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# **SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**

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## **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2015



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**

**SNOWFLAKE, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Issued by:  
Business and Finance Department

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## **INTRODUCTORY SECTION**



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December 1, 2015

Citizens and Governing Board  
Snowflake Unified School District No. 5  
682 School Bus Lane  
Snowflake, Arizona 85937

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Snowflake Unified School District No. 5 for the fiscal year ended June 30, 2015.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

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

## **PROFILE OF THE DISTRICT**

The District is one of 22 school districts and charter schools located in Navajo County, Arizona. It provides a program of public education from preschool through grade twelve, with an estimated current enrollment of 2,260 students. The projected enrollment for fiscal year 2015-16 is 2,200.

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

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

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

The District lies in the south central portion of Navajo County, approximately 118 miles east of Flagstaff, Arizona, and encompasses approximately 600 square miles. U.S. Interstate 40 is 25 miles north of the district and provides access to scenic areas such as the White Mountains, the Petrified Forest, the Painted Desert, and several outdoor activities such as fishing, camping, water and snow skiing, and hiking to name a few.

The primary communities in the District are the towns of Snowflake, Taylor, Shumway, and Cedar Hills. Snowflake and Taylor are situated immediately adjacent to each other within the Silver Creek Valley. The communities were founded in the 1870's by pioneers of the Church of Jesus Christ of Latter-day Saints and were part of a network of colonies that spread throughout the western United States stretching from Canada to Mexico. Snowflake was a hub for social, cultural, religious and educational activities. An Academy was founded by the Church of Jesus Christ of Latter-day Saints in the 1890's and was the predecessor of today's school district. It drew high school age students from all over the northern and eastern Arizona region that left home to board and attend school in Snowflake.

An element behind steady growth of the communities is the reputation as an exceptional place to raise children. One of the elements contributing to this environment is the school system. The Snowflake Unified School District No. 5 employs a staff that actively seeks for better ways of educating the children they serve. The District stresses creating a safe learning environment that encourages helping every student to learn, use and enjoy the basic skills, achieve academically, and excel in athletics and performing arts. The District has been consistently recognized throughout the region and the State for the high quality of its teachers and educational programs and for the accomplishments of its students in academics, athletics, and the performing arts. The school system is progressive yet reflects the family-orientated values of the community. All of this is accomplished with one of the lowest tax rates in the region for a district without a budget override.

Much of the heritage that founded the communities continues today. In spite of the small size and rural character, the town supports a junior college campus, a symphony orchestra, and an active theatrical and performing arts program. Children, teenagers and adults all field hundreds of athletic intramural teams. Each year the citizens volunteer thousands of hours to sustain their active way of life and rich traditions. It is a vibrant area that continues to attract people moving from urban areas seeking a safe community and a quality family oriented way of life.

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

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

## FACTORS AFFECTING FINANCIAL CONDITION

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

**Local Economy:** Electric power generation, mining, health care, retail, and agriculture business support the local economy. Arizona Public Service has a power generating station 30 miles from the town and all major retail and hospitals are 15 miles away. The Snowflake area is part of a network of communities that make up Northland Pioneer College, a local junior college. The school is in partnership with the college and provides dual enrollment classes. A large part of the vocational curriculum is run through Northland Pioneer College in conjunction with the Northern Arizona Vocational Institute of Technology. Farmer John (PFFJ) has a large farm and distributing center in the local area.

The State of Arizona along with the United States has been working through economic down turn for over seven years now. The housing problems that the State faced have caused funding declines in all aspects of the local economies. In fiscal year 2014-15 the Arizona State Legislature continued to maintain the steep cuts made in previous fiscal years to educational funding. These cuts included decreases in Unrestricted Capital. Also included was a repeal of the Building Renewal Fund and the Soft Capital Fund. From fiscal year 2007-2008 to the estimated per student amount for fiscal year 2014-2015 per student spending had decreased. This information comes from a report put together by the Joint Legislative Budget Committee [JLBC]. Looking at state dollars the State reports the per student spending changed from \$5,481 in fiscal year 2007-2008 to an estimated \$5,369 in fiscal year 2014-2015, a reduction of \$112 per student. If these numbers were adjusted for inflation the calculated reductions would be much higher. The per student reductions are significant.

The District has experienced over \$1.2 million dollars in ongoing cuts from the legislature. Consequently, the District is seeing major shifts of financial responsibility from State coffers to local property tax payers. Temporary tax increases have sunset increasing tax burdens onto the local property tax payers. In the 2014 legislative session the State government adjusted the qualifying tax rate from \$2.1265 to \$2.1123. This change had a positive effect on the District's property tax payers. The primary and secondary assessed evaluations would have the potential of negatively affecting the tax rate. However, the potential negative effects of these changes are offset by the decreases in the overall expenditure budgets and the cuts made in the levy funded accounts.

Locally, the Tomato Plant closed its doors for good October, 2015. This was a subsidiary plant to the main company. Its closure affects 30-50 jobs and many jobs for inmates. The School District Governing Board froze salaries for fiscal year 2014-2015. The County unemployment rate is in double digits and is higher than the State and national rates. The District's free and reduced lunch rates have remained steady at 49 percent.

One of the constant benefits to the School District has been the steadiness of its student enrollment. Recently, the District has been challenged by local industry leaving the area. A stronger movement seems to be the Federal concept of Common Core. Parents see this as a threat and have begun pulling their children from public school enrollment. A charter school that is focusing on K-8 students has opened in this area. Competition from this school and neighboring school districts has had a negative impact on the school financial budget. For one of the first times, the District is beginning to experience enrollment decline both in its regular education and special education programs. This decline will directly affect the budget capacity and staffing changes and budget priorities such as contingency funds will have to be decided upon.

The District has been aggressive about budget cuts and having strong contingencies in place. Other schools are cutting major programs that affect the education of the children. Snowflake Unified School District has strived to maintain all of its programs. Staffs at the schools are doing so much more with less.

Recently, schools in Arizona sued the Arizona Government for not following the law as it relates to school funding. The Supreme Court upheld the law that the Government must fund the commitment approved by the voters regarding inflation funding of schools. Voters in Arizona will be given the opportunity to vote in favor of a plan to pay schools the commitment of funding owed. If approved some of the financial stress would be relieved. This is mentioned at this point only to bring to light some of the immediate decisions pending that will affect the financial situation of this District.

**Long-Term Financial Planning:** The District is being forced to respond to the actions of the Federal Government. The Affordable Care Act has forced the District to be aggressive with its evaluation of part-time staff. Eligibility for medical benefits is set at 40 hours a week. The Affordable Care Act has penalties in place for employers that do not offer benefits to staff that work at least 30 hours a week. This will be a delicate situation moving forward. The District must weigh the cost/benefit of its benefit structure and what will impact the budget.

The District Governing Board and Administration will be evaluating the future as the environment continues to change. Long-term planning is focusing on maintaining the course, as the funding in the State of Arizona will continue to fall short. In fiscal year 2014-15 the District had to reduce just over half of the Unrestricted Capital funds. If a district is funded by State aid its budgets were reduced tremendously. This reduction in funding cost the District nearly \$1.2 million. This affected all capital budgets and the General Maintenance and Operation funds. This is increasingly difficult with an average age of buildings of 40 years. The District is focusing on doing things a different way to facilitate the education of the youth.

The School District took advantage of a good bond market and took \$3,290,000 of callable bonds and refunding them as part of a process to refinance debt at a lower interest rate. It is anticipated that this will save the taxpayers approximately \$300,000 of interest charges over the course of the debt schedule of the bonds. This should reduce the tax rate \$0.05-\$ 0.07 remainder of the debt. The District defeased or paid off \$600,000 worth of bond principal in fiscal year 2011-2012. The funds were placed in an escrow account to lower debt in 2019. This planning has freed up approximately \$15,000 per year in interest charges for the remaining debt schedule. This will reduce the commitment from the local property tax payers over the next 13 years.

The sharing of ideas is critical. The Snowflake Unified School District #5 is not the only district in Arizona facing these problems. Professional development opportunities will not be overlooked. Cooperating with other school districts and their administration is becoming more and more critical. The District cannot survive as an island. The sharing of ideas is a critical part of the long-term strategy. The leadership of the District meets monthly with local leaders both in the city leadership and the educational arena. This creates the ideas that will transform the District. Recently the District led out in seeking for new ways to improve the delivery of education. Through the leadership demonstrated by the administration and staff, other districts in the area realized the potential and followed in the path of the District.

The District continues to lead out in curriculum changes. Recently, the District added a curriculum program called Beyond Textbooks into its teaching methodology. This does not eliminate textbooks entirely, rather, it utilizes the cooperation of educated professionals to collaborate and design lesson plans which create best practices and focused teaching. The methodology has proven successfully where it has been fully implemented. The District will continue to pour resources into staff training and development into these areas. Staff will be rewarded financially for their performance in these areas.

In an effort to reduce high transportation costs, the District is analyzing ways to invest in purchasing its own bus fleet. The District owns four yellow school buses. In fiscal year 2013-2014 The District purchased its first trip bus. Savings can be realized if the District invests in its own fleet and limits the costs that are being incurred by a third party contractor. Looking forward to the long-term, the District will begin to increase its own fleet. This has been significantly hampered by the Legislative cuts to capital resources.

The District will continue to be aggressive in providing salaries and benefits at competitive rates. The District belongs to the Navajo County Schools Employee Benefit Trust, which is a consortium that administrates a health care plan for the District. With the general trend of health care, the District is being forced to look at options that will provide better benefits at lower rates.

## **AWARDS AND ACKNOWLEDGMENTS**

**Awards.** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This is the eighth consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2015 certificates.

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

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

Respectfully submitted,



Hollis J. Merrell  
Superintendent



Mark Ollerton  
Business Manager



# Association of School Business Officials International



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

## Snowflake Unified School District No. 5

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2014*

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



A handwritten signature in black ink, appearing to read 'M. Pepera', written over a horizontal line.

Mark C. Pepera, MBA, RSBO, SFO  
President

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

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

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

Presented to

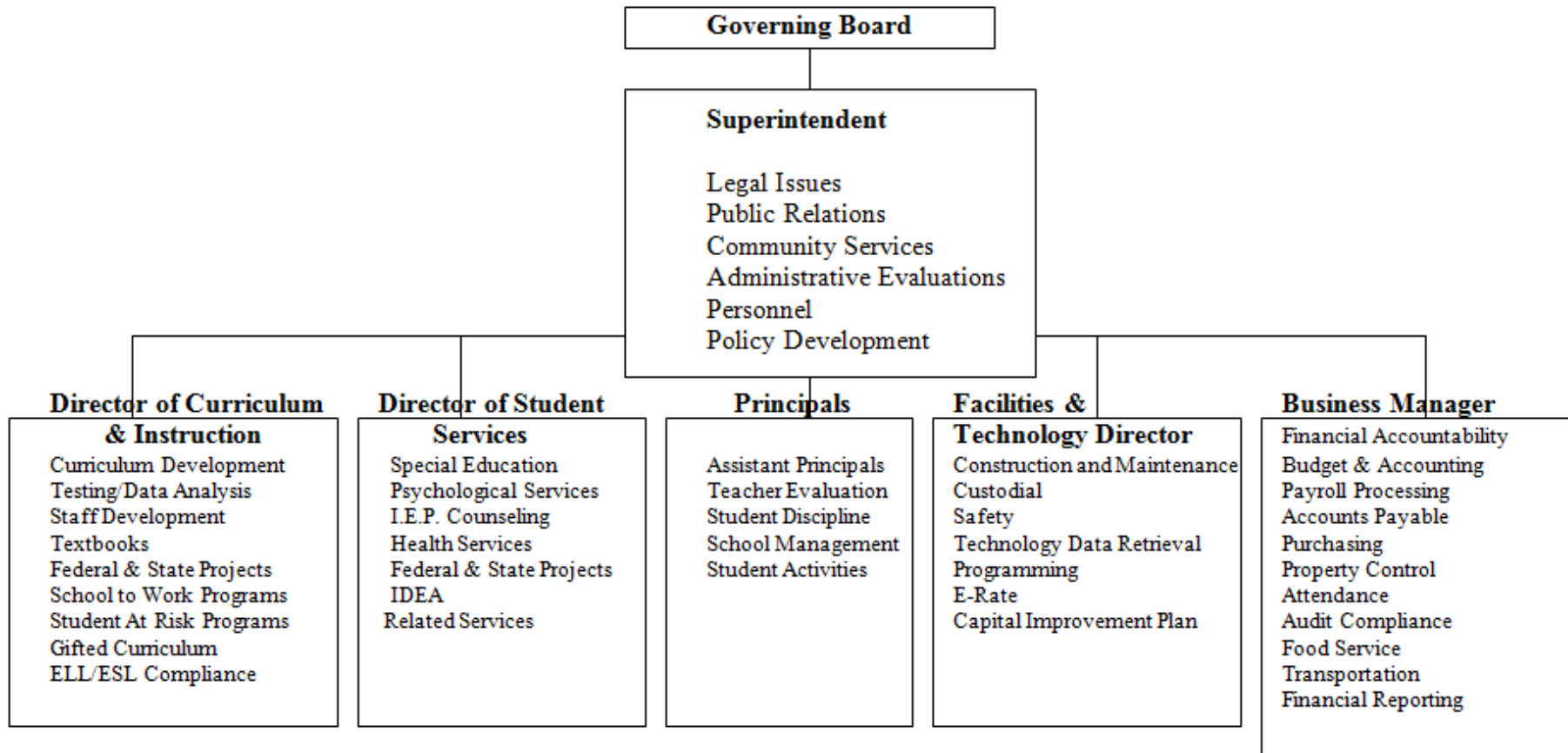
**Snowflake Unified School  
District No. 5, Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

**Organizational Chart**  
**Snowflake Unified School District No. 5**



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Cory Johnson, President

Carole Owens, Vice President

Carol Palmer, Member

Shea Flake, Member

Charles A. Foote, Member

**ADMINISTRATIVE STAFF**

Hollis J. Merrell, Superintendent

Mark Ollerton, Business Manager

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Snowflake Unified School District No. 5

### **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 Snowflake Unified School District No. 5 (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 Snowflake Unified School District No. 5, 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. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2015, on our consideration of Snowflake Unified School District No. 5'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 Snowflake Unified School District No. 5's internal control over financial reporting and compliance.

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

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

December 1, 2015

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

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**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

As management of the Snowflake Unified School District No. 5 (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. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities decreased \$1.2 million which represents a 14 percent decrease from the prior fiscal year primarily due to an increase in instructional expenses due to increased costs for implementation of Common Core Standards and decrease in property tax revenue due to a decrease in assessed property valuations.
- General revenues accounted for \$14.2 million in revenue, or 83 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2.9 million or 17 percent of total current fiscal year revenues.
- The District had approximately \$18.2 million in expenses related to governmental activities, an increase of four percent from the prior fiscal year.
- Among major funds, the General Fund had \$12.0 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$12.4 million in expenditures. The General Fund's fund balance decreased from \$3.8 million at the prior fiscal year end to \$3.0 million at the end of current fiscal year primarily as a result of a decrease in property taxes due to decreased assessed valuations and increased expenditures due to Common Core standards.
- The Debt Service Fund had \$901,067 in current fiscal year revenues, which primarily consisted of property taxes, and \$1.0 million in expenditures primarily due to current year debt payments.

**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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
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 statements and schedules.

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. 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 \$7.4 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, 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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
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 June 30, 2015	As of June 30, 2014
Current and other assets	\$ 5,313,737	\$ 6,029,423
Capital assets, net	24,973,803	26,050,810
Total assets	<u>30,287,540</u>	<u>32,080,233</u>
Deferred outflows	<u>1,730,340</u>	
Current and other liabilities	294,168	302,864
Long-term liabilities	21,919,968	8,605,619
Total liabilities	<u>22,214,136</u>	<u>8,908,483</u>
Deferred inflows	<u>2,441,556</u>	
Net position:		
Net investment in capital assets	17,267,251	17,711,810
Restricted	1,965,408	1,685,274
Unrestricted	(11,870,471)	3,774,666
Total net position	<u>\$ 7,362,188</u>	<u>\$ 23,171,750</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission reported a deficit of \$11.9 million. The deficit arose because of the implementation of GASB Statement No. 68, which required the District to record a liability for its proportionate share of the State pension plan's unfunded liability. The District reported positive balances in all three categories of net position 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 are significant current year transactions that had an impact on the Statement of Net Position.

- The principal retirement of \$670,000 of bonds and \$156,000 of capital leases.
- The addition of \$247,201 in capital assets due primarily to purchases of vehicles, furniture and equipment.
- The addition of \$14.6 million in pension liabilities due to the implementation of new pension reporting standards.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

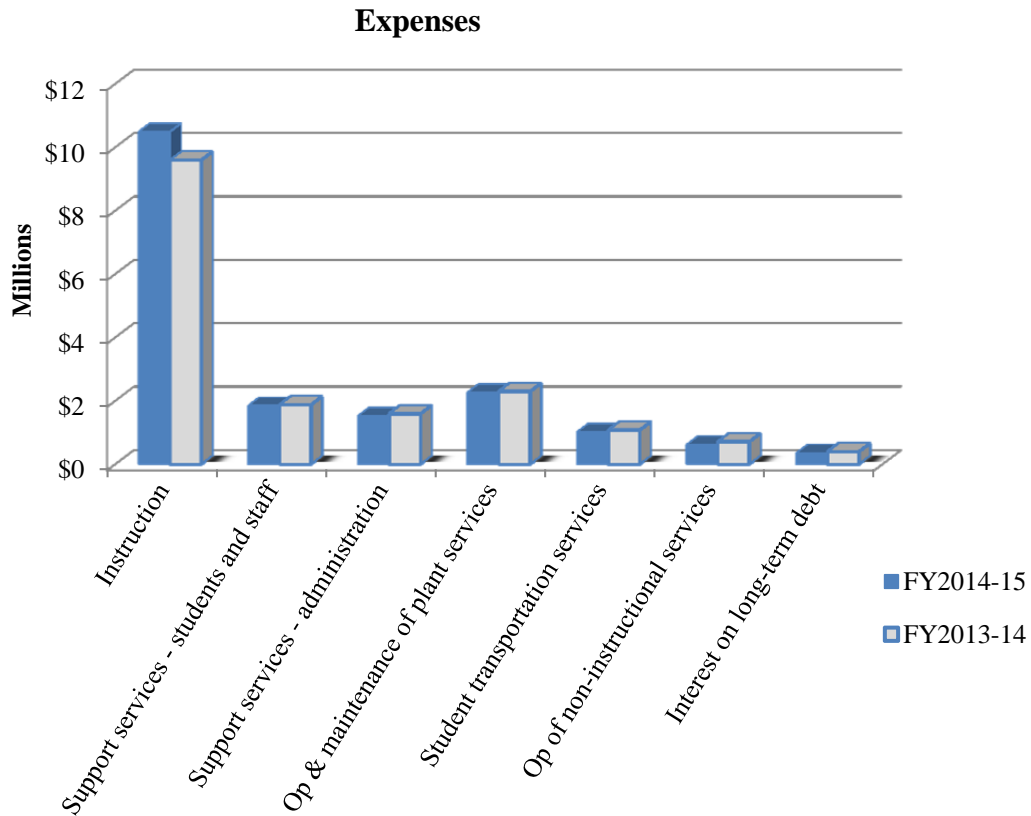
**Changes in net position.** The District's total revenues for the current fiscal year were \$17.1 million. The total cost of all programs and services was \$18.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2015 and June 30, 2014.

	<u>Fiscal Year Ended June 30, 2015</u>	<u>Fiscal Year Ended June 30, 2014</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 718,200	\$ 715,165
Operating grants and contributions	2,056,480	2,240,900
Capital grants and contributions	108,711	253,540
General revenues:		
Property taxes	3,906,722	4,649,067
Investment income	18,807	19,162
Unrestricted county aid	534,103	602,700
Unrestricted state aid	9,376,069	9,347,592
Unrestricted federal aid	339,281	301,425
<b>Total revenues</b>	<u>17,058,373</u>	<u>18,129,551</u>
<b>Expenses:</b>		
Instruction	10,585,439	9,595,582
Support services - students and staff	1,852,413	1,871,575
Support services – administration	1,525,349	1,592,888
Operation and maintenance of plant services	2,265,885	2,295,068
Student transportation services	1,015,822	1,075,909
Operation of non-instructional services	619,053	710,881
Interest on long-term debt	354,038	395,573
<b>Total expenses</b>	<u>18,217,999</u>	<u>17,537,476</u>
<b>Changes in net position</b>	<u>(1,159,626)</u>	<u>592,075</u>
<b>Net position, beginning, as restated</b>	<u>8,521,814</u>	<u>22,579,675</u>
<b>Net position, ending</b>	<u>\$ 7,362,188</u>	<u>\$ 23,171,750</u>



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**



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

- Decrease of \$742,345 in property tax revenues due to a decrease in assessed property values.
- Increase of \$964,185 in instructional expenditures due to increased costs to implement Common Core Standards.

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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
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	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 10,585,439	\$ (9,086,080)	\$ 9,595,582	\$ (8,151,367)
Support services – students and staff	1,852,413	(1,504,876)	1,871,575	(1,597,098)
Support services – administration	1,525,349	(1,500,341)	1,592,888	(1,522,778)
Operation and maintenance of plant services	2,265,885	(2,242,109)	2,295,068	(2,212,224)
Student transportation services	1,015,822	(1,015,822)	1,075,909	(1,075,909)
Operation of non-instructional services	619,053	279,803	710,881	247,900
Interest on long-term debt	354,038	(265,183)	395,573	(16,395)
<b>Total</b>	<u>\$ 18,217,999</u>	<u>\$ (15,334,608)</u>	<u>\$ 17,537,476</u>	<u>\$ (14,327,871)</u>

- The cost of all governmental activities this year was \$18.2 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$2.9 million.
- Net cost of governmental activities of \$15.3 million was financed by general revenues, which are made up of primarily property taxes of \$3.9 million, state aid of \$9.4 million, county aid of \$534,103 and federal aid of \$339,281.

**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 \$4.8 million, a decrease of \$589,042.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

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

The General Fund comprises 61 percent of the total fund balance. Approximately \$2.4 million or 81 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance decreased \$849,866 in the General Fund to \$3.0 million as of fiscal year end. General Fund revenues decreased \$534,953 primarily due to decreases in property taxes due to a decrease in assessed property values. General Fund expenditures increased \$70,604.

The Debt Service Fund fund balance increased \$51,699 to \$69,879. Debt Service Fund revenues increased \$53,881. Debt Service Fund expenditures increased \$180,318 due to a current year debt refunding.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in state funding. The difference between the original budget and the final amended budget was a \$211,933 decrease, or 1.7 percent.

Significant variances for the final amended budget and actual revenues resulted from the District no longer 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 variances are summarized as follows:

- The favorable variance of \$189,442 in instruction was a result of unexpected vacancy savings.
- The favorable variance of \$128,326 in operation and maintenance of plant services was a result of larger than expected energy savings due to a mild winter and increased savings through energy efficiency improvements.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$41.6 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 \$220,322 from the prior fiscal year, primarily due to acquisitions of vehicles, furniture and equipment. Total depreciation expense for the current fiscal year was \$1.3 million.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

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

	As of June 30, 2015	As of June 30, 2014
Capital assets - non-depreciable	\$ 271,409	\$ 271,409
Capital assets - depreciable, net	24,702,394	25,779,401
<b>Total</b>	<b>\$ 24,973,803</b>	<b>\$ 26,050,810</b>

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

**Debt Administration.** At year end, the District had \$7.7 million in long-term debt outstanding, \$775,000 due within one year. Long-term debt decreased by \$632,448.

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 \$24.2 million and the Class B debt limit is \$16.1 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

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

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

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

- Fiscal year 2014-15 budget balance carry forward (estimated \$475,278).
- District student population (estimated 2,200).

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 less than one percent to \$12.0 million in fiscal year 2015-16. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2015-16 budget.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2015**

**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, Snowflake Unified School District No. 5, 682 School Bus Lane, Snowflake, Arizona 85937.

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 965,725
Property taxes receivable	238,510
Deposits	20,589
Due from governmental entities	3,529,068
Prepaid items	559,845
Total current assets	5,313,737
Noncurrent assets:	
Capital assets not being depreciated	271,409
Capital assets, net of accumulated depreciation	24,702,394
Total noncurrent assets	24,973,803
<b>Total assets</b>	<b>30,287,540</b>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension plan items	1,730,340
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	276,386
Deposits held for others	8,732
Compensated absences payable	120,000
Unearned revenues	9,050
Obligations under capital leases	160,000
Bonds payable	615,000
Total current liabilities	1,189,168
Noncurrent liabilities:	
Non-current portion of long-term obligations	21,024,968
Total noncurrent liabilities	21,024,968
<b>Total liabilities</b>	<b>22,214,136</b>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	2,441,556
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	17,267,251
Restricted for:	
Voter approved initiatives	780,692
Food service	178,310
Joint technical education	86,065
Other local initiatives	49,812
Debt service	104,627
Capital outlay	765,902
Unrestricted	(11,870,471)
<b>Total net position</b>	<b>\$ 7,362,188</b>

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2015**

<b>Functions/Programs</b>	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Governmental activities:</b>						
Instruction	\$ 10,585,439	\$ 258,132	\$ 1,132,516	\$ 108,711		\$ (9,086,080)
Support services - students and staff	1,852,413		347,537			(1,504,876)
Support services - administration	1,525,349		25,008			(1,500,341)
Operation and maintenance of plant services	2,265,885	11,920	11,856			(2,242,109)
Student transportation services	1,015,822					(1,015,822)
Operation of non-instructional services	619,053	448,148	450,708			279,803
Interest on long-term debt	354,038		88,855			(265,183)
<b>Total governmental activities</b>	<u>\$ 18,217,999</u>	<u>\$ 718,200</u>	<u>\$ 2,056,480</u>	<u>\$ 108,711</u>		<u>(15,334,608)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	2,427,447
Property taxes, levied for debt service	888,547
Property taxes, levied for capital outlay	590,728
Investment income	18,807
Unrestricted county aid	534,103
Unrestricted state aid	9,376,069
Unrestricted federal aid	339,281

**Total general revenues** 14,174,982

**Changes in net position** (1,159,626)

**Net position, beginning of year, as restated** 8,521,814

**Net position, end of year** \$ 7,362,188

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

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**FUND FINANCIAL STATEMENTS**

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	General	Debt Service	Non-Major Governmental Funds
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$ 52,523	\$ 913,202
Property taxes receivable	149,885	52,104	36,521
Deposits			20,589
Due from governmental entities	3,156,931		372,137
Due from other funds			673,271
Prepaid items	559,845		
<b>Total assets</b>	<b>\$ 3,866,661</b>	<b>\$ 104,627</b>	<b>\$ 2,015,720</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 209,316	\$	\$ 67,070
Deposits held for others			8,732
Due to other funds	579,338		93,933
Unearned revenues			9,050
<b>Total liabilities</b>	<b>788,654</b>		<b>178,785</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	99,794	34,748	24,489
Unavailable revenues - intergovernmental	11,856		
<b>Total deferred inflows of resources</b>	<b>111,650</b>	<b>34,748</b>	<b>24,489</b>
Fund balances (deficits):			
Nonspendable	559,845		
Restricted	6,253	69,879	1,830,039
Unassigned	2,400,259		(17,593)
<b>Total fund balances</b>	<b>2,966,357</b>	<b>69,879</b>	<b>1,812,446</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 3,866,661</b>	 <b>\$ 104,627</b>	 <b>\$ 2,015,720</b>

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

Total  
Governmental  
Funds

\$ 965,725  
238,510  
20,589  
3,529,068  
673,271  
559,845  
\$ 5,987,008

\$ 276,386  
8,732  
673,271  
9,050  
967,439

159,031  
11,856  
170,887

559,845  
1,906,171  
2,382,666  
4,848,682

\$ 5,987,008

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**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**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>4,848,682</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	\$ 41,563,106	
Less accumulated depreciation	<u>(16,589,303)</u>	24,973,803
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	159,031	
Intergovernmental	<u>11,856</u>	170,887
<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	1,730,340	
Deferred inflows of resources related to pensions	<u>(2,441,556)</u>	(711,216)
<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	(251,228)	
Obligations under capital leases	(2,188,000)	
Net pension liability	(13,962,188)	
Bonds payable	(5,255,000)	
Unamortized premium	<u>(263,552)</u>	<u>(21,919,968)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u><u>7,362,188</u></u></b>

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



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	General	Debt Service	Non-Major Governmental Funds
<b>Revenues:</b>			
Other local	\$ 901,909	\$ 8,010	\$ 377,756
Property taxes	2,481,963	893,057	590,754
State aid and grants	8,147,891		1,363,485
Federal aid, grants and reimbursements	481,825		1,929,671
<b>Total revenues</b>	12,013,588	901,067	4,261,666
<b>Expenditures:</b>			
Current -			
Instruction	6,826,525		2,308,213
Support services - students and staff	1,490,786		295,055
Support services - administration	1,400,947		70,060
Operation and maintenance of plant services	1,654,111		1,301
Student transportation services	909,758		
Operation of non-instructional services	32,872		563,314
Capital outlay	48,853		686,695
Debt service -			
Principal retirement		670,000	156,000
Interest and fiscal charges		253,695	95,852
Bond issuance costs		114,734	
<b>Total expenditures</b>	12,363,852	1,038,429	4,176,490
<b>Excess (deficiency) of revenues over expenditures</b>	(350,264)	(137,362)	85,176
<b>Other financing sources (uses):</b>			
Transfers in	32,051		156,000
Transfers out	(156,000)		(32,051)
Issuance of refunding bonds		3,290,000	
Premium on sale of bonds		263,552	
Payment to refunded bond escrow agent		(3,364,491)	
<b>Total other financing sources (uses):</b>	(123,949)	189,061	123,949
<b>Changes in fund balances</b>	(474,213)	51,699	209,125
<b>Fund balances, beginning of year</b>	3,816,223	18,180	1,603,321
Increase (decrease) in reserve for prepaid items	(375,653)		
<b>Fund balances, end of year</b>	\$ 2,966,357	\$ 69,879	\$ 1,812,446

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

Total  
Governmental  
Funds

\$ 1,287,675  
3,965,774  
9,511,376  
2,411,496  
17,176,321

9,134,738  
1,785,841  
1,471,007  
1,655,412  
909,758  
596,186  
735,548

826,000  
349,547  
114,734  
17,578,771

(402,450)

188,051  
(188,051)  
3,290,000  
263,552  
(3,364,491)  
189,061

(213,389)

5,437,724  
(375,653)

\$ 4,848,682

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**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** **\$ (589,042)**

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	\$ 247,201	
Less current year depreciation	<u>(1,315,460)</u>	(1,068,259)

Issuance of school improvement bonds provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position. (3,290,000)

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

Property taxes	(59,052)	
Intergovernmental	<u>(58,896)</u>	(117,948)

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	156,000	
Bond principal retirement	<u>4,030,000</u>	4,186,000

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	933,325	
Pension expense	<u>(956,793)</u>	(23,468)

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

Premium on refunding bond	(263,552)	
Loss on disposal of assets	(8,748)	
Compensated absences	<u>15,391</u>	<u>(256,909)</u>

**Changes in net position in governmental activities** **\$ (1,159,626)**

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2015**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 50,353
<b>Total assets</b>	<b>\$ 50,353</b>
 <b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 6,430
Due to student groups	43,923
<b>Total liabilities</b>	<b>\$ 50,353</b>

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

The financial statements of the Snowflake Unified School District No. 5 (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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**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 expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

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

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

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

The District reports the following major governmental funds:

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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

Additionally, the District reports the following fund type:

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

The agency funds are custodial in nature and do not have a measurement focus and are reported on 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.

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.



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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.

**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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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; and vehicles, furniture, and equipment 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.

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

Land improvements	10 - 20 years
Buildings and improvements	10 – 50 years
Vehicles, furniture and equipment	3 – 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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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.

**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 the 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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

**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.

**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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

***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 be 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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**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. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement funds.

	General Fund	Debt Service Fund	Non-Major Governmental Funds
Fund Balances:			
Nonspendable:			
Prepaid items	\$ 559,845	\$	\$
Restricted:			
Debt service		69,879	
Capital projects			741,413
Voter approved initiatives			780,692
Extracurricular activities			17,166
Food service			178,310
Joint technical education			86,065
Other purposes	6,253		26,393
Unassigned	2,400,259		(17,593)
Total fund balances	\$ 2,966,357	\$ 69,879	\$ 1,812,446

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

**Individual Deficit Fund Balance** – At year end, the Building Renewal Fund, a non-major governmental fund, reported a deficit of \$17,593 in fund balance.

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

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

**NOTE 4 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$299,126 and the bank balance was \$321,116. At year end, \$71,116 of the District’s deposits was covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 4 – CASH AND INVESTMENTS**

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

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

	Average Maturities	Fair Value
County Treasurer’s investment pool	2.33 Years	\$ 716,952
Total		\$ 716,952

*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.

**NOTE 5 – RECEIVABLES**

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

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$ 264,643	\$ 125,328
Due from state government	2,892,288	246,809
Net due from governmental entities	\$ 3,156,931	\$ 372,137

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 6 – CAPITAL ASSETS**

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 271,409	\$	\$	\$ 271,409
Total capital assets, not being depreciated	<u>271,409</u>			<u>271,409</u>
Capital assets, being depreciated:				
Land improvements	3,120,558	8,448	26,879	3,102,127
Buildings and improvements	34,992,466	22,989		35,015,455
Vehicles, furniture and equipment	2,958,351	215,764		3,174,115
Total capital assets being depreciated	<u>41,071,375</u>	<u>247,201</u>	<u>26,879</u>	<u>41,291,697</u>
Less accumulated depreciation for:				
Land improvements	(1,345,458)	(159,705)	(18,131)	(1,487,032)
Buildings and improvements	(12,412,589)	(963,264)		(13,375,853)
Vehicles, furniture and equipment	(1,533,927)	(192,491)		(1,726,418)
Total accumulated depreciation	<u>(15,291,974)</u>	<u>(1,315,460)</u>	<u>(18,131)</u>	<u>(16,589,303)</u>
Total capital assets, being depreciated, net	<u>25,779,401</u>	<u>(1,068,259)</u>	<u>8,748</u>	<u>24,702,394</u>
Governmental activities capital assets, net	<u>\$ 26,050,810</u>	<u>\$ (1,068,259)</u>	<u>\$ 8,748</u>	<u>\$ 24,973,803</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 633,843
Support services – students and staff	11,927
Support services – administration	14,811
Operation and maintenance of plant services	579,709
Student transportation services	62,113
Operation of non-instructional services	13,057
Total depreciation expense – governmental activities	<u>\$ 1,315,460</u>



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 7 – OBLIGATIONS UNDER CAPITAL LEASES**

The District has acquired energy retrofits and other energy savings items under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of its future minimum lease payments as of the inception date. Revenues from the Energy and Water Savings Fund, a non-major governmental fund are used to pay the capital lease obligation. This lease, in the amount of \$2,500,500, qualifies as a Qualified Zone Academy Bond (QZAB). The District receives a federal interest subsidy to fund the interest payments for the District-wide energy project. Amortization of assets recorded under capital leases is included with depreciation expense.

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

	Governmental Activities
Asset:	
Building improvements	\$ 2,112,878
Vehicles, furniture and equipment	167,469
Less: Accumulated depreciation	(291,000)
Total	\$ 1,989,347

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

	Governmental Activities
Year Ending June 30:	
2016	\$ 249,468
2017	238,485
2018	231,886
2019	225,287
2020	218,689
2021-25	994,361
2026-29	676,790
Total minimum lease payments	2,834,966
Less: amount representing interest	646,966
Present value of minimum lease payments	2,188,000
Due within one year	\$ 160,000

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 8 – GENERAL OBLIGATIONS BONDS PAYABLE**

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

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2015	Due Within One Year
<b>Governmental activities:</b>					
School Improvement Bonds, Project of 2008, Series A (2009) (Class B)	\$ 3,900,000	4.25-5.00%	7/1/16-23	\$ 2,045,000	\$ 250,000
Bonds, Refunding Series 2014	3,290,000	2.00-4.00%	7/1/16-23	3,210,000	365,000
Total				<u>\$ 5,255,000</u>	<u>\$ 615,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2016	\$ 615,000	\$ 194,344
2017	630,000	175,832
2018	645,000	154,582
2019	675,000	129,907
2020	695,000	101,557
2021-24	1,995,000	151,979
Total	<u>\$ 5,255,000</u>	<u>\$ 908,201</u>

During the year ended June 30, 2015, the District issued \$3,290,000 in refunding bonds, with an effective interest rate of 3.6 percent, to advance refund \$3,360,000 of outstanding general obligation bonds, with an average interest rate of 4.5 percent. The net proceeds of \$3,553,552, which includes \$263,552 of bond premium, (after payment of \$114,734 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased, and the liability for those bonds has been removed from the government-wide financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$74,491. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$326,581 and resulted in an economic gain of \$303,121.

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$655,000 of defeased bonds are still outstanding.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 9 – CHANGES IN LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 5,995,000	\$ 3,290,000	\$ 4,030,000	\$ 5,255,000	\$ 615,000
Premium		263,552		263,552	
Total bonds payable	<u>5,995,000</u>	<u>3,553,552</u>	<u>4,030,000</u>	<u>5,518,552</u>	<u>615,000</u>
Obligations under capital leases	2,344,000		156,000	2,188,000	160,000
Net pension liability	14,649,936	1,753,808	2,441,556	13,962,188	
Compensated absences payable	<u>266,619</u>	<u>193,538</u>	<u>208,929</u>	<u>251,228</u>	<u>120,000</u>
Governmental activity long-term liabilities	<u>\$23,255,555</u>	<u>\$ 5,500,898</u>	<u>\$ 6,836,485</u>	<u>\$ 21,919,968</u>	<u>\$ 895,000</u>

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

At year end, interfund balances were as follows:

**Due to/from other funds:**

	Non-Major Governmental Funds
General Fund	\$ 579,338
Non-Major Governmental Funds	93,933
Total Due from Other Funds	<u>\$ 673,271</u>

At year end, several funds had negative cash balances in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with other funds. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

	Transfers in		
	General Fund	Non-Major Governmental and Other Funds	Total
Transfers out			
General Fund	\$	\$ 156,000	\$ 156,000
Non-Major Governmental Funds	32,051		32,051
Total	<u>\$ 32,051</u>	<u>\$ 156,000</u>	<u>\$ 188,051</u>

Transfers between funds were used to (1) move energy rebate savings from the General Fund to the Energy Water Savings Fund, a non-major governmental fund, (2) to move federal grant funds restricted for indirect costs, and (3) to move expenditures from the Extracurricular Fees Tax Credit Fund, a non-major governmental fund, to the General Fund.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE 11 – CONTINGENT LIABILITIES**

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

**Performance Audit** – The District has been selected by the State Office of the Auditor General to have a performance audit pursuant to A.R.S. Section 41-1279.03.A. for the fiscal year ended June 30, 2014. This performance audit has not been completed, and although the results are unknown at this time, the District expects the results to be immaterial to the financial statements.

**NOTE 12 – RISK MANAGEMENT**

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 was unable to obtain health coverage at a cost it considered to be economically justifiable. Therefore, the District joined the Navajo County Schools Employee Benefit Trust (NCSEBT) for risks of loss related to employee health and accident claims. NCSEBT is a public entity risk pool currently operating as a common risk management and insurance program for several school districts. The District pays a monthly premium to NCSEBT for employee health and accident insurance coverage. The agreement provides that NCSEBT will be self-sustaining through member premiums and will reimburse 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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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

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

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

\*With actuarially reduced benefits

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.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

**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 \$933,325.

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	\$	50,566	\$	10,285
2014		50,866		20,347
2013		53,561		19,776

**Pension Liability.** At June 30, 2015, the District reported a liability of \$13.9 million 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 0.09 percent, which was no change from its proportion measured as of June 30, 2013.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

**Pension Expense and Deferred Outflows/Inflows of Resources.** For the year ended June 30, 2015, the District recognized pension expense of \$956,793 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 709,599	\$
Net difference between projected and actual earnings on pension plan investments		2,441,556
Changes in proportion and differences between contributions and proportionate share of contributions	87,416	
Contributions subsequent to the measurement date	<u>933,325</u>	
Total	<u>\$ 1,730,340</u>	<u>\$ 2,441,556</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 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	\$	(263,861)
2017		(263,861)
2018		(506,430)
2019		(610,389)

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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

Actuarial valuation date	June 30, 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.

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

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



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

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

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

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

	<u>1%</u>	<u>Current</u>	<u>1% Increase</u>
	<u>Decrease</u>	<u>Discount Rate</u>	<u>9.0%</u>
	<u>(7.0%)</u>	<u>(8.0%)</u>	<u>(9.0%)</u>
Proportionate share of the net pension liability	\$17,647,490	\$ 13,962,188	\$11,962,727

**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).

**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</u> <u>Activities</u>
Net position, June 30, 2014, as previously reported	\$ 23,171,750
Net pension liability	(14,649,936)
Net position, July 1, 2014, as restated	<u>\$ 8,521,814</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**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		(Negative)
<b>Revenues:</b>				
Other local	\$	\$	\$ 558,055	\$ 558,055
Property taxes			2,481,963	2,481,963
State aid and grants			8,105,731	8,105,731
<b>Total revenues</b>			<u>11,145,749</u>	<u>11,145,749</u>
<b>Expenditures:</b>				
Current -				
Instruction	6,476,404	6,398,848	6,209,406	189,442
Support services - students and staff	1,359,555	1,446,789	1,414,149	32,640
Support services - administration	1,525,012	1,398,740	1,371,431	27,309
Operation and maintenance of plant services	1,826,232	1,766,495	1,638,169	128,326
Student transportation services	1,013,945	992,549	909,589	82,960
Operation of non-instructional services	52,535	38,329	23,721	14,608
<b>Total expenditures</b>	<u>12,253,683</u>	<u>12,041,750</u>	<u>11,566,465</u>	<u>475,285</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(12,253,683)</u>	<u>(12,041,750)</u>	<u>(420,716)</u>	<u>11,621,034</u>
<b>Other financing sources (uses):</b>				
Transfers out			(156,000)	(156,000)
<b>Total other financing sources (uses):</b>			<u>(156,000)</u>	<u>(156,000)</u>
<b>Changes in fund balances</b>	<u>(12,253,683)</u>	<u>(12,041,750)</u>	<u>(576,716)</u>	<u>11,465,034</u>
<b>Fund balances, beginning of year</b>			1,999,413	1,999,413
Increase (decrease) in reserve for prepaid items			360,251	360,251
<b>Fund balances (deficits), end of year</b>	<u>\$ (12,253,683)</u>	<u>\$ (12,041,750)</u>	<u>\$ 1,782,948</u>	<u>\$ 13,824,698</u>

See accompanying notes to this schedule.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**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)	0.09%
District's proportionate share of the net pension liability (asset)	\$ 13,962,188
District's covered-employee payroll	\$ 8,620,858
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	161.96%
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	\$ 956,793
Contributions in relation to the actuarially determined contribution	<u>956,793</u>
Contribution deficiency (excess)	<u>\$</u>
District's covered-employee payroll	\$ 8,770,478
Contributions as a percentage of covered-employee payroll	10.91%

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**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 items.

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

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	\$ 12,363,852	\$ 2,966,357
Activity budgeted as special revenue funds	(617,186)	(1,183,409)
Current-year prepaid items	735,904	
Prior-year prepaid items	(916,105)	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 11,566,465	\$ 1,782,948

**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.

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

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**GOVERNMENTAL FUNDS**



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2015**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 319,486	\$ 593,716	\$ 913,202
Property taxes receivable		36,521	36,521
Deposits	20,589		20,589
Due from governmental entities	236,472	135,665	372,137
Due from other funds	673,271		673,271
<b>Total assets</b>	<b><u>\$ 1,249,818</u></b>	<b><u>\$ 765,902</u></b>	<b><u>\$ 2,015,720</u></b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 49,791	\$ 17,279	\$ 67,070
Deposits held for others	8,732		8,732
Due to other funds	93,619	314	93,933
Unearned revenues	9,050		9,050
<b>Total liabilities</b>	<b><u>161,192</u></b>	<b><u>17,593</u></b>	<b><u>178,785</u></b>
Deferred inflows of resources:			
Unavailable revenues - property taxes		24,489	24,489
Fund balances (deficits):			
Restricted	1,088,626	741,413	1,830,039
Unassigned		(17,593)	(17,593)
<b>Total fund balances</b>	<b><u>1,088,626</u></b>	<b><u>723,820</u></b>	<b><u>1,812,446</u></b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b><u>\$ 1,249,818</u></b>	 <b><u>\$ 765,902</u></b>	 <b><u>\$ 2,015,720</u></b>

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2015**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 355,231	\$ 22,525	\$ 377,756
Property taxes		590,754	590,754
State aid and grants	959,692	403,793	1,363,485
Federal aid, grants and reimbursements	<u>1,840,816</u>	<u>88,855</u>	<u>1,929,671</u>
<b>Total revenues</b>	<u>3,155,739</u>	<u>1,105,927</u>	<u>4,261,666</u>
<b>Expenditures:</b>			
Current -			
Instruction	2,220,553	87,660	2,308,213
Support services - students and staff	292,559	2,496	295,055
Support services - administration	69,634	426	70,060
Operation and maintenance of plant services	1,301		1,301
Operation of non-instructional services	563,314		563,314
Capital outlay	122,050	564,645	686,695
Debt service -			
Principal retirement		156,000	156,000
Interest and fiscal charges		<u>95,852</u>	<u>95,852</u>
<b>Total expenditures</b>	<u>3,269,411</u>	<u>907,079</u>	<u>4,176,490</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(113,672)</u>	<u>198,848</u>	<u>85,176</u>
<b>Other financing sources (uses):</b>			
Transfers in		156,000	156,000
Transfers out	<u>(32,051)</u>		<u>(32,051)</u>
<b>Total other financing sources (uses):</b>	<u>(32,051)</u>	<u>156,000</u>	<u>123,949</u>
<b>Changes in fund balances</b>	<u>(145,723)</u>	<u>354,848</u>	<u>209,125</u>
<b>Fund balances, beginning of year</b>	1,234,349	368,972	1,603,321
<b>Fund balances, end of year</b>	<u>\$ 1,088,626</u>	<u>\$ 723,820</u>	<u>\$ 1,812,446</u>

## **SPECIAL REVENUE FUNDS**

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

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

**Student Success** - to account for student success monies.

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

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

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

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

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

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

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

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

**National Forest Fees** - to account for monies allocated for the purposes of benefiting public schools and public roads in counties where forests are situated.

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

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

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

**Gifted** - to account for financial assistance received for programs for gifted students.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**

	Classroom Site	Instructional Improvement	Title I Grants
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$ 2,877	\$
Deposits			
Due from governmental entities	70,170	40,974	89,657
Due from other funds	392,345	280,926	
<b>Total assets</b>	<b>\$ 462,515</b>	<b>\$ 324,777</b>	<b>\$ 89,657</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 6,600	\$ 31,709
Deposits held for others			
Due to other funds			57,948
Unearned revenues			
<b>Total liabilities</b>		<b>6,600</b>	<b>89,657</b>
Fund balances:			
Restricted	462,515	318,177	
<b>Total fund balances</b>	<b>462,515</b>	<b>318,177</b>	
 <b>Total liabilities and fund balances</b>	 <b>\$ 462,515</b>	 <b>\$ 324,777</b>	 <b>\$ 89,657</b>

<u>Professional Development and Technology Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>	<u>Vocational Education</u>	<u>State Vocational Education</u>
\$	\$	\$	\$ 3,378	\$	\$ 2,815
5,529	3,689	4,125		22,328	
<u>\$ 5,529</u>	<u>\$ 3,689</u>	<u>\$ 4,125</u>	<u>\$ 3,378</u>	<u>\$ 22,328</u>	<u>\$ 2,815</u>
\$	\$	\$	\$	\$	\$
5,529	3,689	4,125		22,328	
<u>5,529</u>	<u>3,689</u>	<u>4,125</u>	<u>3,378</u>	<u>22,328</u>	<u>2,815</u>
<u>5,529</u>	<u>3,689</u>	<u>4,125</u>	<u>3,378</u>	<u>22,328</u>	<u>2,815</u>
<u>\$ 5,529</u>	<u>\$ 3,689</u>	<u>\$ 4,125</u>	<u>\$ 3,378</u>	<u>\$ 22,328</u>	<u>\$ 2,815</u>

(Continued)

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**

	Gifted	Other State Projects	Food Service
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,827	\$ 1,030	\$ 177,935
Deposits			20,589
Due from governmental entities			
Due from other funds			
<b>Total assets</b>	<b>\$ 1,827</b>	<b>\$ 1,030</b>	<b>\$ 198,524</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 11,482
Deposits held for others			8,732
Due to other funds			
Unearned revenues	1,827	1,030	
<b>Total liabilities</b>	<b>1,827</b>	<b>1,030</b>	<b>20,214</b>
Fund balances:			
Restricted			178,310
<b>Total fund balances</b>			<b>178,310</b>
 <b>Total liabilities and fund balances</b>	 <b>\$ 1,827</b>	 <b>\$ 1,030</b>	 <b>\$ 198,524</b>

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Career, Technical and Vocational Education</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 12,354	\$ 1,610	\$ 17,166	\$ 4,301	\$ 4,636	\$ 3,492
<u>\$ 12,354</u>	<u>\$ 1,610</u>	<u>\$ 17,166</u>	<u>\$ 4,301</u>	<u>\$ 4,636</u>	<u>\$ 3,492</u>
\$	\$	\$	\$	\$	\$
12,354	1,610	17,166	4,301	4,636	3,492
<u>12,354</u>	<u>1,610</u>	<u>17,166</u>	<u>4,301</u>	<u>4,636</u>	<u>3,492</u>
<u>\$ 12,354</u>	<u>\$ 1,610</u>	<u>\$ 17,166</u>	<u>\$ 4,301</u>	<u>\$ 4,636</u>	<u>\$ 3,492</u>

(Continued)



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2015**

	Joint Technical Education	Totals
<b><u>ASSETS</u></b>		
Cash and investments	\$ 86,065	\$ 319,486
Deposits		20,589
Due from governmental entities		236,472
Due from other funds		673,271
<b>Total assets</b>	<b>\$ 86,065</b>	<b>\$ 1,249,818</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>		
Liabilities:		
Accounts payable	\$	\$ 49,791
Deposits held for others		8,732
Due to other funds		93,619
Unearned revenues		9,050
<b>Total liabilities</b>		<b>161,192</b>
Fund balances:		
Restricted	86,065	1,088,626
<b>Total fund balances</b>	<b>86,065</b>	<b>1,088,626</b>
 <b>Total liabilities and fund balances</b>	<b>\$ 86,065</b>	<b>\$ 1,249,818</b>

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**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Classroom Site	Instructional Improvement	Title I Grants
<b>Revenues:</b>			
Other local	\$ 3,428	\$ 2,303	\$
State aid and grants	842,035	95,262	
Federal aid, grants and reimbursements			763,733
<b>Total revenues</b>	<b>845,463</b>	<b>97,565</b>	<b>763,733</b>
<b>Expenditures:</b>			
Current -			
Instruction	893,543	162,618	500,569
Support services - students and staff		28,427	89,886
Support services - administration			60,156
Operation and maintenance of plant services			
Operation of non-instructional services			
Capital outlay			90,090
<b>Total expenditures</b>	<b>893,543</b>	<b>191,045</b>	<b>740,701</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(48,080)</b>	<b>(93,480)</b>	<b>23,032</b>
<b>Other financing sources (uses):</b>			
Transfers out			(23,032)
<b>Total other financing sources (uses):</b>			<b>(23,032)</b>
<b>Changes in fund balances</b>	<b>(48,080)</b>	<b>(93,480)</b>	
<b>Fund balances, beginning of year</b>	510,595	411,657	
<b>Fund balances, end of year</b>	<b>\$ 462,515</b>	<b>\$ 318,177</b>	<b>\$</b>

Professional Development and Technology Grants	Limited English and Immigrant Students	Indian Education	Special Education Grants	Johnson O'Malley	Vocational Education
\$	\$	\$	\$	\$	\$
50,459	8,029	40,153	482,334	9,076	36,324
<u>50,459</u>	<u>8,029</u>	<u>40,153</u>	<u>482,334</u>	<u>9,076</u>	<u>36,324</u>
40,500	4,788	40,153	415,364	8,127	13,926
6,794	3,091		64,960		7,506
			2,010		
<u>47,294</u>	<u>7,879</u>	<u>40,153</u>	<u>482,334</u>	<u>949</u>	<u>14,188</u>
				<u>9,076</u>	<u>35,620</u>
<u>3,165</u>	<u>150</u>				<u>704</u>
<u>(3,165)</u>	<u>(150)</u>				<u>(704)</u>
<u>(3,165)</u>	<u>(150)</u>				<u>(704)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	State Vocational Education	Food Service	Civic Center
<b>Revenues:</b>			
Other local	\$	\$ 128,366	\$ 11,433
State aid and grants	22,395		
Federal aid, grants and reimbursements		450,708	
<b>Total revenues</b>	22,395	579,074	11,433
<b>Expenditures:</b>			
Current -			
Instruction	18,911		
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			1,301
Operation of non-instructional services		563,314	
Capital outlay	3,484		8,860
<b>Total expenditures</b>	22,395	563,314	10,161
<b>Excess (deficiency) of revenues over expenditures</b>		15,760	1,272
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>		15,760	1,272
<b>Fund balances, beginning of year</b>		162,550	11,082
<b>Fund balances, end of year</b>	\$	\$ 178,310	\$ 12,354

Community School	Extracurricular Activities Fees Tax Credit	Career, Technical and Vocational Education	Fingerprint	Textbooks	Joint Technical Education
\$ 13	\$ 30,442	\$ 26	\$ 643	\$ 21	\$ 178,556
<u>13</u>	<u>30,442</u>	<u>26</u>	<u>643</u>	<u>21</u>	<u>178,556</u>
900	20,345 1,501		20 674		141,289 56,688
<u>900</u>	<u>4,479</u> <u>26,325</u>		<u>694</u>		<u>197,977</u>
<u>(887)</u>	<u>4,117</u>	<u>26</u>	<u>(51)</u>	<u>21</u>	<u>(19,421)</u>
	<u>(5,000)</u> <u>(5,000)</u>				
<u>(887)</u>	<u>(883)</u>	<u>26</u>	<u>(51)</u>	<u>21</u>	<u>(19,421)</u>
2,497	18,049	4,275	4,687	3,471	105,486
<u>\$ 1,610</u>	<u>\$ 17,166</u>	<u>\$ 4,301</u>	<u>\$ 4,636</u>	<u>\$ 3,492</u>	<u>\$ 86,065</u>

(Continued)

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Totals
<b>Revenues:</b>	
Other local	\$ 355,231
State aid and grants	959,692
Federal aid, grants and reimbursements	1,840,816
<b>Total revenues</b>	<b>3,155,739</b>
 <b>Expenditures:</b>	
Current -	
Instruction	2,220,553
Support services - students and staff	292,559
Support services - administration	69,634
Operation and maintenance of plant services	1,301
Operation of non-instructional services	563,314
Capital outlay	122,050
<b>Total expenditures</b>	<b>3,269,411</b>
 <b>Excess (deficiency) of revenues over expenditures</b>	 <b>(113,672)</b>
 <b>Other financing sources (uses):</b>	
Transfers out	(32,051)
<b>Total other financing sources (uses):</b>	<b>(32,051)</b>
 <b>Changes in fund balances</b>	 <b>(145,723)</b>
 <b>Fund balances, beginning of year</b>	 1,234,349
 <b>Fund balances, end of year</b>	 <b>\$ 1,088,626</b>

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**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 3,428	\$ 3,428
State aid and grants		842,035	842,035
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>845,463</u>	<u>845,463</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,455,500	893,543	561,957
Support services - students and staff	23,254		23,254
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>1,478,754</u>	<u>893,543</u>	<u>585,211</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,478,754)</u>	<u>(48,080)</u>	<u>1,430,674</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>(1,478,754)</u>	<u>(48,080)</u>	<u>1,430,674</u>
<b>Fund balances, beginning of year</b>		510,595	510,595
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,478,754)</u>	<u>\$ 462,515</u>	<u>\$ 1,941,269</u>

Instructional Improvement			Student Success		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,303 95,262	\$ 2,303 95,262	\$	\$ 165 42,160	\$ 165 42,160
	<u>97,565</u>	<u>97,565</u>		<u>42,325</u>	<u>42,325</u>
450,013	162,618 28,427	287,395 (28,427)	42,160		42,160
<u>450,013</u>	<u>191,045</u>	<u>258,968</u>	<u>42,160</u>		<u>42,160</u>
<u>(450,013)</u>	<u>(93,480)</u>	<u>356,533</u>	<u>(42,160)</u>	<u>42,325</u>	<u>84,485</u>
<u>(450,013)</u>	<u>(93,480)</u>	<u>356,533</u>	<u>(42,160)</u>	<u>42,325</u>	<u>84,485</u>
	411,657	411,657			
<u>\$ (450,013)</u>	<u>\$ 318,177</u>	<u>\$ 768,190</u>	<u>\$ (42,160)</u>	<u>\$ 42,325</u>	<u>\$ 84,485</u>

(Continued)

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		763,733	763,733
<b>Total revenues</b>		<u>763,733</u>	<u>763,733</u>
<b>Expenditures:</b>			
Current -			
Instruction	896,466	500,569	395,897
Support services - students and staff		89,886	(89,886)
Support services - administration		60,156	(60,156)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		90,090	(90,090)
<b>Total expenditures</b>	<u>896,466</u>	<u>740,701</u>	<u>155,765</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(896,466)</u>	<u>23,032</u>	<u>919,498</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(23,032)	(23,032)
<b>Total other financing sources (uses):</b>		<u>(23,032)</u>	<u>(23,032)</u>
<b>Changes in fund balances</b>	<u>(896,466)</u>		<u>896,466</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (896,466)</u>	<u>\$</u>	<u>\$ 896,466</u>

Professional Development and Technology Grants			Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	50,459	50,459		8,029	8,029
	50,459	50,459		8,029	8,029
120,929	40,500 6,794	80,429 (6,794)	15,063	4,788 3,091	10,275 (3,091)
<u>120,929</u>	<u>47,294</u>	<u>73,635</u>	<u>15,063</u>	<u>7,879</u>	<u>7,184</u>
<u>(120,929)</u>	<u>3,165</u>	<u>124,094</u>	<u>(15,063)</u>	<u>150</u>	<u>15,213</u>
	<u>(3,165)</u>	<u>(3,165)</u>		<u>(150)</u>	<u>(150)</u>
	<u>(3,165)</u>	<u>(3,165)</u>		<u>(150)</u>	<u>(150)</u>
<u>(120,929)</u>		<u>120,929</u>	<u>(15,063)</u>		<u>15,063</u>
<u>\$ (120,929)</u>	<u>\$</u>	<u>\$ 120,929</u>	<u>\$ (15,063)</u>	<u>\$</u>	<u>\$ 15,063</u>

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Indian Education		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		40,153	40,153
<b>Total revenues</b>		<u>40,153</u>	<u>40,153</u>
<b>Expenditures:</b>			
Current -			
Instruction	45,804	40,153	5,651
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>45,804</u>	<u>40,153</u>	<u>5,651</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(45,804)</u>		<u>45,804</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>(45,804)</u>		<u>45,804</u>
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (45,804)</u>	<u>\$</u>	<u>\$ 45,804</u>

Special Education Grants			Johnson O'Malley		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	482,334	482,334		9,076	9,076
	482,334	482,334		9,076	9,076
486,980	415,364	71,616	11,775	8,127	3,648
	64,960	(64,960)			
	2,010	(2,010)			
				949	(949)
486,980	482,334	4,646	11,775	9,076	2,699
(486,980)		486,980	(11,775)		11,775
(486,980)		486,980	(11,775)		11,775
\$ (486,980)	\$	\$ 486,980	\$ (11,775)	\$	\$ 11,775

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Vocational Education		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		36,324	36,324
<b>Total revenues</b>		36,324	36,324
<b>Expenditures:</b>			
Current -			
Instruction	39,354	13,926	25,428
Support services - students and staff		7,506	(7,506)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		14,188	(14,188)
<b>Total expenditures</b>	39,354	35,620	3,734
<b>Excess (deficiency) of revenues over expenditures</b>	(39,354)	704	40,058
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(704)	(704)
<b>Total other financing sources (uses):</b>		(704)	(704)
<b>Changes in fund balances</b>	(39,354)		39,354
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	\$ (39,354)	\$	\$ 39,354

Medicaid Reimbursement			National Forest Fees		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 92	\$ 92	\$	\$ 3,019	\$ 3,019
	117,488	117,488		145,982	145,982
	117,580	117,580		149,001	149,001
	47	(47)		13,855	(13,855)
	104,379	(104,379)		19,464	(19,464)
			319,334	28,578	290,756
				11,831	(11,831)
				169	(169)
	104,426	(104,426)	319,334	73,897	245,437
	13,154	13,154	(319,334)	75,104	394,438
	13,154	13,154	(319,334)	75,104	394,438
	19,767	19,767		559,333	559,333
\$	\$ 32,921	\$ 32,921	\$ (319,334)	\$ 634,437	\$ 953,771



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	E-Rate		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 503	\$ 503
State aid and grants			
Federal aid, grants and reimbursements		142,544	142,544
<b>Total revenues</b>		<u>143,047</u>	<u>143,047</u>
<b>Expenditures:</b>			
Current -			
Instruction		1,932	(1,932)
Support services - students and staff			
Support services - administration		621	(621)
Operation and maintenance of plant services		3,111	(3,111)
Student transportation services			
Operation of non-instructional services			
Capital outlay	96,000	5,039	90,961
<b>Total expenditures</b>	<u>96,000</u>	<u>10,703</u>	<u>85,297</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(96,000)</u>	<u>132,344</u>	<u>228,344</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>(96,000)</u>	<u>132,344</u>	<u>228,344</u>
<b>Fund balances, beginning of year</b>		35,343	35,343
<b>Fund balances (deficits), end of year</b>	<u>\$ (96,000)</u>	<u>\$ 167,687</u>	<u>\$ 263,687</u>

Other Federal Projects			State Vocational Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 81	\$ 81	\$	\$ 22,395	\$ 22,395
	75,811	75,811		22,395	22,395
	75,892	75,892		22,395	22,395
351,442	74,821 6,506	276,621 (6,506)	25,193	18,911	6,282
				3,484	(3,484)
351,442	81,327	270,115	25,193	22,395	2,798
(351,442)	(5,435)	346,007	(25,193)		25,193
(351,442)	(5,435)	346,007	(25,193)		25,193
	13,258	13,258			
\$ (351,442)	\$ 7,823	\$ 359,265	\$ (25,193)	\$	\$ 25,193

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Gifted		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction	1,802		1,802
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>	1,802		1,802
<b>Excess (deficiency) of revenues over expenditures</b>	(1,802)		1,802
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(1,802)		1,802
<b>Fund balances, beginning of year</b>			
<b>Fund balances (deficits), end of year</b>	\$ (1,802)	\$	\$ 1,802

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 656	\$ 656
				656	656
2,903		2,903			
			22,435	6,874	15,561
2,903		2,903	22,435	6,874	15,561
(2,903)		2,903	(22,435)	(6,218)	16,217
				3,335	3,335
				3,335	3,335
(2,903)		2,903	(22,435)	(2,883)	19,552
				19,279	19,279
\$ (2,903)	\$	\$ 2,903	\$ (22,435)	\$ 16,396	\$ 38,831

(Continued)

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Food Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 128,366	\$ 128,366
State aid and grants			
Federal aid, grants and reimbursements		450,708	450,708
<b>Total revenues</b>		<u>579,074</u>	<u>579,074</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	730,643	563,314	167,329
Capital outlay			
<b>Total expenditures</b>	<u>730,643</u>	<u>563,314</u>	<u>167,329</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(730,643)</u>	<u>15,760</u>	<u>746,403</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>(730,643)</u>	<u>15,760</u>	<u>746,403</u>
<b>Fund balances, beginning of year</b>		162,550	162,550
<b>Fund balances (deficits), end of year</b>	<u>\$ (730,643)</u>	<u>\$ 178,310</u>	<u>\$ 908,953</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 11,433	\$ 11,433	\$	\$ 13	\$ 13
	<u>11,433</u>	<u>11,433</u>		<u>13</u>	<u>13</u>
			2,810	900	1,910
24,200	1,301	22,899			
	8,860	(8,860)			
<u>24,200</u>	<u>10,161</u>	<u>14,039</u>	<u>2,810</u>	<u>900</u>	<u>1,910</u>
<u>(24,200)</u>	<u>1,272</u>	<u>25,472</u>	<u>(2,810)</u>	<u>(887)</u>	<u>1,923</u>
<u>(24,200)</u>	<u>1,272</u>	<u>25,472</u>	<u>(2,810)</u>	<u>(887)</u>	<u>1,923</u>
	11,082	11,082		2,497	2,497
<u>\$ (24,200)</u>	<u>\$ 12,354</u>	<u>\$ 36,554</u>	<u>\$ (2,810)</u>	<u>\$ 1,610</u>	<u>\$ 4,420</u>

(Continued)

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 322,264	\$ 322,264
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>322,264</u>	<u>322,264</u>
<b>Expenditures:</b>			
Current -			
Instruction	504,000	262,703	241,297
Support services - students and staff		215	(215)
Support services - administration		95	(95)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		9,151	(9,151)
Capital outlay		27,626	(27,626)
<b>Total expenditures</b>	<u>504,000</u>	<u>299,790</u>	<u>204,210</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(504,000)</u>	<u>22,474</u>	<u>526,474</u>
<b>Other financing sources (uses):</b>			
Transfers in		5,000	5,000
Transfers out			
<b>Total other financing sources (uses):</b>		<u>5,000</u>	<u>5,000</u>
<b>Changes in fund balances</b>	<u>(504,000)</u>	<u>27,474</u>	<u>531,474</u>
<b>Fund balances, beginning of year</b>		161,292	161,292
<b>Fund balances (deficits), end of year</b>	<u>\$ (504,000)</u>	<u>\$ 188,766</u>	<u>\$ 692,766</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 30,442	\$ 30,442	\$	\$ 16,594	\$ 16,594
	<u>30,442</u>	<u>30,442</u>		<u>16,594</u>	<u>16,594</u>
121,000	20,345 1,501	100,655 (1,501)	20,541	2,261 6,328	18,280 (6,328)
	<u>4,479</u>	<u>(4,479)</u>		<u>9,314</u>	<u>(9,314)</u>
<u>121,000</u>	<u>26,325</u>	<u>94,675</u>	<u>20,541</u>	<u>17,903</u>	<u>2,638</u>
<u>(121,000)</u>	<u>4,117</u>	<u>125,117</u>	<u>(20,541)</u>	<u>(1,309)</u>	<u>19,232</u>
	<u>(5,000)</u>	<u>(5,000)</u>			
	<u>(5,000)</u>	<u>(5,000)</u>			
<u>(121,000)</u>	<u>(883)</u>	<u>120,117</u>	<u>(20,541)</u>	<u>(1,309)</u>	<u>19,232</u>
	18,049	18,049		7,091	7,091
<u>\$ (121,000)</u>	<u>\$ 17,166</u>	<u>\$ 138,166</u>	<u>\$ (20,541)</u>	<u>\$ 5,782</u>	<u>\$ 26,323</u>



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Career, Technical and Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 26	\$ 26
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		26	26
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	4,000		4,000
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	4,000		4,000
<b>Excess (deficiency) of revenues over expenditures</b>	(4,000)	26	4,026
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(4,000)	26	4,026
<b>Fund balances, beginning of year</b>		4,275	4,275
<b>Fund balances (deficits), end of year</b>	\$ (4,000)	\$ 4,301	\$ 8,301

Fingerprint			Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 643	\$ 643	\$	\$ 42	\$ 42
	<u>643</u>	<u>643</u>		<u>42</u>	<u>42</u>
	20	(20)			
5,000	674	4,326	18,000	1,000	17,000
<u>5,000</u>	<u>694</u>	<u>4,306</u>	<u>18,000</u>	<u>1,000</u>	<u>17,000</u>
<u>(5,000)</u>	<u>(51)</u>	<u>4,949</u>	<u>(18,000)</u>	<u>(958)</u>	<u>17,042</u>
<u>(5,000)</u>	<u>(51)</u>	<u>4,949</u>	<u>(18,000)</u>	<u>(958)</u>	<u>17,042</u>
	4,687	4,687		7,211	7,211
<u>\$ (5,000)</u>	<u>\$ 4,636</u>	<u>\$ 9,636</u>	<u>\$ (18,000)</u>	<u>\$ 6,253</u>	<u>\$ 24,253</u>

(Continued)

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 21	\$ 21
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>                    </u>	<u>                    21</u>	<u>                    21</u>
<b>Expenditures:</b>			
Current -			
Instruction	4,000		4,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>                    4,000</u>	<u>                    </u>	<u>                    4,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>                    (4,000)</u>	<u>                    21</u>	<u>                    4,021</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>                    (4,000)</u>	<u>                    21</u>	<u>                    4,021</u>
<b>Fund balances, beginning of year</b>		3,471	3,471
<b>Fund balances (deficits), end of year</b>	<u>                    \$ (4,000)</u>	<u>                    \$ 3,492</u>	<u>                    \$ 7,492</u>

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 160	\$ 160	\$	\$ 278	\$ 278
	<u>160</u>	<u>160</u>		<u>278</u>	<u>278</u>
27,000	222	26,778	36,847	4,235 16,809	(4,235) 20,038
<u>27,000</u>	<u>222</u>	<u>26,778</u>	<u>36,847</u>	<u>21,044</u>	<u>15,803</u>
<u>(27,000)</u>	<u>(62)</u>	<u>26,938</u>	<u>(36,847)</u>	<u>(20,766)</u>	<u>16,081</u>
				27,051	27,051
				<u>27,051</u>	<u>27,051</u>
<u>(27,000)</u>	<u>(62)</u>	<u>26,938</u>	<u>(36,847)</u>	<u>6,285</u>	<u>43,132</u>
	26,445	26,445		48,351	48,351
<u>\$ (27,000)</u>	<u>\$ 26,383</u>	<u>\$ 53,383</u>	<u>\$ (36,847)</u>	<u>\$ 54,636</u>	<u>\$ 91,483</u>

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Joint Technical Education		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 178,556	\$ 178,556
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<b>244,330</b>	<b>178,556</b>	<b>178,556</b>
<b>Expenditures:</b>			
Current -			
Instruction	244,330	141,289	103,041
Support services - students and staff		56,688	(56,688)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<b>244,330</b>	<b>197,977</b>	<b>46,353</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(244,330)</b>	<b>(19,421)</b>	<b>224,909</b>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<b>(244,330)</b>	<b>(19,421)</b>	<b>224,909</b>
<b>Fund balances, beginning of year</b>		105,486	105,486
<b>Fund balances (deficits), end of year</b>	<b>\$ (244,330)</b>	<b>\$ 86,065</b>	<b>\$ 330,395</b>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 699,085	\$ 699,085
	1,001,852	1,001,852
	<u>2,322,641</u>	<u>2,322,641</u>
	<u>4,023,578</u>	<u>4,023,578</u>
4,721,136	2,580,407	2,140,729
185,030	446,260	(261,230)
351,334	99,150	252,184
42,200	17,243	24,957
	169	(169)
730,643	572,465	158,178
118,435	170,903	(52,468)
<u>6,148,778</u>	<u>3,886,597</u>	<u>2,262,181</u>
<u>(6,148,778)</u>	<u>136,981</u>	<u>6,285,759</u>
	35,386	35,386
	<u>(32,051)</u>	<u>(32,051)</u>
	<u>3,335</u>	<u>3,335</u>
<u>(6,148,778)</u>	<u>140,316</u>	<u>6,289,094</u>
	2,131,719	2,131,719
<u>\$ (6,148,778)</u>	<u>\$ 2,272,035</u>	<u>\$ 8,420,813</u>

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## **DEBT SERVICE FUND**

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



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE**  
**YEAR ENDED JUNE 30, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other local	\$	\$	\$ 8,010	\$ 8,010
Property taxes			893,057	893,057
<b>Total revenues</b>			<u>901,067</u>	<u>901,067</u>
<b>Expenditures:</b>				
Debt service -				
Principal retirement	860,012	4,295,090	670,000	3,625,090
Interest and fiscal charges			253,695	(253,695)
Bond issuance costs			114,734	(114,734)
<b>Total expenditures</b>	<u>860,012</u>	<u>4,295,090</u>	<u>1,038,429</u>	<u>3,256,661</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(860,012)</u>	<u>(4,295,090)</u>	<u>(137,362)</u>	<u>4,157,728</u>
<b>Other financing sources (uses):</b>				
Issuance of refunding bonds			3,290,000	3,290,000
Premium on sale of bonds			263,552	263,552
Payment to refunded bond escrow agent			(3,364,491)	(3,364,491)
<b>Total other financing sources (uses):</b>			<u>189,061</u>	<u>189,061</u>
<b>Changes in fund balances</b>	<u>(860,012)</u>	<u>(4,295,090)</u>	<u>51,699</u>	<u>4,346,789</u>
<b>Fund balances, beginning of year</b>			18,180	18,180
<b>Fund balances (deficits), end of year</b>	<u>\$ (860,012)</u>	<u>\$ (4,295,090)</u>	<u>\$ 69,879</u>	<u>\$ 4,364,969</u>

## CAPITAL PROJECTS FUNDS

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

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

**Gifts and Donations - Capital** - to account for gifts and donations to be expended for capital acquisitions.

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

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

**Emergency Deficiencies Correction** - to account for monies received from the School Facilities Board to correct emergency deficiencies.

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2015**

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
<b><u>ASSETS</u></b>			
Cash and investments	\$ 379,543	\$ 87,936	\$ 1,336
Property taxes receivable	31,227	5,294	
Due from governmental entities	135,665		
<b>Total assets</b>	<b>\$ 546,435</b>	<b>\$ 93,230</b>	<b>\$ 1,336</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	_____	_____	_____
<b>Total liabilities</b>	_____	_____	_____
Deferred inflows of resources:			
Unavailable revenues - property taxes	20,915	3,574	
	_____	_____	
Fund balances (deficits):			
Restricted	525,520	89,656	1,336
Unassigned	_____	_____	_____
<b>Total fund balances</b>	<b>525,520</b>	<b>89,656</b>	<b>1,336</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 546,435</b>	<b>\$ 93,230</b>	<b>\$ 1,336</b>

<u>Energy and Water Savings</u>	<u>Emergency Deficiencies Correction</u>	<u>Building Renewal</u>	<u>Totals</u>
\$ 120,259	\$ 4,642	\$	\$ 593,716
			36,521
			135,665
<u>\$ 120,259</u>	<u>\$ 4,642</u>	<u>\$</u>	<u>\$ 765,902</u>
\$	\$	\$ 17,279	\$ 17,279
		314	314
		<u>17,593</u>	<u>17,593</u>
			<u>24,489</u>
120,259	4,642		741,413
		(17,593)	(17,593)
<u>120,259</u>	<u>4,642</u>	<u>(17,593)</u>	<u>723,820</u>
<u>\$ 120,259</u>	<u>\$ 4,642</u>	<u>\$</u>	<u>\$ 765,902</u>

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
<b>Revenues:</b>			
Other local	\$ 21,358	\$ 338	\$ 8
Property taxes	508,560	82,194	
State aid and grants	380,805		
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>910,723</u>	<u>82,532</u>	<u>8</u>
<b>Expenditures:</b>			
Current -			
Instruction	87,660		
Support services - students and staff	2,496		
Support services - administration	426		
Capital outlay	524,001		
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>614,583</u>		
<b>Excess (deficiency) of revenues over expenditures</b>	<u>296,140</u>	<u>82,532</u>	<u>8</u>
<b>Other financing sources (uses):</b>			
Transfers in			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>296,140</u>	<u>82,532</u>	<u>8</u>
<b>Fund balances, beginning of year</b>	229,380	7,124	1,328
<b>Fund balances (deficits), end of year</b>	<u>\$ 525,520</u>	<u>\$ 89,656</u>	<u>\$ 1,336</u>

Energy and Water Savings	Emergency Deficiencies Correction	Building Renewal	Totals
\$ 790	\$ 29	\$ 2	\$ 22,525
			590,754
88,855		22,988	403,793
<u>89,645</u>	<u>29</u>	<u>22,990</u>	<u>1,105,927</u>
			87,660
			2,496
			426
		40,644	564,645
156,000			156,000
95,852			95,852
<u>251,852</u>		<u>40,644</u>	<u>907,079</u>
<u>(162,207)</u>	<u>29</u>	<u>(17,654)</u>	<u>198,848</u>
<u>156,000</u>			<u>156,000</u>
<u>156,000</u>			<u>156,000</u>
<u>(6,207)</u>	<u>29</u>	<u>(17,654)</u>	<u>354,848</u>
126,466	4,613	61	368,972
<u>\$ 120,259</u>	<u>\$ 4,642</u>	<u>\$ (17,593)</u>	<u>\$ 723,820</u>

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 21,358	\$ 21,358
Property taxes		508,560	508,560
State aid and grants		380,805	380,805
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>910,723</u>	<u>910,723</u>
<b>Expenditures:</b>			
Current -			
Instruction		87,660	(87,660)
Support services - students and staff		2,496	(2,496)
Support services - administration		426	(426)
Capital outlay	1,346,212	524,001	822,211
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>1,346,212</u>	<u>614,583</u>	<u>731,629</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,346,212)</u>	<u>296,140</u>	<u>1,642,352</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>(1,346,212)</u>	<u>296,140</u>	<u>1,642,352</u>
<b>Fund balances, beginning of year</b>		229,380	229,380
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,346,212)</u>	<u>\$ 525,520</u>	<u>\$ 1,871,732</u>

Adjacent Ways			Gifts and Donations - Capital		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 338 82,194	\$ 338 82,194	\$	\$ 8	\$ 8
	<u>82,532</u>	<u>82,532</u>		<u>8</u>	<u>8</u>
106,906		106,906	1,500		1,500
<u>106,906</u>		<u>106,906</u>	<u>1,500</u>		<u>1,500</u>
<u>(106,906)</u>	<u>82,532</u>	<u>189,438</u>	<u>(1,500)</u>	<u>8</u>	<u>1,508</u>
<u>(106,906)</u>	<u>82,532</u>	<u>189,438</u>	<u>(1,500)</u>	<u>8</u>	<u>1,508</u>
	7,124	7,124		1,328	1,328
<u>\$ (106,906)</u>	<u>\$ 89,656</u>	<u>\$ 196,562</u>	<u>\$ (1,500)</u>	<u>\$ 1,336</u>	<u>\$ 2,836</u>



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Condemnation		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Capital outlay	4,000		4,000
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	4,000		4,000
<b>Excess (deficiency) of revenues over expenditures</b>	(4,000)		4,000
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(3,335)	(3,335)
<b>Total other financing sources (uses):</b>		(3,335)	(3,335)
<b>Changes in fund balances</b>	(4,000)	(3,335)	665
<b>Fund balances, beginning of year</b>		3,335	3,335
<b>Fund balances (deficits), end of year</b>	\$ (4,000)	\$	\$ 4,000

Energy and Water Savings			Emergency Deficiencies Correction		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 790	\$ 790	\$	\$ 29	\$ 29
	88,855	88,855			
	89,645	89,645		29	29
156,000	156,000				
53,386	95,852	(42,466)			
209,386	251,852	(42,466)			
(209,386)	(162,207)	47,179		29	29
	156,000	156,000			
	156,000	156,000			
(209,386)	(6,207)	203,179		29	29
	126,466	126,466		4,613	4,613
\$ (209,386)	\$ 120,259	\$ 329,645	\$	\$ 4,642	\$ 4,642

(Continued)

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	Building Renewal		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 2	\$ 2
Property taxes			
State aid and grants		22,988	22,988
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>22,990</u>	<u>22,990</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Capital outlay	63,269	40,644	22,625
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>63,269</u>	<u>40,644</u>	<u>22,625</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(63,269)</u>	<u>(17,654)</u>	<u>45,615</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>(63,269)</u>	<u>(17,654)</u>	<u>45,615</u>
<b>Fund balances, beginning of year</b>		61	61
<b>Fund balances (deficits), end of year</b>	<u>\$ (63,269)</u>	<u>\$ (17,593)</u>	<u>\$ 45,676</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 22,525	\$ 22,525
	590,754	590,754
	403,793	403,793
	88,855	88,855
	<u>1,105,927</u>	<u>1,105,927</u>
	87,660	(87,660)
	2,496	(2,496)
	426	(426)
1,521,887	564,645	957,242
156,000	156,000	
53,386	95,852	(42,466)
<u>1,731,273</u>	<u>907,079</u>	<u>824,194</u>
<u>(1,731,273)</u>	<u>198,848</u>	<u>1,930,121</u>
	156,000	156,000
	(3,335)	(3,335)
	<u>152,665</u>	<u>152,665</u>
<u>(1,731,273)</u>	<u>351,513</u>	<u>2,082,786</u>
	372,307	372,307
<u>\$ (1,731,273)</u>	<u>\$ 723,820</u>	<u>\$ 2,455,093</u>

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## **AGENCY FUNDS**

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

**Employee Withholding** - to account for voluntary deductions and payroll checks temporarily held by the District as an agent.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2015**

	Student Activities	Employee Withholding	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 43,923	\$ 6,430	\$ 50,353
<b>Total assets</b>	\$ 43,923	\$ 6,430	\$ 50,353
 <b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 6,430	\$ 6,430
Due to student groups	43,923		43,923
<b>Total liabilities</b>	\$ 43,923	\$ 6,430	\$ 50,353

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	<b><u>Beginning</u></b> <b><u>Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ <u>48,973</u>	\$ <u>90,960</u>	\$ <u>96,010</u>	\$ <u>43,923</u>
Total assets	\$ <u><u>48,973</u></u>	\$ <u><u>90,960</u></u>	\$ <u><u>96,010</u></u>	\$ <u><u>43,923</u></u>
<b><u>Liabilities</u></b>				
Due to student groups	\$ <u>48,973</u>	\$ <u>90,960</u>	\$ <u>96,010</u>	\$ <u>43,923</u>
Total liabilities	\$ <u><u>48,973</u></u>	\$ <u><u>90,960</u></u>	\$ <u><u>96,010</u></u>	\$ <u><u>43,923</u></u>
 <b><u>EMPLOYEE WITHHOLDING FUND</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ <u>63,567</u>	\$ <u>384,645</u>	\$ <u>441,782</u>	\$ <u>6,430</u>
Total assets	\$ <u><u>63,567</u></u>	\$ <u><u>384,645</u></u>	\$ <u><u>441,782</u></u>	\$ <u><u>6,430</u></u>
<b><u>Liabilities</u></b>				
Deposits held for others	\$ <u>63,567</u>	\$ <u>384,645</u>	\$ <u>441,782</u>	\$ <u>6,430</u>
Total liabilities	\$ <u><u>63,567</u></u>	\$ <u><u>384,645</u></u>	\$ <u><u>441,782</u></u>	\$ <u><u>6,430</u></u>
 <b><u>TOTAL AGENCY FUNDS</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ <u>112,540</u>	\$ <u>475,605</u>	\$ <u>537,792</u>	\$ <u>50,353</u>
Total assets	\$ <u><u>112,540</u></u>	\$ <u><u>475,605</u></u>	\$ <u><u>537,792</u></u>	\$ <u><u>50,353</u></u>
<b><u>Liabilities</u></b>				
Deposits held for others	\$ <u>63,567</u>	\$ <u>384,645</u>	\$ <u>441,782</u>	\$ <u>6,430</u>
Due to student groups	<u>48,973</u>	<u>90,960</u>	<u>96,010</u>	<u>43,923</u>
Total liabilities	\$ <u><u>112,540</u></u>	\$ <u><u>475,605</u></u>	\$ <u><u>537,792</u></u>	\$ <u><u>50,353</u></u>



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## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

Due to cost considerations for the accumulation of data, the District has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 17,267,251	\$ 17,711,810	\$ 16,900,835	\$ 17,134,550	\$ 17,506,413
Restricted	1,965,408	1,685,274	1,805,723	1,719,829	1,717,986
Unrestricted	(11,870,471)	3,774,666	3,873,117	3,798,380	4,158,216
Total net position	\$ 7,362,188	\$ 23,171,750	\$ 22,579,675	\$ 22,652,759	\$ 23,382,615
	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 17,521,979	\$ 17,747,904	\$ 18,257,141	\$ 18,513,532	\$ 19,124,836
Restricted	1,546,674	1,429,721	1,138,446	1,123,238	795,291
Unrestricted	4,774,582	2,719,093	3,211,065	2,589,382	2,535,539
Total net position	\$ 23,843,235	\$ 21,896,718	\$ 22,606,652	\$ 22,226,152	\$ 22,455,666

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenses</b>					
Instruction	\$ 10,585,439	\$ 9,595,582	\$ 9,752,250	\$ 9,864,674	\$ 9,853,306
Support services - students and staff	1,852,413	1,871,575	1,878,792	1,720,948	1,646,007
Support services - administration	1,525,349	1,592,888	1,683,909	1,709,712	1,605,666
Operation and maintenance of plant services	2,265,885	2,295,068	2,240,346	2,094,661	2,141,159
Student transportation services	1,015,822	1,075,909	1,091,524	1,035,824	1,065,879
Operation of non-instructional services	619,053	710,881	694,348	721,276	829,712
Interest on long-term debt	354,038	395,573	362,740	518,437	381,805
Total expenses	<u>18,217,999</u>	<u>17,537,476</u>	<u>17,703,909</u>	<u>17,665,532</u>	<u>17,523,534</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	258,132	241,302	247,403	266,567	509,404
Operation of non-instructional services	448,148	461,771	440,336	561,689	539,933
Other activities	11,920	12,092	8,045	3,484	16,749
Operating grants and contributions	2,056,480	2,240,900	1,912,783	1,259,326	2,258,863
Capital grants and contributions	108,711	253,540	196,476	251,992	195,521
Total program revenues	<u>2,883,391</u>	<u>3,209,605</u>	<u>2,805,043</u>	<u>2,343,058</u>	<u>3,520,470</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (15,334,608)</u>	<u>\$ (14,327,871)</u>	<u>\$ (14,898,866)</u>	<u>\$ (15,322,474)</u>	<u>\$ (14,003,064)</u>

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenses</b>					
Instruction	\$ 10,001,207	\$ 10,553,359	\$ 10,160,960	\$ 10,145,461	\$ 9,228,590
Support services - students and staff	1,835,066	2,132,117	1,835,673	1,539,192	1,577,118
Support services - administration	1,420,527	1,290,778	1,191,940	1,200,415	1,247,771
Operation and maintenance of plant services	2,201,291	2,554,566	2,958,347	2,576,440	2,469,421
Student transportation services	986,900	1,097,876	1,056,988	907,361	888,672
Operation of non-instructional services	969,687	1,310,506	1,309,256	1,159,606	1,038,783
Interest on long-term debt	452,620	257,324	242,168	248,355	253,355
Total expenses	<u>17,867,298</u>	<u>19,196,526</u>	<u>18,755,332</u>	<u>17,776,830</u>	<u>16,703,710</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	457,722	369,779	377,666	390,329	344,252
Operation of non-instructional services	705,712	667,170	669,964	650,107	624,820
Other activities	5,901	15,961	16,736	70,996	44,491
Operating grants and contributions	1,957,426	2,057,198	1,940,801	1,951,279	1,807,668
Capital grants and contributions	462,906	110,848	258,108	76,881	230,560
Total program revenues	<u>3,589,667</u>	<u>3,220,956</u>	<u>3,263,275</u>	<u>3,139,592</u>	<u>3,051,791</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (14,277,631)</u>	<u>\$ (15,975,570)</u>	<u>\$ (15,492,057)</u>	<u>\$ (14,637,238)</u>	<u>\$ (13,651,919)</u>

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Net (Expense)/Revenue</b>	\$ (15,334,608)	\$ (14,327,871)	\$ (14,898,866)	\$ (15,322,474)	\$ (14,003,064)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	2,427,447	3,274,388	4,586,971	2,753,998	2,054,810
Property taxes, levied for debt service	888,547	850,739	758,327	833,736	798,525
Property taxes, levied for capital outlay	590,728	523,940	3,427	491,994	34,114
Investment income	18,807	19,162	16,695	12,725	23,329
Unrestricted county aid	534,103	602,700	551,444	570,892	463,322
Unrestricted state aid	9,376,069	9,347,592	8,700,109	9,362,849	9,855,322
Unrestricted federal aid	339,281	301,425	208,809	566,424	313,022
<b>Total general revenues</b>	<u>14,174,982</u>	<u>14,919,946</u>	<u>14,825,782</u>	<u>14,592,618</u>	<u>13,542,444</u>
<b>Changes in Net Position</b>	<u>\$ (1,159,626)</u>	<u>\$ 592,075</u>	<u>\$ (73,084)</u>	<u>\$ (729,856)</u>	<u>\$ (460,620)</u>

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Net (Expense)/Revenue</b>	\$ (14,277,631)	\$ (15,975,570)	\$ (15,492,057)	\$ (14,637,238)	\$ (13,651,919)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	2,946,860	2,239,503	2,284,921	2,186,837	1,904,389
Property taxes, levied for debt service	923,895	577,320	460,670	449,360	418,898
Property taxes, levied for capital outlay	234,556	224,662	190,424	112,083	437,484
Investment income	30,175	113,960	111,950	94,580	83,175
Unrestricted county aid	396,983		3,989	18,054	318,736
Unrestricted state aid	10,110,555	12,110,191	12,820,603	11,546,810	10,547,305
Unrestricted federal aid	1,581,124				
Special item - gain on sale of capital assets					299,335
<b>Total general revenues</b>	<u>16,224,148</u>	<u>15,265,636</u>	<u>15,872,557</u>	<u>14,407,724</u>	<u>13,709,987</u>
<b>Changes in Net Position</b>	<u>\$ 1,946,517</u>	<u>\$ (709,934)</u>	<u>\$ 380,500</u>	<u>\$ (229,514)</u>	<u>\$ 58,068</u>

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

**Note:** The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>
General Fund:					
Restricted	\$ 6,253	\$	\$	\$	\$
Nonspendable	559,845	935,498	827,791	974,475	840,203
Unassigned	2,400,259	2,880,725	2,605,113	2,509,770	3,026,734
Total General Fund	\$ 2,966,357	\$ 3,816,223	\$ 3,432,904	\$ 3,484,245	\$ 3,866,937
All Other Governmental Funds:					
Restricted	\$ 1,899,918	\$ 1,621,501	\$ 1,746,131	\$ 1,658,431	\$ 2,474,682
Unassigned	(17,593)		(2,982)		
Total all other governmental funds	\$ 1,882,325	\$ 1,621,501	\$ 1,743,149	\$ 1,658,431	\$ 2,474,682



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:					
Unreserved	\$ 2,706,771	\$ 408,504	\$ 1,405,337	\$ 776,989	\$ 831,941
Total General Fund	<u>\$ 2,706,771</u>	<u>\$ 408,504</u>	<u>\$ 1,405,337</u>	<u>\$ 776,989</u>	<u>\$ 831,941</u>
All Other Governmental Funds:					
Reserved	\$	\$	\$ 51,544	\$ 45,294	\$ 34,533
Unreserved, reported in:					
Special revenue funds	1,785,197	1,555,735	1,799,129	1,743,550	1,679,815
Capital projects funds	3,140,332	1,252,448	1,067,760	1,060,014	714,767
Debt service fund	138,534		47,958	53,526	66,839
Total all other governmental funds	<u>\$ 5,064,063</u>	<u>\$ 2,808,183</u>	<u>\$ 2,966,391</u>	<u>\$ 2,902,384</u>	<u>\$ 2,495,954</u>

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

**Note:** The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 1,960,788	\$ 1,740,687	\$ 1,800,355	\$ 1,275,896	\$ 1,816,726
State Fiscal Stabilization (ARRA)					115,933
Education Jobs				250,795	243,453
National School Lunch Program	450,708	497,010	470,385	502,075	489,392
Total federal sources	<u>2,411,496</u>	<u>2,237,697</u>	<u>2,270,740</u>	<u>2,028,766</u>	<u>2,665,504</u>
<b>State sources:</b>					
State equalization assistance	8,486,356	8,301,560	7,899,663	8,570,762	9,153,131
State grants	22,395	69,757	47,328	63,730	101,902
School Facilities Board	22,988	105,352	5,130		
Other revenues	979,637	1,010,967	795,316	777,333	702,191
Total state sources	<u>9,511,376</u>	<u>9,487,636</u>	<u>8,747,437</u>	<u>9,411,825</u>	<u>9,957,224</u>
<b>Local sources:</b>					
Property taxes	3,965,774	4,655,542	5,312,032	4,032,517	2,963,782
County aid	534,103	602,700	551,444	570,208	463,322
Food service sales	125,883	100,338	114,709	192,236	150,600
Investment income	18,807	19,162	16,695	12,680	21,124
Other revenues	608,882	962,199	581,075	640,233	917,691
Total local sources	<u>5,253,449</u>	<u>6,339,941</u>	<u>6,575,955</u>	<u>5,447,874</u>	<u>4,516,519</u>
<b>Total revenues</b>	<u><u>\$ 17,176,321</u></u>	<u><u>\$ 18,065,274</u></u>	<u><u>\$ 17,594,132</u></u>	<u><u>\$ 16,888,465</u></u>	<u><u>\$ 17,139,247</u></u>

(Continued)

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Federal sources:</b>					
Federal grants	\$ 3,189,464	\$ 1,491,072	\$ 1,541,826	\$ 1,406,860	\$ 1,506,954
National School Lunch Program	606,362	461,520	435,532	384,698	400,170
Total federal sources	<u>3,795,826</u>	<u>1,952,592</u>	<u>1,977,358</u>	<u>1,791,558</u>	<u>1,907,124</u>
<b>State sources:</b>					
State equalization assistance	10,068,689	10,444,333	11,243,872	10,230,025	9,250,735
State grants	205,630	256,065	220,681	204,188	244,093
School Facilities Board		89,231	135,578	269,016	208,154
Other revenues	733,417	885,076	1,441,153	1,047,769	1,088,416
Total state sources	<u>11,007,736</u>	<u>11,674,705</u>	<u>13,041,284</u>	<u>11,750,998</u>	<u>10,791,398</u>
<b>Local sources:</b>					
Property taxes	4,005,574	3,028,626	2,933,335	2,767,708	2,752,681
County aid	396,983		3,989	18,054	318,736
Food service sales	316,701	231,624	232,580	217,822	227,047
Investment income	30,700	94,078	111,950	94,580	83,175
Other revenues	852,109	841,168	831,786	893,610	786,516
Total local sources	<u>5,602,067</u>	<u>4,195,496</u>	<u>4,113,640</u>	<u>3,991,774</u>	<u>4,168,155</u>
<b>Total revenues</b>	<u>\$ 20,405,629</u>	<u>\$ 17,822,793</u>	<u>\$ 19,132,282</u>	<u>\$ 17,534,330</u>	<u>\$ 16,866,677</u>

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

**Note:** The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

**(Concluded)**

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 9,134,738	\$ 8,667,388	\$ 8,646,415	\$ 8,938,594	\$ 9,341,080
Support services - students and staff	1,785,841	1,777,094	1,759,370	1,623,972	1,591,428
Support services - administration	1,471,007	1,499,735	1,616,434	1,595,248	1,598,123
Operation and maintenance of plant services	1,655,412	1,703,495	1,808,818	1,668,116	1,758,791
Student transportation services	909,758	960,219	999,290	962,144	967,672
Operation of non-instructional services	596,186	686,389	673,303	700,082	801,698
Capital outlay	735,548	1,499,917	3,518,201	1,075,087	2,483,068
Debt service -					
Interest and fiscal charges	349,547	395,573	362,740	518,437	381,805
Principal retirement	826,000	721,500	530,000	1,140,000	485,000
Bond issuance costs	114,734				
<b>Total expenditures</b>	<u>\$ 17,578,771</u>	<u>\$ 17,911,310</u>	<u>\$ 19,914,571</u>	<u>\$ 18,221,680</u>	<u>\$ 19,408,665</u>
Expenditures for capitalized assets	\$ 247,201	\$ 831,996	\$ 2,856,277	\$ 499,627	\$ 1,561,764
Debt service as a percentage of noncapital expenditures	7%	7%	5%	9%	5%

(Continued)

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 9,058,662	\$ 9,620,777	\$ 9,186,980	\$ 8,791,487	\$ 7,907,186
Support services - students and staff	1,776,833	2,109,815	1,800,011	1,515,545	1,563,920
Support services - administration	1,374,801	1,278,659	1,146,566	1,196,277	1,246,429
Operation and maintenance of plant services	1,830,821	2,023,874	2,135,514	2,131,843	2,088,209
Student transportation services	928,756	1,075,705	1,041,485	889,805	871,572
Operation of non-instructional services	889,002	1,228,331	1,262,228	1,146,185	1,021,299
Capital outlay	2,995,488	1,056,304	1,391,225	1,049,116	3,520,277
Debt service -					
Interest and fiscal charges	452,620	235,518	242,168	248,355	253,355
Principal retirement	445,000	275,000	240,000	225,000	200,000
Bond issuance costs		116,075			
<b>Total expenditures</b>	<u>\$ 19,751,983</u>	<u>\$ 19,020,058</u>	<u>\$ 18,446,177</u>	<u>\$ 17,193,613</u>	<u>\$ 18,672,247</u>
Expenditures for capitalized assets	\$ 2,514,827	\$ 352,327	\$ 438,699	\$ 2,457,969	\$ 5,771,110
Debt service as a percentage of noncapital expenditures	5%	3%	3%	3%	4%

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

**(Concluded)**

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (402,450)	\$ 153,964	\$ (2,320,439)	\$ (1,333,215)	\$ (2,269,418)
<b>Other financing sources (uses):</b>					
Refunding bonds issued	3,290,000				
Premium on sale of bonds	263,552				
Transfers in	188,051	30,407	18,172	850,716	2,502
Transfers out	(188,051)	(30,407)	(18,172)	(850,716)	(2,502)
Capital lease agreements			2,500,500		
Payment to Refunding bonds escrow agent	(3,364,491)				
Total other financing sources (uses)	189,061		2,500,500		
<b>Changes in fund balances</b>	\$ (213,389)	\$ 153,964	\$ 180,061	\$ (1,333,215)	\$ (2,269,418)
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 653,646	\$ (1,197,265)	\$ 686,105	\$ 340,717	\$ (1,805,570)
<b>Other financing sources (uses):</b>					
General obligation bonds issued		3,900,000			
Premium on sale of bonds		94,269			
Proceeds from sale of capital assets					385,689
Transfers in	31,227	23,326	648	824	16,614
Transfers out	(31,227)	(23,326)	(648)	(824)	(16,614)
Total other financing sources (uses)		3,994,269		(824)	385,689
<b>Changes in fund balances</b>	\$ 653,646	\$ 2,797,004	\$ 686,105	\$ 340,717	\$ (1,419,881)

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**PRIMARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 30,517,765	\$ 34,322,097	\$ 36,525,326	\$ 33,498,902	\$ 29,175,678
Agricultural and Vacant	24,352,530	22,436,227	24,506,326	24,277,536	23,018,400
Residential (Owner Occupied)	25,521,843	27,072,696	33,282,591	43,545,926	49,937,326
Residential (Rental)	6,686,222	7,345,977	7,316,741	2,879,932	3,108,917
Railroad, Private Cars and Airlines	494,304	470,160	527,489	499,859	533,341
Historical Property	32,904	1,648,638	1,742,476	1,750,036	795,090
Certain Government Property Improvement:	2,266	2,317	2,759	1,312	
<b>Total</b>	<b>\$ 87,607,834</b>	<b>\$ 93,298,112</b>	<b>\$ 103,903,708</b>	<b>\$ 106,453,503</b>	<b>\$ 106,568,752</b>
Estimated Actual Value (Full Cash Value)	\$ 638,873,794	\$ 739,946,315	\$ 951,792,569	\$ 991,855,148	\$ 988,469,533
Ratio of Primary Assessed Value to Estimated Actual Value	14%	13%	11%	11%	11%
Total Direct Rate	5.43	5.78	5.73	4.35	3.08

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 25,311,723	\$ 24,180,037	\$ 23,770,597	\$ 21,881,540	\$ 121,285,733
Agricultural and Vacant	23,300,808	21,618,174	20,447,793	18,933,063	16,928,953
Residential (Owner Occupied)	44,468,637	38,245,426	31,720,782	27,285,672	24,949,615
Residential (Rental)	2,747,914	2,076,915	1,435,364	1,191,655	948,539
Railroad, Private Cars and Airlines	613,075	741,670	879,365	950,107	978,184
Historical Property	294,101	1,645,740	1,659,414	1,523,807	1,609,400
<b>Total</b>	<b>\$ 96,736,258</b>	<b>\$ 88,507,962</b>	<b>\$ 79,913,315</b>	<b>\$ 71,765,844</b>	<b>\$ 166,700,424</b>
Estimated Actual Value (Full Cash Value)	\$ 894,662,572	\$ 832,656,836	\$ 747,239,215	\$ 675,022,537	\$ 636,352,231
Ratio of Primary Value to Estimated Actual Value	11%	11%	11%	11%	26%
Total Direct Rate	4.70	3.87	4.11	4.21	4.55

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

**Note:** The primary assessed value generates revenues for general District operations.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**SECONDARY ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 28,556,805	\$ 34,325,442	\$ 36,578,390	\$ 33,529,358	\$ 29,291,085
Agricultural and Vacant	19,928,459	22,563,056	25,395,111	26,161,133	26,884,980
Residential (Owner Occupied)	25,048,169	27,089,871	33,361,552	43,714,432	51,984,162
Residential (Rental)	6,656,905	7,355,864	7,343,202	2,885,806	3,173,170
Railroad, Private Cars and Airlines	494,304	472,442	532,613	527,790	580,896
Historical Property	27,855	1,648,644	1,742,476	1,750,036	796,433
Certain Government Property Improvements	2,266	3,231			
<b>Total</b>	<b>\$ 80,714,763</b>	<b>\$ 93,458,550</b>	<b>\$ 104,957,001</b>	<b>\$ 108,569,900</b>	<b>\$ 112,710,726</b>
Ratio of Secondary Assessed Value to Estimated Actual Value	13%	13%	11%	11%	11%
Total Direct Rate	5.43	5.78	5.73	4.35	3.08

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 25,391,492	\$ 24,231,365	\$ 23,840,987	\$ 21,982,579	\$ 21,452,660
Agricultural and Vacant	28,437,488	24,024,340	23,021,384	20,313,826	18,479,342
Residential (Owner Occupied)	49,266,210	42,017,417	32,296,985	27,739,011	25,621,576
Residential (Rental)	2,914,698	2,195,351	1,457,447	1,198,852	959,627
Railroad, Private Cars and Airlines	664,124	789,441	939,244	987,676	1,036,708
Historical Property	297,175	1,647,754	1,659,414	1,523,807	1,609,429
<b>Total</b>	<b>\$ 106,971,187</b>	<b>\$ 94,905,668</b>	<b>\$ 83,215,461</b>	<b>\$ 73,745,751</b>	<b>\$ 69,159,342</b>
Ratio of Secondary Assessed Value to Estimated Actual Value	12%	11%	11%	11%	11%
Total Direct Rate	4.70	3.87	4.11	4.21	4.55

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

**Note:** The secondary assessed value generates revenues to service District bonded debt requirements and other voter-approved overrides.



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
PROPERTY TAX ASSESSMENT RATIOS  
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	16	15	15	15	17

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	22 %	23 %	24 %	25 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	18	20	21	22	21

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

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	<u>Overlapping Rates</u>							<u>District Direct Rates</u>		
	State	County	Flood	Community	Fire	Heber-	White Mt.	Primary	Secondary	Total
	Equalization	Free Library	Control District	College District	District Assistance	Overgaard FD	FD			
2015	0.51	0.10	0.30	1.66	0.10	1.81	3.12	4.32	1.11	5.43
2014	0.51	0.07	0.30	1.48	0.10	1.60	3.12	4.82	0.96	5.78
2013	0.47	0.05	0.30	1.35	0.10	1.59	2.97	4.99	0.74	5.73
2012	0.43	0.05	0.30	1.24	0.10	1.57	2.72	3.59	0.76	4.35
2011	0.36	0.05	0.30	1.13	0.10	1.42	2.43	2.38	0.70	3.08
2010	0.33	0.05	0.30	1.14	0.10	1.80	2.68	3.85	0.85	4.70
2009	0.60	0.05	0.30	1.34	0.10	1.81	2.63	3.27	0.60	3.87
2008	0.60	0.05	0.30	1.42	0.10	1.80	2.63	3.56	0.55	4.11
2007	0.62	0.04	0.30	1.49	0.10	1.83	2.63	3.61	0.60	4.21
2006	0.63	0.03	0.30	1.52	0.10	1.20	2.65	3.95	0.60	4.55

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT FISCAL YEAR AND FISCAL YEAR EIGHT YEARS PRIOR**

<u>Taxpayer</u>	<u>2015</u>		<u>2007</u>	
	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>
Arizona Public Service Company	\$ 10,410,501	12.90 %	\$ 86,813,054	125.53 %
Dry Lake Wind Project II, LLC	3,464,806	4.29		
Dry Lake Wind Project, LLC	2,867,256	3.55		
Snowflake Power LLC	2,345,281	2.91		
Naturesweet USA LLC	869,248	1.08		
Citizens Telecomm of White Mtns	825,446	1.02		
Unisource Energy Corporation	750,116	0.93		
Apache Railway Co.	472,442	0.59		
Snowflake Industrial Park, LLC	439,780	0.54		
Silcreek Ltd., LLC.	241,188	0.30		
Salt River Project (T&D)			581,930	0.84
Pacificorp Electric Operations			31,841,998	46.04
BNSF Railway Co.			1,281,518	1.85
Citicapital Commercial Leasing			417,330	0.60
Zachry Construction Co.			389,160	0.56
Heward Super Service			366,497	0.53
Waste Managemetn Inc.			350,230	0.51
Deere Credit Inc.			317,140	0.46
LKS Texas Real Estate			310,291	0.45
Total	<u>\$ 22,686,064</u>	<u>28.12 %</u>	<u>\$ 122,669,148</u>	<u>177.37 %</u>

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 3,872,705	\$ 3,664,321	94.62 %	\$	\$ 3,664,321	94.62 %
2014	4,644,596	4,604,669	99.14	28,741	4,633,410	99.76
2013	4,624,264	4,402,906	95.21	213,443	4,616,349	99.83
2012	4,047,760	3,857,886	95.31	185,055	4,042,941	99.88
2011	2,862,815	2,678,469	93.56	181,482	2,859,951	99.90
2010	4,078,148	3,818,101	93.62	257,513	4,075,614	99.94
2009	3,029,342	2,867,873	94.67	160,830	3,028,703	99.98
2008	2,914,082	2,757,300	94.62	156,705	2,914,005	100.00
2007	2,732,977	2,593,981	94.91	138,940	2,732,921	100.00
2006	2,732,366	2,571,746	94.12	160,584	2,732,330	100.00

**Source:** The source of this information is the Navajo County Treasurer's records.

**Notes:** 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2015	\$ 5,255,000	\$ 69,879	\$ 5,185,121	0.81 %	\$ 496	\$ 2,188,000	\$ 7,443,000	1.17 %	\$ 712	0.39 %
2014	5,995,000	18,180	5,976,820	0.81	490	2,344,000	8,339,000	1.13	684	0.29
2013	7,090,000	29,105	7,060,895	0.74	577	2,500,500	9,590,500	1.01	783	0.53
2012	7,575,000	106,977	7,468,023	0.75	657		7,575,000	0.76	666	0.47
2011	8,715,000	87,740	8,627,260	0.87	822		8,715,000	0.88	830	0.48
2010	9,160,000	138,534	9,021,466	1.01	820		9,160,000	1.02	833	0.57
2009	9,435,000	118,743	9,316,257	1.12	930		9,435,000	1.13	942	0.42
2008	5,775,000	47,958	5,727,042	0.77	620		5,775,000	0.77	626	0.27
2007	6,000,000	53,526	5,946,474	0.88	646		6,000,000	0.89	652	0.30
2006	6,200,000	66839.00	6,200,000	0.97	707		6,200,000	0.97	707	0.34

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

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2015**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable to School District</b>	<b>Estimated Amount Applicable to School District</b>
Direct:			
Snowflake Unified School District No. 5			7,443,000
Total Direct and Overlapping Governmental Activities Debt			\$ 7,443,000

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation		6.42 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	496
As a Percentage of Net Secondary Assessed Valuation		6.42 %
As a Percentage of Estimated Actual Value (Full Cash Value)		0.81 %

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

**Note:** Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

**Class B Bond Legal Debt Margin Calculation for Fiscal Year 2014:**

Secondary assessed valuation	\$ 80,714,763
Debt limit (20% of assessed value)	16,142,953
Debt applicable to limit	<u>5,255,000</u>
Legal debt margin	<u>\$ 10,887,953</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2014:**

Secondary assessed valuation	\$ 80,714,763
Debt limit (30% of assessed value)	24,214,429
Debt applicable to limit	<u>5,255,000</u>
Legal debt margin	<u>\$ 18,959,429</u>

**Fiscal Year Ended June 30**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 24,214,429	\$ 28,037,565	\$ 31,487,100	\$ 32,570,970	\$ 33,813,218
Total net debt applicable to limit	<u>5,255,000</u>	<u>5,995,000</u>	<u>7,090,000</u>	<u>7,575,000</u>	<u>8,715,000</u>
Legal debt margin	<u>\$ 18,959,429</u>	<u>\$ 22,042,565</u>	<u>\$ 24,397,100</u>	<u>\$ 24,995,970</u>	<u>\$ 25,098,218</u>
Total net debt applicable to the limit as a percentage of debt limit	22%	21%	23%	23%	26%
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 32,113,493	\$ 28,471,700	\$ 24,964,638	\$ 22,123,725	\$ 20,992,235
Total net debt applicable to limit	<u>9,160,000</u>	<u>9,435,000</u>	<u>5,775,000</u>	<u>6,000,000</u>	<u>6,200,000</u>
Legal debt margin	<u>\$ 22,953,493</u>	<u>\$ 19,036,700</u>	<u>\$ 19,189,638</u>	<u>\$ 16,123,725</u>	<u>\$ 14,792,235</u>
Total net debt applicable to the limit as a percentage of debt limit	29%	33%	23%	27%	30%

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

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2014	109,185	\$ 1,904,077	\$ 17,439	11.3 %	10,450
2013	107,322	2,869,655	26,739	13.1	12,200
2012	107,094	1,821,026	17,004	15.2	12,244
2011	107,398	1,602,700	14,923	13.9	11,371
2010	107,449	1,806,282	15,749	15.6	10,500
2009	112,975	1,600,610	14,551	15.4	11,000
2008	114,780	2,262,529	20,369	9.2	10,018
2007	113,796	2,128,949	19,505	6.4	9,232
2006	113,470	1,994,113	18,380	7.3	9,206
2005	109,985	1,841,241	16,421	8.5	8,770

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2005 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2013, the source of the information is the Arizona Office of Employment and Population Statistics.

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



**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
PRINCIPAL EMPLOYERS  
CURRENT FISCAL YEAR AND FISCAL YEAR EIGHT YEARS PRIOR**

<u>Employer</u>	<u>2015</u>		<u>2007</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Summit Regional Medical Center	1,200	4.33 %	540	1.83 %
Northland Pioneer College	650	2.35		
Navajo County	550	1.99	150	0.51
Wal-Mart	450	1.62	800	2.72
APS (Cholla Power Plant)	264	0.95	270	0.92
Snowflake Unified School District	234	0.84		
PPFJ	156	0.56		
Brimhall Sand and Rock	90	0.32		
Bashas	55	0.20		
Town of Snowflake	55	0.20		
Catalyst				
Peabody Energy			1,035	3.51
BNSF Railway			525	1.78
Abitibi			500	1.70
Indian Health Services			445	1.51
Hon-Dah Casino			400	1.36
Waste Management			140	0.48
Total	<u>3,704</u>	<u>13.36 %</u>	<u>4,805</u>	<u>16.32 %</u>
Total employment	<u>27,700</u>		<u>29,450</u>	

**Source:** The primary source of this information is Navajo County

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST TEN FISCAL YEARS**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	1	1	1	1	1
Principals	6	6	6	6	6
Assistant principals	2	3	3	3	3
Total supervisory	<u>9</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
<b>Instruction</b>					
Teachers	118	119	115	113	119
Other professionals (instructional)	30	36	38	41	39
Total instruction	<u>148</u>	<u>155</u>	<u>153</u>	<u>154</u>	<u>158</u>
<b>Student Services</b>					
Librarians			1	2	2
Technicians	5	5	5	4	4
Other professionals (student service)	13	13	13	14	13
Total student services	<u>18</u>	<u>18</u>	<u>19</u>	<u>20</u>	<u>19</u>
<b>Support and Administration</b>					
Other classified	59	49	51	48	47
Total support and administration	<u>59</u>	<u>49</u>	<u>51</u>	<u>48</u>	<u>47</u>
<b>Total</b>	<u><u>234</u></u>	<u><u>232</u></u>	<u><u>233</u></u>	<u><u>232</u></u>	<u><u>234</u></u>

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	1	1	1	1	1
Principals	6	6	6	6	6
Assistant principals	3	3	3	3	3
Total supervisory	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>	<u>10</u>
<b>Instruction</b>					
Teachers	122	124	133	133	136
Other professionals (instructional)	35	51	54	56	56
Total instruction	<u>157</u>	<u>175</u>	<u>187</u>	<u>189</u>	<u>192</u>
<b>Student Services</b>					
Librarians	3	3	3	3	3
Technicians	2	3	3	3	4
Other professionals (student service)	17	11	16	7	6
Total student services	<u>22</u>	<u>17</u>	<u>22</u>	<u>13</u>	<u>13</u>
<b>Support and Administration</b>					
Other classified	47	61	54	84	82
Total support and administration	<u>47</u>	<u>61</u>	<u>54</u>	<u>84</u>	<u>82</u>
<b>Total</b>	<u><u>236</u></u>	<u><u>263</u></u>	<u><u>273</u></u>	<u><u>296</u></u>	<u><u>297</u></u>

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2015	2,260	\$ 15,552,942	\$ 6,882	5.52 %	\$ 18,217,999	\$ 8,061	7.79 %	148	15.3	47.2 %
2014	2,345	15,294,320	6,522	1.68	17,537,476	7,479	2.10	155	15.1	50.3
2013	2,417	15,503,630	6,414	0.89	17,703,909	7,325	1.01	153	15.8	50.4
2012	2,436	15,488,156	6,358	(1.26)	17,665,532	7,252	3.21	154	15.8	49.2
2011	2,494	16,058,792	6,439	1.26	17,523,534	7,026	(1.92)	158	15.8	49.6
2010	2,494	15,858,875	6,359	(9.37)	17,867,298	7,164	(7.78)	157	15.9	51.3
2009	2,471	17,337,161	7,016	5.29	19,196,526	7,769	3.02	175	14.1	46.2
2008	2,487	16,572,784	6,664	3.12	18,755,332	7,541	2.87	187	13.3	44.0
2007	2,425	15,671,142	6,462	6.09	17,776,830	7,331	5.90	189	12.8	46.0
2006	2,413	14,698,615	6,091	(10.33)	16,703,710	6,922	(13.22)	192	12.6	51.0

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

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

**SNOWFLAKE UNIFIED SCHOOL DISTRICT NO. 5  
CAPITAL ASSETS INFORMATION  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year Ended June 30</b>									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b><u>Schools</u></b>										
<b>Elementary</b>										
Buildings	19	19	19	19	19	15	15	15	15	15
Square feet	166,395	166,395	166,395	166,395	166,395	152,917	152,917	152,917	152,917	152,917
Enrollment	1,163	1,500	1,500	1,500	1,500	1,505	1,446	1,446	1,446	1,429
<b>Middle</b>										
Buildings	8	8	8	8	8	7	7	7	7	7
Square feet	51,723	51,723	51,723	51,723	51,723	34,068	34,068	34,068	34,068	34,068
Enrollment	584	402	402	402	402	382	387	387	387	389
<b>High</b>										
Buildings	15	15	15	15	15	15	15	15	15	14
Square feet	181,434	181,434	181,434	181,434	181,434	184,434	181,434	181,434	181,434	140,991
Enrollment	655	721	721	721	721	696	676	676	676	722
<b>Other</b>										
Buildings	4	4	4	4	4	3	3	3	3	3
Square feet	10,266	10,266	10,266	10,266	10,266	9,116	9,116	9,116	9,116	9,116
<b><u>Administrative</u></b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	15,515	15,515	15,515	15,515	15,515	15,515	15,515	15,515	15,515	15,515
<b><u>Transportation</u></b>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	5	5	4	1	1	1	1	1	1	
<b><u>Athletics</u></b>										
Football fields	2	2	2	2	2	2	2	2	2	2
Running tracks	2	2	2	2	2	3	3	3	3	3
Baseball/softball	4	4	4	4	4	4	4	4	4	4
Playgrounds	4	4	4	4	4	4	4	4	4	4

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