
LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25

BUCKEYE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Issued by:
Business Services Department

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25

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INTRODUCTORY SECTION

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Dr. Lori Shough, Superintendent

Governing Board

Mr. Paul Jensen, President

Mr. Mark Aguire

Mrs. Yolanda Lopez-Bearden

Mrs. Kathy McNamara

Mr. Jeffrey Turbitt

February 27, 2019

Citizens and Governing Board
Liberty Elementary School District No. 25
19871 West Fremont Road
Buckeye, Arizona 85326

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Liberty Elementary School District No. 25 (District) for the fiscal year ended June 30, 2018.

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, 2018 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, 2018, 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.

Page 1

LIBERTY ELEMENTARY SCHOOL DISTRICT No. 25

19871 West Fremont Road • Buckeye, AZ 85326 • Office (623) 474-6600 • Fax (623) 474-6669

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

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

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade eight, with an estimated current enrollment of 3,483 students.

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, and food services.

The District was organized in the late 1800's and encompasses 260 square miles in the west-central section of Maricopa County. Liberty Elementary School District No. 25 is comprised of six schools: Liberty Elementary School with a student enrollment of 602 students, Estrella Mountain Elementary School with a student enrollment of 574 students, Rainbow Valley School with a student enrollment of 551 students, Westar Elementary School with a student enrollment of 658 students, Freedom Elementary School with a student enrollment of 626 students, and Las Brisas Academy, with a student enrollment of 472 students. The District is located 25 miles west of downtown Phoenix, Arizona and includes portions of the City of Goodyear, the City of Buckeye, the City of Avondale and specific Maricopa County unorganized areas.

Currently, the District has six National Board Certified (NBC) teachers. The National Board certification process is a multi-year endeavor that requires teachers to take several courses, submit numerous teaching videos which they have analyzed and reflected upon, and pass rigorous tests. NBC teachers provide excellence in teaching and leading. We continue to encourage our teachers to engage in the National Board Certification process and provide support for this.

Each of our schools have a specific signature program. Estrella Mountain Elementary School is an International Baccalaureate World School authorized to provide the Primary Years Program (PYP) and the Middle Years Program (MYP). The International Baccalaureate (IB) aims to develop inquiring, knowledgeable, and caring young people who help to create a better and more peaceful world through intercultural understanding and respect. Additionally, Estrella Mountain offers Spanish as a second language for all students. Estrella Mountain Elementary School was awarded the A+ School of Excellence. The A+ School of Excellence Program is a comprehensive school assessment program that celebrates outstanding schools and brings to light the positive stories and successes happening in public schools every day.

Freedom and Westar Elementary are Science, Technology, Engineering, and Math (STEM) schools. Freedom has a partnership with Arizona State University to support the implementation of our Engineering Curriculum and Inquiry Based Teaching. Freedom has Chief Science officers which plan events and engagement for our students in the STEM areas. Westar has applied for a STEM grant with Northern Arizona University to increase STEM education and integration in classrooms. Westar participates in STEM Pro LIVE! Sessions which allows students to video call STEM professionals to discuss real live STEM application. Both schools have a one to one technology to student ratio in grades six through eight. Additionally, both schools have science clubs and participate in MakerSpace events, Coding, and Robotics Club.

Rainbow Valley provides a leadership program. Leadership skill building is a focus on the campus. Since its induction, students and staff have been invited to speak at several major events in support of building future leaders including a visit to the Arizona Department of Education where they presented what the leadership program has meant to them. Student activism and involvement in the community has grown since the inception of the program.

Liberty Elementary School provides an Agriculture Science experience for students. The school has developed a curriculum around agriculture science with a community garden and small animal sciences. Partnerships with Arizona Farm Bureau and University of Arizona support the development of unique integrated project-based curriculum focused on agriculture sciences. A partnership with Buckeye Union High School provides support in bridging elementary and high school.

All schools in the Liberty Elementary School District received a “B”, or “C” letter grade with the overall District rating of a “B”. Additionally, all schools actively participate in Science Olympiad, a competitive Science club where students compete against other schools, Westside Impact Science Fair, Spelling Bee Competitions, and the annual Math Challenge.

The District continues to provide Art, Music and PE for all grade levels on all campuses. The Save the Music program is still used and piano labs are a regular part of Music class. All schools provide band for middle school students. Competitive sports are offered as extra-curricular activities in grades 6th through 8th and include: boys and girls basketball, baseball, softball, soccer, and volleyball. Each school has an active National Junior Honor Society and Student Council. Most schools have an active Parent Organization and all sites have a Parent Council which provides feedback and support to the principal.

As part of the LEA improvement process, the District has a new teacher mentoring program. The program goals include nurturing best practices to improve instruction and teacher retention. The program has seen an increase in the number of returning teachers. Additionally, the District has assigned an Instructional Coach to each campus to provide curricular and instructional support to all teachers.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. The Phoenix metropolitan area and the rest of Maricopa County were one of the fastest growing regional markets in the United States in the late 1990's and early 2000's. This growth was stimulated by a combination of warm climate, a substantial well educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment. As the economy rebounds, growth is anticipated based on these factors.

A few of the major non-governmental employers represented in the Phoenix metropolitan area include Wal-Mart Stores, Inc., Banner Health Systems, Wells Fargo Company, Intel Corp., Fry's Food and Drug Stores, Inc., and Honor Health. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Buckeye. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. Current population is projected at 4.3 million. Maricopa County has a very wide range of economic sectors supporting its substantial growth. Maricopa County has, for some time, enjoyed an unemployment rate that was somewhat lower than the national average.

Service is the largest employment sector in the County, partly fueled by the tourism industry. The County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category. Manufacturing consisting primarily of high technology companies is the third largest employer. Other factors providing for economic growth include major expansions of the international airport serving the area, a favorable business climate and the presence of a well-developed and expanding transportation infrastructure.

The economy of the District is a mixture of farming, commercial enterprises, light manufacturing and ginning. Agriculture has been the mainstay of the area for many years; however, residential property remains the single largest category of assessed valuation. The net full cash assessed value for the current year is \$302.2 million which is up from the prior year primarily as a result of the economic recovery. The average age of the District's school buildings is 27 years.

Long-term Financial Planning. Long term growth projections indicate significant enrollment increases as communities are developed within the District's boundaries. Additionally, annual modification of the District open enrollment policy continues to increase enrollment. The District explores all practical and legal sources of monetary income and guides the expenditure of funds to achieve the greatest education return. The District strives to maintain, within budget limits, a level of per-student expenditures needed to provide a world class education and fosters high-quality schools. The District utilizes budgetary practices which ensure full allowable budget balance carry forward. Additional conservative fiscal practices of setting aside monies in the form of prepaid items and building capital reserves have been established to strengthen fiscal stability.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials (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, 2017. This was the 23rd 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, 2017. 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, 2018 certificates.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business services 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,



Dr. Lori Shough
Superintendent



Kelley Baysinger
Executive Director of Finance



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

Liberty Elementary School District No. 25

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

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



A handwritten signature in black ink, reading 'Charles E. Peterson, Jr.', written over a horizontal line.

Charles E. Peterson, Jr., SFO, RSBA, MBA
President

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

John D. Musso, CAE
Executive Director



Government Finance Officers Association

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

Presented to

**Liberty Elementary School
District No. 25, Arizona**

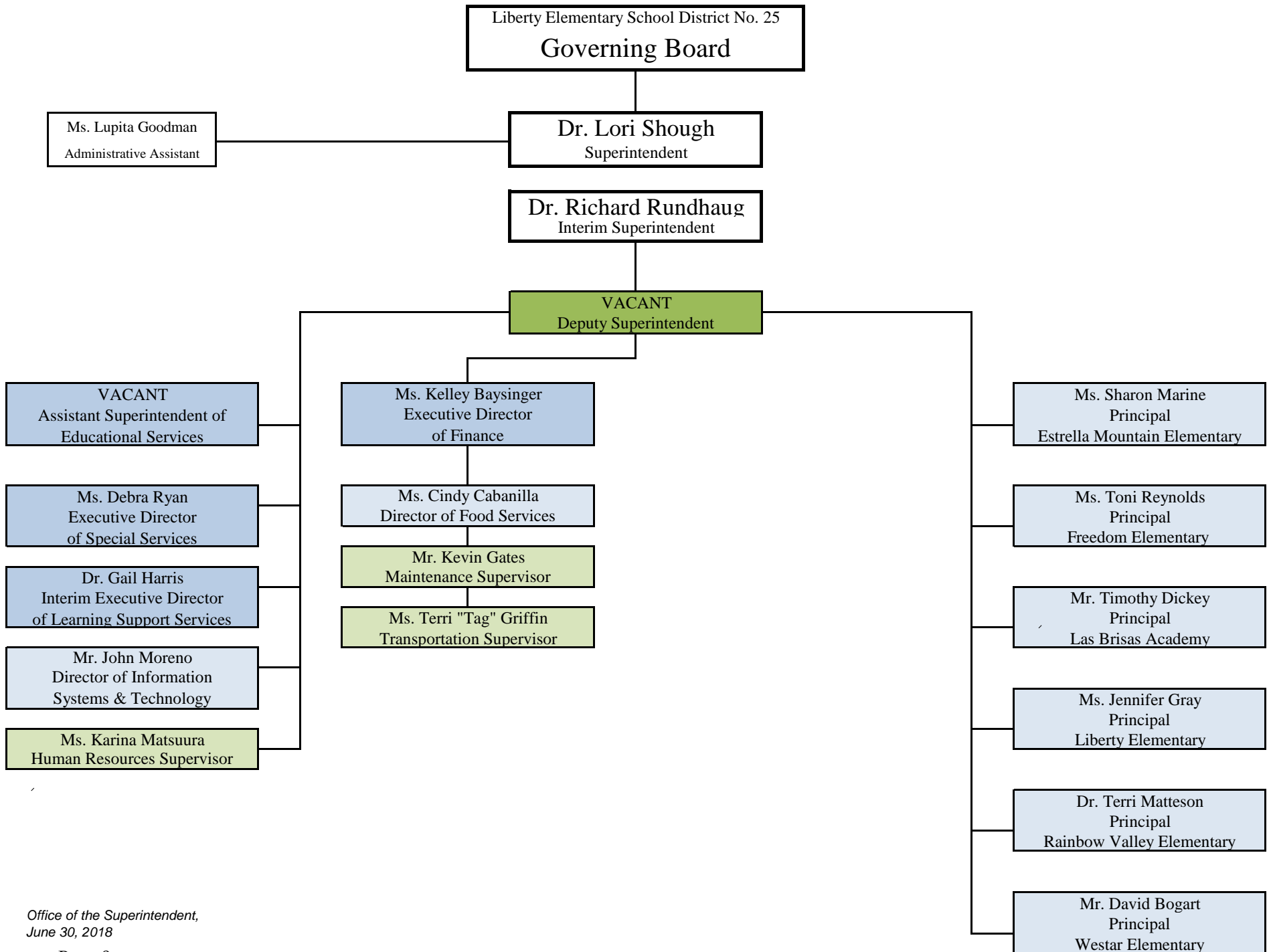
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell

Executive Director/CEO

Leadership Team Organizational Directory



LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Paul Jensen
President

Mark Aguire
Member

Jeffrey Turbitt
Member

Yolanda Lopez-Bearden
Member

Kathy McNamara
Member

ADMINISTRATIVE STAFF

Dr. Lori Shough, Superintendent

Dr. Richard Rundhaug, Interim Superintendent

Debra Ryan, Executive Director of Special Services

Dr. Gail Harris, Interim Executive Director of Learning Support Services

Kelley Baysinger, Executive Director of Finance

John Moreno, Director of Technology Services

Jennifer Gray, Principal Liberty Elementary School

Sharon Marine, Principal Estrella Mountain Elementary School

Dr. Terri Matteson, Principal Rainbow Valley Elementary School

Dave Bogart, Principal Westar Elementary School

Toni Reynolds, Principal Freedom Elementary School

Timothy Dickey, Principal Las Brisas Academy

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Liberty Elementary School District No. 25

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 Liberty Elementary School District No. 25 (District), as of and for the year ended June 30, 2018, 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 Liberty Elementary School District No. 25, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2019, on our consideration of Liberty Elementary School District No. 25'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 Liberty Elementary School District No. 25's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
February 27, 2019

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

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**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

As management of the Liberty Elementary School District No. 25 (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, 2018. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$1.5 million which represents a nine percent increase from the prior fiscal year as a result of revenues exceeding expenses.
- General revenues accounted for \$23.6 million in revenue, or 82 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$5.1 million or 18 percent of total current fiscal year revenues.
- The District had approximately \$27.1 million in expenses related to governmental activities, an increase of seven percent from the prior fiscal year primarily due to an increase in instruction expenses as a result of an increase in teachers and teacher salaries.
- Among major funds, the General Fund had \$20.5 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$20.3 million in expenditures. The General Fund's fund balance decrease from \$4.7 million at the prior fiscal year end to \$4.3 million at the end of the current fiscal year was primarily due to an increase in instruction expenditures as a result of an increase in teachers and teacher salaries.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018

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, Classroom Site, Debt Service, and Building Renewal Grant Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$18.4 million at the current fiscal year end.

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2018 and June 30, 2017.

| | As of June 30, 2018 | As of June 30, 2017 |
|----------------------------------|------------------------|------------------------|
| Current and other assets | \$ 10,567,640 | \$ 13,180,335 |
| Capital assets, net | 48,443,390 | 47,685,313 |
| Total assets | <u>59,011,030</u> | <u>60,865,648</u> |
| Deferred outflows | <u>2,908,260</u> | <u>4,229,581</u> |
| Current and other liabilities | 1,778,718 | 1,815,350 |
| Long-term liabilities | 39,332,255 | 42,528,834 |
| Total liabilities | <u>41,110,973</u> | <u>44,344,184</u> |
| Deferred inflows | <u>2,402,985</u> | <u>3,879,496</u> |
| Net position: | | |
| Net investment in capital assets | 30,083,026 | 29,406,670 |
| Restricted | 2,158,400 | 2,459,346 |
| Unrestricted | (13,836,094) | (14,994,467) |
| Total net position | <u>\$ 18,405,332</u> | <u>\$ 16,871,549</u> |

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$13.8 million. The deficit is due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

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

- The addition of \$2.5 million in capital assets due primarily to school renovations funded through the Building Renewal Grant.
- The decrease of \$1.5 million in pension liabilities primarily due to a decrease in the District's proportionate share of the pension liability.
- The principal retirement of \$1.6 million of general obligation bonds.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018

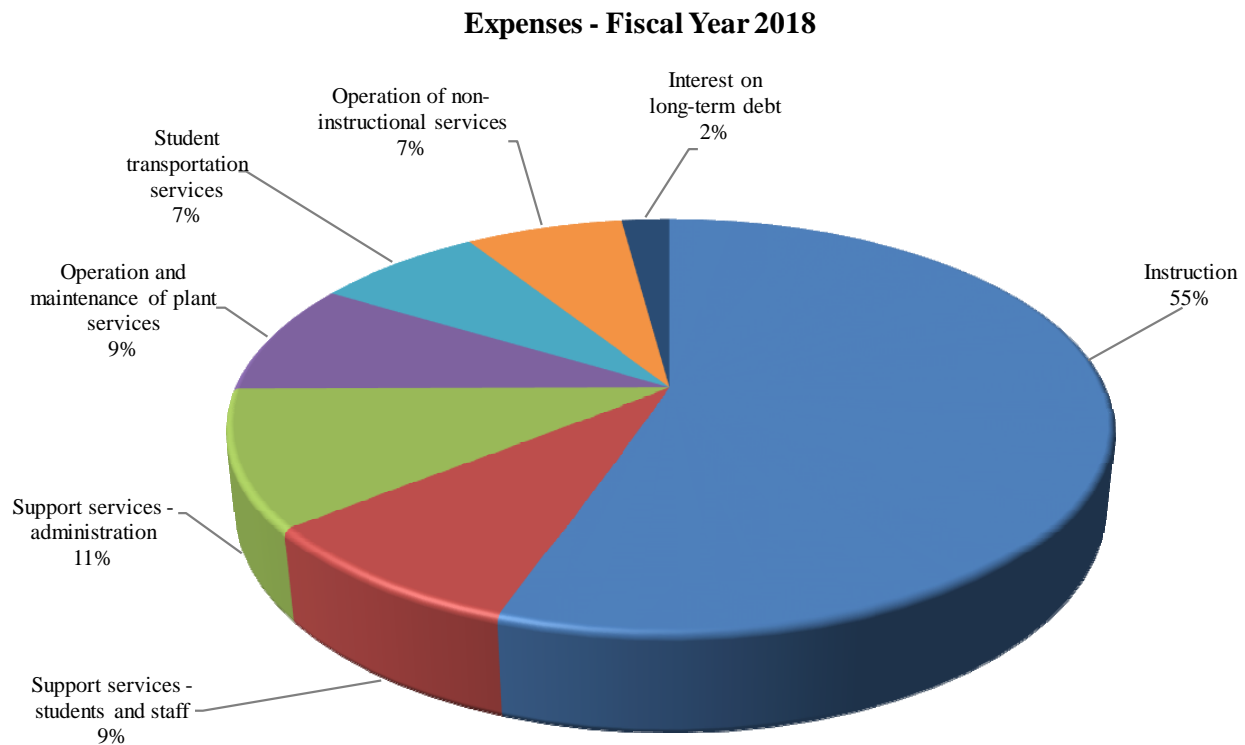
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$28.6 million. The total cost of all programs and services was \$27.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2018 and June 30, 2017.

| | Fiscal Year Ended June 30, 2018 | Fiscal Year Ended June 30, 2017 |
|---|---------------------------------------|---------------------------------------|
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 1,129,484 | \$ 823,057 |
| Operating grants and contributions | 2,321,562 | 2,738,604 |
| Capital grants and contributions | 1,634,345 | 816,878 |
| General revenues: | | |
| Property taxes | 7,144,929 | 6,902,179 |
| Investment income | 73,511 | 47,944 |
| Unrestricted county aid | 1,390,933 | 1,328,983 |
| Unrestricted state aid | 14,817,130 | 14,809,819 |
| Unrestricted federal aid | 124,079 | 50,050 |
| Total revenues | <u>28,635,973</u> | <u>27,517,514</u> |
| Expenses: | | |
| Instruction | 14,991,968 | 14,078,456 |
| Support services - students and staff | 2,442,600 | 2,338,204 |
| Support services - administration | 2,869,447 | 2,592,285 |
| Operation and maintenance of plant services | 2,367,450 | 2,306,808 |
| Student transportation services | 1,999,609 | 1,585,990 |
| Operation of non-instructional services | 1,869,766 | 1,816,234 |
| Interest on long-term debt | 564,722 | 565,558 |
| Total expenses | <u>27,105,562</u> | <u>25,283,535</u> |
| Changes in net position | 1,530,411 | 2,233,979 |
| Net position, beginning, as restated | 16,874,921 | 14,637,570 |
| Net position, ending | <u>\$ 18,405,332</u> | <u>\$ 16,871,549</u> |

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- An increase in capital grants and contributions revenue of \$817,467 primarily due to an increase in Building Renewal Grant revenue.
- An increase of \$913,512 in instruction expense due to an increase in teachers and teacher salaries.

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.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

| | Year Ended June 30, 2018 | | Year Ended June 30, 2017 | |
|--|--------------------------|---------------------------|--------------------------|---------------------------|
| | Total Expenses | Net (Expense)/ Revenue | Total Expenses | Net (Expense)/ Revenue |
| Instruction | \$ 14,991,968 | \$ (12,627,306) | \$ 14,078,456 | \$ (12,105,355) |
| Support services - students and staff | 2,442,600 | (2,237,985) | 2,338,204 | (2,057,067) |
| Support services - administration | 2,869,447 | (2,858,975) | 2,592,285 | (2,285,299) |
| Operation and maintenance of plant services | 2,367,450 | (1,739,440) | 2,306,808 | (2,261,976) |
| Student transportation services | 1,999,609 | (1,913,954) | 1,585,990 | (1,585,990) |
| Operation of non-instructional services | 1,869,766 | (77,789) | 1,816,234 | (43,751) |
| Interest on long-term debt | 564,722 | (564,722) | 565,558 | (565,558) |
| Total | <u>\$ 27,105,562</u> | <u>\$ (22,020,171)</u> | <u>\$ 25,283,535</u> | <u>\$ (20,904,996)</u> |

- The cost of all governmental activities this year was \$27.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$5.1 million.
- Net cost of governmental activities of \$22.0 million was partially financed by general revenues, which are made up of primarily property taxes of \$7.1 million and state and county aid of \$16.2 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 \$6.2 million, a decrease of \$2.8 million due primarily to an increase in unavailable intergovernmental revenue and the expenditure of prior year bond proceeds.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 70 percent of the total fund balance. Approximately \$4.3 million, or nearly 100 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 \$361,453 in the General Fund to \$4.3 million as of fiscal year end. General Fund revenues increased \$1.1 million primarily due to an increase in property tax revenue as a result of an increase in the primary tax rate.

The fund balance in the Classroom Site Fund increased \$115,130 to \$406,581 at year end, which was not significant.

The fund balance in the Debt Service Fund decreased \$132,756 to \$48,486 at year end due to debt service expenditures exceeding property taxes levied.

The fund balance in the Building Renewal Grant Fund decreased \$447,733 to \$(466,183) at year end due to \$388,181 of grant revenues being unavailable to pay for current expenditures.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in enrollment. The difference between the original budget and the final amended budget was a \$302,565 increase or one percent.

Significant variances for the final budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variance is summarized as follows:

- The favorable variance of \$1.3 million in instruction expenditures was a result of an increase in available state aid revenues and growth in student ADM.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$68.6 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 \$2.4 million from the prior fiscal year, primarily due to the renovation of school buildings. Total depreciation expense for the year was \$1.8 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2018 and June 30, 2017.

| | As of June 30, 2018 | As of June 30, 2017 |
|-----------------------------------|------------------------|------------------------|
| Capital assets - non-depreciable | \$ 6,599,084 | \$ 6,405,019 |
| Capital assets - depreciable, net | 41,844,306 | 41,280,294 |
| Total | <u>\$ 48,443,390</u> | <u>\$ 47,685,313</u> |

The estimated cost to complete current construction projects is \$2.0 million.

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

Debt Administration. At year-end, the District had \$18.9 million in long-term debt outstanding, \$1.6 million due within one year. Long-term debt decreased by \$1.7 million primarily due to the retirement of general obligation 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 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$45.3 million and the Class B debt limit is \$30.2 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 8 and 9.

**LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

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 2018-19 budget. Among them:

- Fiscal year 2017-18 budget balance carry forward (estimated \$1.6 million).
- District student population (estimated 3,725).

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

Budgeted expenditures in the General Fund increased five percent to \$22.8 million in fiscal year 2018-19, due to an increase in employee salaries. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2018-19 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business Services Department, Liberty Elementary School District No. 25, 19871 West Fremont Road, Buckeye, Arizona 85326.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
STATEMENT OF NET POSITION
JUNE 30, 2018

| | Governmental Activities |
|---|-----------------------------|
| <u>ASSETS</u> | |
| Current assets: | |
| Cash and investments | \$ 5,069,248 |
| Property taxes receivable | 629,117 |
| Due from governmental entities | 4,797,969 |
| Prepaid items | 648 |
| Total current assets | <u>10,496,982</u> |
| Noncurrent assets: | |
| Net other postemployment benefit assets | 70,658 |
| Capital assets not being depreciated | 6,599,084 |
| Capital assets, net of accumulated depreciation | 41,844,306 |
| Total noncurrent assets | <u>48,514,048</u> |
| Total assets | <u>59,011,030</u> |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | |
| Deferred charge on refunding | 304,199 |
| Pension and other postemployment benefit plan items | 2,604,061 |
| Total deferred outflows of resources | <u>2,908,260</u> |
| <u>LIABILITIES</u> | |
| Current liabilities: | |
| Accounts payable | 308,470 |
| Construction contracts payable | 304,250 |
| Credit line payable | 56,000 |
| Accrued payroll and employee benefits | 742,656 |
| Compensated absences payable | 77,771 |
| Accrued interest payable | 301,187 |
| Unearned revenues | 66,155 |
| Bonds payable | 1,550,000 |
| Total current liabilities | <u>3,406,489</u> |
| Noncurrent liabilities: | |
| Non-current portion of long-term obligations | 37,704,484 |
| Total noncurrent liabilities | <u>37,704,484</u> |
| Total liabilities | <u>41,110,973</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | |
| Pension and other postemployment benefit items | <u>2,402,985</u> |
| <u>NET POSITION</u> | |
| Net investment in capital assets | 30,083,026 |
| Restricted for: | |
| Voter approved initiatives | 596,107 |
| Food service | 366,175 |
| Civic center | 492,082 |
| Community school | 187,071 |
| Extracurricular activities fees tax credit | 90,533 |
| Other local initiatives | 8,885 |
| Debt service | 84,594 |
| Capital outlay | 332,953 |
| Unrestricted | (13,836,094) |
| Total net position | <u>\$ 18,405,332</u> |

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|---|----------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Governmental activities: | | | | | |
| Instruction | \$ 14,991,968 | \$ 345,685 | \$ 1,012,642 | \$ 1,006,335 | \$ (12,627,306) |
| Support services - students and staff | 2,442,600 | | 204,615 | | (2,237,985) |
| Support services - administration | 2,869,447 | | 10,472 | | (2,858,975) |
| Operation and maintenance of plant services | 2,367,450 | | | 628,010 | (1,739,440) |
| Student transportation services | 1,999,609 | 85,655 | | | (1,913,954) |
| Operation of non-instructional services | 1,869,766 | 698,144 | 1,093,833 | | (77,789) |
| Interest on long-term debt | 564,722 | | | | (564,722) |
| Total governmental activities | <u>\$ 27,105,562</u> | <u>\$ 1,129,484</u> | <u>\$ 2,321,562</u> | <u>\$ 1,634,345</u> | <u>(22,020,171)</u> |

General revenues:

Taxes:

| | |
|---|-------------------|
| Property taxes, levied for general purposes | 5,157,365 |
| Property taxes, levied for debt service | 1,987,564 |
| Investment income | 73,511 |
| Unrestricted county aid | 1,390,933 |
| Unrestricted state aid | 14,817,130 |
| Unrestricted federal aid | 124,079 |
| Total general revenues | <u>23,550,582</u> |

Changes in net position 1,530,411

Net position, beginning of year, as restated 16,874,921

Net position, end of year \$ 18,405,332

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

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FUND FINANCIAL STATEMENTS

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

| | <u>General</u> | <u>Classroom Site</u> | <u>Debt Service</u> |
|--|----------------------------|--------------------------|----------------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 374,803 | \$ 846,557 | \$ 1,882,751 |
| Property taxes receivable | 576,087 | | 53,030 |
| Due from governmental entities | 4,160,396 | 121,161 | |
| Due from other funds | 164,933 | | |
| Prepaid items | 648 | | |
| Total assets | <u><u>\$ 5,276,867</u></u> | <u><u>\$ 967,718</u></u> | <u><u>\$ 1,935,781</u></u> |
| <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u> | | | |
| <u>AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ 196,894 | \$ | \$ |
| Construction contracts payable | | | |
| Credit line payable | 56,000 | | |
| Due to other funds | | | |
| Accrued payroll and employee benefits | 153,155 | 561,137 | |
| Unearned revenues | | | |
| Bonds payable | | | 1,550,000 |
| Bond interest payable | | | 301,187 |
| Total liabilities | <u>406,049</u> | <u>561,137</u> | <u>1,851,187</u> |
| Deferred inflows of resources: | | | |
| Unavailable revenues - property taxes | 527,745 | | 36,108 |
| Unavailable revenues - intergovernmental | | | |
| Total deferred inflows of resources | <u>527,745</u> | <u></u> | <u>36,108</u> |
| Fund balances (deficits): | | | |
| Nonspendable | 648 | | |
| Restricted | | 406,581 | 48,486 |
| Unassigned | 4,342,425 | | |
| Total fund balances | <u>4,343,073</u> | <u>406,581</u> | <u>48,486</u> |
| Total liabilities, deferred inflows of resources | | | |
| and fund balances | <u><u>\$ 5,276,867</u></u> | <u><u>\$ 967,718</u></u> | <u><u>\$ 1,935,781</u></u> |

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

| <u>Building Renewal Grant</u> | <u>Non-Major Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-----------------------------------|---|---|
| \$ | \$ 1,965,137 | \$ 5,069,248 |
| | | 629,117 |
| 391,181 | 125,231 | 4,797,969 |
| | | 164,933 |
| | | 648 |
| <u>\$ 391,181</u> | <u>\$ 2,090,368</u> | <u>\$ 10,661,915</u> |

| | | |
|----------------|----------------|------------------|
| \$ | \$ 111,576 | \$ 308,470 |
| 304,250 | | 304,250 |
| | | 56,000 |
| 164,933 | | 164,933 |
| | 28,364 | 742,656 |
| | 66,155 | 66,155 |
| | | 1,550,000 |
| | | 301,187 |
| <u>469,183</u> | <u>206,095</u> | <u>3,493,651</u> |

| | | |
|----------------|--|----------------|
| | | 563,853 |
| <u>388,181</u> | | <u>388,181</u> |
| <u>388,181</u> | | <u>952,034</u> |

| | | |
|------------------|------------------|------------------|
| | | 648 |
| | 1,884,273 | 2,339,340 |
| <u>(466,183)</u> | | <u>3,876,242</u> |
| <u>(466,183)</u> | <u>1,884,273</u> | <u>6,216,230</u> |

| | | |
|-------------------|---------------------|----------------------|
| <u>\$ 391,181</u> | <u>\$ 2,090,368</u> | <u>\$ 10,661,915</u> |
|-------------------|---------------------|----------------------|

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LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

| | | |
|---|-----------|------------------|
| Total governmental fund balances | \$ | 6,216,230 |
|---|-----------|------------------|

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 | \$ 68,594,646 | |
| Less accumulated depreciation | <u>(20,151,256)</u> | 48,443,390 |

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

| | | |
|-------------------|----------------|---------|
| Property taxes | 563,853 | |
| Intergovernmental | <u>388,181</u> | 952,034 |

| | |
|---|---------|
| 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. | 304,199 |
|---|---------|

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

| | | |
|---|--------------------|---------|
| Deferred outflows of resources related to pensions/OPEB | 2,604,061 | |
| Deferred inflows of resources related to pensions/OPEB | <u>(2,402,985)</u> | 201,076 |

| | |
|--|--------|
| The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds. | 70,658 |
|--|--------|

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

| | | |
|---------------------------------------|---------------------|---------------------|
| Compensated absences payable | (128,798) | |
| Unamortized premium on long-term debt | (911,611) | |
| Net OPEB liability | (47,013) | |
| Net pension liability | (20,274,833) | |
| Bonds payable | <u>(16,420,000)</u> | <u>(37,782,255)</u> |

| | | |
|--|-----------|--------------------------|
| Net position of governmental activities | \$ | <u>18,405,332</u> |
|--|-----------|--------------------------|

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

| | <u>General</u> | <u>Classroom Site</u> | <u>Debt Service</u> |
|--|---------------------|-----------------------|---------------------|
| Revenues: | | | |
| Other local | \$ 1,742,560 | \$ 7,787 | \$ 11,479 |
| Property taxes | 5,194,950 | | 2,003,870 |
| State aid and grants | 13,049,420 | 1,453,933 | |
| Federal aid, grants and reimbursements | 514,429 | | |
| Total revenues | <u>20,501,359</u> | <u>1,461,720</u> | <u>2,015,349</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 11,460,239 | 1,323,651 | |
| Support services - students and staff | 2,268,504 | 22,939 | |
| Support services - administration | 2,735,055 | | |
| Operation and maintenance of plant services | 2,019,468 | | |
| Student transportation services | 1,541,279 | | |
| Operation of non-instructional services | 42,269 | | |
| Capital outlay | 272,296 | | |
| Debt service - | | | |
| Principal retirement | | | 1,550,000 |
| Interest and fiscal charges | | | 604,424 |
| Total expenditures | <u>20,339,110</u> | <u>1,346,590</u> | <u>2,154,424</u> |
| Excess (deficiency) of revenues over expenditures | <u>162,249</u> | <u>115,130</u> | <u>(139,075)</u> |
| Other financing sources (uses): | | | |
| Transfer in | 39,717 | | 6,319 |
| Transfer out | | | |
| Insurance recoveries | 15,161 | | |
| Total other financing sources (uses) | <u>54,878</u> | | <u>6,319</u> |
| Changes in fund balances | <u>217,127</u> | <u>115,130</u> | <u>(132,756)</u> |
| Fund balances (deficits), beginning of year | 4,704,526 | 291,451 | 181,242 |
| Increase (decrease) in reserve for prepaid items | (578,580) | | |
| Fund balances (deficits), end of year | <u>\$ 4,343,073</u> | <u>\$ 406,581</u> | <u>\$ 48,486</u> |

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

| <u>Building Renewal Grant</u> | <u>Non-Major Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-----------------------------------|---|---|
| \$ | \$ 914,043 | \$ 2,675,869 |
| | 1,578 | 7,200,398 |
| 1,020,285 | 322,558 | 15,846,196 |
| | 2,205,207 | 2,719,636 |
| <u>1,020,285</u> | <u>3,443,386</u> | <u>28,442,099</u> |
| | | |
| | 1,050,952 | 13,834,842 |
| | 253,454 | 2,544,897 |
| | 2,200 | 2,737,255 |
| | 3,300 | 2,022,768 |
| | 16,820 | 1,558,099 |
| | 1,793,401 | 1,835,670 |
| 1,468,018 | 2,155,142 | 3,895,456 |
| | | |
| | 63,694 | 1,613,694 |
| | 2,687 | 607,111 |
| <u>1,468,018</u> | <u>5,341,650</u> | <u>30,649,792</u> |
| <u>(447,733)</u> | <u>(1,898,264)</u> | <u>(2,207,693)</u> |
| | | |
| | | 46,036 |
| | (46,036) | (46,036) |
| | | 15,161 |
| | <u>(46,036)</u> | <u>15,161</u> |
| <u>(447,733)</u> | <u>(1,944,300)</u> | <u>(2,192,532)</u> |
| | | |
| (18,450) | 3,857,895 | 9,016,664 |
| | (29,322) | (607,902) |
| <u>\$ (466,183)</u> | <u>\$ 1,884,273</u> | <u>\$ 6,216,230</u> |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Changes in fund balances - total governmental funds **\$ (2,192,532)**

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 | \$ 2,525,588 | |
| Less current year depreciation | <u>(1,761,446)</u> | 764,142 |

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

| | | |
|-------------------|----------------|---------|
| Property taxes | (55,469) | |
| Intergovernmental | <u>234,182</u> | 178,713 |

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

| | | |
|------------------------------------|------------------|-----------|
| Capital lease principal retirement | 63,694 | |
| Bond principal retirement | <u>1,550,000</u> | 1,613,694 |

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

| | | |
|---|----------------|-----------|
| Current year pension/OPEB contributions | 1,577,919 | |
| Pension/OPEB expense | <u>122,967</u> | 1,700,886 |

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 | (607,902) | |
| Deferred charges on issuance of debt | (27,655) | |
| Loss on disposal of assets | (6,065) | |
| Amortization of deferred bond items | 70,044 | |
| Compensated absences | <u>37,086</u> | <u>(534,492)</u> |

Changes in net position in governmental activities **\$ 1,530,411**

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2018

| | <u>Agency</u> |
|---------------------------|---------------------|
| <u>ASSETS</u> | |
| Cash and investments | \$ 1,434,931 |
| Total assets | <u>\$ 1,434,931</u> |
| <u>LIABILITIES</u> | |
| Deposits held for others | \$ 1,384,026 |
| Due to student groups | 50,905 |
| Total liabilities | <u>\$ 1,434,931</u> |

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Liberty Elementary School District No. 25 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2018, the District implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement requires governments providing defined benefit postemployment benefits other than pensions to recognize the long-term obligation for those benefits as a liability, and to more comprehensively and comparably measure the annual costs of those benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information. The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

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

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

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operation Fund as well as certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classroom Site Fund – The Classroom Site Fund accounts for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

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

Building Renewal Grant Fund – The Building Renewal Grant Fund accounts 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.

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund, which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds.

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

D. Cash and Investments

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

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

E. Investment Income

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

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent 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.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Property Tax Calendar

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

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

H. Prepaid items

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

I. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, 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 | 5 - 50 years |
| Buildings and improvements | 7 - 50 years |
| Vehicles, furniture and equipment | 5 - 30 years |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

J. Deferred Outflows/Inflows of Resources

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

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

K. Compensated Absences

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

L. Pensions and Other Postemployment Benefits

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

M. Long-term Obligations

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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.

N. Interfund Activity

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

O. Net Position Flow Assumption

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

P. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

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

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

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – FUND BALANCE CLASSIFICATIONS

The table below provides detail of the major components of the District's fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds.

| | General Fund | Classroom Site Fund | Debt Service Fund | Building Renewal Grant Fund | Non-Major Governmental Funds |
|----------------------------|---------------------|------------------------|-------------------------|-----------------------------------|------------------------------------|
| Fund Balances: | | | | | |
| Nonspendable: | | | | | |
| Prepaid items | \$ 648 | \$ | \$ | \$ | \$ |
| Restricted: | | | | | |
| Debt service | | | 48,486 | | |
| Capital projects | | | | | 332,953 |
| Bond building projects | | | | | 217,048 |
| Voter approved initiatives | | 406,581 | | | 189,526 |
| Food service | | | | | 366,175 |
| Civic center | | | | | 492,082 |
| Community school | | | | | 187,071 |
| Extracurricular activities | | | | | 90,533 |
| Other purposes | | | | | 8,885 |
| Unassigned | 4,342,425 | | | (466,183) | |
| Total fund balances | <u>\$ 4,343,073</u> | <u>\$ 406,581</u> | <u>\$ 48,486</u> | <u>\$ (466,183)</u> | <u>\$ 1,884,273</u> |

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Building Renewal Grant Fund, a major governmental fund, reported a deficit of \$466,183 in fund balance.

The deficit arose because of pending grant reimbursements. Additional revenues received in fiscal year 2018-19 are expected to eliminate the deficit.

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

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$1,402,189 and the bank balance was \$1,576,828.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 – CASH AND INVESTMENTS

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

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

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

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

| | <u>Average Maturities</u> | <u>Fair Value</u> |
|------------------------------------|---------------------------|---------------------|
| County Treasurer's investment pool | 502 days | \$ 5,101,990 |
| Total | | <u>\$ 5,101,990</u> |

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

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District's investment in the County Treasurer's investment pool did not receive a credit quality rating from a national rating agency.

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – RECEIVABLES

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

| | General Fund | Classroom Site Fund | Building Renewal Grant Fund | Non-Major Governmental Funds |
|---------------------------------------|---------------------|------------------------|-----------------------------------|------------------------------------|
| Due from other governmental entities: | | | | |
| Due from federal government | \$ 40,911 | \$ | \$ | \$ 9,370 |
| Due from state government | 4,119,485 | 121,161 | 391,181 | 115,861 |
| Net due from governmental entities | <u>\$ 4,160,396</u> | <u>\$ 121,161</u> | <u>\$ 391,181</u> | <u>\$ 125,231</u> |

NOTE 6 – CAPITAL ASSETS

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

| | Beginning Balance | Increase | Decrease | Ending Balance |
|--|----------------------|---------------------|---------------------|----------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 6,100,034 | \$ | \$ | \$ 6,100,034 |
| Construction in progress | 304,985 | 1,545,881 | 1,351,816 | 499,050 |
| Total capital assets, not being depreciated | <u>6,405,019</u> | <u>1,545,881</u> | <u>1,351,816</u> | <u>6,599,084</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 3,322,899 | 158,814 | | 3,481,713 |
| Buildings and improvements | 50,833,342 | 1,501,404 | | 52,334,746 |
| Vehicles, furniture and equipment | 5,668,793 | 671,305 | 160,995 | 6,179,103 |
| Total capital assets being depreciated | <u>59,825,034</u> | <u>2,331,523</u> | <u>160,995</u> | <u>61,995,562</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | (1,703,338) | (148,444) | | (1,851,782) |
| Buildings and improvements | (13,365,537) | (1,216,959) | | (14,582,496) |
| Vehicles, furniture and equipment | (3,475,865) | (396,043) | (154,930) | (3,716,978) |
| Total accumulated depreciation | <u>(18,544,740)</u> | <u>(1,761,446)</u> | <u>(154,930)</u> | <u>(20,151,256)</u> |
| Total capital assets, being depreciated, net | <u>41,280,294</u> | <u>570,077</u> | <u>6,065</u> | <u>41,844,306</u> |
| Governmental activities capital assets, net | <u>\$ 47,685,313</u> | <u>\$ 2,115,958</u> | <u>\$ 1,357,881</u> | <u>\$ 48,443,390</u> |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

| | |
|--|---------------------|
| Instruction | \$ 1,443,118 |
| Support services – students and staff | 4,110 |
| Support services – administration | 68,711 |
| Operation and maintenance of plant services | 40,804 |
| Student transportation services | 178,778 |
| Operation of non-instructional services | 25,925 |
| Total depreciation expense – governmental activities | <u>\$ 1,761,446</u> |

Construction Commitments – At year end, the District had contractual commitments related to various capital projects including roof replacement, water tank replacement, weatherization projects, and HVAC replacement. At year end, the District had spent \$499,050 on the projects and had estimated remaining contractual commitments of \$2,013,808. The projects are being funded by the Unrestricted Capital Outlay, and Building Renewal Grant Funds.

NOTE 7 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. General Fund revenues will be used to repay the line of credit in July 2018. Short-term debt activity for the current fiscal year was as follows:

| | <u>Beginning Balance</u> | <u>Issued</u> | <u>Redeemed</u> | <u>Ending Balance</u> |
|--------------------------|------------------------------|-------------------|-------------------|---------------------------|
| Revolving line of credit | <u>\$</u> | <u>\$ 684,000</u> | <u>\$ 628,000</u> | <u>\$ 56,000</u> |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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

| <u>Purpose</u> | <u>Original Amount Issued</u> | <u>Interest Rates</u> | <u>Remaining Maturities</u> | <u>Outstanding Principal June 30, 2018</u> | <u>Due Within One Year</u> |
|---|---------------------------------------|---------------------------|---------------------------------|--|--------------------------------|
| Governmental activities: | | | | | |
| School Improvement Bonds, Project of 2004, Series C (2010) | \$ 3,390,000 | 4.0-5.0% | 7/1/18-20 | \$ 575,000 | \$ 190,000 |
| School Improvement Bonds, Project of 2013, Series A | 12,525,000 | 2.0-4.0% | 7/1/18-34 | 11,030,000 | 470,000 |
| School Improvement Bonds, Project of 2013, Series B | 2,475,000 | 2.0-3.0% | 7/1/18-23 | 1,975,000 | 400,000 |
| Refunding Bonds, Series 2016 | 4,455,000 | 2.0-4.0% | 7/1/18-27 | 4,390,000 | 490,000 |
| Total | | | | <u>\$ 17,970,000</u> | <u>\$ 1,550,000</u> |

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

| <u>Year ending June 30:</u> | | <u>Governmental Activities</u> | |
|-----------------------------|--|--------------------------------|---------------------|
| | | <u>Principal</u> | <u>Interest</u> |
| 2019 | | \$ 1,550,000 | \$ 584,025 |
| 2020 | | 1,215,000 | 548,050 |
| 2021 | | 1,295,000 | 512,700 |
| 2022 | | 1,295,000 | 476,912 |
| 2023 | | 1,410,000 | 439,100 |
| 2024-28 | | 4,730,000 | 1,693,838 |
| 2029-33 | | 4,795,000 | 727,612 |
| 2034-35 | | 1,680,000 | 59,325 |
| Total | | <u>\$ 17,970,000</u> | <u>\$ 5,041,562</u> |

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$1,915,000 of defeased bonds are still outstanding.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 – 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 | \$ 19,545,000 | \$ | \$ 1,575,000 | \$ 17,970,000 | \$ 1,550,000 |
| Premium | 981,655 | | 70,044 | 911,611 | |
| Total bonds payable | <u>20,526,655</u> | | <u>1,645,044</u> | <u>18,881,611</u> | <u>1,550,000</u> |
| Obligations under capital leases | 63,694 | | 63,694 | | |
| Net OPEB liability | 84,139 | | 37,126 | 47,013 | |
| Net pension liability | 21,772,601 | | 1,497,768 | 20,274,833 | |
| Compensated absences payable | <u>165,884</u> | <u>181,496</u> | <u>218,582</u> | <u>128,798</u> | <u>77,771</u> |
| Governmental activity long-term liabilities | <u>\$ 42,612,973</u> | <u>\$ 181,496</u> | <u>\$ 3,462,214</u> | <u>\$ 39,332,255</u> | <u>\$ 1,627,771</u> |

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

At year end, the Building Renewal Grant Fund had a negative cash balance of \$164,933 in the Treasurer's pooled cash account. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

| | <u>Transfers in</u> | | |
|------------------------------|-------------------------|----------------------------------|------------------|
| | <u>General Fund</u> | <u>Debt Service Fund</u> | <u>Total</u> |
| Transfers out | | | |
| Non-Major Governmental Funds | \$ 39,717 | \$ 6,319 | \$ 46,036 |
| Total | <u>\$ 39,717</u> | <u>\$ 6,319</u> | <u>\$ 46,036</u> |

Transfers between funds were (1) used to move federal grant funds restricted for indirect costs and (2) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 – CONTINGENT LIABILITIES

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

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

NOTE 12 – RISK MANAGEMENT

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

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

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Aggregate Amounts. At June 30, 2018, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

| | Pension | OPEB |
|--------------------------------|------------|-------------|
| Net assets | \$ | \$ (70,658) |
| Net liability | 20,274,833 | 47,013 |
| Deferred outflows of resources | 2,521,735 | 82,326 |
| Deferred inflows of resources | 2,316,301 | 86,684 |
| Expense | (189,378) | 66,411 |
| Contributions | 1,495,593 | 82,326 |

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 | |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.50 percent (11.34 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.50 percent (10.90 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. The District's contributions for the year ended June 30, 2018 were as follows:

| | <u>Contributions</u> |
|--------------------------|----------------------|
| Pension | \$ 1,495,593 |
| Health Insurance Premium | 60,372 |
| Long-Term Disability | 21,954 |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.49 percent (9.26 for retirement, 0.10 percent for health insurance premium benefit, and 0.13 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2017. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2016, to the measurement date of June 30, 2017. The District's proportion of the net assets/liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2017.

At June 30, 2018, the District reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2017, the District's percentage proportion for each plan and the related change from its proportion measured as of June 30, 2016 was:

| | Net (Assets) Liability | District % Proportion | Increase (Decrease) |
|--------------------------|---------------------------|--------------------------|------------------------|
| Pension | \$ 20,274,833 | 0.130 | (0.005) |
| Health Insurance Premium | (70,658) | 0.130 | |
| Long-Term Disability | 47,013 | 0.130 | |

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2018, the District recognized pension and OPEB expense as follows:

| | Expense |
|--------------------------|--------------|
| Pension | \$ (189,378) |
| Health Insurance Premium | 41,328 |
| Long-Term Disability | 25,083 |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

| Deferred Outflows of Resources | | | |
|--|---------------------|--------------------------|----------------------|
| | Pension | Health Insurance Premium | Long-Term Disability |
| Changes of assumptions or other inputs | \$ 880,583 | \$ | \$ |
| Net difference between projected and actual earnings on pension investments | 145,559 | | |
| Changes in proportion and differences between contributions and proportionate share of contributions | | | |
| Contributions subsequent to the measurement date | 1,495,593 | 60,372 | 21,954 |
| Total | <u>\$ 2,521,735</u> | <u>\$ 60,372</u> | <u>\$ 21,954</u> |

| Deferred Inflows of Resources | | | |
|--|---------------------|--------------------------|----------------------|
| | Pension | Health Insurance Premium | Long-Term Disability |
| Differences between expected and actual experience | \$ 607,952 | \$ | \$ |
| Changes of assumptions or other inputs | 606,254 | | |
| Net difference between projected and actual earnings on pension investments | | 79,558 | 7,033 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 1,102,095 | 87 | 6 |
| Total | <u>\$ 2,316,301</u> | <u>\$ 79,645</u> | <u>\$ 7,039</u> |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

| Year Ending June 30: | Pension | Health Insurance Premium | Long-Term Disability |
|----------------------|----------------|--------------------------------|-------------------------|
| 2019 | \$ (1,538,262) | \$ (19,907) | \$ (1,759) |
| 2020 | 514,351 | (19,907) | (1,759) |
| 2021 | 200,134 | (19,907) | (1,759) |
| 2022 | (466,382) | (19,907) | (1,759) |
| 2023 | | (15) | (1) |
| Thereafter | | | (1) |

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

| | Pension | OPEB |
|-----------------------------|-------------------|-------------------|
| Actuarial valuation date | June 30, 2016 | June 30, 2016 |
| Actuarial roll forward date | June 30, 2017 | June 30, 2017 |
| Actuarial cost method | Entry age normal | Entry age normal |
| Investment rate of return | 8.0% | 8.0% |
| Salary increases | 3.0-6.75% | Not applicable |
| Inflation | 3.0% | 3.0% |
| Permanent base increases | Included | Not applicable |
| Mortality rates | 1994 GAM Scale BB | 1994 GAM Scale BB |
| Healthcare cost trend rate | Not applicable | Not applicable |

The actuarial assumptions used in the June 30, 2016 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.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The long-term expected rate of return on ASRS plan investments was determined to be 8.70 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|--------------------|------------------------------|---|
| Equity | 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> | |

Discount Rate. The discount rate used to measure the ASRS total pension and OPEB liability was 8.0 percent, which is less than the long-term expected rate of return of 8.70 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 plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

| | Proportionate share of the net (assets) liability | | |
|--------------------------|---|--------------------------|---------------|
| | 1% Decrease | Current Discount Rate | 1% Increase |
| Rate | 7.0% | 8.0% | 9.0% |
| Pension | \$ 26,023,101 | \$ 20,274,833 | \$ 15,471,663 |
| Health Insurance Premium | 117,342 | (70,658) | (230,425) |
| Long-Term Disability | 56,216 | 47,013 | 39,210 |

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

Beginning Net Position Restatement. The implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, represents a change in accounting principle. Net position as of July 1, 2017, has been restated as follows for this change in accounting principle:

| | Statement of Activities |
|---|----------------------------|
| Net position, June 30, 2017, as previously reported | \$ 16,871,549 |
| Net OPEB asset | 32,341 |
| Net OPEB liability | (28,969) |
| Net position, July 1, 2017, as restated | <u>\$ 16,874,921</u> |

REQUIRED SUPPLEMENTARY INFORMATION

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2018

| | Budgeted Amounts | | Non-GAAP Actual | Variance with Final Budget Positive (Negative) |
|--|------------------------|------------------------|---------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Other local | \$ | \$ | \$ 1,389,919 | \$ 1,389,919 |
| Property taxes | | | 5,194,950 | 5,194,950 |
| State aid and grants | | | 13,049,420 | 13,049,420 |
| Total revenues | | | <u>19,634,289</u> | <u>19,634,289</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 12,546,930 | 12,487,994 | 11,205,166 | 1,282,828 |
| Support services - students and staff | 2,344,741 | 2,368,741 | 2,243,010 | 125,731 |
| Support services - administration | 2,543,925 | 2,828,926 | 2,654,693 | 174,233 |
| Operation and maintenance of plant services | 2,286,806 | 2,302,806 | 2,282,969 | 19,837 |
| Student transportation services | 1,615,109 | 1,651,609 | 1,590,033 | 61,576 |
| Operation of non-instructional services | 42,000 | 42,000 | 41,829 | 171 |
| Total expenditures | <u>21,379,511</u> | <u>21,682,076</u> | <u>20,017,700</u> | <u>1,664,376</u> |
| Changes in fund balances | <u>(21,379,511)</u> | <u>(21,682,076)</u> | <u>(383,411)</u> | <u>21,298,665</u> |
| Fund balances, beginning of year | | | 3,357,980 | 3,357,980 |
| Increase (decrease) in reserve for prepaid items | | | (233,030) | (233,030) |
| Fund balances (deficits), end of year | <u>\$ (21,379,511)</u> | <u>\$ (21,682,076)</u> | <u>\$ 2,741,539</u> | <u>\$ 24,423,615</u> |

See accompanying notes to this schedule.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLASSROOM SITE
YEAR ENDED JUNE 30, 2018

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|-----------------------|-----------------------|-------------------|---|
| | Original | Final | Actual | |
| Revenues: | | | | |
| Other local | \$ | \$ | \$ 7,787 | \$ 7,787 |
| State aid and grants | | | 1,453,933 | 1,453,933 |
| Total revenues | | | <u>1,461,720</u> | <u>1,461,720</u> |
| Expenditures: | | | | |
| Current - | | | | |
| Instruction | 1,635,696 | 1,632,524 | 1,323,651 | 308,873 |
| Support services - students and staff | 32,330 | 32,330 | 22,939 | 9,391 |
| Total expenditures | <u>1,668,026</u> | <u>1,664,854</u> | <u>1,346,590</u> | <u>318,264</u> |
| Changes in fund balances | <u>(1,668,026)</u> | <u>(1,664,854)</u> | <u>115,130</u> | <u>1,779,984</u> |
| Fund balances, beginning of year | | | 291,451 | 291,451 |
| Fund balances (deficits), end of year | <u>\$ (1,668,026)</u> | <u>\$ (1,664,854)</u> | <u>\$ 406,581</u> | <u>\$ 2,071,435</u> |

See accompanying notes to this schedule.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| Measurement date | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| District's proportion of the net pension (assets) liability | 0.14% | 0.13% | 0.14% | 0.15% |
| District's proportionate share of the net pension (assets) liability | \$ 20,274,833 | \$ 21,772,601 | \$ 22,339,640 | \$ 21,845,582 |
| District's covered payroll | \$ 12,694,518 | \$ 12,689,272 | \$ 13,208,871 | \$ 13,313,776 |
| District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll | 159.71% | 171.58% | 169.13% | 164.08% |
| Plan fiduciary net position as a percentage of the total pension liability | 69.92% | 67.06% | 68.35% | 69.49% |

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

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------------|--------------------|--------------------|--------------------|
| Actuarially determined contribution | \$ 1,495,593 | \$ 1,368,469 | \$ 1,376,786 | \$ 1,438,446 |
| Contributions in relation to the actuarially determined contribution | <u>1,495,593</u> | <u>1,368,469</u> | <u>1,376,786</u> | <u>1,438,446</u> |
| Contribution deficiency (excess) | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| District's covered payroll | \$ 13,721,037 | \$ 12,694,518 | \$ 12,689,272 | \$ 13,208,871 |
| Contributions as a percentage of covered payroll | 10.90% | 10.78% | 10.85% | 10.89% |

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

See accompanying notes to this schedule.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

2018

| | |
|--|---------------|
| Measurement date | June 30, 2017 |
| District's proportion of the net OPEB (assets) liability | 0.13% |
| District's proportionate share of the net OPEB (assets) liability | \$ (70,658) |
| District's covered payroll | \$ 12,694,518 |
| District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll | -0.56% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 103.57% |

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

2018

| | |
|--|---------------|
| Actuarially determined contribution | \$ 60,372 |
| Contributions in relation to the actuarially determined contribution | <u>60,372</u> |
| Contribution deficiency (excess) | <u>\$</u> |
| District's covered payroll | \$ 13,721,037 |
| Contributions as a percentage of covered payroll | 0.44% |

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

See accompanying notes to this schedule.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2018

2018

| | |
|--|---------------|
| Measurement date | June 30, 2017 |
| District's proportion of the net OPEB (assets) liability | 0.13% |
| District's proportionate share of the net OPEB (assets) liability | \$ 47,013 |
| District's covered payroll | \$ 12,694,518 |
| District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll | 0.37% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 84.44% |

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2018

2018

| | |
|--|---------------|
| Actuarially determined contribution | \$ 21,954 |
| Contributions in relation to the actuarially determined contribution | <u>21,954</u> |
| Contribution deficiency (excess) | <u>\$</u> |
| District's covered payroll | \$ 13,721,037 |
| Contributions as a percentage of covered payroll | 0.16% |

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

See accompanying notes to this schedule.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

| | <u>Total Expenditures</u> | <u>Fund Balances End of Year</u> |
|---|-------------------------------|--------------------------------------|
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | \$ 20,339,110 | \$ 4,343,073 |
| Activity budgeted as special revenue funds | (666,960) | (1,601,534) |
| Current-year prepaid items | <u>345,550</u> | <u> </u> |
| Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund | <u>\$ 20,017,700</u> | <u>\$ 2,741,539</u> |

NOTE 2 – PENSION AND OPEB PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

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GOVERNMENTAL FUNDS

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2018

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total Non-Major Governmental Funds</u> |
|---|------------------------|-------------------------|---|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 1,375,647 | \$ 589,490 | \$ 1,965,137 |
| Due from governmental entities | 70,291 | 54,940 | 125,231 |
| Total assets | <u>\$ 1,445,938</u> | <u>\$ 644,430</u> | <u>\$ 2,090,368</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ 17,147 | \$ 94,429 | \$ 111,576 |
| Accrued payroll and employee benefits | 28,364 | | 28,364 |
| Unearned revenues | 66,155 | | 66,155 |
| Total liabilities | <u>111,666</u> | <u>94,429</u> | <u>206,095</u> |
| Fund balances: | | | |
| Restricted | 1,334,272 | 550,001 | 1,884,273 |
| Total fund balances | <u>1,334,272</u> | <u>550,001</u> | <u>1,884,273</u> |
| Total liabilities and fund balances | <u>\$ 1,445,938</u> | <u>\$ 644,430</u> | <u>\$ 2,090,368</u> |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2018

| | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Total Non-Major Governmental Funds</u> |
|--|------------------------|-------------------------|---|
| Revenues: | | | |
| Other local | \$ 900,989 | \$ 13,054 | \$ 914,043 |
| Property taxes | | 1,578 | 1,578 |
| State aid and grants | 150,304 | 172,254 | 322,558 |
| Federal aid, grants and reimbursements | <u>2,205,207</u> | | <u>2,205,207</u> |
| Total revenues | <u>3,256,500</u> | <u>186,886</u> | <u>3,443,386</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 1,050,952 | | 1,050,952 |
| Support services - students and staff | 253,454 | | 253,454 |
| Support services - administration | 2,200 | | 2,200 |
| Operation and maintenance of plant services | 3,300 | | 3,300 |
| Student transportation services | 16,820 | | 16,820 |
| Operation of non-instructional services | 1,793,401 | | 1,793,401 |
| Capital outlay | 10,369 | 2,144,773 | 2,155,142 |
| Debt service - | | | |
| Principal retirement | | 63,694 | 63,694 |
| Interest and fiscal charges | | 2,687 | 2,687 |
| Total expenditures | <u>3,130,496</u> | <u>2,211,154</u> | <u>5,341,650</u> |
| Excess (deficiency) of revenues over expenditures | <u>126,004</u> | <u>(2,024,268)</u> | <u>(1,898,264)</u> |
| Other financing sources (uses): | | | |
| Transfer out | <u>(39,717)</u> | <u>(6,319)</u> | <u>(46,036)</u> |
| Total other financing sources (uses) | <u>(39,717)</u> | <u>(6,319)</u> | <u>(46,036)</u> |
| Changes in fund balances | <u>86,287</u> | <u>(2,030,587)</u> | <u>(1,944,300)</u> |
| Fund balances, beginning of year | 1,277,307 | 2,580,588 | 3,857,895 |
| Increase (decrease) in reserve for prepaid items | (29,322) | | (29,322) |
| Fund balances, end of year | <u>\$ 1,334,272</u> | <u>\$ 550,001</u> | <u>\$ 1,884,273</u> |

SPECIAL REVENUE FUNDS

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

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

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

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

Other 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.

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.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

| | Instructional Improvement | Title I Grants | Professional Development and Technology Grants |
|---|------------------------------|------------------|---|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 128,605 | \$ 40,124 | \$ 2,439 |
| Due from governmental entities | 60,921 | | |
| Total assets | <u>\$ 189,526</u> | <u>\$ 40,124</u> | <u>\$ 2,439</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ | \$ | \$ |
| Accrued payroll and employee benefits | | | 1,292 |
| Unearned revenues | | 40,124 | 1,147 |
| Total liabilities | | <u>40,124</u> | <u>2,439</u> |
| Fund balances: | | | |
| Restricted | 189,526 | | |
| Total fund balances | <u>189,526</u> | | |
| Total liabilities and fund balances | <u>\$ 189,526</u> | <u>\$ 40,124</u> | <u>\$ 2,439</u> |

| Limited English and Immigrant Students | Special Education Grants | Other State Projects | Food Service | Civic Center | Community School |
|--|-----------------------------|-------------------------|---------------------|-------------------|---------------------|
| \$ 3,390 | \$ 1,144 | \$ 14,738 | \$ 388,514 9,370 | \$ 492,082 | \$ 204,177 |
| <u>\$ 3,390</u> | <u>\$ 1,144</u> | <u>\$ 14,738</u> | <u>\$ 397,884</u> | <u>\$ 492,082</u> | <u>\$ 204,177</u> |
| | | | | | |
| \$ | \$ | \$ | \$ 15,402 10,695 | \$ | \$ 1,745 15,361 |
| 3,390 | 1,144 | 14,738 | 5,612 | | |
| <u>3,390</u> | <u>1,144</u> | <u>14,738</u> | <u>31,709</u> | | <u>17,106</u> |
| | | | | | |
| | | | 366,175 | 492,082 | 187,071 |
| | | | <u>366,175</u> | <u>492,082</u> | <u>187,071</u> |
| | | | | | |
| \$ 3,390 | \$ 1,144 | \$ 14,738 | \$ 397,884 | \$ 492,082 | \$ 204,177 |
| <u>\$ 3,390</u> | <u>\$ 1,144</u> | <u>\$ 14,738</u> | <u>\$ 397,884</u> | <u>\$ 492,082</u> | <u>\$ 204,177</u> |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

| | Extracurricular Activities Fees Tax Credit | Fingerprint | Textbooks |
|---|--|-----------------|-----------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 91,549 | \$ 3,241 | \$ 5,261 |
| Due from governmental entities | | | |
| Total assets | <u>\$ 91,549</u> | <u>\$ 3,241</u> | <u>\$ 5,261</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ | \$ | \$ |
| Accrued payroll and employee benefits | 1,016 | | |
| Unearned revenues | | | |
| Total liabilities | <u>1,016</u> | | |
| Fund balances: | | | |
| Restricted | 90,533 | 3,241 | 5,261 |
| Total fund balances | <u>90,533</u> | <u>3,241</u> | <u>5,261</u> |
| Total liabilities and fund balances | <u>\$ 91,549</u> | <u>\$ 3,241</u> | <u>\$ 5,261</u> |

| <u>Litigation Recovery</u> | <u>Totals</u> |
|--------------------------------|---------------------|
| \$ 383 | \$ 1,375,647 |
| | 70,291 |
| <u>\$ 383</u> | <u>\$ 1,445,938</u> |

| | |
|----|----------------|
| \$ | \$ 17,147 |
| | 28,364 |
| | 66,155 |
| | <u>111,666</u> |

| | |
|---------------|---------------------|
| <u>383</u> | <u>1,334,272</u> |
| <u>383</u> | <u>1,334,272</u> |
| <u>\$ 383</u> | <u>\$ 1,445,938</u> |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

| | Instructional Improvement | Title I Grants | Professional Development and Technology Grants |
|--|------------------------------|------------------|---|
| Revenues: | | | |
| Other local | \$ | \$ | \$ |
| State aid and grants | 141,523 | | |
| Federal aid, grants and reimbursements | | 459,870 | 61,233 |
| Total revenues | <u>141,523</u> | <u>459,870</u> | <u>61,233</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 92,476 | 303,997 | 30,458 |
| Support services - students and staff | 55,326 | 135,921 | 28,492 |
| Support services - administration | | | |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | | 3,020 | |
| Total expenditures | <u>147,802</u> | <u>442,938</u> | <u>58,950</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,279)</u> | <u>16,932</u> | <u>2,283</u> |
| Other financing sources (uses): | | | |
| Transfer out | | (16,932) | (2,283) |
| Total other financing sources (uses) | | <u>(16,932)</u> | <u>(2,283)</u> |
| Changes in fund balances | <u>(6,279)</u> | | |
| Fund balances, beginning of year | 195,805 | | |
| Increase (decrease) in reserve for prepaid items | | | |
| Fund balances, end of year | <u><u>\$ 189,526</u></u> | <u><u>\$</u></u> | <u><u>\$</u></u> |

| Limited English and Immigrant Students | Special Education Grants | Other State Projects | Food Service | Civic Center | Community School |
|--|-----------------------------|-------------------------|--------------|--------------|---------------------|
| \$ | \$ | \$ | \$ | \$ | \$ |
| | | 8,781 | 366,048 | 94,805 | 337,936 |
| 28,533 | 561,738 | | 1,093,833 | | |
| 28,533 | 561,738 | 8,781 | 1,459,881 | 94,805 | 337,936 |
| 7,175 | 531,399 | 7,581 | | 67 | |
| 21,358 | 9,837 | 1,200 | | | |
| | | | | 3,300 | |
| | | | | 14,636 | 2,184 |
| | | | 1,504,324 | | 289,077 |
| | | | 5,399 | | |
| 28,533 | 541,236 | 8,781 | 1,509,723 | 18,003 | 291,261 |
| | 20,502 | | (49,842) | 76,802 | 46,675 |
| | (20,502) | | | | |
| | (20,502) | | | | |
| | | | (49,842) | 76,802 | 46,675 |
| | | | 440,471 | 415,280 | 145,264 |
| | | | (24,454) | | (4,868) |
| \$ | \$ | \$ | \$ | \$ | \$ |
| | | | 366,175 | 492,082 | 187,071 |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

| | Extracurricular Activities Fees Tax Credit | Fingerprint | Textbooks |
|--|--|-----------------|-----------------|
| Revenues: | | | |
| Other local | \$ 100,343 | \$ | \$ 1,857 |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | | |
| Total revenues | <u>100,343</u> | <u></u> | <u>1,857</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 77,799 | | |
| Support services - students and staff | 1,320 | | |
| Support services - administration | | 2,200 | |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | 1,950 | | |
| Total expenditures | <u>81,069</u> | <u>2,200</u> | <u></u> |
| Excess (deficiency) of revenues over expenditures | <u>19,274</u> | <u>(2,200)</u> | <u>1,857</u> |
| Other financing sources (uses): | | | |
| Transfer out | | | |
| Total other financing sources (uses) | <u></u> | <u></u> | <u></u> |
| Changes in fund balances | <u>19,274</u> | <u>(2,200)</u> | <u>1,857</u> |
| Fund balances, beginning of year | 71,259 | 5,441 | 3,404 |
| Increase (decrease) in reserve for prepaid items | | | |
| Fund balances, end of year | <u>\$ 90,533</u> | <u>\$ 3,241</u> | <u>\$ 5,261</u> |

| Litigation Recovery | Totals |
|------------------------|--------------|
| \$ | \$ 900,989 |
| | 150,304 |
| | 2,205,207 |
| | 3,256,500 |
| | |
| | 1,050,952 |
| | 253,454 |
| | 2,200 |
| | 3,300 |
| | 16,820 |
| | 1,793,401 |
| | 10,369 |
| | 3,130,496 |
| | |
| | 126,004 |
| | |
| | (39,717) |
| | (39,717) |
| | |
| | 86,287 |
| 383 | 1,277,307 |
| | (29,322) |
| \$ 383 | \$ 1,334,272 |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

| | Instructional Improvement | | |
|--|---------------------------|-------------------|--------------------------------------|
| | Budget | Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ | \$ |
| State aid and grants | | 141,523 | 141,523 |
| Federal aid, grants and reimbursements | | | |
| Total revenues | | <u>141,523</u> | <u>141,523</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 190,000 | 92,476 | 97,524 |
| Support services - students and staff | | 55,326 | (55,326) |
| Support services - administration | | | |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | | | |
| Total expenditures | <u>190,000</u> | <u>147,802</u> | <u>42,198</u> |
| Excess (deficiency) of revenues over expenditures | <u>(190,000)</u> | <u>(6,279)</u> | <u>183,721</u> |
| Other financing sources (uses): | | | |
| Transfer in | | | |
| Transfer out | | | |
| Insurance recoveries | | | |
| Total other financing sources (uses) | | | |
| Changes in fund balances | <u>(190,000)</u> | <u>(6,279)</u> | <u>183,721</u> |
| Fund balances, beginning of year | | 195,805 | 195,805 |
| Increase (decrease) in reserve for prepaid items | | | |
| Fund balances (deficits), end of year | <u>\$ (190,000)</u> | <u>\$ 189,526</u> | <u>\$ 379,526</u> |

| Title I Grants | | | Professional Development and Technology Grants | | |
|----------------|----------|--------------------------------------|--|---------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Actual | Variance - Positive (Negative) |
| \$ | \$ | \$ | \$ | \$ | \$ |
| | 459,870 | 459,870 | | 61,233 | 61,233 |
| | 459,870 | 459,870 | | 61,233 | 61,233 |
| 579,343 | 303,997 | 275,346 | 70,983 | 30,458 | 40,525 |
| | 135,921 | (135,921) | | 28,492 | (28,492) |
| | 3,020 | (3,020) | | | |
| 579,343 | 442,938 | 136,405 | 70,983 | 58,950 | 12,033 |
| (579,343) | 16,932 | 596,275 | (70,983) | 2,283 | 73,266 |
| | (16,932) | (16,932) | | (2,283) | (2,283) |
| | (16,932) | (16,932) | | (2,283) | (2,283) |
| (579,343) | | 579,343 | (70,983) | | 70,983 |
| \$ (579,343) | \$ | \$ 579,343 | \$ (70,983) | \$ | \$ 70,983 |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

| | Limited English and Immigrant Students | | |
|--|--|---------------|--------------------------------------|
| | Budget | Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ | \$ |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | 28,533 | 28,533 |
| Total revenues | | <u>28,533</u> | <u>28,533</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | | 7,175 | (7,175) |
| Support services - students and staff | 45,918 | 21,358 | 24,560 |
| Support services - administration | | | |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | | | |
| Total expenditures | <u>45,918</u> | <u>28,533</u> | <u>17,385</u> |
| Excess (deficiency) of revenues over expenditures | <u>(45,918)</u> | | <u>45,918</u> |
| Other financing sources (uses): | | | |
| Transfer in | | | |
| Transfer out | | | |
| Insurance recoveries | | | |
| Total other financing sources (uses) | | | |
| Changes in fund balances | <u>(45,918)</u> | | <u>45,918</u> |
| Fund balances, beginning of year | | | |
| Increase (decrease) in reserve for prepaid items | | | |
| Fund balances (deficits), end of year | <u>\$ (45,918)</u> | <u>\$</u> | <u>\$ 45,918</u> |

| Special Education Grants | | | Medicaid Reimbursement | | |
|--------------------------|------------------|--------------------------------------|------------------------|--------------------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| \$ | \$ | \$ | \$ | \$ 5,747 | \$ 5,747 |
| | 561,738 | 561,738 | | 124,079 | 124,079 |
| | 561,738 | 561,738 | | 129,826 | 129,826 |
| 584,381 | 531,399 9,837 | 52,982 (9,837) | 202,500 | 4,328 21,132 | (4,328) 181,368 |
| 584,381 | 541,236 | 43,145 | 202,500 | 25,460 | 177,040 |
| (584,381) | 20,502 | 604,883 | (202,500) | 104,366 | 306,866 |
| | (20,502) | (20,502) | | | |
| | (20,502) | (20,502) | | | |
| (584,381) | | 584,381 | (202,500) | 104,366 | 306,866 |
| | | | | 316,838 | 316,838 |
| \$ (584,381) | \$ | \$ 584,381 | \$ (202,500) | \$ 421,204 | \$ 623,704 |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

| | E-Rate | | |
|--|---------------------|--------------------|--------------------------------------|
| | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 24 | \$ 24 |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | 390,350 | 390,350 |
| Total revenues | | <u>390,374</u> | <u>390,374</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | | | |
| Support services - students and staff | | | |
| Support services - administration | | 5,950 | (5,950) |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | 240,000 | 239,829 | 171 |
| Total expenditures | <u>240,000</u> | <u>245,779</u> | <u>(5,779)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(240,000)</u> | <u>144,595</u> | <u>384,595</u> |
| Other financing sources (uses): | | | |
| Transfer in | | | |
| Transfer out | | | |
| Insurance recoveries | | | |
| Total other financing sources (uses) | | | |
| Changes in fund balances | <u>(240,000)</u> | <u>144,595</u> | <u>384,595</u> |
| Fund balances, beginning of year | | 353,790 | 353,790 |
| Increase (decrease) in reserve for prepaid items | | | |
| Fund balances (deficits), end of year | <u>\$ (240,000)</u> | <u>\$ 498,385</u> | <u>\$ 738,385</u> |

| Other State Projects | | | School Plant | | |
|----------------------|--------|--------------------------------------|--------------|--------------------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| \$ | \$ | \$ | \$ | \$ | \$ |
| | 8,781 | 8,781 | | 1,485 | 1,485 |
| | 8,781 | 8,781 | | 1,485 | 1,485 |
| 10,000 | 7,581 | 2,419 | | | |
| | 1,200 | (1,200) | | | |
| 10,000 | 8,781 | 1,219 | | | |
| (10,000) | | 10,000 | | 1,485 | 1,485 |
| | | | | | |
| | | | | | |
| (10,000) | | 10,000 | | 1,485 | 1,485 |
| \$ (10,000) | \$ | \$ 10,000 | \$ | \$ 1,485 | \$ 1,485 |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

| | Food Service | | Variance - |
|--|-----------------------|-------------------|------------------------|
| | Budget | Actual | Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 366,048 | \$ 366,048 |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | 1,093,833 | 1,093,833 |
| Total revenues | | <u>1,459,881</u> | <u>1,459,881</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 | 1,594,804 | 1,504,324 | 90,480 |
| Capital outlay | | 5,399 | (5,399) |
| Total expenditures | <u>1,594,804</u> | <u>1,509,723</u> | <u>85,081</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,594,804)</u> | <u>(49,842)</u> | <u>1,544,962</u> |
| Other financing sources (uses): | | | |
| Transfer in | | | |
| Transfer out | | | |
| Insurance recoveries | | | |
| Total other financing sources (uses) | | | |
| Changes in fund balances | <u>(1,594,804)</u> | <u>(49,842)</u> | <u>1,544,962</u> |
| Fund balances, beginning of year | | 440,471 | 440,471 |
| Increase (decrease) in reserve for prepaid items | | (24,454) | (24,454) |
| Fund balances (deficits), end of year | <u>\$ (1,594,804)</u> | <u>\$ 366,175</u> | <u>\$ 1,960,979</u> |

| Civic Center | | | Community School | | |
|--------------|-----------------|--------------------------------------|------------------|------------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Actual | Variance - Positive (Negative) |
| \$ | \$ 94,805 | \$ 94,805 | \$ | \$ 337,936 | \$ 337,936 |
| | 94,805 | 94,805 | | 337,936 | 337,936 |
| | 67 | (67) | | | |
| 250,000 | 3,300 14,636 | (3,300) 235,364 | | 2,184 | (2,184) |
| | | | 385,000 | 289,077 | 95,923 |
| 250,000 | 18,003 | 231,997 | 385,000 | 291,261 | 93,739 |
| (250,000) | 76,802 | 326,802 | (385,000) | 46,675 | 431,675 |
| | | | | | |
| | | | | | |
| (250,000) | 76,802 | 326,802 | (385,000) | 46,675 | 431,675 |
| | 415,280 | 415,280 | | 145,264 | 145,264 |
| | | | | (4,868) | (4,868) |
| \$ (250,000) | \$ 492,082 | \$ 742,082 | \$ (385,000) | \$ 187,071 | \$ 572,071 |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

| | Auxiliary Operations | | |
|--|----------------------|--------------------|--------------------------------------|
| | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 293,766 | \$ 293,766 |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | | |
| Total revenues | | <u>293,766</u> | <u>293,766</u> |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 315,000 | 221,967 | 93,033 |
| Support services - students and staff | | 1,198 | (1,198) |
| Support services - administration | | 24,652 | (24,652) |
| Operation and maintenance of plant services | | | |
| Student transportation services | | 329 | (329) |
| Operation of non-instructional services | | | |
| Capital outlay | | 1,271 | (1,271) |
| Total expenditures | <u>315,000</u> | <u>249,417</u> | <u>65,583</u> |
| Excess (deficiency) of revenues over expenditures | <u>(315,000)</u> | <u>44,349</u> | <u>359,349</u> |
| Other financing sources (uses): | | | |
| Transfer in | | | |
| Transfer out | | | |
| Insurance recoveries | | | |
| Total other financing sources (uses) | | | |
| Changes in fund balances | <u>(315,000)</u> | <u>44,349</u> | <u>359,349</u> |
| Fund balances, beginning of year | | 64,389 | 64,389 |
| Increase (decrease) in reserve for prepaid items | | | |
| Fund balances (deficits), end of year | <u>\$ (315,000)</u> | <u>\$ 108,738</u> | <u>\$ 423,738</u> |

| Extracurricular Activities Fees Tax Credit | | | Gifts and Donations | | |
|--|------------------|--------------------------------------|---------------------|--------------------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| \$ | \$ 100,343 | \$ 100,343 | \$ | \$ 51,619 | \$ 51,619 |
| | <u>100,343</u> | <u>100,343</u> | | <u>51,619</u> | <u>51,619</u> |
| 120,000 | 77,799 | 42,201 | 100,000 | 28,778 | 71,222 |
| | 1,320 | (1,320) | | 3,164 | (3,164) |
| | | | | 3,297 | (3,297) |
| | | | | 413 | (413) |
| | | | | 440 | (440) |
| | <u>1,950</u> | <u>(1,950)</u> | | <u>31,196</u> | <u>(31,196)</u> |
| <u>120,000</u> | <u>81,069</u> | <u>38,931</u> | <u>100,000</u> | <u>67,288</u> | <u>32,712</u> |
| <u>(120,000)</u> | <u>19,274</u> | <u>139,274</u> | <u>(100,000)</u> | <u>(15,669)</u> | <u>84,331</u> |
| | | | | | |
| | | | | | |
| <u>(120,000)</u> | <u>19,274</u> | <u>139,274</u> | <u>(100,000)</u> | <u>(15,669)</u> | <u>84,331</u> |
| | 71,259 | 71,259 | | 334,361 | 334,361 |
| | | | | | |
| <u>\$ (120,000)</u> | <u>\$ 90,533</u> | <u>\$ 210,533</u> | <u>\$ (100,000)</u> | <u>\$ 318,692</u> | <u>\$ 418,692</u> |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

| | Fingerprint | | Variance - Positive (Negative) |
|--|-------------------|-----------------|--------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Other local | \$ | \$ | \$ |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | | |
| Total revenues | | | |
| Expenditures: | | | |
| Current - | | | |
| Instruction | | | |
| Support services - students and staff | | | |
| Support services - administration | 3,000 | 2,200 | 800 |
| Operation and maintenance of plant services | | | |
| Student transportation services | | | |
| Operation of non-instructional services | | | |
| Capital outlay | | | |
| Total expenditures | <u>3,000</u> | <u>2,200</u> | <u>800</u> |
| Excess (deficiency) of revenues over expenditures | <u>(3,000)</u> | <u>(2,200)</u> | <u>800</u> |
| Other financing sources (uses): | | | |
| Transfer in | | | |
| Transfer out | | | |
| Insurance recoveries | | | |
| Total other financing sources (uses) | | | |
| Changes in fund balances | <u>(3,000)</u> | <u>(2,200)</u> | <u>800</u> |
| Fund balances, beginning of year | | 5,441 | 5,441 |
| Increase (decrease) in reserve for prepaid items | | | |
| Fund balances (deficits), end of year | <u>\$ (3,000)</u> | <u>\$ 3,241</u> | <u>\$ 6,241</u> |

| Insurance Proceeds | | | Textbooks | | |
|--------------------|--------------------|--------------------------------------|------------|----------|--------------------------------------|
| Budget | Non-GAAP Actual | Variance - Positive (Negative) | Budget | Actual | Variance - Positive (Negative) |
| \$ | \$ | \$ | \$ | \$ 1,857 | \$ 1,857 |
| | | | | 1,857 | 1,857 |
| | | | | | |
| | | | 5,200 | | 5,200 |
| 30,000 | 11,059 | 18,941 | | | |
| 30,000 | 11,059 | 18,941 | 5,200 | | 5,200 |
| (30,000) | (11,059) | 18,941 | (5,200) | 1,857 | 7,057 |
| | 15,161 | 15,161 | | | |
| | 15,161 | 15,161 | | | |
| (30,000) | 4,102 | 34,102 | (5,200) | 1,857 | 7,057 |
| | 36,237 | 36,237 | | 3,404 | 3,404 |
| \$ (30,000) | \$ 40,339 | \$ 70,339 | \$ (5,200) | \$ 5,261 | \$ 10,461 |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

| | Litigation Recovery | | Variance - Positive (Negative) |
|--|---------------------|--------|--------------------------------------|
| | Budget | Actual | |
| Revenues: | | | |
| Other local | \$ | \$ | \$ |
| State aid and grants | | | |
| Federal aid, grants and reimbursements | | | |
| Total revenues | | | |
| Expenditures: | | | |
| Current - | | | |
| Instruction | 25,000 | | 25,000 |
| 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 | 25,000 | | 25,000 |
| Excess (deficiency) of revenues over expenditures | (25,000) | | 25,000 |
| Other financing sources (uses): | | | |
| Transfer in | | | |
| Transfer out | | | |
| Insurance recoveries | | | |
| Total other financing sources (uses) | | | |
| Changes in fund balances | (25,000) | | 25,000 |
| Fund balances, beginning of year | | 383 | 383 |
| Increase (decrease) in reserve for prepaid items | | | |
| Fund balances (deficits), end of year | \$ (25,000) | \$ 383 | \$ 25,383 |

| Indirect Costs | | | Totals | | |
|----------------|-----------------|--------------------------------|----------------|-----------------|--------------------------------|
| Budget | Non-GAAP Actual | Variance - Positive (Negative) | Budget | Non-GAAP Actual | Variance - Positive (Negative) |
| \$ | \$ | \$ | \$ | \$ 1,253,630 | \$ 1,253,630 |
| | | | | 150,304 | 150,304 |
| | | | | 2,719,636 | 2,719,636 |
| | | | | 4,123,570 | 4,123,570 |
| | | | | | |
| | | | 1,999,907 | 1,306,025 | 693,882 |
| | | | 248,418 | 278,948 | (30,530) |
| 150,000 | 46,463 | 103,537 | 153,000 | 82,562 | 70,438 |
| | 21,494 | (21,494) | 30,000 | 35,853 | (5,853) |
| | | | 250,000 | 17,562 | 232,438 |
| | | | 1,979,804 | 1,793,841 | 185,963 |
| | | | 240,000 | 282,665 | (42,665) |
| 150,000 | 67,957 | 82,043 | 4,901,129 | 3,797,456 | 1,103,673 |
| (150,000) | (67,957) | 82,043 | (4,901,129) | 326,114 | 5,227,243 |
| | | | | | |
| | 39,717 | 39,717 | | 39,717 | 39,717 |
| | | | | (39,717) | (39,717) |
| | | | | 15,161 | 15,161 |
| | 39,717 | 39,717 | | 15,161 | 15,161 |
| (150,000) | (28,240) | 121,760 | (4,901,129) | 341,275 | 5,242,404 |
| | | | | | |
| | 240,931 | 240,931 | | 2,623,853 | 2,623,853 |
| | | | | (29,322) | (29,322) |
| \$ (150,000) | \$ 212,691 | \$ 362,691 | \$ (4,901,129) | \$ 2,935,806 | \$ 7,836,935 |

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DEBT SERVICE FUND

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2018

| | Debt Service | | |
|--|-----------------------|------------------|--------------------------------------|
| | Budget | Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 11,479 | \$ 11,479 |
| Property taxes | | 2,003,870 | 2,003,870 |
| Total revenues | | <u>2,015,349</u> | <u>2,015,349</u> |
| Expenditures: | | | |
| Debt service - | | | |
| Principal retirement | 1,550,000 | 1,550,000 | |
| Interest and fiscal charges | 653,675 | 604,424 | 49,251 |
| Total expenditures | <u>2,203,675</u> | <u>2,154,424</u> | <u>49,251</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,203,675)</u> | <u>(139,075)</u> | <u>2,064,600</u> |
| Other financing sources (uses): | | | |
| Transfer in | | 6,319 | 6,319 |
| Total other financing sources (uses) | | <u>6,319</u> | <u>6,319</u> |
| Changes in fund balances | <u>(2,203,675)</u> | <u>(132,756)</u> | <u>2,070,919</u> |
| Fund balances, beginning of year | | 181,242 | 181,242 |
| Fund balances (deficits), end of year | <u>\$ (2,203,675)</u> | <u>\$ 48,486</u> | <u>\$ 2,252,161</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.

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

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018

| | <u>Unrestricted Capital Outlay</u> | <u>Adjacent Ways</u> | <u>Bond Building</u> |
|---|--|--------------------------|--------------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 260,211 | \$ 105,011 | \$ 217,048 |
| Due from governmental entities | 54,940 | | |
| Total assets | <u><u>\$ 315,151</u></u> | <u><u>\$ 105,011</u></u> | <u><u>\$ 217,048</u></u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| Liabilities: | | | |
| Accounts payable | \$ 94,429 | \$ | \$ |
| Total liabilities | <u>94,429</u> | | |
| Fund balances: | | | |
| Restricted | 220,722 | 105,011 | 217,048 |
| Total fund balances | <u>220,722</u> | <u>105,011</u> | <u>217,048</u> |
| Total liabilities and fund balances | <u><u>\$ 315,151</u></u> | <u><u>\$ 105,011</u></u> | <u><u>\$ 217,048</u></u> |

| Gifts and Donations - Capital | New School Facilities | Totals |
|-------------------------------------|--------------------------|-------------------|
| \$ 6,150 | \$ 1,070 | \$ 589,490 |
| | | 54,940 |
| <u>\$ 6,150</u> | <u>\$ 1,070</u> | <u>\$ 644,430</u> |
| | | |
| \$ | \$ | \$ 94,429 |
| | | 94,429 |
| | | |
| 6,150 | 1,070 | 550,001 |
| 6,150 | 1,070 | 550,001 |
| <u>\$ 6,150</u> | <u>\$ 1,070</u> | <u>\$ 644,430</u> |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2018

| | Unrestricted Capital Outlay | Adjacent Ways | Bond Building |
|--|--------------------------------|--------------------------|--------------------------|
| Revenues: | | | |
| Other local | \$ 2,429 | \$ 1,107 | \$ 6,319 |
| Property taxes | 1,578 | | |
| State aid and grants | 172,254 | | |
| Total revenues | <u>176,261</u> | <u>1,107</u> | <u>6,319</u> |
| Expenditures: | | | |
| Capital outlay | 379,840 | | 1,762,804 |
| Debt service - | | | |
| Principal retirement | 63,694 | | |
| Interest and fiscal charges | 2,687 | | |
| Total expenditures | <u>446,221</u> | <u></u> | <u>1,762,804</u> |
| Excess (deficiency) of revenues over expenditures | <u>(269,960)</u> | <u>1,107</u> | <u>(1,756,485)</u> |
| Other financing sources (uses): | | | |
| Transfer out | | | (6,319) |
| Total other financing sources (uses) | | | <u>(6,319)</u> |
| Changes in fund balances | <u>(269,960)</u> | <u>1,107</u> | <u>(1,762,804)</u> |
| Fund balances, beginning of year | 490,682 | 103,904 | 1,979,852 |
| Fund balances, end of year | <u><u>\$ 220,722</u></u> | <u><u>\$ 105,011</u></u> | <u><u>\$ 217,048</u></u> |

| Gifts and Donations - Capital | New School Facilities | Totals |
|-------------------------------------|--------------------------|-------------|
| \$ | \$ 3,199 | \$ 13,054 |
| | | 1,578 |
| | | 172,254 |
| | 3,199 | 186,886 |
| | 2,129 | 2,144,773 |
| | | 63,694 |
| | | 2,687 |
| | 2,129 | 2,211,154 |
| | 1,070 | (2,024,268) |
| | | (6,319) |
| | | (6,319) |
| | 1,070 | (2,030,587) |
| 6,150 | | 2,580,588 |
| \$ 6,150 | \$ 1,070 | \$ 550,001 |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2018

| | Unrestricted Capital Outlay | | |
|--|-----------------------------|-------------------|--------------------------------------|
| | Budget | Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 2,429 | \$ 2,429 |
| Property taxes | | 1,578 | 1,578 |
| State aid and grants | | 172,254 | 172,254 |
| Total revenues | | <u>176,261</u> | <u>176,261</u> |
| Expenditures: | | | |
| Capital outlay | 603,326 | 379,840 | 223,486 |
| Debt service - | | | |
| Principal retirement | 63,694 | 63,694 | |
| Interest and fiscal charges | 2,687 | 2,687 | |
| Total expenditures | <u>669,707</u> | <u>446,221</u> | <u>223,486</u> |
| Excess (deficiency) of revenues over expenditures | <u>(669,707)</u> | <u>(269,960)</u> | <u>399,747</u> |
| Other financing sources (uses): | | | |
| Transfer out | | | |
| Total other financing sources (uses) | | | |
| Changes in fund balances | <u>(669,707)</u> | <u>(269,960)</u> | <u>399,747</u> |
| Fund balances (deficits), beginning of year | | 490,682 | 490,682 |
| Fund balances (deficits), end of year | <u>\$ (669,707)</u> | <u>\$ 220,722</u> | <u>\$ 890,429</u> |

| Adjacent Ways | | | Bond Building | | |
|---------------|------------|--------------------------------------|----------------|-------------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Actual | Variance - Positive (Negative) |
| \$ | \$ 1,107 | \$ 1,107 | \$ | \$ 6,319 | \$ 6,319 |
| | 1,107 | 1,107 | | 6,319 | 6,319 |
| 100,000 | | 100,000 | 1,986,462 | 1,762,804 | 223,658 |
| 100,000 | | 100,000 | 1,986,462 | 1,762,804 | 223,658 |
| (100,000) | 1,107 | 101,107 | (1,986,462) | (1,756,485) | 229,977 |
| | | | | (6,319) | (6,319) |
| | | | | (6,319) | (6,319) |
| (100,000) | 1,107 | 101,107 | (1,986,462) | (1,762,804) | 223,658 |
| | 103,904 | 103,904 | | 1,979,852 | 1,979,852 |
| \$ (100,000) | \$ 105,011 | \$ 205,011 | \$ (1,986,462) | \$ 217,048 | \$ 2,203,510 |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2018

| | Gifts and Donations - Capital | | |
|--|-------------------------------|----------|--------------------------------------|
| | Budget | Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ | \$ |
| Property taxes | | | |
| State aid and grants | | | |
| Total revenues | | | |
| Expenditures: | | | |
| Capital outlay | 30,000 | | 30,000 |
| Debt service - | | | |
| Principal retirement | | | |
| Interest and fiscal charges | | | |
| Total expenditures | 30,000 | | 30,000 |
| Excess (deficiency) of revenues over expenditures | (30,000) | | 30,000 |
| Other financing sources (uses): | | | |
| Transfer out | | | |
| Total other financing sources (uses) | | | |
| Changes in fund balances | (30,000) | | 30,000 |
| Fund balances (deficits), beginning of year | | 6,150 | 6,150 |
| Fund balances (deficits), end of year | \$ (30,000) | \$ 6,150 | \$ 36,150 |

| Building Renewal Grant | | | New School Facilities | | |
|------------------------|--------------|--------------------------------------|-----------------------|----------|--------------------------------------|
| Budget | Actual | Variance - Positive (Negative) | Budget | Actual | Variance - Positive (Negative) |
| \$ | \$ | \$ | \$ | \$ 3,199 | \$ 3,199 |
| | 1,020,285 | 1,020,285 | | 3,199 | 3,199 |
| | 1,020,285 | 1,020,285 | | | |
| 3,157,009 | 1,468,018 | 1,688,991 | 377,295 | 2,129 | 375,166 |
| 3,157,009 | 1,468,018 | 1,688,991 | 377,295 | 2,129 | 375,166 |
| (3,157,009) | (447,733) | 2,709,276 | (377,295) | 1,070 | 378,365 |
| | | | | | |
| | | | | | |
| (3,157,009) | (447,733) | 2,709,276 | (377,295) | 1,070 | 378,365 |
| | (18,450) | (18,450) | | | |
| \$ (3,157,009) | \$ (466,183) | \$ 2,690,826 | \$ (377,295) | \$ 1,070 | \$ 378,365 |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2018

| | Totals | | |
|--|-----------------------|--------------------|--------------------------------------|
| | Budget | Actual | Variance - Positive (Negative) |
| Revenues: | | | |
| Other local | \$ | \$ 13,054 | \$ 13,054 |
| Property taxes | | 1,578 | 1,578 |
| State aid and grants | | 1,192,539 | 1,192,539 |
| Total revenues | | <u>1,207,171</u> | <u>1,207,171</u> |
| Expenditures: | | | |
| Capital outlay | 6,254,092 | 3,612,791 | 2,641,301 |
| Debt service - | | | |
| Principal retirement | 63,694 | 63,694 | |
| Interest and fiscal charges | 2,687 | 2,687 | |
| Total expenditures | <u>6,320,473</u> | <u>3,679,172</u> | <u>2,641,301</u> |
| Excess (deficiency) of revenues over expenditures | <u>(6,320,473)</u> | <u>(2,472,001)</u> | <u>3,848,472</u> |
| Other financing sources (uses): | | | |
| Transfer out | | (6,319) | (6,319) |
| Total other financing sources (uses) | | <u>(6,319)</u> | <u>(6,319)</u> |
| Changes in fund balances | <u>(6,320,473)</u> | <u>(2,478,320)</u> | <u>3,842,153</u> |
| Fund balances (deficits), beginning of year | | 2,562,138 | 2,562,138 |
| Fund balances (deficits), end of year | <u>\$ (6,320,473)</u> | <u>\$ 83,818</u> | <u>\$ 6,404,291</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 Withholding - to account for voluntary deductions temporarily held by the District as an agent.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2018

| | <u>Student Activities</u> | <u>Employee Withholding</u> | <u>Totals</u> |
|---------------------------|---------------------------|---------------------------------|---------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 50,905 | \$ 1,384,026 | \$ 1,434,931 |
| Total assets | <u>\$ 50,905</u> | <u>\$ 1,384,026</u> | <u>\$ 1,434,931</u> |
| <u>LIABILITIES</u> | | | |
| Deposits held for others | \$ | \$ 1,384,026 | \$ 1,384,026 |
| Due to student groups | 50,905 | | 50,905 |
| Total liabilities | <u>\$ 50,905</u> | <u>\$ 1,384,026</u> | <u>\$ 1,434,931</u> |

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2018

| | <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 | \$ 74,437 | \$ 52,522 | \$ 76,054 | \$ 50,905 |
| Total assets | \$ <u>74,437</u> | \$ <u>52,522</u> | \$ <u>76,054</u> | \$ <u>50,905</u> |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 9,994 | \$ | \$ 9,994 | \$ |
| Due to student groups | <u>64,443</u> | <u>52,522</u> | <u>66,060</u> | <u>50,905</u> |
| Total liabilities | \$ <u>74,437</u> | \$ <u>52,522</u> | \$ <u>76,054</u> | \$ <u>50,905</u> |
| <u>EMPLOYEE WITHHOLDING FUND</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | \$ 183,787 | \$ 2,586,242 | \$ 1,386,003 | \$ 1,384,026 |
| Total assets | \$ <u>183,787</u> | \$ <u>2,586,242</u> | \$ <u>1,386,003</u> | \$ <u>1,384,026</u> |
| <u>Liabilities</u> | | | | |
| Deposits held for others | \$ 183,787 | \$ 2,586,242 | \$ 1,386,003 | \$ 1,384,026 |
| Total liabilities | \$ <u>183,787</u> | \$ <u>2,586,242</u> | \$ <u>1,386,003</u> | \$ <u>1,384,026</u> |
| <u>TOTAL AGENCY FUNDS</u> | | | | |
| <u>Assets</u> | | | | |
| Cash and investments | \$ 258,224 | \$ 2,638,764 | \$ 1,462,057 | \$ 1,434,931 |
| Total assets | \$ <u>258,224</u> | \$ <u>2,638,764</u> | \$ <u>1,462,057</u> | \$ <u>1,434,931</u> |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 9,994 | \$ | \$ 9,994 | \$ |
| Deposits held for others | 183,787 | 2,586,242 | 1,386,003 | 1,384,026 |
| Due to student groups | <u>64,443</u> | <u>52,522</u> | <u>66,060</u> | <u>50,905</u> |
| Total liabilities | \$ <u>258,224</u> | \$ <u>2,638,764</u> | \$ <u>1,462,057</u> | \$ <u>1,434,931</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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LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

| | Fiscal Year Ended June 30 | | | | |
|----------------------------------|----------------------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Net Position: | | | | | |
| Net investment in capital assets | \$ 30,083,026 | \$ 29,406,670 | \$ 29,153,698 | \$ 28,563,571 | \$ 28,840,906 |
| Restricted | 2,158,400 | 2,459,346 | 2,673,769 | 3,259,355 | 3,433,081 |
| Unrestricted | (13,836,094) | (14,994,467) | (17,189,897) | (17,450,800) | 3,853,082 |
| Total net position | <u>\$ 18,405,332</u> | <u>\$ 16,871,549</u> | <u>\$ 14,637,570</u> | <u>\$ 14,372,126</u> | <u>\$ 36,127,069</u> |
| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
| Net Position: | | | | | |
| Net investment in capital assets | \$ 29,250,754 | \$ 29,397,312 | \$ 29,118,437 | \$ 28,758,453 | \$ 29,029,092 |
| Restricted | 3,188,755 | 3,772,475 | 3,921,391 | 2,857,488 | 2,535,105 |
| Unrestricted | 4,065,345 | 4,183,721 | 5,375,515 | 5,033,376 | 4,379,479 |
| Total net position | <u>\$ 36,504,854</u> | <u>\$ 37,353,508</u> | <u>\$ 38,415,343</u> | <u>\$ 36,649,317</u> | <u>\$ 35,943,676</u> |

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

| | Fiscal Year Ended June 30 | | | | |
|---|----------------------------------|------------------------|------------------------|------------------------|------------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Expenses | | | | | |
| Instruction | \$ 14,991,968 | \$ 14,078,456 | \$ 13,684,751 | \$ 15,459,914 | \$ 14,404,498 |
| Support services - students and staff | 2,442,600 | 2,338,204 | 2,340,161 | 2,629,217 | 2,611,092 |
| Support services - administration | 2,869,447 | 2,592,285 | 2,502,584 | 2,477,730 | 2,351,699 |
| Operation and maintenance of plant services | 2,367,450 | 2,306,808 | 2,131,655 | 2,035,983 | 2,204,599 |
| Student transportation services | 1,999,609 | 1,585,990 | 1,617,307 | 1,609,244 | 1,448,404 |
| Operation of non-instructional services | 1,869,766 | 1,816,234 | 1,657,404 | 1,462,727 | 1,471,056 |
| Interest on long-term debt | 564,722 | 565,558 | 665,594 | 618,213 | 361,891 |
| Total expenses | <u>27,105,562</u> | <u>25,283,535</u> | <u>24,599,456</u> | <u>26,293,028</u> | <u>24,853,239</u> |
| Program Revenues | | | | | |
| Charges for services: | | | | | |
| Instruction | 345,685 | 166,468 | 211,301 | 173,938 | 327,917 |
| Operation of non-instructional services | 698,144 | 611,757 | 586,253 | 620,953 | 595,648 |
| Other activities | 85,655 | 44,832 | 68,129 | 63,652 | 67,416 |
| Operating grants and contributions | 2,321,562 | 2,738,604 | 2,296,530 | 2,233,679 | 2,464,646 |
| Capital grants and contributions | 1,634,345 | 816,878 | 264,713 | 900,000 | |
| Total program revenues | <u>5,085,391</u> | <u>4,378,539</u> | <u>3,426,926</u> | <u>3,992,222</u> | <u>3,455,627</u> |
| Net (Expense)/Revenue | <u>\$ (22,020,171)</u> | <u>\$ (20,904,996)</u> | <u>\$ (21,172,530)</u> | <u>\$ (22,300,806)</u> | <u>\$ (21,397,612)</u> |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | |
| Instruction | \$ 13,073,980 | \$ 13,596,940 | \$ 14,004,716 | \$ 16,157,704 | \$ 16,135,894 |
| Support services - students and staff | 2,446,468 | 2,307,311 | 3,355,221 | 3,635,574 | 3,865,880 |
| Support services - administration | 2,013,750 | 2,217,880 | 2,233,380 | 2,505,005 | 2,419,907 |
| Operation and maintenance of plant services | 1,910,020 | 1,943,648 | 1,870,887 | 1,963,396 | 1,982,572 |
| Student transportation services | 1,319,489 | 1,355,226 | 1,462,092 | 1,407,089 | 1,742,515 |
| Operation of non-instructional services | 1,364,627 | 1,647,565 | 1,468,807 | 1,360,355 | 1,453,700 |
| Interest on long-term debt | 389,262 | 419,633 | 454,568 | 417,715 | 369,084 |
| Total expenses | <u>22,517,596</u> | <u>23,488,203</u> | <u>24,849,671</u> | <u>27,446,838</u> | <u>27,969,552</u> |
| Program Revenues | | | | | |
| Charges for services: | | | | | |
| Instruction | 150,815 | 231,121 | 525,672 | 122,766 | 85,126 |
| Operation of non-instructional services | 577,067 | 582,378 | 514,466 | 531,586 | 718,406 |
| Other activities | 37,958 | 75,885 | 60,119 | 69,737 | 48,081 |
| Operating grants and contributions | 2,095,230 | 1,852,494 | 2,723,515 | 2,478,869 | 2,319,611 |
| Capital grants and contributions | 4,422 | 11,445 | 36,884 | 52,372 | 9,788 |
| Total program revenues | <u>2,865,492</u> | <u>2,753,323</u> | <u>3,860,656</u> | <u>3,255,330</u> | <u>3,181,012</u> |
| Net (Expense)/Revenue | <u>\$ (19,652,104)</u> | <u>\$ (20,734,880)</u> | <u>\$ (20,989,015)</u> | <u>\$ (24,191,508)</u> | <u>\$ (24,788,540)</u> |

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

(Concluded)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

| | Fiscal Year Ended June 30 | | | | |
|---|----------------------------------|----------------------------|--------------------------|--------------------------|----------------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Net (Expense)/Revenue | \$ (22,020,171) | \$ (20,904,996) | \$ (21,172,530) | \$ (22,300,806) | \$ (21,397,612) |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes, levied for general purposes | 5,157,365 | 4,568,024 | 5,443,493 | 5,200,342 | 3,587,182 |
| Property taxes, levied for debt service | 1,987,564 | 2,046,136 | 1,832,253 | 1,809,762 | 1,139,311 |
| Property taxes, levied for capital outlay | | 288,019 | 5,855 | 556,914 | 252,695 |
| Investment income | 73,511 | 47,944 | 36,774 | 54,862 | 17,409 |
| Unrestricted county aid | 1,390,933 | 1,328,983 | 1,196,593 | 1,327,338 | 1,305,396 |
| Unrestricted state aid | 14,817,130 | 14,809,819 | 12,741,901 | 14,111,398 | 14,572,046 |
| Unrestricted federal aid | 124,079 | 50,050 | 181,105 | 190,393 | 145,788 |
| Total general revenues | <u>23,550,582</u> | <u>23,138,975</u> | <u>21,437,974</u> | <u>23,251,009</u> | <u>21,019,827</u> |
| Changes in Net Position | <u>\$ 1,530,411</u> | <u>\$ 2,233,979</u> | <u>\$ 265,444</u> | <u>\$ 950,203</u> | <u>\$ (377,785)</u> |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---|---------------------|-----------------------|---------------------|--------------------|--------------------|
| Net (Expense)/Revenue | \$ (19,652,104) | \$ (20,734,880) | \$ (20,989,015) | \$ (24,191,508) | \$ (24,788,540) |
| General Revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes, levied for general purposes | 4,510,532 | 4,127,074 | 6,655,706 | 6,449,469 | 6,154,980 |
| Property taxes, levied for debt service | 1,117,231 | 991,448 | 1,212,458 | 1,548,531 | 1,115,973 |
| Property taxes, levied for capital outlay | | 278,630 | 26,020 | 227,228 | 139,567 |
| Investment income | 29,722 | 43,382 | 83,996 | 64,097 | 217,432 |
| Unrestricted county aid | 1,107,370 | 1,269,037 | 1,298,095 | 1,295,020 | |
| Unrestricted state aid | 11,890,131 | 12,813,371 | 13,086,471 | 13,466,127 | 17,452,573 |
| Unrestricted federal aid | 148,464 | 150,103 | 392,295 | 1,846,677 | 147 |
| Total general revenues | <u>18,803,450</u> | <u>19,673,045</u> | <u>22,755,041</u> | <u>24,897,149</u> | <u>25,080,672</u> |
| Changes in Net Position | <u>\$ (848,654)</u> | <u>\$ (1,061,835)</u> | <u>\$ 1,766,026</u> | <u>\$ 705,641</u> | <u>\$ 292,132</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 year 2008-09.

(Concluded)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

| | Fiscal Year Ended June 30 | | | | |
|------------------------------------|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| General Fund: | | | | | |
| Nondisposable | \$ 648 | \$ 579,228 | \$ | \$ 188,411 | \$ |
| Unassigned | 4,342,425 | 4,125,298 | 3,758,292 | 3,332,181 | 2,486,099 |
| Total General Fund | <u>\$ 4,343,073</u> | <u>\$ 4,704,526</u> | <u>\$ 3,758,292</u> | <u>\$ 3,520,592</u> | <u>\$ 2,486,099</u> |
| All Other Governmental Funds: | | | | | |
| Nondisposable | \$ | \$ 29,322 | \$ | \$ | \$ |
| Restricted | 2,339,340 | 4,301,266 | 2,865,023 | 4,337,493 | 3,399,302 |
| Unassigned | (466,183) | (18,450) | (59,360) | (716) | |
| Total all other governmental funds | <u>\$ 1,873,157</u> | <u>\$ 4,312,138</u> | <u>\$ 2,805,663</u> | <u>\$ 4,336,777</u> | <u>\$ 3,399,302</u> |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Fund: | | | | | |
| Nonspendable | \$ | \$ | \$ 2,160 | \$ | \$ |
| Restricted | | | 29,665 | | |
| Assigned | | | 45,061 | | |
| Unassigned | 2,702,598 | 3,021,786 | 3,704,382 | | |
| Reserved | | | | 269,421 | 16,484 |
| Unreserved | | | | 1,199,432 | 52,582 |
| Total General Fund | <u>\$ 2,702,598</u> | <u>\$ 3,021,786</u> | <u>\$ 3,781,268</u> | <u>\$ 1,468,853</u> | <u>\$ 69,066</u> |
| All Other Governmental Funds: | | | | | |
| Restricted | \$ 3,145,608 | \$ 6,086,381 | \$ 6,539,550 | \$ | \$ |
| Reserved | | | | 59,782 | 78,307 |
| Unreserved, reported in: | | | | | |
| Special revenue funds | | | | 1,566,136 | 1,520,961 |
| Capital projects funds | | | | 6,403,109 | 3,108,505 |
| Debt service fund | | | | 153,098 | 114,067 |
| Total all other governmental funds | <u>\$ 3,145,608</u> | <u>\$ 6,086,381</u> | <u>\$ 6,539,550</u> | <u>\$ 8,182,125</u> | <u>\$ 4,821,840</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)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

| | Fiscal Year Ended June 30 | | | | |
|-------------------------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Federal sources: | | | | | |
| Federal grants | \$ 1,625,803 | \$ 1,247,220 | \$ 1,194,039 | \$ 1,229,560 | \$ 1,143,409 |
| National School Lunch Program | 1,093,833 | 1,160,726 | 1,138,354 | 1,002,165 | 1,024,363 |
| Total federal sources | <u>2,719,636</u> | <u>2,407,946</u> | <u>2,332,393</u> | <u>2,231,725</u> | <u>2,167,772</u> |
| State sources: | | | | | |
| State equalization assistance | 13,081,504 | 13,432,713 | 11,414,115 | 12,866,392 | 13,166,249 |
| State grants | 8,781 | 102,676 | 94,964 | 104,753 | 155,933 |
| School Facilities Board | 1,020,285 | 777,926 | 81,170 | | |
| Other revenues | 1,735,626 | 1,377,106 | 1,327,786 | 1,245,006 | 1,405,797 |
| Total state sources | <u>15,846,196</u> | <u>15,690,421</u> | <u>12,918,035</u> | <u>14,216,151</u> | <u>14,727,979</u> |
| Local sources: | | | | | |
| Property taxes | 7,200,398 | 6,877,415 | 7,511,374 | 7,529,571 | 5,022,991 |
| County aid | 1,390,933 | 1,328,983 | 1,196,593 | 1,327,338 | 1,305,396 |
| Food service sales | 366,048 | 346,714 | 295,541 | 300,046 | 308,722 |
| Investment income | 73,511 | 47,944 | 36,774 | 54,862 | 17,409 |
| Other revenues | 845,377 | 601,235 | 744,603 | 646,091 | 968,988 |
| Total local sources | <u>9,876,267</u> | <u>9,202,291</u> | <u>9,784,885</u> | <u>9,857,908</u> | <u>7,623,506</u> |
| Total revenues | <u><u>\$ 28,442,099</u></u> | <u><u>\$ 27,300,658</u></u> | <u><u>\$ 25,035,313</u></u> | <u><u>\$ 26,305,784</u></u> | <u><u>\$ 24,519,257</u></u> |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Federal sources: | | | | | |
| Federal grants | \$ 1,074,355 | \$ 1,043,838 | \$ 1,426,876 | \$ 3,246,180 | \$ 933,590 |
| State Fiscal Stabilization (ARRA) | | | 152,614 | 1,846,677 | |
| Education Jobs | | 10,070 | 656,179 | | |
| National School Lunch Program | 906,669 | 893,875 | 792,364 | 824,100 | 749,009 |
| Total federal sources | <u>1,981,024</u> | <u>1,947,783</u> | <u>3,028,033</u> | <u>5,916,957</u> | <u>1,682,599</u> |
| State sources: | | | | | |
| State equalization assistance | 10,896,498 | 11,670,279 | 12,210,421 | 13,829,829 | 14,851,244 |
| State grants | 186,395 | 86,453 | 124,661 | 229,406 | 344,689 |
| School Facilities Board | 7,399 | 162,128 | | | |
| Other revenues | 986,234 | 980,964 | 906,562 | 1,010,291 | 1,196,824 |
| Total state sources | <u>12,076,526</u> | <u>12,899,824</u> | <u>13,241,644</u> | <u>15,069,526</u> | <u>16,392,757</u> |
| Local sources: | | | | | |
| Property taxes | 5,575,310 | 5,586,547 | 7,994,632 | 7,920,166 | 6,986,882 |
| County aid | 1,107,370 | 1,269,037 | 1,298,095 | 1,295,020 | |
| Food service sales | 311,076 | 293,202 | 291,928 | 296,397 | 405,350 |
| Investment income | 29,722 | 43,382 | 83,996 | 64,097 | 217,432 |
| Other revenues | 535,461 | 601,932 | 808,329 | 497,668 | 748,521 |
| Total local sources | <u>7,558,939</u> | <u>7,794,100</u> | <u>10,476,980</u> | <u>10,073,348</u> | <u>8,358,185</u> |
| Total revenues | <u>\$ 21,616,489</u> | <u>\$ 22,641,707</u> | <u>\$ 26,746,657</u> | <u>\$ 31,059,831</u> | <u>\$ 26,433,541</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 year 2008-09.

(Concluded)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

| | Fiscal Year Ended June 30 | | | | |
|---|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Expenditures: | | | | | |
| Current - | | | | | |
| Instruction | \$ 13,834,842 | \$ 12,745,790 | \$ 12,443,802 | \$ 13,043,241 | \$ 13,080,571 |
| Support services - students and staff | 2,544,897 | 2,286,364 | 2,277,933 | 2,530,307 | 2,568,727 |
| Support services - administration | 2,737,255 | 2,599,046 | 2,405,585 | 2,336,249 | 2,246,926 |
| Operation and maintenance of plant services | 2,022,768 | 2,436,514 | 2,091,671 | 1,966,489 | 2,169,928 |
| Student transportation services | 1,558,099 | 1,494,453 | 1,455,681 | 1,378,478 | 1,308,717 |
| Operation of non-instructional services | 1,835,670 | 1,843,259 | 1,639,233 | 1,421,955 | 1,457,022 |
| Capital outlay | 3,895,456 | 2,518,973 | 1,863,911 | 12,481,139 | 269,382 |
| Debt service - | | | | | |
| Judgments against the district | | | | | |
| Interest and fiscal charges | 607,111 | 607,947 | 683,858 | 636,477 | 361,891 |
| Principal retirement | 1,613,694 | 1,636,116 | 1,278,642 | 1,371,268 | 1,018,898 |
| Bond issuance costs | | 199,578 | | 246,894 | |
| Total expenditures | <u>\$ 30,649,792</u> | <u>\$ 28,368,040</u> | <u>\$ 26,140,316</u> | <u>\$ 37,412,497</u> | <u>\$ 24,482,062</u> |
| Expenditures for capitalized assets | \$ 2,525,588 | \$ 1,704,193 | \$ 1,577,733 | \$ 11,406,220 | \$ 52,621 |
| Debt service as a percentage of noncapital expenditures | 8% | 8% | 8% | 8% | 6% |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenditures: | | | | | |
| Current - | | | | | |
| Instruction | \$ 11,950,937 | \$ 12,758,132 | \$ 12,725,673 | \$ 14,685,416 | \$ 14,896,604 |
| Support services - students and staff | 2,405,877 | 2,274,461 | 3,242,541 | 3,547,805 | 3,657,075 |
| Support services - administration | 1,899,897 | 2,115,782 | 2,082,565 | 2,213,209 | 2,282,349 |
| Operation and maintenance of plant services | 1,885,058 | 1,916,071 | 1,602,674 | 2,087,050 | 1,722,345 |
| Student transportation services | 1,171,444 | 1,216,462 | 1,214,837 | 1,268,183 | 1,174,720 |
| Operation of non-instructional services | 1,348,469 | 1,463,603 | 1,241,916 | 1,324,822 | 1,423,534 |
| Capital outlay | 3,227,430 | 808,161 | 2,235,466 | 1,140,095 | 4,894,828 |
| Debt service - | | | | | |
| Judgments against the district | | | | | 9,033 |
| Interest and fiscal charges | 389,262 | 419,633 | 454,568 | 393,971 | 369,084 |
| Principal retirement | 900,458 | 879,893 | 949,534 | 1,393,199 | 1,135,398 |
| Bond issuance costs | | | | 68,705 | |
| Total expenditures | <u>\$ 25,178,832</u> | <u>\$ 23,852,198</u> | <u>\$ 25,749,774</u> | <u>\$ 28,122,455</u> | <u>\$ 31,564,970</u> |
| Expenditures for capitalized assets | \$ 3,092,507 | \$ 700,745 | \$ 1,424,826 | \$ 230,365 | \$ 3,807,175 |
| Debt service as a percentage of noncapital expenditures | 6% | 6% | 6% | 6% | 5% |

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

(Concluded)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
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>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Excess (deficiency) of revenues over expenditures | \$ (2,207,693) | \$ (1,067,382) | \$ (1,105,003) | \$ (11,106,713) | \$ 37,195 |
| Other financing sources (uses): | | | | | |
| General obligation bonds issued | | 2,475,000 | | 12,525,000 | |
| Premium on sale of bonds | | 722,957 | | 365,270 | |
| Transfers in | 46,036 | 303,896 | 109,685 | 240,194 | 67,895 |
| Transfers out | (46,036) | (303,896) | (109,685) | (240,194) | (67,895) |
| Refunding bonds issued | | 4,455,000 | | | |
| Payment to refunded bond escrow agent | | (4,779,509) | | | |
| Insurance recoveries | 15,161 | 38,093 | | | |
| Total other financing sources (uses) | <u>15,161</u> | <u>2,911,541</u> | | <u>12,890,270</u> | |
| Changes in fund balances | <u>\$ (2,192,532)</u> | <u>\$ 1,844,159</u> | <u>\$ (1,105,003)</u> | <u>\$ 1,783,557</u> | <u>\$ 37,195</u> |
| | | | | | |
| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
| Excess (deficiency) of revenues over expenditures | \$ (3,562,343) | \$ (1,210,491) | \$ 996,883 | \$ 2,937,376 | \$ (5,131,429) |
| Other financing sources (uses): | | | | | |
| General obligation bonds issued | | | | 3,390,000 | |
| Premium on sale of bonds | | | | 44,961 | |
| Capital lease agreements | 302,382 | | | | 750,000 |
| Transfers in | 129,779 | 51,532 | 100,671 | 46,894 | 137,621 |
| Transfers out | (129,779) | (51,532) | (100,671) | (46,894) | (137,621) |
| Total other financing sources (uses) | <u>302,382</u> | | | <u>3,434,961</u> | <u>750,000</u> |
| Changes in fund balances | <u>\$ (3,259,961)</u> | <u>\$ (1,210,491)</u> | <u>\$ 996,883</u> | <u>\$ 6,372,337</u> | <u>\$ (4,381,429)</u> |

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
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>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Commercial, Industrial, Utilities and Mining | \$ 28,258,807 | \$ 27,174,893 | \$ 26,973,496 | \$ 25,621,205 | \$ 24,778,956 |
| Agricultural and Vacant | 35,730,684 | 32,286,547 | 34,925,496 | 35,104,120 | 40,142,791 |
| Residential (Owner Occupied) | 118,844,833 | 104,946,888 | 94,053,403 | 86,634,043 | 79,833,152 |
| Residential (Rental) | 42,770,142 | 41,647,402 | 40,562,967 | 34,209,353 | 25,565,807 |
| Railroad, Private Cars and Airlines | 751,761 | 683,677 | 719,103 | 755,119 | 644,443 |
| Certain Government Property Improvements | 86,306 | 82,196 | | | |
| Total | <u>\$ 226,442,533</u> | <u>\$ 206,821,603</u> | <u>\$ 197,234,465</u> | <u>\$ 182,323,840</u> | <u>\$ 170,965,149</u> |
| Gross Full Cash Value | \$ 3,046,163,521 | \$ 2,613,599,435 | \$ 2,287,258,202 | \$ 1,897,740,811 | \$ 1,651,731,663 |
| Ratio of Net Limited Assessed Value to Gross Full Cash Value | 7% | 8% | 9% | 10% | 10% |
| Total Direct Rate | 3.72 | 3.79 | 4.28 | 4.50 | 3.46 |

| <u>Class</u> | <u>Fiscal Year</u> | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
| Commercial, Industrial, Utilities and Mining | \$ 25,160,981 | \$ 25,135,960 | \$ 23,499,405 | \$ 28,154,934 | \$ 21,953,206 |
| Agricultural and Vacant | 46,429,446 | 57,410,628 | 102,615,681 | 109,069,747 | 90,384,861 |
| Residential (Owner Occupied) | 93,611,137 | 100,982,339 | 122,434,140 | 148,510,088 | 131,391,622 |
| Residential (Rental) | 12,167,975 | 11,271,010 | 11,476,093 | 12,315,719 | 9,922,336 |
| Railroad, Private Cars and Airlines | 616,341 | 526,487 | 523,279 | 524,715 | 597,316 |
| Certain Government Property Improvements | | | | | |
| Total | <u>\$ 177,985,880</u> | <u>\$ 195,326,424</u> | <u>\$ 260,548,598</u> | <u>\$ 298,575,203</u> | <u>\$ 254,249,341</u> |
| Gross Full Cash Value | \$ 1,700,703,026 | \$ 1,851,483,082 | \$ 2,687,111,831 | \$ 3,428,239,276 | \$ 3,485,058,127 |
| Ratio of Net Limited Assessed Value to Gross Full Cash Value | 10% | 11% | 10% | 9% | 7% |
| Total Direct Rate | 3.54 | 3.20 | 3.30 | 2.47 | 2.70 |

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, and 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.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

| Class | Fiscal Year | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Commercial, Industrial, Utilities and Mining | \$ 31,441,840 | \$ 28,851,789 | \$ 27,381,765 | \$ 25,757,638 | \$ 24,818,644 |
| Agricultural and Vacant | 65,225,621 | 50,379,599 | 44,866,664 | 37,510,025 | 41,737,178 |
| Residential (Owner Occupied) | 151,030,248 | 129,065,870 | 114,320,834 | 94,200,096 | 80,015,764 |
| Residential (Rental) | 53,528,126 | 50,440,099 | 48,358,725 | 37,144,643 | 25,694,442 |
| Railroad, Private Cars and Airlines | 871,533 | 729,776 | 732,164 | 761,747 | 650,155 |
| Certain Government Property Improvements | 119,442 | 108,730 | | | |
| Total | <u>\$ 302,216,810</u> | <u>\$ 259,575,863</u> | <u>\$ 235,660,152</u> | <u>\$ 195,374,149</u> | <u>\$ 172,916,183</u> |
| Gross Full Cash Value | \$ 3,046,163,521 | \$ 2,613,599,435 | \$ 2,287,258,202 | \$ 1,897,740,811 | \$ 1,651,731,663 |
| Ratio of Net Full Cash Assessed Value to Gross Full Cash Value | 10% | 10% | 10% | 10% | 10% |
| Estimated Net Full Cash Value | \$ 2,568,526,897 | \$ 2,218,822,904 | \$ 1,980,560,737 | \$ 1,618,695,731 | \$ 1,388,100,174 |
| Total Direct Rate | 3.72 | 3.79 | 4.28 | 4.50 | 3.46 |

| Class | Fiscal Year | | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
| Commercial, Industrial, Utilities and Mining | \$ 25,188,844 | \$ 25,290,926 | \$ 24,890,490 | \$ 30,640,973 | \$ 23,632,769 |
| Agricultural and Vacant | 47,906,892 | 59,017,604 | 121,432,487 | 168,559,638 | 157,391,388 |
| Residential (Owner Occupied) | 93,842,229 | 101,142,268 | 123,435,812 | 158,705,573 | 183,054,342 |
| Residential (Rental) | 12,207,904 | 11,312,386 | 11,877,500 | 13,508,158 | 13,886,624 |
| Railroad, Private Cars and Airlines | 627,233 | 583,523 | 619,115 | 613,242 | 668,349 |
| Certain Government Property Improvements | | | | | |
| Total | <u>\$ 179,773,102</u> | <u>\$ 197,346,707</u> | <u>\$ 282,255,404</u> | <u>\$ 372,027,584</u> | <u>\$ 378,633,472</u> |
| Gross Full Cash Value | \$ 1,700,703,026 | \$ 1,851,483,082 | \$ 2,687,111,831 | \$ 3,428,239,276 | \$ 3,485,058,127 |
| Ratio of Net Full Cash Assessed Value to Gross Full Cash Value | 11% | 11% | 11% | 11% | 11% |
| Estimated Net Full Cash Value | \$ 1,430,189,455 | \$ 1,560,989,289 | \$ 2,135,565,173 | \$ 2,808,084,749 | \$ 2,949,386,679 |
| Total Direct Rate | 3.54 | 3.20 | 3.30 | 2.47 | 2.70 |

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.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS

| <u>Class</u> | <u>Fiscal Year</u> | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Commercial, Industrial, Utilities and Mining | 18 % | 18 % | 19 % | 19 % | 20 % |
| Agricultural and Vacant | 15 | 15 | 16 | 16 | 16 |
| Residential (Owner Occupied) | 10 | 10 | 10 | 10 | 10 |
| Residential (Rental) | 10 | 10 | 10 | 10 | 10 |
| Railroad, Private Cars and Airlines | 15 | 14 | 15 | 16 | 15 |

| <u>Class</u> | <u>Fiscal Year</u> | | | | |
|--|--------------------|-------------|-------------|-------------|-------------|
| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
| Commercial, Industrial, Utilities and Mining | 20 % | 20 % | 21 % | 22 % | 23 % |
| Agricultural and Vacant | 16 | 16 | 16 | 16 | 16 |
| Residential (Owner Occupied) | 10 | 10 | 10 | 10 | 10 |
| Residential (Rental) | 10 | 10 | 10 | 10 | 10 |
| Railroad, Private Cars and Airlines | 15 | 15 | 17 | 18 | 20 |

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.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30 | Overlapping Rates | | | | | | | | | District Direct Rates | | |
|--|--------------------------|---------------|------------------|-----------------|----------------|-----------------|-----------------|----------------|-------------------------|------------------------------|------------------|--------------|
| | State | | Community | Flood | Central | | | | Buckeye Union | | | |
| | Equalization | County | College | Control | Arizona | City of | City of | Town of | High School | Primary | Secondary | Total |
| | | | District | District | Water | Avondale | Goodyear | Buckeye | District No. 201 | | | |
| 2018 | 0.49 | 1.40 | 1.41 | 0.18 | 0.14 | 1.60 | 1.73 | 1.80 | 3.34 | 2.07 | 1.66 | 3.72 |
| 2017 | 0.50 | 1.40 | 1.47 | 0.18 | 0.14 | 1.70 | 1.86 | 1.80 | 3.22 | 2.00 | 1.80 | 3.79 |
| 2016 | 0.51 | 1.36 | 1.49 | 0.16 | 0.14 | 1.75 | 1.87 | 1.80 | 3.34 | 2.55 | 1.72 | 4.28 |
| 2015 | 0.51 | 1.32 | 1.52 | 0.14 | 0.14 | 1.75 | 1.87 | 1.80 | 3.51 | 2.80 | 1.70 | 4.50 |
| 2014 | 0.51 | 1.28 | 1.53 | 0.14 | 0.14 | 1.81 | 1.90 | 1.80 | 3.66 | 1.91 | 1.55 | 3.46 |
| 2013 | 0.47 | 1.24 | 1.38 | 0.18 | 0.10 | 1.33 | 1.78 | 1.80 | 3.42 | 2.07 | 1.47 | 3.54 |
| 2012 | 0.43 | 1.24 | 1.21 | 0.18 | 0.10 | 1.33 | 1.60 | 1.61 | 3.07 | 1.87 | 1.33 | 3.20 |
| 2011 | 0.36 | 1.05 | 0.97 | 0.15 | 0.10 | 1.11 | 1.42 | 1.19 | 2.80 | 1.96 | 1.34 | 3.30 |
| 2010 | 0.33 | 0.99 | 0.88 | 0.14 | 0.10 | 1.11 | 1.60 | 0.89 | 2.60 | 1.49 | 0.98 | 2.47 |
| 2009 | 0.00 | 1.03 | 0.94 | 0.15 | 0.10 | 1.11 | 1.60 | 0.90 | 2.86 | 1.70 | 1.00 | 2.70 |

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

| Taxpayer | 2018 | | | 2009 | |
|---------------------------------------|--------------------------------------|---|--|--|---|
| | Net Limited Assessed Valuation | Percentage of District's Net Limited Assessed Valuation | | Net Full Cash Assessed Valuation | Percentage of District's Net Full Cash Assessed Valuation |
| Arizona Public Service Company | \$ 9,861,274 | 4.35 % | | \$ 58,247,046 | 1.60 % |
| NNP III - Estrella Mountain Ranch LLC | 3,607,077 | 1.59 | | | |
| KDCNC LLC | 1,960,717 | 0.87 | | | |
| Nevada Holding Co LP | 1,897,663 | 0.84 | | | |
| Southwest Gas Corporation (T&D) | 1,631,431 | 0.72 | | 10,904,076 | 0.30 |
| NNP III EMR 3 LLC | 1,620,551 | 0.72 | | | |
| Huhtamaki Inc | 1,367,466 | 0.60 | | | |
| Transwestern Pipeline Company LLC | 1,200,334 | 0.53 | | | |
| HE Capital KR LLC | 1,195,415 | 0.53 | | | |
| Kinder Morgan | 1,193,972 | 0.53 | | | |
| United Services Auto Assn. | | | | 40,205,723 | 1.00 |
| Safeway | | | | 24,632,318 | 0.70 |
| VHS of Arrowhead Inc. | | | | 21,213,395 | 0.60 |
| New River Associates | | | | 14,841,707 | 0.40 |
| Pulte Home Corporation | | | | 13,240,227 | 0.40 |
| Prudential Life Insurance Co. | | | | 12,397,618 | 0.30 |
| Norterra West LLC | | | | 11,571,328 | 0.30 |
| John C Lincoln Health Network | | | | 10,511,318 | 0.30 |
| Total | <u>\$ 25,535,900</u> | <u>11.28 %</u> | | <u>\$ 217,764,756</u> | <u>5.90 %</u> |

Source: The source of this information is the 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.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
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 |
| 2018 | \$ 8,443,843 | \$ 7,859,966 | 93.09 % | \$ | \$ 7,859,966 | 93.09 % |
| 2017 | 7,842,047 | 6,723,526 | 85.74 | 1,110,626 | 7,834,152 | 99.90 |
| 2016 | 8,391,896 | 8,178,369 | 97.46 | 204,058 | 8,382,427 | 99.89 |
| 2015 | 8,397,021 | 7,987,636 | 95.12 | 398,322 | 8,385,958 | 99.87 |
| 2014 | 5,921,716 | 5,499,209 | 92.87 | 414,542 | 5,913,751 | 99.87 |
| 2013 | 6,328,989 | 5,909,754 | 93.38 | 412,961 | 6,322,715 | 99.90 |
| 2012 | 6,234,106 | 5,814,865 | 93.28 | 331,772 | 6,146,637 | 98.60 |
| 2011 | 8,998,440 | 7,400,298 | 82.24 | 1,592,363 | 8,992,661 | 99.94 |
| 2010 | 8,878,697 | 7,882,240 | 88.78 | 707,563 | 8,589,803 | 96.75 |
| 2009 | 8,114,287 | 7,270,097 | 89.60 | 766,620 | 8,036,717 | 99.04 |

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

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

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| Fiscal Year Ended June 30 | General Obligation Bonds | | | | | | Total Outstanding Debt | | | | |
|------------------------------------|--------------------------|---------------|---------------|--------------|--------|---------|------------------------|--------------|---------------|--------|--|
| | Less: | | | | | | | | | | |
| | Amounts | | Percentage of | | | | Percentage of | | Percentage of | | |
| | Restricted | | Estimated | | Per | Capital | Estimated | | Personal | | |
| | General Obligation Bonds | for Principal | Total | Actual Value | Capita | Leases | Total | Actual Value | Per Capita | Income | |
| 2018 | \$ 18,881,611 | \$ 84,594 | \$ 18,797,017 | 0.62 % | \$ 557 | \$ | \$ 18,881,611 | 0.62 % | \$ 559 | 9.62 % | |
| 2017 | 20,526,655 | 233,656 | 20,292,999 | 0.78 | 817 | 63,694 | 20,590,349 | 0.79 | 829 | 11.12 | |
| 2016 | 18,583,742 | 128,183 | 18,455,559 | 0.81 | 602 | 124,810 | 18,708,552 | 0.82 | 610 | 10.12 | |
| 2015 | 19,917,006 | 184,922 | 19,732,084 | 1.04 | 798 | 183,452 | 20,100,458 | 1.06 | 813 | 11.93 | |
| 2014 | 7,845,000 | 98,748 | 7,746,252 | 0.47 | 387 | 239,720 | 8,084,720 | 0.49 | 404 | 5.22 | |
| 2013 | 8,595,000 | 99,104 | 8,495,896 | 0.50 | 425 | 458,618 | 9,053,618 | 0.53 | 453 | 6.14 | |
| 2012 | 9,330,000 | 97,277 | 9,232,723 | 0.50 | 462 | 306,694 | 9,636,694 | 0.52 | 482 | 6.75 | |
| 2011 | 10,140,000 | 193,527 | 9,946,473 | 0.37 | 497 | 451,587 | 10,591,587 | 0.39 | 530 | 7.45 | |
| 2010 | 11,265,000 | 1,125,000 | 10,140,000 | 0.30 | 507 | 591,121 | 11,856,121 | 0.35 | 593 | 8.06 | |
| 2009 | 8,835,000 | 960,000 | 7,875,000 | 0.23 | 387 | 859,320 | 9,694,320 | 0.28 | 476 | 6.94 | |

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2018

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable to School District</u> | <u>Estimated Amount Applicable to School District</u> |
|---|-----------------------------|---|---|
| Overlapping: | | | |
| Maricopa County Community College District | \$ 380,740,000 | 0.57 % | \$ 2,170,218 |
| Maricopa County Special Health Care District | 112,000,000 | 0.57 | 638,400 |
| Estrella Mountain Ranch Community Facilities District | 12,615,000 | 100.00 | 12,615,000 |
| Sundance Community Facilities District | 18,850,000 | 21.13 | 3,983,005 |
| Verrado District No. 1 Community Facilities District | 34,290,000 | 1.67 | 572,643 |
| City of Goodyear | 97,065,000 | 16.89 | 16,394,279 |
| Buckeye Union High School District No. 201 | 77,930,000 | 31.69 | 24,696,017 |
| Western Maricopa Education Center No. 402 | 126,600,000 | 1.56 | 1,974,960 |
| Subtotal, Overlapping Debt | | | <u>63,044,522</u> |
| Direct: | | | |
| Liberty Elementary School District No. 25 | | | <u>18,881,611</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 81,926,133</u></u> |

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

| | | |
|---|----------|--|
| Net Direct General Obligation Bonded Debt | | |
| As a Percentage of Net Limited Assessed Valuation | 8.30 % | |
| Net Direct and Overlapping General Bonded Debt | | |
| Per Capita | \$ 2,425 | |
| As a Percentage of Net Limited Assessed Valuation | 36.14 % | |
| As a Percentage of Gross Full Cash Value | 2.69 % | |

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.

Note: 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.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2018:

| | |
|------------------------------------|-----------------------------|
| Net full cash assessed valuation | \$ 302,216,810 |
| Debt limit (10% of assessed value) | 30,221,681 |
| Debt applicable to limit | <u>17,970,000</u> |
| Legal debt margin | <u><u>\$ 12,251,681</u></u> |

Total Legal Debt Margin Calculation for Fiscal Year 2018:

| | |
|------------------------------------|-----------------------------|
| Net full cash assessed valuation | \$ 302,216,810 |
| Debt limit (15% of assessed value) | 45,332,522 |
| Debt applicable to limit | <u>17,970,000</u> |
| Legal debt margin | <u><u>\$ 27,362,522</u></u> |

| | Fiscal Year Ended June 30 | | | | |
|---|----------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Debt Limit | \$ 45,332,522 | \$ 38,936,379 | \$ 35,349,023 | \$ 29,306,122 | \$ 25,937,427 |
| Total net debt applicable to limit | <u>17,970,000</u> | <u>19,545,000</u> | <u>18,255,000</u> | <u>19,570,000</u> | <u>7,845,000</u> |
| Legal debt margin | <u><u>\$ 27,362,522</u></u> | <u><u>\$ 19,391,379</u></u> | <u><u>\$ 17,094,023</u></u> | <u><u>\$ 9,736,122</u></u> | <u><u>\$ 18,092,427</u></u> |
| Total net debt applicable to the limit as a percentage of debt limit | 40% | 50% | 52% | 67% | 30% |
| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
| Debt Limit | \$ 26,965,965 | \$ 29,602,006 | \$ 42,338,311 | \$ 55,804,138 | \$ 56,795,021 |
| Total net debt applicable to limit | <u>8,595,000</u> | <u>9,330,000</u> | <u>10,140,000</u> | <u>11,265,000</u> | <u>8,835,000</u> |
| Legal debt margin | <u><u>\$ 18,370,965</u></u> | <u><u>\$ 20,272,006</u></u> | <u><u>\$ 32,198,311</u></u> | <u><u>\$ 44,539,138</u></u> | <u><u>\$ 47,960,021</u></u> |
| Total net debt applicable to the limit as a percentage of debt limit | 32% | 32% | 24% | 20% | 16% |

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

Notes: 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds 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.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

| Year | Population | Personal Income (thousands) | Per Capita Income | Unemployment Rate | Estimated District Population |
|-------------|-------------------|--|------------------------------|------------------------------|--|
| 2017 | 4,307,033 | \$ 196,286,191 | \$ 45,573 | 4.2 % | 33,751 |
| 2016 | 4,137,076 | 185,111,698 | 43,628 | 4.5 | 24,826 |
| 2015 | 4,076,438 | 184,784,917 | 42,092 | 5.5 | 30,660 |
| 2014 | 4,087,191 | 168,483,421 | 41,222 | 5.9 | 24,728 |
| 2013 | 3,944,859 | 154,926,697 | 26,888 | 6.7 | 20,000 |
| 2012 | 3,824,053 | 147,374,500 | 38,539 | 9.1 | 20,000 |
| 2011 | 3,843,370 | 142,864,275 | 37,352 | 8.4 | 20,000 |
| 2010 | 3,817,117 | 142,091,618 | 35,319 | 9.1 | 20,000 |
| 2009 | 4,023,331 | 147,122,078 | 37,168 | 8.3 | 20,000 |
| 2008 | 3,987,942 | 139,665,253 | 36,135 | 4.9 | 20,354 |

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 2008 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. For 2017 the source of the "Population" is the Bureau of Economic Analysis and the "Unemployment Rate" is

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

| Employer | 2018 | | | 2009 | | |
|----------------------------|-----------|--------------------------------|---|-----------|--------------------------------|---|
| | Employees | Percentage of Total Employment | | Employees | Percentage of Total Employment | |
| State of Arizona | 30,410 | 1.85 | % | 50,936 | 2.55 | % |
| Banner Health Systems | 26,460 | 1.61 | | 23,100 | 1.16 | |
| Fry's Food and Drug Stores | 15,610 | 0.95 | | | | |
| Wal-Mart Stores Inc. | 15,210 | 0.92 | | 32,814 | 1.64 | |
| Wells Fargo Company | 14,030 | 0.85 | | 14,000 | 0.70 | |
| Maricopa County | 13,300 | 0.81 | | 14,014 | 0.70 | |
| City of Phoenix | 11,200 | 0.68 | | 17,068 | 0.86 | |
| Intel Corp. | 11,060 | 0.67 | | | | |
| Arizona State University | 11,020 | 0.67 | | 13,005 | 0.65 | |
| Bank of America | 9,790 | 0.59 | | | | |
| U.S. Postal Service | | | | 10,545 | 0.53 | |
| Honeywell | | | | 12,600 | 0.63 | |
| Bashas' Inc. | | | | 10,460 | 0.52 | |
| Total | 158,090 | 9.60 | % | 198,542 | 9.94 | % |
| Total employment | 1,647,460 | | | 1,995,000 | | |

Source: The source of the 2018 information is the Maricopa Association of Governments website and the 2009 information is from the Business Journal Book of Lists.

Note: The principal employer data is presented for the Phoenix metropolitan area.

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

| | Full-time Equivalent Employees as of June 30 | | | | |
|--|---|--------------------|--------------------|--------------------|--------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Supervisory | | | | | |
| Consultants/supervisors of instruction | 4 | 4 | 3 | 3 | 3 |
| Principals | 6 | 6 | 6 | 5 | 5 |
| Assistant principals | | | | 1 | 1 |
| Total supervisory | <u>10</u> | <u>10</u> | <u>9</u> | <u>9</u> | <u>9</u> |
| Instruction | | | | | |
| Teachers | 195 | 167 | 170 | 182 | 187 |
| Other professionals (instructional) | 24 | 26 | 29 | 34 | 49 |
| Total instruction | <u>219</u> | <u>193</u> | <u>199</u> | <u>216</u> | <u>236</u> |
| Student Services | | | | | |
| Librarians | 2 | 2 | 1 | 3 | 3 |
| Total student services | <u>2</u> | <u>2</u> | <u>1</u> | <u>3</u> | <u>3</u> |
| Support and Administration | | | | | |
| Service workers | 66 | 62 | 64 | 56 | 55 |
| Other classified | 37 | 49 | 47 | 45 | 38 |
| Total support and administration | <u>103</u> | <u>111</u> | <u>111</u> | <u>101</u> | <u>93</u> |
| Total | <u><u>334</u></u> | <u><u>316</u></u> | <u><u>320</u></u> | <u><u>329</u></u> | <u><u>341</u></u> |

(Continued)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Supervisory | | | | | |
| Consultants/supervisors of instruction | 1 | 1 | 1 | 1 | 1 |
| Principals | 5 | 5 | 5 | 5 | 5 |
| Assistant principals | 1 | 1 | 1 | 1 | 1 |
| Total supervisory | <u>7</u> | <u>7</u> | <u>7</u> | <u>7</u> | <u>7</u> |
| Instruction | | | | | |
| Teachers | 187 | 185 | 194 | 224 | 229 |
| Other professionals (instructional) | 44 | 57 | 52 | 63 | 81 |
| Total instruction | <u>231</u> | <u>242</u> | <u>246</u> | <u>287</u> | <u>310</u> |
| Student Services | | | | | |
| Librarians | 3 | | 5 | 5 | 5 |
| Total student services | <u>3</u> | | <u>5</u> | <u>5</u> | <u>5</u> |
| Support and Administration | | | | | |
| Service workers | 48 | 51 | 52 | 58 | 69 |
| Other classified | 42 | 64 | 53 | 55 | 69 |
| Total support and administration | <u>90</u> | <u>115</u> | <u>105</u> | <u>113</u> | <u>138</u> |
| Total | <u><u>331</u></u> | <u><u>364</u></u> | <u><u>363</u></u> | <u><u>412</u></u> | <u><u>460</u></u> |

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

(Concluded)

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
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 |
|--|---|-----------------------------------|-------------------------------|------------------------------|-----------------|-------------------------------|------------------------------|---------------------------|-------------------------------------|--|
| 2018 | 3,298 | \$ 24,533,531 | \$ 7,439 | 3.71 % | \$ 27,105,562 | \$ 8,219 | 6.07 % | 219 | 15.1 | 46.8 % |
| 2017 | 3,263 | 23,405,426 | 7,173 | 4.35 | 25,283,535 | 7,749 | 2.25 | 193 | 16.9 | 48.8 |
| 2016 | 3,246 | 22,313,905 | 6,874 | (4.72) | 24,599,456 | 7,578 | (9.41) | 199 | 16.3 | 50.0 |
| 2015 | 3,143 | 22,676,719 | 7,215 | (1.94) | 26,293,028 | 8,366 | 4.45 | 216 | 14.6 | 47.7 |
| 2014 | 3,103 | 22,831,891 | 7,358 | 8.69 | 24,853,239 | 8,009 | 8.56 | 236 | 13.1 | 49.0 |
| 2013 | 3,052 | 20,661,682 | 6,770 | (2.89) | 22,517,596 | 7,378 | (2.03) | 231 | 13.2 | 48.4 |
| 2012 | 3,119 | 21,744,511 | 6,972 | 5.06 | 23,488,203 | 7,531 | 0.98 | 242 | 12.9 | 53.4 |
| 2011 | 3,332 | 22,110,206 | 6,636 | (7.57) | 24,849,671 | 7,458 | (4.90) | 246 | 13.5 | 48.8 |
| 2010 | 3,500 | 25,126,485 | 7,179 | 3.79 | 27,446,838 | 7,842 | 1.97 | 287 | 12.2 | 47.0 |
| 2009 | 3,637 | 25,156,627 | 6,917 | 6.91 | 27,969,552 | 7,690 | 9.36 | 310 | 11.7 | 45.4 |

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

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

LIBERTY ELEMENTARY SCHOOL DISTRICT NO. 25
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

| | Fiscal Year Ended June 30 | | | | | | | | | |
|------------------------------|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> |
| <u>Schools</u> | | | | | | | | | | |
| Elementary | | | | | | | | | | |
| Buildings | 38 | 38 | 38 | 33 | 33 | 32 | 32 | 32 | 32 | 31 |
| Square feet | 433,474 | 433,474 | 433,474 | 370,963 | 370,963 | 360,304 | 360,304 | 360,304 | 360,304 | 347,804 |
| Capacity | 4,602 | 4,602 | 4,602 | 3,926 | 3,926 | 3,851 | 3,851 | 3,851 | 3,851 | 3,851 |
| Enrollment | 3,483 | 3,486 | 3,442 | 3,362 | 3,357 | 3,309 | 3,284 | 3,628 | 3,684 | 3,823 |
| <u>Administrative</u> | | | | | | | | | | |
| Buildings | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Square feet | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| <u>Athletics</u> | | | | | | | | | | |
| Soccer fields | 5 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Baseball/softball | 11 | 11 | 11 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Playgrounds | 14 | 14 | 14 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |

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

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