

MAYER UNIFIED SCHOOL DISTRICT NO. 43
REPORT ON AUDIT OF FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2015

Issued by:
Business and Finance Department

This page intentionally left blank.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
TABLE OF CONTENTS
JUNE 30, 2015**

	Page
INDEPENDENT AUDITORS' REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)	5-16
BASIC FINANCIAL STATEMENTS:	
District-wide Financial Statements:	
Statement of Net Position.....	18
Statement of Activities.....	19
Fund Based Financial Statements:	
Governmental Funds:	
Balance Sheet - Governmental Funds.....	22-23
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position.....	25
Statement of Revenues, Expenditures, and Changes In Fund Balances - Governmental Funds.....	26-27
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities.....	28
Fiduciary Funds:	
Statement of Fiduciary Assets and Liabilities.....	29
Notes to the Financial Statements	30-47
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Schedule - General Fund.....	51
Notes to Required Supplementary Information.....	52-53
Schedule of the District's Proportionate Share of the Net Pension Liability.....	54
Schedule of District Pension Contributions.....	55

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
TABLE OF CONTENTS
JUNE 30, 2015**

Page

OTHER SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - Maintenance and Operation Fund.....	59
Budgetary Comparison Schedule - Debt Service Fund.....	60
Note to Other Supplementary Information.....	61



Independent Auditors' Report

To the Governing Board of
Mayer Unified School District No. 43
Mayer, Arizona

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 Mayer Unified School District No. 43, (District) as of and for the year ended June 30, 2015, 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.

Auditors' 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 Mayer Unified School District No. 43, as of June 30, 2015, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 2 to the financial statements, Mayer Unified School District No. 43 adopted new accounting guidance of the Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*; and GASB Statement No. 69, *Government Combinations and Disposals of Governmental Operations*, for the year ended June 30, 2015, 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 pages 5 through 16, budgetary comparison information beginning on page 51, Schedule of the District's Proportionate Share of the Net Pension Liability on page 54, and Schedule of District Pension Contributions on page 55, 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.

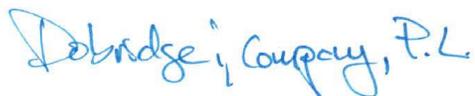
We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency 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 Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 26, 2016, on our consideration of Mayer Unified School District No. 43'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 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 Mayer Unified School District No. 43's internal control over financial reporting and compliance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Mayer Unified School District No. 43's basic financial statements. The accompanying *General Fund Combining Schedule*, on page 61, is presented for purposes of clarification of funds required to be grouped as General Fund by GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Dobridge & Company, PC

Mesa, Arizona

February 26, 2016

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

This page intentionally left blank.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

As management of the Mayer Unified School District No. 43, 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, 2015.

FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal year June 30, 2015, were as follows:

- As of June 30, 2015, the District's total net position was \$2.1 million. This is a decrease of \$521,192, or 20.0 percent, from fiscal year 2013-14.
- General revenues of \$4.2 million accounted for 71.4 percent of all fiscal year 2014-15 revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$1.7 million, or 28.6 percent, of total fiscal year 2014-15 revenues.
- The District had \$6.4 million in expenses related to governmental activities; of which \$1.7 million of these expenses were offset by program specific charges for services or grants and contributions. General revenues of \$4.2 million, along with prior year unrestricted carryover, were adequate to provide support for the remaining \$4.7 million costs of these programs.
- In fiscal year 2014-15, the General Fund reported \$3.3 million in revenues and \$4.2 million in expenditures. The revenues consisted primarily of \$1.3 million in property taxes and \$1.6 million in state aid. The General Fund's fund balance decreased by \$884,304, or 70.7 percent, from \$1.3 million as of June 30, 2014, to \$279,201 as of June 30, 2015.
- During fiscal year 2014-15, the District made bond principal payments of \$90,000 and bond interest payments of \$65,019. As of June 30, 2015, the District had \$1.6 million in outstanding bond principal and \$490,952 in interest that are due through the fiscal year 2027-28. For additional information, see financial statement note 10.
- The District adopted new accounting guidance of the Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, for the year ended June 30, 2015, which represents a change in accounting principle. For more information, see financial statement note 16.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

OVERVIEW OF FINANCIAL STATEMENTS

This annual financial report contains, in addition to this Management Discussion and Analysis, the District's basic financial statements and supplementary information. These three sections together provide a comprehensive overview of the District's finances. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives, district-wide and funds.

- *District-wide financial statements*, which consist of the *Statement of Net Position* and the *Statement of Activities*, provide both short-term and long-term information about the District's overall financial position.
- *Fund financial statements*, which report on the individual funds of the District, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

Notes to the financial statements, which are included just following the basic financial statements, provide more detailed data and explain some of the information in the statements. The required and not required supplementary information sections provide further explanations and additional support for the financial statements. The required supplementary information includes comparisons of the General Fund's budget to actual revenues and expenditures for the year.

District-wide financial statements. The district-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 *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two 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 district-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 and food service operations.

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

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

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

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-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 budgetary comparison schedules for the General Fund, the Unrestricted Capital Outlay Fund, and the Debt Service Fund, the major funds. Financial data from the other governmental funds are combined into a single, aggregated presentation.

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 district-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The accrual basis of accounting is used for fiduciary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-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. The District adopts an annual expenditure budget for all governmental funds. A Budgetary Comparison Schedule has been provided for the General Fund on page 51.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net Position. Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets plus deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2.1 million as of June 30, 2015.

The largest portion of the District's net position, \$4.7 million, reflects its net investment in capital assets (e.g., land, buildings, other improvements, and vehicles, furniture and equipment). The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. In addition, \$1.3 million of net position is deemed restricted. The remaining deficit portion of net position, \$3.9 million, is considered unrestricted. For additional information regarding net position see financial statement note 1.Q.

The District's financial position is the product of several financial transactions including the net results of activities, the payment of debt, the acquisition of capital assets, and the depreciation of capital assets.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

The following table presents a two-year comparison of the District's net position for the fiscal years ended June 30, 2015 and 2014.

SUMMARY OF STATEMENT OF NET POSITION

	As of <u>June 30, 2015</u>	As restated <u>June 30, 2014</u>	<u>Change</u>	<u>Percentage Change</u>
ASSETS				
Current assets	\$ 1,893,549	\$ 1,993,728	\$ (100,179)	(5.0)%
Capital assets	<u>6,940,341</u>	<u>7,256,639</u>	<u>(316,298)</u>	<u>(4.4)%</u>
Total assets	<u>8,833,890</u>	<u>9,250,367</u>	<u>(416,477)</u>	<u>(4.5)%</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	998,043	283,565	714,478	252.0 %
LIABILITIES				
Current liabilities	204,890	180,000	24,890	13.8 %
Noncurrent liabilities	<u>6,783,399</u>	<u>4,150,808</u>	<u>2,632,591</u>	<u>63.4 %</u>
Total liabilities	<u>6,988,289</u>	<u>4,330,808</u>	<u>2,657,481</u>	<u>61.4 %</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	760,697	-	760,697	100.0 %
NET POSITION				
Net investment in capital assets	4,673,663	4,911,357	(237,694)	(4.8)%
Restricted	1,271,196	550,847	720,349	130.8 %
Unrestricted (deficit)	<u>(3,861,912)</u>	<u>(2,858,065)</u>	<u>(1,003,847)</u>	<u>(35.1)%</u>
Total net position	<u>\$ 2,082,947</u>	<u>\$ 2,604,139</u>	<u>\$ (521,192)</u>	<u>(20.0)%</u>

The following are significant current year events that have had an impact on the *Statement of Net Position*:

- The decrease in current assets of \$100,179, or 5.0 percent, was due to the decrease in overall cash balance.
- The District had \$94,936 in additions to capital assets and depreciation expense of \$411,234, resulting in an overall net decrease in capital assets of \$316,298.
- The increase in current liabilities of \$24,890, or 13.8 percent, was primarily due to the increase in interest payable.
- The increase in noncurrent liabilities of \$2,632,591, or 63.4 percent, was primarily due to the increase in net pension liability. For additional information, see financial statement notes 16.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

Changes in net position. The District's total revenues for the fiscal year ended June 30, 2015, were \$5.9 million. The total cost of all programs and services was \$6.4 million. The following table presents a two-year comparison of the changes in net position for the fiscal years ended June 30, 2015 and 2014.

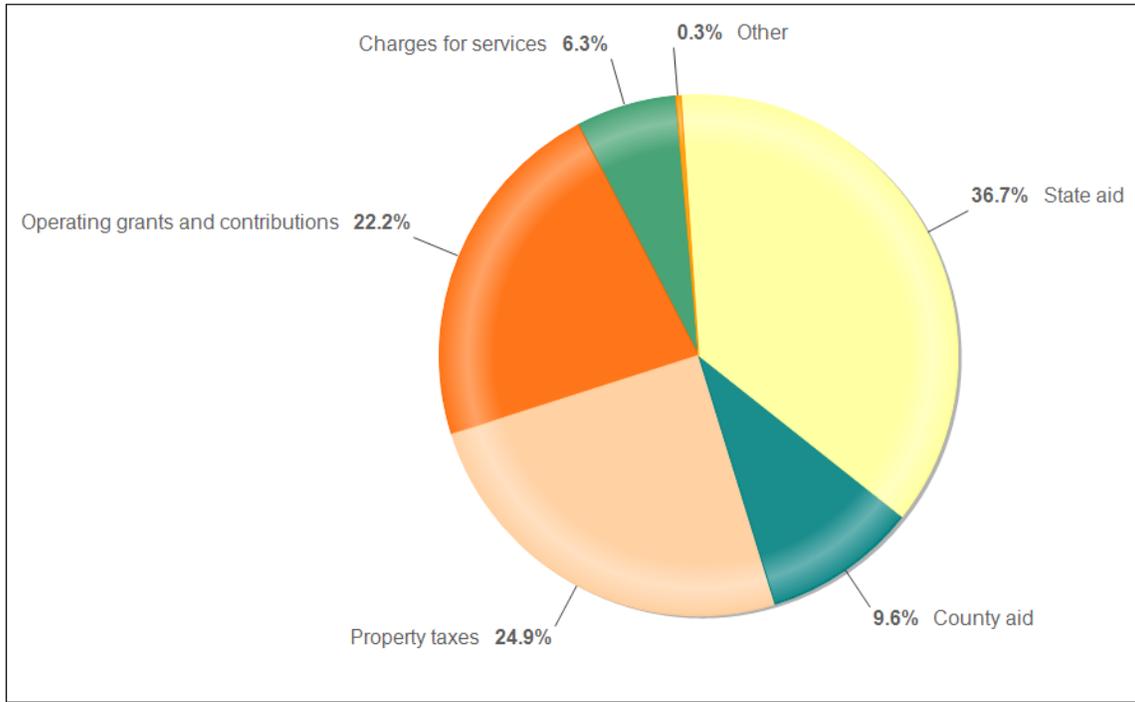
SUMMARY OF CHANGES IN NET POSITION

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>	<u>Change</u>	Percentage <u>Change</u>
Revenues:				
Program revenues:				
Charges for services	\$ 368,227	\$ 359,490	\$ 8,737	2.4 %
Operating grants and contributions	1,304,468	1,003,756	300,712	30.0 %
Capital grants and contributions	6,311	123,918	(117,607)	(94.9)%
General revenues:				
Property taxes	1,457,326	1,652,364	(195,038)	(11.8)%
County aid	562,843	484,699	78,144	16.1 %
State aid	2,150,579	1,857,913	292,666	15.8 %
Disposal of assets	-	(77,873)	77,873	100.0 %
Investment income	5,994	9,593	(3,599)	(37.5)%
Miscellaneous	<u>7,942</u>	<u>-</u>	<u>7,942</u>	<u>100.0 %</u>
Total revenues	<u>5,863,690</u>	<u>5,413,860</u>	<u>449,830</u>	<u>8.3 %</u>
Expenses:				
Instruction	3,021,518	2,643,593	377,925	14.3 %
Support services - students and staff	628,239	583,222	45,017	7.7 %
Support services - administration	870,696	709,949	160,747	22.6 %
Operation and maintenance of plant	865,867	705,639	160,228	22.7 %
Student transportation services	590,337	545,501	44,836	8.2 %
Operation of non-instructional services	302,878	278,875	24,003	8.6 %
Interest on long-term debt	<u>105,347</u>	<u>107,279</u>	<u>(1,932)</u>	<u>(1.8)%</u>
Total expenses	<u>6,384,882</u>	<u>5,574,058</u>	<u>810,824</u>	<u>14.5 %</u>
Change in net position	(521,192)	(160,198)	(360,994)	(225.3)%
Beginning net position, as restated	<u>2,604,139</u>	<u>10,725,177</u>	<u>(8,121,038)</u>	<u>(75.7)%</u>
Ending net position	<u>\$ 2,082,947</u>	<u>\$ 10,564,979</u>	<u>\$ (8,482,032)</u>	<u>(80.3)%</u>

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

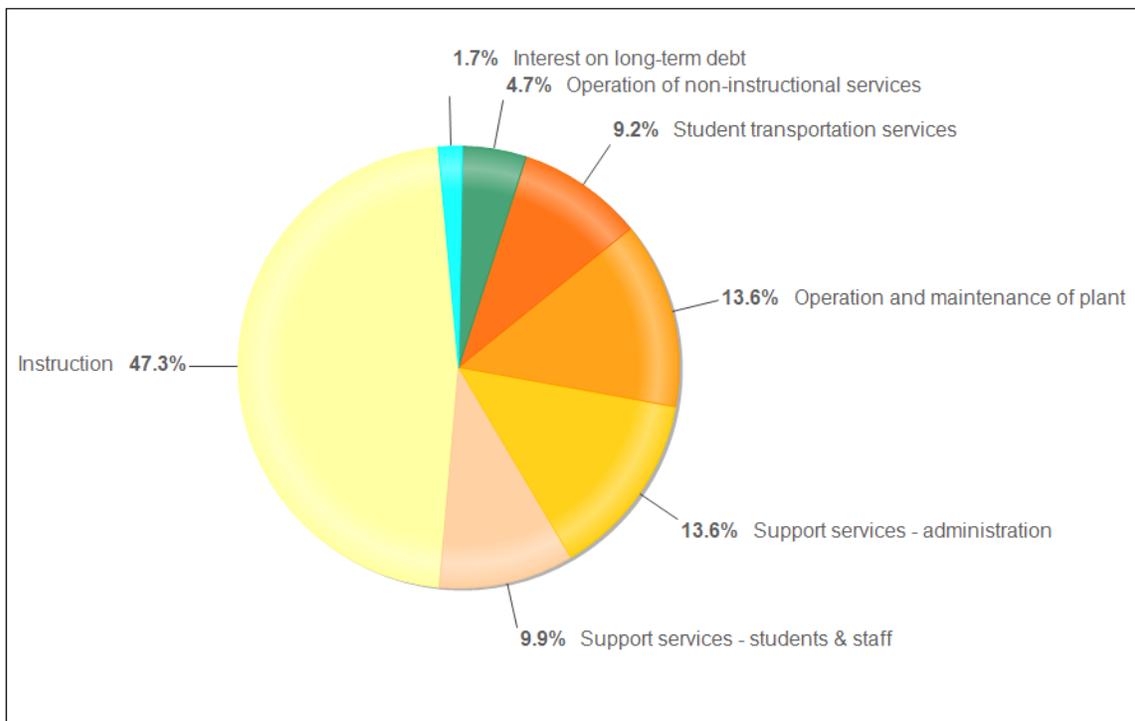
District-Wide Revenues

FY 2014-15



District-Wide Expenses

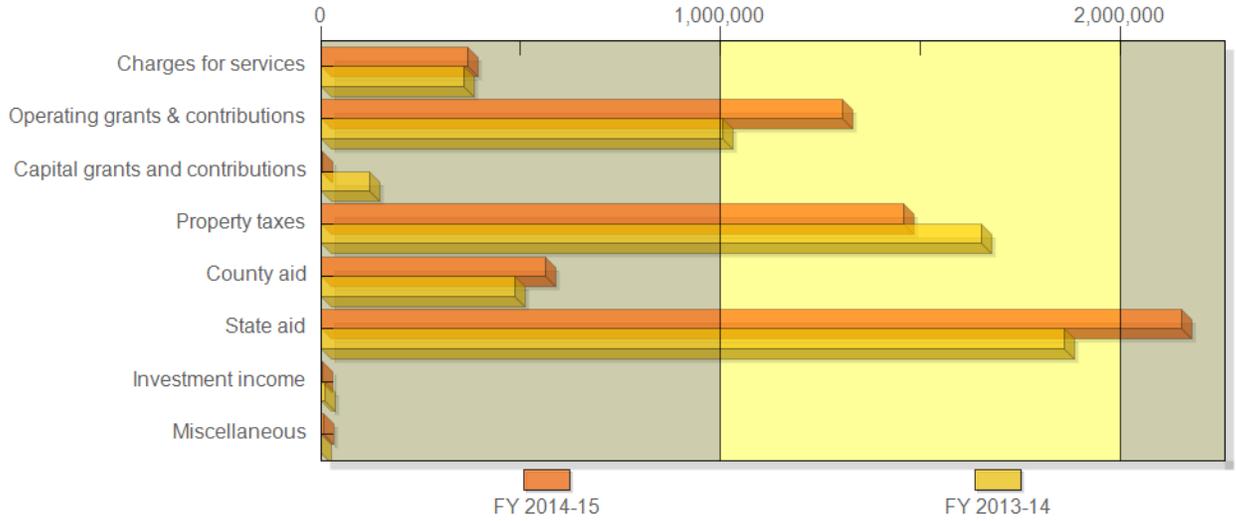
FY 2014-15



**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

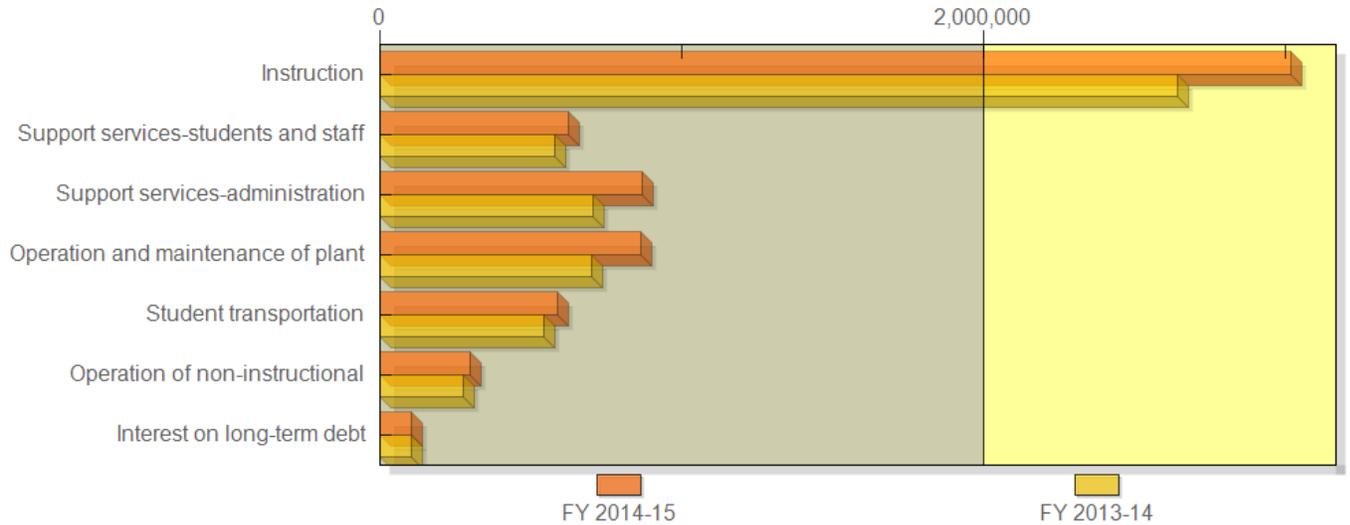
District-Wide Revenues

2 Year Comparison



District-Wide Expenses

2 Year Comparison



**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

Governmental Activities

The *Statement of Activities* on page 19 shows the cost of program services and the charges for services and grants offsetting those services. The following table displays information from the *Statement of Activities* governmental activities and compares the net cost of services from one year to the next. The net cost of services increased by \$618,982 primarily due to expenses reported in the *Statement of Activities* increasing \$810,824, while program revenues only increased \$191,842.

NET COST OF SERVICES

Expense Function	Net (Expenses) Revenue	Net (Expenses) Revenues	Change	Percentage Change
	June 30, 2015	June 30, 2014		
Instruction	\$ (2,064,881)	\$ (1,803,438)	\$ (261,443)	(14.5)%
Support services - students and staff	(444,446)	(396,977)	(47,469)	(12.0)%
Support services - administration	(797,352)	(577,945)	(219,407)	(38.0)%
Operation and maintenance of plant	(777,608)	(594,361)	(183,247)	(30.8)%
Student transportation services	(574,051)	(532,607)	(41,444)	(7.8)%
Operation of non-instructional services	57,809	(74,287)	132,096	177.8 %
Interest on long-term debt	<u>(105,347)</u>	<u>(107,279)</u>	<u>1,932</u>	<u>1.8 %</u>
Total	<u>\$ (4,705,876)</u>	<u>\$ (4,086,894)</u>	<u>\$ (618,982)</u>	<u>15.1 %</u>

The program expense categories shown above are summarized below:

- *Instruction* expenses are the cost of activities directly dealing with the teaching of students and the interaction between teacher and student.
- *Support services - students and staff* expenses include the cost of activities involved with assisting staff with the content and process of teaching to students.
- *Support services - administration* expenses are associated with the cost of administrative and financial supervision of the District.
- *Operation and maintenance of plant* expenses involve keeping the school grounds, buildings and equipment in good working condition.
- *Student transportation services* expenses involves the conveying of students to and from school as provided by state law. This includes trips between home and school and trips to school activities.
- *Operation of non-instructional services* expenses are primarily the cost of food service operations.
- *Interest on long-term debt* is the interest being paid on capital leases and bond.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

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 expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved 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 \$1.6 million, a decrease of \$204,164, or 11.6 percent.

The governmental funds' fund balance consisted of \$278,926, or 18.0 percent, unassigned, and \$1.3 million, or 82.0 percent, restricted. The following table provides analysis of the District's major and non-major fund balances and the total change in fund balances from the prior year.

GOVERNMENTAL FUND BALANCES (DEFICIT)

<u>Fund</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>% Change</u>
General Fund	\$ 279,201	\$ 1,250,284	\$ (971,083)	(77.7)%
Unrestricted Capital Outlay Fund	798,432	39,515	758,917	1,920.6 %
Debt Service Fund	(275)	8,892	(9,167)	(103.1)%
Other Governmental Funds	<u>472,764</u>	<u>455,595</u>	<u>17,169</u>	<u>3.8 %</u>
Total	<u>\$ 1,550,122</u>	<u>\$ 1,754,286</u>	<u>\$ (204,164)</u>	<u>(11.6)%</u>

- The General Fund's fund balance decreased \$971,083, or 77.7 percent. This was primarily due to the expenditure of prior year carry-over amounts.
- The Unrestricted Capital Outlay Fund's fund balance increased \$758,917, or 1,920.6 percent. This was due to the District's unrestricted capital revenues being greater than expenditures during the current year.
- The Debt Service Fund's fund balance decreased \$9,167, or 103.1 percent. The Debt Service Fund's fund balance stays relatively constant as the fund maintains a balance to ensure payment of principal and interest due July 1 of each year.
- The Other Governmental Funds' fund balances overall increase of \$17,169, or 3.8 percent, was primarily due to revenues in various cash-based funds not being spent and carried forward to the next fiscal year.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's General Fund Budgetary Comparison Schedule is required supplementary information and is presented on page 51. The adopted and final budget amounts as well as the variances between the final budget and the actual expenditures incurred are presented in the schedule. In the note to the required supplementary information on page 53, we have provided detail of the funds that comprise the General Fund with budget to actual information.

Over the course of the year, the District revised the General Fund's annual expenditure budget for reclassification of expenses across functional categories. The final budgeted expenditures increased \$331,457, from the adopted budget.

The actual amounts expended in the General Fund were \$330,393, or 7.2 percent, less than the final budget. This was primarily due to the District expending less than expected in the Maintenance and Operation portion of the General Fund.

MAINTENANCE AND OPERATION FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to Arizona law and is based on the modified accrual basis of accounting. The Maintenance and Operation Fund Budgetary Comparison Schedule is supplementary information and is presented on page 59. The adopted and final budget amounts, as well as the variances between the final budget and the actual expenditures incurred, are presented.

Over the course of the year, the District revised the Maintenance and Operation Fund annual expenditure budget for reclassification of salaries across functional categories. The final budgeted expenditures increased \$233,879,

The actual amounts expended in the Maintenance and Operation Fund were \$136,122, or 3.2 percent, less than the final budget. This was primarily due to temporary employee vacancies resulting in employee compensation being less than anticipated.

MAINTENANCE AND OPERATION FUND BUDGET COMPARISON

<u>Expenditures</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Variance</u>	<u>Percent Variance</u>
Regular education	\$ 2,971,787	\$ 2,762,776	\$ 209,011	7.0 %
Special education	616,579	814,266	(197,687)	(32.1)%
Student transportation services	599,024	474,336	124,688	20.8 %
K-3 reading program	20,976	20,866	110	0.5 %
Total	<u>\$ 4,208,366</u>	<u>\$ 4,072,244</u>	<u>\$ 136,122</u>	<u>3.2 %</u>

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

CAPITAL ASSETS

As of June 30, 2015, the District had invested \$6.9 million in capital assets, (net of accumulated depreciation), including school buildings, administrative and athletic facilities, buses and other vehicles, computers and other equipment. The District reported \$94,936 in capital additions. The primary acquisition was paving the parking area costing \$21,764. Total depreciation expense for the year was \$411,234.

The following schedule presents a two-year comparison of the capital asset balances for the fiscal years ended June 30, 2015 and 2014.

<u>Governmental activities</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>Percentage Change</u>
Land	\$ 279,998	\$ 279,998	\$ -	- %
Land improvements	805,933	750,745	55,188	7.4 %
Buildings and improvements	8,609,152	8,607,638	1,514	- %
Furniture, equipment and vehicles	<u>2,286,409</u>	<u>2,248,175</u>	<u>38,234</u>	<u>1.7 %</u>
Total	<u>11,981,492</u>	<u>11,886,556</u>	<u>94,936</u>	<u>0.8 %</u>
Less: Accumulated depreciation	<u>(5,041,151)</u>	<u>(4,629,917)</u>	<u>(411,234)</u>	<u>8.9 %</u>
Capital assets, net	<u>\$ 6,940,341</u>	<u>\$ 7,256,639</u>	<u>\$ (316,298)</u>	<u>(4.4)%</u>

The overall decrease in capital assets of \$316,298, or 4.4 percent, was due to the depreciation expense of \$411,234 being greater than capital additions of \$94,936. Additional information on the District's capital assets can be found in financial statement note 8.

LONG TERM DEBT

The following schedule presents a two-year comparison of long term debt for the fiscal years ended June 30, 2015 and 2014.

	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>Change</u>	<u>Percentage Change</u>
Net pension liability	\$ 4,350,094	\$ 4,263,985	\$ 86,109	2.0 %
Capital leases	691,678	770,282	(78,604)	(10.2)%
Bonds payable	1,575,000	1,665,000	(90,000)	(5.4)%
Compensated absences	<u>166,627</u>	<u>140,526</u>	<u>26,101</u>	<u>18.6 %</u>
Total	<u>\$ 6,783,399</u>	<u>\$ 6,839,793</u>	<u>\$ (56,394)</u>	<u>(0.8)%</u>

Bonds payable decreased \$90,000 due to the principal payment made during the fiscal year. For additional information see financial statement note 10.

Capital leases decreased \$78,604 due to the principal payments made during the fiscal year. For additional information see financial statement note 11.

Compensated absences payable increased \$26,101, or 18.6 percent, due to the accumulated leave being greater than leave used. Additional information on the District's compensated absences can be found in financial statement note 1.O.

The net pension liability increased 86,109%, or 2.0 percent, due to contributions being lower than expected in ASRS. Additional information on the District's pension liability can be found in the financial statement note 16.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2015**

**ECONOMIC FACTORS AND NEXT YEAR'S
MAINTENANCE AND OPERATION FUND BUDGET**

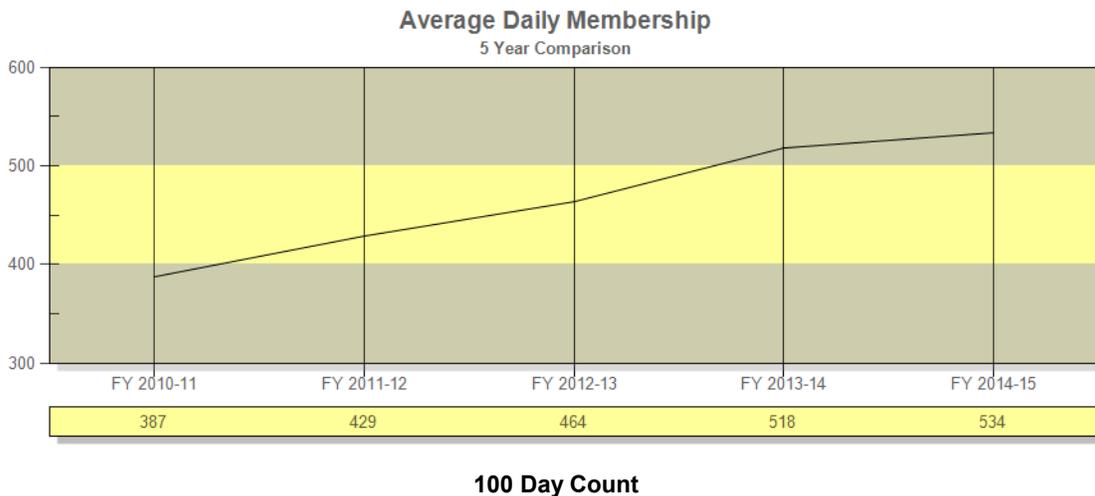
Many factors were considered by the District's administration during the process of developing the budget for the next year (fiscal year 2015-16). The primary factors considered in developing fiscal year 2015-16's budget were the District's student population and employee salaries. Also considered in the development of the budget is the local economy and inflation of the surrounding area.

The following table presents a comparison of the Maintenance and Operation Fund's final budget for this year (fiscal year 2014-15) and the adopted budget for next year (fiscal year 2015-16).

<u>Expenditures</u>	<u>Final Budget FY 2014-15</u>	<u>Adopted Budget FY 2015-16</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Regular education	\$ 2,971,787	\$ 2,932,685	\$ (39,102)	(1.3)%
Special education	616,579	808,445	191,866	31.1 %
Student transportation services	599,024	637,807	38,783	6.5 %
K-3 Reading program	<u>20,976</u>	<u>21,203</u>	<u>227</u>	<u>1.1 %</u>
Total	<u>\$ 4,208,366</u>	<u>\$ 4,400,140</u>	<u>\$ 191,774</u>	<u>4.6 %</u>

Amounts available in the Maintenance and Operation Fund's fiscal year 2015-16 budget are \$4.4 million, an increase of 4.6 percent from fiscal year 2014-15.

The District's 100-day count of average daily membership has ranged from a high of 534 to a low of 387 during the past five years. The District expects attendance to stabilize and remain in the same range for the next several years.



CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Mayer Unified School District No. 43, P.O. Box 1059, Mayer, Arizona 86333 or call (928) 642-1000.

**DISTRICT-WIDE
FINANCIAL STATEMENTS**

MAYER UNIFIED SCHOOL DISTRICT NO. 43
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 1,687,798
Accounts receivable	49,133
Property taxes receivable	68,154
Due from other governments	88,464
Capital assets, not being depreciated	279,998
Capital assets, being depreciated, net	<u>6,660,343</u>
Total assets	<u>8,833,890</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	998,043
 LIABILITIES	
Accounts payable	150,570
Accrued payroll	7,881
Advances from grantors	14,917
Interest payable	31,522
Noncurrent liabilities:	
Due within one year	265,630
Due in more than one year	<u>6,517,769</u>
Total liabilities	<u>6,988,289</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	760,697
 NET POSITION	
Net investment in capital assets	4,673,663
Restricted for:	
Capital outlay	811,529
Voter approved initiatives	183,120
Food service	64,246
Other purposes	212,301
Unrestricted (deficit)	<u>(3,861,912)</u>
Total net position	<u>\$ 2,082,947</u>

The accompanying notes are an integral part of these statements.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 3,021,518	\$ 310,560	\$ 639,766	\$ 6,311	\$ (2,064,881)
Support services - students and staff	628,239	-	183,793	-	(444,446)
Support services - administration	870,696	-	73,344	-	(797,352)
Operation and maintenance of plant	865,867	-	88,259	-	(777,608)
Student transportation services	590,337	-	16,286	-	(574,051)
Operation of non-instructional services	302,878	57,667	303,020	-	57,809
Interest on long-term debt	105,347	-	-	-	(105,347)
Total governmental activities	\$ 6,384,882	\$ 368,227	\$ 1,304,468	\$ 6,311	(4,705,876)

General Revenues:

Property taxes:

Levied for general purposes	1,316,242
Levied for debt service	141,084

County aid	562,843
------------	---------

State aid:

General operations	1,628,844
Capital outlay	498,976
Instructional improvement	22,759

Investment earnings	5,994
---------------------	-------

Miscellaneous	7,942
---------------	-------

Total general revenues	4,184,684
------------------------	-----------

Change in net position	(521,192)
------------------------	-----------

Net position, July 1, 2014, as restated	2,604,139
---	-----------

Net position, June 30, 2015	\$ 2,082,947
-----------------------------	--------------

The accompanying notes are an integral part of these statements.

This page intentionally left blank.

**FUND BASED
FINANCIAL STATEMENTS**

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>General Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Debt Service Fund</u>
ASSETS			
Cash and investments	\$ 547,251	\$ 541,783	\$ 121,247
Accounts receivable	49,133	-	-
Property taxes receivable	61,877	-	6,277
Due from other governments	-	10,047	-
Due from other funds	-	<u>276,024</u>	-
Total assets	<u>\$ 658,261</u>	<u>\$ 827,854</u>	<u>\$ 127,524</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 77,734	\$ 29,422	\$ -
Accrued payroll	4,078	-	-
Advances from grantors	-	-	-
Due to other funds	254,988	-	-
Interest payable	-	-	31,522
Bonds payable	-	-	<u>90,000</u>
Total liabilities	<u>336,800</u>	<u>29,422</u>	<u>121,522</u>
Deferred inflows of resources:			
Unavailable revenue - property tax	<u>42,260</u>	<u>-</u>	<u>6,277</u>
Total liabilities and deferred inflows of resources	<u>379,060</u>	<u>29,422</u>	<u>127,799</u>
Fund balances:			
Restricted:			
Capital projects	-	798,432	-
Voter approved initiatives	-	-	-
Food service	-	-	-
Other purposes	-	-	-
Unassigned	<u>279,201</u>	<u>-</u>	<u>(275)</u>
Total fund balances	<u>279,201</u>	<u>798,432</u>	<u>(275)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 658,261</u>	<u>\$ 827,854</u>	<u>\$ 127,524</u>

The accompanying notes are an integral part of these statements.

Other Governmental Funds	Total Governmental Funds
\$ 477,517	\$ 1,687,798
-	49,133
-	68,154
78,417	88,464
-	<u>276,024</u>
<u>\$ 555,934</u>	<u>\$ 2,169,573</u>

\$ 43,414	\$ 150,570
3,803	7,881
14,917	14,917
21,036	276,024
-	31,522
-	<u>90,000</u>
<u>83,170</u>	<u>570,914</u>

-	<u>48,537</u>
---	---------------

<u>83,170</u>	<u>619,451</u>
---------------	----------------

13,097	811,529
183,120	183,120
64,246	64,246
212,301	212,301
-	<u>278,926</u>
<u>472,764</u>	<u>1,550,122</u>

<u>\$ 555,934</u>	<u>\$ 2,169,573</u>
-------------------	---------------------

The accompanying notes are an integral part of these statements.

This page intentionally left blank.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2015**

Fund balances - total governmental funds		\$ 1,550,122
<p>Amounts reported on governmental activities in the <i>Statement of Net Position</i> are different because:</p>		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		6,940,341
Property tax revenues and state aid in the <i>Statement of Activities</i> that do not provide current financial resources are not reported as revenues in the funds.		48,537
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	\$ 998,043	
Deferred inflows of resources related to pensions	<u>(760,697)</u>	
		237,346
Long-term liabilities that are not due and payable in the current period and therefore, are not reported in the governmental funds.		
Compensated absences	\$ (166,627)	
Net pension liability	(4,350,094)	
Capital lease	(691,678)	
Bonds payable	<u>(1,485,000)</u>	
		<u>(6,693,399)</u>
Net position of governmental activities		<u>\$ 2,082,947</u>

MAYER UNIFIED SCHOOL DISTRICT NO. 43
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Debt Service Fund</u>
Revenues:			
Local revenue:			
Property taxes	\$ 1,333,424	\$ -	\$ 134,807
Other local revenue	209,204	567,353	11,045
State aid and grants	1,628,844	498,976	-
Federal aid and grants	<u>162,947</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3,334,419</u>	<u>1,066,329</u>	<u>145,852</u>
Expenditures:			
Current:			
Instruction	1,968,408	108,898	-
Support services - students and staff	468,034	28,780	-
Support services - administration	755,744	11,076	-
Operation and maintenance of plant	557,459	22,967	-
Student transportation services	476,305	1,376	-
Operation of non-instructional services	2,260	5,024	-
Capital outlay	-	68,088	-
Debt service:			
Principal	-	54,936	90,000
Interest	<u>-</u>	<u>6,267</u>	<u>65,019</u>
Total expenditures	<u>4,228,210</u>	<u>307,412</u>	<u>155,019</u>
Excess (deficiency) of revenues over expenditures	<u>(893,791)</u>	<u>758,917</u>	<u>(9,167)</u>
Other financing sources (uses):			
Transfers in	50,043	-	-
Transfers out	<u>(40,556)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>9,487</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(884,304)	758,917	(9,167)
Fund balances, July 1, 2014	1,250,284	39,515	8,892
Decrease in reserve for prepaid expenses	<u>(86,779)</u>	<u>-</u>	<u>-</u>
Fund balances, June 30, 2015	<u>\$ 279,201</u>	<u>\$ 798,432</u>	<u>\$ (275)</u>

The accompanying notes are an integral part of these statements.

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 1,468,231
182,880	970,482
358,310	2,486,130
<u>786,805</u>	<u>949,752</u>
<u>1,327,995</u>	<u>5,874,595</u>
640,871	2,718,177
111,550	608,364
53,075	819,895
94,831	675,257
22,954	500,635
279,165	286,449
26,848	94,936
23,668	168,604
<u>34,061</u>	<u>105,347</u>
<u>1,287,023</u>	<u>5,977,664</u>
<u>40,972</u>	<u>(103,069)</u>
40,556	90,599
<u>(50,043)</u>	<u>(90,599)</u>
<u>(9,487)</u>	<u>-</u>
31,485	(103,069)
455,595	1,754,286
<u>(14,316)</u>	<u>(101,095)</u>
<u>\$ 472,764</u>	<u>\$ 1,550,122</u>

The accompanying notes are an integral part of these statements.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

Net change in fund balances - total governmental funds **\$ (103,069)**

Amounts reported in the governmental activities in the *Statement of Activities* are different because:

Governmental funds report capital outlays as expenditures. However, in the *Statement of Activities* the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (316,298)

Property taxes and state aid in the *Statement of Activities* that do not provide current financial resources are not reported as revenues in the governmental funds. (10,905)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the *Statement of Net Position* because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the *Statement of Activities*.

Pension contribution	\$	342,727	
Pension expense		<u>(475,055)</u>	(132,328)

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

Bonds payable	\$	90,000	
Capital lease		78,604	
Change in prepaid		(101,095)	
Compensated absences		<u>(26,101)</u>	<u>41,408</u>

Change in net position of governmental activities **\$ (521,192)**

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015**

	Agency Funds		
	Student Activities	Employee Withholding	Total
ASSETS			
Cash and investments	\$ 9,649	\$ 157,746	\$ 167,395
Total assets	<u>\$ 9,649</u>	<u>\$ 157,746</u>	<u>\$ 167,395</u>
 LIABILITIES			
Due to student groups	\$ 9,649	\$ -	\$ 9,649
Deposits held for others	<u>-</u>	<u>157,746</u>	<u>157,746</u>
Total liabilities	<u>\$ 9,649</u>	<u>\$ 157,746</u>	<u>\$ 167,395</u>

The accompanying notes are an integral part of these statements.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mayer Unified School District No. 43 (the District) accounts for its financial transactions in accordance with the policies and procedures of the Arizona Department of Education's *Uniform School Financial Reporting Manual*. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

For the year ended June 30, 2015, the District implemented the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, and GASB Statement No. 69, *Government Combinations and Disposals of Governmental Operations*. GASB Statement No. 68 and 71 establish standards for measuring and recognizing net pension liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to pension benefits provided through defined benefit pension plans. In addition, Statement No. 68 requires disclosure of information related to pension benefits. GASB Statement No. 69 establishes accounting and financial reporting standards related to government combinations and disposals of government operations.

A. Financial Reporting Entity

The financial reporting entity consists of a primary government. 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. Although the County Treasurer collects taxes for the District, it exercises no control over its expenditures/expenses.

The Governing Board is organized under §15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. 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 District's major operations include education, student transportation, food service and maintenance of District facilities.

Criteria for determining if other entities are potential component units which should be reported within the District's basic financial statements are identified and described in the GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, §2100 and §2600. The application of these criteria provides for identification of any entities for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's basic financial statements to be misleading or incomplete. Accordingly, for the year ended June 30, 2015, the District does not have any component units and is not a component unit of any other reporting entity.

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 to external users for support. The District does not have any business-type activities.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

The basic financial statements include both district-wide financial statements and governmental fund financial statements. The district-wide financial statements focus on the District as a whole, while the governmental fund financial statements focus on fund reporting. Each presentation provides valuable information that can be analyzed and compared between years and between governments to enhance the usefulness of the information.

District-wide Financial Statements - District-wide financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. The approach differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the district-wide statements and the statements for the governmental funds.

District-wide financial statements include a *Statement of Net Position* and a *Statement of Activities*. These statements report the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of the interfund activities.

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Property taxes, state aid, and investment earnings are revenues that are not classified as program revenues and, therefore, are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements - Governmental fund financial statements separately report detailed information about the District in the governmental and fiduciary funds even though the fiduciary funds are excluded from the District-wide financial statements. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Other governmental funds are aggregated and reported in a single column. Because the focus of governmental fund financial statements differs from the focus of district-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

The District's accounts are organized into major governmental, other governmental, and fiduciary funds as follows:

Major Governmental Funds:

General Fund - to account for all resources used to finance District operations except those required to be accounted for in other funds. The General Fund as presented includes the District's Maintenance and Operation Fund and other special revenue funds that do not have a substantial restriction on expenditures. For further information see General Fund Combining Schedule on page 61.

Unrestricted Capital Outlay Fund - accounts for transactions relating to the acquisition of capital items by purchase, lease-purchase, or lease as prescribed by A.R.S. §15-903(C).

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Other Governmental Funds:

Special Revenue Funds - to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains twenty-two other governmental special revenue funds.

Capital Project Funds - to account for the acquisition and construction of all major governmental general capital assets. The District maintains two other governmental capital project funds.

Fiduciary Funds:

Agency Funds - to account for assets of others for which the District acts as an agent. The District maintains two agency funds to account for student club activities and employee withholdings. The student club activities fund accounts for monies raised by students to finance student clubs and the employee withholding fund accounts for unremitted payroll deductions temporarily held by the District.

C. Measurement Focus and Basis of Accounting

District-wide Financial Statements - The district-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The fiduciary fund financial statements are also reported on 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 district-wide financial statements.

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.

Property taxes, state aid, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so 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.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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."

E. Expenses and Expenditures

Using the accrual basis of accounting, expenses are recognized at the time a liability is incurred. In the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Cash and Investments

A.R.S. require the District to deposit certain cash with the County Treasurer. That cash is pooled by the County Treasurer for investment purposes. Interest earned from investments purchased with pooled monies is allocated to each of the District's funds based on their average balances. All investments are stated at fair value. For additional information regarding investments see financial statement note 5.

All investments are stated at fair value. For additional information regarding investments see financial statement note 5.

G. Pensions

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

H. Investment Income

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

I. Advances From Grantors

Advances from grantors arise when assets are received before revenue recognition criteria have been satisfied. Advances from grantors generally comprise of federal and state entitlement revenues received before eligibility requirements are met.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Deferred Outflows and Inflows of Resources

The statement of net position and balance sheet include separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as a revenue in future periods.

K. Property Taxes

Property tax levies are obtained by applying tax rates against either the primary assessed valuation or the secondary assessed valuation. Primary and secondary valuation categories are composed of the exact same properties. However, the primary category limits the increase in property values to 10% from the previous year, while there is no limit to the increase in property values for secondary valuation. Override and debt service tax rates are applied to secondary assessed valuation and all other tax rates are applied to the primary assessed valuation.

The county levies real property taxes on or before the third Monday in August, which 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. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

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.

Property tax receivables are reported at full value as they are considered 100 percent collectible due to the County attaching a lien against all amounts past due as noted above.

L. 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.

M. Federal Revenue Sources

The District receives federal awards for the enhancement of various educational programs. Federal awards generally received based on applications submitted to, and approved by, various granting agencies. For federal awards in which a claim to these grant proceeds is based on incurring eligible expenditures, revenue is recognized to the extent that eligible expenditures have been incurred.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, and vehicles, furniture, and equipment, are reported in the district-wide financial statements. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts) are \$5,000 for all assets.

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

Land improvements	20 - 30 years
Buildings and improvements	10 - 60 years
Furniture, equipment and vehicles	5 - 30 years

O. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Sick leave is granted and accrued according to the number of months employed during the fiscal year and shall not carryover beyond 640 hours. Employees are paid for unused accumulation of sick leave at 1/2 the current daily rate of compensation for a substitute teacher. Vacation leave is granted and accrued for certified administrators and classified employees working under 12-month contracts and shall not carryover beyond 280 hours. Accumulated vacation leave is paid out at the employee's current rate of pay upon termination of employment. The current and long-term liabilities, including related benefits, for accumulated sick leave and vacation are reported on the district-wide financial statements. A liability for these amounts, including related benefits, 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.

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.

Q. Net Position

In the district-wide financial statements net position is reported in three components: 1) net investment in capital assets; 2) restricted; and 3) unrestricted. Net investment in capital assets, consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of any bonds, capital leases or construction contract payables used to acquire, construct or improve these assets. Restricted net position is reported when constraints placed on the net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or by state legislation. Unrestricted net position is a net position that does not meet the definition of either of the first two categories of net position.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

R. Fund Balance Classifications

GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - Amounts which cannot be spent because they are either not spendable form or are legally or contractually required to be maintained intact. This would include items not expected to be converted to cash including inventories and prepaid expenses.

Restricted fund balance - Amounts with constraints placed on the use of resources that are either:

- a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or
- b) imposed by law through constitutional provisions or state legislation.

Committed fund balance - Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the governing board. These amounts cannot be used for any other purposes unless the governing board removes or changes the specific purpose by taking the same kind of formal action previously used to commit these amounts. Adoption of the annual budget does not constitute a commitment as appropriations lapse at year end without governing board action. This also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance - Amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The intent should be expressed by the governing board or body or official to which the governing board has delegated the authority to assign amounts to be used for specific purposes. Assigned fund balance in governmental funds, other than the General Fund, includes all spendable amounts that are not restricted or committed, if that amount is positive. 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 or procedures for the utilization of assigned fund balance, accordingly, no assigned fund balance amounts are reported.

Unassigned fund balance - Spendable amounts in the General Fund that are not restricted, committed or assigned. The General Fund is the only fund that may report a positive unassigned fund balance amount. For governmental funds other than the General Fund, negative fund balances are reported here if restricted, committed, or assigned amounts exceed total spendable fund balance.

Hierarchy for use of fund balances - When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the District's policy to use restricted fund balance first. For the disbursement of unrestricted fund balances, it is the District's policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 - IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLES

For the year ended June 30, 2015, Mayer Unified School District No. 43 implemented the provisions of GASB Statement 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Therefore, net position as of July 1, 2014, has been restated as follows.

	Governmental Activities
Net position as previously reported at June 30, 2014	\$ 6,584,559
Prior period adjustment - implementation of GASB 68:	
Net pension liability (measurement date as of June 30, 2013)	(4,263,985)
Deferred outflows - District contributions made during fiscal year 2014	283,565
Total prior period adjustment	(3,980,420)
Net position, as restated, July 1, 2014	\$ 2,604,139

NOTE 3 - RECLASSIFICATION OF BEGINNING FUND BALANCES

The District has reviewed GASB Statement 54 as noted in Financial Note 1.R on page 36 and elected to group together certain governmental funds as provided by the Uniform Standard Reporting System with the Maintenance and Operation Fund. See page 61 for funds that were grouped with the Maintenance and Operation Fund and referred to as the General Fund. The chart below reconciles the current financial statements with the prior financial statements.

Fund	Financial Report June 30, 2014	As Reclassified July 1, 2014	Difference
General Fund	\$ 739,018	\$ 1,250,284	\$ (511,266)
Other Governmental Funds	1,015,268	504,002	511,266
Total	\$ 1,754,286	\$ 1,754,286	\$ -

NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of June 30, 2015, are listed below. The "Due from" receivable funds are those with a balance owed by other funds; the "Due to" payable funds, are those with a liability to other funds.

Funds	Interfund	
	Due From	Due To
General Fund	\$ -	\$ 254,988
Unrestricted Capital Outlay Fund	276,024	-
Other Governmental Funds	-	21,036
Total	\$ 276,024	\$ 276,024

These interfund amounts primarily represent loans to cover temporary cash deficit in the General Fund and NSLP Equipment Grant due to state aid payments and grant fund reimbursements that were received subsequent to year end and were reported as Due From Other Governments in financial statement note 6.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 - CASH AND INVESTMENTS

A. Cash

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's cash deposits may not be returned. As of June 30, 2015, the District's carrying amount of demand deposits and bank balance were \$890 and \$167,395 in the governmental and fiduciary funds, respectively. The Federal Deposit Insurance Corporation provides the District loss coverage on demand deposits and time deposits up to \$250,000.

B. Investments

A.R.S. §15-996 authorizes the Yavapai County Treasurer to receive and hold all District monies and pool the monies with other school districts for investment purposes. As of June 30, 2015, the District reported \$1,686,908 on deposit with the Yavapai County Treasurer's Investment Pool (YCTIP) in the governmental funds. The Yavapai County Treasurer invests the cash in a pool under policy guidelines established by the county. The county accounts for the investment pool in their Fiduciary Investment Trust Fund. Interest rate risk, credit risk, custodial credit risk and concentration of credit risk regarding the YCTIP are included in the Comprehensive Annual Financial Report of Yavapai County. The fair value of each participant's position in the YCTIP approximates the value of the participant's shares in the pool. The YCTIP is an external investment pool with no regulatory oversight. The YCTIP is not required to register (and is not registered) with the Securities and Exchange Commission. As of June 30, 2015, YCTIP had not received a quality credit rating from a national rating agency.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rate will adversely affect the fair value of an investment. 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. Credit risk is the risk that an insurer or other counterparty to an investment in a debt security will not fulfill its obligations. The District has no investment policy that would further limit its investment choices than what is allowable per A.R.S.

Custodial Credit Risk. Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the District will not be able to recover the value of the investments or collateral securities that are in possession of an outside party. The District does not have a formal policy for custodial credit. The District's investments of \$1,686,908 are subject to custodial credit risk because the related securities are uninsured, unregistered and held by Yavapai County not in the District's name.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not have a formal policy for concentration of credit risk. The District's investments of \$1,686,908 are subject to concentration of credit risk.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 6 - DUE FROM OTHER GOVERNMENTS

Receivable balances have been disaggregated by type and presented separately in the financial statements with the exception of the amounts due from other governments. The District's amounts due from other governments as of June 30, 2015, are as follows:

	<u>Unrestricted Capital Outlay Fund</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Due from state government:			
State equalization	\$ 10,047	\$ -	\$ 10,047
Classroom site	-	19,422	19,422
Instructional improvement	-	9,744	9,744
Due from federal government:			
Federal grants	-	30,307	30,307
National school lunch program	-	10,944	10,944
Due from local government:			
Mountain Institute JTED	-	8,000	8,000
Total due from other government	<u>\$ 10,047</u>	<u>\$ 78,417</u>	<u>\$ 88,464</u>

NOTE 7 - DEFERRED INFLOWS OF RESOURCES & ADVANCES FROM GRANTORS

Governmental funds report deferred inflows of resources and advances from government grantors in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned that are reported as advances from government grants. As of June 30, 2015, the various components of deferred inflows of resources and advances from government grantors reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Total</u>
General Fund:			
Unavailable - property taxes	\$ 42,260	\$ -	\$ 42,260
Debt Service Fund:			
Unavailable - property taxes	6,277	-	6,277
Other Governmental Funds:			
Advances from state grants	-	1,353	1,353
Advances from federal grants	-	13,564	13,564
Total	<u>\$ 48,537</u>	<u>\$ 14,917</u>	<u>\$ 63,454</u>

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 8 - CAPITAL ASSETS

Capital asset governmental activity for the year ended June 30, 2015, was as follows:

<u>Governmental Activities:</u>	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Non-depreciable capital assets:				
Land	\$ 279,998	\$ -	\$ -	\$ 279,998
Total non-depreciable capital assets	<u>279,998</u>	<u>-</u>	<u>-</u>	<u>279,998</u>
Depreciable capital assets:				
Land improvements	750,745	55,188	-	805,933
Buildings and improvements	8,607,638	1,514	-	8,609,152
Furniture, equipment and vehicles	<u>2,248,175</u>	<u>38,234</u>	<u>-</u>	<u>2,286,409</u>
Total depreciable capital assets	<u>11,606,558</u>	<u>94,936</u>	<u>-</u>	<u>11,701,494</u>
Less accumulated depreciation for:				
Land improvements	(105,208)	(27,398)	-	(132,606)
Buildings and improvements	(3,303,311)	(226,889)	-	(3,530,200)
Furniture, equipment and vehicles	<u>(1,221,398)</u>	<u>(156,947)</u>	<u>-</u>	<u>(1,378,345)</u>
Total accumulated depreciation	<u>(4,629,917)</u>	<u>(411,234)</u>	<u>-</u>	<u>(5,041,151)</u>
Total depreciable capital assets, net	<u>6,976,641</u>	<u>(316,298)</u>	<u>-</u>	<u>6,660,343</u>
Total capital assets, net	<u>\$ 7,256,639</u>	<u>\$ (316,298)</u>	<u>\$ -</u>	<u>\$ 6,940,341</u>

Depreciation was charged to the following governmental activity functions:

Instruction	\$ 221,913
Support services - students and staff	1,161
Support services - administration	20,619
Operation and maintenance of plant	78,834
Student transportation services	77,928
Operation of non-instructional services	<u>10,779</u>
Total depreciation expense	<u>\$ 411,234</u>

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9 - LONG-TERM DEBT

The following is a summary of changes in long-term debt of the District for the year ended June 30, 2015:

	Balance <u>July 1, 2014</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2015</u>	Due Within <u>One Year</u>
Net pension liability	\$ 4,263,985	\$ 1,130,371	\$ (1,044,262)	\$ 4,350,094	\$ 85,315
Capital lease payable	770,282	-	(78,604)	691,678	85,315
Bonds payable	1,665,000	-	(90,000)	1,575,000	90,000
Compensated absences payable	140,526	109,899	(83,798)	166,627	5,000
Total	<u>\$ 6,839,793</u>	<u>\$ 1,240,270</u>	<u>\$ (1,296,664)</u>	<u>\$ 6,783,399</u>	<u>\$ 265,630</u>

NOTE 10 - BONDS PAYABLE

Bonds payable at June 30, 2015, consisted of the School Improvement Bonds. The bonds are both callable and noncallable with interest payable semiannually. Bond proceeds primarily pay for acquiring or construction of capital facilities. The District repays general obligation bonds from the Debt Service fund, a non-major governmental fund, from voter-approved property taxes.

Bonds payable at June 30, 2015, are as follows:

<u>Governmental activities:</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Outstanding Maturities</u>	<u>Outstanding Principal June 30, 2015</u>	<u>Due Within One Year</u>
School Improvement Bonds:					
Series 2008 (Class B)	\$ 2,000,000	3.5-4.125%	7/1/15-27	<u>\$ 1,575,000</u>	<u>\$ 90,000</u>

Annual requirements to amortize all bonded debt outstanding as of June 30, 2015, are as follows:

Fiscal Year <u>Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 90,000	\$ 63,044	\$ 153,044
2017	95,000	59,894	154,894
2018	100,000	56,569	156,569
2019	105,000	52,944	157,944
2020	110,000	48,744	158,744
2021-2025	625,000	172,219	797,219
2026-2028	<u>450,000</u>	<u>37,538</u>	<u>487,538</u>
Total	<u>\$ 1,575,000</u>	<u>\$ 490,952</u>	<u>\$ 2,065,952</u>

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 11 - CAPITAL LEASE

The District has acquired 15 HVAC units, bus, and energy improvements made to the buildings under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at present value of the future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund, a non-major capital projects fund, are used for payment of the capital lease obligation.

The asset capitalized and acquired through a capital lease is as follows:

<u>Asset</u>	<u>Governmental Activities</u>
Building improvements	\$ 911,426
Furniture, vehicles, and equipment	<u>121,144</u>
Total assets	1,032,570
Less accumulated depreciation	<u>(192,750)</u>
Total assets, net	<u>\$ 839,820</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
2016	\$ 121,720
2017	88,973
2018	89,372
2019	63,950
2020	64,290
2021-25	325,356
2026-29	<u>195,953</u>
Total minimum lease payments	949,614
Less: amount representing interest	<u>(257,936)</u>
Present value of minimum lease payments	<u>\$ 691,678</u>

NOTE 12 - OPERATING LEASE

The District has an operating lease to rent 2.52 acres adjacent to the District's high school property for the placement of an electronic reader board sign. The lease is for four (4) years, eleven (11) months commencing on March 13, 2013, and ending February 13, 2018. The agreement may be renewed for additional terms upon mutual agreement of the parties. The District agreed to pay the owner \$1,400 per year, due April 1, each year.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 13 - INTERFUND TRANSFERS

The following is a summary of interfund transfers reported as of June 30, 2015:

Funds	Interfund	
	Transfers In	Transfers Out
General Fund	\$ 50,043	\$ (40,556)
Other Governmental Funds	40,556	(50,043)
Total	\$ 90,599	\$ (90,599)

These transfers were to transfer (1) \$50,043 from indirect costs from non-major federal grant funds to the General Fund, and (2) \$40,556 from the General Fund to the Energy and Water Savings Fund.

NOTE 14 - 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 is a member of the Arizona School Risk Retention Trust, Inc (ASRRT), together with other school districts in the state. ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for member school districts. 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.

For employee health insurance, the District has coverage with the Arizona School Board Association Insurance Trust (ASBAIT). ASBAIT is a public entity risk-sharing and insurance purchasing pool. If the pool becomes either insolvent or is otherwise unable to discharge its legal liabilities and other obligations, the District may be assessed an additional amount not to exceed the original required annual contribution to the pool.

The District carries commercial insurance for workers' compensation through The Alliance.

The District joined the Rural Schools Employee Benefit Trust (RSEBT) as a member in July 1999. RSEBT is a public entity risk pool currently operating as a common risk management and insurance company for 12 member school districts. Members are provided insurance with commercial carriers at group discounted rates. The District pays an annual premium to the selected vendors for its dental, vision, and life insurance coverage at RSEBT. The agreement provides that RSEBT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts. The District also offers short term disability coverage of six months linkage to long term disability coverage under the State. This short term coverage is paid to Met Life Insurance.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior fiscal years.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 15 - CONTINGENT LIABILITIES

Federal grants - In the normal course of operations, the District receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to insure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of audits of grant funds is not believed by District officials to be material.

Litigation - Each year the District receives notices of claims for damages occurring generally from negligence, bodily injury, breach of contract, and other legal matters. The filing of such claims commences a statutory period for initiating a lawsuit against the District arising there from. The District has comprehensive general liability insurance with the ASRRT. The District is not aware of any litigation that might result in a materially adverse outcome.

NOTE 16 - 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. The 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 its web site at www.azasrs.gov.

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

Retirement initial membership date:

	Before July 1, 2011	On or after July 1, 2011
Years of service and age required to receive benefit	Sum of years and ages equals 80 10 years/age 62 5 years/age 50* Any years/age 65	30 years after 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 consecutive months of last 120 months	Highest 60 consecutive 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 earning. 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.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (continued)

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 year ended June 30, 2015, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.60 percent (11.48 percent for retirement and 0.12 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.60 percent (10.89 percent for retirement, 0.59 percent for health insurance premium benefit, and 0.12 percent for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.31 percent for retirement, 0.20 for health insurance premium benefit, and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked for the District in positions that would typically be filled by an employee who contributes to the ASRS. The District's contributions to the pension and OPEB for the current and two preceding years all of which were equal to the required contributions, were as follows:

Year ended June 30	Retirement Fund	Health Insurance Premium Benefit	Long-Term Disability Fund	Alternative Required Contribution	Total Contributions
2015	\$ 291,918	\$ 15,816	\$ 3,218	\$ 31,775	\$ 342,727
2014	254,517	13,789	5,698	30,407	304,411
2013	191,763	11,860	5,081	17,836	226,540

During fiscal year ending June 30, 2015, the District paid for pension and OPEB contributions as follows:

Fund:	Pension and OPEB Contribution	Percentage by Fund
General Fund	\$ 268,512	78.35 %
Other Governmental Funds	74,215	21.65 %
Total	\$ 342,727	100.00 %

Pension liability - At June 30, 2015, the District reported a liability of \$4,350,094 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of June 30, 2013, to the measurement date of June 30, 2014. The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2014. The District's proportion measured as of June 30, 2014, was 0.03 percent, which was an increase of 0.004 percent from its proportion measured as of June 30, 2013.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (continued)

Pension expense and deferred outflows/inflows of resources - For the year ended June 30, 2015, the District recognized pension expense for ASRS of \$475,055. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 221,085	\$ -
Net difference between projected and actual earnings on pension plan investments	-	760,697
Changes in proportion and differences between district contributions and proportionate share of contributions	434,231	-
District contributions subsequent to the measurement date	342,727	-
Total	\$ 998,043	\$ 760,697

The \$342,727 reported as deferred outflows of resources related to ASRS pensions resulting from district contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year ending June 30	Deferred outflows (inflows)
2016	\$ 94,745
2017	94,745
2018	(104,698)
2019	(190,173)

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

Actuarial valuation date	June 30, 2013
Actuarial roll forward date	June 30, 2014
Actuarial cost method	Entry age normal
Investment rate of return	8.00%
Projected salary increase	3.00 - 6.75%
Inflation	3.00%
Permanent benefit increase	Included
Mortality rates	1994 GAM Scale BB

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 16 - PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (concluded)

Actuarial assumptions used in the June 30, 2013, valuation were based on the results of an actuarial experience study for the 5-year period ended June 30, 2012.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	63.00 %	7.03 %
Fixed income	25.00 %	3.20 %
Real estate	8.00 %	4.75 %
Commodities	4.00 %	4.50 %
Total	<u>100.00 %</u>	

Discount rate - The discount rate used to measure the ASRS total pension liability was 8 percent, which is less than the long-term expected rate of return of 8.79 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's proportionate share of the ASRS net pension liability to changes in the discount rate - The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 8 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7 percent) or 1 percentage point higher (9 percent) than the current rate:

	<u>1% Decrease (7%)</u>	<u>Current Discount Rate (8%)</u>	<u>1% Increase (9%)</u>
District's proportionate share of the net pension liability	\$ 5,498,296	\$ 4,350,094	\$ 3,727,137

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report.

Pension contributions payable - The District's accrued payroll and employee benefits included \$706 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2015.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance with Final Budget
	<u>Adopted</u>	<u>Final</u>		Positive (Negative)
Revenues:				
Property taxes	\$ -	\$ -	\$ 1,333,424	\$ 1,333,424
Other local revenue	-	-	209,204	209,204
State aid and grants	-	-	1,628,844	1,628,844
Federal aid and grants	-	-	162,947	162,947
Total revenues	<u>-</u>	<u>-</u>	<u>3,334,419</u>	<u>3,334,419</u>
Expenditures:				
Instruction	1,967,913	2,122,219	1,968,408	153,811
Support services - students and staff	467,916	504,606	468,034	36,572
Support services - administration	755,554	814,798	755,744	59,054
Operation and maintenance of plant	557,319	601,019	557,459	43,560
Student transportation services	476,185	513,524	476,305	37,219
Operation of non-instructional services	2,259	2,437	2,260	177
Total expenditures	<u>4,227,146</u>	<u>4,558,603</u>	<u>4,228,210</u>	<u>330,393</u>
Deficiency of revenues over expenditures	<u>(4,227,146)</u>	<u>(4,558,603)</u>	<u>(893,791)</u>	<u>(3,004,026)</u>
Other financing sources (uses):				
Transfers in	-	-	50,043	50,043
Transfers out	-	-	(40,556)	(40,556)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>9,487</u>	<u>9,487</u>
Net change in fund balances	<u>(4,227,146)</u>	<u>(4,558,603)</u>	<u>(884,304)</u>	<u>3,674,299</u>
Fund balances, June 30, 2014	1,250,284	1,250,284	1,250,284	-
Decrease in reserve for prepaids	-	-	(86,779)	-
Fund balances, June 30, 2015	<u>\$ (2,976,862)</u>	<u>\$ (3,308,319)</u>	<u>\$ 279,201</u>	<u>\$ 3,674,299</u>

See notes accompanying this schedule.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

NOTE 1 - BUDGETARY COMPLIANCE AND ACCOUNTABILITY

The District follows these procedures established by State statutes and the State Board of Education rules in establishing budget balances for governmental funds, as described below:

1. Budgets are prepared, public hearings are held and original budgets are adopted annually for all governmental fund types in accordance with procedures and time intervals prescribed by law and State Board of Education rules.
2. Appropriations are controlled at the object level (e.g., salaries, purchased services, and capital outlay) within each activity (e.g. instruction, pupil personnel services, and school administration) and may be amended by resolution at any School Board meeting prior to the due date for the annual financial report.
3. Budgets are prepared using the same modified accrual basis as is used to account for governmental funds except for liability and health insurance for fiscal year 2015-16 that was prepaid subsequent to June 30, 2015, for budgetary purposes (Non-GAAP). These amounts were removed from the GAAP financial statements and added back to the budgetary schedule. A reconciliation of the difference between GAAP and Non-GAAP can be found in the budgetary comparison schedule found on page 59 of this report.
4. Budgetary information is integrated into the accounting system to facilitate budgetary control. The budget balances are encumbered when purchase orders are issued. However, appropriations lapse at year end and encumbrances outstanding at year-end do not constitute expenditures or liabilities, and are reversed before financial statements are prepared.
5. The District is not required by the State of Arizona to prepare a revenue budget. For presentation purposes, the budgeted revenues shown are equal to zero.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

NOTE 2 - BUDGETARY COMPLIANCE WITH GASB 54

Arizona Revised Statutes 15-271 requires the Arizona Office of the Auditor General to determine the accounting systems, accounting methods and accounting procedures for utilization by Arizona school districts. The Arizona Auditor General provides a chart of accounts that guides all Arizona school districts in recording revenues. For financial reporting, the Governmental Accounting Standards Board (GASB)'s Statement 54 defines a special revenue fund as a fund that reports specific revenues with the related expenditures substantially restricted. Noncapital funds that do not meet the definition of GASB 54's special revenue fund definition are recorded within the General Fund. In the schedule provided below, we have provided detail of the funds that comprise the General Fund, with budget to actual information. Furthermore, a separate budgetary schedule for Maintenance and Operation, the main budgetary fund for the District per Arizona Revised Statutes, is provided as supplementary information on page 61.

<u>No.</u>	<u>Fund Description</u>	<u>Revenues</u>	<u>Budgeted Amounts</u>		<u>Expenditures</u>	<u>Difference</u>
			<u>Adopted</u>	<u>Final</u>		
001	Maintenance & Operation	\$ 3,143,079	\$ 3,974,487	\$ 4,208,366	\$ 3,997,258	\$ 211,108
290	Medicaid Reimbursement	-	7,300	14,105	1,539	12,566
348	REAP	23,193	23,970	37,965	23,193	14,772
349	Forest Fees	47,618	44,239	70,067	42,778	27,289
353	Taylor Grazing	8,220	-	-	-	-
374	E-Rate	83,916	39,000	109,250	95,670	13,580
515	Civic Center	765	7,800	3,000	1,720	1,280
525	Auxiliary Operations	18,449	12,000	17,500	16,381	1,119
530	Gifts and Donations	8,421	17,500	7,500	4,969	2,531
555	Textbooks	13	850	850	-	850
570	Indirect Costs	616	70,000	70,000	32,708	37,292
575	Unemployment Insurance	129	30,000	20,000	11,994	8,006
Total all funds		\$ 3,334,419	\$ 4,227,146	\$ 4,558,603	\$ 4,228,210	\$ 330,393

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
JUNE 30, 2015**

Arizona State Retirement System	Reporting Fiscal Year (Measurement Date)	
	2015 (2014)	2014 through 2006
District's proportion of the net pension liability	0.03 %	Information not available
District's proportionate share of the net pension liability	\$ 4,350,094	
District's covered-employee payroll	\$ 2,774,550	
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	156.79 %	
Plan fiduciary net position as a percentage of the total pension liability	69.49 %	

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS
JUNE 30, 2015**

Arizona State Retirement System	Reporting Fiscal Year		
	2015	2014	2013 through 2006
Statutorily required contribution	\$ 342,727	\$ 304,411	Information not available
District's contributions in relation to the statutorily required contribution	<u>342,727</u>	<u>304,411</u>	
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	
District's covered-employee payroll	\$ 3,105,640	\$ 2,774,550	
District's contributions as a percentage of covered-employee payroll	<u>11.04 %</u>	<u>10.97 %</u>	

This page intentionally left blank.

OTHER SUPPLEMENTARY INFORMATION

This page intentionally left blank.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
BUDGETARY COMPARISON SCHEDULE
MAINTENANCE AND OPERATION FUND
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		Non-GAAP Actual Amounts	Variance - Positive (Negative)
	<u>Adopted</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ -	\$ -	\$ 1,333,424	\$ 1,333,424
Other local revenues	-	-	180,811	180,811
State aid and grants	-	-	<u>1,628,844</u>	<u>1,628,844</u>
Total revenues	<u>-</u>	<u>-</u>	<u>3,143,079</u>	<u>3,143,079</u>
Expenditures:				
Regular education:				
Instruction	1,174,952	1,256,535	1,176,673	79,862
Support services - students and staff	221,217	244,192	220,653	23,539
Support services - administration	600,458	736,435	701,642	34,793
Operation and maintenance of plant	564,021	616,264	552,375	63,889
Operation of non-instructional services	-	1,500	2,260	(760)
School-Sponsored cocurricular activities	-	-	272	(272)
School-Sponsored athletics	112,361	116,861	108,901	7,960
Total regular education	<u>2,673,009</u>	<u>2,971,787</u>	<u>2,762,776</u>	<u>209,011</u>
Special education:				
Instruction	532,352	453,832	615,914	(162,082)
Support services - students and staff	141,898	118,898	152,875	(33,977)
Support services - administration	43,849	43,849	45,477	(1,628)
Total special education	<u>718,099</u>	<u>616,579</u>	<u>814,266</u>	<u>(197,687)</u>
Student transportation services:				
Student transportation services	<u>562,822</u>	<u>599,024</u>	<u>474,336</u>	<u>124,688</u>
K-3 reading program				
Instruction	<u>20,557</u>	<u>20,976</u>	<u>20,866</u>	<u>110</u>
Total expenditures	<u>3,974,487</u>	<u>4,208,366</u>	<u>4,072,244</u>	<u>136,122</u>
Deficiency of revenues over expenditures	(3,974,487)	(4,208,366)	(929,165)	3,006,957
Other financing uses				
Transfers out	<u>-</u>	<u>-</u>	<u>(40,556)</u>	<u>40,556</u>
Net changes in fund balances	(3,974,487)	(4,208,366)	(969,721)	3,238,645
Fund balance, July 1, 2014	793,018	793,018	739,018	(54,000)
Decrease in reserve for prepaids	<u>-</u>	<u>-</u>	<u>(82,749)</u>	<u>(82,749)</u>
Fund balance, June 30, 2015 (Non-GAAP)	<u>\$ (3,181,469)</u>	<u>\$ (3,415,348)</u>	<u>\$ (313,452)</u>	<u>\$ 3,101,896</u>
Add current year encumbrance prepaid			<u>74,986</u>	
Fund balance, June 30, 2015 (GAAP)			<u>\$ (238,466)</u>	

See notes accompanying this schedule.

**MAYER UNIFIED SCHOOL DISTRICT NO. 43
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts Adopted & Final</u>	<u>Actual Amounts</u>	<u>Variance - Positive - Negative</u>
Revenues:			
Property taxes	\$ -	\$ 134,807	\$ 134,807
Other local revenue	<u>-</u>	<u>11,045</u>	<u>11,045</u>
Total revenues	<u>-</u>	<u>145,852</u>	<u>145,852</u>
Expenditures:			
Debt service:			
Principal	89,765	90,000	(235)
Interest	<u>63,279</u>	<u>65,019</u>	<u>(1,740)</u>
Total expenditures	<u>153,044</u>	<u>155,019</u>	<u>(1,975)</u>
Net change in fund balances	(153,044)	(9,167)	143,877
Fund balance, July 1, 2014	<u>8,892</u>	<u>8,892</u>	<u>-</u>
Fund balance, June 30, 2015	<u>\$ (144,152)</u>	<u>\$ (275)</u>	<u>\$ 143,877</u>

See notes accompanying this schedule.

MAYER UNIFIED SCHOOL DISTRICT NO. 43
NOTE TO OTHER SUPPLEMENTARY INFORMATION
JUNE 30, 2015

NOTE 1 - GENERAL FUND COMBINING SCHEDULE

The Arizona Department of Education provides a Chart of Accounts that all Arizona school districts must follow. As such the District is required to place revenues in certain funds. By definition per GASB 54 a special revenue fund is a specific revenue with the expenditures substantially restricted. The following table provides the funds that do not have substantial restrictions that were grouped together with the District's Maintenance and Operation Fund.

<u>Fund</u>			<u>Liabilities & Deferred</u>	<u>Fund</u>		
<u>No</u>	<u>Description</u>	<u>Assets</u>	<u>Inflows</u>	<u>Balances</u>	<u>Revenues</u>	<u>Expenditures</u>
001	Maintenance & Operation	\$ 116,010	\$ 354,476	\$ (238,466)	\$ 3,143,079	\$ 3,997,258
290	Medicaid Reimbursement	59,798	80	59,718	-	1,539
348	REAP	-	-	-	23,193	23,193
349	Forest Fees	45,402	-	45,402	47,618	42,778
353	Taylor Grazing	71,454	-	71,454	8,220	-
374	E-Rate	90,269	17,128	73,141	83,916	95,670
515	Civic Center	2,840	994	1,846	765	1,720
525	Auxiliary Operations	16,059	70	15,989	18,449	16,381
530	Gifts and Donations	21,418	-	21,418	8,421	4,969
555	Textbooks	895	-	895	13	-
570	Indirect Costs	205,568	4,024	201,544	616	32,708
575	Unemployment Insurance	28,548	2,288	26,260	129	11,994
Total all funds		\$ 658,261	\$ 379,060	\$ 279,201	\$ 3,334,419	\$ 4,228,210

This page intentionally left blank.