debt as of June 30, 2016 is presented for the overlapping governments as this is the most recent available information.

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2017

Net full cash assessed valuation	\$ 1,509,367,357
Debt limit (20% of assessed value)	301,873,471
Debt applicable to limit	<u>99,008,378</u>
Legal debt margin	<u>\$ 202,865,093</u>

Total Legal Debt Margin Calculation for Fiscal Year 2017:

Net full cash assessed valuation	\$ 1,509,367,357
Debt limit (30% of assessed value)	452,810,207
Debt applicable to limit	<u>99,008,378</u>
Legal debt margin	<u>\$ 353,801,829</u>

Fiscal Year Ended June 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 452,810,207	\$ 437,041,997	\$ 416,589,638	\$ 418,308,396	\$ 444,803,499
Total net debt applicable to limit	<u>99,008,378</u>	<u>91,035,000</u>	<u>97,530,000</u>	<u>106,770,000</u>	<u>83,035,000</u>
Legal debt margin	<u>\$ 353,801,829</u>	<u>\$ 346,006,997</u>	<u>\$ 319,059,638</u>	<u>\$ 311,538,396</u>	<u>\$ 361,768,499</u>
Total net debt applicable to the limit as a percentage of debt limit	22%	21%	23%	26%	19%

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$ 468,583,180	\$ 510,386,768	\$ 527,246,080	\$ 514,647,796	\$ 448,032,696
Total net debt applicable to limit	<u>95,635,000</u>	<u>109,870,000</u>	<u>75,705,000</u>	<u>61,990,000</u>	<u>76,740,000</u>
Legal debt margin	<u>\$ 372,948,180</u>	<u>\$ 400,516,768</u>	<u>\$ 451,541,080</u>	<u>\$ 452,657,796</u>	<u>\$ 371,292,696</u>
Total net debt applicable to the limit as a percentage of debt limit	20%	22%	14%	12%	17%

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

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

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
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>
2016	1,013,103	\$ N/A	\$ N/A	4.9 %	140,342
2015	1,009,371	38,922,402	38,536	6.0	116,740
2014	1,004,516	37,198,714	37,031	6.2	116,740
2013	996,046	36,935,363	37,063	7.0	116,740
2012	990,380	36,058,871	36,335	7.3	137,500
2011	986,081	34,931,620	35,371	8.4	111,283
2010	980,263	34,360,759	34,987	9.0	113,176
2009	1,018,012	34,516,424	33,833	8.3	115,220
2008	1,012,018	32,900,000	32,321	5.1	139,280
2007	1,003,235	31,646,777	31,755	3.7	138,268

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 2007 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2016, the source of the information is the Arizona Office of Employment and Population Statistics.

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

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Northwest Hospital	1,585	2.39 %	1,808	2.87 %
Ventana Medical Systems	1,286	1.94	580	0.92
Honeywell International Inc.	800	1.21	800	1.27
Oro Valley Hospital	529	0.80		
El Conquistador	394	0.59	555	0.88
Miraval	375	0.57	450	0.71
Town of Oro Valley	344	0.52	350	0.56
Omni Tucson National	218	0.33		
Westward Look	165	0.25	300	0.48
Target	150	0.23		
Tucson Heart Hospital			305	0.48
Tucson National Resort			292	0.46
Sierra Tucson			307	0.49
Total	<u>5,846</u>	<u>8.83 %</u>	<u>5,747</u>	<u>9.12 %</u>
Total employment	<u>66,265</u>		<u>63,001</u>	

Source: The 2017 information is from the Star 200 and the U.S Census Bureau 2014 and the 2008 information is from Tucson.com and the U.S Census Bureau.

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Supervisory					
Superintendent	1				
Assistant superintendents	1				
Consultants/supervisors of instruction	6	7	9	9	9
Principals	19	18	18	17	16
Assistant principals	16	14	17	15	13
Total supervisory	<u>43</u>	<u>39</u>	<u>44</u>	<u>41</u>	<u>38</u>
Instruction					
Teachers	807	773	780	782	789
Aides	164	160	156	156	160
Total instruction	<u>971</u>	<u>933</u>	<u>936</u>	<u>938</u>	<u>949</u>
Student Services					
Guidance Counselors	18	16	19	19	18
Librarians	24	24	23	23	23
Psychologists	13	12	14	12	13
Technicians	30	25	24	24	26
Therapists	20	11	18	8	8
Other	91	93	105	97	97
Total student services	<u>196</u>	<u>181</u>	<u>203</u>	<u>183</u>	<u>185</u>
Support and Administration					
Transportation	125	127	130	132	136
Food Service	81	82	87	90	95
Custodial/Maintenance	160	161	177	181	192
Security Services	51	54	49	58	62
Other Administrative Support	147	170	170	166	183
Total support and administration	<u>564</u>	<u>594</u>	<u>613</u>	<u>627</u>	<u>668</u>
Total	<u>1,774</u>	<u>1,747</u>	<u>1,796</u>	<u>1,789</u>	<u>1,840</u>

(Continued)

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Supervisory					
Consultants/supervisors of instruction	11	11	11	11	11
Principals	17	18	19	19	19
Assistant principals	16	14	13	18	18
Total supervisory	<u>44</u>	<u>43</u>	<u>43</u>	<u>48</u>	<u>48</u>
Instruction					
Teachers	812	872	922	1,115	1,010
Aides	147	153	152	152	159
Total instruction	<u>959</u>	<u>1,025</u>	<u>1,074</u>	<u>1,267</u>	<u>1,169</u>
Student Services					
Guidance Counselors	20	20	21	21	21
Librarians	24	25	26	25	25
Psychologists	12	13	14	17	17
Technicians	21	17	15	18	18
Therapists	7	7	7	13	18
Other	91	84	88	72	75
Total student services	<u>175</u>	<u>166</u>	<u>171</u>	<u>166</u>	<u>174</u>
Support and Administration					
Transportation	136	135	139	133	133
Food Service	93	99	110	101	101
Custodial/Maintenance	184	187	187	181	181
Security Services	60	53	61	64	64
Other Administrative Support	186	186	222	236	235
Total support and administration	<u>659</u>	<u>660</u>	<u>719</u>	<u>715</u>	<u>714</u>
Total	<u><u>1,837</u></u>	<u><u>1,894</u></u>	<u><u>2,007</u></u>	<u><u>2,196</u></u>	<u><u>2,105</u></u>

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

(Concluded)

**AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
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
2017	13,459	\$ 113,267,840	\$ 8,415	5.28 %	\$ 126,656,363	\$ 9,410	3.58 %	971	13.9	56.0 %
2016	13,358	106,773,383	7,993	(1.32)	121,360,357	9,085	(2.92)	933	14.3	48.2
2015	13,352	108,157,681	8,100	3.47	124,952,846	9,358	3.91	936	14.3	47.6
2014	13,749	107,637,183	7,829	(0.60)	123,818,404	9,006	(0.23)	938	14.7	47.3
2013	13,820	108,842,705	7,876	0.42	124,738,952	9,026	1.42	949	14.6	47.2
2012	13,959	109,472,985	7,842	(0.54)	124,225,616	8,899	1.14	959	14.6	48.0
2011	14,238	112,262,701	7,885	(2.10)	125,277,202	8,799	(0.25)	1,025	13.9	46.1
2010	15,122	121,790,695	8,054	(5.33)	133,383,552	8,820	(5.25)	1,074	14.1	42.9
2009	15,094	128,411,833	8,507	5.51	140,511,601	9,309	4.96	1,267	11.9	41.5
2008	15,690	126,514,549	8,063	13.00	139,156,172	8,869	12.68	1,169	13.4	39.6

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

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

AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Schools</u>										
Elementary										
Buildings	100	99	98	98	103	117	125	130	131	131
Square feet	790,666	788,506	782,549	782,549	775,114	775,114	776,659	729,264	729,264	729,264
Capacity	7,923	7,923	7,860	7,860	7,860	8,209	8,209	8,209	8,160	8,160
Enrollment	4,674	4,649	4,704	5,031	5,098	5,161	5,356	5,615	5,756	5,861
Middle										
Buildings	36	32	32	32	39	45	51	46	47	47
Square feet	352,666	345,664	345,664	345,664	359,824	363,106	367,446	337,499	337,499	337,499
Capacity	3,127	3,127	3,110	3,110	3,110	3,030	3,030	3,030	2,990	2,990
Enrollment	1,806	1,728	1,781	1,821	1,927	2,020	2,075	2,114	2,207	2,278
High										
Buildings	63	63	74	74	73	78	88	88	88	88
Square feet	893,460	893,347	913,496	913,496	907,309	907,309	919,154	907,325	907,325	907,325
Capacity	7,492	7,492	6,920	6,920	6,920	6,950	6,950	6,950	6,950	6,950
Enrollment	4,626	4,648	4,707	4,663	4,726	4,730	4,744	5,116	4,800	5,120
Other										
Buildings	57	62	61	61	64	66	69	69	69	69
Square feet	465,114	428,521	428,071	428,071	434,551	434,551	427,723	413,049	413,049	413,049
Capacity	3,501	3,501	3,010	3,010	3,010	2,950	2,950	2,950	2,950	2,950
Enrollment	2,252	2,222	2,193	2,168	2,082	2,047	2,064	2,278	2,368	2,446
<u>Administrative</u>										
Buildings	10	10	10	10	10	11	10	10	11	11
Square feet	91,822	91,822	90,777	90,777	90,777	90,777	44,133	44,133	44,133	44,133
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	143	131	130	129	125	125	146	132	138	139
<u>Athletics</u>										
Football fields	8	8	8	8	8	8	8	8	8	8
Soccer fields	29	29	29	29	29	29	29	31	31	31
Running tracks	8	8	8	8	8	8	8	8	8	8
Baseball/softball	19	19	19	19	19	19	19	19	19	19
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	14	14	14	14	14	14	14	14	14	14

Source: The source of this information is the District's facilities records and the Arizona Department of Education 45-1 report.

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