
TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

TEMPE, ARIZONA

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

Issued by:
Finance Department

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

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INTRODUCTORY SECTION

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500 West Guadalupe Road • Tempe, Arizona • 85283-3599 • (480) 839-0292 • www.tempeunion.org

Dr. Kevin J. Mendivil
Superintendent

December 21, 2018

Governing Board and Citizens
Tempe Union High School District No. 213
500 West Guadalupe Road
Tempe, Arizona 85283

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 Tempe Union High School District No. 213 (District) for the fiscal year ended June 30, 2018.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

Governing Board

Michelle I. Helm

Berdetta B. Hodge

Sandy Lowe

DeeAnne McClenahan

Brandon Schmoll

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 for grade nine through grade twelve, with an estimated current enrollment of 13,861 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 purposes and the

District is not included in any other governmental entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, bookstore, and athletic functions.

The District was formed in 1908, encompasses approximately 162 square miles and is situated in the southeastern portion of Maricopa County. Located within the greater Phoenix metropolitan area, the District lies about ten miles southeast of downtown Phoenix. The principal city within the District is the City of Tempe, Arizona, which represents approximately 53% of the District's population. The cities of Chandler, Guadalupe, Mesa, Scottsdale and Phoenix, Arizona, overlap other portions of the District. The southwestern portion of the District lies within the Gila River Indian Reservation and the Maricopa/Pinal County line forms the southern boundary. Two elementary school districts are contained within the District. The District's projected enrollment for the 2017-18 school year is 13,615. The District employs 54 principals and administrators, 744 certified personnel and 567 classified personnel. The District currently has one alternative high school and six comprehensive high schools, one of which includes a program for gifted students. The average age of the buildings in the District is approximately 40 years.

The District's mission is "Excellence in Teaching and Learning." The District goals are to: increase student achievement; optimize the use of all resources to accomplish District goals; recruit and retain highly-effective, diverse staff; and nurture positive relationships with our communities to support and advocate for District goals. The District continues to provide an excellent education to students with innovative programming, outstanding faculty and staff, and exceptional facilities and equipment. Tempe Union students consistently score above state and national average in standardized tests such as Stanford 9, AIMS, SAT, and ACT. The District is working toward meeting the needs of all of our students by offering an academy for gifted students and an International Baccalaureate World School, increasing career and technical education opportunities, and expanding our alternative learning environment for students who feel that the traditional high school setting does not meet their academic needs. Our higher education partners, Arizona State University and Maricopa Community College District, allow our students to take dual enrollment classes in Biotechnology and Engineering Programs, ASU's W.P. Carey School of Business and many other courses offered at the college level.

Each year many Tempe Union students are recognized for achievements with scholarships, grants, awards, and selection to competitive programs. Our students earned more than \$76.0 million in scholarships in 2016. Tempe Union is home to 27 2017 National Merit scholarship semi-finalists. The Class of 2016 included seven candidates for the U.S. Presidential Scholars Program. Many of the District's sports teams advanced to the state playoffs; our student-athletes earned 20 state championships in 2015-16. Five of Tempe Union's six marching bands qualified for state competition with Desert Vista bringing home the title. Coronado del Sol's "We the People" team and percussion team each won impressive fifth straight state titles and a JROTC student won a national title in armed drill solo. Many Tempe Union High School District faculty and staff members have been recognized locally, statewide and nationally for excellence. Sixty-six percent of teachers hold a master's degree or above and 68 percent of teachers have 10 or more years of experience.

All teachers are certified by the Arizona Department of Education. The District's schools meet stringent accreditation criteria from AdvanceED. The District earned the State 'A' rating with all six comprehensive schools receiving an 'A' rating. Five of our schools also earned the Arizona Educational Foundation A+ award of excellence.

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. 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 14th in land area. The County's 2011 population was estimated at 3,884,705 and expected to reach 6.2 million by 2030.

Service is still the largest employment sector in the County, partly fueled by the tourist 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, employing over a quarter million people.

Manufacturing consisting primarily of high technology companies is the third largest employer. Other factors aiding 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.

A few of the major companies represented in the Phoenix metropolitan area include Wal-Mart Stores, Inc., Banner Health Systems, Wells Fargo, Honeywell, and Intel. In addition, the metropolitan area continues to provide excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

Long-term Financial Planning. The District student population was stable in 2016-17. The stability is a result of our continuing academic success and marketing plan. Current school facilities are of adequate size to meet student needs.

In November 2015, District voters approved a seven year capital override of \$6.5 million per year. Fiscal year 2017-18 will be year two of seven of the capital override at \$6.5 million per year.

Fiscal year 2017-18 will be year four of seven of the 10 percent maintenance and operations override.

In November 2017, District voters approved increasing the maintenance and operations override up to 15 percent starting in fiscal year 2018-19.

Major Initiatives.

- Increase the number of students going on to higher education.
- Continue efforts to close the achievement gap among all students.
- Continue to promote the District through our marketing and communication plan.
- Continue to expand educational opportunities for our students through alternative programs, academies and on-line courses.
- Continue a business partnership program to increase opportunities for additional resources.
- Continue research and identify non-traditional revenue resources.
- Development of a community education program.
- Continue energy management project.
- Continue to solicit and utilize recommendations from community, business and education partners to create cost-saving opportunities for all entities.
- Recruiting and retaining highly-effective and diverse staff.
- Preparing for implementation of Arizona's College and Career Ready Standards
- Initiated a three-year partnership with Arizona State University Preparatory Academy for collaboration with the District alternative high school (Compadre Academy).
- Continue exploration of sale, lease, or exchange of our District owned properties.

To learn more about our District, please visit our website located at <http://www.tuhsd.k12.az.us>.

AWARDS AND ACKNOWLEDGMENTS

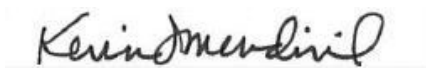
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2018 certificates.

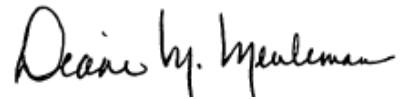
Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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,

A handwritten signature in black ink, reading "Kevin J. Mendivil". The signature is written in a cursive style with a large, stylized "K" and "M".

Dr. Kevin J. Mendivil
Superintendent

A handwritten signature in black ink, reading "Diane M. Meulemans". The signature is written in a cursive style with a large, stylized "D" and "M".

Diane M. Meulemans, CPA
Assistant Superintendent for
Business Services



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

Tempe Union High School District No. 213

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

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



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

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

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

John D. Musso, CAE
Executive Director



Government Finance Officers Association

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

Presented to

**Tempe Union High School
District No. 213, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

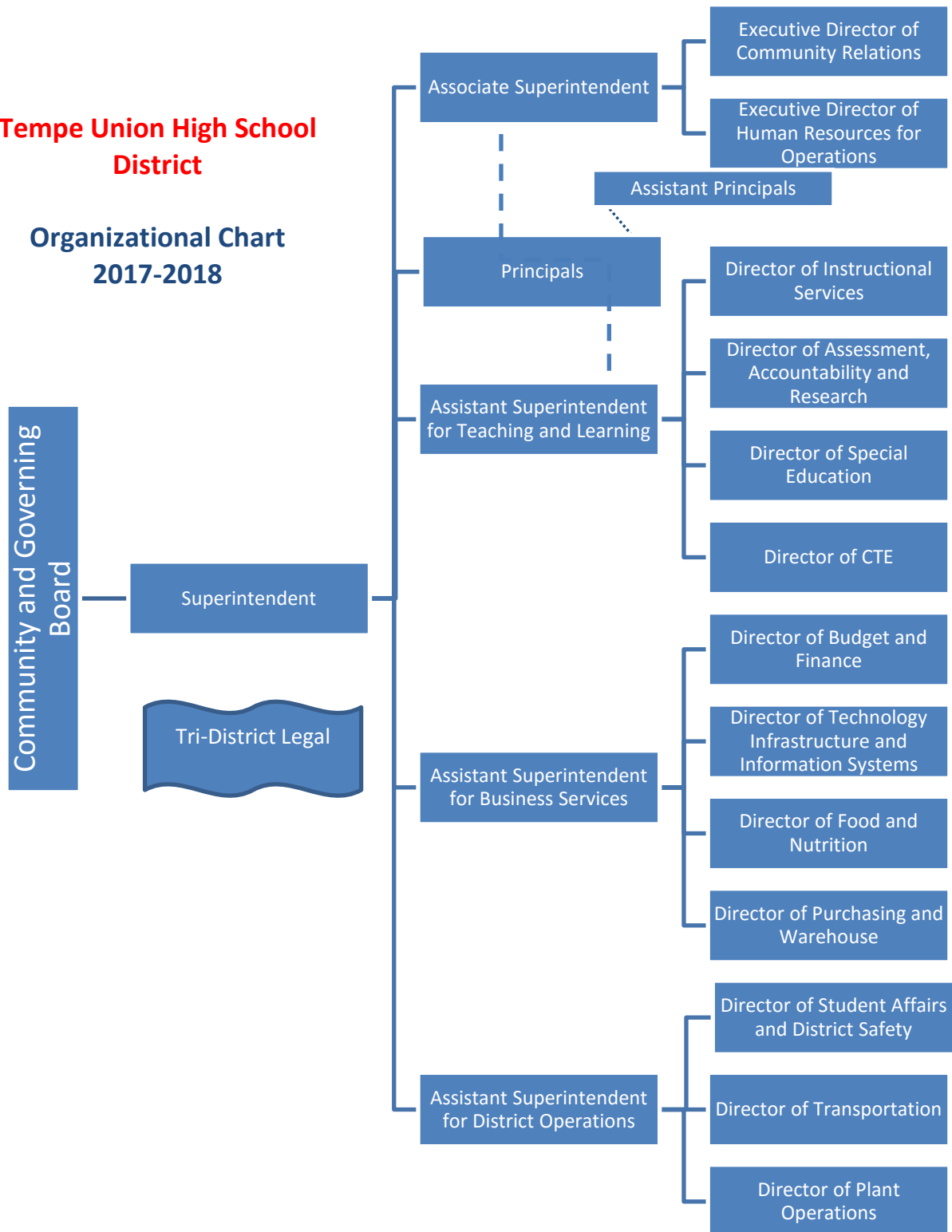
June 30, 2017

Christopher P. Morill

Executive Director/CEO

**Tempe Union High School
District**

**Organizational Chart
2017-2018**



TEMPE UNION HIGH SCHOOL DISTRICT NO. 213

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Michelle Helm, President

Berdetta Hodge, Vice President

DeeAnne McClenahan, Member

Sandy Lowe, Member

Brandon Schmoll, Member

ADMINISTRATIVE STAFF

Dr. Kevin J. Mendivil, Superintendent

Dr. Stacia Wilson, Associate Superintendent

Diane M. Meulemans, CPA, Assistant Superintendent for Business Services

Roland Carranza, Director of Finance and Budget

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Tempe Union High School District No. 213

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 Tempe Union High School District No. 213 (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Tempe Union High School District No. 213, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2018, on our consideration of Tempe Union High School District No. 213'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 Tempe Union High School District No. 213's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 21, 2018

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

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**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

As management of the Tempe Union High School District No. 213 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$10.7 million which represents an 11 percent increase from the prior fiscal year as a result of conservative spending.
- General revenues accounted for \$111.5 million in revenue, or 84 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$21.9 million or 16 percent of total current fiscal year revenues.
- The District had approximately \$122.7 million in expenses related to governmental activities, a decrease of two percent from the prior fiscal year.
- Among major funds, the General Fund had \$90.5 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$85.4 million in expenditures. The General Fund's fund balance increase from \$21.9 million at the prior fiscal year end to \$27.5 million at the end of the current fiscal year was primarily due to an increase in state aid due to an increase in student count and a decrease in expenditures due to conservative spending.
- The Debt Service Fund had \$6.7 million in current fiscal year revenues, which primarily consisted of property taxes, and \$7.4 million in expenditures. The Debt Service Fund's fund balance decreased from \$981,512 at the prior fiscal year end to \$311,430 at the end of the current fiscal year.
- The Unrestricted Capital Outlay Fund had \$6.7 million in current year revenues, which primarily consisted of property taxes, and \$8.4 million in expenditures. The Unrestricted Capital Outlay Fund's fund balance decreased from \$12.0 million at the prior fiscal year end to \$10.2 million at the end of the current fiscal year.
- Net position for the Internal Service Funds decreased \$548,857 from the prior fiscal year. Operating expenses of \$11.0 million exceeded operating revenues of \$10.4 million at the end of the current fiscal year.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

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.

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

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

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018

OVERVIEW OF FINANCIAL STATEMENTS

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

Proprietary fund. The District maintains one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District established its internal service fund to account for the financing of the District's self-insurance for employee benefits. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.

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

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

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

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

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 \$108.0 million at the current fiscal year end.

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

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

	As of June 30, 2018	As of June 30, 2017
Current and other assets	\$ 99,584,376	\$ 93,585,223
Capital assets, net	213,067,003	215,932,700
Total assets	<u>312,651,379</u>	<u>309,517,923</u>
Deferred outflows	<u>5,853,979</u>	<u>21,722,297</u>
Current and other liabilities	5,853,979	4,381,256
Long-term liabilities	206,478,875	214,912,777
Total liabilities	<u>212,332,854</u>	<u>219,294,033</u>
Deferred inflows	<u>7,172,464</u>	<u>14,608,685</u>
Net position:		
Net investment in capital assets	121,605,994	122,646,680
Restricted	40,191,158	40,077,775
Unrestricted	(53,781,220)	(65,386,953)
Total net position	<u>\$ 108,015,932</u>	<u>\$ 97,337,502</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$53.8 million. The deficit is due to District's proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

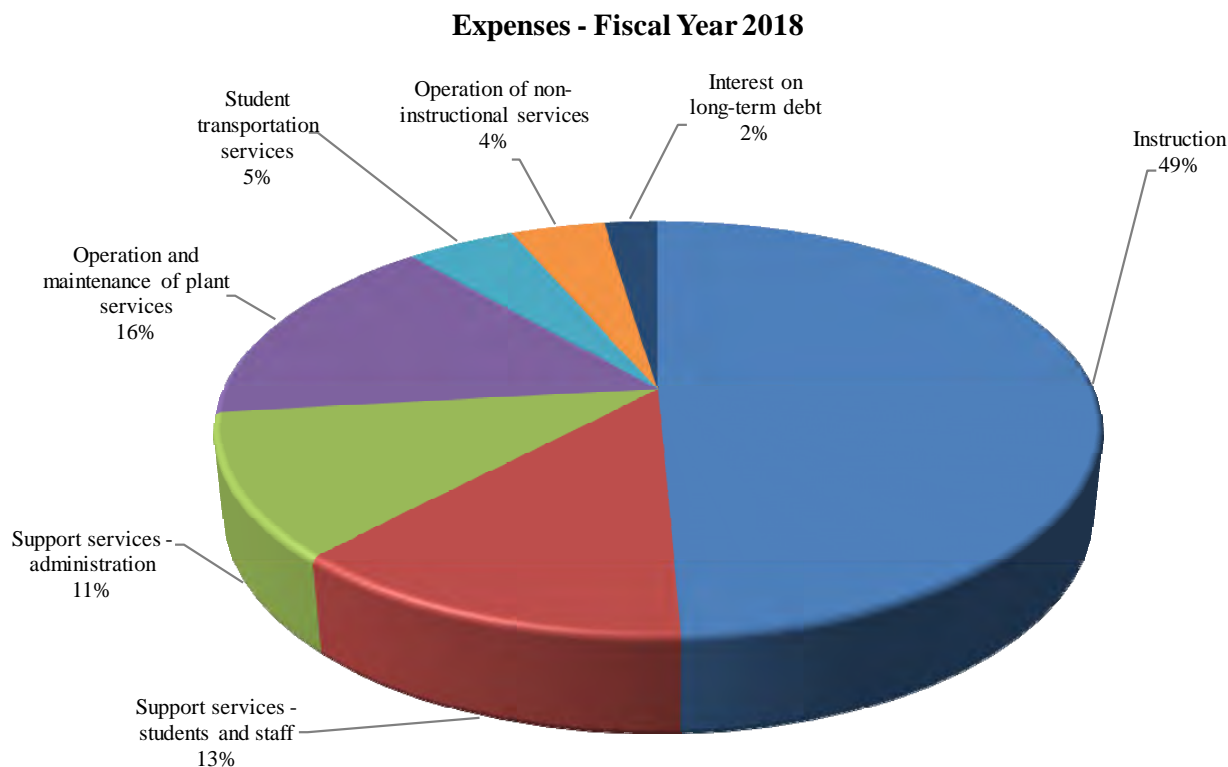
- The addition of \$5.4 million in capital assets primarily through purchases of vehicles, furniture, and equipment, land and building improvements, and the addition of \$8.2 million in accumulated depreciation through current year depreciation expense.
- The principal retirement of \$4.4 million of school improvement bonds.
- The decrease of \$3.4 million in pension liabilities.

Changes in net position. The District's total revenues for the current fiscal year were \$133.4 million. The total cost of all programs and services was \$122.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2018 and June 30, 2017.

	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017
Revenues:		
Program revenues:		
Charges for services	\$ 12,200,343	\$ 13,212,680
Operating grants and contributions	8,733,345	8,814,710
Capital grants and contributions	998,403	900,822
General revenues:		
Property taxes	83,967,635	85,002,497
Investment income	699,510	379,359
Unrestricted county aid	767,823	545,411
Unrestricted state aid	25,540,003	24,296,667
Unrestricted federal aid	501,676	485,763
Total revenues	<u>133,408,738</u>	<u>133,637,909</u>
Expenses:		
Instruction	60,514,901	63,672,750
Support services - students and staff	15,631,953	16,536,185
Support services - administration	13,720,130	13,519,813
Operation and maintenance of plant services	19,119,283	18,688,571
Student transportation services	5,832,616	5,133,149
Operation of non-instructional services	5,052,187	5,163,844
Interest on long-term debt	2,878,085	2,866,676
Total expenses	<u>122,749,155</u>	<u>125,580,988</u>
Excess (deficiency) before special items	<u></u>	<u>8,056,921</u>
Special item – loss on sales of assets	<u></u>	<u>(1,478,326)</u>
Changes in net position	<u>10,659,583</u>	<u>6,578,595</u>
Net position, beginning, as restated	<u>97,356,349</u>	<u>90,758,907</u>
Net position, ending	<u><u>\$108,015,932</u></u>	<u><u>\$ 97,337,502</u></u>

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- An increase of \$1.2 million in unrestricted state aid due to an increase in student count and the base support level.
- A decrease of \$3.2 million in instruction expense due to conservative spending and a decrease in the District's proportionate share of the unfunded pension liability.

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.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2018		Year Ended June 30, 2017	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 60,514,901	\$ (51,482,484)	\$ 63,672,750	\$ (49,840,975)
Support services - students and staff	15,631,953	(10,776,589)	16,536,185	(14,112,146)
Support services – administration	13,720,130	(12,965,026)	13,519,813	(13,263,400)
Operation and maintenance of plant services	19,119,283	(16,958,102)	18,688,571	(17,540,249)
Student transportation services	5,832,616	(5,617,402)	5,133,149	(5,131,108)
Operation of non-instructional services	5,052,187	(139,376)	5,163,844	101,778
Interest on long-term debt	2,878,085	(2,878,085)	2,866,676	(2,866,676)
Total	<u>\$ 122,749,155</u>	<u>\$ (100,817,064)</u>	<u>\$ 125,580,988</u>	<u>\$(102,652,776)</u>

- The cost of all governmental activities this year was \$122.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$21.9 million.
- Net cost of governmental activities of \$100.8 million was financed by general revenues, which are made up of primarily property taxes of \$84.0 million and state and county aid of \$26.3 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 \$69.1 million, an increase of \$2.5 million due primarily to conservative spending.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 40 percent of the total fund balance. Approximately \$26.2 million, or 95 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$5.6 million to \$27.5 million as of fiscal year end because revenues exceeded expenditures in the current year. Revenues of the General Fund increased \$1.7 million from the prior fiscal year; however, expenditures decreased by \$2.2 million. The increase in revenues was primarily due to an increase in property tax revenues due to an increase in the property tax rate levied for General purposes and an increase in state aid due to an increase in student counts. Decreased expenditures were primarily due to conservative spending.

The Debt Service Fund had \$6.7 million in fiscal year revenues, which consisted primarily of property taxes and \$7.4 million in expenditures. The Debt Service Fund's fund balance decreased \$670,082 to \$311,430 at current fiscal year end.

The Unrestricted Capital Outlay Fund's fund balance decreased from \$12.0 million at the prior fiscal year end to \$10.2 million at the end of the current fiscal year primarily due to changes to property tax revenue resulting from the calculation of the Unrestricted Capital Budget Limit.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$12.0 million. Net position decreased \$548,857 from the prior year.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget to account for the passage of the 1.06 percent teacher pay increase requirement. The difference between the original budget and the final amended budget was a \$753,199 increase, 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. The significant variance is summarized as follows:

- The favorable variances of \$4.1 million in instruction and \$1.5 million in support services – students and staff were a result of efforts to grow and maintain the budget carryover for reserve purposes.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$330.7 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 \$4.6 million from the prior fiscal year. Total depreciation expense for the current fiscal year was \$8.2 million.

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

	As of June 30, 2018	As of June 30, 2017
Capital assets - non-depreciable	\$ 14,244,886	\$ 14,401,430
Capital assets - depreciable, net	198,822,117	201,531,270
Total	<u>\$ 213,067,003</u>	<u>\$ 215,932,700</u>

The estimated cost to complete current construction projects is \$350,036.

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

Debt Administration. At year end, the District had \$95.4 million in long-term debt outstanding, \$4.4 million due within one year. The long-term debt decreased by \$4.6 million.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$631.5 million and the Class B debt limit is \$421.0 million, which is more than the respective outstanding debt.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2018-19 budget. Among them:

- Fiscal year 2017-18 budget balance carry forward (estimated \$6.5 million).
- District student population (estimated 13,704).

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

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2018**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Budgeted expenditures in the General Fund increased nine percent to \$101.9 million in fiscal year 2018-19 due to the M&O budget carryforward and legislation passed to increase teacher pay by 10 to 19 percent. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2018-19 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Finance Department, Tempe Union High School District No. 213, 500 West Guadalupe Road, Tempe, Arizona 85283.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 80,575,486
Property taxes receivable	7,742,075
Deposits held by others	61,631
Accounts receivable	1,006,648
Due from governmental entities	8,515,569
Prepaid items	1,303,662
Total current assets	<u>99,205,071</u>
Noncurrent assets:	
Net other postemployment benefit assets	379,305
Land held for sale	4,500,000
Capital assets not being depreciated	9,744,886
Capital assets, net of accumulated depreciation	198,822,117
Total noncurrent assets	<u>213,446,308</u>
Total assets	<u><u>312,651,379</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	1,424,722
Pension and other postemployment benefit plan items	13,445,149
Total deferred outflows of resources	<u><u>14,869,871</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	2,176,396
Claims payable	721,038
Accrued payroll and employee benefits	1,364,186
Compensated absences payable	811,123
Accrued interest payable	1,511,298
Unearned revenues	81,061
Bonds payable	4,415,000
Total current liabilities	<u>11,080,102</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	201,252,752
Total noncurrent liabilities	<u>201,252,752</u>
Total liabilities	<u><u>212,332,854</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	7,172,464
<u>NET POSITION</u>	
Net investment in capital assets	121,605,994
Restricted for:	
Voter approved initiatives	6,298,767
Federal and state projects	1,801,176
Food service	295,044
Civic center	2,099,664
Community school	5,311,409
Auxiliary operations	2,468,055
Extracurricular activities	1,165,106
Joint technical education	8,006,308
Other local initiatives	1,392,785
Debt service	373,557
Capital outlay	10,979,287
Unrestricted	(53,781,220)
Total net position	<u><u>\$ 108,015,932</u></u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 60,514,901	\$ 4,485,089	\$ 3,548,925	\$ 998,403	\$ (51,482,484)
Support services - students and staff	15,631,953	1,850,668	3,004,696		(10,776,589)
Support services - administration	13,720,130	751,594	3,510		(12,965,026)
Operation and maintenance of plant services	19,119,283	1,294,166	867,015		(16,958,102)
Student transportation services	5,832,616	78,607	136,607		(5,617,402)
Operation of non-instructional services	5,052,187	3,740,219	1,172,592		(139,376)
Interest on long-term debt	2,878,085				(2,878,085)
Total governmental activities	<u>\$ 122,749,155</u>	<u>\$ 12,200,343</u>	<u>\$ 8,733,345</u>	<u>\$ 998,403</u>	<u>(100,817,064)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	71,132,447
Property taxes, levied for debt service	6,673,562
Property taxes, levied for capital outlay	6,161,626
Investment income	699,510
Unrestricted county aid	767,823
Unrestricted state aid	25,540,003
Unrestricted federal aid	501,676

Total general revenues 111,476,647

Changes in net position 10,659,583

Net position, beginning of year, as restated 97,356,349

Net position, end of year \$ 108,015,932

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

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FUND FINANCIAL STATEMENTS

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$ 21,922,304	\$ 6,196,609	\$ 10,559,779
Property taxes receivable	7,538,506	103,246	100,323
Deposits held by others			
Accounts receivable	79,407		
Due from governmental entities	4,975,330		
Due from other funds	1,017,173		
Prepaid items	1,303,662		
Total assets	<u><u>\$ 36,836,382</u></u>	<u><u>\$ 6,299,855</u></u>	<u><u>\$ 10,660,102</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,334,882	\$	\$ 359,925
Due to other funds			
Accrued payroll and employee benefits	859,771		
Unearned revenues			
Bonds payable		4,415,000	
Bond interest payable		1,511,298	
Total liabilities	<u><u>2,194,653</u></u>	<u><u>5,926,298</u></u>	<u><u>359,925</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	7,125,538	62,127	62,001
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u><u>7,125,538</u></u>	<u><u>62,127</u></u>	<u><u>62,001</u></u>
Fund balances (deficits):			
Nonspendable	1,303,662		
Restricted		311,430	10,238,176
Unassigned	26,212,529		
Total fund balances	<u><u>27,516,191</u></u>	<u><u>311,430</u></u>	<u><u>10,238,176</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 36,836,382</u></u>	<u><u>\$ 6,299,855</u></u>	<u><u>\$ 10,660,102</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 29,705,570	\$ 68,384,262
	7,742,075
45,062	45,062
431,617	511,024
3,540,239	8,515,569
	1,017,173
	1,303,662
<u>\$ 33,722,488</u>	<u>\$ 87,518,827</u>

\$ 476,959	\$ 2,171,766
1,017,173	1,017,173
504,415	1,364,186
81,061	81,061
	4,415,000
	1,511,298
<u>2,079,608</u>	<u>10,560,484</u>

	7,249,666
<u>579,647</u>	<u>579,647</u>
<u>579,647</u>	<u>7,829,313</u>

	1,303,662
31,951,653	42,501,259
(888,420)	25,324,109
<u>31,063,233</u>	<u>69,129,030</u>

<u>\$ 33,722,488</u>	<u>\$ 87,518,827</u>
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TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Total governmental fund balances	\$	69,129,030
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 330,691,472	
Less accumulated depreciation	<u>(117,624,469)</u>	213,067,003

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

Property taxes	7,249,666	
Intergovernmental	<u>579,647</u>	7,829,313

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.	1,424,722
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Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions/OPEB	13,445,149	
Deferred inflows of resources related to pensions/OPEB	<u>(7,172,464)</u>	6,272,685

The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.	379,305
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The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.	11,977,749
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(2,910,583)	
Net OPEB liability	(251,168)	
Net pension liability	(107,949,660)	
Bonds payable	<u>(90,952,464)</u>	<u>(202,063,875)</u>

Net position of governmental activities	\$	<u>108,015,932</u>
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The notes to the basic financial statements are an integral part of this statement.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>
Revenues:			
Other local	\$ 2,796,040	\$ 1,352	\$ 121,036
Property taxes	69,246,223	6,700,044	6,522,078
State aid and grants	17,954,510		22,272
Federal aid, grants and reimbursements	501,676		
Total revenues	<u>90,498,449</u>	<u>6,701,396</u>	<u>6,665,386</u>
Expenditures:			
Current -			
Instruction	45,453,634		
Support services - students and staff	10,710,756		
Support services - administration	11,633,479		
Operation and maintenance of plant services	13,279,053		
Student transportation services	3,612,355		
Operation of non-instructional services	658,180		
Capital outlay	45,850		8,377,403
Debt service -			
Principal retirement		4,415,000	
Interest and fiscal charges		3,028,193	
Total expenditures	<u>85,393,307</u>	<u>7,443,193</u>	<u>8,377,403</u>
Excess (deficiency) of revenues over expenditures	<u>5,105,142</u>	<u>(741,797)</u>	<u>(1,712,017)</u>
Other financing sources (uses):			
Transfer in	206,412	71,715	
Transfer out			
Proceeds from sale of capital assets	212,470		
Total other financing sources (uses)	<u>418,882</u>	<u>71,715</u>	
Changes in fund balances	<u>5,524,024</u>	<u>(670,082)</u>	<u>(1,712,017)</u>
Fund balances, beginning of year	21,943,442	981,512	11,950,193
Increase (decrease) in reserve for prepaid items	48,725		
Fund balances, end of year	<u>\$ 27,516,191</u>	<u>\$ 311,430</u>	<u>\$ 10,238,176</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 12,288,101	\$ 15,206,529
	82,468,345
8,895,974	26,872,756
6,066,911	6,568,587
<u>27,250,986</u>	<u>131,116,217</u>
11,182,302	56,635,936
5,198,490	15,909,246
977,063	12,610,542
1,860,928	15,139,981
370,302	3,982,657
4,013,897	4,672,077
4,053,482	12,476,735
	4,415,000
	3,028,193
<u>27,656,464</u>	<u>128,870,367</u>
<u>(405,478)</u>	<u>2,245,850</u>
	278,127
(278,127)	(278,127)
	212,470
<u>(278,127)</u>	<u>212,470</u>
<u>(683,605)</u>	<u>2,458,320</u>
31,746,838	66,621,985
	48,725
<u>\$ 31,063,233</u>	<u>\$ 69,129,030</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

Changes in fund balances - total governmental funds **\$ 2,458,320**

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	\$ 5,404,714	
Less current year depreciation	<u>(8,192,133)</u>	(2,787,419)

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

Property taxes	1,499,290	
Intergovernmental	<u>579,647</u>	2,078,937

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		4,415,000
--	--	-----------

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

Current year pension/OPEB contributions	7,656,801	
Pension/OPEB expense	<u>(2,818,430)</u>	4,838,371

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Prepaid items	48,725	
Deferred charges on issuance of debt	(142,471)	
Loss on disposal of assets	(78,278)	
Amortization of deferred bond items	292,580	
Compensated absences	<u>84,675</u>	205,231

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.		<u>(548,857)</u>
--	--	------------------

Changes in net position in governmental activities **\$ 10,659,583**

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2018

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 12,191,224
Deposits held by others	16,569
Accounts receivable	495,624
Total current assets	<u>12,703,417</u>
Total assets	<u><u>12,703,417</u></u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	4,630
Claims payable	721,038
Total current liabilities	<u>725,668</u>
Total liabilities	<u><u>725,668</u></u>
<u>NET POSITION</u>	
Unrestricted	11,977,749
Total net position	<u><u>\$ 11,977,749</u></u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 10,443,711
Total operating revenues	<u>10,443,711</u>
Operating expenses:	
Claims	9,120,094
Premiums	1,054,612
Administrative Fees	818,976
Total operating expenses	<u>10,993,682</u>
Operating income (loss)	<u>(549,971)</u>
Nonoperating revenues (expenses):	
Investment income	1,114
Total nonoperating revenues (expenses)	<u>1,114</u>
Changes in net position	<u>(548,857)</u>
Total net position, beginning of year	12,526,606
Total net position, end of year	<u><u>\$ 11,977,749</u></u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	<u>Governmental Activities: Internal Service Funds</u>
<u>Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 10,032,012
Cash payments to suppliers for goods and services	(1,163,665)
Cash payments for claims	<u>(8,969,183)</u>
Net cash used for operating activities	<u>(100,836)</u>
 Cash flows from investing activities:	
Investment income	<u>1,112</u>
Net cash provided by investing activities	<u>1,112</u>
 Net decrease in cash and cash equivalents	<u>(99,724)</u>
 Cash and cash equivalents, beginning of year	<u>12,290,948</u>
 Cash and cash equivalents, end of year	<u><u>\$ 12,191,224</u></u>
 <u>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</u>	
Operating loss	\$ (549,971)
Adjustments to reconcile operating loss to net cash used for operating activities:	
Changes in assets and liabilities:	
Decrease in deposits	794,649
(Increase) in accounts receivable	(411,699)
(Decrease) in accounts payable	(84,726)
Increase in claims payable	<u>150,911</u>
Total adjustments	<u>449,135</u>
 Net cash used for operating activities	<u><u>\$ (100,836)</u></u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2018

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 1,555,525
Total assets	<u>\$ 1,555,525</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 154,031
Due to student groups	1,401,494
Total liabilities	<u>\$ 1,555,525</u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Tempe Union High School District No. 213 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The District reports the following major governmental funds:

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Additionally, the District reports the following fund types:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for the financing of the District's self-insurance for employee benefits.

Fiduciary Fund – The Fiduciary Fund is an Agency Fund, 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.

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

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

The Agency Fund is custodial in nature and does not have a measurement focus and is reported on the accrual basis of accounting. The Agency Fund is reported by fund type.

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash in bank, money market accounts and certificates of deposit.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

E. Investment Income

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

G. Property Tax Calendar

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

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

H. Prepaid Items

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

I. Capital Assets

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Land improvements	10 - 75 years
Buildings and improvements	5 - 75 years
Vehicles, furniture and equipment	5 - 25 years

J. Deferred Outflows/Inflows of Resources

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

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

K. Compensated Absences

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Pensions and Other Postemployment Benefits

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

M. Long-term Obligations

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

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

N. Interfund Activity

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

O. Net Position Flow Assumption

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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.

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

	General Fund	Debt Service Fund	Unrestricted Capital Outlay Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 1,303,662	\$	\$	\$
Restricted:				
Debt service		311,430		
Capital projects			10,238,176	679,110
Bond building projects				2,481,733
Voter approved initiatives				6,298,767
Federal projects				1,753,672
Auxiliary operations				2,468,055
Food service				295,044
Civic center				2,099,664
Community schools				5,311,409
Extracurricular activities				1,165,106
Joint technical education				8,006,308
Other purposes				1,392,785
Unassigned	26,212,529			(888,420)
Total fund balances	<u>\$ 27,516,191</u>	<u>\$ 311,430</u>	<u>\$ 10,238,176</u>	<u>\$ 31,063,233</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Individual Deficit Fund Balances – At year end, the following individual non-major governmental funds reported deficits in fund balance.

	<u>Deficit</u>
Non-Major Governmental Funds:	
Title I Grants	\$ 160,526
Professional Development and Technology Grants	17,611
Title IV Grants	3,741
Limited English and Immigrant Students	1,523
Special Education Grants	128,378
Johnson O'Malley	5,465
Vocational Education	51,318
Other State Projects	163,581
Building Renewal Grant	308,773

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

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 \$12,382,510, and the bank balance was \$12,542,927. At year end, \$12,026,380 of the District's deposits were covered by collateral held by the pledging financial institution in the District's name. In addition, \$16,569 was a deposit held with a trustee.

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 – CASH AND INVESTMENTS

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	502 days	\$ 70,558,501

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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – RECEIVABLES

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

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$ 34,582	\$ 630,085
Due from state government	4,940,748	1,007,915
Due from other districts		1,902,239
Net due from governmental entities	<u>\$ 4,975,330</u>	<u>\$ 3,540,239</u>

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 13,929,735	\$	\$	\$ 13,929,735
Construction in progress	471,695	110,804	267,348	315,151
Total capital assets, not being depreciated	<u>14,401,430</u>	<u>110,804</u>	<u>267,348</u>	<u>14,244,886</u>
Capital assets, being depreciated:				
Land improvements	30,300,420	1,662,999	19,178	31,944,241
Buildings and improvements	244,470,069	2,033,463	119,685	246,383,847
Vehicles, furniture and equipment	36,885,446	1,864,796	631,744	38,118,498
Total capital assets being depreciated	<u>311,655,935</u>	<u>5,561,258</u>	<u>770,607</u>	<u>316,446,586</u>
Less accumulated depreciation for:				
Land improvements	(16,974,228)	(1,161,707)	(14,862)	(18,121,073)
Buildings and improvements	(73,145,925)	(5,173,412)	(76,707)	(78,242,630)
Vehicles, furniture and equipment	(20,004,512)	(1,857,014)	(600,760)	(21,260,766)
Total accumulated depreciation	<u>(110,124,665)</u>	<u>(8,192,133)</u>	<u>(692,329)</u>	<u>(117,624,469)</u>
Total capital assets, being depreciated, net	<u>201,531,270</u>	<u>(2,630,875)</u>	<u>78,278</u>	<u>198,822,117</u>
Governmental activities capital assets, net	<u>\$ 215,932,700</u>	<u>\$ (2,520,071)</u>	<u>\$ 345,626</u>	<u>\$ 213,067,003</u>

At year end, \$4.5 million of the District's land was being held for sale.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 2,949,042
Support services – students and staff	79,256
Support services – administration	620,874
Operation and maintenance of plant services	3,878,136
Student transportation services	635,677
Operation of non-instructional services	29,148
Total depreciation expense – governmental activities	<u>\$ 8,192,133</u>

Construction Commitments – At year end, the District had contractual commitments related to various school renovation and energy efficiency projects. At year end the District had spent \$315,151 on the projects and had estimated remaining contractual commitments of \$350,036. These projects are being funded with bond proceeds.

NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE

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

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2018	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2008, Series 2009 (Class B)	\$ 30,000,000	3.25%	7/1/18	\$ 1,800,000	\$ 1,800,000
School Improvement Bonds, Project of 2012, Series A (Class B)	33,000,000	2.0-3.0%	7/1/18-32	29,000,000	1,000,000
School Improvement Bonds, Project of 2012, Series B (Class B)	12,475,000	2.0-3.30%	7/1/18-32	10,345,000	540,000
School Improvement Bonds, Project of 2012, Series C (Class B)	29,525,000	2.0-4.0%	7/1/18-33	27,450,000	1,075,000
Refunding bonds, Series 2016	23,400,000	1.75-4%	7/1/19-28	23,400,000	
Total				<u>\$ 91,995,000</u>	<u>\$ 4,415,000</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2019	\$ 4,415,000	\$ 2,964,496
2020	4,655,000	2,854,345
2021	4,755,000	2,739,770
2022	4,905,000	2,619,270
2023	5,010,000	2,468,995
2024-28	27,510,000	9,925,087
2029-33	33,270,000	4,742,976
2034	7,475,000	139,500
Total	<u>\$ 91,995,000</u>	<u>\$ 28,454,439</u>

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$21,500,000 of defeased bonds are still outstanding.

NOTE 8 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 96,300,000	\$	\$ 4,305,000	\$ 91,995,000	\$ 4,415,000
Premium	3,665,044		292,580	3,372,464	
Total bonds payable	<u>99,965,044</u>		<u>4,597,580</u>	<u>95,367,464</u>	<u>4,415,000</u>
Net OPEB liability	737,543	96,397	582,772	251,168	
Net pension liability	111,369,703		3,420,043	107,949,660	
Compensated absences payable	<u>2,995,258</u>	<u>748,675</u>	<u>833,350</u>	<u>2,910,583</u>	<u>811,123</u>
Governmental activity long-term liabilities	<u>\$ 215,067,548</u>	<u>\$ 845,072</u>	<u>\$ 9,433,745</u>	<u>\$ 206,478,875</u>	<u>\$ 5,226,123</u>

Generally, resources from the General Fund are used to liquidate the pension liability.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds – At year end, several non-major governmental funds had negative cash balances of \$1,017,173 in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers – Transfers between funds were used to (1) move investment income and premium of \$71,715 earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund and (2) to move federal grant funds of \$206,412 restricted for indirect costs.

NOTE 10 – CONTINGENT LIABILITIES

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District also continues to carry commercial insurance for dental and life. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

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

The District established an Employee Benefits Trust Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to health claims. The Fund was established in 1986, however in recent years the District was not self-insured for employee health claims. As of July 1, 2012, the District became self-insured for such claims. Under this program, the Fund provides coverage for up to a maximum of \$150,000 for each claim not to exceed an annual aggregate of \$10,448,442. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims did not exceed this coverage in the current fiscal year.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 11 – RISK MANAGEMENT

Changes in the balances of claims liabilities during the past two years are as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
<u>Employee Benefit Trust</u>				
2017-18	\$ 570,127	\$ 9,120,094	\$ 8,969,183	\$ 721,038
2016-17	366,472	8,127,311	7,923,656	570,127

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

	Pension	OPEB
Net assets	\$	\$ (379,305)
Net liability	107,949,660	251,168
Deferred outflows of resources	13,045,663	399,486
Deferred inflows of resources	6,707,312	465,152
Expense	3,045,340	355,862
Contributions	7,257,316	399,485

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

	<u>Contributions</u>
Pension	\$ 7,257,316
Health Insurance Premium	292,956
Long-Term Disability	106,529

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 107,949,660	0.069	(0.621)
Health Insurance Premium	(379,305)	0.697	
Long-Term Disability	251,168	0.693	

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

	Expense
Pension	\$ 3,045,340
Health Insurance Premium	221,857
Long-Term Disability	134,005

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Deferred Outflows of Resources			
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$	\$	\$
Changes of assumptions or other inputs	4,688,502		
Net difference between projected and actual earnings on pension investments	775,004		
Changes in proportion and differences between contributions and proportionate share of contributions	324,841		
Contributions subsequent to the measurement date	7,257,316	292,956	106,530
Total	<u>\$ 13,045,663</u>	<u>\$ 292,956</u>	<u>\$ 106,530</u>

Deferred Inflows of Resources			
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 3,236,927	\$	\$
Changes of assumptions or other inputs	3,227,889		
Net difference between projected and actual earnings on pension investments		427,083	37,572
Changes in proportion and differences between contributions and proportionate share of contributions	242,496	461	36
Total	<u>\$ 6,707,312</u>	<u>\$ 427,544</u>	<u>\$ 37,608</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2019	\$ (4,411,688)	\$ (106,866)	\$ (9,398)
2020	4,623,589	(106,866)	(9,398)
2021	1,352,298	(106,866)	(9,398)
2022	(2,483,164)	(106,866)	(9,398)
2023		(81)	(5)
Thereafter			(11)

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

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

Discount Rate. The discount rate used to measure the ASRS total pension and OPEB liability was 8.0 percent, which is less than the long-term expected rate of return of 8.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	7.0%	8.0%	9.0%
Pension	\$ 138,555,265	\$ 107,949,660	\$ 82,376,057
Health Insurance Premium	629,916	(379,305)	(1,236,972)
Long-Term Disability	300,334	251,168	209,481

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

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

	Statement of Activities
Net position, June 30, 2017, as previously reported	\$ 97,337,502
Net OPEB asset	173,618
Net OPEB liability	(154,771)
Net position, July 1, 2017, as restated	<u>\$ 97,356,349</u>

NOTE 13 – SUBSEQUENT EVENT

In December 2018, the District sold an undeveloped parcel of land for \$22.6 million. Voters had previously authorized the sale in November 2016.

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REQUIRED SUPPLEMENTARY INFORMATION

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 2,117,278	\$ 2,117,278
Property taxes			69,246,223	69,246,223
State aid and grants			17,954,510	17,954,510
Total revenues			<u>89,318,011</u>	<u>89,318,011</u>
Expenditures:				
Current -				
Instruction	50,268,667	49,541,866	45,400,903	4,140,963
Support services - students and staff	10,402,569	12,182,569	10,691,358	1,491,211
Support services - administration	12,877,663	12,602,663	11,390,739	1,211,924
Operation and maintenance of plant services	14,222,690	14,122,690	13,278,793	843,897
Student transportation services	4,133,594	4,108,594	3,597,680	510,914
Operation of non-instructional services	836,209	936,209	617,532	318,677
Total expenditures	<u>92,741,392</u>	<u>93,494,591</u>	<u>84,977,005</u>	<u>8,517,586</u>
Changes in fund balances	<u>(92,741,392)</u>	<u>(93,494,591)</u>	<u>4,341,006</u>	<u>97,835,597</u>
Fund balances, beginning of year			15,953,181	15,953,181
Increase (decrease) in reserve for prepaid items			48,725	48,725
Fund balances (deficits), end of year	<u>\$ (92,741,392)</u>	<u>\$ (93,494,591)</u>	<u>\$ 20,342,912</u>	<u>\$ 113,837,503</u>

See accompanying notes to this schedule.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	0.69%	0.69%	0.69%	0.71%
District's proportionate share of the net pension (assets) liability	\$ 107,949,660	\$ 111,369,703	\$ 107,716,171	\$ 104,397,847
District's covered payroll	\$ 67,688,024	\$ 64,596,839	\$ 63,707,208	\$ 63,683,243
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	159.48%	172.41%	169.08%	163.93%
Plan fiduciary net position as a percentage of the total pension liability	69.92%	67.06%	68.35%	69.49%

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 7,257,316	\$ 7,296,769	\$ 7,008,757	\$ 6,937,715
Contributions in relation to the actuarially determined contribution	<u>7,257,316</u>	<u>7,296,769</u>	<u>7,008,757</u>	<u>6,937,715</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 66,580,881	\$ 67,688,024	\$ 64,596,839	\$ 63,707,208
Contributions as a percentage of covered payroll	10.90%	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
JUNE 30, 2018

2018

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.69%
District's proportionate share of the net OPEB (assets) liability	\$ (379,305)
District's covered payroll	\$ 67,688,024
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-0.56%
Plan fiduciary net position as a percentage of the total OPEB liability	103.57%

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

2018

Actuarially determined contribution	\$ 292,956
Contributions in relation to the actuarially determined contribution	<u>292,956</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered payroll	\$ 66,580,881
Contributions as a percentage of covered payroll	0.44%

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

See accompanying notes to this schedule.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
JUNE 30, 2018

2018

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.69%
District's proportionate share of the net OPEB (assets) liability	\$ 251,168
District's covered payroll	\$ 67,688,024
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	84.44%

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

2018

Actuarially determined contribution	\$ 106,530
Contributions in relation to the actuarially determined contribution	<u>106,530</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered payroll	\$ 66,580,881
Contributions as a percentage of covered payroll	0.16%

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

See accompanying notes to this schedule.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances – Governmental Funds	\$ 85,393,307	\$ 27,516,191
Activity budgeted as special revenue funds	(354,564)	(6,579,232)
Activity budgeted as capital projects funds	<u>(61,738)</u>	<u>(594,047)</u>
Schedule of Revenues, Expenditures and Changes in Fund		
Balances – Budget and Actual – General Fund	<u>\$ 84,977,005</u>	<u>\$ 20,342,912</u>

NOTE 2 – PENSION AND OPEB PLAN SCHEDULES

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

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

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

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GOVERNMENTAL FUNDS

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 26,429,520	\$ 3,276,050	\$ 29,705,570
Deposits held by others	45,062		45,062
Accounts receivable	431,617		431,617
Due from governmental entities	3,540,239		3,540,239
Total assets	<u><u>\$ 30,446,438</u></u>	<u><u>\$ 3,276,050</u></u>	<u><u>\$ 33,722,488</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 321,434	\$ 155,525	\$ 476,959
Due to other funds	748,718	268,455	1,017,173
Accrued payroll and employee benefits	504,415		504,415
Unearned revenues	81,061		81,061
Total liabilities	<u>1,655,628</u>	<u>423,980</u>	<u>2,079,608</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>579,647</u>		<u>579,647</u>
Fund balances (deficits):			
Restricted	28,790,810	3,160,843	31,951,653
Unassigned	<u>(579,647)</u>	<u>(308,773)</u>	<u>(888,420)</u>
Total fund balances	<u>28,211,163</u>	<u>2,852,070</u>	<u>31,063,233</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 30,446,438</u></u>	<u><u>\$ 3,276,050</u></u>	<u><u>\$ 33,722,488</u></u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2018

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 12,209,263	\$ 78,838	\$ 12,288,101
State aid and grants	8,887,899	8,075	8,895,974
Federal aid, grants and reimbursements	6,066,911		6,066,911
Total revenues	<u>27,164,073</u>	<u>86,913</u>	<u>27,250,986</u>
Expenditures:			
Current -			
Instruction	11,182,302		11,182,302
Support services - students and staff	5,198,490		5,198,490
Support services - administration	977,063		977,063
Operation and maintenance of plant services	1,860,928		1,860,928
Student transportation services	370,302		370,302
Operation of non-instructional services	4,013,897		4,013,897
Capital outlay	1,106,537	2,946,945	4,053,482
Total expenditures	<u>24,709,519</u>	<u>2,946,945</u>	<u>27,656,464</u>
Excess (deficiency) of revenues over expenditures	<u>2,454,554</u>	<u>(2,860,032)</u>	<u>(405,478)</u>
Other financing sources (uses):			
Transfer out	(206,412)	(71,715)	(278,127)
Total other financing sources (uses)	<u>(206,412)</u>	<u>(71,715)</u>	<u>(278,127)</u>
Changes in fund balances	<u>2,248,142</u>	<u>(2,931,747)</u>	<u>(683,605)</u>
Fund balances, beginning of year	25,963,021	5,783,817	31,746,838
Fund balances, end of year	<u>\$ 28,211,163</u>	<u>\$ 2,852,070</u>	<u>\$ 31,063,233</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

E-Rate - to account for monies received to reimburse the District for broadband internet and telecommunications costs.

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

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

College Credit Exam Incentives - to account for financial assistance received for college credit exams.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Print Shop - to account for revenues of the print shop, which are not presently structured to recover full costs, including depreciation, through user charges.

Intergovernmental Agreements - to account for the financial activities relating to agreements with other governments.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,848,746	\$ 2,627,324	\$
Deposits held by others			
Accounts receivable			
Due from governmental entities	578,873	265,461	160,526
Total assets	<u><u>\$ 3,427,619</u></u>	<u><u>\$ 2,892,785</u></u>	<u><u>\$ 160,526</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 6,404
Due to other funds			142,627
Accrued payroll and employee benefits		21,637	11,495
Unearned revenues			
Total liabilities		<u>21,637</u>	<u>160,526</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>160,526</u>
Fund balances (deficits):			
Restricted	3,427,619	2,871,148	
Unassigned			(160,526)
Total fund balances	<u>3,427,619</u>	<u>2,871,148</u>	<u>(160,526)</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 3,427,619</u></u>	<u><u>\$ 2,892,785</u></u>	<u><u>\$ 160,526</u></u>

Professional Development and Technology Grants	Title IV Grants	Limited English and Immigrant Students	Indian Education	Special Education Grants	Johnson O'Malley
\$	\$	\$	\$	\$	\$ 2
17,611	3,741	1,523	40,728	128,378	5,465
<u>\$ 17,611</u>	<u>\$ 3,741</u>	<u>\$ 1,523</u>	<u>\$ 40,728</u>	<u>\$ 128,378</u>	<u>\$ 5,467</u>
\$	\$	\$	\$	\$	\$
17,611	2,701	1,523	29,755	40,074	2,655
	1,040		6,394	72,898	2,812
			4,579	15,406	
<u>17,611</u>	<u>3,741</u>	<u>1,523</u>	<u>40,728</u>	<u>128,378</u>	<u>5,467</u>
<u>17,611</u>	<u>3,741</u>	<u>1,523</u>		<u>128,378</u>	<u>5,465</u>
(17,611)	(3,741)	(1,523)		(128,378)	(5,465)
<u>(17,611)</u>	<u>(3,741)</u>	<u>(1,523)</u>		<u>(128,378)</u>	<u>(5,465)</u>
<u>\$ 17,611</u>	<u>\$ 3,741</u>	<u>\$ 1,523</u>	<u>\$ 40,728</u>	<u>\$ 128,378</u>	<u>\$ 5,467</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Vocational Education</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 972,111	\$ 413,615
Deposits held by others			
Accounts receivable			
Due from governmental entities	51,318	150,437	58,686
Total assets	<u>\$ 51,318</u>	<u>\$ 1,122,548</u>	<u>\$ 472,301</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 12,964	\$	\$ 6,787
Due to other funds	38,354		
Accrued payroll and employee benefits		7,346	7,108
Unearned revenues			
Total liabilities	<u>51,318</u>	<u>7,346</u>	<u>13,895</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>51,318</u>		<u>47,504</u>
Fund balances (deficits):			
Restricted		1,115,202	458,406
Unassigned	(51,318)		(47,504)
Total fund balances	<u>(51,318)</u>	<u>1,115,202</u>	<u>410,902</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 51,318</u>	<u>\$ 1,122,548</u>	<u>\$ 472,301</u>

State Vocational Education	College Credit Exam Incentives	Other State Projects	Food Service	Civic Center	Community School
\$ 52,349	\$ 180,064	\$	\$ 312,542 45,062	\$ 2,133,309	\$ 5,629,282
					96,401
<u>\$ 52,349</u>	<u>\$ 180,064</u>	<u>163,581</u> <u>\$ 163,581</u>	<u>11,672</u> <u>\$ 369,276</u>	<u>\$ 2,133,309</u>	<u>\$ 5,725,683</u>
\$ 26,650	\$	\$	\$ 7,366	\$ 33,645	\$ 30,785
1,027		163,581	10,477		383,489
24,672			56,389		
<u>52,349</u>		<u>163,581</u>	<u>74,232</u>	<u>33,645</u>	<u>414,274</u>
		<u>163,581</u>			
	180,064		295,044	2,099,664	5,311,409
	<u>180,064</u>	<u>(163,581)</u> <u>(163,581)</u>	<u>295,044</u>	<u>2,099,664</u>	<u>5,311,409</u>
<u>\$ 52,349</u>	<u>\$ 180,064</u>	<u>\$ 163,581</u>	<u>\$ 369,276</u>	<u>\$ 2,133,309</u>	<u>\$ 5,725,683</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	Auxiliary Operations	Extracurricular Activities Fees Tax Credit	Gifts and Donations
<u>ASSETS</u>			
Cash and investments	\$ 2,499,958	\$ 1,183,179	\$ 466,948
Deposits held by others			
Accounts receivable			
Due from governmental entities			
Total assets	<u><u>\$ 2,499,958</u></u>	<u><u>\$ 1,183,179</u></u>	<u><u>\$ 466,948</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 31,903	\$ 18,073	\$ 45,507
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	<u>31,903</u>	<u>18,073</u>	<u>45,507</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	2,468,055	1,165,106	421,441
Unassigned			
Total fund balances	<u>2,468,055</u>	<u>1,165,106</u>	<u>421,441</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 2,499,958</u></u>	<u><u>\$ 1,183,179</u></u>	<u><u>\$ 466,948</u></u>

Career and Tech Ed and Vocational Ed Projects	Fingerprint	Textbooks	Insurance Refund	Grants and Gifts to Teachers	Joint Technical Education
\$ 3,023	\$ 1,757	\$ 553,346	\$ 196,601	\$ 1,375	\$ 6,168,361
					1,902,239
<u>\$ 3,023</u>	<u>\$ 1,757</u>	<u>\$ 553,346</u>	<u>\$ 196,601</u>	<u>\$ 1,375</u>	<u>\$ 8,070,600</u>
\$	\$	\$	\$	\$	\$ 22,441
					41,851
					64,292
3,023	1,757	553,346	196,601	1,375	8,006,308
<u>3,023</u>	<u>1,757</u>	<u>553,346</u>	<u>196,601</u>	<u>1,375</u>	<u>8,006,308</u>
<u>\$ 3,023</u>	<u>\$ 1,757</u>	<u>\$ 553,346</u>	<u>\$ 196,601</u>	<u>\$ 1,375</u>	<u>\$ 8,070,600</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018

	<u>Print Shop</u>	<u>Intergovernmental Agreements</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 185,628	\$	\$ 26,429,520
Deposits held by others			45,062
Accounts receivable	33,338	301,878	431,617
Due from governmental entities			3,540,239
Total assets	<u><u>\$ 218,966</u></u>	<u><u>\$ 301,878</u></u>	<u><u>\$ 30,446,438</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 3,724	\$	\$ 321,434
Due to other funds		301,878	748,718
Accrued payroll and employee benefits			504,415
Unearned revenues			81,061
Total liabilities	<u>3,724</u>	<u>301,878</u>	<u>1,655,628</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>579,647</u>
Fund balances (deficits):			
Restricted	215,242		28,790,810
Unassigned			(579,647)
Total fund balances	<u>215,242</u>		<u>28,211,163</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 218,966</u></u>	<u><u>\$ 301,878</u></u>	<u><u>\$ 30,446,438</u></u>

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TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Classroom Site	Instructional Improvement	Title I Grants
Revenues:			
Other local	\$ 44,608	\$ 17,094	\$
State aid and grants	6,946,482	616,739	
Federal aid, grants and reimbursements			1,701,420
Total revenues	<u>6,991,090</u>	<u>633,833</u>	<u>1,701,420</u>
Expenditures:			
Current -			
Instruction	6,111,584		966,746
Support services - students and staff	473,237		563,571
Support services - administration			48,485
Operation and maintenance of plant services			
Student transportation services			203
Operation of non-instructional services			
Capital outlay			210,329
Total expenditures	<u>6,584,821</u>	<u></u>	<u>1,789,334</u>
Excess (deficiency) of revenues over expenditures	<u>406,269</u>	<u>633,833</u>	<u>(87,914)</u>
Other financing sources (uses):			
Transfer out			(72,612)
Total other financing sources (uses)			<u>(72,612)</u>
Changes in fund balances	<u>406,269</u>	<u>633,833</u>	<u>(160,526)</u>
Fund balances, beginning of year	3,021,350	2,237,315	
Fund balances (deficits), end of year	<u>\$ 3,427,619</u>	<u>\$ 2,871,148</u>	<u>\$ (160,526)</u>

Professional Development and Technology Grants	Title IV Grants	Limited English and Immigrant Students	Indian Education	Special Education Grants	Johnson O'Malley
\$	\$	\$	\$	\$	\$
204,065	961	11,368	136,318	1,765,889	1,000
204,065	961	11,368	136,318	1,765,889	1,000
190,088	1,139	4,183	24,830	1,400,423	5,177
21,726	3,354	8,239	101,504	393,723	1,000
		225	2,613	15,779	
			1,813		
		216			
211,814	4,493	12,863	130,760	1,809,925	6,177
(7,749)	(3,532)	(1,495)	5,558	(44,036)	(5,177)
(9,862)	(209)	(28)	(5,558)	(84,342)	(288)
(9,862)	(209)	(28)	(5,558)	(84,342)	(288)
(17,611)	(3,741)	(1,523)		(128,378)	(5,465)
\$ (17,611)	\$ (3,741)	\$ (1,523)	\$	\$ (128,378)	\$ (5,465)

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Vocational Education	E-Rate	Other Federal Projects
Revenues:			
Other local	\$	\$ 4,117	\$
State aid and grants			
Federal aid, grants and reimbursements	546,934	150,437	375,927
Total revenues	<u>546,934</u>	<u>154,554</u>	<u>375,927</u>
Expenditures:			
Current -			
Instruction	2,671		
Support services - students and staff	459,237		291,299
Support services - administration	2,728		21,484
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	113,112		2,202
Total expenditures	<u>577,748</u>		<u>314,985</u>
Excess (deficiency) of revenues over expenditures	<u>(30,814)</u>	<u>154,554</u>	<u>60,942</u>
Other financing sources (uses):			
Transfer out	(20,504)		(13,009)
Total other financing sources (uses)	<u>(20,504)</u>		<u>(13,009)</u>
Changes in fund balances	<u>(51,318)</u>	<u>154,554</u>	<u>47,933</u>
Fund balances, beginning of year		960,648	362,969
Fund balances (deficits), end of year	<u>\$ (51,318)</u>	<u>\$ 1,115,202</u>	<u>\$ 410,902</u>

State Vocational Education	College Credit Exam Incentives	Other State Projects	Food Service	Civic Center	Community School
\$	\$	\$	\$	\$	\$
591,617	180,064	552,997	1,762,574	289,548	2,634,532
			1,172,592		
<u>591,617</u>	<u>180,064</u>	<u>552,997</u>	<u>2,935,166</u>	<u>289,548</u>	<u>2,634,532</u>
226,841		88			193,883
88,527				1,243	167,115
48,747			595	44,441	27,436
		716,490	41,984	75,151	48,974
				47,738	18,762
			2,957,881	2,085	990,021
227,502				45,281	41,872
<u>591,617</u>		<u>716,578</u>	<u>3,000,460</u>	<u>215,939</u>	<u>1,488,063</u>
	180,064	(163,581)	(65,294)	73,609	1,146,469
	180,064	(163,581)	(65,294)	73,609	1,146,469
			360,338	2,026,055	4,164,940
<u>\$</u>	<u>\$ 180,064</u>	<u>\$ (163,581)</u>	<u>\$ 295,044</u>	<u>\$ 2,099,664</u>	<u>\$ 5,311,409</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Auxiliary Operations	Extracurricular Activities Fees Tax Credit	Gifts and Donations
Revenues:			
Other local	\$ 1,359,308	\$ 1,065,166	\$ 490,222
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>1,359,308</u>	<u>1,065,166</u>	<u>490,222</u>
Expenditures:			
Current -			
Instruction	454,556	338,507	87,686
Support services - students and staff	401,713	539,609	102,905
Support services - administration	5,360		6,965
Operation and maintenance of plant services	330,008	1,432	7,421
Student transportation services	4,520	129,187	2,832
Operation of non-instructional services	58,345		3,565
Capital outlay	144		224,497
Total expenditures	<u>1,254,646</u>	<u>1,008,735</u>	<u>435,871</u>
Excess (deficiency) of revenues over expenditures	<u>104,662</u>	<u>56,431</u>	<u>54,351</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>104,662</u>	<u>56,431</u>	<u>54,351</u>
Fund balances, beginning of year	2,363,393	1,108,675	367,090
Fund balances, end of year	<u><u>\$ 2,468,055</u></u>	<u><u>\$ 1,165,106</u></u>	<u><u>\$ 421,441</u></u>

Career and Tech Ed and Vocational Ed Projects	Fingerprint	Textbooks	Insurance Refund	Grants and Gifts to Teachers	Joint Technical Education
\$ 2,965	\$ 1,757	\$ 25,172	\$ 2,029	\$ 15	\$ 3,528,957
<u>2,965</u>	<u>1,757</u>	<u>25,172</u>	<u>2,029</u>	<u>15</u>	<u>3,528,957</u>
2,396		586 3,662		265	891,106 1,119,776 645,611 633,050 165,247 2,000 175,936
<u>2,396</u>		<u>4,248</u>		<u>265</u>	<u>3,632,726</u>
<u>569</u>	<u>1,757</u>	<u>20,924</u>	<u>2,029</u>	<u>(250)</u>	<u>(103,769)</u>
<u>569</u>	<u>1,757</u>	<u>20,924</u>	<u>2,029</u>	<u>(250)</u>	<u>(103,769)</u>
2,454		532,422	194,572	1,625	8,110,077
<u>\$ 3,023</u>	<u>\$ 1,757</u>	<u>\$ 553,346</u>	<u>\$ 196,601</u>	<u>\$ 1,375</u>	<u>\$ 8,006,308</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Print Shop	Intergovernmental Agreements	Totals
Revenues:			
Other local	\$ 132,860	\$ 848,339	\$ 12,209,263
State aid and grants			8,887,899
Federal aid, grants and reimbursements			6,066,911
Total revenues	<u>132,860</u>	<u>848,339</u>	<u>27,164,073</u>
Expenditures:			
Current -			
Instruction		471,039	11,182,302
Support services - students and staff		290,638	5,198,490
Support services - administration		81,514	977,063
Operation and maintenance of plant services	6,418		1,860,928
Student transportation services			370,302
Operation of non-instructional services			4,013,897
Capital outlay	60,298	5,148	1,106,537
Total expenditures	<u>66,716</u>	<u>848,339</u>	<u>24,709,519</u>
Excess (deficiency) of revenues over expenditures	<u>66,144</u>		<u>2,454,554</u>
Other financing sources (uses):			
Transfer out			(206,412)
Total other financing sources (uses)			<u>(206,412)</u>
Changes in fund balances	<u>66,144</u>		<u>2,248,142</u>
Fund balances, beginning of year	149,098		25,963,021
Fund balances, end of year	<u><u>\$ 215,242</u></u>	<u><u>\$</u></u>	<u><u>\$ 28,211,163</u></u>

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TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 44,608	\$ 44,608
State aid and grants		6,946,482	6,946,482
Federal aid, grants and reimbursements			
Total revenues		<u>6,991,090</u>	<u>6,991,090</u>
Expenditures:			
Current -			
Instruction	11,419,026	6,111,584	5,307,442
Support services - students and staff		473,237	(473,237)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>11,419,026</u>	<u>6,584,821</u>	<u>4,834,205</u>
Excess (deficiency) of revenues over expenditures	<u>(11,419,026)</u>	<u>406,269</u>	<u>11,825,295</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(11,419,026)</u>	<u>406,269</u>	<u>11,825,295</u>
Fund balances (deficits), beginning of year		3,021,350	3,021,350
Fund balances (deficits), end of year	<u>\$ (11,419,026)</u>	<u>\$ 3,427,619</u>	<u>\$ 14,846,645</u>

Instructional Improvement			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 17,094 616,739	\$ 17,094 616,739	\$	\$	\$
				1,701,420	1,701,420
	633,833	633,833		1,701,420	1,701,420
1,600,000		1,600,000	2,046,349	966,746	1,079,603
				563,571	(563,571)
				48,485	(48,485)
				203	(203)
				210,329	(210,329)
1,600,000		1,600,000	2,046,349	1,789,334	257,015
(1,600,000)	633,833	2,233,833	(2,046,349)	(87,914)	1,958,435
				(72,612)	(72,612)
				(72,612)	(72,612)
(1,600,000)	633,833	2,233,833	(2,046,349)	(160,526)	1,885,823
	2,237,315	2,237,315			
\$ (1,600,000)	\$ 2,871,148	\$ 4,471,148	\$ (2,046,349)	\$ (160,526)	\$ 1,885,823

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		204,065	204,065
Total revenues		<u>204,065</u>	<u>204,065</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	236,323	190,088	46,235
Support services - administration		21,726	(21,726)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>236,323</u>	<u>211,814</u>	<u>24,509</u>
Excess (deficiency) of revenues over expenditures	<u>(236,323)</u>	<u>(7,749)</u>	<u>228,574</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(9,862)	(9,862)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(9,862)</u>	<u>(9,862)</u>
Changes in fund balances	<u>(236,323)</u>	<u>(17,611)</u>	<u>218,712</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (236,323)</u>	<u>\$ (17,611)</u>	<u>\$ 218,712</u>

Title IV Grants			Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	961	961		11,368	11,368
	961	961		11,368	11,368
	1,139	(1,139)	43,668	4,183	39,485
	3,354	(3,354)		8,239	(8,239)
				225	(225)
				216	(216)
	4,493	(4,493)	43,668	12,863	30,805
	(3,532)	(3,532)	(43,668)	(1,495)	42,173
	(209)	(209)		(28)	(28)
	(209)	(209)		(28)	(28)
	(3,741)	(3,741)	(43,668)	(1,523)	42,145
\$	\$ (3,741)	\$ (3,741)	\$ (43,668)	\$ (1,523)	\$ 42,145

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Indian Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		136,318	136,318
Total revenues		<u>136,318</u>	<u>136,318</u>
Expenditures:			
Current -			
Instruction		24,830	(24,830)
Support services - students and staff	136,318	101,504	34,814
Support services - administration		2,613	(2,613)
Operation and maintenance of plant services			
Student transportation services		1,813	(1,813)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>136,318</u>	<u>130,760</u>	<u>5,558</u>
Excess (deficiency) of revenues over expenditures	<u>(136,318)</u>	<u>5,558</u>	<u>141,876</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(5,558)	(5,558)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(5,558)</u>	<u>(5,558)</u>
Changes in fund balances	<u>(136,318)</u>		<u>136,318</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (136,318)</u>	<u>\$</u>	<u>\$ 136,318</u>

Special Education Grants			Johnson O'Malley		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,765,889	1,765,889		1,000	1,000
	1,765,889	1,765,889		1,000	1,000
2,028,757	1,400,423	628,334	13,989	5,177	8,812
	393,723	(393,723)		1,000	(1,000)
	15,779	(15,779)			
2,028,757	1,809,925	218,832	13,989	6,177	7,812
(2,028,757)	(44,036)	1,984,721	(13,989)	(5,177)	8,812
	(84,342)	(84,342)		(288)	(288)
	(84,342)	(84,342)		(288)	(288)
(2,028,757)	(128,378)	1,900,379	(13,989)	(5,465)	8,524
\$ (2,028,757)	\$ (128,378)	\$ 1,900,379	\$ (13,989)	\$ (5,465)	\$ 8,524

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		546,934	546,934
Total revenues		<u>546,934</u>	<u>546,934</u>
Expenditures:			
Current -			
Instruction		2,671	(2,671)
Support services - students and staff	632,752	459,237	173,515
Support services - administration		2,728	(2,728)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		113,112	(113,112)
Total expenditures	<u>632,752</u>	<u>577,748</u>	<u>55,004</u>
Excess (deficiency) of revenues over expenditures	<u>(632,752)</u>	<u>(30,814)</u>	<u>601,938</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(20,504)	(20,504)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(20,504)</u>	<u>(20,504)</u>
Changes in fund balances	<u>(632,752)</u>	<u>(51,318)</u>	<u>581,434</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (632,752)</u>	<u>\$ (51,318)</u>	<u>\$ 581,434</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 7,635	\$ 7,635	\$	\$ 4,117	\$ 4,117
	501,676	501,676		150,437	150,437
	509,311	509,311		154,554	154,554
500,000		500,000	300,000		300,000
500,000		500,000	300,000		300,000
(500,000)	509,311	1,009,311	(300,000)	154,554	454,554
(500,000)	509,311	1,009,311	(300,000)	154,554	454,554
	986,793	986,793		960,648	960,648
\$ (500,000)	\$ 1,496,104	\$ 1,996,104	\$ (300,000)	\$ 1,115,202	\$ 1,415,202

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Other Federal Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		375,927	375,927
Total revenues		<u>375,927</u>	<u>375,927</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	588,245	291,299	296,946
Support services - administration		21,484	(21,484)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		2,202	(2,202)
Total expenditures	<u>588,245</u>	<u>314,985</u>	<u>273,260</u>
Excess (deficiency) of revenues over expenditures	<u>(588,245)</u>	<u>60,942</u>	<u>649,187</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(13,009)	(13,009)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(13,009)</u>	<u>(13,009)</u>
Changes in fund balances	<u>(588,245)</u>	<u>47,933</u>	<u>636,178</u>
Fund balances (deficits), beginning of year		362,969	362,969
Fund balances (deficits), end of year	<u>\$ (588,245)</u>	<u>\$ 410,902</u>	<u>\$ 999,147</u>

State Vocational Education			College Credit Exam Incentives		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	591,617	591,617		180,064	180,064
	591,617	591,617		180,064	180,064
616,100	226,841	389,259			
	88,527	(88,527)			
	48,747	(48,747)			
	227,502	(227,502)			
616,100	591,617	24,483			
(616,100)		616,100		180,064	180,064
(616,100)		616,100		180,064	180,064
\$ (616,100)	\$	\$ 616,100	\$	\$ 180,064	\$ 180,064

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Other State Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		552,997	552,997
Federal aid, grants and reimbursements			
Total revenues		<u>552,997</u>	<u>552,997</u>
Expenditures:			
Current -			
Instruction		88	(88)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	740,916	716,490	24,426
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>740,916</u>	<u>716,578</u>	<u>24,338</u>
Excess (deficiency) of revenues over expenditures	<u>(740,916)</u>	<u>(163,581)</u>	<u>577,335</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(740,916)</u>	<u>(163,581)</u>	<u>577,335</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (740,916)</u>	<u>\$ (163,581)</u>	<u>\$ 577,335</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 589,116	\$ 589,116	\$	\$ 1,762,574	\$ 1,762,574
				1,172,592	1,172,592
	589,116	589,116		2,935,166	2,935,166
	52,731	(52,731)			
	18,445	(18,445)			
1,100,000	103,755	996,245		595	(595)
				41,984	(41,984)
	40,648	(40,648)	3,500,000	2,957,881	542,119
1,100,000	215,579	884,421	3,500,000	3,000,460	499,540
(1,100,000)	373,537	1,473,537	(3,500,000)	(65,294)	3,434,706
	212,470	212,470			
	212,470	212,470			
(1,100,000)	586,007	1,686,007	(3,500,000)	(65,294)	3,434,706
	3,828,135	3,828,135		360,338	360,338
\$ (1,100,000)	\$ 4,414,142	\$ 5,514,142	\$ (3,500,000)	\$ 295,044	\$ 3,795,044

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 289,548	\$ 289,548
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>289,548</u>	<u>289,548</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		1,243	(1,243)
Support services - administration		44,441	(44,441)
Operation and maintenance of plant services	1,100,000	75,151	1,024,849
Student transportation services		47,738	(47,738)
Operation of non-instructional services		2,085	(2,085)
Capital outlay		45,281	(45,281)
Total expenditures	<u>1,100,000</u>	<u>215,939</u>	<u>884,061</u>
Excess (deficiency) of revenues over expenditures	<u>(1,100,000)</u>	<u>73,609</u>	<u>1,173,609</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,100,000)</u>	<u>73,609</u>	<u>1,173,609</u>
Fund balances (deficits), beginning of year		2,026,055	2,026,055
Fund balances (deficits), end of year	<u>\$ (1,100,000)</u>	<u>\$ 2,099,664</u>	<u>\$ 3,199,664</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,634,532	\$ 2,634,532	\$	\$ 1,359,308	\$ 1,359,308
	<u>2,634,532</u>	<u>2,634,532</u>		<u>1,359,308</u>	<u>1,359,308</u>
	193,883	(193,883)	1,500,000	454,556	1,045,444
	167,115	(167,115)	1,500,000	401,713	1,098,287
	27,436	(27,436)		5,360	(5,360)
	48,974	(48,974)		330,008	(330,008)
	18,762	(18,762)		4,520	(4,520)
3,600,000	990,021	2,609,979		58,345	(58,345)
	41,872	(41,872)		144	(144)
<u>3,600,000</u>	<u>1,488,063</u>	<u>2,111,937</u>	<u>3,000,000</u>	<u>1,254,646</u>	<u>1,745,354</u>
<u>(3,600,000)</u>	<u>1,146,469</u>	<u>4,746,469</u>	<u>(3,000,000)</u>	<u>104,662</u>	<u>3,104,662</u>
<u>(3,600,000)</u>	<u>1,146,469</u>	<u>4,746,469</u>	<u>(3,000,000)</u>	<u>104,662</u>	<u>3,104,662</u>
	4,164,940	4,164,940		2,363,393	2,363,393
<u>\$ (3,600,000)</u>	<u>\$ 5,311,409</u>	<u>\$ 8,911,409</u>	<u>\$ (3,000,000)</u>	<u>\$ 2,468,055</u>	<u>\$ 5,468,055</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,065,166	\$ 1,065,166
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,065,166</u>	<u>1,065,166</u>
Expenditures:			
Current -			
Instruction	600,000	338,507	261,493
Support services - students and staff	900,000	539,609	360,391
Support services - administration			
Operation and maintenance of plant services		1,432	(1,432)
Student transportation services		129,187	(129,187)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,500,000</u>	<u>1,008,735</u>	<u>491,265</u>
Excess (deficiency) of revenues over expenditures	<u>(1,500,000)</u>	<u>56,431</u>	<u>1,556,431</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,500,000)</u>	<u>56,431</u>	<u>1,556,431</u>
Fund balances (deficits), beginning of year		1,108,675	1,108,675
Fund balances (deficits), end of year	<u>\$ (1,500,000)</u>	<u>\$ 1,165,106</u>	<u>\$ 2,665,106</u>

Gifts and Donations			Career and Tech Ed and Vocational Ed Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 490,222	\$ 490,222	\$	\$ 2,965	\$ 2,965
	490,222	490,222		2,965	2,965
275,000	87,686	187,314	5,000	2,396	2,604
275,000	102,905	172,095			
	6,965	(6,965)			
	7,421	(7,421)			
	2,832	(2,832)			
	3,565	(3,565)			
	224,497	(224,497)			
550,000	435,871	114,129	5,000	2,396	2,604
(550,000)	54,351	604,351	(5,000)	569	5,569
(550,000)	54,351	604,351	(5,000)	569	5,569
	367,090	367,090		2,454	2,454
\$ (550,000)	\$ 421,441	\$ 971,441	\$ (5,000)	\$ 3,023	\$ 8,023

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,757	\$ 1,757
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>1,757</u>	<u>1,757</u>
Expenditures:			
Current -			
Instruction	20,000		20,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>20,000</u>		<u>20,000</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>1,757</u>	<u>21,757</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(20,000)</u>	<u>1,757</u>	<u>21,757</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (20,000)</u>	<u>\$ 1,757</u>	<u>\$ 21,757</u>

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 25,172	\$ 25,172	\$	\$ 7,416	\$ 7,416
	25,172	25,172		7,416	7,416
500,000	586 3,662	(586) 496,338	110,000		110,000
500,000	4,248	495,752	110,000		110,000
(500,000)	20,924	520,924	(110,000)	7,416	117,416
(500,000)	20,924	520,924	(110,000)	7,416	117,416
	532,422	532,422		661,570	661,570
\$ (500,000)	\$ 553,346	\$ 1,053,346	\$ (110,000)	\$ 668,986	\$ 778,986

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Indirect Costs		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ (2,259)	\$ (2,259)
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>(2,259)</u>	<u>(2,259)</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	500,000	138,985	361,015
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>500,000</u>	<u>138,985</u>	<u>361,015</u>
Excess (deficiency) of revenues over expenditures	<u>(500,000)</u>	<u>(141,244)</u>	<u>358,756</u>
Other financing sources (uses):			
Transfer in		206,412	206,412
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>206,412</u>	<u>206,412</u>
Changes in fund balances	<u>(500,000)</u>	<u>65,168</u>	<u>565,168</u>
Fund balances (deficits), beginning of year		(65,168)	(65,168)
Fund balances (deficits), end of year	<u>\$ (500,000)</u>	<u>\$</u>	<u>\$ 500,000</u>

Insurance Refund			Grants and Gifts to Teachers		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,029	\$ 2,029	\$	\$ 15	\$ 15
	2,029	2,029		15	15
15,000		15,000	15,000	265	14,735
15,000		15,000	15,000	265	14,735
(15,000)	2,029	17,029	(15,000)	(250)	14,750
(15,000)	2,029	17,029	(15,000)	(250)	14,750
	194,572	194,572		1,625	1,625
\$ (15,000)	\$ 196,601	\$ 211,601	\$ (15,000)	\$ 1,375	\$ 16,375

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Joint Technical Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3,528,957	\$ 3,528,957
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>3,528,957</u>	<u>3,528,957</u>
Expenditures:			
Current -			
Instruction	1,500,000	891,106	608,894
Support services - students and staff	4,500,000	1,119,776	3,380,224
Support services - administration		645,611	(645,611)
Operation and maintenance of plant services		633,050	(633,050)
Student transportation services		165,247	(165,247)
Operation of non-instructional services		2,000	(2,000)
Capital outlay		175,936	(175,936)
Total expenditures	<u>6,000,000</u>	<u>3,632,726</u>	<u>2,367,274</u>
Excess (deficiency) of revenues over expenditures	<u>(6,000,000)</u>	<u>(103,769)</u>	<u>5,896,231</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(6,000,000)</u>	<u>(103,769)</u>	<u>5,896,231</u>
Fund balances (deficits), beginning of year		8,110,077	8,110,077
Fund balances (deficits), end of year	<u>\$ (6,000,000)</u>	<u>\$ 8,006,308</u>	<u>\$ 14,006,308</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2018

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 12,811,171	\$ 12,811,171
State aid and grants		8,887,899	8,887,899
Federal aid, grants and reimbursements		6,568,587	6,568,587
Total revenues		<u>28,267,657</u>	<u>28,267,657</u>
Expenditures:			
Current -			
Instruction	23,567,485	11,235,033	12,332,452
Support services - students and staff	9,283,638	5,216,935	4,066,703
Support services - administration	1,600,000	1,219,803	380,197
Operation and maintenance of plant services	1,840,916	1,860,928	(20,012)
Student transportation services		370,302	(370,302)
Operation of non-instructional services	7,100,000	4,054,545	3,045,455
Capital outlay	175,000	1,106,537	(931,537)
Total expenditures	<u>43,567,039</u>	<u>25,064,083</u>	<u>18,502,956</u>
Excess (deficiency) of revenues over expenditures	<u>(43,567,039)</u>	<u>3,203,574</u>	<u>46,770,613</u>
Other financing sources (uses):			
Transfer in		206,412	206,412
Transfer out		(206,412)	(206,412)
Proceeds from sale of capital assets		212,470	212,470
Total other financing sources (uses)		<u>212,470</u>	<u>212,470</u>
Changes in fund balances	<u>(43,567,039)</u>	<u>3,416,044</u>	<u>46,983,083</u>
Fund balances (deficits), beginning of year		31,374,351	31,374,351
Fund balances (deficits), end of year	<u>\$ (43,567,039)</u>	<u>\$ 34,790,395</u>	<u>\$ 78,357,434</u>

DEBT SERVICE FUND

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2018

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 1,352	\$ 1,352
Property taxes		6,700,044	6,700,044
Total revenues		<u>6,701,396</u>	<u>6,701,396</u>
Expenditures:			
Debt service -			
Principal retirement	4,415,000	4,415,000	
Interest and fiscal charges	3,172,594	3,028,193	144,401
Total expenditures	<u>7,587,594</u>	<u>7,443,193</u>	<u>144,401</u>
Excess (deficiency) of revenues over expenditures	<u>(7,587,594)</u>	<u>(741,797)</u>	<u>6,845,797</u>
Other financing sources (uses):			
Transfer in		71,715	71,715
Total other financing sources (uses)		<u>71,715</u>	<u>71,715</u>
Changes in fund balances	<u>(7,587,594)</u>	<u>(670,082)</u>	<u>6,917,512</u>
Fund balances, beginning of year		981,512	981,512
Fund balances (deficits), end of year	<u>\$ (7,587,594)</u>	<u>\$ 311,430</u>	<u>\$ 7,899,024</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.

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Condemnation</u>
<u>ASSETS</u>			
Cash and investments	\$ 516,004	\$ 2,596,940	\$ 163,106
Total assets	<u>\$ 516,004</u>	<u>\$ 2,596,940</u>	<u>\$ 163,106</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 115,207	\$
Due to other funds	<u></u>	<u></u>	<u></u>
Total liabilities	<u></u>	<u>115,207</u>	<u></u>
Fund balances (deficits):			
Restricted	516,004	2,481,733	163,106
Unassigned	<u></u>	<u></u>	<u></u>
Total fund balances	<u>516,004</u>	<u>2,481,733</u>	<u>163,106</u>
Total liabilities and fund balances	<u>\$ 516,004</u>	<u>\$ 2,596,940</u>	<u>\$ 163,106</u>

Building Renewal Grant	Totals
\$	\$ 3,276,050
\$	\$ 3,276,050

\$ 40,318	\$ 155,525
268,455	268,455
308,773	423,980

	3,160,843
(308,773)	(308,773)
(308,773)	2,852,070
\$	\$ 3,276,050

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2018

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Condemnation</u>
Revenues:			
Other local	\$ 5,440	\$ 71,715	\$ 1,683
State aid and grants			
Total revenues	<u>5,440</u>	<u>71,715</u>	<u>1,683</u>
Expenditures:			
Capital outlay		2,630,097	
Total expenditures		<u>2,630,097</u>	
Excess (deficiency) of revenues over expenditures	<u>5,440</u>	<u>(2,558,382)</u>	<u>1,683</u>
Other financing sources (uses):			
Transfer out		(71,715)	
Total other financing sources (uses)		<u>(71,715)</u>	
Changes in fund balances	<u>5,440</u>	<u>(2,630,097)</u>	<u>1,683</u>
Fund balances, beginning of year	510,564	5,111,830	161,423
Fund balances (deficits), end of year	<u>\$ 516,004</u>	<u>\$ 2,481,733</u>	<u>\$ 163,106</u>

Building Renewal Grant	Totals
\$	\$ 78,838
8,075	8,075
<u>8,075</u>	<u>86,913</u>
316,848	2,946,945
<u>316,848</u>	<u>2,946,945</u>
<u>(308,773)</u>	<u>(2,860,032)</u>
	(71,715)
	<u>(71,715)</u>
<u>(308,773)</u>	<u>(2,931,747)</u>
	5,783,817
<u>\$ (308,773)</u>	<u>\$ 2,852,070</u>

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2018

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 76,854	\$ 76,854
Property taxes			
State aid and grants			
Total revenues		<u>76,854</u>	<u>76,854</u>
Expenditures:			
Current -			
Support services - students and staff		953	(953)
Operation and maintenance of plant services		260	(260)
Student transportation services		14,675	(14,675)
Capital outlay	150,000	45,850	104,150
Total expenditures	<u>150,000</u>	<u>61,738</u>	<u>88,262</u>
Excess (deficiency) of revenues over expenditures	<u>(150,000)</u>	<u>15,116</u>	<u>165,116</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(150,000)</u>	<u>15,116</u>	<u>165,116</u>
Fund balances, beginning of year		578,931	578,931
Fund balances (deficits), end of year	<u>\$ (150,000)</u>	<u>\$ 594,047</u>	<u>\$ 744,047</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 121,036	\$ 121,036	\$	\$ 5,440	\$ 5,440
	6,522,078	6,522,078			
	22,272	22,272			
	6,665,386	6,665,386		5,440	5,440
16,677,117	8,377,403	8,299,714	150,000		150,000
16,677,117	8,377,403	8,299,714	150,000		150,000
(16,677,117)	(1,712,017)	14,965,100	(150,000)	5,440	155,440
(16,677,117)	(1,712,017)	14,965,100	(150,000)	5,440	155,440
	11,950,193	11,950,193		510,564	510,564
\$ (16,677,117)	\$ 10,238,176	\$ 26,915,293	\$ (150,000)	\$ 516,004	\$ 666,004

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2018

	<u>Bond Building</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
Revenues:			
Other local	\$	\$ 71,715	\$ 71,715
Property taxes			
State aid and grants			
Total revenues		<u>71,715</u>	<u>71,715</u>
Expenditures:			
Current -			
Support services - students and staff			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay	<u>5,200,000</u>	<u>2,630,097</u>	<u>2,569,903</u>
Total expenditures	<u>5,200,000</u>	<u>2,630,097</u>	<u>2,569,903</u>
Excess (deficiency) of revenues over expenditures	<u>(5,200,000)</u>	<u>(2,558,382)</u>	<u>2,641,618</u>
Other financing sources (uses):			
Transfer out		<u>(71,715)</u>	<u>(71,715)</u>
Total other financing sources (uses)		<u>(71,715)</u>	<u>(71,715)</u>
Changes in fund balances	<u>(5,200,000)</u>	<u>(2,630,097)</u>	<u>2,569,903</u>
Fund balances, beginning of year		5,111,830	5,111,830
Fund balances (deficits), end of year	<u>\$ (5,200,000)</u>	<u>\$ 2,481,733</u>	<u>\$ 7,681,733</u>

Condemnation			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,683	\$ 1,683	\$	\$	\$
				8,075	8,075
	1,683	1,683		8,075	8,075
			382,039	316,848	65,191
			382,039	316,848	65,191
	1,683	1,683	(382,039)	(308,773)	73,266
	1,683	1,683	(382,039)	(308,773)	73,266
	161,423	161,423			
\$	\$ 163,106	\$ 163,106	\$ (382,039)	\$ (308,773)	\$ 73,266

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2018

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 276,728	\$ 276,728
Property taxes		6,522,078	6,522,078
State aid and grants		30,347	30,347
Total revenues		<u>6,829,153</u>	<u>6,829,153</u>
Expenditures:			
Current -			
Support services - students and staff		953	(953)
Operation and maintenance of plant services		260	(260)
Student transportation services		14,675	(14,675)
Capital outlay	22,559,156	11,370,198	11,188,958
Total expenditures	<u>22,559,156</u>	<u>11,386,086</u>	<u>11,173,070</u>
Excess (deficiency) of revenues over expenditures	<u>(22,559,156)</u>	<u>(4,556,933)</u>	<u>18,002,223</u>
Other financing sources (uses):			
Transfer out		(71,715)	(71,715)
Total other financing sources (uses)		<u>(71,715)</u>	<u>(71,715)</u>
Changes in fund balances	<u>(22,559,156)</u>	<u>(4,628,648)</u>	<u>17,930,508</u>
Fund balances, beginning of year		18,312,941	18,312,941
Fund balances (deficits), end of year	<u>\$ (22,559,156)</u>	<u>\$ 13,684,293</u>	<u>\$ 36,243,449</u>

AGENCY FUND

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2018

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 1,506,925	\$ 2,151,542	\$ 2,102,942	\$ 1,555,525
Total assets	<u>\$ 1,506,925</u>	<u>\$ 2,151,542</u>	<u>\$ 2,102,942</u>	<u>\$ 1,555,525</u>
<u>Liabilities</u>				
Accounts payable	\$ 45,351	\$ 154,031	\$ 45,351	\$ 154,031
Due to student groups	<u>1,461,574</u>	<u>1,997,511</u>	<u>2,057,591</u>	<u>1,401,494</u>
Total liabilities	<u>\$ 1,506,925</u>	<u>\$ 2,151,542</u>	<u>\$ 2,102,942</u>	<u>\$ 1,555,525</u>

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position:					
Net investment in capital assets	\$ 121,605,994	\$ 122,646,680	\$ 125,889,982	\$ 127,758,710	\$ 130,314,587
Restricted	40,191,158	40,077,775	33,794,459	26,637,910	25,065,982
Unrestricted	(53,781,220)	(65,386,953)	(68,925,534)	(71,482,563)	26,623,318
Total net position	<u>\$ 108,015,932</u>	<u>\$ 97,337,502</u>	<u>\$ 90,758,907</u>	<u>\$ 82,914,057</u>	<u>\$ 182,003,887</u>
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net Position:					
Net investment in capital assets	\$ 129,831,578	\$ 105,875,208	\$ 89,384,724	\$ 68,025,798	\$ 57,618,229
Restricted	25,519,627	37,727,315	34,830,933	28,662,141	24,561,606
Unrestricted	29,480,761	49,969,908	61,381,934	63,936,241	53,470,968
Total net position	<u>\$ 184,831,966</u>	<u>\$ 193,572,431</u>	<u>\$ 185,597,591</u>	<u>\$ 160,624,180</u>	<u>\$ 135,650,803</u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Instruction	\$ 60,514,901	\$ 63,672,750	\$ 61,859,899	\$ 61,429,367	\$ 60,109,750
Support services - students and staff	15,631,953	16,536,185	15,759,262	14,925,276	14,024,771
Support services - administration	13,720,130	13,519,813	13,082,671	13,269,868	12,965,829
Operation and maintenance of plant services	19,119,283	18,688,571	17,986,522	18,300,722	17,376,781
Student transportation services	5,882,079	5,133,149	4,755,985	5,196,208	5,113,397
Operation of non-instructional services	5,100,509	5,163,844	5,040,156	4,995,373	4,853,906
Interest on long-term debt	2,878,085	2,866,676	3,439,341	3,024,247	3,382,036
Total expenses	<u>122,846,940</u>	<u>125,580,988</u>	<u>121,923,836</u>	<u>121,141,061</u>	<u>117,826,470</u>
Program Revenues					
Charges for services:					
Instruction	4,485,089	8,839,170	9,840,296	10,477,286	8,148,852
Operation of non-instructional services	3,740,219	3,996,724	4,297,372	3,753,595	3,780,569
Other activities	3,975,035	376,786	367,100	314,803	320,857
Operating grants and contributions	8,733,345	8,814,710	8,507,270	8,289,281	8,538,052
Capital grants and contributions	998,403	900,822	621,881	447,094	121,897
Total program revenues	<u>21,932,091</u>	<u>22,928,212</u>	<u>23,633,919</u>	<u>23,282,059</u>	<u>20,910,227</u>
Net (Expense)/Revenue	<u><u>\$ (100,914,849)</u></u>	<u><u>\$ (102,652,776)</u></u>	<u><u>\$ (98,289,917)</u></u>	<u><u>\$ (97,859,002)</u></u>	<u><u>\$ (96,916,243)</u></u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses					
Instruction	\$ 62,186,090	\$ 61,887,082	\$ 59,591,785	\$ 66,515,928	\$ 63,390,746
Support services - students and staff	14,610,026	13,508,070	14,822,289	14,429,897	13,246,465
Support services - administration	12,470,013	10,516,696	10,339,089	10,605,978	9,921,468
Operation and maintenance of plant services	16,321,184	14,232,487	14,993,585	13,881,686	14,467,336
Student transportation services	5,016,725	4,333,504	4,165,060	4,289,107	2,992,897
Operation of non-instructional services	4,776,848	5,315,715	4,570,286	4,176,508	3,593,877
Interest on long-term debt	2,288,152	2,726,898	3,585,486	4,789,141	3,994,186
Total expenses	<u>117,669,038</u>	<u>112,520,452</u>	<u>112,067,580</u>	<u>118,688,245</u>	<u>111,606,975</u>
Program Revenues					
Charges for services:					
Instruction	8,582,437	5,596,416	8,937,388	6,915,814	6,610,458
Operation of non-instructional services	4,361,627	4,444,213	4,127,075	8,613,109	6,008,530
Other activities	878,685	640,920	532,559	955,815	447,755
Operating grants and contributions	7,951,441	9,419,083	9,790,006	8,397,780	7,369,359
Capital grants and contributions	431,573	368,306	443,387	589,495	710,239
Total program revenues	<u>22,205,763</u>	<u>20,468,938</u>	<u>23,830,415</u>	<u>25,472,013</u>	<u>21,146,341</u>
Net (Expense)/Revenue	<u>\$ (95,463,275)</u>	<u>\$ (92,051,514)</u>	<u>\$ (88,237,165)</u>	<u>\$ (93,216,232)</u>	<u>\$ (90,460,634)</u>

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

(Concluded)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense)/Revenue	\$ (100,914,849)	\$ (102,652,776)	\$ (98,289,917)	\$ (97,859,002)	\$ (96,916,243)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	71,132,447	68,401,163	62,056,495	72,409,446	59,480,166
Property taxes, levied for debt service	6,673,562	7,641,926	7,569,968	7,089,589	6,040,746
Property taxes, levied for capital outlay	6,161,626	8,959,408	9,583,514	5,960,471	5,365,189
Investment income	699,510	379,359	342,793	219,209	213,632
Unrestricted county aid	767,823	545,411	906,864	812,938	994,455
Unrestricted state aid	25,540,003	24,296,667	25,367,286	21,891,503	20,264,106
Unrestricted federal aid	501,676	485,763	307,847	163,816	71,121
Special item		(1,478,326)			
Total general revenues	<u>111,476,647</u>	<u>109,231,371</u>	<u>106,134,767</u>	<u>108,546,972</u>	<u>92,429,415</u>
Changes in Net Position	<u>\$ 10,561,798</u>	<u>\$ 6,578,595</u>	<u>\$ 7,844,850</u>	<u>\$ 10,687,970</u>	<u>\$ (4,486,828)</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net (Expense)/Revenue	\$ (95,463,275)	\$ (92,051,514)	\$ (88,237,165)	\$ (93,216,232)	\$ (90,460,634)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	56,544,816	59,277,439	63,712,165	62,941,487	64,426,366
Property taxes, levied for debt service	7,120,488	23,486,448	27,010,562	27,015,448	23,128,864
Property taxes, levied for capital outlay	5,976,282	5,274,515	5,531,562	9,604,269	6,484,852
Investment income	177,920	317,483	711,455	839,427	1,843,222
Unrestricted county aid	725,751	655,473		582,151	
Unrestricted state aid	15,907,946	10,752,661	16,016,749	15,054,157	20,032,450
Total general revenues	<u>86,722,810</u>	<u>100,026,354</u>	<u>113,210,576</u>	<u>118,189,609</u>	<u>115,915,754</u>
Changes in Net Position	<u>\$ (8,740,465)</u>	<u>\$ 7,974,840</u>	<u>\$ 24,973,411</u>	<u>\$ 24,973,377</u>	<u>\$ 25,455,120</u>

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

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal year 2008-09.

(Concluded)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nondisposable	\$ 1,303,662	\$ 1,254,937	\$ 1,137,422	\$ 1,150,182	\$ 1,138,273
Unassigned	26,212,529	20,688,505	19,173,417	15,050,210	3,774,937
Total General Fund	<u>\$ 27,516,191</u>	<u>\$ 21,943,442</u>	<u>\$ 20,310,839</u>	<u>\$ 16,200,392</u>	<u>\$ 4,913,210</u>
All Other Governmental Funds:					
Nondisposable	\$	\$	\$	\$	\$
Restricted	42,501,259	44,678,543	41,640,088	41,603,105	26,687,900
Unassigned	(888,420)		(798)		
Total all other governmental funds	<u>\$ 41,612,839</u>	<u>\$ 44,678,543</u>	<u>\$ 41,639,290</u>	<u>\$ 41,603,105</u>	<u>\$ 26,687,900</u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:					
Nondspendable	\$ 1,285,931	\$ 3,360,675	\$ 910,355	\$	\$
Unassigned	8,934,837	10,795,232	25,046,751		
Reserved			-	2,529,175	191,463
Unreserved				7,743,525	9,541,760
Total General Fund	<u>\$ 10,220,768</u>	<u>\$ 14,155,907</u>	<u>\$ 25,957,106</u>	<u>\$ 10,272,700</u>	<u>\$ 9,733,223</u>
All Other Governmental Funds:					
Nondspendable	\$ 63,910	\$ 86,072	\$ 78,505	\$	\$
Restricted	52,192,128	36,360,957	36,523,361		
Unassigned	(637,900)	(108,115)	(47,807)		
Reserved				72,108	67,292
Unreserved, reported in:					
Special revenue funds				23,916,489	21,910,396
Capital projects funds				34,384,152	39,236,944
Debt service fund				1,794,671	1,293,651
Total all other governmental funds	<u>\$ 51,618,138</u>	<u>\$ 36,338,914</u>	<u>\$ 36,554,059</u>	<u>\$ 60,167,420</u>	<u>\$ 62,508,283</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: nondspendable, restricted, committed, assigned, and unassigned fund balance.

(Concluded)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Federal sources:					
Federal grants	\$ 5,395,995	\$ 5,876,031	\$ 5,624,833	\$ 4,991,155	\$ 4,723,230
Education Jobs					
National School Lunch Program	1,172,592	1,268,898	1,120,191	1,136,912	930,548
Total federal sources	<u>6,568,587</u>	<u>7,144,929</u>	<u>6,745,024</u>	<u>6,128,067</u>	<u>5,653,778</u>
State sources:					
State equalization assistance	17,077,708	17,431,458	18,479,379	15,657,281	13,774,668
State grants	1,324,678	1,552,257	1,590,194	1,637,409	1,432,536
School Facilities Board	8,075				
Other revenues	8,462,295	6,865,206	6,887,907	6,234,221	6,490,023
Total state sources	<u>26,872,756</u>	<u>25,848,921</u>	<u>26,957,480</u>	<u>23,528,911</u>	<u>21,697,227</u>
Local sources:					
Property taxes	82,468,345	85,205,056	81,771,743	85,633,367	70,686,459
County aid	767,823	545,411	906,864	812,938	994,455
Food service sales	1,762,574	1,866,225	1,845,413	1,904,838	1,977,377
Investment income	699,510	378,637	340,504	214,089	208,377
Other revenues	11,976,622	12,675,504	13,754,989	13,979,108	11,728,782
Total local sources	<u>97,674,874</u>	<u>100,670,833</u>	<u>98,619,513</u>	<u>102,544,340</u>	<u>85,595,450</u>
Total revenues	<u><u>\$ 131,116,217</u></u>	<u><u>\$ 133,664,683</u></u>	<u><u>\$ 132,322,017</u></u>	<u><u>\$ 132,201,318</u></u>	<u><u>\$ 112,946,455</u></u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Federal sources:					
Federal grants	\$ 5,722,536	\$ 5,667,066	\$ 6,545,450	\$ 6,642,337	\$ 5,537,442
State Fiscal Stabilization (ARRA)			228,083	2,152,670	
Education Jobs		1,282,140	1,381,297		
National School Lunch Program	906,753	567,858	224,128	91,647	98,703
Total federal sources	<u>6,629,289</u>	<u>7,517,064</u>	<u>8,378,958</u>	<u>8,886,654</u>	<u>5,636,145</u>
State sources:					
State equalization assistance	11,107,219	5,074,636	12,095,873	10,770,218	15,248,245
State grants	1,241,820	1,108,694	482,680	598,746	1,038,765
School Facilities Board					
Other revenues	4,803,982	5,677,137	4,225,632	4,051,298	5,369,994
Total state sources	<u>17,153,021</u>	<u>11,860,467</u>	<u>16,804,185</u>	<u>15,420,262</u>	<u>21,657,004</u>
Local sources:					
Property taxes	69,551,857	88,178,915	94,685,405	97,910,610	90,713,382
County aid	725,751	655,473		582,151	
Food service sales	2,107,033	2,542,887	2,801,851	2,838,506	3,194,465
Investment income	172,439	313,001	702,167	810,306	1,766,337
Other revenues	12,445,411	9,563,516	12,399,114	15,224,557	11,276,966
Total local sources	<u>85,002,491</u>	<u>101,253,792</u>	<u>110,588,537</u>	<u>117,366,130</u>	<u>106,951,150</u>
Total revenues	<u><u>\$ 108,784,801</u></u>	<u><u>\$ 120,631,323</u></u>	<u><u>\$ 135,771,680</u></u>	<u><u>\$ 141,673,046</u></u>	<u><u>\$ 134,244,299</u></u>

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

Note: The Arizona State Legislature suspended county equalization payments to school districts for fiscal year 2008-09.

(Concluded)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenditures:					
Current -					
Instruction	\$ 56,635,936	\$ 57,273,594	\$ 55,696,977	\$ 53,993,320	\$ 54,161,253
Support services - students and staff	15,909,246	16,005,656	15,165,680	14,229,851	13,725,010
Support services - administration	12,610,542	12,488,460	12,072,301	11,796,612	12,424,405
Operation and maintenance of plant services	15,139,981	14,986,032	14,657,096	14,553,806	14,844,638
Student transportation services	3,982,657	3,993,114	3,694,513	4,003,984	4,219,144
Operation of non-instructional services	4,672,077	5,110,727	4,966,560	4,783,835	4,679,928
Capital outlay	12,476,735	12,274,164	14,152,368	24,699,875	32,450,692
Debt service -					
Claims and judgements					
Interest and fiscal charges	3,028,193	3,016,784	3,557,130	3,142,036	3,376,362
Principal retirement	4,415,000	4,305,000	4,200,000	4,500,000	4,750,000
Bond issuance costs		259,450		178,594	
Total expenditures	<u>\$ 128,870,367</u>	<u>\$ 129,712,981</u>	<u>\$ 128,162,625</u>	<u>\$ 135,881,913</u>	<u>\$ 144,631,432</u>
Expenditures for capitalized assets	\$ 5,404,714	\$ 5,678,717	\$ 8,136,334	\$ 17,958,656	\$ 28,563,342
Debt service as a percentage of noncapital expenditures	6%	6%	6%	6%	7%

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures:					
Current -					
Instruction	\$ 54,342,987	\$ 56,990,778	\$ 53,704,911	\$ 58,499,122	\$ 53,964,171
Support services - students and staff	13,548,557	13,155,119	14,350,033	13,251,846	12,850,018
Support services - administration	11,316,962	10,079,684	9,725,142	9,463,534	9,214,128
Operation and maintenance of plant services	14,392,666	14,178,512	14,925,947	14,408,073	13,192,484
Student transportation services	3,824,477	3,318,164	3,165,396	2,813,664	2,418,493
Operation of non-instructional services	4,615,772	4,289,609	4,386,270	3,905,618	3,531,346
Capital outlay	19,358,589	20,817,147	15,419,653	16,655,588	20,284,047
Debt service -					
Claims and judgements					834,097
Interest and fiscal charges	2,070,658	2,702,272	3,560,860	4,764,515	3,909,560
Principal retirement	5,993,369	22,090,000	22,850,000	22,055,000	20,535,000
Payment to refunded bond escrow agent					
Bond issuance costs	160,000				456,615
Total expenditures	<u><u>\$ 129,624,037</u></u>	<u><u>\$ 147,621,285</u></u>	<u><u>\$ 142,088,212</u></u>	<u><u>\$ 145,816,960</u></u>	<u><u>\$ 141,189,959</u></u>
Expenditures for capitalized assets	\$ 12,465,515	\$ 14,899,697	\$ 8,833,631	\$ 14,216,407	\$ 13,745,600
Debt service as a percentage of noncapital expenditures	7%	19%	20%	20%	20%

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

(Concluded)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ 2,245,850	\$ 3,951,702	\$ 4,159,392	\$ (3,680,595)	\$ (31,684,977)
Other financing sources (uses):					
School improvement bond issued				29,525,000	
Refunding bonds issued		23,400,000			
Premium on sale of bonds		2,097,485		886,359	
Capital lease agreements					
Transfers in	278,127	232,493	395,881	1,078,899	301,828
Transfers out	(278,127)	(232,493)	(395,881)	(1,078,899)	(301,828)
Payment to refunded bond escrow agent		(25,109,666)			
Proceeds from sale of capital assets	212,470	214,820			
Total other financing sources (uses)	<u>212,470</u>	<u>602,639</u>		<u>30,411,359</u>	
Changes in fund balances	<u>\$ 2,458,320</u>	<u>\$ 4,554,341</u>	<u>\$ 4,159,392</u>	<u>\$ 26,730,764</u>	<u>\$ (31,684,977)</u>
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Excess (deficiency) of revenues over expenditures	\$ (20,839,236)	\$ (26,989,962)	\$ (6,316,532)	\$ (4,143,914)	\$ (6,945,660)
Other financing sources (uses):					
School improvement bond issued	45,475,000				30,000,000
Refunding bonds issued					
Premium on sale of bonds	1,280,497				396,615
Transfers in	9,548,736	150,911	318,294	219,532	265,328
Transfers out	(9,548,736)	(150,911)	(318,294)	(219,532)	(265,328)
Payment to refunded bond escrow agent	(12,475,270)				
Total other financing sources (uses)	<u>34,280,227</u>	<u>12,515,731</u>			<u>30,396,615</u>
Changes in fund balances	<u>\$ 13,440,991</u>	<u>\$ (14,474,231)</u>	<u>\$ (6,316,532)</u>	<u>\$ (4,143,914)</u>	<u>\$ 23,450,955</u>

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 1,475,962,174	\$ 1,411,961,258	\$ 1,369,931,990	\$ 1,344,952,918	\$ 1,375,228,054
Agricultural and Vacant	48,961,255	48,954,904	54,902,575	56,860,562	58,945,540
Residential (Owner Occupied)	1,220,293,381	1,164,099,881	1,114,603,844	1,076,970,077	1,007,930,407
Residential (Rental)	585,981,998	536,713,903	484,955,016	443,939,153	373,698,414
Railroad, Private Cars and Airlines	3,006,311	2,991,645	3,328,436	3,568,144	3,582,002
Historical Property	5,400,480	5,507,068	5,496,547	5,666,131	5,509,907
Certain Government Property Improvements	47,710	71,128	64,793	114,263	113,186
Total	<u>\$ 3,339,653,309</u>	<u>\$ 3,170,299,787</u>	<u>\$ 3,033,283,201</u>	<u>\$ 2,932,071,248</u>	<u>\$ 2,825,007,510</u>
Gross Full Cash Value	\$ 42,463,023,749	\$ 39,953,300,474	\$ 35,736,891,953	\$ 30,499,334,599	\$ 27,996,793,620
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	8%	10%	10%
Total Direct Rate	2.66	2.89	2.88	3.06	2.66

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 1,574,745,806	\$ 1,748,519,619	\$ 2,222,001,023	\$ 2,213,628,087	\$ 2,066,762,088
Agricultural and Vacant	67,707,526	93,688,767	91,367,892	92,581,432	81,544,140
Residential (Owner Occupied)	1,156,618,558	1,370,279,537	1,605,545,969	1,728,016,334	1,566,297,297
Residential (Rental)	328,037,957	389,455,571	442,161,550	406,299,626	342,975,361
Railroad, Private Cars and Airlines	3,825,243	3,370,255	3,448,680	3,627,819	4,197,552
Historical Property	5,635,456	5,877,087	6,329,982	5,762,821	5,996,412
Certain Government Property Improvements	79,981	36,342	13,320	16,635	14,610
Total	<u>\$ 3,136,650,527</u>	<u>\$ 3,611,227,178</u>	<u>\$ 4,370,868,416</u>	<u>\$ 4,449,932,754</u>	<u>\$ 4,067,787,460</u>
Gross Full Cash Value	\$ 28,760,346,473	\$ 33,325,539,824	\$ 39,732,436,063	\$ 43,380,165,352	\$ 41,713,648,470
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	11%	10%	10%
Total Direct Rate	2.42	2.57	2.29	2.22	2.28

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 1,842,770,374	\$ 1,698,352,264	\$ 1,493,492,230	\$ 1,360,388,743	\$ 1,379,388,741
Agricultural and Vacant	68,937,503	64,155,256	66,215,014	59,501,866	60,526,613
Residential (Owner Occupied)	1,472,874,360	1,449,664,927	1,356,045,599	1,133,972,826	1,008,699,463
Residential (Rental)	815,650,664	729,978,170	627,612,627	502,084,882	384,459,642
Railroad, Private Cars and Airlines	3,524,814	3,211,825	3,394,858	3,603,253	3,616,683
Historical Property	5,973,550	6,501,809	6,446,828	7,125,835	7,197,393
Certain Government Property Improvements	52,702	78,765	67,979	114,263	113,186
Total	<u>\$ 4,209,783,967</u>	<u>\$ 3,951,943,016</u>	<u>\$ 3,553,275,135</u>	<u>\$ 3,066,791,668</u>	<u>\$ 2,844,001,721</u>
Gross Full Cash Value	\$ 42,463,023,749	\$ 39,953,300,474	\$ 35,736,891,953	\$ 30,499,334,599	\$ 27,996,793,620
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	<u>\$ 32,185,387,675</u>	<u>\$ 30,331,442,167</u>	<u>\$ 26,791,664,296</u>	<u>\$ 22,631,583,137</u>	<u>\$ 20,349,028,030</u>
Total Direct Rate	2.66	2.89	2.88	3.06	2.66

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 1,582,649,621	\$ 1,760,757,460	\$ 2,415,393,187	\$ 2,582,124,689	\$ 2,376,170,362
Agricultural and Vacant	69,316,147	100,091,144	111,187,280	129,249,765	117,059,927
Residential (Owner Occupied)	1,157,123,514	1,371,708,377	1,611,953,345	1,910,957,731	2,088,749,232
Residential (Rental)	328,114,802	390,480,501	469,469,813	501,011,137	451,071,909
Railroad, Private Cars and Airlines	3,900,144	3,771,696	4,133,715	4,297,367	4,750,356
Historical Property	7,158,425	8,013,466	9,230,861	7,489,991	8,140,496
Certain Government Property Improvements	79,981	36,359	13,320	16,635	14,610
Total	<u>\$ 3,148,342,634</u>	<u>\$ 3,634,859,003</u>	<u>\$ 4,621,381,521</u>	<u>\$ 5,135,147,315</u>	<u>\$ 5,045,956,892</u>
Gross Full Cash Value	\$ 28,760,346,473	\$ 33,325,539,824	\$ 39,732,436,063	\$ 43,380,165,352	\$ 41,713,648,470
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	12%	12%	12%
Estimated Net Full Cash Value	<u>\$ 22,321,339,604</u>	<u>\$ 26,022,886,158</u>	<u>\$ 32,086,087,662</u>	<u>\$ 35,640,888,778</u>	<u>\$ 35,488,288,295</u>
Total Direct Rate	2.42	2.57	2.29	2.22	2.28

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	21 %	22 %	23 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	17	18	20

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

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

**TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates													District Direct Rates		
	State	County	County	Flood	Community	Fire District	Central	City of	City of	City of	Tempe	Kyrene	East Valley			
	Equalization	County	Free	Control	College	Assistance	Arizona	Tempe	Phoenix	Chandler	School District	School District	Inst. of	Primary	Secondary	Total
			Library	District	District		Water				No. 3	No. 28	Technology			
2018	0.49	1.40	0.06	0.18	1.41	0.01	0.14	2.49	2.16	1.14	5.05	3.98	0.05	2.06	0.60	2.66
2017	0.50	1.40	0.06	0.18	1.47	0.01	0.14	2.53	2.17	1.16	5.28	4.38	0.05	2.23	0.66	2.89
2016	0.51	1.36	0.06	0.16	1.49	0.01	0.14	2.52	1.82	1.18	5.47	4.01	0.05	2.22	0.66	2.88
2015	0.51	1.32	0.06	0.14	1.52	0.01	0.14	2.43	1.82	N/A	5.75	4.03	0.05	2.43	0.63	3.06
2014	0.51	1.28	0.04	0.14	1.53	0.01	0.14	2.66	1.82	N/A	6.16	4.28	0.05	2.01	0.64	2.66
2013	N/A	1.24	0.05	0.18	1.37	0.01	0.10	2.14	1.82	N/A	5.57	3.18	0.05	1.81	0.61	2.42
2012	N/A	1.24	0.05	0.18	1.21	0.01	0.10	1.79	1.82	N/A	3.99	3.35	0.05	1.61	0.96	2.57
2011	N/A	1.05	0.41	0.15	0.18	0.01	0.10	1.40	1.82	N/A	3.60	3.21	0.05	1.46	0.83	2.29
2010	N/A	0.99	0.04	0.14	0.16	0.01	0.10	1.40	1.82	N/A	3.28	2.27	0.05	1.71	0.51	2.22
2009	N/A	1.03	0.04	0.14	0.94	0.01	0.10	1.40	1.82	1.18	3.51	2.89	0.05	1.76	0.52	2.28

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Taxpayer	2018			2009	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation		Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Verizon Wireless	\$ 30,559,748	0.92 %		\$	%
Arizona Public Service Company	27,334,259	0.82		25,399,699	1.31
Arizona Mills Mall LLC	26,286,573	0.79		33,315,991	0.79
KBSII Fountainhead LLC	11,466,843	0.34			
Qwest Corporation	10,611,863	0.32		32,202,927	0.63
Honeywell International Inc	9,258,581	0.28			
Tempe Campus SPV LLC	8,305,133	0.25			
JDM II Tempe OC LLC	8,188,702	0.25			
JP Morgan Chase Bank NA	7,195,978	0.22			
Tempe Rio West Business Park LLC	7,195,035	0.22			
Wells Fargo Bank NA				24,496,477	0.56
Tempe Fountainhead Corporate LLC				16,784,317	0.53
Freescale Semiconductor Inc				15,735,130	0.37
State Farm Mutual Auto Insurance				14,242,975	0.28
Target Corporation T-9420				11,074,026	0.22
Safeway Incorporated				11,006,714	0.22
Tempe Commerce Park				9,972,397	0.20
Total	<u>\$ 146,402,715</u>	<u>4.41 %</u>		<u>\$ 194,230,653</u>	<u>5.11 %</u>

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	\$ 88,607,787	\$ 84,177,912	95.00 %	\$	\$ 84,177,912	95.00 %
2017	92,133,809	87,366,631	94.83	4,720,713	92,087,344	99.95
2016	87,906,676	86,483,051	98.38	1,384,155	87,867,206	99.96
2015	90,985,668	87,108,906	95.74	3,847,408	90,956,314	99.97
2014	75,484,758	71,528,341	94.76	3,933,661	75,462,002	99.97
2013	76,086,260	72,583,597	95.40	3,495,283	76,078,880	99.99
2012	93,031,771	88,830,837	95.48	3,436,529	92,267,366	99.18
2011	103,111,472	99,326,741	96.33	3,770,856	103,097,597	99.99
2010	104,461,819	96,677,562	92.55	4,550,925	101,228,487	96.90
2009	89,460,685	83,924,411	93.81	4,495,662	88,420,073	98.84

Source: The source of this information is the 2017 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.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less:	Total	Percentage of	Per Capita	Capital Leases	Total	Percentage of	Per Capita	Percentage of Personal Income	
		Amounts		Estimated				Estimated			
		Restricted for Principal		Actual Value (Full Cash Value)				Actual Value (Full Cash Value)			
2018	\$ 95,367,464	\$ 373,557	\$ 94,993,907	0.22 %	\$ 305	\$	\$ 95,367,464	0.22 %	\$ 306	0.05 %	
2017	99,965,044	1,070,121	98,894,923	0.25	323		99,965,044	0.25	326	0.04	
2016	102,360,139	558,279	101,801,860	0.28	336		102,360,139	0.29	338	0.06	
2015	106,977,928	656,269	106,321,659	0.35	337		106,977,928	0.35	339	0.06	
2014	81,434,358	377,221	81,057,137	0.29	273		81,434,358	0.29	274	0.05	
2013	87,148,684	2,338,601	84,810,083	0.29	288		87,148,684	0.30	296	0.06	
2012	62,560,000	1,359,299	61,200,701	0.18	206	12,515,731	75,075,731	0.23	253	0.05	
2011	85,410,000	3,363,982	82,046,018	0.21	278		85,410,000	0.21	290	0.06	
2010	107,465,000	2,465,286	104,999,714	0.24	274		107,465,000	0.25	280	0.08	
2009	128,000,000	1,969,905	126,030,095	0.30	394		128,000,000	0.31	400	0.09	

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2018

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 445,570,000	8.77 %	\$ 39,076,489
City of Chandler	302,595,000	20.95	63,393,653
City of Phoenix	1,201,405,000	8.68	104,281,954
City of Tempe	376,738,000	98.20	369,956,716
City of Mesa	350,560,000	0.34	1,191,904
Tempe Elementary School District No. 3	147,675,000	100.00	147,675,000
Kyrene Elementary School District No. 28	199,650,000	100.00	199,650,000
Subtotal, Overlapping Debt			<u>925,225,716</u>
Direct:			
Tempe Union High School District No. 213			<u>95,367,464</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 1,020,593,180</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	2.84	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 3,275	
As a Percentage of Net Limited Assessed Valuation	30.55	%
As a Percentage of Gross Full Cash Value	2.40	%

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2017 is presented for the overlapping governments as this is the most recent available information.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

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

Net full cash assessed valuation	\$ 4,209,783,967
Debt limit (10% of assessed value)	420,978,397
Debt applicable to limit	91,995,000
Legal debt margin	<u>\$ 328,983,397</u>

Total Legal Debt Margin Calculation for Fiscal Year 2018:

Net full cash assessed valuation	\$ 4,209,783,967
Debt limit (15% of assessed value)	631,467,595
Debt applicable to limit	91,995,000
Legal debt margin	<u>\$ 539,472,595</u>

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 631,467,595	\$ 592,791,452	\$ 532,991,270	\$ 460,018,750	\$ 426,600,258
Total net debt applicable to limit	<u>91,995,000</u>	<u>96,300,000</u>	<u>100,500,000</u>	<u>105,000,000</u>	<u>75,475,000</u>
Legal debt margin	<u>\$ 539,472,595</u>	<u>\$ 496,491,452</u>	<u>\$ 432,491,270</u>	<u>\$ 355,018,750</u>	<u>\$ 351,125,258</u>
Total net debt applicable to the limit as a percentage of debt limit	15%	16%	19%	23%	18%
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 472,251,395	\$ 545,228,850	\$ 693,205,230	\$ 770,272,096	\$ 756,893,534
Total net debt applicable to limit	<u>85,945,000</u>	<u>62,560,000</u>	<u>85,410,000</u>	<u>107,465,000</u>	<u>128,000,000</u>
Legal debt margin	<u>\$ 386,306,395</u>	<u>\$ 482,668,850</u>	<u>\$ 607,795,230</u>	<u>\$ 662,807,096</u>	<u>\$ 628,893,534</u>
Total net debt applicable to the limit as a percentage of debt limit	18%	11%	12%	14%	17%

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated District Population
2017	4,221,684	\$ 185,111,698	\$ 43,628	4.2 %	311,552
2016	4,137,076	280,120,037	40,415	4.5	306,630
2015	4,076,438	184,784,917	42,092	5.5	303,177
2014	4,087,191	168,483,421	41,222	5.9	315,198
2013	4,009,412	160,497,824	40,030	6.7	296,817
2012	3,884,705	154,926,697	39,300	7.1	294,788
2011	3,843,370	148,593,801	38,411	8.4	296,393
2010	4,192,887	142,864,275	37,352	9.2	294,889
2009	4,023,331	142,091,618	35,319	9.1	383,692
2008	3,958,263	147,122,078	37,168	4.9	320,000

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 2009 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 and 2017, the source of the information is the Arizona Office of Employment and Population Statistics.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Employer	2018		2009	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Intel Corporation	11,300	9.42 %	11,400	9.59 %
Arizona State University	11,185	9.32	12,570	10.57
Maricopa Community College	4,611	3.84		
Salt River Project	4,374	3.65		
Safeway Inc	3,996	3.33		
Wells Fargo Bank	3,576	2.98	7,180	6.04
Honeywell	3,000	2.50	10,700	9.00
Motorola	3,000	2.50	1,200	1.01
Kyrene School District	2,401	2.00		
JP Morgan Chase	2,377	1.98	2,300	1.93
The Boeing Co.			4,600	3.87
US Airways			3,915	3.29
General Dynamics C4 Systems			3,500	2.94
Cox Communications			3,235	2.72
Total	<u>49,820</u>	<u>41.52 %</u>	<u>60,600</u>	<u>50.96 %</u>
Total employment	<u>120,000</u>		<u>118,902</u>	

Source: The source of this information is City of Tempe, Community Development Department.

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	3	3	3	3	3
Principals	7	7	7	7	7
Assistant principals	22	22	19	19	19
Total supervisory	<u>33</u>	<u>33</u>	<u>30</u>	<u>30</u>	<u>30</u>
Instruction					
Teachers	619	631	629	635	646
Other professionals (instructional)	10				
Aides	74	71	73	76	85
Total instruction	<u>703</u>	<u>702</u>	<u>702</u>	<u>711</u>	<u>731</u>
Student Services					
Nurses	8	8	7	9	9
Counselors/Advisors	34	34	34	34	34
Librarians	6	6	6	6	6
Technicians					
Other instructional support	65	65	59	53	55
Total student services	<u>113</u>	<u>113</u>	<u>106</u>	<u>102</u>	<u>104</u>
Support and Administration					
Clerical workers	68	69	68	78	69
Maintenance workers	121	122	122	123	125
Bus Drivers	44	48	53	48	45
Food Service workers	34	36	36	36	40
Other classified	194	188	191	183	205
Service Workers					
Total support and administration	<u>461</u>	<u>463</u>	<u>470</u>	<u>468</u>	<u>484</u>
Total	<u><u>1,310</u></u>	<u><u>1,311</u></u>	<u><u>1,308</u></u>	<u><u>1,311</u></u>	<u><u>1,349</u></u>

(Continued)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	2	2			
Principals	7	7	7	7	7
Assistant principals	19	19	19	19	18
Total supervisory	<u>29</u>	<u>29</u>	<u>27</u>	<u>27</u>	<u>26</u>
Instruction					
Teachers	648	639	640	635	637
Other professionals (instructional)	21	19			
Aides	97	100	121	117	122
Total instruction	<u>766</u>	<u>758</u>	<u>761</u>	<u>752</u>	<u>759</u>
Student Services					
Nurses	9	9			
Counselors/Advisors	33	33			
Librarians	6	6	6	6	9
Technicians		18			
Other instructional support	39	58	107	101	98
Total student services	<u>87</u>	<u>124</u>	<u>113</u>	<u>107</u>	<u>107</u>
Support and Administration					
Clerical workers	115	124			
Maintenance workers	133	131			
Bus Drivers	46	53			
Food Service workers	67	51			
Other classified	34	23	282	244	243
Service Workers	122	71	170	186	180
Total support and administration	<u>517</u>	<u>453</u>	<u>452</u>	<u>430</u>	<u>423</u>
Total	<u>1,399</u>	<u>1,364</u>	<u>1,353</u>	<u>1,316</u>	<u>1,315</u>

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

(Concluded)

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2018	13,602	\$ 108,950,439	\$ 8,010	(1.34) %	\$ 122,846,940	\$ 9,032	(2.68) %	703	19.3	37.3 %
2017	13,532	109,857,583	8,118	5.91	125,580,988	9,280	5.50	702	19.3	35.0
2016	13,861	106,253,127	7,666	1.79	121,923,836	8,796	(0.34)	702	19.7	34.0
2015	13,725	103,361,408	7,531	(0.04)	121,141,061	8,826	3.46	711	19.3	27.6
2014	13,811	104,054,378	7,534	1.06	117,826,470	8,531	(0.76)	731	18.9	32.4
2013	13,688	102,041,421	7,455	(0.76)	117,669,038	8,597	3.75	766	17.9	28.9
2012	13,580	102,011,866	7,512	1.58	112,520,452	8,286	0.24	758	17.9	22.2
2011	13,558	100,257,699	7,395	(7.20)	112,067,580	8,266	(10.55)	761	17.8	61.9
2010	12,844	102,341,857	7,968	2.43	118,688,245	9,241	1.29	752	17.1	72.2
2009	12,234	95,170,640	7,779	1.43	111,606,975	9,123	(0.91)	759	16.1	69.0

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

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

TEMPE UNION HIGH SCHOOL DISTRICT NO. 213
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<u>Schools</u>										
<u>High</u>										
Buildings	77	77	77	77	77	75	75	75	75	75
Square feet	2,218,103	2,218,103	2,218,103	2,218,103	2,218,103	2,051,028	2,051,028	2,051,028	2,051,028	2,051,028
Capacity	19,680	18,511	18,511	18,511	18,511	18,511	18,511	18,511	18,511	18,511
Enrollment	13,670	13,561	13,827	13,747	13,789	13,643	13,545	13,636	13,242	12,701
<u>Administrative</u>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	176,300	176,300	176,300	176,300	176,300	176,300	176,300	176,300	176,300	176,300
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	110	108	109	99	99	99	103	111	107	107
<u>Athletics</u>										
Football fields	12	12	12	12	12	12	12	12	12	12
Soccer fields	6	6	6	6	6	6	6	6	6	6
Running tracks	6	6	6	6	6	6	6	6	6	6
Baseball/softball	24	24	24	24	24	24	24	24	24	24
Swimming pools	1	1	1	1	1	1	1	1	1	1

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

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