
CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93

CAVE CREEK, ARIZONA

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

Issued by:
Operations and Finance Department

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93

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INTRODUCTORY SECTION

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CAVE CREEK UNIFIED SCHOOL DISTRICT
community inspired · globally prepared

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www.ccusd93.org

December 21, 1027

Citizens and Governing Board
Cave Creek Unified School District No. 93
33016 North 60th Street
Scottsdale, Arizona 85266

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 Cave Creek Unified School District No. 93 (District) for the fiscal year ended June 30, 2017.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade twelve, with an estimated current enrollment of 5,450 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, food services, bookstore, athletic functions, and community education functions.

The District, originally formed on July 1, 1984, by the unification of the Cave Creek Elementary School District No. 93 and the Cave Creek High School District No. 220, encompasses approximately 175 square miles and is situated in the northeastern portion of the County, northeast of the greater Phoenix metropolitan area. The towns of Carefree and Cave Creek are located within the District. The northern portion of the City of Scottsdale and a small portion of the City of Phoenix overlap the District.

The area served by the District has experienced significant development over the past 20 years and is composed primarily of residential homes. The economy of the District is enhanced by a large tourism sector that is fueled primarily by a number of world-renowned golf resorts operating within the District's boundaries.

The majority of the commercial development in the area has been associated with residential development including services and retail shopping centers.

Housing growth is helping to maintain fairly stable tax rates. The District recognizes the importance of not only stable, but reasonable tax rates. From 2000-01 through 2016-17 the combined primary and secondary tax rate in the District has decreased 49%. The District's projections indicate the reductions in the tax rate will not jeopardize the stability of future tax rates.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. Through the late 1990's and early 2000's the Phoenix metropolitan area and the rest of Maricopa County was one of the fastest growing regional markets in the United States. While the area was affected by the economic downturn, the 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 will carry the area through to positive economic times.

A few of the major firms represented in the Phoenix metropolitan area include Wal-Mart Stores, Inc., Banner Health Systems, Wells Fargo Company and Bank of America. 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 Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 15th in land area. The County's 2016 population was estimated at 4,242,997 and is expected to reach over 5 million by 2027.

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 that contribute to future 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.

Long-term Financial Planning. The Cave Creek Unified School District, until 2009, experienced steady growth. The net full cash assessed value has grown approximately 11% in the past 10 years. The growth in net full cash assessed value provided the ability for the District to have shorter than average maturities for bonds sold from voter authorized bond issues. With shorter maturities the District has been able to reduce the long-term bond interest cost to taxpayers while still maintaining a reasonable tax rate. The District's goal is to be able to continue to provide funding needed to support future enrollment growth and still maintain a reasonable and stable tax rate.

Under Arizona's "Students FIRST" school capital finance system enacted in 1998, the State of Arizona is to provide funding for school district capital needs. "Students FIRST" minimizes bonding for school construction, requiring a state school facilities board to approve any new school construction.

The new school facilities program is administered by the School Facilities Board (SFB). The program determines land and new facilities needed due to growth or because facilities have outlived their useful life. Formulas produce the base amount for new facilities, but the SFB may authorize adjustments in certain circumstances.

The SFB has significantly impacted planning for new school construction in Arizona. The District's goal in the financial planning for new school construction has been to maximize what is available through the SFB and continue to meet District established construction time lines. The SFB provided \$6.4 million in funding for the construction of a new high school building in 2011-2012. The new 38,000 square foot addition to the high school was completed in 2012 to augment its capacity.

The District has adequate facilities for future growth as projected by its annual demographic report. Based on current economic conditions, the demographer is predicting minimal growth in student enrollment for the foreseeable future. Current facilities range in age from 0 years to 33 years.

The District has had substantial capital needs regarding the renovation of aging facilities, systems, and student transportation vehicles due to reduced capital funding from the state level. In November of 2014, the taxpayers approved two ballot questions which provided a total of \$30 million in funding for capital projects and student transportation vehicles. As of June 30, 2017, the majority of bond proceeds have been expended to meet these capital needs.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the 20th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2017.

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 Operations and Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,

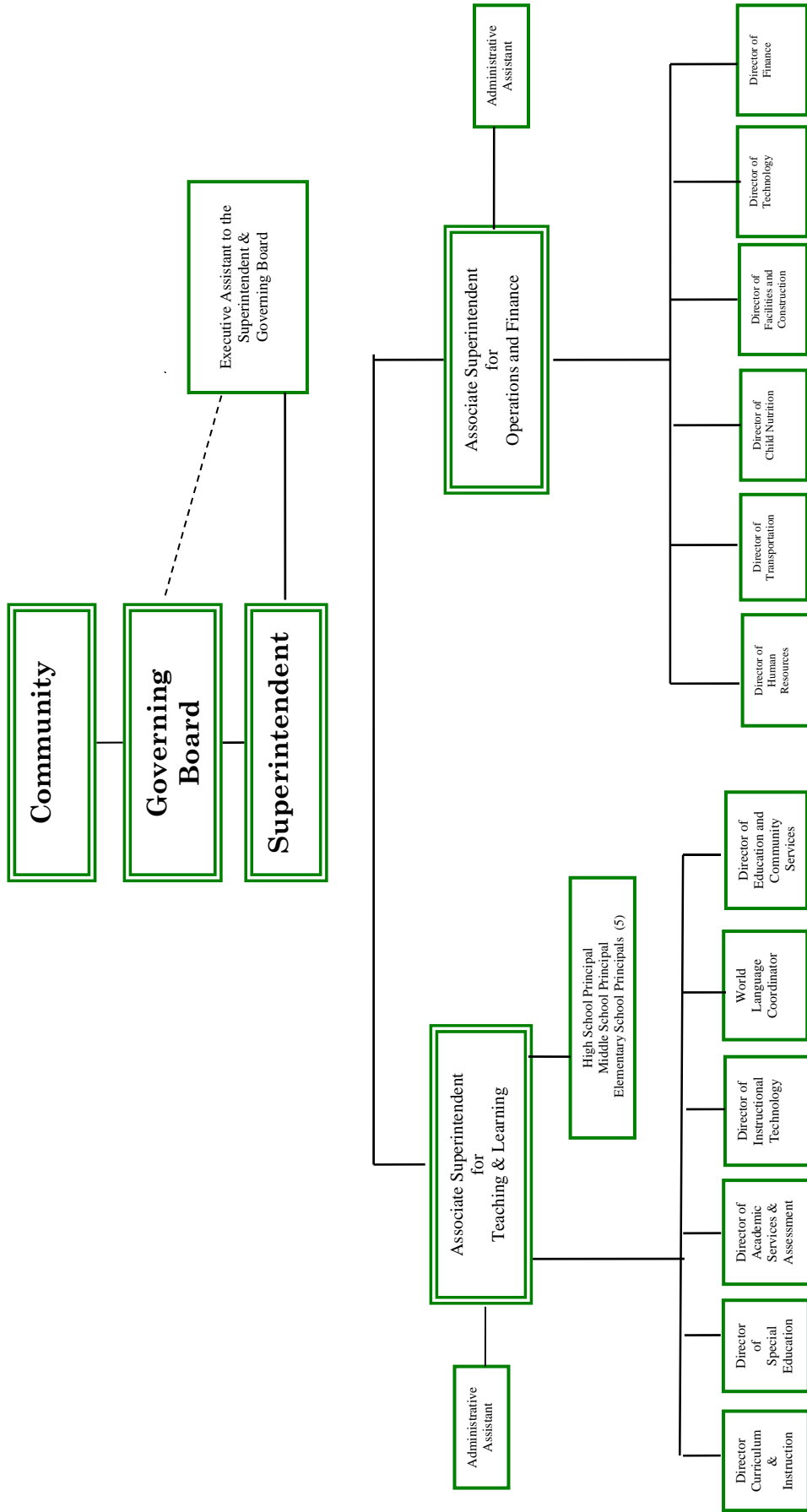


Debbi Burdick, Ed.D.
Superintendent



Kent Frison, Ph.D.
Associate Superintendent of
Operations and Finance

Cave Creek Unified School District Organization Chart 2016-2017



Revised July 2016



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Cave Creek Unified School District No. 93

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

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



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

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

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

John D. Musso, CAE
Executive Director



Government Finance Officers Association

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

Presented to

**Cave Creek Unified School District No. 93
Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Mark Warren, President

Cynthia Weiss, Vice President

Janet Busbee, Member

Kathryn Hill, Member

James Rich, Member

ADMINISTRATIVE STAFF

Debbi Burdick, Ed.D., Superintendent

Kent Frison, Ph.D., Associate Superintendent of Operations and Finance

Jana Miller, Ed.D., Associate Superintendent of Teaching and Learning

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Cave Creek Unified School District No. 93

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 Cave Creek Unified School District No. 93 (District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cave Creek Unified School District No. 93, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2017, on our consideration of Cave Creek Unified School District No. 93'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 Cave Creek Unified School District No. 93's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 21, 2017

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

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**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

As management of the Cave Creek Unified School District No. 93 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$460,072 which represents an increase of less than one percent from the prior fiscal year.
- General revenues accounted for \$40.0 million in revenue, or 83 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$8.2 million or 17 percent of total current fiscal year revenues.
- The District had approximately \$47.7 million in expenses related to governmental activities, an increase of less than one percent from the prior fiscal year.
- Among major funds, the General Fund had \$31.1 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$31.6 million in expenditures. The General Fund's fund balance decreased from \$4.4 million at the prior fiscal year end to \$3.8 million at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements 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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information. Schedules for the pension plan have also 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 \$60.4 million at the current fiscal year end.

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	As of June 30, 2017	As of June 30, 2016
Current assets	\$ 25,423,315	\$ 32,004,542
Capital assets, net	125,772,403	115,376,663
Total assets	<u>151,195,718</u>	<u>147,381,205</u>
Deferred outflows	<u>7,640,988</u>	<u>4,561,805</u>
Current liabilities	3,194,700	6,014,088
Long-term liabilities	89,221,726	81,443,919
Total liabilities	<u>92,416,426</u>	<u>87,458,007</u>
Deferred inflows	<u>5,978,490</u>	<u>4,503,285</u>
Net position:		
Net investment in capital assets	79,996,505	82,033,389
Restricted	9,801,112	6,769,042
Unrestricted	(29,355,827)	(28,820,713)
Total net position	<u>\$ 60,441,790</u>	<u>\$ 59,981,718</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position was negative due to the District's proportionate share of the state's 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 result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

- The addition of \$15.5 million in capital assets primarily due to new school renovations.
- The issuance of \$10.0 million in school improvement bonds.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

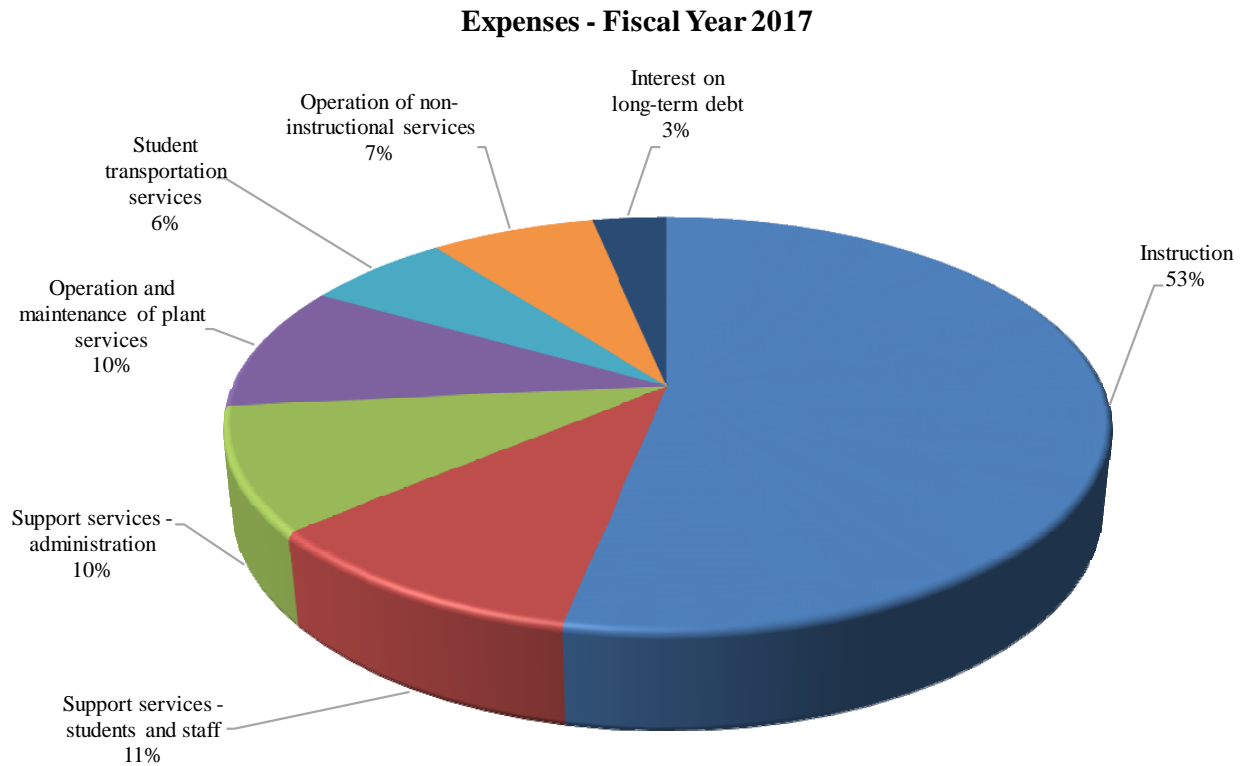
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$48.1 million. The total cost of all programs and services was \$47.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016
Revenues:		
Program revenues:		
Charges for services	\$ 4,366,963	\$ 4,414,312
Operating grants and contributions	3,295,729	3,186,730
Capital grants and contributions	507,076	2,109,087
General revenues:		
Property taxes	29,719,161	24,950,599
Investment income	123,764	158,748
Unrestricted state aid	9,986,017	9,319,335
Unrestricted federal aid	149,862	120,681
Total revenues	<u>48,148,572</u>	<u>44,259,492</u>
Expenses:		
Instruction	25,354,195	24,719,918
Support services - students and staff	5,102,509	5,179,743
Support services - administration	4,579,811	4,912,201
Operation and maintenance of plant services	4,651,505	4,785,193
Student transportation services	3,020,216	3,098,569
Operation of non-instructional services	3,421,557	3,595,918
Interest on long-term debt	1,558,707	1,394,888
Total expenses	<u>47,688,500</u>	<u>47,686,430</u>
Changes in net position	460,072	(3,426,938)
Net position, beginning	59,981,718	63,408,656
Net position, ending	<u>\$ 60,441,790</u>	<u>\$ 59,981,718</u>

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

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 unrestricted state aid due to an increase in additional state aid of \$630,298.
- An increase in property tax revenue as a result of an increase in the net full cash assessed valuation and the limited property net assessed valuation.
- A decrease in capital grants and contributions due to the completion of several School Facilities Board projects in the prior year.

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.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2017		Year Ended June 30, 2016	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 25,354,195	\$ (22,257,711)	\$ 24,719,918	\$ (21,624,090)
Support services - students and staff	5,102,509	(4,577,913)	5,179,743	(4,736,878)
Support services - administration	4,579,811	(4,571,943)	4,912,201	(4,912,201)
Operation and maintenance of	4,651,505	(3,830,950)	4,785,193	(2,287,909)
Student transportation services	3,020,216	(3,020,216)	3,098,569	(3,098,569)
Operation of non-instructional	3,421,557	118,622	3,595,918	(116,718)
Interest on long-term debt	1,558,707	(1,378,621)	1,394,888	(1,199,936)
Total	\$ 47,688,500	\$ (39,518,732)	\$ 47,686,430	\$ (37,976,301)

- The cost of all governmental activities this year was \$47.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$8.2 million.
- Net cost of governmental activities of \$39.5 million was financed by general revenues, which are made up of primarily property taxes of \$29.7 million and state aid of \$10.0 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$15.5 million, a decrease of \$3.6 million, primarily due to the utilization of bond proceeds for school renovations.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 25 percent of the total fund balance. Approximately \$3.0 million, or 80 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. Fund balance decreased \$631,569 to \$3.8 million at the end of the current fiscal year.

Fund balance of the Debt Service Fund increased \$435,808 which was related to an increase in property tax revenues.

Fund balance of the Unrestricted Capital Outlay Fund increased \$2.5 million as a result of an increase in property tax revenues and additional state aid.

Fund balance of the Bond Building Fund decreased \$5.8 million which was primarily due to the utilization of bond proceeds for school renovations.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget, however, this did not result in a change to total fund expenditures.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. There were no significant expenditure variances.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$184.9 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 \$14.8 million from the prior fiscal year, primarily due to school renovations. Total depreciation expense for the current fiscal year was \$5.0 million.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

CAPITAL ASSETS AND DEBT ADMINISTRATION

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

	As of June 30, 2017	As of June 30, 2016
Capital assets - non-depreciable	\$ 31,058,389	\$ 25,349,377
Capital assets - depreciable, net	94,714,014	90,027,286
Total	<u>\$ 125,772,403</u>	<u>\$ 115,376,663</u>

The estimated cost to complete current construction projects is \$166,335.

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

Debt Administration. At year-end, the District had \$48.6 million in long-term debt outstanding, \$3.2 million due within one year. Long-term debt increased by \$7.1 million as a result of the issuance of school improvement bonds during the year.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$636.1 million and the Class B debt limit is \$424.1 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 7 through 9.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2017-18 budget. Among them:

- Fiscal year 2016-17 budget balance carry forward (estimated \$924,325).
- District student population (estimated 5,273).

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Budgeted expenditures in the General Fund increased two percent to \$32.0 million in fiscal year 2017-18. Increased payroll and employee benefit costs is the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2017-18 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Operations and Finance Department, Cave Creek Unified School District No. 93, 33016 North 60th Street, Scottsdale, Arizona 85266.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 17,515,994
Property taxes receivable	4,387,622
Deposits	49,543
Due from governmental entities	2,699,503
Prepaid items	431,457
Inventory	339,196
Total current assets	25,423,315
Noncurrent assets:	
Capital assets not being depreciated	31,058,389
Capital assets, net of accumulated depreciation	94,714,014
Total noncurrent assets	125,772,403
Total assets	151,195,718
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	474,492
Pension plan items	7,166,496
Total deferred outflows of resources	7,640,988
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	325,778
Construction contracts payable	420,505
Accrued payroll and employee benefits	1,713,870
Compensated absences payable	46,332
Accrued interest payable	666,226
Unearned revenues	68,321
Obligations under capital leases	583,513
Bonds payable	2,635,000
Total current liabilities	6,459,545
Noncurrent liabilities:	
Non-current portion of long-term obligations	85,956,881
Total noncurrent liabilities	85,956,881
Total liabilities	92,416,426
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	5,978,490
 <u>NET POSITION</u>	
Net investment in capital assets	79,996,505
Restricted for:	
Voter approved initiatives	349,411
Federal and state projects	390,160
Food service	645,884
Civic center	961,427
Community school	393,441
Extracurricular activities	750,146
Gifts and donations	734,704
Other local initiatives	82,253
Debt service	737,011
Capital outlay	4,756,675
Unrestricted	(29,355,827)
Total net position	\$ 60,441,790

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017**

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
Governmental activities:					
Instruction	\$ 25,354,195	\$ 900,201	\$ 2,142,366	\$ 53,917	\$ (22,257,711)
Support services - students and staff	5,102,509	5,436	519,160		(4,577,913)
Support services - administration	4,579,811	7,868			(4,571,943)
Operation and maintenance of plant services	4,651,505	289,121	258,361	273,073	(3,830,950)
Student transportation services	3,020,216				(3,020,216)
Operation of non-instructional services	3,421,557	3,164,337	375,842		118,622
Interest on long-term debt	1,558,707			180,086	(1,378,621)
Total governmental activities	<u>\$ 47,688,500</u>	<u>\$ 4,366,963</u>	<u>\$ 3,295,729</u>	<u>\$ 507,076</u>	<u>(39,518,732)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	22,695,363
Property taxes, levied for debt service	4,005,756
Property taxes, levied for capital outlay	3,018,042
Investment income	123,764
Unrestricted state aid	9,986,017
Unrestricted federal aid	149,862
Total general revenues	<u>39,978,804</u>

Changes in net position

460,072

Net position, beginning of year

59,981,718

Net position, end of year

\$ 60,441,790

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

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FUND FINANCIAL STATEMENTS

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	General	Debt Service	Unrestricted Capital Outlay
<u>ASSETS</u>			
Cash and investments	\$ 2,084,505	\$ 3,974,295	\$ 3,712,880
Property taxes receivable	3,867,078	63,942	412,875
Deposits			
Due from governmental entities	2,346,296		238,077
Due from other funds	66,759		
Prepaid items	431,457		
Inventory	320,163		
Total assets	\$ 9,116,258	\$ 4,038,237	\$ 4,363,832
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 220,372	\$	\$ 29,314
Construction contracts payable			
Due to other funds			
Accrued payroll and employee benefits	1,444,183		
Unearned revenues			
Bonds payable		2,635,000	
Bond interest payable		666,226	
Total liabilities	1,664,555	3,301,226	29,314
Deferred inflows of resources:			
Unavailable revenues - property taxes	3,665,214	32,643	398,690
Fund balances (deficits):			
Nonspendable	751,620		
Restricted		704,368	3,935,828
Unassigned	3,034,869		
Total fund balances	3,786,489	704,368	3,935,828
 Total liabilities, deferred inflows of resources and fund balances	 \$ 9,116,258	 \$ 4,038,237	 \$ 4,363,832

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,722,682	\$ 5,021,632	\$ 17,515,994
	43,727	4,387,622
	49,543	49,543
	115,130	2,699,503
		66,759
		431,457
	19,033	339,196
<u>\$ 2,722,682</u>	<u>\$ 5,249,065</u>	<u>\$ 25,490,074</u>
\$ 379,383	\$ 76,092	\$ 325,778
	41,122	420,505
	66,759	66,759
	269,687	1,713,870
	68,321	68,321
		2,635,000
		666,226
<u>379,383</u>	<u>521,981</u>	<u>5,896,459</u>
	43,727	4,140,274
	19,033	770,653
2,343,299	4,666,823	11,650,318
	(2,499)	3,032,370
<u>2,343,299</u>	<u>4,683,357</u>	<u>15,453,341</u>
<u>\$ 2,722,682</u>	<u>\$ 5,249,065</u>	<u>\$ 25,490,074</u>

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CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total governmental fund balances	\$	15,453,341
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 184,910,788	
Less accumulated depreciation	<u>(59,138,385)</u>	125,772,403
<p>Some property tax receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
		4,140,274
<p>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.</p>		
		474,492
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	7,166,496	
Deferred inflows of resources related to pensions	<u>(5,978,490)</u>	1,188,006
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(961,518)	
Obligations under capital leases	(7,035,332)	
Net pension liability	(39,666,519)	
Bonds payable	<u>(38,923,357)</u>	<u>(86,586,726)</u>
Net position of governmental activities	\$	<u><u>60,441,790</u></u>

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General	Debt Service	Unrestricted Capital Outlay
Revenues:			
Other local	\$ 910,479	\$ 23,403	\$ 16,270
Property taxes	23,082,707	3,994,426	2,449,852
State aid and grants	6,984,633		720,879
Federal aid, grants and reimbursements	149,862		
Total revenues	31,127,681	4,017,829	3,187,001
Expenditures:			
Current -			
Instruction	15,862,024		
Support services - students and staff	4,268,933		
Support services - administration	4,422,678		
Operation and maintenance of plant services	4,466,998		
Student transportation services	2,447,974		
Operation of non-instructional services	72,637		
Capital outlay	27,953		683,345
Debt service -			
Principal retirement		2,635,000	
Interest and fiscal charges		1,329,278	
Bond issuance costs			
Total expenditures	31,569,197	3,964,278	683,345
Excess (deficiency) of revenues over expenditures	(441,516)	53,551	2,503,656
Other financing sources (uses):			
Transfers in	73,540	382,257	
Transfers out	(345,785)		
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):	(272,245)	382,257	
Changes in fund balances	(713,761)	435,808	2,503,656
Fund balances, beginning of year	4,418,058	268,560	1,432,172
Increase (decrease) in reserve for prepaid items	85,816		
Increase (decrease) in reserve for inventory	(3,624)		
Fund balances, end of year	\$ 3,786,489	\$ 704,368	\$ 3,935,828

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

Bond Building	Non-Major Governmental Funds	Total Governmental Funds
\$ 33,935	\$ 4,993,081	\$ 5,977,168
	332,387	29,859,372
	2,786,714	10,492,226
	1,857,607	2,007,469
<u>33,935</u>	<u>9,969,789</u>	<u>48,336,235</u>
	4,496,788	20,358,812
	708,876	4,977,809
	20,284	4,442,962
	73,447	4,540,445
	42,789	2,490,763
	3,249,723	3,322,360
15,743,444	875,141	17,329,883
	553,280	3,188,280
	350,313	1,679,591
175,096		175,096
<u>15,918,540</u>	<u>10,370,641</u>	<u>62,506,001</u>
<u>(15,884,605)</u>	<u>(400,852)</u>	<u>(14,169,766)</u>
	345,785	801,582
(382,257)	(73,540)	(801,582)
10,000,000		10,000,000
492,016		492,016
<u>10,109,759</u>	<u>272,245</u>	<u>10,492,016</u>
<u>(5,774,846)</u>	<u>(128,607)</u>	<u>(3,677,750)</u>
8,118,145	4,815,582	19,052,517
		85,816
	(3,618)	(7,242)
<u>\$ 2,343,299</u>	<u>\$ 4,683,357</u>	<u>\$ 15,453,341</u>

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Changes in fund balances - total governmental funds **\$ (3,677,750)**

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	\$ 15,490,030	
Less current year depreciation	<u>(4,962,794)</u>	10,527,236

Issuance of school improvement bonds provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position. (10,492,016)

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

Property taxes	(140,211)	
Intergovernmental	<u>(47,452)</u>	(187,663)

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	553,280	
Bond principal retirement	<u>2,635,000</u>	3,188,280

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

Current year pension contributions	2,521,548	
Pension expense	<u>(1,556,802)</u>	964,746

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	85,816	
Inventory	(7,242)	
Loss on disposal of assets	(131,496)	
Amortization of deferred bond items	120,884	
Compensated absences	<u>69,277</u>	<u>137,239</u>

Changes in net position in governmental activities **\$ 460,072**

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2017

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 2,889,422
Total assets	\$ 2,889,422
<u>LIABILITIES</u>	
Deposits held for others	\$ 2,653,481
Due to student groups	235,941
Total liabilities	\$ 2,889,422

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Cave Creek Unified School District No. 93 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 and state aid, and other items not included among program revenues are reported instead as general revenues.

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

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

Government-Wide Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effects of internal activity have 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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, additional state 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. Community education fees, 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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

E. Investment Income

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

F. Receivables and Payables

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

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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. Inventory

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

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

I. Prepaid Items

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

J. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, 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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Land improvements	7 - 25 years
Buildings and improvements	7 - 50 years
Vehicles, furniture and equipment	5 - 15 years

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Pensions

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. Long-term Obligations

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

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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, and 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 Board delegated the authority and responsibility to assign fund balances to the Associate Superintendent of Operations and Finance.

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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Debt Service Fund	Unrestricted Capital Outlay Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 320,163		\$	\$	\$ 19,033
Prepaid items	431,457				
Restricted:					
Debt service		704,368			
Capital projects			3,935,828		378,430
Bond building projects				2,343,299	
Voter approved initiatives					349,411
Federal and state projects					390,160
Food service					626,851
Civic center					961,427
Community school					393,441
Extracurricular activities					750,146
Gifts and donations					734,704
Other purposes					82,253
Unassigned	3,034,869				(2,499)
Total fund balances	\$ 3,786,489	\$ 704,368	\$ 3,935,828	\$ 2,343,299	\$ 4,683,357

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balance – At year end, the Building Renewal Grant Fund, a non-major governmental fund, reported a deficit in fund balance of \$2,499.

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

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 \$2,988,873 and the bank balance was \$3,012,222. At year end, \$2,762,222 of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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	457 days	\$ 17,416,543
		\$ 17,416,543

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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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:

	<u>General Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from federal government	\$	\$	\$ 109,131
Due from state government	<u>2,346,296</u>	<u>238,077</u>	<u>5,999</u>
Net due from governmental entities	<u>\$ 2,346,296</u>	<u>\$ 238,077</u>	<u>\$ 115,130</u>

NOTE 6 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 18,690,761	\$	\$	\$ 18,690,761
Construction in progress	<u>6,658,616</u>	<u>13,775,249</u>	<u>8,066,237</u>	<u>12,367,628</u>
Total capital assets, not being depreciated	<u>25,349,377</u>	<u>13,775,249</u>	<u>8,066,237</u>	<u>31,058,389</u>
Capital assets, being depreciated:				
Land improvements	17,593,282	243,001		17,836,283
Buildings and improvements	118,004,169	8,690,779	246,095	126,448,853
Vehicles, furniture and equipment	<u>9,208,684</u>	<u>847,238</u>	<u>488,659</u>	<u>9,567,263</u>
Total capital assets being depreciated	<u>144,806,135</u>	<u>9,781,018</u>	<u>734,754</u>	<u>153,852,399</u>
Less accumulated depreciation for:				
Land improvements	(6,467,956)	(732,936)		(7,200,892)
Buildings and improvements	(44,184,680)	(3,872,617)	(167,963)	(47,889,334)
Vehicles, furniture and equipment	<u>(4,126,213)</u>	<u>(357,241)</u>	<u>(435,295)</u>	<u>(4,048,159)</u>
Total accumulated depreciation	<u>(54,778,849)</u>	<u>(4,962,794)</u>	<u>(603,258)</u>	<u>(59,138,385)</u>
Total capital assets, being depreciated, net	<u>90,027,286</u>	<u>4,818,224</u>	<u>131,496</u>	<u>94,714,014</u>
Governmental activities capital assets, net	<u>\$115,376,663</u>	<u>\$ 18,593,473</u>	<u>\$ 8,197,733</u>	<u>\$ 125,772,403</u>

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 4,104,713
Support services – students and staff	3,691
Support services – administration	173,436
Operation and maintenance of plant services	124,374
Student transportation services	440,012
Operation of non-instructional services	116,568
Total depreciation expense – governmental activities	<u>\$ 4,962,794</u>

Construction Commitments – At year end, the District had contractual commitments for facilities renovations and upgrades. At year end the District had spent \$12.4 million on the projects and had estimated contractual commitments of \$166,335. These projects are being funded with monies provided by the Bond Building Fund.

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired energy efficiency upgrades and replacements and solar energy upgrades under the provisions of long-term lease agreements classified as capital leases. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of its future minimum lease payments as of the inception date. The District obtained Qualified School Construction Bond monies to finance the energy efficiency upgrades and replacements project, and as such, it is expected the District will receive direct subsidy payments from the United States of America for a portion of the interest due. The District received \$180,086 in federal subsidies during the year. In addition to federal subsidies, monies transferred to the Energy and Water Savings Fund, a non-major governmental fund from the General Fund will be used to pay the solar energy upgrade capital lease obligation. Revenues from the General Fund are transferred to the Energy and Water Savings Fund to pay the capital lease obligations when due. Amortization of assets recorded under capital leases is included with depreciation expense.

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

	<u>Governmental Activities</u>
Asset:	
Land improvements	\$ 3,980,700
Buildings and improvements	5,026,312
Vehicles, furniture and equipment	51,882
Less: Accumulated depreciation	(1,179,873)
Total	<u>\$ 7,879,021</u>

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES

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

Year Ending June 30:	Governmental Activities
2018	\$ 887,332
2019	882,924
2020	877,616
2021	871,614
2022	864,800
2023-27	3,688,520
2028-31	685,455
Total minimum lease payments	8,758,261
Less: amount representing interest	1,722,929
Present value of minimum lease payments	7,035,332
Due within one year	\$ 583,513

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2017	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project 2014, Series A (Class B 2015)	\$ 20,000,000	2.0-4.0%	7/1/17-30	\$ 18,825,000	\$ 1,225,000
Refunding Bonds, (Class B 2015)	11,125,000	1.5-5.25%	7/1/17-23	10,850,000	1,410,000
School Improvement Bonds, Project 2014, Series B 2016	10,000,000	1-3.5%	7/1/18-30	10,000,000	
Total				\$ 39,675,000	\$ 2,635,000

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2018	\$ 2,635,000	\$ 1,279,751
2019	2,380,000	1,210,126
2020	2,405,000	1,146,651
2021	2,510,000	1,075,001
2022	2,540,000	1,024,501
2023-27	14,045,000	3,735,668
2028-31	13,160,000	1,004,640
Total	<u>\$ 39,675,000</u>	<u>\$ 10,476,338</u>

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 32,285,000	\$ 10,000,000	\$ 2,610,000	\$ 39,675,000	\$ 2,635,000
Premium on bonds payable	1,587,807	492,016	196,466	1,883,357	
Total bonds payable	<u>33,872,807</u>	<u>10,492,016</u>	<u>2,806,466</u>	<u>41,558,357</u>	<u>2,635,000</u>
Obligations under capital leases	7,588,612		553,280	7,035,332	583,513
Net pension liability	38,951,705	714,814		39,666,519	
Compensated absences payable	<u>1,030,795</u>	<u>253,279</u>	<u>322,556</u>	<u>961,518</u>	<u>46,332</u>
Governmental activity long-term liabilities	<u>\$ 81,443,919</u>	<u>\$ 11,460,109</u>	<u>\$ 3,682,302</u>	<u>\$ 89,221,726</u>	<u>\$ 3,264,845</u>

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

At year end, several non-major governmental funds had negative cash balances in the Treasurer’s pooled cash accounts of \$66,759. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund.

Interfund transfers:

	Transfers in			Total
	General Fund	Debt Service Fund	Non-Major Governmental Funds	
Transfers out				
General Fund	\$	\$	\$ 345,785	\$ 345,785
Bond Building Fund		382,257		382,257
Non-Major Governmental Funds	73,540			73,540
Total	<u>\$ 73,540</u>	<u>\$ 382,257</u>	<u>\$ 345,785</u>	<u>\$ 801,582</u>

Transfers between funds were used to (1) move investment income and premium earned in the Bond Building Fund, that is required by statute to be expended in the Debt Service Fund, (2) to move federal grant funds restricted for indirect costs and (3) to move monies from the Maintenance and Operation Fund to the Energy and Water Savings Fund for repayment of the capital investment of the qualified provider or utility, energy or water services company based on the established repayment schedule in accordance with A.R.S. §15.910.02(H).

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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 all other risks of loss, including employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2017 were \$2,521,548.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 for retirement and 0.21 percent for health insurance premium benefit, and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

The District’s pension contributions are paid by the same funds as the employee’s salary, with the largest component coming from the General Fund. The District’s contributions for the current and two preceding years for OPEB, all of which were equal to the required contributions, were as follows:

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2017	\$	130,990	\$	32,747
2016		114,850	\$	27,564
2015		135,722		27,605

Pension Liability. At June 30, 2017, the District reported a liability of \$39.7 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2015, to the measurement date of June 30, 2016. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2016, the District’s proportion was 0.25 percent, which was the same as its proportion measured as of June 30, 2015.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability of retirement benefits. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. For the year ended June 30, 2017, the District recognized pension expense of \$1.6 million and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 241,051	\$ 2,728,767
Changes of assumptions or other inputs		2,098,676
Net difference between projected and actual earnings on pension plan investments	4,298,530	
Changes in proportion and differences between contributions and proportionate share of contributions	105,367	1,151,047
Contributions subsequent to the measurement date	<u>2,521,548</u>	
Total	<u>\$ 7,166,496</u>	<u>\$ 5,978,490</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2018	\$	(2,535,123)
2019		(1,710,734)
2020		1,707,021
2021		1,205,295

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
Actuarial cost method	Entry age normal
Investment rate of return	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

The long-term expected rate of return on ASRS pension plan investments was determined to be 8.75 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	58%	6.73%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.84
Total	<u>100%</u>	

Discount Rate. The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$50,577,823	\$39,666,519	\$30,918,037

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

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REQUIRED SUPPLEMENTARY INFORMATION

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 52,542	\$ 52,542
Property taxes			23,082,707	23,082,707
State aid and grants			6,984,633	6,984,633
Total revenues			<u>30,119,882</u>	<u>30,119,882</u>
Expenditures:				
Current -				
Instruction	15,421,589	15,351,876	15,354,087	(2,211)
Support services - students and staff	4,319,260	4,286,010	4,146,095	139,915
Support services - administration	4,143,706	4,279,669	4,297,546	(17,877)
Operation and maintenance of plant services	4,954,014	4,954,014	4,422,059	531,955
Student transportation services	2,454,424	2,454,424	2,345,600	108,824
Operation of non-instructional services	98,601	65,601	39,216	26,385
Total expenditures	<u>31,391,594</u>	<u>31,391,594</u>	<u>30,604,603</u>	<u>786,991</u>
Excess (deficiency) of revenues over expenditures	<u>(31,391,594)</u>	<u>(31,391,594)</u>	<u>(484,721)</u>	<u>30,906,873</u>
Other financing sources (uses):				
Transfers out			(345,785)	(345,785)
Total other financing sources (uses):			<u>(345,785)</u>	<u>(345,785)</u>
Changes in fund balances	<u>(31,391,594)</u>	<u>(31,391,594)</u>	<u>(830,506)</u>	<u>30,561,088</u>
Fund balances, beginning of year			3,215,019	3,215,019
Increase (decrease) in reserve for prepaid items			85,816	85,816
Increase (decrease) in reserve for inventory			(3,624)	(3,624)
Fund balances (deficits), end of year	<u>\$ (31,391,594)</u>	<u>\$ (31,391,594)</u>	<u>\$ 2,466,705</u>	<u>\$ 33,858,299</u>

See accompanying notes to this schedule.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.25%	0.25%	0.26%
District's proportionate share of the net pension liability (asset)	\$ 39,666,519	\$ 38,951,705	\$ 38,568,533
District's covered payroll	\$ 22,969,917	\$ 23,003,747	\$ 23,412,224
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	172.69%	169.33%	164.74%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,521,548	\$ 2,492,236	\$ 2,505,108
Contributions in relation to the actuarially determined contribution	<u>2,521,548</u>	<u>2,492,236</u>	<u>2,505,108</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 23,390,983	\$ 22,969,917	\$ 23,003,747
Contributions as a percentage of covered payroll	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 31,569,197	\$ 3,786,489
Activity budgeted as special revenue funds	(964,594)	(1,319,784)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 30,604,603	\$ 2,466,705

NOTE 2 – PENSION PLAN SCHEDULES

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

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

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

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GOVERNMENTAL FUNDS

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<u>ASSETS</u>			
Cash and investments	\$ 4,560,166	\$ 461,466	\$ 5,021,632
Property taxes receivable		43,727	43,727
Deposits	49,543		49,543
Due from governmental entities	115,130		115,130
Inventory	19,033		19,033
Total assets	<u>\$ 4,743,872</u>	<u>\$ 505,193</u>	<u>\$ 5,249,065</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 76,092	\$	\$ 76,092
Construction contracts payable		41,122	41,122
Due to other funds	22,346	44,413	66,759
Accrued payroll and employee benefits	269,687		269,687
Unearned revenues	68,321		68,321
Total liabilities	<u>436,446</u>	<u>85,535</u>	<u>521,981</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		43,727	43,727
Fund balances (deficits):			
Nonspendable	19,033		19,033
Restricted	4,288,393	378,430	4,666,823
Unassigned		(2,499)	(2,499)
Total fund balances	<u>4,307,426</u>	<u>375,931</u>	<u>4,683,357</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 4,743,872</u>	 <u>\$ 505,193</u>	 <u>\$ 5,249,065</u>

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2017

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 4,722,248	\$ 270,833	\$ 4,993,081
Property taxes		332,387	332,387
State aid and grants	2,513,641	273,073	2,786,714
Federal aid, grants and reimbursements	<u>1,677,521</u>	<u>180,086</u>	<u>1,857,607</u>
Total revenues	<u>8,913,410</u>	<u>1,056,379</u>	<u>9,969,789</u>
Expenditures:			
Current -			
Instruction	4,496,788		4,496,788
Support services - students and staff	708,876		708,876
Support services - administration	20,284		20,284
Operation and maintenance of plant services	71,922	1,525	73,447
Student transportation services	33,131	9,658	42,789
Operation of non-instructional services	3,249,723		3,249,723
Capital outlay	365,727	509,414	875,141
Debt service -			
Principal retirement		553,280	553,280
Interest and fiscal charges		<u>350,313</u>	<u>350,313</u>
Total expenditures	<u>8,946,451</u>	<u>1,424,190</u>	<u>10,370,641</u>
Excess (deficiency) of revenues over expenditures	<u>(33,041)</u>	<u>(367,811)</u>	<u>(400,852)</u>
Other financing sources (uses):			
Transfers in		345,785	345,785
Transfers out	<u>(73,540)</u>		<u>(73,540)</u>
Total other financing sources (uses):	<u>(73,540)</u>	<u>345,785</u>	<u>272,245</u>
Changes in fund balances	<u>(106,581)</u>	<u>(22,026)</u>	<u>(128,607)</u>
Fund balances, beginning of year	4,417,625	397,957	4,815,582
Increase (decrease) in reserve for inventory	(3,618)		(3,618)
Fund balances, end of year	<u>\$ 4,307,426</u>	<u>\$ 375,931</u>	<u>\$ 4,683,357</u>

SPECIAL REVENUE FUNDS

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

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

Student Success - to account for student success monies.

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

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

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

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

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

Vocational Education - to account for financial assistance received for preparation of individuals for employment or advancement in a career not requiring a baccalaureate or advanced degree.

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

Taylor Grazing Fees - to account for financial assistance received for the purpose of protecting public lands by preventing over-grazing and soil deterioration and to provide for orderly use, improvement and development, and stabilization of the livestock industry.

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

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

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

Other State Projects - to account for financial assistance received for other state projects.

School Plant - to account for proceeds from the sale or lease of school property.

Food Service - to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

Civic Center - to account for monies received from the rental of school facilities for civic activities.

Community School - to account for activity related to academic and skill development for all citizens.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

Extracurricular Activities Fees Tax Credit – to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

Gifts and Donations - to account for activity related to gifts, donations, bequests and private grants made to the District.

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

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

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

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

Grants and Gifts to Teachers - to account for grants and gifts under \$1,500 received from private sources that are designated for use by a teacher for instructional purposes.

Advertisement - to account for monies received from the sale of advertising.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 210,773	\$ 268,096	\$ 5,840
Deposits			
Due from governmental entities			39,304
Inventory			
Total assets	<u>\$ 210,773</u>	<u>\$ 268,096</u>	<u>\$ 45,144</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 15,738
Due to other funds			
Accrued payroll and employee benefits	121,959	7,499	29,406
Unearned revenues			
Total liabilities	<u>121,959</u>	<u>7,499</u>	<u>45,144</u>
Fund balances:			
Nonspendable			
Restricted	<u>88,814</u>	<u>260,597</u>	
Total fund balances	<u>88,814</u>	<u>260,597</u>	
Total liabilities and fund balances	<u>\$ 210,773</u>	<u>\$ 268,096</u>	<u>\$ 45,144</u>

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>E-Rate</u>
\$	\$	\$	\$	\$ 3,842	\$ 321,790
9,035	1,460	130	22,740		
<u>\$ 9,035</u>	<u>\$ 1,460</u>	<u>\$ 130</u>	<u>\$ 22,740</u>	<u>\$ 3,842</u>	<u>\$ 321,790</u>
\$	\$	\$	\$	\$	\$
9,035	1,460	130	5,722 17,018		
<u>9,035</u>	<u>1,460</u>	<u>130</u>	<u>22,740</u>	<u>3,842</u> <u>3,842</u>	
					321,790
					<u>321,790</u>
<u>\$ 9,035</u>	<u>\$ 1,460</u>	<u>\$ 130</u>	<u>\$ 22,740</u>	<u>\$ 3,842</u>	<u>\$ 321,790</u>

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CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Other Federal Projects	State Vocational Education	Gifted
<u>ASSETS</u>			
Cash and investments	\$ 37,208	\$ 11	\$ 2
Deposits			
Due from governmental entities	36,462		
Inventory			
Total assets	\$ 73,670	\$ 11	\$ 2
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	5,300		
Unearned revenues		11	2
Total liabilities	5,300	11	2
Fund balances:			
Nonspendable			
Restricted	68,370		
Total fund balances	68,370		
Total liabilities and fund balances	\$ 73,670	\$ 11	\$ 2

<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>
\$	\$ 641,774	\$ 961,427	\$ 531,180	\$ 758,740	\$ 737,230
5,999	49,543				
	19,033				
<u>\$ 5,999</u>	<u>\$ 710,350</u>	<u>\$ 961,427</u>	<u>\$ 531,180</u>	<u>\$ 758,740</u>	<u>\$ 737,230</u>
\$	\$	\$	\$ 60,354	\$	\$
5,999			77,385	8,594	2,526
	64,466				
<u>5,999</u>	<u>64,466</u>		<u>137,739</u>	<u>8,594</u>	<u>2,526</u>
	19,033				
	626,851	961,427	393,441	750,146	734,704
	645,884	961,427	393,441	750,146	734,704
<u>\$ 5,999</u>	<u>\$ 710,350</u>	<u>\$ 961,427</u>	<u>\$ 531,180</u>	<u>\$ 758,740</u>	<u>\$ 737,230</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Fingerprint	Textbooks	Grants and Gifts to Teachers
<u>ASSETS</u>			
Cash and investments	\$ 19,198	\$ 57,894	\$ 5,161
Deposits			
Due from governmental entities			
Inventory			
Total assets	\$ 19,198	\$ 57,894	\$ 5,161
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities			
Fund balances:			
Nonspendable			
Restricted	19,198	57,894	5,161
Total fund balances	19,198	57,894	5,161
 Total liabilities and fund balances	\$ 19,198	\$ 57,894	\$ 5,161

Totals

\$ 4,560,166
49,543
115,130
19,033
\$ 4,743,872

\$ 76,092
22,346
269,687
68,321
436,446

19,033
4,288,393
4,307,426

\$ 4,743,872

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Classroom Site	Instructional Improvement	Title I Grants
Revenues:			
Other local	\$ 5,468	\$ 1,091	\$
State aid and grants	2,067,767	212,738	
Federal aid, grants and reimbursements			374,012
Total revenues	2,073,235	213,829	374,012
Expenditures:			
Current -			
Instruction	2,526,593	180,249	355,871
Support services - students and staff	77,353	42,875	14,960
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	2,603,946	223,124	370,831
Excess (deficiency) of revenues over expenditures	(530,711)	(9,295)	3,181
Other financing sources (uses):			
Transfers out			(3,181)
Total other financing sources (uses):			(3,181)
Changes in fund balances	(530,711)	(9,295)	
Fund balances, beginning of year	619,525	269,892	
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$ 88,814	\$ 260,597	\$

Professional Development and Technology Grants	Limited English & Immigrant Students	Special Education Grants	Vocational Education	E-Rate	Other Federal Projects
\$	\$	\$	\$	\$ 511	\$
64,126	6,594	678,700	60,567	13,368	104,312
64,126	6,594	678,700	60,567	13,879	104,312
63,126	5,702 892	265,201 379,423	16,350 30,542		118,973 2,069
					108
63,126	6,594	30,938 675,562	10,454 57,346		370 121,520
1,000		3,138	3,221	13,879	(17,208)
(1,000)		(3,138)	(3,221)		
(1,000)		(3,138)	(3,221)		
				13,879	(17,208)
				307,911	85,578
\$	\$	\$	\$	\$ 321,790	\$ 68,370

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	State Vocational Education	Other State Projects	Food Service
Revenues:			
Other local	\$	\$	\$ 1,202,099
State aid and grants	35,806	197,330	
Federal aid, grants and reimbursements			375,842
Total revenues	35,806	197,330	1,577,941
Expenditures:			
Current -			
Instruction	2,071	197,330	
Support services - students and staff	17,484		
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	4,096		
Operation of non-instructional services			1,449,696
Capital outlay	12,155		54,480
Total expenditures	35,806	197,330	1,504,176
Excess (deficiency) of revenues over expenditures			73,765
Other financing sources (uses):			
Transfers out			(63,000)
Total other financing sources (uses):			(63,000)
Changes in fund balances			10,765
Fund balances, beginning of year			638,737
Increase (decrease) in reserve for inventory			(3,618)
Fund balances, end of year	\$	\$	\$ 645,884

Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Fingerprint	Textbooks
\$ 293,166	\$ 1,966,904	\$ 661,310	\$ 573,021	\$ 7,964	\$ 10,692
<u>293,166</u>	<u>1,966,904</u>	<u>661,310</u>	<u>573,021</u>	<u>7,964</u>	<u>10,692</u>
		627,090	197,344		4,014
			75,799		4,353
71,922			14,540	5,744	
		25,196	3,731		
42,776	1,735,864		21,387		
27,038	13,688	39,115	177,437		52
<u>141,736</u>	<u>1,749,552</u>	<u>691,401</u>	<u>490,238</u>	<u>5,744</u>	<u>8,419</u>
<u>151,430</u>	<u>217,352</u>	<u>(30,091)</u>	<u>82,783</u>	<u>2,220</u>	<u>2,273</u>
<u>151,430</u>	<u>217,352</u>	<u>(30,091)</u>	<u>82,783</u>	<u>2,220</u>	<u>2,273</u>
809,997	176,089	780,237	651,921	16,978	55,621
<u>\$ 961,427</u>	<u>\$ 393,441</u>	<u>\$ 750,146</u>	<u>\$ 734,704</u>	<u>\$ 19,198</u>	<u>\$ 57,894</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Grants and Gifts to Teachers	Totals
Revenues:		
Other local	\$ 22	\$ 4,722,248
State aid and grants		2,513,641
Federal aid, grants and reimbursements		1,677,521
Total revenues	22	8,913,410
Expenditures:		
Current -		
Instruction		4,496,788
Support services - students and staff		708,876
Support services - administration		20,284
Operation and maintenance of plant services		71,922
Student transportation services		33,131
Operation of non-instructional services		3,249,723
Capital outlay		365,727
Total expenditures		8,946,451
Excess (deficiency) of revenues over expenditures	22	(33,041)
Other financing sources (uses):		
Transfers out		(73,540)
Total other financing sources (uses):		(73,540)
Changes in fund balances	22	(106,581)
Fund balances, beginning of year	5,139	4,417,625
Increase (decrease) in reserve for inventory		(3,618)
Fund balances, end of year	\$ 5,161	\$ 4,307,426

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CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 5,468	\$ 5,468
State aid and grants		2,067,767	2,067,767
Federal aid, grants and reimbursements			
Total revenues		<u>2,073,235</u>	<u>2,073,235</u>
Expenditures:			
Current -			
Instruction	2,941,563	2,526,593	414,970
Support services - students and staff	126,596	77,353	49,243
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>3,068,159</u>	<u>2,603,946</u>	<u>464,213</u>
Excess (deficiency) of revenues over expenditures	<u>(3,068,159)</u>	<u>(530,711)</u>	<u>2,537,448</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(3,068,159)</u>	<u>(530,711)</u>	<u>2,537,448</u>
Fund balances, beginning of year		619,525	619,525
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (3,068,159)</u>	<u>\$ 88,814</u>	<u>\$ 3,156,973</u>

Instructional Improvement			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,091 212,738	\$ 1,091 212,738	\$	\$	\$
	<u>213,829</u>	<u>213,829</u>			
210,000	180,249	29,751			
55,000	42,875	12,125			
<u>265,000</u>	<u>223,124</u>	<u>41,876</u>			
<u>(265,000)</u>	<u>(9,295)</u>	<u>255,705</u>			
<u>(265,000)</u>	<u>(9,295)</u>	<u>255,705</u>			
	269,892	269,892		287	287
<u>\$ (265,000)</u>	<u>\$ 260,597</u>	<u>\$ 525,597</u>	<u>\$</u>	<u>\$ 287</u>	<u>\$ 287</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		374,012	374,012
Total revenues		<u>374,012</u>	<u>374,012</u>
Expenditures:			
Current -			
Instruction	398,379	355,871	42,508
Support services - students and staff	20,000	14,960	5,040
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>418,379</u>	<u>370,831</u>	<u>47,548</u>
Excess (deficiency) of revenues over expenditures	<u>(418,379)</u>	<u>3,181</u>	<u>421,560</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(3,181)	(3,181)
Total other financing sources (uses):		<u>(3,181)</u>	<u>(3,181)</u>
Changes in fund balances	<u>(418,379)</u>		<u>418,379</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (418,379)</u>	<u>\$</u>	<u>\$ 418,379</u>

Professional Development and Technology Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	64,126	64,126		6,594	6,594
	64,126	64,126		6,594	6,594
73,441	63,126	10,315	10,000	5,702	4,298
			4,135	892	3,243
<u>73,441</u>	<u>63,126</u>	<u>10,315</u>	<u>14,135</u>	<u>6,594</u>	<u>7,541</u>
<u>(73,441)</u>	<u>1,000</u>	<u>74,441</u>	<u>(14,135)</u>		<u>14,135</u>
	(1,000)	(1,000)			
	(1,000)	(1,000)			
<u>(73,441)</u>		<u>73,441</u>	<u>(14,135)</u>		<u>14,135</u>
<u>\$ (73,441)</u>	<u>\$</u>	<u>\$ 73,441</u>	<u>\$ (14,135)</u>	<u>\$</u>	<u>\$ 14,135</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		678,700	678,700
Total revenues		<u>678,700</u>	<u>678,700</u>
Expenditures:			
Current -			
Instruction	359,423	265,201	94,222
Support services - students and staff	415,000	379,423	35,577
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	50,000	30,938	19,062
Total expenditures	<u>824,423</u>	<u>675,562</u>	<u>148,861</u>
Excess (deficiency) of revenues over expenditures	<u>(824,423)</u>	<u>3,138</u>	<u>827,561</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(3,138)	(3,138)
Total other financing sources (uses):		<u>(3,138)</u>	<u>(3,138)</u>
Changes in fund balances	<u>(824,423)</u>		<u>824,423</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (824,423)</u>	<u>\$</u>	<u>\$ 824,423</u>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 740	\$ 740
	60,567	60,567		149,862	149,862
	60,567	60,567		150,602	150,602
19,593	16,350	3,243	125,925	52,778	73,147
38,000	30,542	7,458	75,000	49,866	25,134
			20,000	14,170	5,830
12,000	10,454	1,546			
69,593	57,346	12,247	220,925	116,814	104,111
(69,593)	3,221	72,814	(220,925)	33,788	254,713
	(3,221)	(3,221)			
	(3,221)	(3,221)			
(69,593)		69,593	(220,925)	33,788	254,713
				426,126	426,126
\$ (69,593)	\$	\$ 69,593	\$ (220,925)	\$ 459,914	\$ 680,839

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Taylor Grazing Fees		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
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			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances, beginning of year		7	7
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ 7	\$ 7

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 511	\$ 511	\$	\$	\$
	13,368	13,368		104,312	104,312
	13,879	13,879		104,312	104,312
204,590		204,590	128,215	118,973	9,242
			2,300	2,069	231
			150	108	42
			400	370	30
204,590		204,590	131,065	121,520	9,545
(204,590)	13,879	218,469	(131,065)	(17,208)	113,857
(204,590)	13,879	218,469	(131,065)	(17,208)	113,857
	307,911	307,911		85,578	85,578
\$ (204,590)	\$ 321,790	\$ 526,380	\$ (131,065)	\$ 68,370	\$ 199,435

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		35,806	35,806
Federal aid, grants and reimbursements			
Total revenues		<u>35,806</u>	<u>35,806</u>
Expenditures:			
Current -			
Instruction	2,071	2,071	
Support services - students and staff	17,484	17,484	
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	4,096	4,096	
Operation of non-instructional services			
Capital outlay	12,155	12,155	
Total expenditures	<u>35,806</u>	<u>35,806</u>	
Excess (deficiency) of revenues over expenditures	<u>(35,806)</u>		<u>35,806</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(35,806)</u>		<u>35,806</u>
Fund balances, beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (35,806)</u>	<u>\$</u>	<u>\$ 35,806</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	197,330	197,330		29,334	29,334
	<u>197,330</u>	<u>197,330</u>		<u>29,334</u>	<u>29,334</u>
197,759	197,330	429			
			68,355		68,355
<u>197,759</u>	<u>197,330</u>	<u>429</u>	<u>68,355</u>		<u>68,355</u>
<u>(197,759)</u>		<u>197,759</u>	<u>(68,355)</u>	<u>29,334</u>	<u>97,689</u>
<u>(197,759)</u>		<u>197,759</u>	<u>(68,355)</u>	<u>29,334</u>	<u>97,689</u>
				68,946	68,946
<u>\$ (197,759)</u>	<u>\$</u>	<u>\$ 197,759</u>	<u>\$ (68,355)</u>	<u>\$ 98,280</u>	<u>\$ 166,635</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Food Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,202,099	\$ 1,202,099
State aid and grants			
Federal aid, grants and reimbursements		375,842	375,842
Total revenues		<u>1,577,941</u>	<u>1,577,941</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	1,851,622	1,449,696	401,926
Capital outlay	60,000	54,480	5,520
Total expenditures	<u>1,911,622</u>	<u>1,504,176</u>	<u>407,446</u>
Excess (deficiency) of revenues over expenditures	<u>(1,911,622)</u>	<u>73,765</u>	<u>1,985,387</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(63,000)	(63,000)
Total other financing sources (uses):		<u>(63,000)</u>	<u>(63,000)</u>
Changes in fund balances	<u>(1,911,622)</u>	<u>10,765</u>	<u>1,922,387</u>
Fund balances, beginning of year		638,737	638,737
Increase (decrease) in reserve for inventory		(3,618)	(3,618)
Fund balances (deficits), end of year	<u>\$ (1,911,622)</u>	<u>\$ 645,884</u>	<u>\$ 2,557,506</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 293,166	\$ 293,166	\$	\$ 1,966,904	\$ 1,966,904
	<u>293,166</u>	<u>293,166</u>		<u>1,966,904</u>	<u>1,966,904</u>
360,000	71,922	288,078			
50,000	42,776	7,224	2,020,679	1,735,864	284,815
40,000	27,038	12,962	50,000	13,688	36,312
<u>450,000</u>	<u>141,736</u>	<u>308,264</u>	<u>2,070,679</u>	<u>1,749,552</u>	<u>321,127</u>
<u>(450,000)</u>	<u>151,430</u>	<u>601,430</u>	<u>(2,070,679)</u>	<u>217,352</u>	<u>2,288,031</u>
<u>(450,000)</u>	<u>151,430</u>	<u>601,430</u>	<u>(2,070,679)</u>	<u>217,352</u>	<u>2,288,031</u>
	809,997	809,997		176,089	176,089
<u>\$ (450,000)</u>	<u>\$ 961,427</u>	<u>\$ 1,411,427</u>	<u>\$ (2,070,679)</u>	<u>\$ 393,441</u>	<u>\$ 2,464,120</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Auxiliary Operations		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 809,911	\$ 809,911
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>809,911</u>	<u>809,911</u>
Expenditures:			
Current -			
Instruction	456,205	455,159	1,046
Support services - students and staff	74,000	72,972	1,028
Support services - administration	31,000	30,652	348
Operation and maintenance of plant services	45,000	44,939	61
Student transportation services	103,000	102,374	626
Operation of non-instructional services	35,000	33,421	1,579
Capital outlay	30,000	27,953	2,047
Total expenditures	<u>774,205</u>	<u>767,470</u>	<u>6,735</u>
Excess (deficiency) of revenues over expenditures	<u>(774,205)</u>	<u>42,441</u>	<u>816,646</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(774,205)</u>	<u>42,441</u>	<u>816,646</u>
Fund balances, beginning of year		461,820	461,820
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (774,205)</u>	<u>\$ 504,261</u>	<u>\$ 1,278,466</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 661,310	\$ 661,310	\$	\$ 573,021	\$ 573,021
	<u>661,310</u>	<u>661,310</u>		<u>573,021</u>	<u>573,021</u>
633,519	627,090	6,429	343,291	197,344	145,947
			81,000	75,799	5,201
			18,000	14,540	3,460
30,000	25,196	4,804	5,000	3,731	1,269
			25,000	21,387	3,613
40,000	39,115	885	200,000	177,437	22,563
<u>703,519</u>	<u>691,401</u>	<u>12,118</u>	<u>672,291</u>	<u>490,238</u>	<u>182,053</u>
<u>(703,519)</u>	<u>(30,091)</u>	<u>673,428</u>	<u>(672,291)</u>	<u>82,783</u>	<u>755,074</u>
<u>(703,519)</u>	<u>(30,091)</u>	<u>673,428</u>	<u>(672,291)</u>	<u>82,783</u>	<u>755,074</u>
	780,237	780,237		651,921	651,921
<u>\$ (703,519)</u>	<u>\$ 750,146</u>	<u>\$ 1,453,665</u>	<u>\$ (672,291)</u>	<u>\$ 734,704</u>	<u>\$ 1,406,995</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 7,964	\$ 7,964
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>18,000</u>	<u>7,964</u>	<u>7,964</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	18,000	5,744	12,256
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>18,000</u>	<u>5,744</u>	<u>12,256</u>
Excess (deficiency) of revenues over expenditures	<u>(18,000)</u>	<u>2,220</u>	<u>20,220</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>(18,000)</u>	<u>2,220</u>	<u>20,220</u>
Fund balances, beginning of year		16,978	16,978
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (18,000)</u>	<u>\$ 19,198</u>	<u>\$ 37,198</u>

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 10,692	\$ 10,692	\$	\$ 17,094	\$ 17,094
	<u>10,692</u>	<u>10,692</u>		<u>17,094</u>	<u>17,094</u>
4,900	4,014	886	4,500		4,500
5,000	4,353	647			
<u>100</u>	<u>52</u>	<u>48</u>			
<u>10,000</u>	<u>8,419</u>	<u>1,581</u>	<u>4,500</u>		<u>4,500</u>
<u>(10,000)</u>	<u>2,273</u>	<u>12,273</u>	<u>(4,500)</u>	<u>17,094</u>	<u>21,594</u>
<u>(10,000)</u>	<u>2,273</u>	<u>12,273</u>	<u>(4,500)</u>	<u>17,094</u>	<u>21,594</u>
	55,621	55,621		7,483	7,483
<u>\$ (10,000)</u>	<u>\$ 57,894</u>	<u>\$ 67,894</u>	<u>\$ (4,500)</u>	<u>\$ 24,577</u>	<u>\$ 29,077</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 809	\$ 809
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>809</u>	<u>809</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	131,321	80,310	51,011
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>131,321</u>	<u>80,310</u>	<u>51,011</u>
Excess (deficiency) of revenues over expenditures	<u>(131,321)</u>	<u>(79,501)</u>	<u>51,820</u>
Other financing sources (uses):			
Transfers in		73,540	73,540
Transfers out			
Total other financing sources (uses):		<u>73,540</u>	<u>73,540</u>
Changes in fund balances	<u>(131,321)</u>	<u>(5,961)</u>	<u>125,360</u>
Fund balances, beginning of year		226,676	226,676
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (131,321)</u>	<u>\$ 220,715</u>	<u>\$ 352,036</u>

Grants and Gifts to Teachers			Advertisement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 22	\$ 22	\$	\$ 49	\$ 49
	<u>22</u>	<u>22</u>		<u>49</u>	<u>49</u>
5,195		5,195			
<u>5,195</u>		<u>5,195</u>			
<u>(5,195)</u>	<u>22</u>	<u>5,217</u>		<u>49</u>	<u>49</u>
<u>(5,195)</u>	<u>22</u>	<u>5,217</u>		<u>49</u>	<u>49</u>
	5,139	5,139		11,694	11,694
<u>\$ (5,195)</u>	<u>\$ 5,161</u>	<u>\$ 10,356</u>	<u>\$</u>	<u>\$ 11,743</u>	<u>\$ 11,743</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 5,580,185	\$ 5,580,185
State aid and grants		2,513,641	2,513,641
Federal aid, grants and reimbursements		1,827,383	1,827,383
Total revenues		<u>9,921,209</u>	<u>9,921,209</u>
Expenditures:			
Current -			
Instruction	6,045,128	5,004,725	1,040,403
Support services - students and staff	986,956	831,714	155,242
Support services - administration	218,321	145,416	72,905
Operation and maintenance of plant services	473,355	116,861	356,494
Student transportation services	142,246	135,505	6,741
Operation of non-instructional services	3,982,301	3,283,144	699,157
Capital outlay	494,655	393,680	100,975
Total expenditures	<u>12,342,962</u>	<u>9,911,045</u>	<u>2,431,917</u>
Excess (deficiency) of revenues over expenditures	<u>(12,342,962)</u>	<u>10,164</u>	<u>12,353,126</u>
Other financing sources (uses):			
Transfers in		73,540	73,540
Transfers out		(73,540)	(73,540)
Total other financing sources (uses):			
Changes in fund balances	<u>(12,342,962)</u>	<u>10,164</u>	<u>12,353,126</u>
Fund balances, beginning of year		5,620,664	5,620,664
Increase (decrease) in reserve for inventory		(3,618)	(3,618)
Fund balances (deficits), end of year	<u>\$ (12,342,962)</u>	<u>\$ 5,627,210</u>	<u>\$ 17,970,172</u>

DEBT SERVICE FUND

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2017

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 23,403	\$ 23,403
Property taxes		3,994,426	3,994,426
Total revenues		<u>4,017,829</u>	<u>4,017,829</u>
Expenditures:			
Debt service -			
Principal retirement	2,635,000	2,635,000	
Interest and fiscal charges	1,394,175	1,329,278	64,897
Total expenditures	<u>4,029,175</u>	<u>3,964,278</u>	<u>64,897</u>
Excess (deficiency) of revenues over expenditures	<u>(4,029,175)</u>	<u>53,551</u>	<u>4,082,726</u>
Other financing sources (uses):			
Transfers in		382,257	382,257
Total other financing sources (uses):		<u>382,257</u>	<u>382,257</u>
Changes in fund balances	<u>(4,029,175)</u>	<u>435,808</u>	<u>4,464,983</u>
Fund balances, beginning of year		268,560	268,560
Fund balances (deficits), end of year	<u>\$ (4,029,175)</u>	<u>\$ 704,368</u>	<u>\$ 4,733,543</u>

CAPITAL PROJECTS FUNDS

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

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

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

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.

Energy and Water Savings - to account for capital investment monies, energy related rebate, or grant monies, and monies from other funding sources to fund energy or water savings projects in school facilities in accordance with A.R.S. §15-910.02.

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

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

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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017

	Insurance Proceeds	Adjacent Ways	Gifts and Donations - Capital
<u>ASSETS</u>			
Cash and investments	\$ 129,014	\$ 242,512	\$ 6,633
Property taxes receivable		43,727	
Total assets	\$ 129,014	\$ 286,239	\$ 6,633
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Construction contracts payable	\$	\$	\$
Due to other funds			
Total liabilities			
Deferred inflows of resources:			
Unavailable revenues - property taxes		43,727	
Fund balances (deficits):			
Restricted	129,014	242,512	6,633
Unassigned			
Total fund balances	129,014	242,512	6,633
 Total liabilities, deferred inflows of resources and fund balances	\$ 129,014	\$ 286,239	\$ 6,633

<u>Energy and Water Savings</u>	<u>Building Renewal</u>	<u>Building Renewal Grant</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 44,413	\$ 263	\$ 38,623	\$ 8	\$ 461,466
<u>44,413</u>	<u>263</u>	<u>38,623</u>	<u>8</u>	<u>43,727</u>
<u>\$ 44,413</u>	<u>\$ 263</u>	<u>\$ 38,623</u>	<u>\$ 8</u>	<u>\$ 505,193</u>
\$ 44,413	\$	\$ 41,122	\$	\$ 41,122
<u>44,413</u>		<u>41,122</u>		<u>44,413</u>
<u>44,413</u>		<u>41,122</u>		<u>85,535</u>
				<u>43,727</u>
	263		8	378,430
		(2,499)		(2,499)
	<u>263</u>	<u>(2,499)</u>	<u>8</u>	<u>375,931</u>
<u>\$ 44,413</u>	<u>\$ 263</u>	<u>\$ 38,623</u>	<u>\$ 8</u>	<u>\$ 505,193</u>

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Insurance Proceeds	Adjacent Ways	Gifts and Donations - Capital
Revenues:			
Other local	\$ 10,932	\$ 1,507	\$ 28
Property taxes		332,387	
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>10,932</u>	<u>333,894</u>	<u>28</u>
Expenditures:			
Current -			
Operation and maintenance of plant services	1,525		
Student transportation services	9,658		
Capital outlay		220,482	
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>11,183</u>	<u>220,482</u>	<u></u>
Excess (deficiency) of revenues over expenditures	<u>(251)</u>	<u>113,412</u>	<u>28</u>
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>(251)</u>	<u>113,412</u>	<u>28</u>
Fund balances, beginning of year	129,265	129,100	6,605
Fund balances (deficits), end of year	<u>\$ 129,014</u>	<u>\$ 242,512</u>	<u>\$ 6,633</u>

<u>Energy and Water Savings</u>	<u>Building Renewal</u>	<u>Building Renewal Grant</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 258,361	\$	\$ 5	\$	\$ 270,833
		273,073		332,387
180,086				273,073
<u>438,447</u>	<u></u>	<u>273,078</u>	<u></u>	<u>1,056,379</u>
				1,525
				9,658
13,351		275,581		509,414
553,280				553,280
350,313				350,313
<u>916,944</u>	<u></u>	<u>275,581</u>	<u></u>	<u>1,424,190</u>
<u>(478,497)</u>	<u></u>	<u>(2,503)</u>	<u></u>	<u>(367,811)</u>
<u>345,785</u>	<u></u>	<u></u>	<u></u>	<u>345,785</u>
<u>345,785</u>	<u></u>	<u></u>	<u></u>	<u>345,785</u>
<u>(132,712)</u>	<u></u>	<u>(2,503)</u>	<u></u>	<u>(22,026)</u>
132,712	263	4	8	397,957
<u>\$</u>	<u>\$ 263</u>	<u>\$ (2,499)</u>	<u>\$ 8</u>	<u>\$ 375,931</u>

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 10,932	\$ 10,932
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>10,932</u>	<u>10,932</u>
Expenditures:			
Current -			
Operation and maintenance of plant services	10,000	1,525	8,475
Student transportation services	40,000	9,658	30,342
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>50,000</u>	<u>11,183</u>	<u>38,817</u>
Excess (deficiency) of revenues over expenditures	<u>(50,000)</u>	<u>(251)</u>	<u>49,749</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances	<u>(50,000)</u>	<u>(251)</u>	<u>49,749</u>
Fund balances, beginning of year		129,265	129,265
Fund balances (deficits), end of year	<u>\$ (50,000)</u>	<u>\$ 129,014</u>	<u>\$ 179,014</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 16,270	\$ 16,270	\$	\$ 1,507	\$ 1,507
	2,449,852	2,449,852		332,387	332,387
	720,879	720,879			
	<u>3,187,001</u>	<u>3,187,001</u>		<u>333,894</u>	<u>333,894</u>
4,721,962	683,345	4,038,617	377,647	220,482	157,165
<u>4,721,962</u>	<u>683,345</u>	<u>4,038,617</u>	<u>377,647</u>	<u>220,482</u>	<u>157,165</u>
<u>(4,721,962)</u>	<u>2,503,656</u>	<u>7,225,618</u>	<u>(377,647)</u>	<u>113,412</u>	<u>491,059</u>
<u>(4,721,962)</u>	<u>2,503,656</u>	<u>7,225,618</u>	<u>(377,647)</u>	<u>113,412</u>	<u>491,059</u>
	1,432,172	1,432,172		129,100	129,100
<u>\$ (4,721,962)</u>	<u>\$ 3,935,828</u>	<u>\$ 8,657,790</u>	<u>\$ (377,647)</u>	<u>\$ 242,512</u>	<u>\$ 620,159</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 33,935	\$ 33,935
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	20,000,000	15,918,540	4,081,460
Expenditures:			
Current -			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay	19,500,000	15,743,444	3,756,556
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs	500,000	175,096	324,904
Total expenditures	20,000,000	15,918,540	4,081,460
Excess (deficiency) of revenues over expenditures	(20,000,000)	(15,884,605)	4,115,395
Other financing sources (uses):			
Transfers in			
Transfers out		(382,257)	(382,257)
Issuance of school improvement bonds		10,000,000	10,000,000
Premium on sale of bonds		492,016	492,016
Total other financing sources (uses):	(20,000,000)	10,109,759	10,109,759
Changes in fund balances	(20,000,000)	(5,774,846)	14,225,154
Fund balances, beginning of year		8,118,145	8,118,145
Fund balances (deficits), end of year	\$ (20,000,000)	\$ 2,343,299	\$ 22,343,299

Gifts and Donations - Capital

Energy and Water Savings

Gifts and Donations - Capital			Energy and Water Savings		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 28	\$ 28	\$	\$ 258,361	\$ 258,361
				180,086	180,086
	28	28		438,447	438,447
			15,158	13,351	1,807
			553,280	553,280	
			350,313	350,313	
			918,751	916,944	1,807
	28	28	(918,751)	(478,497)	440,254
				345,785	345,785
				345,785	345,785
	28	28	(918,751)	(132,712)	786,039
	6,605	6,605		132,712	132,712
\$	\$ 6,633	\$ 6,633	\$ (918,751)	\$	\$ 918,751

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Building Renewal		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures			
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses):			
Changes in fund balances			
Fund balances, beginning of year		263	263
Fund balances (deficits), end of year	\$	\$ 263	\$ 263

Building Renewal Grant			New School Facilities		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 5	\$ 5	\$	\$	\$
	273,073	273,073			
	<u>273,078</u>	<u>273,078</u>			
1,521,728	275,581	1,246,147			
<u>1,521,728</u>	<u>275,581</u>	<u>1,246,147</u>			
<u>(1,521,728)</u>	<u>(2,503)</u>	<u>1,519,225</u>			
<u>(1,521,728)</u>	<u>(2,503)</u>	<u>1,519,225</u>			
	4	4		8	8
<u>\$ (1,521,728)</u>	<u>\$ (2,499)</u>	<u>\$ 1,519,229</u>	<u>\$</u>	<u>\$ 8</u>	<u>\$ 8</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 321,038	\$ 321,038
Property taxes		2,782,239	2,782,239
State aid and grants		993,952	993,952
Federal aid, grants and reimbursements		180,086	180,086
Total revenues		<u>4,277,315</u>	<u>4,277,315</u>
Expenditures:			
Current -			
Operation and maintenance of plant services	10,000	1,525	8,475
Student transportation services	40,000	9,658	30,342
Capital outlay	26,136,495	16,936,203	9,200,292
Debt service -			
Principal retirement	553,280	553,280	
Interest and fiscal charges	350,313	350,313	
Bond issuance costs	500,000	175,096	324,904
Total expenditures	<u>27,590,088</u>	<u>18,026,075</u>	<u>9,564,013</u>
Excess (deficiency) of revenues over expenditures	<u>(27,590,088)</u>	<u>(13,748,760)</u>	<u>13,841,328</u>
Other financing sources (uses):			
Transfers in		345,785	345,785
Transfers out		(382,257)	(382,257)
Issuance of school improvement bonds		10,000,000	10,000,000
Premium on sale of bonds		492,016	492,016
Total other financing sources (uses):		<u>10,455,544</u>	<u>10,455,544</u>
Changes in fund balances	<u>(27,590,088)</u>	<u>(3,293,216)</u>	<u>24,296,872</u>
Fund balances, beginning of year		9,948,274	9,948,274
Fund balances (deficits), end of year	<u>\$ (27,590,088)</u>	<u>\$ 6,655,058</u>	<u>\$ 34,245,146</u>

AGENCY FUNDS

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

Employee Insurance - to account for withholdings held temporarily by the District as an agent before the monies are remitted to the appropriate entities.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2017**

	Student Activities	Employee Insurance	Totals
<u>ASSETS</u>			
Cash and investments	\$ 235,941	\$ 2,653,481	\$ 2,889,422
Total assets	\$ 235,941	\$ 2,653,481	\$ 2,889,422
 <u>LIABILITIES</u>			
Deposits held for others	\$	\$ 2,653,481	\$ 2,653,481
Due to student groups	235,941		235,941
Total liabilities	\$ 235,941	\$ 2,653,481	\$ 2,889,422

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
YEAR ENDED JUNE 30, 2017

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 169,209	\$ 630,415	\$ 563,683	\$ 235,941
Total assets	<u>\$ 169,209</u>	<u>\$ 630,415</u>	<u>\$ 563,683</u>	<u>\$ 235,941</u>
<u>Liabilities</u>				
Due to student groups	\$ 169,209	\$ 630,415	\$ 563,683	\$ 235,941
Total liabilities	<u>\$ 169,209</u>	<u>\$ 630,415</u>	<u>\$ 563,683</u>	<u>\$ 235,941</u>
<u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 2,696,463	\$ 3,836,817	\$ 3,879,799	\$ 2,653,481
Total assets	<u>\$ 2,696,463</u>	<u>\$ 3,836,817</u>	<u>\$ 3,879,799</u>	<u>\$ 2,653,481</u>
<u>Liabilities</u>				
Deposits held for others	\$ 2,696,463	\$ 3,836,817	\$ 3,879,799	\$ 2,653,481
Total liabilities	<u>\$ 2,696,463</u>	<u>\$ 3,836,817</u>	<u>\$ 3,879,799</u>	<u>\$ 2,653,481</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 2,865,672	\$ 4,467,232	\$ 4,443,482	\$ 2,889,422
Total assets	<u>\$ 2,865,672</u>	<u>\$ 4,467,232</u>	<u>\$ 4,443,482</u>	<u>\$ 2,889,422</u>
<u>Liabilities</u>				
Deposits held for others	\$ 2,696,463	\$ 3,836,817	\$ 3,879,799	\$ 2,653,481
Due to student groups	169,209	630,415	563,683	235,941
Total liabilities	<u>\$ 2,865,672</u>	<u>\$ 4,467,232</u>	<u>\$ 4,443,482</u>	<u>\$ 2,889,422</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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 79,996,505	\$ 82,033,389	\$ 84,788,379	\$ 85,689,325	\$ 87,340,508
Restricted	9,801,112	6,769,042	5,812,548	12,257,340	4,619,247
Unrestricted	(29,355,827)	(28,820,713)	(27,192,271)	6,151,768	10,440,823
Total net position	\$ 60,441,790	\$ 59,981,718	\$ 63,408,656	\$ 104,098,433	\$ 102,400,578
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Position:					
Net investment in capital assets	\$ 86,565,632	\$ 81,392,706	\$ 82,695,319	\$ 83,899,258	\$ 76,743,730
Restricted	7,026,159	8,697,770	6,914,046	6,826,450	6,800,174
Unrestricted	11,851,487	13,991,000	16,917,449	9,855,686	14,912,053
Total net position	\$ 105,443,278	\$ 104,081,476	\$ 106,526,814	\$ 100,581,394	\$ 98,455,957

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Instruction	\$ 25,354,195	\$ 24,719,918	\$ 24,539,091	\$ 24,083,445	\$ 24,402,957
Support services - students and staff	5,102,509	5,179,743	5,385,973	5,545,312	5,519,931
Support services - administration	4,579,811	4,912,201	4,253,191	4,075,563	3,868,766
Operation and maintenance of plant services	4,651,505	4,785,193	4,886,525	5,305,320	5,084,398
Student transportation services	3,020,216	3,098,569	2,872,223	2,847,787	2,985,503
Operation of non-instructional services	3,421,557	3,595,918	3,631,070	3,369,983	3,162,555
Interest on long-term debt	1,558,707	1,394,888	846,350	926,059	1,006,517
Total expenses	<u>47,688,500</u>	<u>47,686,430</u>	<u>46,414,423</u>	<u>46,153,469</u>	<u>46,030,627</u>
Program Revenues					
Charges for services:					
Instruction	900,201	900,290	1,001,878	1,433,699	1,809,580
Operation of non-instructional services	3,164,337	3,107,514	3,162,850	2,936,880	2,944,027
Other activities	302,425	406,508	105,294	214,835	443,324
Operating grants and contributions	3,295,729	3,186,730	3,416,831	2,651,294	2,705,693
Capital grants and contributions	507,076	2,109,087	384,423	110,830	211,063
Total program revenues	<u>8,169,768</u>	<u>9,710,129</u>	<u>8,071,276</u>	<u>7,347,538</u>	<u>8,113,687</u>
Net (Expense)/Revenue	<u><u>\$ (39,518,732)</u></u>	<u><u>\$ (37,976,301)</u></u>	<u><u>\$ (38,343,147)</u></u>	<u><u>\$ (38,805,931)</u></u>	<u><u>\$ (37,916,940)</u></u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Instruction	\$ 22,609,472	\$ 27,258,529	\$ 24,218,697	\$ 25,554,479	\$ 26,172,038
Support services - students and staff	5,270,036	5,526,270	4,610,392	5,378,073	5,804,590
Support services - administration	5,671,842	2,569,937	3,994,509	4,270,244	4,567,274
Operation and maintenance of plant services	4,724,547	6,092,260	5,321,697	5,332,736	5,130,171
Student transportation services	2,769,862	3,355,883	2,650,721	2,860,786	2,670,253
Operation of non-instructional services	3,362,694	3,588,770	3,715,304	5,123,549	5,237,479
Interest on long-term debt	1,061,841	806,300	908,053	1,121,003	1,428,239
Total expenses	<u>45,470,294</u>	<u>49,197,949</u>	<u>45,419,373</u>	<u>49,640,870</u>	<u>51,010,044</u>
Program Revenues					
Charges for services:					
Instruction	1,408,395	1,587,002	1,614,694	25,825	16,391
Operation of non-instructional services	2,969,077	3,039,572	2,910,151	4,559,814	4,595,806
Other activities	440,805	140,580	237,268	258,392	246,915
Operating grants and contributions	2,959,398	3,745,223	3,004,844	2,734,467	2,506,379
Capital grants and contributions	311,128	470,124	203,173	141,256	74,818
Total program revenues	<u>8,088,803</u>	<u>8,982,501</u>	<u>7,970,130</u>	<u>7,719,754</u>	<u>7,440,309</u>
Net (Expense)/Revenue	<u>\$ (37,381,491)</u>	<u>\$ (40,215,448)</u>	<u>\$ (37,449,243)</u>	<u>\$ (41,921,116)</u>	<u>\$ (43,569,735)</u>

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

(Concluded)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (39,518,732)	\$ (37,976,301)	\$ (38,343,147)	\$ (38,805,931)	\$ (37,916,940)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	22,695,363	20,415,381	26,009,058	23,245,478	23,878,926
Property taxes, levied for debt service	4,005,756	3,116,602	1,844,559	1,820,848	1,891,924
Property taxes, levied for capital outlay	3,018,042	1,418,616		4,944,590	213,867
Investment income	123,764	158,748	93,414	84,004	91,540
Unrestricted state aid	9,986,017	9,319,335	9,291,807	9,418,340	8,671,356
Unrestricted federal aid	149,862	120,681	70,303	76,156	126,627
Special item:					
Gain of sale on land				914,370	
Total general revenues and special item	<u>39,978,804</u>	<u>34,549,363</u>	<u>37,309,141</u>	<u>40,503,786</u>	<u>34,874,240</u>
Changes in Net Position	<u>\$ 460,072</u>	<u>\$ (3,426,938)</u>	<u>\$ (1,034,006)</u>	<u>\$ 1,697,855</u>	<u>\$ (3,042,700)</u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (37,381,491)	\$ (40,215,448)	\$ (37,449,243)	\$ (41,921,116)	\$ (43,569,735)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	22,195,393	24,844,302	30,756,300	30,360,104	27,153,387
Property taxes, levied for debt service	1,767,767	687,777	870,876	1,890,045	11,539,887
Property taxes, levied for capital outlay	470,542	2,441,772	1,588,644	1,266,855	1,291,269
Investment income	135,756	282,423	322,325	857,957	1,365,090
Unrestricted state aid	14,019,011	9,425,595	8,835,126	9,671,592	10,224,058
Unrestricted federal aid	154,824	88,241	1,021,392		
Total general revenues	<u>38,743,293</u>	<u>37,770,110</u>	<u>43,394,663</u>	<u>44,046,553</u>	<u>51,573,691</u>
Changes in Net Position	<u>\$ 1,361,802</u>	<u>\$ (2,445,338)</u>	<u>\$ 5,945,420</u>	<u>\$ 2,125,437</u>	<u>\$ 8,003,956</u>

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

Notes: The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2007-08 through 2008-09.

(Concluded)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nonspendable	\$ 751,620	\$ 669,428	\$ 737,513	\$ 786,540	\$ 816,049
Unassigned	3,034,869	3,748,630	4,945,744	483,980	3,241,699
Total General Fund	\$ 3,786,489	\$ 4,418,058	\$ 5,683,257	\$ 1,270,520	\$ 4,057,748
All Other Governmental Funds:					
Nonspendable	\$ 19,033	\$ 22,651	\$ 23,795	\$ 10,082	\$ 25,140
Restricted	11,650,318	14,611,808	29,339,413	21,275,225	14,810,771
Unassigned	(2,499)				(9,571)
Total all other governmental funds	\$ 11,666,852	\$ 14,634,459	\$ 29,363,208	\$ 21,285,307	\$ 14,826,340

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nonspendable	\$ 2,054,180	\$ 2,028,127	\$	\$	\$
Unassigned	3,930,470	7,003,866			
Reserved			943,229	246,551	207,064
Unreserved			5,225,465	1,189,467	(160,139)
Total General Fund	<u>\$ 5,984,650</u>	<u>\$ 9,031,993</u>	<u>\$ 6,168,694</u>	<u>\$ 1,436,018</u>	<u>\$ 46,925</u>
All Other Governmental Funds:					
Nonspendable	\$ 22,605	\$ 10,635	\$	\$	\$
Restricted	17,156,740	23,442,833			
Unassigned	(58,038)	(11,032)			
Reserved			11,240	16,842	16,461
Unreserved, reported in:					
Special revenue funds			3,360,910	2,842,154	3,663,349
Capital projects funds			18,359,276	17,256,173	17,239,361
Debt service fund			1,285,697	3,325,368	3,719,082
Total all other governmental funds	<u>\$ 17,121,307</u>	<u>\$ 23,442,436</u>	<u>\$ 23,017,123</u>	<u>\$ 23,440,537</u>	<u>\$ 24,638,253</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)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 1,631,627	\$ 1,757,760	\$ 1,829,311	\$ 1,680,750	\$ 1,907,464
Education Jobs					42,576
National School Lunch Program	375,842	371,686	346,734	373,130	335,646
Total federal sources	<u>2,007,469</u>	<u>2,129,446</u>	<u>2,176,045</u>	<u>2,053,880</u>	<u>2,285,686</u>
State sources:					
State equalization assistance	7,705,512	7,078,331	7,137,986	7,260,464	6,276,607
State grants	233,136	227,318	234,141	226,635	236,203
School Facilities Board	273,073	2,077,408	138,288	10,759	502,253
Other revenues	2,280,505	2,241,004	2,153,821	2,157,876	1,892,496
Total state sources	<u>10,492,226</u>	<u>11,624,061</u>	<u>9,664,236</u>	<u>9,655,734</u>	<u>8,907,559</u>
Local sources:					
Property taxes	29,859,372	27,352,866	28,023,207	29,200,643	25,615,021
Food service sales	1,198,157	1,291,412	1,283,892	1,208,929	1,216,766
Investment income	123,759	158,748	93,414	200,275	91,540
Other revenues	4,655,252	4,128,078	4,340,061	3,706,068	4,566,129
Total local sources	<u>35,836,540</u>	<u>32,931,104</u>	<u>33,740,574</u>	<u>34,315,915</u>	<u>31,489,456</u>
Total revenues	<u><u>\$ 48,336,235</u></u>	<u><u>\$ 46,684,611</u></u>	<u><u>\$ 45,580,855</u></u>	<u><u>\$ 46,025,529</u></u>	<u><u>\$ 42,682,701</u></u>

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 2,523,625	\$ 2,200,696	\$ 2,096,599	\$ 1,561,990	\$ 1,621,704
State Fiscal Stabilization (ARRA)		88,421	1,021,392		
Education Jobs		1,137,722			
National School Lunch Program	355,380	341,867	341,383	243,156	200,015
Total federal sources	<u>2,879,005</u>	<u>3,768,706</u>	<u>3,459,374</u>	<u>1,805,146</u>	<u>1,821,719</u>
State sources:					
State equalization assistance	6,790,404	8,224,807	7,495,936	7,055,819	7,096,055
State grants	269,092	206,318	349,514	687,585	488,498
School Facilities Board	5,404,944	18,465	76,362		156,903
Other revenues	1,683,552	1,509,760	1,629,730	1,930,412	3,021,674
Total state sources	<u>14,147,992</u>	<u>9,959,350</u>	<u>9,551,542</u>	<u>9,673,816</u>	<u>10,763,130</u>
Local sources:					
Property taxes	24,359,425	28,319,662	31,035,587	31,623,925	39,523,769
Food service sales	1,204,436	1,360,349	1,344,519	1,461,798	1,433,947
Investment income	133,569	288,126	322,325	859,713	1,365,983
Other revenues	3,968,922	3,736,000	3,821,017	3,706,761	3,694,447
Total local sources	<u>29,666,352</u>	<u>33,704,137</u>	<u>36,523,448</u>	<u>37,652,197</u>	<u>46,018,146</u>
Total revenues	<u>\$ 46,693,349</u>	<u>\$ 47,432,193</u>	<u>\$ 49,534,364</u>	<u>\$ 49,131,159</u>	<u>\$ 58,602,995</u>

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

(Concluded)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 20,358,812	\$ 19,602,676	\$ 19,986,473	\$ 19,956,474	\$ 19,309,760
Support services - students and staff	4,977,809	4,929,002	5,226,143	5,309,677	5,085,447
Support services - administration	4,442,962	4,479,484	3,953,603	3,724,938	3,498,506
Operation and maintenance of plant services	4,540,445	4,510,804	4,648,657	5,034,582	4,906,431
Student transportation services	2,490,763	2,493,891	2,448,312	2,518,723	2,450,771
Operation of non-instructional services	3,322,360	3,506,861	3,454,690	3,211,608	3,026,254
Capital outlay	17,329,883	20,016,232	10,245,661	4,689,365	4,659,288
Debt service -					
Interest and fiscal charges	1,679,591	1,479,970	868,266	926,059	1,006,517
Principal retirement	3,188,280	3,079,010	2,890,811	1,687,166	1,726,000
Bond issuance costs	175,096		477,018		
Total expenditures	<u>\$ 62,506,001</u>	<u>\$ 64,097,930</u>	<u>\$ 54,199,634</u>	<u>\$ 47,058,592</u>	<u>\$ 45,668,974</u>
Expenditures for capitalized assets	\$ 15,490,030	\$ 17,445,394	\$ 9,263,742	\$ 3,359,683	\$ 2,688,108
Debt service as a percentage of noncapital expenditures	11%	10%	9%	6%	6%

(Continued)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:					
Current -					
Instruction	\$ 20,127,052	\$ 22,690,299	\$ 20,848,688	\$ 22,267,546	\$ 22,719,991
Support services - students and staff	5,292,987	5,126,342	4,638,348	5,327,745	5,711,886
Support services - administration	3,865,296	4,176,561	3,812,313	3,767,994	3,996,180
Operation and maintenance of plant services	5,065,308	5,414,750	5,689,178	5,197,839	5,039,423
Student transportation services	2,468,730	2,763,286	2,368,863	2,356,392	2,335,010
Operation of non-instructional services	3,306,450	3,307,130	3,381,642	4,774,262	4,929,451
Capital outlay	13,722,180	5,046,206	2,019,093	1,834,314	3,070,947
Debt service -					
Interest and fiscal charges	1,061,841	806,300	908,053	1,121,003	1,428,239
Principal retirement	1,190,000	1,085,000	2,250,000	2,242,292	10,589,387
Bond issuance costs					
Total expenditures	<u>\$ 56,099,844</u>	<u>\$ 50,415,874</u>	<u>\$ 45,916,178</u>	<u>\$ 48,889,387</u>	<u>\$ 59,820,514</u>
Expenditures for capitalized assets	\$ 12,339,474	\$ 2,786,695	\$ 1,059,912	\$ 621,681	\$ 1,334,792
Debt service as a percentage of noncapital expenditures	5%	4%	7%	7%	21%

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

(Concluded)

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (14,169,766)	\$ (17,413,319)	\$ (8,618,779)	\$ (1,033,063)	\$ (2,986,273)
Other financing sources (uses):					
General obligation bonds issued	10,000,000		20,000,000		
Issuance of refunding bonds			11,125,000		
Premium on sale of bonds	492,016		1,851,969		
Capital lease agreements		1,488,600		3,834,999	
Transfers in	801,582	755,746	3,461,409	1,788,048	688,461
Transfers out	(801,582)	(755,746)	(3,461,409)	(1,788,048)	(688,461)
Proceeds from sale of capital asset				914,370	
Payment to refunded bond escrow agent			(11,832,238)		
Total other financing sources (uses)	<u>10,492,016</u>	<u>1,488,600</u>	<u>21,144,731</u>	<u>4,749,369</u>	
Changes in fund balances	<u>\$ (3,677,750)</u>	<u>\$ (15,924,719)</u>	<u>\$ 12,525,952</u>	<u>\$ 3,716,306</u>	<u>\$ (2,986,273)</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (9,406,495)	\$ (2,983,681)	\$ 3,618,186	\$ 241,772	\$ (1,217,519)
Other financing sources (uses):					
Capital lease agreements		5,188,000			
Transfers in	151,699	134,447	165,512	337,246	549,495
Transfers out	(151,699)	(134,447)	(165,512)	(337,246)	(549,495)
Total other financing sources (uses)	<u> </u>	<u>5,188,000</u>	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>\$ (9,406,495)</u>	<u>\$ 2,204,319</u>	<u>\$ 3,618,186</u>	<u>\$ 241,772</u>	<u>\$ (1,217,519)</u>

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 123,708,109	\$ 124,776,268	\$ 128,377,990	\$ 129,589,031	\$ 148,541,165
Agricultural and Vacant	153,262,824	163,905,871	167,369,418	168,124,347	207,142,253
Residential (Owner Occupied)	970,466,650	942,125,521	941,931,021	972,673,961	1,204,211,137
Residential (Rental)	<u>532,397,173</u>	<u>476,027,308</u>	<u>388,267,882</u>	<u>291,595,722</u>	<u>56,081,436</u>
Total	<u>\$ 1,779,834,756</u>	<u>\$ 1,706,834,968</u>	<u>\$ 1,625,946,311</u>	<u>\$ 1,561,983,061</u>	<u>\$ 1,615,975,991</u>
Gross Full Cash Value	\$ 20,513,402,107	\$ 18,884,344,307	\$ 16,122,265,355	\$ 15,070,782,027	\$ 15,513,735,011
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8.68%	9.04%	10.09%	10.36%	10.42%
Total Direct Rate	2.41	2.36	2.35	2.36	1.98

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 161,806,837	\$ 193,700,776	\$ 184,884,114	\$ 174,373,153	\$ 140,859,175
Agricultural and Vacant	304,082,380	468,547,673	480,214,688	415,305,541	274,946,316
Residential (Owner Occupied)	1,280,523,293	1,579,253,405	1,661,516,032	1,478,422,716	1,011,117,089
Residential (Rental)	<u>61,756,765</u>	<u>71,960,350</u>	<u>68,081,955</u>	<u>60,480,107</u>	<u>46,938,124</u>
Total	<u>\$ 1,808,169,275</u>	<u>\$ 2,313,462,204</u>	<u>\$ 2,394,696,789</u>	<u>\$ 2,128,581,517</u>	<u>\$ 1,473,860,704</u>
Gross Full Cash Value	\$ 16,848,581,775	\$ 22,100,245,210	\$ 25,943,331,475	\$ 25,433,321,027	\$ 17,096,143,785
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10.73%	10.47%	9.23%	8.37%	8.62%
Total Direct Rate	1.69	1.58	1.77	1.90	2.40

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 the 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.

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commerical, Industrial, Utilities and Mining	\$ 135,685,025	\$ 129,630,944	\$ 130,170,349	\$ 129,774,897	\$ 148,735,143
Agricultural and Vacant	263,993,119	248,598,294	191,468,121	182,799,970	211,706,707
Residential (Owner Occupied)	1,113,275,646	1,057,299,717	964,394,201	974,832,815	1,206,087,128
Residential (Rental)	<u>607,471,814</u>	<u>531,526,095</u>	<u>399,273,186</u>	<u>292,071,068</u>	<u>56,161,567</u>
Total	<u>\$ 2,120,425,604</u>	<u>\$ 1,967,055,050</u>	<u>\$ 1,685,305,857</u>	<u>\$ 1,579,478,750</u>	<u>\$ 1,622,690,545</u>
Gross Full Cash Value	\$ 20,513,402,107	\$ 18,884,344,307	\$ 16,122,265,355	\$ 15,070,782,027	\$ 15,513,735,011
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.34%	10.42%	10.45%	10.48%	10.46%
Estimated Net Full Cash Value	\$ 2,120,425,604	\$ 1,967,055,050	\$ 1,685,305,857	\$ 1,579,478,750	\$ 1,622,690,545
Total Direct Rate	2.41	2.36	2.35	2.36	1.98

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commerical, Industrial, Utilities and Mining	\$ 162,670,323	\$ 217,271,880	\$ 225,518,934	\$ 210,164,471	\$ 162,388,761
Agricultural and Vacant	312,529,276	548,998,306	730,773,303	625,909,916	381,516,356
Residential (Owner Occupied)	1,282,114,979	1,595,525,926	1,845,108,603	1,879,318,907	1,295,074,392
Residential (Rental)	<u>61,877,244</u>	<u>73,744,535</u>	<u>78,869,001</u>	<u>80,554,238</u>	<u>68,069,251</u>
Total	<u>\$ 1,819,191,822</u>	<u>\$ 2,435,540,647</u>	<u>\$ 2,880,269,841</u>	<u>\$ 2,795,947,532</u>	<u>\$ 1,907,048,760</u>
Gross Full Cash Value	\$ 16,848,581,775	\$ 22,100,245,210	\$ 25,943,331,475	\$ 25,433,321,027	\$ 17,096,143,785
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.80%	11.02%	11.10%	10.99%	11.15%
Estimated Net Full Cash Value	\$ 1,819,191,822	\$ 2,435,540,647	\$ 2,880,269,841	\$ 2,795,947,532	\$ 1,907,048,760
Total Direct Rate	1.69	1.58	1.77	1.90	2.40

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 the 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.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	20 %	21 %	22 %	23 %	24 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	17	18	20	21

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

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates									District Direct Rates		
	State Equalization	County	Tatum Ranch Community Facilities District	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Scottsdale	Primary	Secondary	Total	
	2017	0.50	1.40		0.18	1.47	0.14	2.17	1.13	2.18	0.23	2.41
2016	0.51	1.36	0.37	0.16	1.49	0.14	1.82	1.15	2.18	0.18	2.36	
2015	0.51	1.32	1.04	0.14	1.52	0.14	1.82	1.24	2.24	0.11	2.35	
2014	0.51	1.28	1.04	0.14	1.53	0.14	1.82	1.29	2.18	0.18	2.36	
2013	0.47	1.24	0.63	0.18	1.38	0.10	1.82	1.23	1.74	0.24	1.98	
2012	0.43	1.24	0.63	0.18	1.21	0.10	1.82	1.09	1.41	0.28	1.69	
2011	0.36	1.05	0.63	0.15	0.97	0.10	1.82	0.90	1.40	0.18	1.58	
2010	0.33	0.99	0.63	0.14	0.88	0.10	1.82	0.74	1.60	0.17	1.77	
2009	0.00	1.03	0.63	0.14	0.94	0.10	1.82	0.79	1.69	0.21	1.90	
2008	0.00	1.10	0.71	0.15	0.15	0.10	1.82	0.79	1.75	0.65	2.40	

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2017</u>		<u>2008</u>		
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>	
Arizona Public Service Company	\$ 16,550,732	0.93	%	\$ 15,489,477	0.81 %
CP Boulders LLC	9,234,990	0.52			
SHR FSST LLC	7,863,030	0.44			
Southwest Gas Corporation	5,365,037	0.30		6,222,241	0.33
Desert Mountain Club Inc	5,067,932	0.28			
WRI Summit REIT LP	4,275,813	0.24			
HCA/KB LMS/GCCI/MPI/SPI/KB LMS II LLC	3,379,607	0.19			
Lone Moutnain AA LLC	2,855,922	0.16			
Scottsdale National Golf Club LLC	2,663,064	0.15			
Whitestone Terravita Marketplace LLC	2,383,038	0.13			
Boulders Joint Venture				17,601,325	0.92
Desert Mountain Properties				16,991,036	0.89
PR Hotel LLC				8,211,880	0.43
Donahue Schriber Realty Group LP				6,365,942	0.33
Arizona State Land Department				5,705,700	0.30
Century Link				4,446,131	0.23
Bethany Terravita LLC/Wilshire Selby				3,911,042	0.21
PR Resort Club LLC				3,810,166	0.20
Total	<u>\$ 59,639,165</u>	<u>3.35</u> %		<u>\$ 88,754,940</u>	<u>4.65</u> %

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

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2017	\$ 37,465,040	\$ 34,500,219	92.09 %	\$	\$ 34,500,219	92.09 %
2016	34,148,187	33,609,091	98.42	471,642	34,080,733	99.80
2015	35,103,893	32,134,883	91.54	2,961,023	35,095,906	99.98
2014	36,888,261	33,829,532	91.71	3,049,643	36,879,175	99.98
2013	31,838,024	29,299,375	92.03	2,531,894	31,831,269	99.98
2012	30,677,099	28,018,145	91.33	2,658,798	30,676,943	100.00
2011	36,772,529	34,356,950	93.43	1,745,749	36,102,699	98.18
2010	39,132,503	33,472,334	85.54	5,658,267	39,130,601	100.00
2009	39,698,231	35,676,380	89.87	1,387,542	37,063,922	93.36
2008	47,329,890	44,882,870	94.83	1,815,550	46,698,420	98.67

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.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
2017	\$ 41,558,357	\$ 737,011	\$ 40,821,346	0.20 %	\$ 665	\$ 7,035,332	\$ 48,593,689	0.24 %	\$ 777	N/A %	
2016	32,285,000	289,873	31,995,127	0.17	526	7,588,612	39,873,612	0.21	649	0.02	
2015	33,750,000	844,664	32,905,336	0.20	568	6,569,022	40,319,022	0.25	679	0.02	
2014	14,975,000	207,463	14,767,537	0.10	252	7,994,833	22,969,833	0.15	387	0.02	
2013	16,175,000	213,406	15,961,594	0.10	286	4,622,000	20,797,000	0.13	367	0.01	
2012	17,325,000	172,981	17,152,019	0.10	312	5,148,000	22,473,000	0.13	404	0.02	
2011	18,410,000	238,406	18,171,594	0.08	338	5,188,000	23,598,000	0.11	434	0.02	
2010	20,660,000	2,250,000	18,410,000	0.07	383		20,660,000	0.08	383	0.01	
2009	22,795,000	2,135,000	20,660,000	0.08	412		22,795,000	0.09	412	0.02	
2008	33,075,000	10,280,000	22,795,000	0.13	606	107,792	33,182,792	0.19	608	0.03	

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

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 534,225,000	4.80 %	\$ 25,642,800
Maricopa County Special Health Care District	106,000,000	4.93	5,225,800
City of Phoenix	1,336,715,000	1.92	25,664,928
City of Scottsdale	551,515,000	20.55	113,336,333
Subtotal, Overlapping Debt			<u>169,869,861</u>
Direct:			
Cave Creek Unified School District No. 93			<u>48,593,689</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 218,463,550</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		2.29 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 3,371	
As a Percentage of Net Limited Assessed Valuation		11.84 %
As a Percentage of Gross Full Cash Value		1.03 %

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

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2017:

Net full cash assessed valuation	\$ 2,120,425,604
Debt limit (20% of assessed value)	424,085,121
Debt applicable to limit	<u>39,675,000</u>
Legal debt margin	<u><u>\$ 384,410,121</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2017:

Net Full Cash assessed valuation	\$ 2,120,425,604
Debt limit (30% of assessed value)	636,127,681
Debt applicable to limit	<u>39,675,000</u>
Legal debt margin	<u><u>\$ 596,452,681</u></u>

Fiscal Year Ended June 30

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 636,127,681	\$ 512,050,490	\$ 505,591,757	\$ 473,843,625	\$ 484,792,797
Total net debt applicable to limit	<u>39,675,000</u>	<u>32,285,000</u>	<u>33,750,000</u>	<u>14,975,000</u>	<u>16,175,000</u>
Legal debt margin	<u><u>\$ 596,452,681</u></u>	<u><u>\$ 479,765,490</u></u>	<u><u>\$ 471,841,757</u></u>	<u><u>\$ 458,868,625</u></u>	<u><u>\$ 468,617,797</u></u>
Total net debt applicable to the limit as a percentage of debt limit	6%	6%	7%	3%	3%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$ 545,757,547	\$ 730,662,194	\$ 864,080,952	\$ 838,784,260	\$ 572,114,628
Total net debt applicable to limit	<u>17,325,000</u>	<u>18,410,000</u>	<u>20,660,000</u>	<u>22,795,000</u>	<u>33,075,000</u>
Legal debt margin	<u><u>\$ 528,432,547</u></u>	<u><u>\$ 712,252,194</u></u>	<u><u>\$ 843,420,952</u></u>	<u><u>\$ 815,989,260</u></u>	<u><u>\$ 539,039,628</u></u>
Total net debt applicable to the limit as a percentage of debt limit	3%	3%	2%	3%	6%

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

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2016	4,137,076	\$ 185,111,698	\$ 43,628	4.5 %	62,506
2015	4,087,191	175,437,829	42,092	5.5	61,401
2014	4,008,651	168,483,421	41,222	5.1	59,379
2013	4,009,412	147,700,000	27,552	6.2	59,380
2012	3,824,058	147,374,500	38,238	9.1	56,645
2011	3,843,370	142,864,275	37,352	8.4	55,616
2010	3,817,117	142,091,618	35,319	8.5	54,400
2009	4,023,331	147,122,078	37,168	8.3	54,000
2008	3,987,942	139,665,253	36,135	4.9	55,285
2007	3,907,492	132,423,154	35,046	3.2	54,570

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2007 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2016, the source of the information is the Arizona Office of Employment and Population Statistics.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	36,310	1.89 %	34,600	1.90 %
Banner Health Systems	34,776	1.81	16,000	0.90
Wal-Mart Stores Inc.	34,090	1.78	29,500	1.60
Wells Fargo Company	14,818	0.77		
City of Phoenix	13,776	0.72	16,318	0.90
Maricopa County	12,939	0.67	13,000	0.70
Arizona State University	12,715	0.66	11,200	0.60
HonorHealth	11,296	0.59		
Dignity Health	11,182	0.58		
Intel Corp.	11,000	0.57	10,000	0.50
Honeywell			12,000	0.70
Total	<u>192,902</u>	<u>10.04 %</u>	<u>142,618</u>	<u>7.80 %</u>
Total employment	<u>1,917,500</u>		<u>1,838,500</u>	

Source: The source of this information is The Business Journal Book of Lists.

Note: Information is presented County-wide.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Supervisory					
Consultants/supervisors of instruction	7	6	6	6	7
Principals	7	7	7	7	7
Assistant principals	2	3	3	3	3
Total supervisory	<u>16</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>17</u>
Instruction					
Teachers	253	255	263	264	268
Other teachers (adult)	20	16	14	14	14
Other professionals (instructional)	23	25	30	29	30
Aides	91	93	72	75	84
Total instruction	<u>387</u>	<u>389</u>	<u>379</u>	<u>382</u>	<u>396</u>
Student Services					
Librarians	2	2	2	3	3
Transportation/Bus Drivers/Bus Aides	60	53	46	47	48
Technicians	13	13	13	13	15
Total student services	<u>75</u>	<u>68</u>	<u>61</u>	<u>63</u>	<u>66</u>
Support and Administration					
Support staff and administration	215	200	200	198	172
Total support and administration	<u>215</u>	<u>200</u>	<u>200</u>	<u>198</u>	<u>172</u>
Total	<u><u>693</u></u>	<u><u>673</u></u>	<u><u>656</u></u>	<u><u>659</u></u>	<u><u>651</u></u>

(Continued)

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Supervisory					
Consultants/supervisors of instruction	7	7	7	6	7
Principals	7	7	7	8	8
Assistant principals	3	3	3	5	5
Total supervisory	<u>17</u>	<u>17</u>	<u>17</u>	<u>19</u>	<u>20</u>
Instruction					
Teachers	284	282	298	295	307
Other teachers (adult)	18	14	16	14	16
Other professionals (instructional)	27	28	22	26	31
Aides	82	70	62	67	74
Total instruction	<u>411</u>	<u>394</u>	<u>398</u>	<u>402</u>	<u>428</u>
Student Services					
Librarians	3	3	5	8	8
Transportation/Bus Drivers/Bus Aides	49	49	44	54	55
Technicians	14	15	13	15	20
Total student services	<u>66</u>	<u>67</u>	<u>62</u>	<u>77</u>	<u>83</u>
Support and Administration					
Support staff and administration	176	205	171	163	165
Total support and administration	<u>176</u>	<u>205</u>	<u>171</u>	<u>163</u>	<u>165</u>
Total	<u><u>670</u></u>	<u><u>683</u></u>	<u><u>648</u></u>	<u><u>661</u></u>	<u><u>696</u></u>

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

(Concluded)

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2017	5,253	\$ 40,133,151	\$ 7,640	0.38 %	\$ 47,688,500	\$ 9,078	(1.14) %	253	20.8	9.0 %
2016	5,193	39,522,718	7,611	0.03	47,686,430	9,183	3.27	255	20.4	9.0
2015	5,220	39,717,878	7,609	0.44	46,414,423	8,892	1.10	263	19.8	9.0
2014	5,248	39,756,002	7,575	6.48	46,153,469	8,794	2.79	264	19.9	10.2
2013	5,380	38,277,169	7,115	(1.26)	46,030,627	8,556	4.79	268	20.1	10.5
2012	5,569	40,125,823	7,205	(7.53)	45,470,294	8,165	(7.39)	284	19.6	13.1
2011	5,580	43,478,368	7,792	7.51	49,197,949	8,817	9.12	282	19.8	12.5
2010	5,621	40,739,032	7,248	(5.12)	45,419,373	8,080	(6.89)	298	18.9	11.6
2009	5,720	43,691,778	7,638	(3.47)	49,640,870	8,678	(3.82)	295	19.4	6.8
2008	5,653	44,731,941	7,913	7.23	51,010,044	9,024	4.27	307	18.4	4.9

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

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

CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Schools</u>										
Elementary										
Buildings	33	33	41	38	38	40	40	40	40	40
Square feet	430,385	429,205	455,915	368,023	368,023	383,307	383,307	383,307	383,307	383,307
Capacity	4,349	4,349	4,349	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Enrollment	2,760	2,892	2,892	3,267	3,267	3,267	3,219	2,783	2,786	2,740
Middle										
Buildings	9	9	26	19	19	19	19	19	19	19
Square feet	210,303	210,303	214,623	214,623	214,623	214,623	214,623	214,623	214,623	214,623
Capacity	1,300	1,300	2,315	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	966	851	851	814	814	814	828	1,320	1,403	1,399
High										
Buildings	23	22	22	21	21	20	20	20	20	20
Square feet	259,366	241,239	241,239	241,430	235,439	197,047	197,047	197,047	197,047	197,047
Capacity	2,062	2,062	2,062	1,856	1,856	1,450	1,450	1,450	1,450	1,450
Enrollment	1,739	1,687	1,687	1,703	1,703	1,703	1,785	1,757	1,756	1,726
Other										
Buildings	7	6	5	8	8	5	5	5	5	5
Square feet	51,531	48,269	42,875	48,635	48,635	42,875	42,875	42,875	42,875	42,875
<u>Administrative</u>										
Buildings	2	2	2	2	2	3	3	3	3	3
Square feet	15,284	15,284	15,284	15,284	15,284	5,760	5,760	5,760	5,760	5,760
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	59	59	59	56	56	56	56	56	56	56
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	2	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	14	16	16	16	16	16	16	16	16	16
Playgrounds	12	10	10	10	10	10	10	10	10	10

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