

**WICKENBURG UNIFIED  
SCHOOL DISTRICT NO. 9  
SINGLE AUDIT REPORTING PACKAGE  
YEAR ENDED JUNE 30, 2015**

## WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9

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**REPORT ON AUDIT OF FINANCIAL STATEMENTS**

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Wickenburg Unified School District No. 9

### **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 Wickenburg Unified School District No. 9 (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.

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Wickenburg Unified School District No. 9, 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.

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

As described in Note 1, the District implemented the provisions of the Governmental 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. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

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

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The Supplementary Information and Continuing Bond Disclosure Tables, as listed in the table of contents, are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The information included in the Continuing Bond Disclosure Tables has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on such information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2016, on our consideration of Wickenburg Unified School District No. 9's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wickenburg Unified School District No. 9's internal control over financial reporting and compliance.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

March 29, 2016



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

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**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

As management of the Wickenburg Unified School District No. 9 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2015. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities increased \$840,073 which represents an increase of four percent from the prior fiscal year partially due to increased property tax revenue as a result of increased assessed property values as well as increased unrestricted state aid revenue.
- General revenues accounted for \$10.3 million in revenue, or 68 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$4.8 million, or 32 percent of total current fiscal year revenues.
- The District had approximately \$14.2 million in expenses related to governmental activities, an increase of less than one percent from the prior fiscal year.
- Among major funds, the General Fund had \$10.0 million in current fiscal year revenues, which primarily consisted of state aid, property taxes and tuition, and \$9.8 million in expenditures. The General Fund's fund balance increased \$198,505 from the prior fiscal year end to \$2.1 million at the end of the current fiscal year due to additional state aid received.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

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

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

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$20.1 million at the current fiscal year end.

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	As of <u>June 30, 2015</u>	As of <u>June 30, 2014</u>
Current and other assets	\$ 6,794,022	\$ 6,849,621
Capital assets, net	33,807,466	35,231,399
Total assets	<u>40,601,488</u>	<u>42,081,020</u>
Deferred outflows	<u>1,239,124</u>	
Current and other liabilities	384,651	679,049
Long-term liabilities	19,678,799	11,842,866
Total liabilities	<u>20,063,450</u>	<u>12,521,915</u>
Deferred inflows	<u>1,720,708</u>	
Net position:		
Net investment in capital assets	23,982,025	23,427,056
Restricted	1,463,138	1,162,762
Unrestricted	(5,388,709)	4,969,287
Total net position	<u>\$ 20,056,454</u>	<u>\$ 29,559,105</u>

At the end of the current fiscal year, the District reported deficit unrestricted net position as a result of an unfunded pension liability. Positive net position was reported in the other two categories. The District reported positive balances in all three net position categories in the prior fiscal year.

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

The following is a significant current year transaction that had an impact on the Statement of Net Position.

- The principal retirement of \$2.0 million of bonds.
- The addition of \$9.8 million in pension liabilities due to the implementation of new pension reporting standards.

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

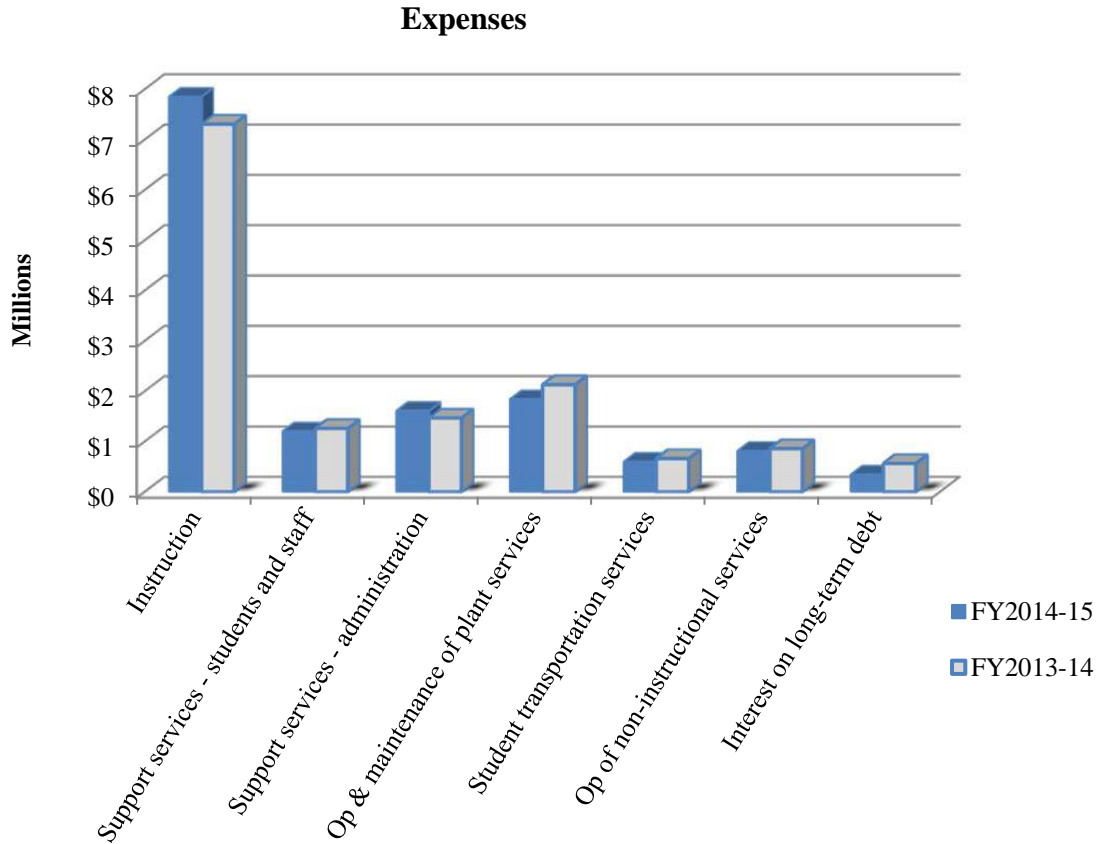
**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Changes in net position.** The District's total revenues for the current fiscal year were \$15.1 million. The total cost of all programs and services was \$14.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	Fiscal Year Ended <u>June 30, 2015</u>	Fiscal Year Ended <u>June 30, 2014</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 2,972,231	\$ 2,702,315
Operating grants and contributions	1,724,443	1,798,997
Capital grants and contributions	104,444	21,098
General revenues:		
Property taxes	7,328,029	7,022,473
Investment income	16,513	13,995
Unrestricted county aid	133,476	107,854
Unrestricted state aid	2,782,834	2,488,991
Unrestricted federal aid	13,509	8,264
<b>Total revenues</b>	<u>15,075,479</u>	<u>14,163,987</u>
<b>Expenses:</b>		
Instruction	7,848,798	7,302,761
Support services – students and staff	1,199,658	1,254,010
Support services – administration	1,607,548	1,461,883
Operation and maintenance of plant services	1,837,272	2,125,106
Student transportation services	594,491	656,165
Operation of non-instructional services	807,588	851,450
Interest on long-term debt	340,051	557,206
<b>Total expenses</b>	<u>14,235,406</u>	<u>14,208,581</u>
<b>Changes in net position</b>	<u>840,073</u>	<u>(44,594)</u>
<b>Net position, beginning, as restated</b>	<u>19,216,381</u>	<u>29,603,699</u>
<b>Net position, ending</b>	<u>\$ 20,056,454</u>	<u>\$ 29,559,105</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**



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

- The increase of \$293,843 in unrestricted state aid primarily due to the full implementation of charter school conversion.
- The decrease of \$287,834 in operation and maintenance of plant services expenses primarily due to utility and staffing savings.
- The increase of \$546,037 in instruction expenses primarily due to instructional staff wage increases.

The following table presents the cost of the District’s major functional activities. The table also shows each function’s net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the state and District’s taxpayers by each of these functions.



**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	Year Ended June 30, 2015		Year Ended June 30, 2014	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 7,848,798	\$ (4,281,164)	\$ 7,302,761	\$ (4,105,004)
Support services – students and staff	1,199,658	(1,046,560)	1,254,010	(1,041,810)
Support services – administration	1,607,548	(1,579,919)	1,461,883	(1,439,138)
Operation and maintenance of plant services	1,837,272	(1,580,222)	2,125,106	(1,925,424)
Student transportation services	594,491	(583,180)	656,165	(644,462)
Operation of non-instructional services	807,588	(49,490)	851,450	(2,254)
Interest on long-term debt	340,051	(313,753)	557,206	(528,079)
<b>Total</b>	<u>\$ 14,235,406</u>	<u>\$ (9,434,288)</u>	<u>\$ 14,208,581</u>	<u>\$ (9,686,171)</u>

- The cost of all governmental activities this year was \$14.2 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$4.8 million.
- Net cost of governmental activities of \$9.4 million was financed by general revenues, which are made up of primarily property taxes of \$7.3 million and state aid of \$2.8 million.

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

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$3.4 million, an increase of \$515,461.

The General Fund comprises 61 percent of the total fund balance. Approximately \$1.9 million or 89 percent of the General Fund's fund balance is unassigned.

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

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

The General Fund is the principal operating fund of the District. The fund balance increased \$198,505 to \$2.1 million as of fiscal year end, primarily due to revenues exceeding expenditures. General Fund revenues increased \$226,968. General Fund expenditures increased \$447,935 due to increased salary expenditures.

The fund balance decreased \$25,131 in the Debt Service Fund as of fiscal year end.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget due to an increase in student count. The difference between the original budget and the final amended budget was a \$659,494 increase, or seven percent.

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

- The favorable variance of \$83,030 in student transportation services expenditures was a result of the falling price of diesel and unleaded fuel.
- The favorable variance of \$239,564 in operation and maintenance of plant services was due primarily to utility and staffing savings.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$57.6 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$2,892 from the prior fiscal year. Total depreciation expense for the current fiscal year was \$1.7 million.

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

	As of <u>June 30, 2015</u>	As of <u>June 30, 2014</u>
Capital assets – non-depreciable	\$ 5,180,795	\$ 5,335,957
Capital assets – depreciable, net	28,626,671	29,895,442
<b>Total</b>	<b><u>\$ 33,807,466</u></b>	<b><u>\$ 35,231,399</u></b>

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Debt Administration.** At year-end, the District had \$9.8 million in long-term debt outstanding, \$3.0 million due within one year. Long-term debt decreased by \$2.0 million due primarily to the payment of \$1.9 million in bonds.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$48.1 million and the Class B debt limit is \$32.1 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 8 through 10.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2015-16 budget. Among them:

- Fiscal year 2014-15 budget balance carry forward (estimated \$249,864)
- District student population (estimated average daily membership of 1,345).

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

Budgeted expenditures in the General Fund decreased seven percent to \$8.8 million in fiscal year 2015-16. Charter school status being removed from certain schools and the additional revenue these provided is the primary reason for the decrease. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2015-16 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Wickenburg Unified School District No. 9, 40 West Yavapai Street, Wickenburg, Arizona 85390.

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 4,462,610
Property taxes receivable	1,132,115
Accounts receivable	1,520
Deposits	20,206
Due from governmental entities	949,573
Prepaid items	227,998
Total current assets	6,794,022
Noncurrent assets:	
Capital assets not being depreciated	5,180,795
Capital assets, net of accumulated depreciation	28,626,671
Total noncurrent assets	33,807,466
<b>Total assets</b>	<b>40,601,488</b>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension plan items	1,239,124
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	108,212
Accrued payroll and employee benefits	112,798
Compensated absences payable	6,023
Accrued interest payable	145,761
Unearned revenues	17,880
Obligations under capital leases	117,980
Bonds payable	2,882,000
Total current liabilities	3,390,654
Noncurrent liabilities:	
Non-current portion of long-term obligations	16,672,796
Total noncurrent liabilities	16,672,796
<b>Total liabilities</b>	<b>20,063,450</b>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	1,720,708
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	23,982,025
Restricted for:	
Voter approved initiatives	241,722
Community school activities	83,677
Extracurricular activities	153,011
Joint technical education	104,236
Other local initiatives	39,492
Debt service	406,369
Capital outlay	434,631
Unrestricted	(5,388,709)
<b>Total net position</b>	<b>\$ 20,056,454</b>

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



**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2015**

<b>Functions/Programs</b>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 7,848,798	\$ 2,502,843	\$ 967,636	\$ 97,155	\$ (4,281,164)
Support services - students and staff	1,199,658		153,098		(1,046,560)
Support services - administration	1,607,548		27,629		(1,579,919)
Operation and maintenance of plant services	1,837,272	130,013	127,037		(1,580,222)
Student transportation services	594,491		11,311		(583,180)
Operation of non-instructional services	807,588	339,375	411,434	7,289	(49,490)
Interest on long-term debt	340,051		26,298		(313,753)
<b>Total governmental activities</b>	<u>\$ 14,235,406</u>	<u>\$ 2,972,231</u>	<u>\$ 1,724,443</u>	<u>\$ 104,444</u>	<u>\$ (9,434,288)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	4,776,463
Property taxes, levied for debt service	1,934,562
Property taxes, levied for capital outlay	617,004
Investment income	16,513
Unrestricted county aid	133,476
Unrestricted state aid	2,782,834
Unrestricted federal aid	13,509

**Total general revenues** 10,274,361

**Changes in net position** 840,073

**Net position, beginning of year, as restated** 19,216,381

**Net position, end of year** \$ 20,056,454

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

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**FUND FINANCIAL STATEMENTS**

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	General	Debt Service	Non-Major Governmental Funds
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,777,842	\$ 2,442,745	\$ 242,023
Property taxes receivable	964,429	57,109	110,577
Accounts receivable			1,520
Deposits			20,206
Due from governmental entities	185,382	19,276	744,915
Prepaid items	227,998		
<b>Total assets</b>	<b>\$ 3,155,651</b>	<b>\$ 2,519,130</b>	<b>\$ 1,119,241</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 71,773	\$	\$ 36,439
Accrued payroll and employee benefits	95,382		17,416
Unearned revenues			17,880
Bonds payable		1,967,000	
Bond interest payable		145,761	
<b>Total liabilities</b>	<b>167,155</b>	<b>2,112,761</b>	<b>71,735</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	903,586	35,530	92,003
Fund balances (deficits):			
Nonspendable	227,998		
Restricted		370,839	964,766
Unassigned	1,856,912		(9,263)
<b>Total fund balances</b>	<b>2,084,910</b>	<b>370,839</b>	<b>955,503</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 3,155,651</b>	 <b>\$ 2,519,130</b>	 <b>\$ 1,119,241</b>

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

Total  
Governmental  
Funds

\$ 4,462,610  
1,132,115  
1,520  
20,206  
949,573  
227,998  
\$ 6,794,022

\$ 108,212  
112,798  
17,880  
1,967,000  
145,761  
2,351,651

1,031,119

227,998  
1,335,605  
1,847,649  
3,411,252

\$ 6,794,022

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**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>3,411,252</b>
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 57,551,316	
Less accumulated depreciation	<u>(23,743,850)</u>	33,807,466
<p>Some receivables related to property taxes are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
		1,031,119
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	1,239,124	
Deferred inflows of resources related to pensions	<u>(1,720,708)</u>	(481,584)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(13,384)	
Obligations under capital leases	(689,441)	
Net pension liability	(9,839,974)	
Bonds payable	<u>(7,169,000)</u>	<u>(17,711,799)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>20,056,454</u></b>

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	<u>General</u>	<u>Debt Service</u>	<u>Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 2,637,916	\$ 298,352	\$ 708,111
Property taxes	5,132,622	1,941,270	561,872
State aid and grants	2,085,958		773,636
Federal aid, grants and reimbursements	167,473		1,102,931
<b>Total revenues</b>	<u>10,023,969</u>	<u>2,239,622</u>	<u>3,146,550</u>
<b>Expenditures:</b>			
Current -			
Instruction	4,781,202		1,199,494
Support services - students and staff	961,709		174,213
Support services - administration	1,482,072		98,971
Operation and maintenance of plant services	1,856,580		
Student transportation services	491,523		14,088
Operation of non-instructional services	113,515		680,500
Capital outlay	104,331		559,172
Debt service -			
Principal retirement		1,967,000	184,393
Interest and fiscal charges		297,753	42,298
<b>Total expenditures</b>	<u>9,790,932</u>	<u>2,264,753</u>	<u>2,953,129</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>233,037</u>	<u>(25,131)</u>	<u>193,421</u>
<b>Other financing sources (uses):</b>			
Transfers in	24,260		58,435
Transfers out	(58,435)		(24,260)
Capital lease agreements			114,491
<b>Total other financing sources (uses):</b>	<u>(34,175)</u>		<u>148,666</u>
<b>Changes in fund balances</b>	<u>198,862</u>	<u>(25,131)</u>	<u>342,087</u>
<b>Fund balances, beginning of year</b>	1,886,405	395,970	613,416
Increase (decrease) in reserve for prepaid items	(357)		
<b>Fund balances, end of year</b>	<u>\$ 2,084,910</u>	<u>\$ 370,839</u>	<u>\$ 955,503</u>

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



Total  
Governmental  
Funds

\$ 3,644,379  
7,635,764  
2,859,594  
1,270,404  
15,410,141

5,980,696  
1,135,922  
1,581,043  
1,856,580  
505,611  
794,015  
663,503

2,151,393  
340,051  
15,008,814

401,327

82,695  
(82,695)  
114,491  
114,491

515,818

2,895,791

(357)

\$ 3,411,252

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2015**

**Net changes in fund balances - total governmental funds** **\$ 515,461**

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

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 281,177	
Less current year depreciation	<u>(1,705,110)</u>	(1,423,933)

Issuance of capital lease obligations provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(114,491)
--	--	-----------

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

Property taxes	(307,735)	
Intergovernmental	<u>(26,927)</u>	(334,662)

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

Capital lease principal retirement	184,393	
Bond principal retirement	<u>1,967,000</u>	2,151,393

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

Current year pension contributions	690,004	
Pension expense	<u>(668,838)</u>	21,166

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

25,139

**Changes in net position in governmental activities** **\$ 840,073**

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	<u>Agency</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 31,281
<b>Total assets</b>	<u>\$ 31,281</u>
<b><u>LIABILITIES</u></b>	
Due to student groups	\$ 31,281
<b>Total liabilities</b>	<u>\$ 31,281</u>

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

The financial statements of the Wickenburg Unified School District No. 9 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 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*. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

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

**A. Reporting Entity**

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

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

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

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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

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

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

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

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

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

**Fund Financial Statements** – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service resources are provided during the current year for payment of long-term debt principal and interest due early in the following year (not to exceed one month) and, therefore, the expenditures and related liabilities have been recognized. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period. Compensated absences are recorded only when payment is due.

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

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

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

The District reports the following major governmental funds:

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

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

Additionally, the District reports the following fund types:

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

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

**D. Cash and Investments**

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

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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

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

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

**E. Investment Income**

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

**F. Receivables and Payables**

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

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



**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

**G. Property Tax Calendar**

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

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

**H. Prepaid Items**

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

**I. Capital Assets**

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

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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

Land improvements	10 – 30 years
Buildings and improvements	7 – 60 years
Vehicles, furniture and equipment	5 – 20 years

**J. Deferred Outflows/Inflows of Resources**

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

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

**K. Compensated Absences**

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

**L. 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.

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

**M. Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts, as well as the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related debt.

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

**N. Interfund Activity**

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

**O. Net Position Flow Assumption**

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

**P. Estimates**

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

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

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

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

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

	General Fund	Debt Service Fund	Non-Major Governmental Funds
Fund Balances:			
Nonspendable:			
Prepaid items	\$ 227,998	\$	\$
Restricted:			
Debt service		370,839	
Capital projects			342,628
Voter approved initiatives			241,722
Civic center			32,829
Community school			83,677
Extracurricular activities			153,011
Joint technical education			104,236
Other purposes			6,663
Unassigned	1,856,912		(9,263)
Total fund balances	\$ 2,084,910	\$ 370,839	\$ 955,503

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

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

	Deficit
Non-Major Governmental Funds:	
Other Federal Projects Fund	\$ 3,767
Food Service Fund	5,496

The deficits arose because of operations during the year and prior years. Additional revenues received in fiscal year 2015-16 are expected to eliminate the deficits.

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$88,851, the bank balance was \$103,369 and cash on hand was \$2,021.

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	367 days	\$ 4,403,019
Total		<u>\$ 4,403,019</u>

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

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

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 5 – RECEIVABLES**

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

	General Fund	Debt Service Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 62,078	\$	\$ 652,302
Due from state government			80,215
Due from other districts	123,304	19,276	12,398
Net due from governmental entities	<u>\$ 185,382</u>	<u>\$ 19,276</u>	<u>\$ 744,915</u>

**NOTE 6 – CAPITAL ASSETS**

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 5,180,795	\$	\$	\$ 5,180,795
Construction in progress	155,162	67,494	222,656	
Total capital assets, not being depreciated	<u>5,335,957</u>	<u>67,494</u>	<u>222,656</u>	<u>5,180,795</u>
Capital assets, being depreciated:				
Land improvements	14,478,561	135,232		14,613,793
Buildings and improvements	34,275,100	109,437		34,384,537
Vehicles, furniture and equipment	3,458,806	191,670	278,285	3,372,191
Total capital assets being depreciated	<u>52,212,467</u>	<u>436,339</u>	<u>278,285</u>	<u>52,370,521</u>
Less accumulated depreciation for:				
Land improvements	(9,969,694)	(722,012)		(10,691,706)
Buildings and improvements	(9,647,108)	(756,385)		(10,403,493)
Vehicles, furniture and equipment	(2,700,223)	(226,713)	(278,285)	(2,648,651)
Total accumulated depreciation	<u>(22,317,025)</u>	<u>(1,705,110)</u>	<u>(278,285)</u>	<u>(23,743,850)</u>
Total capital assets, being depreciated, net	<u>29,895,442</u>	<u>(1,268,771)</u>		<u>28,626,671</u>
Governmental activities capital assets, net	<u>\$ 35,231,399</u>	<u>\$ (1,201,277)</u>	<u>\$ 222,656</u>	<u>\$ 33,807,466</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 6 – CAPITAL ASSETS**

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,412,118
Support services – students and staff	20,108
Support services – administration	20,484
Operation and maintenance of plant services	191,015
Student transportation services	55,124
Operation of non-instructional services	6,261
Total depreciation expense – governmental activities	<u>\$ 1,705,110</u>

**NOTE 7 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT**

During the year, the District had a \$2.5 million revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. The interest rate on the line was 1.983 percent. Short-term debt activity for the current fiscal year, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$	\$ 578,000	\$ 578,000	\$

**NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES**

The District has acquired copiers, buses, phone systems and an energy management system under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the General, Unrestricted Capital Outlay and Energy and Water Savings Funds are used to pay the capital lease obligations. Amortization of assets recorded under capital leases is included with depreciation expense.



**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES**

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

	Governmental Activities
Asset:	
Building improvements	\$ 741,000
Vehicles, furniture and equipment	505,477
Less: Accumulated depreciation	181,874
Total	\$ 1,064,603

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

	Governmental Activities
Year Ending June 30:	
2016	\$ 156,467
2017	145,277
2018	141,571
2019	107,131
2020	78,309
2021-25	216,142
Total minimum lease payments	844,897
Less: amount representing interest	155,456
Present value of minimum lease payments	689,441
Due within one year	\$ 117,980

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE**

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

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2015</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
School Improvement Bonds, Series 2002	\$ 4,000,000	5.45%	7/1/19	\$ 425,000	\$
School Improvement Bonds and Refunding Bonds, Series 2004	8,845,000	4.00%	7/1/15-18	3,330,000	530,000
Refunding Bonds, Series 2011	4,460,000	2.28-2.55%	7/1/15- 3/9/16	2,105,000	2,105,000
Refunding Bonds, Series 2013	3,535,000	2.58-2.59%	7/1/15-20	3,276,000	247,000
<b>Total</b>				<u>\$ 9,136,000</u>	<u>\$ 2,882,000</u>

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

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 2,882,000	\$ 268,577
2017	781,000	199,470
2018	2,079,000	145,323
2019	1,218,000	86,852
2020	425,000	56,931
2021-25	1,751,000	22,675
<b>Total</b>	<u>\$ 9,136,000</u>	<u>\$ 779,828</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 10 – CHANGES IN LONG-TERM LIABILITIES**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 11,045,000	\$	\$ 1,909,000	\$ 9,136,000	\$ 2,882,000
Obligations under capital leases	759,343	114,491	184,393	689,441	117,980
Net pension liability	10,342,724		502,750	9,839,974	
Compensated absences payable	<u>38,523</u>	<u>78,190</u>	<u>103,329</u>	<u>13,384</u>	<u>6,023</u>
Governmental activity long-term liabilities	<u>\$ 22,185,590</u>	<u>\$ 192,681</u>	<u>\$ 2,699,472</u>	<u>\$ 19,678,799</u>	<u>\$ 3,006,003</u>

**NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfund transfers:**

<u>Transfers out</u>	<u>Transfers in</u>		
	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
General Fund	\$	\$ 58,435	\$ 58,435
Non-Major Governmental Funds	24,260		24,260
Total	<u>\$ 24,260</u>	<u>\$ 58,435</u>	<u>\$ 82,695</u>

Transfers between funds were used to move federal grant funds restricted for indirect costs, and to move energy savings to the Energy and Water Savings Fund to retire leases.

**NOTE 12 – CONTINGENT LIABILITIES**

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 13 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

The District's employees have health and accident insurance coverage with the Arizona School Board Association Insurance Trust (ASBAIT). ASBAIT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to ASBAIT for employees' health and accident insurance coverage. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

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

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

\*With actuarially reduced benefits

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

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.60 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. The District's contributions to the pension plan for the year ended June 30, 2015 were \$690,004.

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.57 percent (9.51 for retirement and 0.06 percent for long-term disability) of annual covered payroll of retired members who worked in positions that would typically be filled by an employee who contributes to ASRS.

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

		Health Benefit Supplement Fund		Long-Term Disability Fund
Year ending June 30:				
2015	\$	37,383	\$	7,013
2014		35,852		14,341
2013		37,553		13,866

**Pension Liability.** At June 30, 2015, the District reported a liability of \$9,839,974 for its proportionate share of the net pension liability of the ASRS. 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 a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2014, the District's proportion was 0.07 percent, which was no change from the prior year.

**Pension Expense and Deferred Outflows/Inflows of Resources.** For the year ended June 30, 2015, the District recognized pension expense of \$668,838 and 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	\$ 500,096	\$
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension plan investments		1,720,708
Changes in proportion and differences between contributions and proportionate share of contributions	49,024	
Contributions subsequent to the measurement date	690,004	
Total	\$ 1,239,124	\$ 1,720,708

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
	2016	\$ (191,429)
	2017	(191,429)
	2018	(358,553)
	2019	(430,177)

**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	8.0%
Projected salary increases	3.0-6.75%
Inflation	3.0%
Permanent base increases	Included
Mortality rates	1994 GAM Scale BB

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

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

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	63%	7.03%
Fixed income	25%	3.20
Real estate	8%	4.75
Commodities	4%	4.50
Total	100%	

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

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$12,437,222	\$ 9,839,974	\$ 8,430,836

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



**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Beginning Net Position Restatement.** The implementation 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*, represents a change in accounting principle. Net position as of July 1, 2014, has been restated as follows for this change in accounting principle:

	<u>Statement of Activities</u>
Net position, June 30, 2014, as previously reported	\$ 29,559,105
Net pension liability	<u>(10,342,724)</u>
Net position, July 1, 2014, as restated	<u><u>\$ 19,216,381</u></u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL**  
**YEAR ENDED JUNE 30, 2015**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 1,898,321	\$ 1,898,321
Property taxes			5,132,622	5,132,622
State aid and grants			2,055,282	2,055,282
<b>Total revenues</b>			<u>9,086,225</u>	<u>9,086,225</u>
<b>Expenditures:</b>				
Current -				
Instruction	4,350,288	4,554,123	4,448,037	106,086
Support services - students and staff	867,253	895,797	917,368	(21,571)
Support services - administration	1,367,380	1,493,478	1,464,872	28,606
Operation and maintenance of plant services	1,688,279	1,949,273	1,709,709	239,564
Student transportation services	536,711	561,712	478,682	83,030
Operation of non-instructional services	42,190	57,212	106,562	(49,350)
<b>Total expenditures</b>	<u>8,852,101</u>	<u>9,511,595</u>	<u>9,125,230</u>	<u>386,365</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(8,852,101)</u>	<u>(9,511,595)</u>	<u>(39,005)</u>	<u>9,472,590</u>
<b>Other financing sources (uses):</b>				
Transfers out			(58,435)	(58,435)
<b>Total other financing sources (uses):</b>			<u>(58,435)</u>	<u>(58,435)</u>
<b>Changes in fund balances</b>	<u>(8,852,101)</u>	<u>(9,511,595)</u>	<u>(97,440)</u>	<u>9,414,155</u>
<b>Fund balances, beginning of year</b>			1,020,814	1,020,814
Increase (decrease) in reserve for prepaid items			(357)	(357)
<b>Fund balances (deficits), end of year</b>	<u>\$ (8,852,101)</u>	<u>\$ (9,511,595)</u>	<u>\$ 923,017</u>	<u>\$ 10,434,612</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**YEAR ENDED JUNE 30, 2015**

**2015**

District's proportion of the net pension liability (asset)	0.67%
District's proportionate share of the net pension liability (asset)	\$ 9,839,974
District's covered-employee payroll	\$ 6,390,940
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	153.97%
Plan fiduciary net position as a percentage of the total pension liability	69.49%

**SCHEDULE OF CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**YEAR ENDED JUNE 30, 2015**

**2015**

Actuarially determined contribution	\$ 690,004
Contributions in relation to the actuarially determined contribution	<u>690,004</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered-employee payroll	\$ 6,113,946
Contributions as a percentage of covered-employee payroll	11.29%

**See accompanying notes to this schedule.**

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2015**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 9,790,932	\$ 2,084,910
Activity budgeted as special revenue funds	(665,702)	(1,161,893)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 9,125,230	\$ 923,017

**NOTE 2 – PENSION PLAN SCHEDULES**

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

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

## **SUPPLEMENTARY INFORMATION**

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**GOVERNMENTAL FUNDS**

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 792	\$ 792
State aid and grants		561,019	561,019
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>561,811</u>	<u>561,811</u>
<b>Expenditures:</b>			
Current -			
Instruction	765,237	646,166	119,071
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>765,237</u>	<u>646,166</u>	<u>119,071</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(765,237)</u>	<u>(84,355)</u>	<u>680,882</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(765,237)</u>	<u>(84,355)</u>	<u>680,882</u>
<b>Fund balances (deficits), beginning of year</b>		234,818	234,818
<b>Fund balances (deficits), end of year</b>	<u>\$ (765,237)</u>	<u>\$ 150,463</u>	<u>\$ 915,700</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 135 61,019	\$ 135 61,019	\$	\$ 150	\$ 150
	<u>61,154</u>	<u>61,154</u>		<u>150</u>	<u>150</u>
64,796		64,796		150	(150)
<u>64,796</u>		<u>64,796</u>		<u>150</u>	<u>(150)</u>
<u>(64,796)</u>	<u>61,154</u>	<u>125,950</u>			
<u>(64,796)</u>	<u>61,154</u>	<u>125,950</u>			
	30,105	30,105			
<u>\$ (64,796)</u>	<u>\$ 91,259</u>	<u>\$ 156,055</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Structured English Immersion		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		587	587
Federal aid, grants and reimbursements			
<b>Total revenues</b>		587	587
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	587	587	
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	587	587	
<b>Excess (deficiency) of revenues over expenditures</b>	(587)		587
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(587)		587
<b>Fund balances (deficits), beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	\$ (587)	\$	\$ 587

Student Success			Title I Grants		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	30,676	30,676			
	<u>30,676</u>	<u>30,676</u>		<u>244,002</u>	<u>244,002</u>
				<u>244,002</u>	<u>244,002</u>
30,676		30,676	192,500	166,600	25,900
			66,000	63,655	2,345
<u>30,676</u>	<u></u>	<u>30,676</u>	<u>258,500</u>	<u>230,255</u>	<u>28,245</u>
<u>(30,676)</u>	<u>30,676</u>	<u>61,352</u>	<u>(258,500)</u>	<u>13,747</u>	<u>272,247</u>
				<u>(13,747)</u>	<u>(13,747)</u>
				<u>(13,747)</u>	<u>(13,747)</u>
<u>(30,676)</u>	<u>30,676</u>	<u>61,352</u>	<u>(258,500)</u>		<u>258,500</u>
<u>\$ (30,676)</u>	<u>\$ 30,676</u>	<u>\$ 61,352</u>	<u>\$ (258,500)</u>	<u>\$</u>	<u>\$ 258,500</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		45,546	45,546
<b>Total revenues</b>		45,546	45,546
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	48,821	40,993	7,828
Support services - administration	5,000	1,987	3,013
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	53,821	42,980	10,841
<b>Excess (deficiency) of revenues over expenditures</b>	(53,821)	2,566	56,387
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(2,566)	(2,566)
<b>Total other financing sources (uses):</b>		(2,566)	(2,566)
<b>Changes in fund balances</b>	(53,821)		53,821
<b>Fund balances (deficits), beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	\$ (53,821)	\$	\$ 53,821

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	94,003	94,003		3,649	3,649
	94,003	94,003		3,649	3,649
57,988	41,499	16,489	4,019	3,649	370
1,000	961	39			
25,000	22,686	2,314			
15,000	10,695	4,305			
20,000	15,662	4,338			
118,988	91,503	27,485	4,019	3,649	370
(118,988)	2,500	121,488	(4,019)		4,019
	(2,500)	(2,500)			
	(2,500)	(2,500)			
(118,988)		118,988	(4,019)		4,019
\$ (118,988)	\$	\$ 118,988	\$ (4,019)	\$	\$ 4,019

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		216,595	216,595
<b>Total revenues</b>		<u>216,595</u>	<u>216,595</u>
<b>Expenditures:</b>			
Current -			
Instruction	197,261	172,662	24,599
Support services - students and staff	45,000	38,137	6,863
Support services - administration	2,000	1,211	789
Operation and maintenance of plant services			
Student transportation services	1,000	135	865
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>245,261</u>	<u>212,145</u>	<u>33,116</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(245,261)</u>	<u>4,450</u>	<u>249,711</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(4,450)	(4,450)
<b>Total other financing sources (uses):</b>		<u>(4,450)</u>	<u>(4,450)</u>
<b>Changes in fund balances</b>	<u>(245,261)</u>		<u>245,261</u>
<b>Fund balances (deficits), beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (245,261)</u>	<u>\$</u>	<u>\$ 245,261</u>



Vocational Education			Homeless Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	43,218	43,218		5,795	5,795
	43,218	43,218		5,795	5,795
20,000	16,508	3,492		5,795	(5,795)
1,000	570	430			
27,050	25,143	1,907			
48,050	42,221	5,829		5,795	(5,795)
(48,050)	997	49,047			
	(997)	(997)			
	(997)	(997)			
(48,050)		48,050			
\$ (48,050)	\$	\$ 48,050	\$	\$	\$

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		13,509	13,509
<b>Total revenues</b>		<u>13,509</u>	<u>13,509</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	46,518	4,245	42,273
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>46,518</u>	<u>4,245</u>	<u>42,273</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(46,518)</u>	<u>9,264</u>	<u>55,782</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(46,518)</u>	<u>9,264</u>	<u>55,782</u>
<b>Fund balances (deficits), beginning of year</b>		39,014	39,014
<b>Fund balances (deficits), end of year</b>	<u>\$ (46,518)</u>	<u>\$ 48,278</u>	<u>\$ 94,796</u>

E-Rate			Other Federal Projects		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	153,964	153,964		5,102	5,102
	153,964	153,964		5,102	5,102
10,000	6,425	3,575		2,256	(2,256)
141,239	112,535	28,704			
151,239	118,960	32,279		2,256	(2,256)
(151,239)	35,004	186,243		2,846	2,846
(151,239)	35,004	186,243		2,846	2,846
	18,834	18,834		(6,613)	(6,613)
\$ (151,239)	\$ 53,838	\$ 205,077	\$	\$ (3,767)	\$ (3,767)

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		19,823	19,823
Federal aid, grants and reimbursements			
<b>Total revenues</b>	20,191	19,823	19,823
<b>Expenditures:</b>			
Current -			
Instruction	20,191	19,823	368
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	20,191	19,823	368
<b>Excess (deficiency) of revenues over expenditures</b>	(20,191)		20,191
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(20,191)		20,191
<b>Fund balances (deficits), beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	\$ (20,191)	\$	\$ 20,191

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 131,033	\$ 131,033	\$	\$ 164,783	\$ 164,783
				418,723	418,723
	<u>131,033</u>	<u>131,033</u>		<u>583,506</u>	<u>583,506</u>
1,000	171	829			
15,000	7,587	7,413			
6,000	1,963	4,037			
20,000	19,347	653			
10,000	6,953	3,047	795,671	625,652	170,019
250,103	58,685	191,418	10,000	7,289	2,711
<u>302,103</u>	<u>94,706</u>	<u>207,397</u>	<u>805,671</u>	<u>632,941</u>	<u>172,730</u>
<u>(302,103)</u>	<u>36,327</u>	<u>338,430</u>	<u>(805,671)</u>	<u>(49,435)</u>	<u>756,236</u>
<u>(302,103)</u>	<u>36,327</u>	<u>338,430</u>	<u>(805,671)</u>	<u>(49,435)</u>	<u>756,236</u>
	189,158	189,158		43,939	43,939
<u>\$ (302,103)</u>	<u>\$ 225,485</u>	<u>\$ 527,588</u>	<u>\$ (805,671)</u>	<u>\$ (5,496)</u>	<u>\$ 800,175</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 28,551	\$ 28,551
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>                    </u>	<u>28,551</u>	<u>28,551</u>
<b>Expenditures:</b>			
Current -			
Instruction	27,028	7,336	19,692
Support services - students and staff			
Support services - administration	10,000	5,494	4,506
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	5,000	1,368	3,632
Capital outlay	5,000	1,403	3,597
<b>Total expenditures</b>	<u>47,028</u>	<u>15,601</u>	<u>31,427</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(47,028)</u>	<u>12,950</u>	<u>59,978</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Changes in fund balances</b>	<u>(47,028)</u>	<u>12,950</u>	<u>59,978</u>
<b>Fund balances (deficits), beginning of year</b>		19,879	19,879
<b>Fund balances (deficits), end of year</b>	<u>\$ (47,028)</u>	<u>\$ 32,829</u>	<u>\$ 79,857</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 50,144	\$ 50,144	\$	\$ 177,251	\$ 177,251
	<u>50,144</u>	<u>50,144</u>		<u>177,251</u>	<u>177,251</u>
10,000	6,464	3,536	149,601	146,102	3,499
2,000	60	1,940	16,000	12,242	3,758
5,000	1,907	3,093	1,000	228	772
124,592	53,480	71,112	5,000	1,327	3,673
			8,000	5,983	2,017
			5,000	2,710	2,290
<u>141,592</u>	<u>61,911</u>	<u>79,681</u>	<u>184,601</u>	<u>168,592</u>	<u>16,009</u>
<u>(141,592)</u>	<u>(11,767)</u>	<u>129,825</u>	<u>(184,601)</u>	<u>8,659</u>	<u>193,260</u>
<u>(141,592)</u>	<u>(11,767)</u>	<u>129,825</u>	<u>(184,601)</u>	<u>8,659</u>	<u>193,260</u>
	95,444	95,444		79,996	79,996
<u>\$ (141,592)</u>	<u>\$ 83,677</u>	<u>\$ 225,269</u>	<u>\$ (184,601)</u>	<u>\$ 88,655</u>	<u>\$ 273,256</u>

(Continued)

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 94,364	\$ 94,364
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		94,364	94,364
<b>Expenditures:</b>			
Current -			
Instruction	234,744	80,638	154,106
Support services - students and staff	10,000	6,625	3,375
Support services - administration	5,000	2,058	2,942
Operation and maintenance of plant services			
Student transportation services	5,000	1,351	3,649
Operation of non-instructional services			
Capital outlay	1,000	541	459
<b>Total expenditures</b>	255,744	91,213	164,531
<b>Excess (deficiency) of revenues over expenditures</b>	(255,744)	3,151	258,895
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(255,744)	3,151	258,895
<b>Fund balances (deficits), beginning of year</b>		149,860	149,860
<b>Fund balances (deficits), end of year</b>	\$ (255,744)	\$ 153,011	\$ 408,755



Gifts and Donations			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 431,039	\$ 431,039	\$	\$ 105	\$ 105
	<u>431,039</u>	<u>431,039</u>		<u>105</u>	<u>105</u>
661,559	186,892	474,667	6,340		6,340
26,000	20,267	5,733			
1,000	786	214			
20,000	13,662	6,338			
10,000	6,858	3,142			
50,000	42,936	7,064			
<u>768,559</u>	<u>271,401</u>	<u>497,158</u>	<u>6,340</u>		<u>6,340</u>
<u>(768,559)</u>	<u>159,638</u>	<u>928,197</u>	<u>(6,340)</u>	<u>105</u>	<u>6,445</u>
<u>(768,559)</u>	<u>159,638</u>	<u>928,197</u>	<u>(6,340)</u>	<u>105</u>	<u>6,445</u>
	460,789	460,789		6,295	6,295
<u>\$ (768,559)</u>	<u>\$ 620,427</u>	<u>\$ 1,388,986</u>	<u>\$ (6,340)</u>	<u>\$ 6,400</u>	<u>\$ 12,740</u>

(Continued)

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 272	\$ 272
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>272</u>	<u>272</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	95,037	7,798	87,239
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>95,037</u>	<u>7,798</u>	<u>87,239</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(95,037)</u>	<u>(7,526)</u>	<u>87,511</u>
<b>Other financing sources (uses):</b>			
Transfers in		24,260	24,260
Transfers out			
<b>Total other financing sources (uses):</b>		<u>24,260</u>	<u>24,260</u>
<b>Changes in fund balances</b>	<u>(95,037)</u>	<u>16,734</u>	<u>111,771</u>
<b>Fund balances (deficits), beginning of year</b>		77,800	77,800
<b>Fund balances (deficits), end of year</b>	<u>\$ (95,037)</u>	<u>\$ 94,534</u>	<u>\$ 189,571</u>

Grants and Gifts to Teachers			Joint Technical Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,978	\$ 1,978	\$	\$ 221,402	\$ 221,402
	<u>1,978</u>	<u>1,978</u>		<u>221,402</u>	<u>221,402</u>
500	343	157	35,000	31,861	3,139
			25,000	20,999	4,001
			134,020	64,905	69,115
<u>1,568</u>	<u>1,463</u>	<u>105</u>	<u>15,000</u>	<u>14,979</u>	<u>21</u>
<u>2,068</u>	<u>1,806</u>	<u>262</u>	<u>209,020</u>	<u>132,744</u>	<u>76,276</u>
<u>(2,068)</u>	<u>172</u>	<u>2,240</u>	<u>(209,020)</u>	<u>88,658</u>	<u>297,678</u>
<u>(2,068)</u>	<u>172</u>	<u>2,240</u>	<u>(209,020)</u>	<u>88,658</u>	<u>297,678</u>
	91	91		15,578	15,578
<u>\$ (2,068)</u>	<u>\$ 263</u>	<u>\$ 2,331</u>	<u>\$ (209,020)</u>	<u>\$ 104,236</u>	<u>\$ 313,256</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 1,301,999	\$ 1,301,999
State aid and grants		673,124	673,124
Federal aid, grants and reimbursements		1,244,106	1,244,106
<b>Total revenues</b>		<u>3,219,229</u>	<u>3,219,229</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,478,440	1,532,659	945,781
Support services - students and staff	299,926	218,554	81,372
Support services - administration	297,057	116,171	180,886
Operation and maintenance of plant services	186,239	146,871	39,368
Student transportation services	44,000	26,929	17,071
Operation of non-instructional services	935,263	687,453	247,810
Capital outlay	384,721	170,811	213,910
<b>Total expenditures</b>	<u>4,625,646</u>	<u>2,899,448</u>	<u>1,726,198</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(4,625,646)</u>	<u>319,781</u>	<u>4,945,427</u>
<b>Other financing sources (uses):</b>			
Transfers in		24,260	24,260
Transfers out		(24,260)	(24,260)
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(4,625,646)</u>	<u>319,781</u>	<u>4,945,427</u>
<b>Fund balances (deficits), beginning of year</b>		1,454,987	1,454,987
<b>Fund balances (deficits), end of year</b>	<u>\$ (4,625,646)</u>	<u>\$ 1,774,768</u>	<u>\$ 6,400,414</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL DEBT SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 298,352	\$ 298,352
Property taxes		1,941,270	1,941,270
<b>Total revenues</b>		<u>2,239,622</u>	<u>2,239,622</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	4,036,906	1,967,000	2,069,906
Interest and fiscal charges	300,000	297,753	2,247
<b>Total expenditures</b>	<u>4,336,906</u>	<u>2,264,753</u>	<u>2,072,153</u>
<b>Changes in fund balances</b>	<u>(4,336,906)</u>	<u>(25,131)</u>	<u>4,311,775</u>
<b>Fund balances, beginning of year</b>		395,970	395,970
<b>Fund balances (deficits), end of year</b>	<u>\$ (4,336,906)</u>	<u>\$ 370,839</u>	<u>\$ 4,707,745</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 391	\$ 391
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>391</u>	<u>391</u>
<b>Expenditures:</b>			
Capital outlay	49,408		49,408
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>49,408</u>		<u>49,408</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(49,408)</u>	<u>391</u>	<u>49,799</u>
<b>Other financing sources (uses):</b>			
Transfers in			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(49,408)</u>	<u>391</u>	<u>49,799</u>
<b>Fund balances (deficits), beginning of year</b>		31,395	31,395
<b>Fund balances (deficits), end of year</b>	<u>\$ (49,408)</u>	<u>\$ 31,786</u>	<u>\$ 81,194</u>

Litigation Recovery			Unrestricted Capital Outlay		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 7	\$ 7	\$	\$ 144,786	\$ 144,786
				410,453	410,453
				71,993	71,993
	<u>7</u>	<u>7</u>		<u>627,232</u>	<u>627,232</u>
1,677		1,677	649,133	300,815	348,318
			130,000	124,393	5,607
			10,000	8,571	1,429
<u>1,677</u>		<u>1,677</u>	<u>789,133</u>	<u>433,779</u>	<u>355,354</u>
<u>(1,677)</u>	<u>7</u>	<u>1,684</u>	<u>(789,133)</u>	<u>193,453</u>	<u>982,586</u>
<u>(1,677)</u>	<u>7</u>	<u>1,684</u>	<u>(789,133)</u>	<u>193,453</u>	<u>982,586</u>
	1,672	1,672		(67,654)	(67,654)
<u>\$ (1,677)</u>	<u>\$ 1,679</u>	<u>\$ 3,356</u>	<u>\$ (789,133)</u>	<u>\$ 125,799</u>	<u>\$ 914,932</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 512	\$ 512
Property taxes		151,419	151,419
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>151,931</u>	<u>151,931</u>
<b>Expenditures:</b>			
Capital outlay	172,654	22,611	150,043
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>172,654</u>	<u>22,611</u>	<u>150,043</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(172,654)</u>	<u>129,320</u>	<u>301,974</u>
<b>Other financing sources (uses):</b>			
Transfers in			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(172,654)</u>	<u>129,320</u>	<u>301,974</u>
<b>Fund balances (deficits), beginning of year</b>		14,817	14,817
<b>Fund balances (deficits), end of year</b>	<u>\$ (172,654)</u>	<u>\$ 144,137</u>	<u>\$ 316,791</u>



Energy and Water Savings			Emergency Deficiencies Correction		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	26,298	26,298		2,845	2,845
	26,298	26,298		2,845	2,845
			342,144		342,144
80,371	60,000	20,371			
35,000	33,727	1,273			
115,371	93,727	21,644	342,144		342,144
(115,371)	(67,429)	47,942	(342,144)	2,845	344,989
	58,435	58,435			
	58,435	58,435			
(115,371)	(8,994)	106,377	(342,144)	2,845	344,989
	43,787	43,787		3	3
<u>\$ (115,371)</u>	<u>\$ 34,793</u>	<u>\$ 150,164</u>	<u>\$ (342,144)</u>	<u>\$ 2,848</u>	<u>\$ 344,992</u>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 11	\$ 11
Property taxes			
State aid and grants		56,350	56,350
Federal aid, grants and reimbursements			
<b>Total revenues</b>		56,361	56,361
<b>Expenditures:</b>			
Capital outlay	56,361	54,775	1,586
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	56,361	54,775	1,586
<b>Excess (deficiency) of revenues over expenditures</b>	(56,361)	1,586	57,947
<b>Other financing sources (uses):</b>			
Transfers in			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(56,361)	1,586	57,947
<b>Fund balances (deficits), beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	\$ (56,361)	\$ 1,586	\$ 57,947

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 145,707	\$ 145,707
	561,872	561,872
	131,188	131,188
	26,298	26,298
	<u>865,065</u>	<u>865,065</u>
1,271,377	378,201	893,176
210,371	184,393	25,978
45,000	42,298	2,702
<u>1,526,748</u>	<u>604,892</u>	<u>921,856</u>
(1,526,748)	260,173	1,786,921
	58,435	58,435
	<u>58,435</u>	<u>58,435</u>
(1,526,748)	318,608	1,845,356
	24,020	24,020
<u>\$ (1,526,748)</u>	<u>\$ 342,628</u>	<u>\$ 1,869,376</u>

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**CONTINUING BOND DISCLOSURE TABLES**

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**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**BOND DISCLOSURE REQUIREMENTS**  
**JUNE 30, 2015**

**THE DISTRICT**

**General Information**

The District is located in the northwest portion of Maricopa County, approximately 58 miles northwest of downtown Phoenix, Arizona. The District's boundaries include a small section of Yavapai County, which makes up approximately 8.0 percent of the District's total secondary assessed value. The District has an estimated population of 20,000 and encompasses approximately 745 square miles. Included in the area served by the District is the entire Town of Wickenburg, Arizona.

**Enrollment, Facilities and Administration**

The following chart illustrates the average daily membership of the student population for the District over the past five years.

**AVERAGE DAILY MEMBERSHIP**

<u>Fiscal Year</u>	<u>ADM*</u>
2014-15	1,481
2013-14	1,460
2012-13	1,495
2011-12	1,469
2010-11	1,470
2009-10	1,531
2008-09	1,567

\* ADM means Average Daily Membership and is computed by taking the total number of students in attendance over the first 100 days of the school year.

*Source:* The District.

The District is currently served by two elementary schools, one middle school, one high school and one alternative school, as shown below:

**SCHOOL FACILITIES**

<u>School Name</u>	<u>Grade Range</u>
Hassayampa Upper Elementary School	K-5
Festival Foothills Elementary School	K-5
Vulture Peak Middle School	6-8
Wickenburg High School	9-12
Wickenburg Academy for Achievement (Alternative School)	8-12

*Source:* The District.

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
BOND DISCLOSURE REQUIREMENTS  
JUNE 30, 2015**

**DIRECT GENERAL OBLIGATION BONDED DEBT OUTSTANDING**

Issue Series	Original Amount	Maturities Dates	Balance Outstanding as an Obligation of the District
2002	\$ 4,000,000	7/1/19	\$ 425,000
2004	8,845,000	7/1/15-18	3,330,000
2011	4,460,000	7/1/15- 3/9/16	2,105,000
2013	3,535,000	7/1/15-20	3,276,000
Net General Obligation Bonded Debt Outstanding			\$ 9,136,000

*Source:* The District.

**DIRECT BONDED DEBT, LEGAL LIMITATION AND  
UNUSED BORROWING CAPACITY**

2014-15 30 Percent Arizona Constitutional Limitation (30 Percent of Secondary Assessed Valuation)	\$ 48,094,176
Direct General Obligation Bonded Debt (including the Bonds and the Certificates)	(9,136,000)
Unused 30 Percent Borrowing Capacity	\$ 38,958,176

*Source:* The District and the Finance Department of the county.

**STATUTORY DEBT LIMIT ACTUAL UNUSED BORROWING CAPACITY \*\***

2014-15 Statutory Limitation on Class B Bonds (Greater of 20 Percent of the secondary assessed value or \$1,500 per student, \$2,221,500)	\$ 32,062,784
Less: Class B Bonds Outstanding	(1,856,900)
Unused Statutory Class B Borrowing Capacity	\$ 30,205,884

\*\* The State of Arizona now provides funds for construction and maintenance of school facilities to meet the minimum capital facilities standards. Due to this change in funding, a school district was able to issue Class A school construction bonds until December 31, 1999. After December 31, 1999, school districts may issue Class B bonds up to an amount not exceeding 20 percent of the secondary assessed valuation or \$1,500 per student, whichever is greater. In addition, the Class B bonds, together with outstanding Class A bonds previously issued, cannot exceed the constitutional debt limit of 30 percent of the secondary assessed valuation.



**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**BOND DISCLOSURE REQUIREMENTS**  
**JUNE 30, 2015**

**DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT**

<u>Overlapping Jurisdiction – West MEC</u>	<u>General Obligation Bonded Debt</u>	<u>Proportion Applicable to Wickenburg Unified School District No. 9</u>	
		<u>Approximate Percent</u>	<u>Net Debt Amount</u>
State of Arizona	None	0.21	None
Maricopa County	None	0.31	None
Maricopa County Community College	\$ 712,735,000	0.31	\$ 2,209,479
Yavapai County	None	5.15	None
Yavapai County Community College	48,705,505	5.15	2,508,334
Town of Buckeye	None	0.30	None
Town of Wickenburg	None	100.00	None
City of Surprise	None	0.29	None
Wickenburg Unified School District No. 9	9,136,000	100.00	<u>9,136,000</u>
Total Direct and Overlapping General Obligation Bonded Debt			<u>\$ 13,853,813</u>

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

Note: Outstanding debt as of June 30, 2014 is presented for the overlapping governments, as this is the most recent available information.

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**BOND DISCLOSURE REQUIREMENTS**  
**JUNE 30, 2015**

**DIRECT AND OVERLAPPING ASSESSED VALUATIONS AND TAX RATES**

Overlapping Jurisdiction	2014-15 Secondary Assessed Valuation	2014-15 Primary Assessed Valuation	2014-15 Rates Per \$100 Assessed Valuation
State of Arizona	\$ 55,349,948,120	\$ 53,545,537,108	None
Maricopa County	35,079,646,593	33,516,241,029	1.3209
Maricopa County Community College District	35,079,646,593	33,516,241,029	1.5187
Maricopa County Fire District	35,079,646,593	N/A	0.0113
Maricopa County Library District	35,079,646,593	N/A	0.0556
Maricopa County Flood Control District	31,365,181,149	N/A	0.1392
Central Arizona Water Conservation District	35,079,646,593	N/A	0.1400
Yavapai County	2,267,389,484	2,217,272,811	1.9580
Yavapai County Community College District	2,267,389,484	2,217,272,811	2.0837
Yavapai County Library District	2,267,389,484	N/A	0.1512
Yavapai County Flood Control District	1,934,154,870	N/A	0.2116
Yavapai County Fire District	2,267,389,484	N/A	0.1008
Town of Buckeye	324,277,466	296,070,299	1.8011
City of Surprise	904,721,043	858,081,152	0.7591
Town of Wickenburg	60,457,529	58,826,475	0.5270
Aguila Irrigation District	48,583	N/A	24.825
Aguila Fire District	10,571,037	N/A	2.5173
Tonopah Valley Fire District	17,815,555	N/A	3.2500
Wickenburg Fire District	33,722,520	N/A	1.3954
Wickenburg Unified School District No. 9	160,313,920	157,445,426	5.5504

*Source:* Finance Department of the county except for the State of Arizona data which is from *State and County Abstract of the Assessment Roll, 2014.*

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
BOND DISCLOSURE REQUIREMENTS  
JUNE 30, 2015**

**ASSESSED VALUATION OF MAJOR TAXPAYERS**

Taxpayer	Type of Property	Estimated 2014-15 Secondary Assessed	As % of District's Secondary Assessed
Arizona Public Service	Gas & Electric Utility	\$ 5,426,752	3.68
Burlington Northern Santa Fe	Railroad Operating Prop.	2,329,964	1.58
GVD Commercial Properties	Supermarket	1,238,715	0.84
Paradise Plaza, LLC	Shopping Mall	1,223,968	0.83
Southwest Gas	Gas & Electric Utility	1,164,982	0.79
Los Viajeros Inn, LLC	Hotel	1,091,249	0.74
Remuda Ranch Company	Farming	958,530	0.65
Guru Nanak Investments, LLC	Investments	914,290	0.62
KBJ Properties, LLC	Investments	899,543	0.61
Watch N C, LLC	Property Developer	766,824	0.52
		<u>\$ 16,014,817</u>	<u>10.86</u>

Source: The source of this information is the Maricopa and Yavapai County Assessors' records.

**COMPARATIVE SECONDARY ASSESSED VALUATION HISTORIES**

Fiscal Year	Wickenburg Unified School District No. 9	Town of Wickenburg	Maricopa County	Yavapai County	State of Arizona
2014-15	\$ 160,313,920	\$ 59,751,318	\$ 35,079,646,593	\$ 2,267,389,484	\$ 55,349,948,120
2013-14	147,501,465	58,620,245	32,229,006,810	2,279,676,521	52,594,377,492
2012-13	167,276,352	61,515,301	34,400,455,716	2,414,825,073	60,932,647,394
2011-12	188,402,692	72,127,311	38,760,296,498	2,753,690,772	61,764,402,437
2010-11	217,077,341	117,824	55,257,555,000	3,307,299,300	82,782,566,807
2009-10	266,546,453	107,032,630	57,984,051,718	3,824,935,541	56,504,734,898
2008-09	233,372,967	101,099,652	58,303,635,287	3,748,583,832	86,183,351,753
2007-08	155,176,686	87,620,074	49,534,573,826	2,853,059,731	58,327,805,577

Source: Finance Department of the county except for the State of Arizona data, which is from *State and County Abstract of the Assessment Roll, 2014*.

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**SINGLE AUDIT SECTION**

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**Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with  
*Government Auditing Standards***

Independent Auditor's Report

Governing Board  
Wickenburg Unified School District No. 9

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wickenburg Unified School District No. 9, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Wickenburg Unified School District No. 9's basic financial statements, and have issued our report thereon dated March 29, 2016. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 68, as amended by Statement No. 71.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wickenburg Unified School District No. 9's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wickenburg Unified School District No. 9's internal control. Accordingly, we do not express an opinion on the effectiveness of Wickenburg Unified School District No. 9's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wickenburg Unified School District No. 9's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

March 29, 2016



**Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and  
Report on Schedule of Expenditures of Federal Awards  
Required by OMB Circular A-133**

Independent Auditor's Report

Governing Board  
Wickenburg Unified School District No. 9

**Report on Compliance for Each Major Federal Program**

We have audited Wickenburg Unified School District No. 9's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Wickenburg Unified School District No. 9's major federal programs for the year ended June 30, 2015. Wickenburg Unified School District No. 9's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Wickenburg Unified School District No. 9's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wickenburg Unified School District No. 9's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Wickenburg Unified School District No. 9's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Wickenburg Unified School District No. 9 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

Management of Wickenburg Unified School District No. 9 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wickenburg Unified School District No. 9's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wickenburg Unified School District No. 9's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Wickenburg Unified School District No. 9 as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Wickenburg Unified School District No. 9's basic financial statements. We issued our report thereon dated March 29, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Heinfeld, Meech & Co., P.C.*

HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

March 29, 2016

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2015**

<b><u>Federal Grantor/Pass-Through Grantor/Program Title</u></b>	<b><u>CFDA Number</u></b>	<b><u>Pass-Through Grantor's Number</u></b>	<b><u>Expenditures and Transfers</u></b>	<b><u>Total Expenditures and Transfers</u></b>
<b><u>U.S. Department of Education</u></b>				
Passed through Arizona Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A140003	\$	\$ 244,002
Special Education Cluster:				
Special Education - Grants to States	84.027	H027A140007	213,426	
Special Education - Preschool Grants	84.173	H173A140003	3,169	
Total Special Education Cluster			<hr/>	216,595
Career and Technical Education - Basic Grants to States	84.048	V048A140003		43,218
Education for Homeless Children and Youth	84.196	S196A140003		5,795
Twenty-First Century Community Learning Centers	84.287	S287C140003		94,003
English Language Acquisition Grants	84.365	S365A140003		3,649
Improving Teacher Quality State Grants	84.367	S367A140049		45,546
Passed through Maricopa County:				
Investing in Innovation Fund	84.411	U411C130116		<hr/> 2,256
<b>Total U.S. Department of Education</b>				<hr/> <b>655,064</b>
<b><u>U.S. Department of Agriculture</u></b>				
Passed through Arizona Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
National School Lunch Program	10.555	7AZ300AZ3		25,123
Cash Assistance:				
School Breakfast Program	10.553	7AZ300AZ3	80,964	
National School Lunch Program	10.555	7AZ300AZ3	305,144	
Special Milk Program for Children	10.556	7AZ300AZ3	7,492	
Cash Assistance Subtotal			<hr/>	393,600
Total Child Nutrition Cluster				<hr/> 418,723
<b>Total U.S. Department of Agriculture</b>				<hr/> <b>418,723</b>
<b><u>U.S. Department of Health and Human Services</u></b>				
Passed through Public Consulting Group, Inc.:				
Medical Assistance Program	93.778	N/A		<hr/> 1,243
<b>Total Expenditures of Federal Awards</b>			\$	<hr/> <b>1,075,030</b>

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2015**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Wickenburg Unified School District No. 9 under programs of the federal government for the year ended June 30, 2015. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the applicable OMB cost principles circular, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2015 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word “unknown” were used.

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2015**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_yes  X no
- Significant deficiency(ies) identified? \_\_\_\_\_yes  X none reported

Noncompliance material to financial statements noted? \_\_\_\_\_yes  X no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_yes  X no
- Significant deficiency(ies) identified? \_\_\_\_\_yes  X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? \_\_\_\_\_yes  X no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.556	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?  X yes \_\_\_\_\_no

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2015**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

None reported.

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

None reported.

**WICKENBURG UNIFIED SCHOOL DISTRICT NO. 9  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2015**

**Status of Federal Award Findings and Questioned Costs**

The District had no findings or questioned costs related to federal awards noted in prior audits that require a status.