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# CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93

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## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016



**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**

**CAVE CREEK, ARIZONA**

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

Issued by:  
Operations and Finance Department

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**

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## **INTRODUCTORY SECTION**

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December 22, 2016

Citizens and Governing Board  
Cave Creek Unified School District No. 93  
33016 North 60<sup>th</sup> 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, 2016.

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

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

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

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

## **PROFILE OF THE DISTRICT**

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade twelve, with an estimated current enrollment of 5,400 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 2015-16 the combined primary and secondary tax rate in the District has decreased 44%. 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 15<sup>th</sup> in land area. The County's 2015 population was estimated at 4,167,947 and is expected to reach over 5 million by 2030.

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 32% 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 32 years.

The District has 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 will provide a total of \$40 million in funding for capital projects and student transportation vehicles. As of July 1, 2016, approximately \$31.5 million has 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, 2015. This was the 19th 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, 2015. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

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

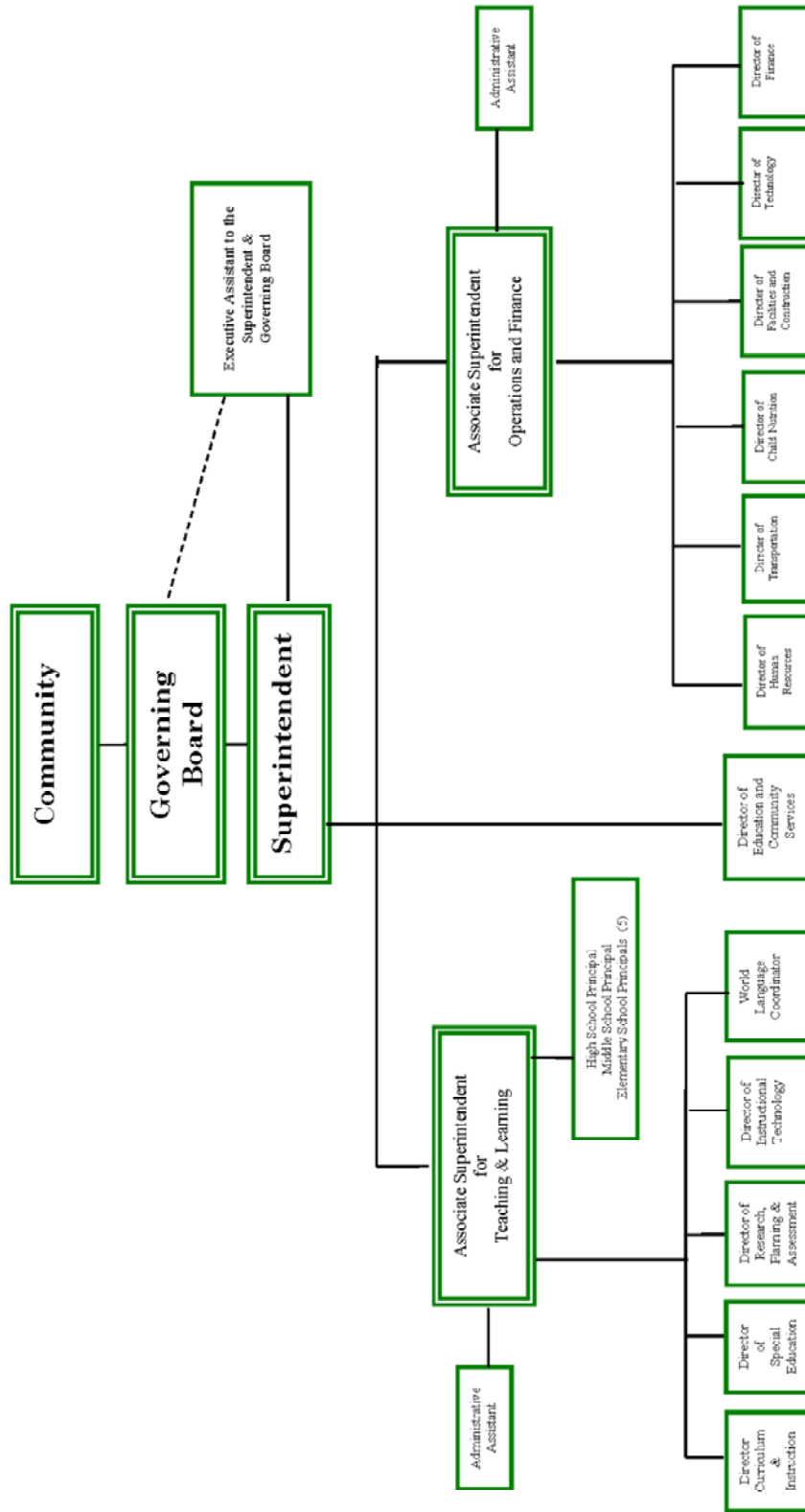


Debbi Burdick, Ed.D.  
Superintendent

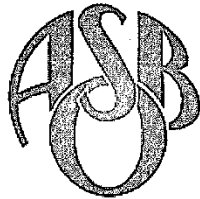


Kent Frison, Ph.D.  
Associate Superintendent of  
Operations and Finance

# Cave Creek Unified School District Organization Chart 2015-2016



Revised June 2015



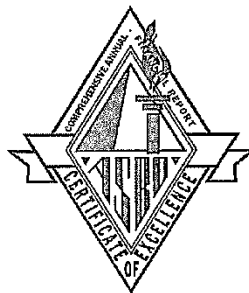
ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

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

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

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



*Brenda Burkett*

Brenda R. Burkett, CPA, CSBA, SFO  
President

*John D. Musso*

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

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

Presented to

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

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Mark Warren, President

Karen Tuffs, Vice President

Janet Busbee, Member

David Schaefer, Member

Cynthia Weiss, Member

**ADMINISTRATIVE STAFF**

Debbie Burdick, Ed.D., Superintendent

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

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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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cave Creek Unified School District No. 93, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

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

***Other Matters***

***Required Supplementary Information***

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

***Other Information***

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

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2016, 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 22, 2016

**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, 2016**

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, 2016. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities decreased \$3.4 million, which represents a five percent decrease from the prior fiscal year.
- General revenues accounted for \$34.5 million in revenue, or 78 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$9.7 million or 22 percent of total current fiscal year revenues.
- The District had approximately \$47.7 million in expenses related to governmental activities, an increase of 3 percent from the prior fiscal year.
- Among major funds, the General Fund had \$30.7 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$31.4 million in expenditures. The General Fund's fund balance decreased from \$5.7 million at the prior fiscal year end to \$4.4 million at the end of the current fiscal year which can be attributed primarily to the decrease of \$3.1 million in property tax revenues as a result of a decrease in the primary tax rate.

### **OVERVIEW OF FINANCIAL STATEMENTS**

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

**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, 2016**

**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, 2016**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

**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, fiduciary funds do not have a measurement focus.

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

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

**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 \$60.0 million at the current fiscal year end.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related 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.

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

	As of June 30, 2016	As of June 30, 2015
Current and other assets	\$ 32,004,542	\$ 48,637,969
Capital assets, net	115,376,663	102,613,031
Total assets	<u>147,381,205</u>	<u>151,251,000</u>
Deferred outflows	<u>4,561,805</u>	<u>5,901,739</u>
Current and other liabilities	6,014,088	5,373,448
Long-term liabilities	81,443,919	81,626,189
Total liabilities	<u>87,458,007</u>	<u>86,999,637</u>
Deferred inflows	<u>4,503,285</u>	<u>6,744,446</u>
Net position:		
Net investment in capital assets	82,033,389	84,788,379
Restricted	6,769,042	5,812,548
Unrestricted	(28,820,713)	(27,192,271)
Total net position	<u>\$ 59,981,718</u>	<u>\$ 63,408,656</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.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

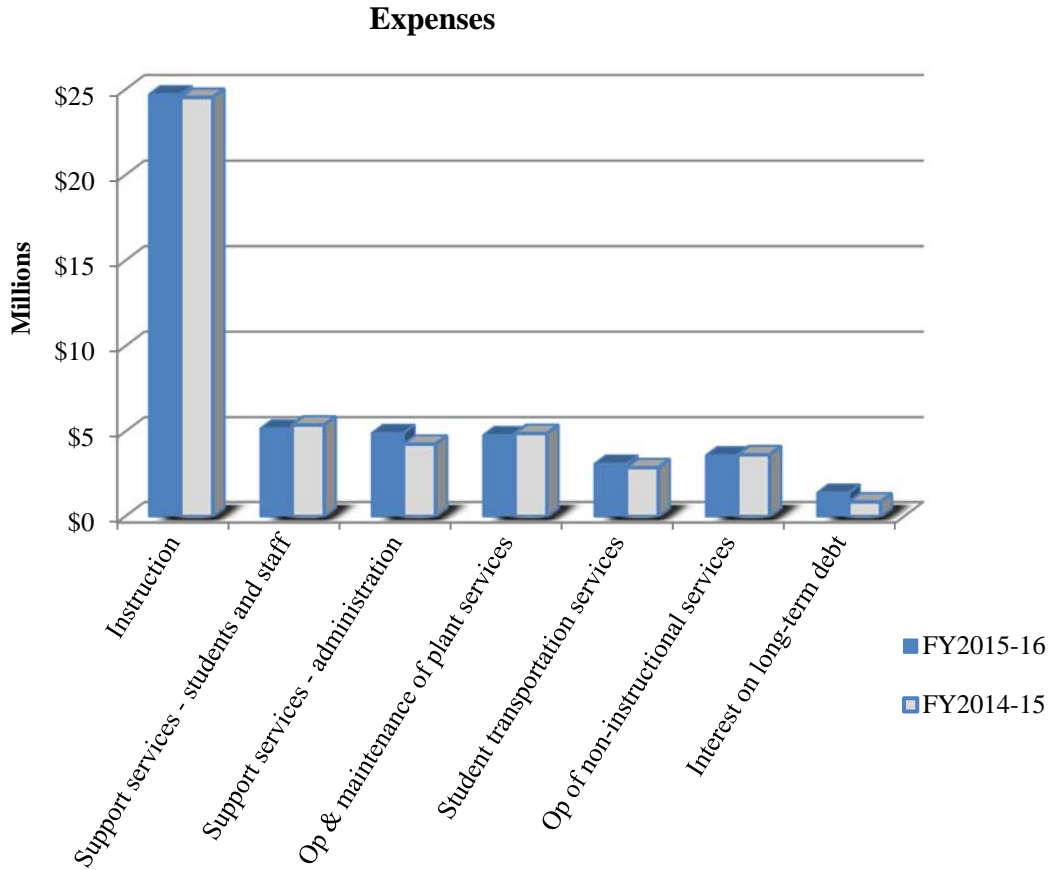
- The principal retirement of \$1.5 million of bonds.
- The addition of \$17.4 million in capital assets primarily due to land and building improvements.

**Changes in net position.** The District's total revenues for the current fiscal year were \$44.3 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, 2016 and June 30, 2015.

	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 4,414,312	\$ 4,270,022
Operating grants and contributions	3,186,730	3,416,831
Capital grants and contributions	2,109,087	384,423
General revenues:		
Property taxes	24,950,599	27,853,617
Investment income	158,748	93,414
Unrestricted state aid	9,319,335	9,291,807
Unrestricted federal aid	120,681	70,303
<b>Total revenues</b>	<b>44,259,492</b>	<b>45,380,417</b>
<b>Expenses:</b>		
Instruction	24,719,918	24,539,091
Support services – students and staff	5,179,743	5,385,973
Support services – administration	4,912,201	4,253,191
Operation and maintenance of plant services	4,785,193	4,886,525
Student transportation services	3,098,569	2,872,223
Operation of non-instructional services	3,595,918	3,631,070
Interest on long-term debt	1,394,888	846,350
<b>Total expenses</b>	<b>47,686,430</b>	<b>46,414,423</b>
<b>Changes in net position</b>	<b>(3,426,938)</b>	<b>(1,034,006)</b>
<b>Net position, beginning</b>	<b>63,408,656</b>	<b>64,442,662</b>
<b>Net position, ending</b>	<b>\$ 59,981,718</b>	<b>\$ 63,408,656</b>

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**



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

- Capital grants and contributions increased \$1.7 million due to the receipt of increased funding from the School Facilities Board building renewal grant program.
- Property taxes decreased \$2.9 million due to a decrease in the property tax levies.

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, 2016**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	Year Ended June 30, 2016		Year Ended June 30, 2015	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 24,719,918	\$ (21,624,090)	\$ 24,539,091	\$ (21,214,377)
Support services – students and staff	5,179,743	(4,736,878)	5,385,973	(4,578,934)
Support services – administration	4,912,201	(4,912,201)	4,253,191	(4,253,191)
Operation and maintenance of plant services	4,785,193	(2,287,909)	4,886,525	(4,705,237)
Student transportation services	3,098,569	(3,098,569)	2,872,223	(2,865,516)
Operation of non-instructional services	3,595,918	(116,718)	3,631,070	(87,841)
Interest on long-term debt	1,394,888	(1,199,936)	846,350	(638,051)
<b>Total</b>	<b>\$ 47,686,430</b>	<b>\$ (37,976,301)</b>	<b>46,414,423</b>	<b>\$ (38,343,147)</b>

- 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 \$9.7 million.
- Net cost of governmental activities of \$38.0 million was financed by general revenues, which are made up of primarily property taxes of \$25.0 million and state aid of \$9.3 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 \$19.1 million, a decrease of \$16.0 million, primarily due to capital expenditures for building and land improvements.

The General Fund comprises 23 percent of the total fund balance. \$3.7 million or 85 percent of the General Fund's fund balance is unassigned.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

The General Fund is the principal operating fund of the District. Fund balance decreased \$1.3 million to \$4.4 million at the end of the current fiscal year primarily due to decreased property tax revenue.

Fund balance of the Debt Service Fund decreased \$556,088 which was related to the transfer of interest earned to the Debt Service Fund.

Fund balance of the Bond Building Fund decreased \$15.5 million which was primarily due to utilization of bond proceeds for building and land improvements.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget for changes. The difference between the original budget and the final amended budget was a \$7,396 decrease, or less than one percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for 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 \$170.2 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 \$16.4 million from the prior fiscal year, primarily due to land and building improvements. Total depreciation expense for the current fiscal year was \$4.6 million.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

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

	As of June 30, 2016	As of June 30, 2015
Capital assets – non-depreciable	\$ 25,349,377	\$ 23,078,624
Capital assets – depreciable, net	90,027,286	79,534,407
<b>Total</b>	<u>\$ 115,376,663</u>	<u>\$ 102,613,031</u>

The estimated costs to complete current construction projects is \$12.8 million.

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

**Debt Administration.** At year-end, the District had \$41.5 million in long-term debt outstanding, \$3.2 million due within one year. Long-term debt decreased by \$609,074 as a result of the net effects of payments on long-term debt and entering into a new capital lease agreement.

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 \$512.1 million and the Class B debt limit is \$170.7 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 2016-17 budget. Among them:

- Fiscal year 2015-16 budget balance carry forward (estimated \$813,777; actual \$1,257,699).
- District student population (estimated 5,400).

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

Budgeted expenditures in the General Fund decreased \$179,819, or less than one percent, to \$31.4 million in fiscal year 2016-17. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2016-17 budget.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2016**

**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 60<sup>th</sup> 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, 2016**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 25,704,783
Property taxes receivable	4,491,151
Deposits	49,538
Due from governmental entities	1,066,991
Prepaid items	345,641
Inventory	346,438
Total current assets	32,004,542
Noncurrent assets:	
Capital assets not being depreciated	25,349,377
Capital assets, net of accumulated depreciation	90,027,286
Total noncurrent assets	115,376,663
<b>Total assets</b>	<b>147,381,205</b>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred charge on refunding	550,074
Pension plan items	4,011,731
<b>Total deferred outflows of resources</b>	<b>4,561,805</b>
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	467,459
Construction contracts payable	3,345,750
Accrued payroll and employee benefits	1,561,684
Compensated absences payable	78,640
Accrued interest payable	581,875
Unearned revenues	57,320
Obligations under capital leases	553,280
Bonds payable	2,610,000
Total current liabilities	9,256,008
Noncurrent liabilities:	
Non-current portion of long-term obligations	78,201,999
Total noncurrent liabilities	78,201,999
<b>Total liabilities</b>	<b>87,458,007</b>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	4,503,285
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	82,033,389
Restricted for:	
Voter approved initiatives	889,417
Federal and state projects	440,941
Food service	616,086
Civic center	809,997
Extracurricular activities	780,237
Gifts and donations	651,921
Other local initiatives	253,827
Debt service	289,873
Capital outlay	2,036,743
Unrestricted	(28,820,713)
<b>Total net position</b>	<b>\$ 59,981,718</b>

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, 2016**

<b>Functions/Programs</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 24,719,918	\$ 900,290	\$ 2,163,859	\$ 31,679	\$ (21,624,090)
Support services - students and staff	5,179,743		442,865		(4,736,878)
Support services - administration	4,912,201				(4,912,201)
Operation and maintenance of plant services	4,785,193	406,508	13,368	2,077,408	(2,287,909)
Student transportation services	3,098,569				(3,098,569)
Operation of non-instructional services	3,595,918	3,107,514	371,686		(116,718)
Interest on long-term debt	1,394,888		194,952		(1,199,936)
<b>Total governmental activities</b>	<u>\$ 47,686,430</u>	<u>\$ 4,414,312</u>	<u>\$ 3,186,730</u>	<u>\$ 2,109,087</u>	<u>(37,976,301)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	20,415,381
Property taxes, levied for debt service	3,116,602
Property taxes, levied for capital outlay	1,418,616
Investment income	158,748
Unrestricted state aid	9,319,335
Unrestricted federal aid	120,681
<b>Total general revenues</b>	<u>34,549,363</u>

**Changes in net position** (3,426,938)

**Net position, beginning of year** 63,408,656

**Net position, end of year** \$ 59,981,718

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, 2016**

	General	Debt Service	Bond Building
<b><u>ASSETS</u></b>			
Cash and investments	\$ 4,589,494	\$ 3,434,818	\$ 11,463,895
Property taxes receivable	4,223,452	46,930	
Deposits			
Due from governmental entities	163,577		
Due from other funds	519,171		
Prepaid items	345,641		
Inventory	323,787		
<b>Total assets</b>	<b>\$ 10,165,122</b>	<b>\$ 3,481,748</b>	<b>\$ 11,463,895</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 344,815	\$	\$
Construction contracts payable			3,345,750
Due to other funds			
Accrued payroll and employee benefits	1,349,691		
Unearned revenues			
Bonds payable		2,610,000	
Bond interest payable		581,875	
<b>Total liabilities</b>	<b>1,694,506</b>	<b>3,191,875</b>	<b>3,345,750</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	4,052,558	21,313	
Unavailable revenues - intergovernmental			
<b>Total deferred inflows of resources</b>	<b>4,052,558</b>	<b>21,313</b>	
Fund balances:			
Nonspendable	669,428		
Restricted		268,560	8,118,145
Unassigned	3,748,630		
<b>Total fund balances</b>	<b>4,418,058</b>	<b>268,560</b>	<b>8,118,145</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 10,165,122</b>	 <b>\$ 3,481,748</b>	 <b>\$ 11,463,895</b>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 6,216,576	\$ 25,704,783
220,769	4,491,151
49,538	49,538
903,414	1,066,991
	519,171
	345,641
22,651	346,438
<u>\$ 7,412,948</u>	<u>\$ 32,523,713</u>

\$ 122,644	\$ 467,459
	3,345,750
519,171	519,171
211,993	1,561,684
57,320	57,320
	2,610,000
	581,875
<u>911,128</u>	<u>9,143,259</u>

206,614	4,280,485
47,452	47,452
<u>254,066</u>	<u>4,327,937</u>

22,651	692,079
6,225,103	14,611,808
	3,748,630
<u>6,247,754</u>	<u>19,052,517</u>

<u>\$ 7,412,948</u>	<u>\$ 32,523,713</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, 2016**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>19,052,517</b>
<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	\$ 170,155,512	
Less accumulated depreciation	<u>(54,778,849)</u>	115,376,663
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	4,280,485	
Intergovernmental	<u>47,452</u>	4,327,937
<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>		
		550,074
<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	4,011,731	
Deferred inflows of resources related to pensions	<u>(4,503,285)</u>	(491,554)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(1,030,795)	
Obligations under capital leases	(7,588,612)	
Net pension liability	(38,951,705)	
Bonds payable	<u>(31,262,807)</u>	<u>(78,833,919)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>59,981,718</u></b>

**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, 2016**

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<b>Revenues:</b>			
Other local	\$ 833,310	\$ 14,665	\$ 94,992
Property taxes	23,025,559	3,115,305	
State aid and grants	6,749,898		
Federal aid, grants and reimbursements	120,681		
<b>Total revenues</b>	<u>30,729,448</u>	<u>3,129,970</u>	<u>94,992</u>
<b>Expenditures:</b>			
Current -			
Instruction	15,691,812		
Support services - students and staff	4,280,025		
Support services - administration	4,454,944		
Operation and maintenance of plant services	4,446,117		
Student transportation services	2,418,035		
Operation of non-instructional services	97,794		
Capital outlay	26,729		15,503,914
Debt service -			
Principal retirement		2,610,000	
Interest and fiscal charges		1,166,176	
<b>Total expenditures</b>	<u>31,415,456</u>	<u>3,776,176</u>	<u>15,503,914</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(686,008)</u>	<u>(646,206)</u>	<u>(15,408,922)</u>
<b>Other financing sources (uses):</b>			
Transfers in	77,261	90,118	
Transfers out	(588,367)		(90,118)
Capital lease agreements			
<b>Total other financing sources (uses):</b>	<u>(511,106)</u>	<u>90,118</u>	<u>(90,118)</u>
<b>Changes in fund balances</b>	<u>(1,197,114)</u>	<u>(556,088)</u>	<u>(15,499,040)</u>
<b>Fund balances, beginning of year</b>	5,683,257	824,648	23,617,185
Increase (decrease) in reserve for prepaid items	(50,933)		
Increase (decrease) in reserve for inventory	(17,152)		
<b>Fund balances, end of year</b>	<u>\$ 4,418,058</u>	<u>\$ 268,560</u>	<u>\$ 8,118,145</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 4,635,271	\$ 5,578,238
1,212,002	27,352,866
4,874,163	11,624,061
2,008,765	2,129,446
<u>12,730,201</u>	<u>46,684,611</u>
3,910,864	19,602,676
648,977	4,929,002
24,540	4,479,484
64,687	4,510,804
75,856	2,493,891
3,409,067	3,506,861
4,485,589	20,016,232
469,010	3,079,010
313,794	1,479,970
<u>13,402,384</u>	<u>64,097,930</u>
<u>(672,183)</u>	<u>(17,413,319)</u>
588,367	755,746
(77,261)	(755,746)
1,488,600	1,488,600
<u>1,999,706</u>	<u>1,488,600</u>
<u>1,327,523</u>	<u>(15,924,719)</u>
4,921,375	35,046,465
	(50,933)
(1,144)	(18,296)
<u>\$ 6,247,754</u>	<u>\$ 19,052,517</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, 2016**

**Net changes in fund balances - total governmental funds** **\$ (15,924,719)**

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	\$ 17,445,394	
Less current year depreciation	<u>(4,645,401)</u>	12,799,993

Issuance of obligations under capital leases provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position. (1,488,600)

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

Property taxes	(2,402,267)	
Intergovernmental	<u>(22,852)</u>	(2,425,119)

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	469,010	
Bond principal retirement	<u>2,610,000</u>	3,079,010

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	2,492,236	
Pension expense	<u>(1,895,599)</u>	596,637

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.

Inventory	(18,296)	
Prepaid items	(50,933)	
Loss on disposal of assets	(36,361)	
Amortization of deferred bond items	85,082	
Compensated absences	<u>(43,632)</u>	<u>(64,140)</u>

**Changes in net position in governmental activities** **\$ (3,426,938)**

**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, 2016**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 2,865,672
<b>Total assets</b>	<b>\$ 2,865,672</b>
 <b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 2,696,463
Due to student groups	169,209
<b>Total liabilities</b>	<b>\$ 2,865,672</b>

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, 2016**

**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.

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

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

**A. Reporting Entity**

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation 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, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. Government-Wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted 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, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Property taxes, 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, 2016**

**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.

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, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**E. Investment Income**

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

**F. Receivables and Payables**

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

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**G. Property Tax Calendar**

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

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

**H. Inventory**

All 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. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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, 2016**

**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, 2016**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

***Nonspendable.*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or 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, 2016**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 345,641	\$	\$	\$ 22,651
Inventory	323,787			
Restricted:				
Debt service		268,560		
Capital projects				1,830,129
Bond building projects			8,118,145	
Voter approved initiatives				889,417
Federal and state projects				393,489
Food service				616,086
Civic center				809,997
Community school				176,089
Extracurricular activities				780,237
Gifts and donations				651,921
Other purposes				77,738
Unassigned	3,748,630			
Total fund balances	\$ 4,418,058	\$ 268,560	\$ 8,118,145	\$ 6,247,754

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

**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 \$2,938,547 and the bank balance was \$3,263,792.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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	342 days	\$ 25,631,908
Total		<u>\$ 25,631,908</u>

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

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

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 5 – RECEIVABLES**

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

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$	\$ 495,008
Due from state government	163,577	408,406
Net due from governmental entities	\$ 163,577	\$ 903,414

**NOTE 6 – CAPITAL ASSETS**

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

	Beginning Balance	Increase	Decrease	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 18,690,761	\$	\$	\$ 18,690,761
Construction in progress	4,387,863	8,618,173	6,347,420	6,658,616
Total capital assets, not being depreciated	23,078,624	8,618,173	6,347,420	25,349,377
Capital assets, being depreciated:				
Land improvements	14,143,798	3,449,484		17,593,282
Buildings and improvements	109,444,786	8,559,383		118,004,169
Vehicles, furniture and equipment	7,081,688	3,165,774	1,038,778	9,208,684
Total capital assets being depreciated	130,670,272	15,174,641	1,038,778	144,806,135
Less accumulated depreciation for:				
Land improvements	(5,802,588)	(665,368)		(6,467,956)
Buildings and improvements	(40,766,194)	(3,418,486)		(44,184,680)
Vehicles, furniture and equipment	(4,567,083)	(561,547)	(1,002,417)	(4,126,213)
Total accumulated depreciation	(51,135,865)	(4,645,401)	(1,002,417)	(54,778,849)
Total capital assets, being depreciated, net	79,534,407	10,529,240	36,361	90,027,286
Governmental activities capital assets, net	\$ 102,613,031	\$ 19,147,413	\$ 6,383,781	\$ 115,376,663

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 6 – CAPITAL ASSETS**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 3,822,776
Support services – students and staff	4,535
Support services – administration	176,279
Operation and maintenance of plant services	112,456
Student transportation services	415,296
Operation of non-instructional services	114,059
Total depreciation expense – governmental activities	<u>\$ 4,645,401</u>

**Construction Commitments** – At year end, the District had contractual commitments for facilities renovations and upgrades. At year end the District had spent \$6.7 million on the projects and had estimated contractual commitments of \$12.8 million. These projects are being funded with monies provided by the Bond Building Fund and the Building Renewal Grant Fund, a non-major capital projects 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 \$194,952 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.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES**

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

	Governmental Activities
Asset:	
Land improvements	\$ 3,980,700
Buildings and improvements	5,026,312
Vehicles, furniture and equipment	51,882
Less: Accumulated depreciation	(804,596)
Total	\$ 8,254,298

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

	Governmental Activities
Year Ending June 30:	
2017	\$ 903,593
2018	887,332
2019	882,924
2020	877,616
2021	871,614
2022-26	4,253,385
2027-31	985,390
Total minimum lease payments	9,661,854
Less: amount representing interest	2,073,242
Present value of minimum lease payments	7,588,612
Due within one year	\$ 553,280

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE**

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the amount originally authorized, \$10.0 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2016	Due Within One Year
<b>Governmental activities:</b>					
School Improvement Bonds, Project 2000, Series B (Class B 2006)	\$ 5,000,000	4.25%	7/1/16	\$ 375,000	\$ 375,000
School Improvement Bonds, Project 2000, Series C (Class B 2006)	15,000,000	4.25%	7/1/16	975,000	975,000
School Improvement Bonds, Project 2014, Series A (Class B 2015)	20,000,000	2.0-4.0%	7/1/16-30	20,000,000	1,175,000
Refunding Bonds, (Class B 2015)	11,125,000	1.5-5.25%	7/1/16-23	10,935,000	85,000
Total				<u>\$ 32,285,000</u>	<u>\$ 2,610,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2017	\$ 2,610,000	\$ 1,122,463
2018	2,635,000	1,028,475
2019	1,735,000	962,075
2020	1,875,000	907,125
2021	1,960,000	846,275
2022-26	9,575,000	3,322,538
2027-31	11,895,000	1,226,900
Total	<u>\$ 32,285,000</u>	<u>\$ 9,415,851</u>

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**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
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 33,750,000	\$	\$ 1,465,000	\$ 32,285,000	\$ 2,610,000
Premium on bonds payable	1,751,471		163,664	1,587,807	
Total bonds payable	<u>35,501,471</u>		<u>1,628,664</u>	<u>33,872,807</u>	<u>2,610,000</u>
Obligations under capital leases	6,569,022	1,488,600	469,010	7,588,612	553,280
Net pension liability	38,568,533	383,172		38,951,705	
Compensated absences payable	987,163	545,343	501,711	1,030,795	78,640
Governmental activity long-term liabilities	<u>\$ 81,626,189</u>	<u>\$ 2,417,115</u>	<u>\$ 2,599,385</u>	<u>\$ 81,443,919</u>	<u>\$ 3,241,920</u>

**NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows:

**Due to/from other funds:**

At year end, several non-major governmental funds had negative cash balances in the Treasurer's pooled cash accounts of \$518,171. 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	\$	\$	\$ 588,367	\$ 588,367
Bond Building Fund		90,118		90,118
Non-Major Governmental Funds	77,261			77,261
Total	<u>\$ 77,261</u>	<u>\$ 90,118</u>	<u>\$ 588,367</u>	<u>\$ 755,746</u>

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

Transfers between funds were used to (1) move investment income 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.

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

**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.

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 12 – RISK MANAGEMENT**

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](http://www.azasrs.gov).

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

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.47 percent (11.35 percent for retirement and 0.12 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.47 percent (10.85 percent for retirement, 0.50 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2016 were \$2,492,236.

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

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

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2016	\$	114,850	\$	27,564
2015		135,722		27,605
2014		141,077		56,431

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Pension Liability.** At June 30, 2016, the District reported a liability of \$39.0 million for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2014, to the measurement date of June 30, 2015. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2015, the District’s proportion was 0.25 percent, which was a decrease of .01 percent from its proportion measured as of June 30, 2014.

**Pension Expense and Deferred Outflows/Inflows of Resources.** For the year ended June 30, 2016, the District recognized pension expense of \$1.9 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	\$ 1,062,908	\$ 2,041,109
Net difference between projected and actual earnings on pension plan investments		1,248,316
Changes in proportion and differences between contributions and proportionate share of contributions	456,587	1,213,860
Contributions subsequent to the measurement date	<u>2,492,236</u>	
Total	<u>\$ 4,011,731</u>	<u>\$ 4,503,285</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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2017	\$ (1,027,170)
2018	(1,845,359)
2019	(1,012,387)
2020	901,126

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

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

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

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

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

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$51,040,044	\$ 38,951,705	\$30,667,231

**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](http://www.azasrs.gov).

**NOTE 14 – SUBSEQUENT EVENT**

In July 2016, the District issued \$10.0 million in school improvement bonds.

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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, 2016**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 38,318	\$ 38,318
Property taxes			23,025,559	23,025,559
State aid and grants			6,749,898	6,749,898
<b>Total revenues</b>			<u>29,813,775</u>	<u>29,813,775</u>
<b>Expenditures:</b>				
Current -				
Instruction	15,883,038	15,401,030	15,075,687	325,343
Support services - students and staff	4,331,310	4,301,649	4,159,088	142,561
Support services - administration	3,767,797	4,260,963	4,291,442	(30,479)
Operation and maintenance of plant services	5,059,467	5,059,332	4,399,786	659,546
Student transportation services	2,454,195	2,451,205	2,351,099	100,106
Operation of non-instructional services	83,002	97,234	50,515	46,719
<b>Total expenditures</b>	<u>31,578,809</u>	<u>31,571,413</u>	<u>30,327,617</u>	<u>1,243,796</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(31,578,809)</u>	<u>(31,571,413)</u>	<u>(513,842)</u>	<u>31,057,571</u>
<b>Other financing sources (uses):</b>				
Transfers out			(588,367)	(588,367)
<b>Total other financing sources (uses):</b>			<u>(588,367)</u>	<u>(588,367)</u>
<b>Changes in fund balances</b>	<u>(31,578,809)</u>	<u>(31,571,413)</u>	<u>(1,102,209)</u>	<u>30,469,204</u>
<b>Fund balances, beginning of year</b>			4,385,313	4,385,313
Increase (decrease) in reserve for prepaid items			(50,933)	(50,933)
Increase (decrease) in reserve for inventory			(17,152)	(17,152)
<b>Fund balances (deficits), end of year</b>	<u>\$ (31,578,809)</u>	<u>\$ (31,571,413)</u>	<u>\$ 3,215,019</u>	<u>\$ 34,786,432</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 TWO FISCAL YEARS**

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability (asset)	0.25%	0.26%
District's proportionate share of the net pension liability (asset)	\$ 38,951,705	\$ 38,568,533
District's covered payroll	\$ 23,003,747	\$ 23,412,224
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	169.33%	164.74%
Plan fiduciary net position as a percentage of the total pension liability	68.35%	69.49%

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

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

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

**See accompanying notes to this schedule.**

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2016**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 31,415,456	\$ 4,418,058
Activity budgeted as special revenue funds	(1,087,839)	(1,203,039)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 30,327,617	\$ 3,215,019

**NOTE 2 – PENSION PLAN SCHEDULES**

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

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

**Factors that Affect Trends.** The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 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, 2016**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 4,370,958	\$ 1,845,618	\$ 6,216,576
Property taxes receivable		220,769	220,769
Deposits	49,538		49,538
Due from governmental entities	786,255	117,159	903,414
Inventory	22,651		22,651
<b>Total assets</b>	<b><u>\$ 5,229,402</u></b>	<b><u>\$ 2,183,546</u></b>	<b><u>\$ 7,412,948</u></b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 84,748	\$ 37,896	\$ 122,644
Due to other funds	410,264	108,907	519,171
Accrued payroll and employee benefits	211,993		211,993
Unearned revenues	57,320		57,320
<b>Total liabilities</b>	<b><u>764,325</u></b>	<b><u>146,803</u></b>	<b><u>911,128</u></b>
Deferred inflows of resources:			
Unavailable revenues - property taxes		206,614	206,614
Unavailable revenues - intergovernmental	47,452		47,452
<b>Total deferred inflows of resources</b>	<b><u>47,452</u></b>	<b><u>206,614</u></b>	<b><u>254,066</u></b>
Fund balances:			
Nonspendable	22,651		22,651
Restricted	4,394,974	1,830,129	6,225,103
<b>Total fund balances</b>	<b><u>4,417,625</u></b>	<b><u>1,830,129</u></b>	<b><u>6,247,754</u></b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b><u>\$ 5,229,402</u></b>	 <b><u>\$ 2,183,546</u></b>	 <b><u>\$ 7,412,948</u></b>

**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, 2016**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 4,571,851	\$ 63,420	\$ 4,635,271
Property taxes		1,212,002	1,212,002
State aid and grants	2,468,322	2,405,841	4,874,163
Federal aid, grants and reimbursements	<u>1,813,813</u>	<u>194,952</u>	<u>2,008,765</u>
<b>Total revenues</b>	<u>8,853,986</u>	<u>3,876,215</u>	<u>12,730,201</u>
<b>Expenditures:</b>			
Current -			
Instruction	3,910,864		3,910,864
Support services - students and staff	638,977	10,000	648,977
Support services - administration	24,540		24,540
Operation and maintenance of plant services	61,247	3,440	64,687
Student transportation services	75,856		75,856
Operation of non-instructional services	3,409,067		3,409,067
Capital outlay	267,721	4,217,868	4,485,589
Debt service -			
Principal retirement		469,010	469,010
Interest and fiscal charges		313,794	313,794
<b>Total expenditures</b>	<u>8,388,272</u>	<u>5,014,112</u>	<u>13,402,384</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>465,714</u>	<u>(1,137,897)</u>	<u>(672,183)</u>
<b>Other financing sources (uses):</b>			
Transfers in		588,367	588,367
Transfers out	(77,261)		(77,261)
Capital lease agreements		1,488,600	1,488,600
<b>Total other financing sources (uses):</b>	<u>(77,261)</u>	<u>2,076,967</u>	<u>1,999,706</u>
<b>Changes in fund balances</b>	<u>388,453</u>	<u>939,070</u>	<u>1,327,523</u>
<b>Fund balances, beginning of year</b>	4,030,316	891,059	4,921,375
Increase (decrease) in reserve for inventory	(1,144)		(1,144)
<b>Fund balances, end of year</b>	<u>\$ 4,417,625</u>	<u>\$ 1,830,129</u>	<u>\$ 6,247,754</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, 2016**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 542,931	\$ 220,193	\$
Deposits			
Due from governmental entities	168,493	56,950	113,578
Inventory			
<b>Total assets</b>	<u><u>\$ 711,424</u></u>	<u><u>\$ 277,143</u></u>	<u><u>\$ 113,578</u></u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			85,169
Accrued payroll and employee benefits	91,899	7,251	28,409
Unearned revenues			
<b>Total liabilities</b>	<u><u>91,899</u></u>	<u><u>7,251</u></u>	<u><u>113,578</u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	_____	_____	_____
Fund balances:			
Nonspendable			
Restricted	<u>619,525</u>	<u>269,892</u>	_____
<b>Total fund balances</b>	<u><u>619,525</u></u>	<u><u>269,892</u></u>	_____
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u><u>\$ 711,424</u></u>	<u><u>\$ 277,143</u></u>	<u><u>\$ 113,578</u></u>

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Special Education Grants</u>	<u>Vocational Education</u>	<u>E-Rate</u>
\$	\$	\$	\$	\$	\$ 307,911
38,780	1,460	6,954	205,729	22,544	13,368
<u>\$ 38,780</u>	<u>\$ 1,460</u>	<u>\$ 6,954</u>	<u>\$ 205,729</u>	<u>\$ 22,544</u>	<u>\$ 321,279</u>
\$	\$	\$	\$	\$	\$
38,780	1,460	6,954	189,553 16,176	22,544	
<u>38,780</u>	<u>1,460</u>	<u>6,954</u>	<u>205,729</u>	<u>22,544</u>	
					<u>13,368</u>
					<u>307,911</u>
					<u>307,911</u>
<u>\$ 38,780</u>	<u>\$ 1,460</u>	<u>\$ 6,954</u>	<u>\$ 205,729</u>	<u>\$ 22,544</u>	<u>\$ 321,279</u>

(Continued)

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2016**

	Other Federal Projects	State Vocational Education	Other State Projects
<b><u>ASSETS</u></b>			
Cash and investments	\$ 91,233	\$ 11	\$
Deposits			
Due from governmental entities	34,084		65,804
Inventory			
<b>Total assets</b>	<b>\$ 125,317</b>	<b>\$ 11</b>	<b>\$ 65,804</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			65,804
Accrued payroll and employee benefits	5,655		
Unearned revenues		11	
<b>Total liabilities</b>	<b>5,655</b>	<b>11</b>	<b>65,804</b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	34,084		
Fund balances:			
Nonspendable			
Restricted	85,578		
<b>Total fund balances</b>	<b>85,578</b>		
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 125,317</b>	 <b>\$ 11</b>	 <b>\$ 65,804</b>

<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Gifts and Donations</u>	<u>Fingerprint</u>
\$ 596,990	\$ 809,997	\$ 286,506	\$ 780,237	\$ 657,211	\$ 16,978
49,538					
58,511					
22,651					
<u>\$ 727,690</u>	<u>\$ 809,997</u>	<u>\$ 286,506</u>	<u>\$ 780,237</u>	<u>\$ 657,211</u>	<u>\$ 16,978</u>
\$ 31,644	\$	\$ 53,104	\$	\$	\$
		57,313		5,290	
<u>57,309</u>					
<u>88,953</u>		<u>110,417</u>		<u>5,290</u>	
22,651					
<u>616,086</u>	<u>809,997</u>	<u>176,089</u>	<u>780,237</u>	<u>651,921</u>	<u>16,978</u>
<u>638,737</u>	<u>809,997</u>	<u>176,089</u>	<u>780,237</u>	<u>651,921</u>	<u>16,978</u>
<u>\$ 727,690</u>	<u>\$ 809,997</u>	<u>\$ 286,506</u>	<u>\$ 780,237</u>	<u>\$ 657,211</u>	<u>\$ 16,978</u>

(Continued)

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2016**

	Textbooks	Grants and Gifts to Teachers	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 55,621	\$ 5,139	\$ 4,370,958
Deposits			49,538
Due from governmental entities			786,255
Inventory			22,651
<b>Total assets</b>	<b>\$ 55,621</b>	<b>\$ 5,139</b>	<b>\$ 5,229,402</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 84,748
Due to other funds			410,264
Accrued payroll and employee benefits			211,993
Unearned revenues			57,320
<b>Total liabilities</b>			<b>764,325</b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			47,452
Fund balances:			
Nonspendable			22,651
Restricted	55,621	5,139	4,394,974
<b>Total fund balances</b>	<b>55,621</b>	<b>5,139</b>	<b>4,417,625</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 55,621</b>	<b>\$ 5,139</b>	<b>\$ 5,229,402</b>

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**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, 2016**

	Classroom Site	Instructional Improvement	Title I Grants
<b>Revenues:</b>			
Other local	\$ 5,145	\$ 813	\$
State aid and grants	2,020,870	220,134	
Federal aid, grants and reimbursements			385,980
<b>Total revenues</b>	<b>2,026,015</b>	<b>220,947</b>	<b>385,980</b>
<b>Expenditures:</b>			
Current -			
Instruction	2,006,856	163,715	367,305
Support services - students and staff	45,819	30,863	11,427
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			2,213
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<b>2,052,675</b>	<b>194,578</b>	<b>380,945</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(26,660)</b>	<b>26,369</b>	<b>5,035</b>
<b>Other financing sources (uses):</b>			
Transfers out			(5,035)
<b>Total other financing sources (uses):</b>			<b>(5,035)</b>
<b>Changes in fund balances</b>	<b>(26,660)</b>	<b>26,369</b>	
<b>Fund balances, beginning of year</b>	646,185	243,523	
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<b>\$ 619,525</b>	<b>\$ 269,892</b>	<b>\$</b>

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Special Education Grants	Vocational Education	E-Rate
\$	\$	\$	\$	\$	\$ 238
63,205	59,048	16,227	667,164	77,945	70,304
63,205	59,048	16,227	667,164	77,945	70,542
62,205	26,269 32,779	8,517 3,963	351,990 307,984	30,549 31,095	
62,205	59,048	3,537 16,017	659,974	15,475 77,119	
1,000		210	7,190	826	70,542
(1,000)		(210)	(7,190)	(826)	
(1,000)		(210)	(7,190)	(826)	
					70,542
					237,369
\$	\$	\$	\$	\$	\$ 307,911

(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, 2016**

	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Other State Projects</u>
<b>Revenues:</b>			
Other local	\$ 76	\$	\$
State aid and grants		36,622	190,696
Federal aid, grants and reimbursements	<u>102,254</u>		
<b>Total revenues</b>	<u>102,330</u>	<u>36,622</u>	<u>190,696</u>
<b>Expenditures:</b>			
Current -			
Instruction	113,498	19,343	182,717
Support services - students and staff	9,142	2,796	7,979
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		2,938	
Operation of non-instructional services			
Capital outlay	<u>1,122</u>	<u>11,545</u>	
<b>Total expenditures</b>	<u>123,762</u>	<u>36,622</u>	<u>190,696</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(21,432)</u>		
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(21,432)</u>		
<b>Fund balances, beginning of year</b>	107,010		
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<u>\$ 85,578</u>	<u>\$</u>	<u>\$</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>	<u>Fingerprint</u>
\$ 1,293,791	\$ 408,858	\$ 1,816,987	\$ 648,939	\$ 361,016	\$ 7,025
<u>371,686</u>					
<u>1,665,477</u>	<u>408,858</u>	<u>1,816,987</u>	<u>648,939</u>	<u>361,016</u>	<u>7,025</u>
			452,970	181,043	
				91,221	
	60,989			11,900	12,640
				258	
1,471,173	36,947	1,885,604	69,772	933	
71,724	10,016	5,805	25,328	15,343	
<u>1,542,897</u>	<u>107,952</u>	<u>1,891,409</u>	<u>548,070</u>	<u>109,225</u>	<u>12,640</u>
				<u>409,923</u>	
<u>122,580</u>	<u>300,906</u>	<u>(74,422)</u>	<u>100,869</u>	<u>(48,907)</u>	<u>(5,615)</u>
<u>(63,000)</u>					
<u>(63,000)</u>					
<u>59,580</u>	<u>300,906</u>	<u>(74,422)</u>	<u>100,869</u>	<u>(48,907)</u>	<u>(5,615)</u>
580,301	509,091	250,511	679,368	700,828	22,593
(1,144)					
<u>\$ 638,737</u>	<u>\$ 809,997</u>	<u>\$ 176,089</u>	<u>\$ 780,237</u>	<u>\$ 651,921</u>	<u>\$ 16,978</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, 2016**

	Textbooks	Grants and Gifts to Teachers	Totals
<b>Revenues:</b>			
Other local	\$ 8,885	\$ 20,078	\$ 4,571,851
State aid and grants			2,468,322
Federal aid, grants and reimbursements			1,813,813
<b>Total revenues</b>	8,885	20,078	8,853,986
<b>Expenditures:</b>			
Current -			
Instruction	5,097	995	3,910,864
Support services - students and staff	1,704		638,977
Support services - administration			24,540
Operation and maintenance of plant services			61,247
Student transportation services			75,856
Operation of non-instructional services			3,409,067
Capital outlay		13,944	267,721
<b>Total expenditures</b>	6,801	14,939	8,388,272
<b>Excess (deficiency) of revenues over expenditures</b>	2,084	5,139	465,714
<b>Other financing sources (uses):</b>			
Transfers out			(77,261)
<b>Total other financing sources (uses):</b>			(77,261)
<b>Changes in fund balances</b>	2,084	5,139	388,453
<b>Fund balances, beginning of year</b>	53,537		4,030,316
Increase (decrease) in reserve for inventory			(1,144)
<b>Fund balances, end of year</b>	\$ 55,621	\$ 5,139	\$ 4,417,625

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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, 2016**

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 5,145	\$ 5,145
State aid and grants		2,020,870	2,020,870
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>2,026,015</u>	<u>2,026,015</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,615,368	2,006,856	608,512
Support services - students and staff	123,559	45,819	77,740
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>2,738,927</u>	<u>2,052,675</u>	<u>686,252</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,738,927)</u>	<u>(26,660)</u>	<u>2,712,267</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(2,738,927)</u>	<u>(26,660)</u>	<u>2,712,267</u>
<b>Fund balances, beginning of year</b>		646,185	646,185
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,738,927)</u>	<u>\$ 619,525</u>	<u>\$ 3,358,452</u>

Instructional Improvement			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 813 220,134	\$ 813 220,134	\$	\$ 8	\$ 8
	<u>220,947</u>	<u>220,947</u>		<u>8</u>	<u>8</u>
230,523 31,000	163,715 30,863	66,808 137	630,494 10,564	95,576 8,620	534,918 1,944
<u>261,523</u>	<u>194,578</u>	<u>66,945</u>	<u>641,058</u>	<u>104,196</u>	<u>536,862</u>
<u>(261,523)</u>	<u>26,369</u>	<u>287,892</u>	<u>(641,058)</u>	<u>(104,188)</u>	<u>536,870</u>
<u>(261,523)</u>	<u>26,369</u>	<u>287,892</u>	<u>(641,058)</u>	<u>(104,188)</u>	<u>536,870</u>
	243,523	243,523		104,475	104,475
<u>\$ (261,523)</u>	<u>\$ 269,892</u>	<u>\$ 531,415</u>	<u>\$ (641,058)</u>	<u>\$ 287</u>	<u>\$ 641,345</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, 2016**

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		385,980	385,980
<b>Total revenues</b>		<u>385,980</u>	<u>385,980</u>
<b>Expenditures:</b>			
Current -			
Instruction	412,990	367,305	45,685
Support services - students and staff	15,862	11,427	4,435
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	3,957	2,213	1,744
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>432,809</u>	<u>380,945</u>	<u>51,864</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(432,809)</u>	<u>5,035</u>	<u>437,844</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(5,035)	(5,035)
<b>Total other financing sources (uses):</b>		<u>(5,035)</u>	<u>(5,035)</u>
<b>Changes in fund balances</b>	<u>(432,809)</u>		<u>432,809</u>
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (432,809)</u>	<u>\$</u>	<u>\$ 432,809</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	63,205	63,205		59,048	59,048
	63,205	63,205		59,048	59,048
74,318	62,205	12,113	41,686	26,269	15,417
			36,051	32,779	3,272
<u>74,318</u>	<u>62,205</u>	<u>12,113</u>	<u>77,737</u>	<u>59,048</u>	<u>18,689</u>
<u>(74,318)</u>	<u>1,000</u>	<u>75,318</u>	<u>(77,737)</u>		<u>77,737</u>
	(1,000)	(1,000)			
	(1,000)	(1,000)			
<u>(74,318)</u>		<u>74,318</u>	<u>(77,737)</u>		<u>77,737</u>
<u>\$ (74,318)</u>	<u>\$</u>	<u>\$ 74,318</u>	<u>\$ (77,737)</u>	<u>\$</u>	<u>\$ 77,737</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, 2016**

	Limited English & Immigrant Students		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		16,227	16,227
<b>Total revenues</b>		16,227	16,227
<b>Expenditures:</b>			
Current -			
Instruction	10,118	8,517	1,601
Support services - students and staff	4,352	3,963	389
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	4,114	3,537	577
<b>Total expenditures</b>	18,584	16,017	2,567
<b>Excess (deficiency) of revenues over expenditures</b>	(18,584)	210	18,794
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(210)	(210)
<b>Total other financing sources (uses):</b>		(210)	(210)
<b>Changes in fund balances</b>	(18,584)		18,584
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (18,584)	\$	\$ 18,584

Special Education Grants			Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	667,164	667,164		77,945	77,945
	667,164	667,164		77,945	77,945
456,954	351,990	104,964	52,720	30,549	22,171
312,666	307,984	4,682	33,567	31,095	2,472
				15,475	(15,475)
769,620	659,974	109,646	86,287	77,119	9,168
(769,620)	7,190	776,810	(86,287)	826	87,113
	(7,190)	(7,190)		(826)	(826)
	(7,190)	(7,190)		(826)	(826)
(769,620)		769,620	(86,287)		86,287
\$ (769,620)	\$	\$ 769,620	\$ (86,287)	\$	\$ 86,287

(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, 2016**

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 341	\$ 341
State aid and grants			
Federal aid, grants and reimbursements		120,681	120,681
<b>Total revenues</b>		<u>121,022</u>	<u>121,022</u>
<b>Expenditures:</b>			
Current -			
Instruction	153,632	62,654	90,978
Support services - students and staff	51,269	49,804	1,465
Support services - administration	16,023	15,014	1,009
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>220,924</u>	<u>127,472</u>	<u>93,452</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(220,924)</u>	<u>(6,450)</u>	<u>214,474</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(220,924)</u>	<u>(6,450)</u>	<u>214,474</u>
<b>Fund balances, beginning of year</b>		432,576	432,576
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (220,924)</u>	<u>\$ 426,126</u>	<u>\$ 647,050</u>

Taylor Grazing Fees			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 238	\$ 238
				70,304	70,304
				70,542	70,542
			204,586		204,586
			204,586		204,586
			(204,586)	70,542	275,128
			(204,586)	70,542	275,128
	7	7		237,369	237,369
\$	\$ 7	\$ 7	\$ (204,586)	\$ 307,911	\$ 512,497

(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, 2016**

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 76	\$ 76
State aid and grants			
Federal aid, grants and reimbursements		102,254	102,254
<b>Total revenues</b>		102,330	102,330
<b>Expenditures:</b>			
Current -			
Instruction	119,535	113,498	6,037
Support services - students and staff	9,451	9,142	309
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	2,078	1,122	956
<b>Total expenditures</b>	131,064	123,762	7,302
<b>Excess (deficiency) of revenues over expenditures</b>	(131,064)	(21,432)	109,632
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(131,064)	(21,432)	109,632
<b>Fund balances, beginning of year</b>		107,010	107,010
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (131,064)	\$ 85,578	\$ 216,642

State Vocational Education			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 36,622	\$ 36,622	\$	\$ 190,696	\$ 190,696
	<u>36,622</u>	<u>36,622</u>		<u>190,696</u>	<u>190,696</u>
19,344	19,343	1	189,503	182,717	6,786
2,796	2,796		8,256	7,979	277
2,938	2,938				
<u>11,545</u>	<u>11,545</u>				
<u>36,623</u>	<u>36,622</u>	<u>1</u>	<u>197,759</u>	<u>190,696</u>	<u>7,063</u>
<u>(36,623)</u>		<u>36,623</u>	<u>(197,759)</u>		<u>197,759</u>
<u>(36,623)</u>		<u>36,623</u>	<u>(197,759)</u>		<u>197,759</u>
<u>\$ (36,623)</u>	<u>\$</u>	<u>\$ 36,623</u>	<u>\$ (197,759)</u>	<u>\$</u>	<u>\$ 197,759</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, 2016**

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 2,327	\$ 2,327
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>                    </u>	<u>                    2,327</u>	<u>                    2,327</u>
<b>Expenditures:</b>			
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	39,288	1,788	37,500
<b>Total expenditures</b>	<u>                    39,288</u>	<u>                    1,788</u>	<u>                    37,500</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>                    (39,288)</u>	<u>                          539</u>	<u>                    39,827</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Changes in fund balances</b>	<u>                    (39,288)</u>	<u>                          539</u>	<u>                    39,827</u>
<b>Fund balances, beginning of year</b>		68,407	68,407
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>                    \$ (39,288)</u>	<u>                    \$ 68,946</u>	<u>                    \$ 108,234</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,293,791	\$ 1,293,791	\$	\$ 408,858	\$ 408,858
	371,686	371,686		408,858	408,858
	<u>1,665,477</u>	<u>1,665,477</u>			
			61,520	60,989	531
1,726,155	1,471,173	254,982	416,070	36,947	379,123
73,027	71,724	1,303	11,096	10,016	1,080
<u>1,799,182</u>	<u>1,542,897</u>	<u>256,285</u>	<u>488,686</u>	<u>107,952</u>	<u>380,734</u>
(1,799,182)	122,580	1,921,762	(488,686)	300,906	789,592
	(63,000)	(63,000)			
	<u>(63,000)</u>	<u>(63,000)</u>			
(1,799,182)	59,580	1,858,762	(488,686)	300,906	789,592
	580,301	580,301		509,091	509,091
	(1,144)	(1,144)			
<u>\$ (1,799,182)</u>	<u>\$ 638,737</u>	<u>\$ 2,437,919</u>	<u>\$ (488,686)</u>	<u>\$ 809,997</u>	<u>\$ 1,298,683</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, 2016**

	Community School		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 1,816,987	\$ 1,816,987
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>                    </u>	<u>1,816,987</u>	<u>1,816,987</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	2,053,947	1,885,604	168,343
Capital outlay	6,053	5,805	248
<b>Total expenditures</b>	<u>2,060,000</u>	<u>1,891,409</u>	<u>168,591</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,060,000)</u>	<u>(74,422)</u>	<u>1,985,578</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Changes in fund balances</b>	<u>(2,060,000)</u>	<u>(74,422)</u>	<u>1,985,578</u>
<b>Fund balances, beginning of year</b>		250,511	250,511
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,060,000)</u>	<u>\$ 176,089</u>	<u>\$ 2,236,089</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 788,232	\$ 788,232	\$	\$ 648,939	\$ 648,939
	<u>788,232</u>	<u>788,232</u>		<u>648,939</u>	<u>648,939</u>
457,895	457,895		453,830	452,970	860
62,513	62,513				
26,652	26,652				
46,331	46,331				
66,936	66,936		69,772	69,772	
47,279	47,279				
15,394	24,941	(9,547)	25,328	25,328	
<u>723,000</u>	<u>732,547</u>	<u>(9,547)</u>	<u>548,930</u>	<u>548,070</u>	<u>860</u>
(723,000)	<u>55,685</u>	<u>778,685</u>	<u>(548,930)</u>	<u>100,869</u>	<u>649,799</u>
(723,000)	<u>55,685</u>	<u>778,685</u>	<u>(548,930)</u>	<u>100,869</u>	<u>649,799</u>
	406,135	406,135		679,368	679,368
<u>\$ (723,000)</u>	<u>\$ 461,820</u>	<u>\$ 1,184,820</u>	<u>\$ (548,930)</u>	<u>\$ 780,237</u>	<u>\$ 1,329,167</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, 2016**

	Gifts and Donations		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 361,016	\$ 361,016
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>361,016</u>	<u>361,016</u>
<b>Expenditures:</b>			
Current -			
Instruction	181,043	181,043	
Support services - students and staff	88,185	91,221	(3,036)
Support services - administration	6,204	11,900	(5,696)
Operation and maintenance of plant services		258	(258)
Student transportation services		933	(933)
Operation of non-instructional services	15,343	15,343	
Capital outlay	<u>109,225</u>	<u>109,225</u>	
<b>Total expenditures</b>	<u>400,000</u>	<u>409,923</u>	<u>(9,923)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(400,000)</u>	<u>(48,907)</u>	<u>351,093</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(400,000)</u>	<u>(48,907)</u>	<u>351,093</u>
<b>Fund balances, beginning of year</b>		700,828	700,828
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (400,000)</u>	<u>\$ 651,921</u>	<u>\$ 1,051,921</u>

Fingerprint			Textbooks		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 7,025	\$ 7,025	\$	\$ 8,885	\$ 8,885
	<u>7,025</u>	<u>7,025</u>		<u>8,885</u>	<u>8,885</u>
15,237	12,640	2,597	8,148	5,097	3,051
			1,852	1,704	148
<u>15,237</u>	<u>12,640</u>	<u>2,597</u>	<u>10,000</u>	<u>6,801</u>	<u>3,199</u>
<u>(15,237)</u>	<u>(5,615)</u>	<u>9,622</u>	<u>(10,000)</u>	<u>2,084</u>	<u>12,084</u>
<u>(15,237)</u>	<u>(5,615)</u>	<u>9,622</u>	<u>(10,000)</u>	<u>2,084</u>	<u>12,084</u>
	22,593	22,593		53,537	53,537
<u>\$ (15,237)</u>	<u>\$ 16,978</u>	<u>\$ 32,215</u>	<u>\$ (10,000)</u>	<u>\$ 55,621</u>	<u>\$ 65,621</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, 2016**

	Litigation Recovery		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 3,172	\$ 3,172
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>3,172</u>	<u>3,172</u>
<b>Expenditures:</b>			
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			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>		<u>3,172</u>	<u>3,172</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		<u>3,172</u>	<u>3,172</u>
<b>Fund balances, beginning of year</b>		4,311	4,311
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$</u>	<u>\$ 7,483</u>	<u>\$ 7,483</u>

Indirect Costs			Grants and Gifts to Teachers		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 870	\$ 870	\$	\$ 20,078	\$ 20,078
	<u>870</u>	<u>870</u>		<u>20,078</u>	<u>20,078</u>
			1,000	995	5
186,646	121,836	64,810			
<u>186,646</u>	<u>121,836</u>	<u>64,810</u>	<u>14,575</u>	<u>13,944</u>	<u>631</u>
<u>(186,646)</u>	<u>(120,966)</u>	<u>65,680</u>	<u>(15,575)</u>	<u>5,139</u>	<u>20,714</u>
	77,261	77,261			
	<u>77,261</u>	<u>77,261</u>			
<u>(186,646)</u>	<u>(43,705)</u>	<u>142,941</u>	<u>(15,575)</u>	<u>5,139</u>	<u>20,714</u>
	270,381	270,381			
<u>\$ (186,646)</u>	<u>\$ 226,676</u>	<u>\$ 413,322</u>	<u>\$ (15,575)</u>	<u>\$ 5,139</u>	<u>\$ 20,714</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, 2016**

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 42	\$ 42
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>42</u>	<u>42</u>
<b>Expenditures:</b>			
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			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>		<u>42</u>	<u>42</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		<u>42</u>	<u>42</u>
<b>Fund balances, beginning of year</b>		11,652	11,652
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$</u>	<u>\$ 11,694</u>	<u>\$ 11,694</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 5,366,843	\$ 5,366,843
	2,468,322	2,468,322
	1,934,494	1,934,494
	<u>9,769,659</u>	<u>9,769,659</u>
6,239,369	4,526,989	1,712,380
866,261	759,914	106,347
250,762	188,042	62,720
107,851	107,578	273
143,603	142,792	811
4,258,794	3,456,346	802,448
311,723	294,450	17,273
<u>12,178,363</u>	<u>9,476,111</u>	<u>2,702,252</u>
<u>(12,178,363)</u>	<u>293,548</u>	<u>12,471,911</u>
	77,261	77,261
	<u>(77,261)</u>	<u>(77,261)</u>
<u>(12,178,363)</u>	<u>293,548</u>	<u>12,471,911</u>
	5,328,260	5,328,260
	(1,144)	(1,144)
<u>\$ (12,178,363)</u>	<u>\$ 5,620,664</u>	<u>\$ 17,799,027</u>

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## **DEBT SERVICE FUND**

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

**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, 2016**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 14,665	\$ 14,665
Property taxes		3,115,305	3,115,305
<b>Total revenues</b>		<u>3,129,970</u>	<u>3,129,970</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	1,892,775	2,610,000	(717,225)
Interest and fiscal charges		1,166,176	(1,166,176)
<b>Total expenditures</b>	<u>1,892,775</u>	<u>3,776,176</u>	<u>(1,883,401)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,892,775)</u>	<u>(646,206)</u>	<u>1,246,569</u>
<b>Other financing sources (uses):</b>			
Transfers in		90,118	90,118
<b>Total other financing sources (uses):</b>		<u>90,118</u>	<u>90,118</u>
<b>Changes in fund balances</b>	<u>(1,892,775)</u>	<u>(556,088)</u>	<u>1,336,687</u>
<b>Fund balances, beginning of year</b>		824,648	824,648
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,892,775)</u>	<u>\$ 268,560</u>	<u>\$ 2,161,335</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, 2016**

	Insurance Proceeds	Unrestricted Capital Outlay	Adjacent Ways
<b><u>ASSETS</u></b>			
Cash and investments	\$ 129,265	\$ 1,411,084	\$ 165,681
Property taxes receivable		212,955	7,814
Due from governmental entities		8,248	
<b>Total assets</b>	\$ 129,265	\$ 1,632,287	\$ 173,495
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 37,896
Due to other funds			
<b>Total liabilities</b>			37,896
Deferred inflows of resources:			
Unavailable revenues - property taxes		200,115	6,499
Fund balances:			
Restricted	129,265	1,432,172	129,100
<b>Total fund balances</b>	129,265	1,432,172	129,100
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	\$ 129,265	\$ 1,632,287	\$ 173,495

<u>Gifts and Donations - Capital</u>	<u>Energy and Water Savings</u>	<u>Building Renewal</u>	<u>Building Renewal Grant</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 6,605	\$ 132,712	\$ 263	\$	\$ 8	\$ 1,845,618
			108,911		220,769
<u>\$ 6,605</u>	<u>\$ 132,712</u>	<u>\$ 263</u>	<u>\$ 108,911</u>	<u>\$ 8</u>	<u>\$ 2,183,546</u>
\$	\$	\$	\$	\$	\$ 37,896
			108,907		108,907
			<u>108,907</u>		<u>146,803</u>
					<u>206,614</u>
6,605	132,712	263	4	8	1,830,129
<u>6,605</u>	<u>132,712</u>	<u>263</u>	<u>4</u>	<u>8</u>	<u>1,830,129</u>
<u>\$ 6,605</u>	<u>\$ 132,712</u>	<u>\$ 263</u>	<u>\$ 108,911</u>	<u>\$ 8</u>	<u>\$ 2,183,546</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, 2016**

	<u>Insurance Proceeds</u>	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>
<b>Revenues:</b>			
Other local	\$ 13,275	\$ 5,749	\$ 745
Property taxes		1,156,793	55,209
State aid and grants		328,433	
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>13,275</u>	<u>1,490,975</u>	<u>55,954</u>
<b>Expenditures:</b>			
Current -			
Support services - students and staff	10,000		
Operation and maintenance of plant services	3,440		
Capital outlay	3,801	589,434	40,536
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>17,241</u>	<u>589,434</u>	<u>40,536</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,966)</u>	<u>901,541</u>	<u>15,418</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Capital lease agreements			
<b>Total other financing sources (uses):</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Changes in fund balances</b>	<u>(3,966)</u>	<u>901,541</u>	<u>15,418</u>
<b>Fund balances, beginning of year</b>	133,231	530,631	113,682
<b>Fund balances, end of year</b>	<u>\$ 129,265</u>	<u>\$ 1,432,172</u>	<u>\$ 129,100</u>

<u>Gifts and Donations - Capital</u>	<u>Energy and Water Savings</u>	<u>Building Renewal</u>	<u>Building Renewal Grant</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 24	\$ 44,060	\$ (433)	\$	\$	\$ 63,420
			2,077,408		1,212,002
	194,952				2,405,841
<u>24</u>	<u>239,012</u>	<u>(433)</u>	<u>2,077,408</u>		<u>194,952</u>
					<u>3,876,215</u>
					10,000
					3,440
	1,501,689		2,082,408		4,217,868
	469,010				469,010
	313,794				313,794
	<u>2,284,493</u>		<u>2,082,408</u>		<u>5,014,112</u>
<u>24</u>	<u>(2,045,481)</u>	<u>(433)</u>	<u>(5,000)</u>		<u>(1,137,897)</u>
	588,367				588,367
	<u>1,488,600</u>				<u>1,488,600</u>
	<u>2,076,967</u>				<u>2,076,967</u>
<u>24</u>	<u>31,486</u>	<u>(433)</u>	<u>(5,000)</u>		<u>939,070</u>
6,581	101,226	696	5,004	8	891,059
<u>\$ 6,605</u>	<u>\$ 132,712</u>	<u>\$ 263</u>	<u>\$ 4</u>	<u>\$ 8</u>	<u>\$ 1,830,129</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, 2016**

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 13,275	\$ 13,275
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>13,275</u>	<u>13,275</u>
<b>Expenditures:</b>			
Current -			
Support services - students and staff	42,610	10,000	32,610
Operation and maintenance of plant services	3,540	3,440	100
Capital outlay	3,850	3,801	49
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>50,000</u>	<u>17,241</u>	<u>32,759</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(50,000)</u>	<u>(3,966)</u>	<u>46,034</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Capital lease agreements			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(50,000)</u>	<u>(3,966)</u>	<u>46,034</u>
<b>Fund balances, beginning of year</b>		133,231	133,231
<b>Fund balances (deficits), end of year</b>	<u>\$ (50,000)</u>	<u>\$ 129,265</u>	<u>\$ 179,265</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 5,749	\$ 5,749	\$	\$ 745	\$ 745
	1,156,793	1,156,793		55,209	55,209
	328,433	328,433			
	<u>1,490,975</u>	<u>1,490,975</u>		<u>55,954</u>	<u>55,954</u>
4,110,578	589,434	3,521,144	151,340	40,536	110,804
<u>4,110,578</u>	<u>589,434</u>	<u>3,521,144</u>	<u>151,340</u>	<u>40,536</u>	<u>110,804</u>
<u>(4,110,578)</u>	<u>901,541</u>	<u>5,012,119</u>	<u>(151,340)</u>	<u>15,418</u>	<u>166,758</u>
<u>(4,110,578)</u>	<u>901,541</u>	<u>5,012,119</u>	<u>(151,340)</u>	<u>15,418</u>	<u>166,758</u>
	530,631	530,631		113,682	113,682
<u>\$ (4,110,578)</u>	<u>\$ 1,432,172</u>	<u>\$ 5,542,750</u>	<u>\$ (151,340)</u>	<u>\$ 129,100</u>	<u>\$ 280,440</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, 2016**

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 94,992	\$ 94,992
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	20,000,000	15,503,914	4,496,086
<b>Expenditures:</b>			
Current -			
Support services - students and staff			
Operation and maintenance of plant services			
Capital outlay	20,000,000	15,503,914	4,496,086
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	20,000,000	15,503,914	4,496,086
<b>Excess (deficiency) of revenues over expenditures</b>	(20,000,000)	(15,408,922)	4,591,078
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(90,118)	(90,118)
Capital lease agreements			
<b>Total other financing sources (uses):</b>	(20,000,000)	(90,118)	(90,118)
<b>Changes in fund balances</b>	(20,000,000)	(15,499,040)	4,500,960
<b>Fund balances, beginning of year</b>		23,617,185	23,617,185
<b>Fund balances (deficits), end of year</b>	\$ (20,000,000)	\$ 8,118,145	\$ 28,118,145

Gifts and Donations - Capital			Energy and Water Savings		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 24	\$ 24	\$	\$ 44,060	\$ 44,060
				194,952	194,952
	24	24		239,012	239,012
			725,729	1,501,689	(775,960)
			41,258	469,010	(427,752)
			23,896	313,794	(289,898)
			790,883	2,284,493	(1,493,610)
	24	24	(790,883)	(2,045,481)	(1,254,598)
				588,367	588,367
				1,488,600	1,488,600
				2,076,967	2,076,967
	24	24	(790,883)	31,486	822,369
	6,581	6,581		101,226	101,226
\$	\$ 6,605	\$ 6,605	\$ (790,883)	\$ 132,712	\$ 923,595

(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, 2016**

	Building Renewal		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ (433)	\$ (433)
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		(433)	(433)
<b>Expenditures:</b>			
Current -			
Support services - students and staff			
Operation and maintenance of plant services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>			
<b>Excess (deficiency) of revenues over expenditures</b>		(433)	(433)
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
Capital lease agreements			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		(433)	(433)
<b>Fund balances, beginning of year</b>		696	696
<b>Fund balances (deficits), end of year</b>	\$	\$ 263	\$ 263

Building Renewal Grant			New School Facilities		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	2,077,408	2,077,408			
	<u>2,077,408</u>	<u>2,077,408</u>			
2,138,243	2,082,408	55,835			
<u>2,138,243</u>	<u>2,082,408</u>	<u>55,835</u>			
<u>(2,138,243)</u>	<u>(5,000)</u>	<u>2,133,243</u>			
<u>(2,138,243)</u>	<u>(5,000)</u>	<u>2,133,243</u>			
	5,004	5,004		8	8
<u>\$ (2,138,243)</u>	<u>\$ 4</u>	<u>\$ 2,138,247</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, 2016**

	Totals		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 158,412	\$ 158,412
Property taxes		1,212,002	1,212,002
State aid and grants		2,405,841	2,405,841
Federal aid, grants and reimbursements		194,952	194,952
<b>Total revenues</b>		<u>3,971,207</u>	<u>3,971,207</u>
<b>Expenditures:</b>			
Current -			
Support services - students and staff	42,610	10,000	32,610
Operation and maintenance of plant services	3,540	3,440	100
Capital outlay	27,129,740	19,721,782	7,407,958
Debt service -			
Principal retirement	41,258	469,010	(427,752)
Interest and fiscal charges	23,896	313,794	(289,898)
<b>Total expenditures</b>	<u>27,241,044</u>	<u>20,518,026</u>	<u>6,723,018</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(27,241,044)</u>	<u>(16,546,819)</u>	<u>10,694,225</u>
<b>Other financing sources (uses):</b>			
Transfers in		588,367	588,367
Transfers out		(90,118)	(90,118)
Capital lease agreements		1,488,600	1,488,600
<b>Total other financing sources (uses):</b>		<u>1,986,849</u>	<u>1,986,849</u>
<b>Changes in fund balances</b>	<u>(27,241,044)</u>	<u>(14,559,970)</u>	<u>12,681,074</u>
<b>Fund balances, beginning of year</b>		24,508,244	24,508,244
<b>Fund balances (deficits), end of year</b>	<u>\$ (27,241,044)</u>	<u>\$ 9,948,274</u>	<u>\$ 37,189,318</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, 2016**

	Student Activities	Employee Insurance	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 169,209	\$ 2,696,463	\$ 2,865,672
<b>Total assets</b>	\$ 169,209	\$ 2,696,463	\$ 2,865,672
 <b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 2,696,463	\$ 2,696,463
Due to student groups	169,209		169,209
<b>Total liabilities</b>	\$ 169,209	\$ 2,696,463	\$ 2,865,672

**CAVE CREEK UNIFIED SCHOOL DISTRICT NO. 93**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2016**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 215,854	\$ 617,357	\$ 664,002	\$ 169,209
Total assets	<u>\$ 215,854</u>	<u>\$ 617,357</u>	<u>\$ 664,002</u>	<u>\$ 169,209</u>
<u>Liabilities</u>				
Accounts payable	\$ 13,617	\$	\$ 13,617	\$
Due to student groups	<u>202,237</u>	<u>617,357</u>	<u>650,385</u>	<u>169,209</u>
Total liabilities	<u>\$ 215,854</u>	<u>\$ 617,357</u>	<u>\$ 664,002</u>	<u>\$ 169,209</u>
<b><u>EMPLOYEE INSURANCE FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 2,606,153	\$ 3,690,470	\$ 3,600,160	\$ 2,696,463
Total assets	<u>\$ 2,606,153</u>	<u>\$ 3,690,470</u>	<u>\$ 3,600,160</u>	<u>\$ 2,696,463</u>
<u>Liabilities</u>				
Deposits held for others	<u>\$ 2,606,153</u>	<u>\$ 3,690,470</u>	<u>\$ 3,600,160</u>	<u>\$ 2,696,463</u>
Total liabilities	<u>\$ 2,606,153</u>	<u>\$ 3,690,470</u>	<u>\$ 3,600,160</u>	<u>\$ 2,696,463</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ 2,822,007	\$ 4,307,827	\$ 4,264,162	\$ 2,865,672
Total assets	<u>\$ 2,822,007</u>	<u>\$ 4,307,827</u>	<u>\$ 4,264,162</u>	<u>\$ 2,865,672</u>
<u>Liabilities</u>				
Accounts payable	\$ 13,617	\$	\$ 13,617	\$
Deposits held for others	2,606,153	3,690,470	3,600,160	2,696,463
Due to student groups	<u>202,237</u>	<u>617,357</u>	<u>650,385</u>	<u>169,209</u>
Total liabilities	<u>\$ 2,822,007</u>	<u>\$ 4,307,827</u>	<u>\$ 4,264,162</u>	<u>\$ 2,865,672</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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 82,033,389	\$ 84,788,379	\$ 85,689,325	\$ 87,340,508	\$ 86,565,632
Restricted	6,769,042	5,812,548	12,257,340	4,619,247	7,026,159
Unrestricted	(28,820,713)	(27,192,271)	6,151,768	10,440,823	11,851,487
Total net position	<u>\$ 59,981,718</u>	<u>\$ 63,408,656</u>	<u>\$ 104,098,433</u>	<u>\$ 102,400,578</u>	<u>\$ 105,443,278</u>
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 81,392,706	\$ 82,695,319	\$ 83,899,258	\$ 76,743,730	\$ 67,908,754
Restricted	8,697,770	6,914,046	6,826,450	6,800,174	5,992,608
Unrestricted	13,991,000	16,917,449	9,855,686	14,912,053	16,550,639
Total net position	<u>\$ 104,081,476</u>	<u>\$ 106,526,814</u>	<u>\$ 100,581,394</u>	<u>\$ 98,455,957</u>	<u>\$ 90,452,001</u>

**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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Expenses</b>					
Instruction	\$ 24,719,918	\$ 24,539,091	\$ 24,083,445	\$ 24,402,957	\$ 22,609,472
Support services - students and staff	5,179,743	5,385,973	5,545,312	5,519,931	5,270,036
Support services - administration	4,912,201	4,253,191	4,075,563	3,868,766	5,671,842
Operation and maintenance of plant services	4,785,193	4,886,525	5,305,320	5,084,398	4,724,547
Student transportation services	3,098,569	2,872,223	2,847,787	2,985,503	2,769,862
Operation of non-instructional services	3,595,918	3,631,070	3,369,983	3,162,555	3,362,694
Interest on long-term debt	1,394,888	846,350	926,059	1,006,517	1,061,841
Total expenses	<u>47,686,430</u>	<u>46,414,423</u>	<u>46,153,469</u>	<u>46,030,627</u>	<u>45,470,294</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	900,290	1,001,878	1,433,699	1,809,580	1,408,395
Operation of non-instructional services	3,107,514	3,162,850	2,936,880	2,944,027	2,969,077
Other activities	406,508	105,294	214,835	443,324	440,805
Operating grants and contributions	3,186,730	3,416,831	2,651,294	2,705,693	2,959,398
Capital grants and contributions	2,109,087	384,423	110,830	211,063	311,128
Total program revenues	<u>9,710,129</u>	<u>8,071,276</u>	<u>7,347,538</u>	<u>8,113,687</u>	<u>8,088,803</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (37,976,301)</u>	<u>\$ (38,343,147)</u>	<u>\$ (38,805,931)</u>	<u>\$ (37,916,940)</u>	<u>\$ (37,381,491)</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Expenses</b>					
Instruction	\$ 27,258,529	\$ 24,218,697	\$ 25,554,479	\$ 26,172,038	\$ 24,826,055
Support services - students and staff	5,526,270	4,610,392	5,378,073	5,804,590	5,154,723
Support services - administration	2,569,937	3,994,509	4,270,244	4,567,274	3,957,809
Operation and maintenance of plant services	6,092,260	5,321,697	5,332,736	5,130,171	5,149,602
Student transportation services	3,355,883	2,650,721	2,860,786	2,670,253	3,092,090
Operation of non-instructional services	3,588,770	3,715,304	5,123,549	5,237,479	4,859,130
Interest on long-term debt	806,300	908,053	1,121,003	1,428,239	1,785,109
Total expenses	<u>49,197,949</u>	<u>45,419,373</u>	<u>49,640,870</u>	<u>51,010,044</u>	<u>48,824,518</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	1,587,002	1,614,694	25,825	16,391	162,713
Operation of non-instructional services	3,039,572	2,910,151	4,559,814	4,595,806	4,625,911
Other activities	140,580	237,268	258,392	246,915	77,707
Operating grants and contributions	3,745,223	3,004,844	2,734,467	2,506,379	1,857,064
Capital grants and contributions	470,124	203,173	141,256	74,818	55,519
Total program revenues	<u>8,982,501</u>	<u>7,970,130</u>	<u>7,719,754</u>	<u>7,440,309</u>	<u>6,778,914</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (40,215,448)</u>	<u>\$ (37,449,243)</u>	<u>\$ (41,921,116)</u>	<u>\$ (43,569,735)</u>	<u>\$ (42,045,604)</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>
<b>Net (Expense)/Revenue</b>	\$ (37,976,301)	\$ (38,343,147)	\$ (38,805,931)	\$ (37,916,940)	\$ (37,381,491)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	20,415,381	26,009,058	23,245,478	23,878,926	22,195,393
Property taxes, levied for debt service	3,116,602	1,844,559	1,820,848	1,891,924	1,767,767
Property taxes, levied for capital outlay	1,418,616		4,944,590	213,867	470,542
Investment income	158,748	93,414	84,004	91,540	135,756
Unrestricted state aid	9,319,335	9,291,807	9,418,340	8,671,356	14,019,011
Unrestricted federal aid	120,681	70,303	76,156	126,627	154,824
<b>Special item:</b>					
Gain of sale on land			914,370		
<b>Total general revenues and special item</b>	<u>34,549,363</u>	<u>37,309,141</u>	<u>40,503,786</u>	<u>34,874,240</u>	<u>38,743,293</u>
<b>Changes in Net Position</b>	<u>\$ (3,426,938)</u>	<u>\$ (1,034,006)</u>	<u>\$ 1,697,855</u>	<u>\$ (3,042,700)</u>	<u>\$ 1,361,802</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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Net (Expense)/Revenue</b>	\$ (40,215,448)	\$ (37,449,243)	\$ (41,921,116)	\$ (43,569,735)	\$ (42,045,604)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	24,844,302	30,756,300	30,360,104	27,153,387	26,782,663
Property taxes, levied for debt service	687,777	870,876	1,890,045	11,539,887	14,052,492
Property taxes, levied for capital outlay	2,441,772	1,588,644	1,266,855	1,291,269	2,031,833
Investment income	282,423	322,325	857,957	1,365,090	1,192,289
Unrestricted state aid	9,425,595	8,835,126	9,671,592	10,224,058	9,325,420
Unrestricted federal aid	88,241	1,021,392			
<b>Total general revenues</b>	<u>37,770,110</u>	<u>43,394,663</u>	<u>44,046,553</u>	<u>51,573,691</u>	<u>53,384,697</u>
<b>Changes in Net Position</b>	<u>\$ (2,445,338)</u>	<u>\$ 5,945,420</u>	<u>\$ 2,125,437</u>	<u>\$ 8,003,956</u>	<u>\$ 11,339,093</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 2006-07 through 2008-09.

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
General Fund:					
Nonspendable	\$ 669,428	\$ 737,513	\$ 786,540	\$ 816,049	\$ 2,054,180
Unassigned	3,748,630	4,945,744	483,980	3,241,699	3,930,470
Total General Fund	<b>\$ 4,418,058</b>	<b>\$ 5,683,257</b>	<b>\$ 1,270,520</b>	<b>\$ 4,057,748</b>	<b>\$ 5,984,650</b>
All Other Governmental Funds:					
Nonspendable	\$ 22,651	\$ 23,795	\$ 10,082	\$ 25,140	\$ 22,605
Restricted	14,611,808	29,339,413	21,275,225	14,810,771	17,156,740
Unassigned				(9,571)	(58,038)
Total all other governmental funds	<b>\$ 14,634,459</b>	<b>\$ 29,363,208</b>	<b>\$ 21,285,307</b>	<b>\$ 14,826,340</b>	<b>\$ 17,121,307</b>

**(Continued)**

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Fund:					
Nonspendable	\$ 2,028,127	\$	\$	\$	\$
Unassigned	7,003,866				
Reserved		943,229	246,551	207,064	163,346
Unreserved		5,225,465	1,189,467	(160,139)	596,618
Total General Fund	<u>\$ 9,031,993</u>	<u>\$ 6,168,694</u>	<u>\$ 1,436,018</u>	<u>\$ 46,925</u>	<u>\$ 759,964</u>
All Other Governmental Funds:					
Nonspendable	\$ 10,635	\$	\$	\$	\$
Restricted	23,442,833				
Unassigned	(11,032)				
Reserved		11,240	16,842	16,461	24,701
Unreserved, reported in:					
Special revenue funds		3,360,910	2,842,154	3,663,349	3,790,852
Capital projects funds		18,359,276	17,256,173	17,239,361	18,433,462
Debt service fund		1,285,697	3,325,368	3,719,082	2,858,240
Total all other governmental funds	<u>\$ 23,442,436</u>	<u>\$ 23,017,123</u>	<u>\$ 23,440,537</u>	<u>\$ 24,638,253</u>	<u>\$ 25,107,255</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)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 1,757,760	\$ 1,829,311	\$ 1,680,750	\$ 1,907,464	\$ 2,523,625
Education Jobs				42,576	
National School Lunch Program	371,686	346,734	373,130	335,646	355,380
Total federal sources	<u>2,129,446</u>	<u>2,176,045</u>	<u>2,053,880</u>	<u>2,285,686</u>	<u>2,879,005</u>
<b>State sources:</b>					
State equalization assistance	7,078,331	7,137,986	7,260,464	6,276,607	6,790,404
State grants	227,318	234,141	226,635	236,203	269,092
School Facilities Board	2,077,408	138,288	10,759	502,253	5,404,944
Other revenues	2,241,004	2,153,821	2,157,876	1,892,496	1,683,552
Total state sources	<u>11,624,061</u>	<u>9,664,236</u>	<u>9,655,734</u>	<u>8,907,559</u>	<u>14,147,992</u>
<b>Local sources:</b>					
Property taxes	27,352,866	28,023,207	29,200,643	25,615,021	24,359,425
Food service sales	1,291,412	1,283,892	1,208,929	1,216,766	1,204,436
Investment income	158,748	93,414	200,275	91,540	133,569
Other revenues	4,128,078	4,340,061	3,706,068	4,566,129	3,968,922
Total local sources	<u>32,931,104</u>	<u>33,740,574</u>	<u>34,315,915</u>	<u>31,489,456</u>	<u>29,666,352</u>
<b>Total revenues</b>	<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>	<u><u>\$ 46,693,349</u></u>

(Continued)

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Federal sources:</b>					
Federal grants	\$ 2,200,696	\$ 2,096,599	\$ 1,561,990	\$ 1,621,704	\$ 1,292,832
State Fiscal Stabilization (ARRA)	88,421	1,021,392			
Education Jobs	1,137,722				
National School Lunch Program	341,867	341,383	243,156	200,015	207,288
Total federal sources	<u>3,768,706</u>	<u>3,459,374</u>	<u>1,805,146</u>	<u>1,821,719</u>	<u>1,500,120</u>
<b>State sources:</b>					
State equalization assistance	8,224,807	7,495,936	7,055,819	7,096,055	6,559,187
State grants	206,318	349,514	687,585	488,498	364,457
School Facilities Board	18,465	76,362		156,903	291,008
Other revenues	1,509,760	1,629,730	1,930,412	3,021,674	2,473,327
Total state sources	<u>9,959,350</u>	<u>9,551,542</u>	<u>9,673,816</u>	<u>10,763,130</u>	<u>9,687,979</u>
<b>Local sources:</b>					
Property taxes	28,319,662	31,035,587	31,623,925	39,523,769	43,068,812
Food service sales	1,360,349	1,344,519	1,461,798	1,433,947	1,296,946
Investment income	288,126	322,325	859,713	1,365,983	1,192,289
Other revenues	3,736,000	3,821,017	3,706,761	3,694,447	3,571,283
Total local sources	<u>33,704,137</u>	<u>36,523,448</u>	<u>37,652,197</u>	<u>46,018,146</u>	<u>49,129,330</u>
<b>Total revenues</b>	<u>\$ 47,432,193</u>	<u>\$ 49,534,364</u>	<u>\$ 49,131,159</u>	<u>\$ 58,602,995</u>	<u>\$ 60,317,429</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 19,602,676	\$ 19,986,473	\$ 19,956,474	\$ 19,309,760	\$ 20,127,052
Support services - students and staff	4,929,002	5,226,143	5,309,677	5,085,447	5,292,987
Support services - administration	4,479,484	3,953,603	3,724,938	3,498,506	3,865,296
Operation and maintenance of plant services	4,510,804	4,648,657	5,034,582	4,906,431	5,065,308
Student transportation services	2,493,891	2,448,312	2,518,723	2,450,771	2,468,730
Operation of non-instructional services	3,506,861	3,454,690	3,211,608	3,026,254	3,306,450
Capital outlay	20,016,232	10,245,661	4,689,365	4,659,288	13,722,180
Debt service -					
Interest and fiscal charges	1,479,970	868,266	926,059	1,006,517	1,061,841
Principal retirement	3,079,010	2,890,811	1,687,166	1,726,000	1,190,000
Bond issuance costs		477,018			
<b>Total expenditures</b>	<u>\$ 64,097,930</u>	<u>\$ 54,199,634</u>	<u>\$ 47,058,592</u>	<u>\$ 45,668,974</u>	<u>\$ 56,099,844</u>
Expenditures for capitalized assets	\$ 17,445,394	\$ 9,263,742	\$ 3,359,683	\$ 2,688,108	\$ 12,339,474
Debt service as a percentage of noncapital expenditures	10%	9%	6%	6%	5%

(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>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 22,690,299	\$ 20,848,688	\$ 22,267,546	\$ 22,719,991	\$ 20,945,265
Support services - students and staff	5,126,342	4,638,348	5,327,745	5,711,886	5,112,003
Support services - administration	4,176,561	3,812,313	3,767,994	3,996,180	3,973,626
Operation and maintenance of plant services	5,414,750	5,689,178	5,197,839	5,039,423	4,565,519
Student transportation services	2,763,286	2,368,863	2,356,392	2,335,010	2,342,231
Operation of non-instructional services	3,307,130	3,381,642	4,774,262	4,929,451	4,694,177
Capital outlay	5,046,206	2,019,093	1,834,314	3,070,947	4,793,248
Debt service -					
Interest and fiscal charges	806,300	908,053	1,121,003	1,428,239	1,868,623
Principal retirement	1,085,000	2,250,000	2,242,292	10,589,387	11,995,993
Bond issuance costs					139,524
<b>Total expenditures</b>	<u>\$ 50,415,874</u>	<u>\$ 45,916,178</u>	<u>\$ 48,889,387</u>	<u>\$ 59,820,514</u>	<u>\$ 60,430,209</u>
Expenditures for capitalized assets	\$ 2,786,695	\$ 1,059,912	\$ 621,681	\$ 1,334,792	\$ 2,584,825
Debt service as a percentage of noncapital expenditures	4%	7%	7%	21%	24%

**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)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (17,413,319)	\$ (8,618,779)	\$ (1,033,063)	\$ (2,986,273)	\$ (9,406,495)
<b>Other financing sources (uses):</b>					
General obligation bonds issued		20,000,000			
Issuance of refunding bonds		11,125,000			
Premium on sale of bonds		1,851,969			
Capital lease agreements	1,488,600		3,834,999		
Transfers in	755,746	3,461,409	1,788,048	688,461	151,699
Transfers out	(755,746)	(3,461,409)	(1,788,048)	(688,461)	(151,699)
Proceeds from sale of capital asset			914,370		
Payment to refunded bond escrow agent		(11,832,238)			
Total other financing sources (uses)	1,488,600	21,144,731	4,749,369		
<b>Changes in fund balances</b>	<b>\$ (15,924,719)</b>	<b>\$ 12,525,952</b>	<b>\$ 3,716,306</b>	<b>\$ (2,986,273)</b>	<b>\$ (9,406,495)</b>
	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (2,983,681)	\$ 3,618,186	\$ 241,772	\$ (1,217,519)	\$ (112,780)
<b>Other financing sources (uses):</b>					
General obligation bonds issued					15,000,000
Premium on sale of bonds					223,038
Capital lease agreements	5,188,000				322,235
Transfers in	134,447	165,512	337,246	549,495	575,005
Transfers out	(134,447)	(165,512)	(337,246)	(549,495)	(575,005)
Total other financing sources (uses)	5,188,000				15,545,273
<b>Changes in fund balances</b>	<b>\$ 2,204,319</b>	<b>\$ 3,618,186</b>	<b>\$ 241,772</b>	<b>\$ (1,217,519)</b>	<b>\$ 15,432,493</b>

**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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commercial, Industrial, Utilities and Mining	\$ 129,630,944	\$ 128,377,990	\$ 129,589,031	\$ 148,541,165	\$ 161,806,837
Agricultural and Vacant	248,598,294	167,369,418	168,124,347	207,142,253	304,082,380
Residential (Owner Occupied)	1,057,299,717	941,931,021	972,673,961	1,204,211,137	1,280,523,293
Residential (Rental)	<u>531,526,095</u>	<u>388,267,882</u>	<u>291,595,722</u>	<u>56,081,436</u>	<u>61,756,765</u>
Total	<u>\$ 1,967,055,050</u>	<u>\$ 1,625,946,311</u>	<u>\$ 1,561,983,061</u>	<u>\$ 1,615,975,991</u>	<u>\$ 1,808,169,275</u>
Gross Full Cash Value	\$ 18,884,344,307	\$ 16,122,265,355	\$ 15,070,782,027	\$ 15,513,735,011	\$ 16,848,581,775
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10.42%	10.09%	10.36%	10.42%	10.73%
Total Direct Rate	2.36	2.35	2.36	1.98	1.69

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commercial, Industrial, Utilities and Mining	\$ 193,700,776	\$ 184,884,114	\$ 174,373,153	\$ 140,859,175	\$ 126,007,670
Agricultural and Vacant	468,547,673	480,214,688	415,305,541	274,946,316	247,733,804
Residential (Owner Occupied)	1,579,253,405	1,661,516,032	1,478,422,716	1,011,117,089	878,440,734
Residential (Rental)	<u>71,960,350</u>	<u>68,081,955</u>	<u>60,480,107</u>	<u>46,938,124</u>	<u>33,332,452</u>
Total	<u>\$ 2,313,462,204</u>	<u>\$ 2,394,696,789</u>	<u>\$ 2,128,581,517</u>	<u>\$ 1,473,860,704</u>	<u>\$ 1,285,514,660</u>
Gross Full Cash Value	\$ 22,100,245,210	\$ 25,943,331,475	\$ 25,433,321,027	\$ 17,096,143,785	\$ 12,469,310,229
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10.47%	9.23%	8.37%	8.62%	10.31%
Total Direct Rate	1.58	1.77	1.90	2.40	3.76

**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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Commerical, Industrial, Utilities and Mining	\$ 124,776,268	\$ 130,170,349	\$ 129,774,897	\$ 148,735,143	\$ 162,670,323
Agricultural and Vacant	163,905,871	191,468,121	182,799,970	211,706,707	312,529,276
Residential (Owner Occupied)	942,125,521	964,394,201	974,832,815	1,206,087,128	1,282,114,979
Residential (Rental)	<u>476,027,308</u>	<u>399,273,186</u>	<u>292,071,068</u>	<u>56,161,567</u>	<u>61,877,244</u>
Total	<u>\$ 1,706,834,968</u>	<u>\$ 1,685,305,857</u>	<u>\$ 1,579,478,750</u>	<u>\$ 1,622,690,545</u>	<u>\$ 1,819,191,822</u>
Gross Full Cash Value	\$ 18,884,344,307	\$ 16,122,265,355	\$ 15,070,782,027	\$ 15,513,735,011	\$ 16,848,581,775
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	9.04%	10.45%	10.48%	10.46%	10.80%
Total Direct Rate	2.36	2.35	2.36	1.98	1.69

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Commerical, Industrial, Utilities and Mining	\$ 217,271,880	\$ 225,518,934	\$ 210,164,471	\$ 162,388,761	\$ 147,088,399
Agricultural and Vacant	548,998,306	730,773,303	625,909,916	381,516,356	337,097,986
Residential (Owner Occupied)	1,595,525,926	1,845,108,603	1,879,318,907	1,295,074,392	903,876,941
Residential (Rental)	<u>73,744,535</u>	<u>78,869,001</u>	<u>80,554,238</u>	<u>68,069,251</u>	<u>35,551,700</u>
Total	<u>\$ 2,435,540,647</u>	<u>\$ 2,880,269,841</u>	<u>\$ 2,795,947,532</u>	<u>\$ 1,907,048,760</u>	<u>\$ 1,423,615,026</u>
Gross Full Cash Value	\$ 22,100,245,210	\$ 25,943,331,475	\$ 25,433,321,027	\$ 17,096,143,785	\$ 12,469,310,229
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11.02%	11.10%	10.99%	11.15%	11.42%
Total Direct Rate	1.58	1.77	1.90	2.40	3.76

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

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

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

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

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

Fiscal Year Ended June 30	Overlapping Rates										
	State Equalization	County	Tatum Ranch Community Facilities District	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Scottsdale	District Direct Rates		
									Primary	Secondary	Total
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
2007	0.00	1.18	1.10	0.20	0.18	0.12	1.82	0.97	2.52	1.24	3.76

**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>2016</u>		<u>2007</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	\$ 110,160,954	5.60	%	\$ 15,489,477	1.09	%
Century Link	13,889,614	0.71		4,446,131	0.31	
VHS of Phoenix, Inc	7,126,584	0.36				
Canyon Corporate Plaza Properties LL	6,475,000	0.33				
PDG America Properties LLC	5,967,462	0.30				
M2 Phoenix 1222 LLC	5,599,129	0.28				
Southwest Gas Corporation	5,106,249	0.26		6,222,241	0.44	
Bay Pacific Phoenix Coporate Center ]	4,482,470	0.23				
Granite Black Canyon Holdings LLC	3,812,609	0.19				
CRP Holdings San Valiente LLC	2,556,945	0.13				
PR Hotel LLC				8,211,880	0.58	
Desert Mountain Properties				16,991,036	1.19	
Arizona State Land Department				5,705,700	0.40	
Donahue Schriber Realty Group LP				6,365,942	0.45	
Boulders Joint Venture				17,601,325	1.24	
Bethany Terravita LLC/Wilshire Selby				3,911,042	0.27	
PR Resort Club LLC				3,810,166	0.27	
<b>Total</b>	<u><u>\$ 165,177,016</u></u>	<u><u>8.40</u></u>	<b>%</b>	<u><u>\$ 88,754,940</u></u>	<u><u>6.24</u></u>	<b>%</b>

**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**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2016	\$ 34,148,187	\$ 33,609,091	98.42 %	\$	\$ 33,609,091	98.42 %
2015	35,103,893	32,134,883	91.54	2,877,966	35,012,849	99.74
2014	36,888,261	33,829,532	91.71	3,051,873	36,881,405	99.98
2013	31,838,024	29,299,375	92.03	2,538,478	31,837,853	100.00
2012	30,677,099	28,018,145	91.33	1,989,025	30,007,170	97.82
2011	36,772,529	34,356,950	93.43	2,413,660	36,770,610	99.99
2010	39,132,503	33,472,334	85.54	3,025,615	36,497,949	93.27
2009	39,698,231	35,676,380	89.87	3,390,211	39,066,591	98.41
2008	47,329,890	44,882,870	94.83	2,446,354	47,329,224	100.00
2007	50,104,894	47,891,589	95.58	2,212,575	50,104,164	100.00

**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	
2016	\$ 33,872,807	\$ 289,873	\$ 33,582,934	0.18 %	\$ 552	\$ 7,588,612	\$ 41,461,419	0.22 %	\$ 675	N/A %	
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	
2007	44,615,000	11,540,000	33,075,000	0.27	897	416,679	45,031,679	0.36	905	0.04	

**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, 2016**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 593,820,000	4.80 %	\$ 28,503,360
Tatum Ranch Community Facilities District	3,455,000	100.00	3,455,000
City of Phoenix	1,428,097,000	1.92	27,419,462
City of Scottsdale	586,910,000	20.55	<u>120,610,005</u>
Subtotal, Overlapping Debt			<u>179,987,827</u>
Direct:			
Cave Creek Unified School District No. 93			<u>41,461,419</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 221,449,246</u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		1.71 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 3,478	
As a Percentage of Net Limited Assessed Valuation		10.86 %
As a Percentage of Gross Full Cash Value		1.13 %

**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, 2015 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 2016:**

Net full cash assessed valuation	\$ 1,706,834,968
Debt limit (20% of assessed value)	341,366,994
Debt applicable to limit	<u>32,285,000</u>
Legal debt margin	<u>\$ 309,081,994</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2016:**

Net Full Cash assessed valuation	\$ 1,706,834,968
Debt limit (30% of assessed value)	512,050,490
Debt applicable to limit	<u>32,285,000</u>
Legal debt margin	<u>\$ 479,765,490</u>

**Fiscal Year Ended June 30**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$ 512,050,490	\$ 505,591,757	\$ 473,843,625	\$ 484,792,797	\$ 545,757,547
Total net debt applicable to limit	<u>32,285,000</u>	<u>33,750,000</u>	<u>14,975,000</u>	<u>16,175,000</u>	<u>17,325,000</u>
Legal debt margin	<u>\$ 479,765,490</u>	<u>\$ 471,841,757</u>	<u>\$ 458,868,625</u>	<u>\$ 468,617,797</u>	<u>\$ 528,432,547</u>
Total net debt applicable to the limit as a percentage of debt limit	6%	7%	3%	3%	3%
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Debt Limit	\$ 730,662,194	\$ 864,080,952	\$ 838,784,260	\$ 572,114,628	\$ 427,084,508
Total net debt applicable to limit	<u>18,410,000</u>	<u>20,660,000</u>	<u>22,795,000</u>	<u>33,075,000</u>	<u>44,615,000</u>
Legal debt margin	<u>\$ 712,252,194</u>	<u>\$ 843,420,952</u>	<u>\$ 815,989,260</u>	<u>\$ 539,039,628</u>	<u>\$ 382,469,508</u>
Total net debt applicable to the limit as a percentage of debt limit	3%	2%	3%	6%	10%

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

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

**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>
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
2006	3,792,675	120,716,738	33,178	3.5	49,746

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

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

<u>Employer</u>	<u>2016</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	49,800	2.71 %	34,600	1.90 %
Wal-Mart Stores Inc.	30,634	1.67	29,500	1.60
Banner Health Systems	24,825	1.35	16,000	0.90
Bashas' Inc			14,000	0.80
City of Phoenix	15,100	0.82	16,318	0.90
Wells Fargo Company	13,308	0.72		
Bank of America	13,300	0.72		
Maricopa County	12,792	0.70	13,000	0.70
Raytheon Co.	11,500	0.63		
Arizona State University	11,185	0.61	11,200	0.60
Apollo Group Inc.	11,000	0.60		
Honeywell			12,000	0.70
Intel Corp.			10,000	0.50
US Airways			9,900	0.50
Total	<u>193,444</u>	<u>10.53 %</u>	<u>166,518</u>	<u>9.10 %</u>
Total employment	<u>1,836,600</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**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	6	6	6	7	7
Principals	7	7	7	7	7
Assistant principals	3	3	3	3	3
Total supervisory	<u>16</u>	<u>16</u>	<u>16</u>	<u>17</u>	<u>17</u>
<b>Instruction</b>					
Teachers	255	263	264	268	284
Other teachers (adult)	16	14	14	14	18
Other professionals (instructional)	25	30	29	30	27
Aides	93	72	75	84	82
Total instruction	<u>389</u>	<u>379</u>	<u>382</u>	<u>396</u>	<u>411</u>
<b>Student Services</b>					
Librarians	2	2	3	3	3
Transportation/Bus Drivers/Bus Aides	53	46	47	48	49
Technicians	13	13	13	15	14
Total student services	<u>68</u>	<u>61</u>	<u>63</u>	<u>66</u>	<u>66</u>
<b>Support and Administration</b>					
Support staff and administration	200	200	198	172	176
Total support and administration	<u>200</u>	<u>200</u>	<u>198</u>	<u>172</u>	<u>176</u>
<b>Total</b>	<u><u>673</u></u>	<u><u>656</u></u>	<u><u>659</u></u>	<u><u>651</u></u>	<u><u>670</u></u>

(Continued)

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	7	7	6	7	7
Principals	7	7	8	8	8
Assistant principals	3	3	5	5	5
Total supervisory	<u>17</u>	<u>17</u>	<u>19</u>	<u>20</u>	<u>20</u>
<b>Instruction</b>					
Teachers	282	298	295	307	299
Other teachers (adult)	14	16	14	16	15
Other professionals (instructional)	28	22	26	31	30
Aides	70	62	67	74	71
Total instruction	<u>394</u>	<u>398</u>	<u>402</u>	<u>428</u>	<u>415</u>
<b>Student Services</b>					
Librarians	3	5	8	8	8
Transportation/Bus Drivers/Bus Aides	49	44	54	55	53
Technicians	15	13	15	20	18
Total student services	<u>67</u>	<u>62</u>	<u>77</u>	<u>83</u>	<u>79</u>
<b>Support and Administration</b>					
Support staff and administration	205	171	163	165	156
Total support and administration	<u>205</u>	<u>171</u>	<u>163</u>	<u>165</u>	<u>156</u>
<b>Total</b>	<u><u>683</u></u>	<u><u>648</u></u>	<u><u>661</u></u>	<u><u>696</u></u>	<u><u>670</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**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
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
2007	5,642	41,632,821	7,379	13.10	48,824,518	8,654	11.74	299	18.9	6.1

**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**

	<b>Fiscal Year Ended June 30</b>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b><u>Schools</u></b>										
<b>Elementary</b>										
Buildings	41	41	38	38	40	40	40	40	40	40
Square feet	455,915	455,915	368,023	368,023	383,307	383,307	383,307	383,307	383,307	383,307
Capacity	4,349	4,349	3,900	3,900	3,900	3,900	3,900	3,900	3,900	3,900
Enrollment	2,892	2,892	3,267	3,267	3,267	3,219	2,783	2,786	2,740	2,774
<b>Middle</b>										
Buildings	26	26	19	19	19	19	19	19	19	19
Square feet	214,623	214,623	214,623	214,623	214,623	214,623	214,623	214,623	214,623	214,623
Capacity	2,315	2,315	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	851	851	814	814	814	828	1,320	1,403	1,399	1,402
<b>High</b>										
Buildings	22	22	21	21	20	20	20	20	20	20
Square feet	241,239	241,239	241,430	235,439	197,047	197,047	197,047	197,047	197,047	197,047
Capacity	2,062	2,062	1,856	1,856	1,450	1,450	1,450	1,450	1,450	1,450
Enrollment	1,687	1,687	1,703	1,703	1,703	1,785	1,757	1,756	1,726	1,662
<b>Other</b>										
Buildings	5	5	8	8	5	5	5	5	5	5
Square feet	42,875	42,875	48,635	48,635	42,875	42,875	42,875	42,875	42,875	42,875
<b><u>Administrative</u></b>										
Buildings	3	3	2	2	3	3	3	3	3	3
Square feet	5,760	5,760	15,284	15,284	5,760	5,760	5,760	5,760	5,760	5,760
<b><u>Transportation</u></b>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	59	59	56	56	56	56	56	56	56	56
<b><u>Athletics</u></b>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	16	16	16	16	16	16	16	16	16	16
Playgrounds	10	10	10	10	10	10	10	10	10	10

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