
BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32

LAKESIDE, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Issued by:
Business and Finance Department

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32

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INTRODUCTORY SECTION

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Blue Ridge Unified School District #32
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Dr. Michael L Wright
Superintendent

Brenda Thomas-Martinez
Director of Finance and Business Operations

February 21, 2018

Citizens and Governing Board
Blue Ridge Unified School District No. 32
1200 W. White Mountain Blvd.
Lakeside, AZ 85929

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 Blue Ridge Unified School District No. 32 (District) for the fiscal year ended June 30, 2017.

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, 2017, 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, 2017, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The Blue Ridge District is located in the community of Lakeside-Pinetop, part of the scenic White Mountains, an area well-known for its outdoor activities, including hiking, hunting, fishing and skiing. There are approximately 5,000 year-round residents. The local community's economy is hospitality-based, relying most on tourism, especially during the summer and winter seasons. The population of the area swell in the summer months to over 35,000 to 40,000 people.

Blue Ridge Unified School District No. 32 was established in 1963 and is one of 22 public school districts located in Navajo County, Arizona. Our three schools provide public education programs for approximately 2,084 students grades K-12 (475 of which are from the communities of Concho, McNary and Whiteriver). Blue Ridge Elementary supports approximately 1,000 students, grades K-6. The junior high and high schools serve 375 and 775 students, respectively. Projected enrollment for 2017-18 is 2,089 students.

Students in grades 7-12 enjoy a wide range of curricular, co-curricular and extracurricular activities. Blue Ridge High School also provides opportunities for its students to participate in Career and Technology Education, CTE programs both onsite and through our association with Northern Arizona Vocational Institute of Technology (NAVIT). Northern Pioneer College provides concurrent enrollment opportunity for our high school students, enabling them to receive college credit while attending high school. Our academic, fine arts and athletic programs have longstanding traditions of excellence and high achievement.

A few large retailers such as Walmart, Summit Health Care, Home Depot and Lowes combined employ several hundred full-time employees. The Blue Ridge Unified School District employs about 250 people, making it one of the largest employers in the immediate area.

Property valuations have begun to improve over the last 24 months. However, while the real estate locally has experienced an increase in value, the construction industry has not approached pre-recession levels, nor is it expected to do so. Most new construction is targeted to second home owners and retirees. There are no immediate plans for building large-scale single-family home projects. The District does not anticipate experiencing any significant growth over the next several years. However, it has consolidated its facilities to position itself in the event it experiences either rapid growth or declining enrollment. The average age of school buildings is 38 years old.

Arizona public school districts are supported on a current year funding basis which has further complicated school funding. Student enrollment drives district financial resources based on average daily membership (ADM), or student count. This reality makes long-term financial planning difficult for school districts statewide. The ability to maintain the current level of educational and extracurricular programs will be based largely on the District's ability to successfully pass future override initiatives. The current level of educational and extracurricular programing cannot be maintained past 2019 without additional override or state-funded support.

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 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 governance 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 body 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 with a separately elected governing body, is legally distinct, 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. Furthermore, component units combined with the District for financial statement purposes and the District are not included in any other governmental entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, and extracurricular functions including music and athletic programs.

Blue Ridge Schools passed an override election November 2014 providing an increase of 15 percent to its budget capacity. If another override is not approved by November 2019, the District's maintenance and operations budget will be reduced by five percent annual until the override's expiration in 2022.

The District has outstanding bond obligations in the amount of \$29.2 million against a total bonding capacity of \$48.5 million. It is important to note that Proposition 301 monies expire in 2021. In the event these dollars are replaced, this action would have a significantly negative impact on the district's operations.

Capital funding for all public school districts remains woefully short of meeting operational needs. While a lawsuit has been filed against the state, no significant changes in capital funding is anticipated anytime in the near future.

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. The single most influential driver of our local economy is tourism. The town of Pinetop-Lakeside serves as a destination location for summer, fall and winter tourists. Hiking, fishing, hunting, and skiing draw considerable numbers of tourists each year. Wildfires and dry winter months present significant financial risks to the local economy.

Local business consists mostly of retail, restaurant, and lodging operations. Summit Health Care is the anchor for the community's medical facilities. The region has suffered a reduction in high paying jobs at three power plants operated by Tucson Electric, Arizona Public Service and the Salt River Project over the last several years. Each of these organizations is slowly scaling back their respective business operations locally in the coming years.

The District's growth in its free and reduced lunch programs demonstrates an increase in residents living at or below the poverty level. Since the recession of 2008, unemployment in the broader region has remained higher than statewide levels. The surrounding communities generally have lower property values, driving a lower cost of living, which seems to attract young families to neighboring communities.

Long-term Financial Planning.

Funding for Arizona public schools is driven by average daily membership (ADM), or student count. Recently, the Arizona Legislature changed the way in which school districts receive funding. Until just recently, funding was based upon prior year's student population. This approach enabled school districts to estimate their financial resources for future planning. The new funding mechanism, (current year) forces districts to adjust their staffing and programming immediately to achieve operational alignment with allocated resources (as determined by current student populations). Strategic planning is made difficult in the absence of certainty of financial resources. Therefore, schools are forced to take a more reactive approach within their planning and operations.

In March 2015, the Governing School Board authorized its superintendent to implement a District-wide strategic plan which, among other things, called for an evaluation of the District's people, programs and future budget recommendations. As a result, by the end of the 2015 school year, several changes were made impacting both personnel and programs.

By the beginning of the 2016-17 school year, the District had consolidated a number of administrative positions, reducing its administrative costs by \$463,000 dollars. Additional operational changes were made to increase efficiency while reducing costs.

In the spring 2016, the superintendent formed a committee represented by all key educational stakeholders to evaluate the condition of the District's existing facilities and educational supports. Discovered by the Committee was the impact of years of deferred maintenance resulting from deep and lasting cuts to the District's capital funding. Subsequently, many of the District's facilities and assets were found in a state of disrepair. After a series of community hearings and committee meetings, the Board approved a \$15 million bond election. The bond was approved during the November 2016 presidential election, followed by a successful bond sale in December of that same year. Since that time, over \$10 million has been invested in busses, computers, facilities and buildings. The bond dollars also funded the consolidation of the elementary and middle schools, and the relocation of the junior high. In addition, the District strategically relocated students to our newest, most energy efficient campus, while restoring and reopening a school closed for seven years. The consolidation also repurposed our oldest, least efficient school building by leasing a good portion of it to a local church. The remaining portion services our pre-K programs.

The District will implement its Education Master Plan prior to the start of the 2018-19 school year. This plan considers immediate and future operational and educational needs District-wide from 2018-21. The financial resources required to support identified needs will be incorporated within the plan. In addition, future planning will include the operational adjustments required to respond to both student growth and declining enrollment.

AWARDS AND ACKNOWLEDGMENT

Awards. The Association of School Business Officials International (ASBO) has a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association (GFOA) has a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report.

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, 2017 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,

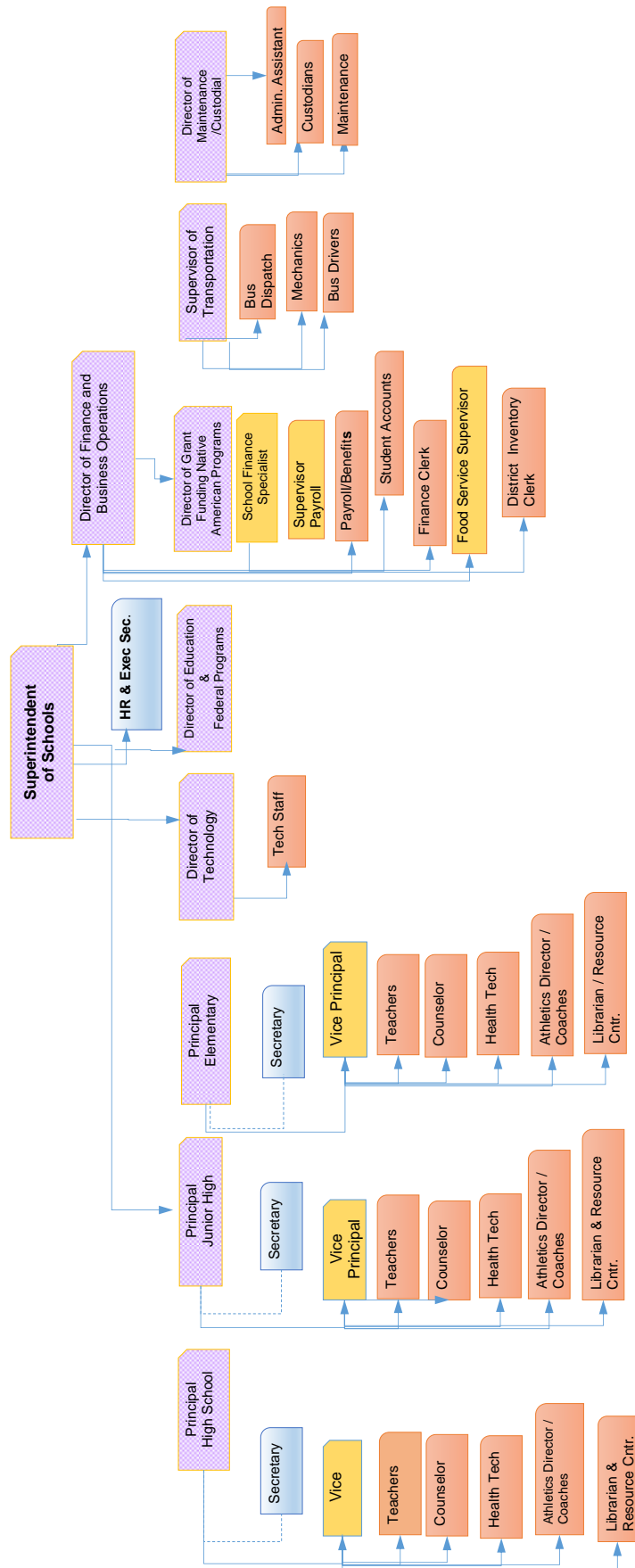
A handwritten signature in blue ink, appearing to read "Michael Wright E.D.D.", with a stylized, cursive script.

Michael L. Wright
Superintendent of Schools

A handwritten signature in blue ink, appearing to read "Brenda Thomas-Martinez", with a stylized, cursive script.

Brenda Thomas-Martinez
Director of Finance and Business Operations

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BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

David Merrill, Board President

Diana Butler, Board Vice President

Margaret Gabe, Board Member

Jennifer Brimhall, Board Member

Chuck Waldo, Board Member

ADMINISTRATIVE STAFF

Michael L. Wright, Superintendent of Schools

Brenda Thomas-Martinez, Director of Finance and Business Operations

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Blue Ridge Unified School District No. 32

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 Blue Ridge Unified School District No. 32 (District), as of and for the year ended June 30, 2017, 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 Blue Ridge Unified School District No. 32, as of June 30, 2017, 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.

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 February 21, 2018, on our consideration of Blue Ridge Unified School District No. 32'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 Blue Ridge Unified School District No. 32's internal control over financial reporting and compliance.

Heinfeld, Meech & Co., P.C.

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
February 21, 2018

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

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BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

As management of the Blue Ridge Unified School District No. 32 (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, 2017. 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 \$707,419, which represents a five percent decrease from the prior fiscal year as a result of the issuance of \$13.9 million in school improvement bonds and the increase in pension liabilities of \$1.3 million.
- General revenues accounted for \$16.7 million in revenue, or 83 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$3.4 million, or 17 percent of total current fiscal year revenues.
- The District had approximately \$20.8 million in expenses related to governmental activities, an increase of 16 percent from the prior fiscal year, primarily as a result of an increase in average daily membership.
- Among major funds, the General Fund had \$14.7 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$13.9 million in expenditures. The General Fund's fund balance increase from \$701,062 at the prior fiscal year end to \$1.3 million at the end of the current fiscal year was primarily due to an increase in property tax revenues as a result of increases to the District's tax rates.

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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

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, Special Education Grants, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining 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, the fiduciary funds do not have a measurement focus.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$14.2 million at the current fiscal year end.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of June 30, 2017	As of June 30, 2016
Current and other assets	\$ 16,677,053	\$ 3,407,512
Capital assets, net	51,580,696	47,440,780
Total assets	<u>68,257,749</u>	<u>50,848,292</u>
Deferred outflows	<u>3,823,795</u>	<u>1,930,570</u>
Current and other liabilities	5,976,210	984,717
Long-term liabilities	49,162,973	34,645,014
Total liabilities	<u>55,139,183</u>	<u>35,629,731</u>
Deferred inflows	<u>2,780,480</u>	<u>2,395,164</u>
Net position:		
Net investment in capital assets	26,346,316	27,112,611
Restricted	1,402,955	1,990,725
Unrestricted	(13,587,390)	(14,349,369)
Total net position	<u>\$ 14,161,881</u>	<u>\$ 14,753,967</u>

At the end of 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 \$15.6 million. The deficit is due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

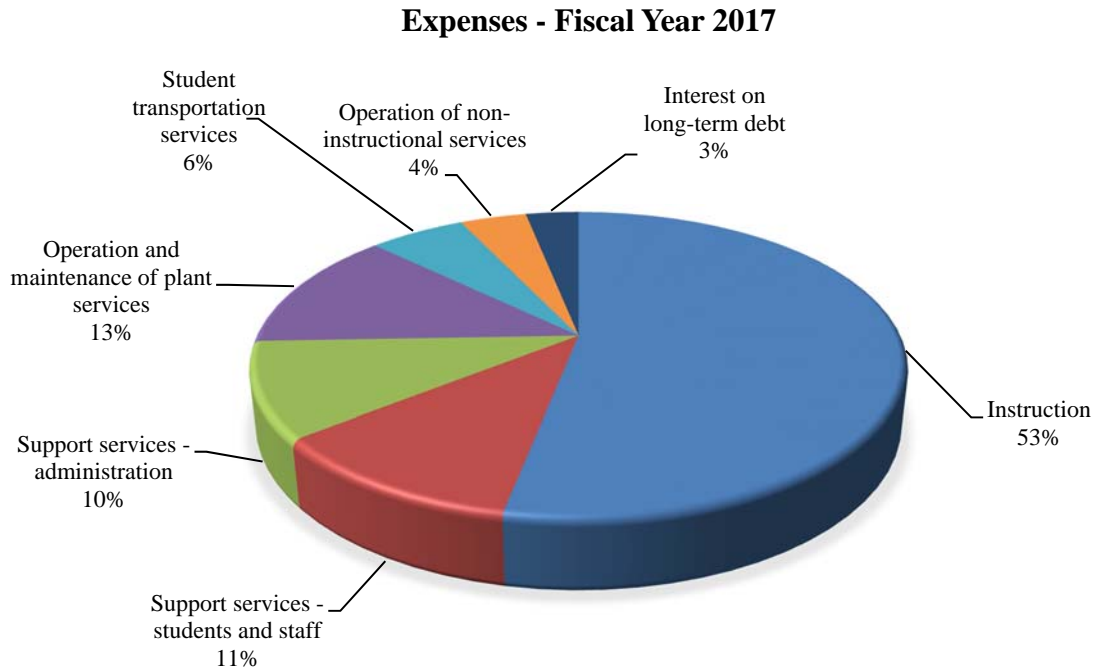
- The issuance of \$13.9 million in school improvement bonds.
- The net increase of accumulated depreciation of \$2.0 million through depreciation expense.
- The principal retirement of \$1.6 million of bonds.

Changes in net position. The District's total revenues for the current fiscal year were \$20.1 million. The total cost of all programs and services was \$20.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016
Revenues:		
Program revenues:		
Charges for services	\$ 1,349,787	\$ 1,291,943
Operating grants and contributions	1,669,646	1,819,598
Capital grants and contributions	364,919	346,428
General revenues:		
Property taxes	11,647,544	10,970,063
Investment income	17,067	8,689
Unrestricted county aid	92,433	102,007
Unrestricted state aid	4,291,643	3,636,319
Unrestricted federal aid	625,022	502,684
Total revenues	<u>20,058,061</u>	<u>18,677,731</u>
Expenses:		
Instruction	11,023,676	9,593,252
Support services – students and staff	2,323,791	1,665,892
Support services – administration	2,106,545	1,664,806
Operation and maintenance of plant services	2,657,052	2,502,888
Student transportation services	1,184,515	1,224,833
Operation of non-instructional services	819,480	740,954
Interest on long-term debt	650,421	556,344
Total expenses	<u>20,765,480</u>	<u>17,948,969</u>
Changes in net position	(707,419)	728,762
Net position, beginning	14,753,967	14,025,205
Net effect of prior period adjustments	115,333	
Net position, beginning restated	14,869,300	
Net position, ending	<u>\$ 14,161,881</u>	<u>\$ 14,753,967</u>

**BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- Instruction expenses increased \$1.4 million, primarily as a result of an increase in average daily membership.
- Property tax revenues increased \$677,481 due to increases to the District's property tax rate.

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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2017		Year Ended June 30, 2016	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 11,023,676	\$ (9,295,310)	\$ 9,593,252	\$ (7,371,962)
Support services – students and staff	2,323,791	(2,009,153)	1,665,892	(1,438,454)
Support services – administration	2,106,545	(2,039,820)	1,664,806	(1,560,466)
Operation and maintenance of plant services	2,657,052	(2,143,892)	2,502,888	(2,330,068)
Student transportation services	1,184,515	(1,184,515)	1,224,833	(1,224,833)
Operation of non-instructional services	819,480	(58,017)	740,954	(8,873)
Interest on long-term debt	650,421	(650,421)	556,344	(556,344)
Total	<u>\$ 20,765,480</u>	<u>\$ (17,381,128)</u>	<u>\$ 17,948,969</u>	<u>\$(\$14,491,000)</u>

- The cost of all governmental activities this year was \$20.8 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$3.4 million.
- Net cost of governmental activities of \$17.4 million was financed by general revenues, which are made up of primarily property taxes of \$11.6 million and state and county aid of \$4.4 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$9.9 million, an increase of \$7.8 million, primarily due to the issuance of school improvement bonds.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 13 percent of the total fund balance. Approximately \$1.2 million, or 96 percent, of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$579,898 to \$1.3 million as of fiscal year end was primarily a result of an increase in property tax revenues as a result of increased tax rates. General Fund revenues increased \$2.8 million as a result of the increase in property taxes while expenditures increased \$1.0 million as a result of the increase in average daily membership.

The Bond Building Fund's fund balance increased \$8.3 million to \$8.3 million, primarily due to the issuance of \$13.9 million in school improvement bonds.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in student enrollment counts and estimated costs of purchased services and supplies. The difference between the original budget and the final amended budget was a \$286,257 decrease, or two percent.

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

- The favorable variance of \$292,924 in instruction expenditures was a result of lower than anticipated costs of instructional salaries and employee benefits.
- The unfavorable variance of \$90,385 in support services - administration expenditures was a result of higher than anticipated costs of administrative salaries and employee benefits.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$89.2 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$6.0 million from the prior fiscal year, primarily due to land and building improvements and the purchase of vehicles, furniture, and equipment. Total depreciation expense for the current fiscal year was \$2.0 million.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2017 and June 30, 2016.

	As of <u>June 30, 2017</u>	As of <u>June 30, 2016</u>
Capital assets – non-depreciable	\$ 4,292,524	\$ 909,690
Capital assets – depreciable, net	47,288,172	46,531,090
Total	<u>\$ 51,580,696</u>	<u>\$ 47,440,780</u>

The estimated cost to complete current construction projects is \$2.4 million.

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

Debt Administration. At year end, the District had \$34.1 million in long-term debt outstanding, \$2.8 million due within one year.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$72.8 million and the Class B debt limit is \$48.5 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 9 through 11.

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 2017-18 budget. Among them:

- District student population (estimated 2,097).
- Employee salaries (estimated \$8.0 million).
- Fiscal year 2016-17 budget balance carry forward (estimated \$200,000).

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

**BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2017**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Budgeted expenditures in the General Fund increased three percent to \$13.3 million in fiscal year 2017-18. An increase in estimated student enrollment is the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2017-18 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Blue Ridge Unified School District No. 32, 1200 West White Mountain Boulevard, Lakeside, Arizona, 85929.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 13,548,483
Property taxes receivable	397,919
Accounts receivable	86,440
Due from governmental entities	2,612,106
Inventory	32,105
Total current assets	<u>16,677,053</u>
Noncurrent assets:	
Capital assets not being depreciated	4,292,524
Capital assets, net of accumulated depreciation	47,288,172
Total noncurrent assets	<u>51,580,696</u>
Total assets	<u>68,257,749</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	611,950
Pension plan items	3,211,845
Total deferred outflows of resources	<u>3,823,795</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	190,865
Construction contracts payable	4,015,690
Due to governmental entities	1,564,100
Accrued payroll and employee benefits	196,530
Compensated absences payable	40,000
Unearned revenues	9,025
Obligations under capital leases	426,105
Bonds payable	2,385,000
Total current liabilities	<u>8,827,315</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	46,311,868
Total noncurrent liabilities	<u>46,311,868</u>
Total liabilities	<u>55,139,183</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Unavailable revenues - intergovernmental	409,785
Pension plan items	2,370,695
Total deferred inflows of resources	<u>2,780,480</u>
<u>NET POSITION</u>	
Net investment in capital assets	26,346,316
Restricted for:	
Voter approved initiatives	88,435
Community school	49,661
Extracurricular activities	181,253
Joint technical education	249,380
Other local initiatives	4,254
Debt service	219,688
Capital outlay	610,284
Unrestricted	(13,587,390)
Total net position	<u>\$ 14,161,881</u>

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 11,023,676	\$ 1,025,722	\$ 506,625	\$ 196,019	\$ (9,295,310)
Support services - students and staff	2,323,791		314,638		(2,009,153)
Support services - administration	2,106,545		66,725		(2,039,820)
Operation and maintenance of plant services	2,657,052	130,407	213,853	168,900	(2,143,892)
Student transportation services	1,184,515				(1,184,515)
Operation of non-instructional services	819,480	193,658	567,805		(58,017)
Interest on long-term debt	650,421				(650,421)
Total governmental activities	<u>\$ 20,765,480</u>	<u>\$ 1,349,787</u>	<u>\$ 1,669,646</u>	<u>\$ 364,919</u>	<u>(17,381,128)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	10,014,027
Property taxes, levied for debt service	1,096,279
Property taxes, levied for capital outlay	537,238
Investment income	17,067
Unrestricted county aid	92,433
Unrestricted state aid	4,291,643
Unrestricted federal aid	625,022
Total general revenues	<u>16,673,709</u>

Changes in net position (707,419)

Net position, beginning of year, as restated 14,869,300

Net position, end of year \$ 14,161,881

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

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FUND FINANCIAL STATEMENTS

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>General</u>	<u>Special Education Grants</u>	<u>Bond Building</u>
<u>ASSETS</u>			
Cash and investments	\$ 232,583	\$	\$ 12,159,428
Property taxes receivable	323,932		
Accounts receivable			
Due from governmental entities	1,235,993	409,785	
Inventory			
Total assets	<u><u>\$ 1,792,508</u></u>	<u><u>\$ 409,785</u></u>	<u><u>\$ 12,159,428</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 156,566	\$	\$
Construction contracts payable			3,878,544
Due to governmental entities		409,785	
Accrued payroll and employee benefits	152,428		
Unearned revenues			
Total liabilities	<u><u>308,994</u></u>	<u><u>409,785</u></u>	<u><u>3,878,544</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	202,554		
Unavailable revenues - intergovernmental		409,785	
Total deferred inflows of resources	<u><u>202,554</u></u>	<u><u>409,785</u></u>	
Fund balances (deficits):			
Nonspendable			
Restricted	45,178		8,280,884
Unassigned	1,235,782	(409,785)	
Total fund balances	<u><u>1,280,960</u></u>	<u><u>(409,785)</u></u>	<u><u>8,280,884</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,792,508</u></u>	<u><u>\$ 409,785</u></u>	<u><u>\$ 12,159,428</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,156,472	\$ 13,548,483
73,987	397,919
86,440	86,440
966,328	2,612,106
32,105	32,105
<u>\$ 2,315,332</u>	<u>\$ 16,677,053</u>

\$ 34,299	\$ 190,865
137,146	4,015,690
1,154,315	1,564,100
44,102	196,530
9,025	9,025
<u>1,378,887</u>	<u>5,976,210</u>

51,710	254,264
<u>131,050</u>	<u>540,835</u>
<u>182,760</u>	<u>795,099</u>

32,105	32,105
1,306,067	9,632,129
(584,487)	241,510
<u>753,685</u>	<u>9,905,744</u>

<u>\$ 2,315,332</u>	<u>\$ 16,677,053</u>
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BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total governmental fund balances	\$	9,905,744
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 89,243,567	
Less accumulated depreciation	<u>(37,662,871)</u>	51,580,696

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

Property taxes	254,264	
Intergovernmental	<u>131,050</u>	385,314

Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		611,950
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	3,211,845	
Deferred inflows of resources related to pensions	<u>(2,370,695)</u>	841,150

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(413,623)	
Obligations under capital leases	(2,912,238)	
Net pension liability	(14,622,136)	
Bonds payable	<u>(31,214,976)</u>	<u>(49,162,973)</u>

Net position of governmental activities	\$	<u>14,161,881</u>
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The notes to the basic financial statements are an integral part of this statement.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2017

	General	Special Education Grants	Bond Building
Revenues:			
Other local	\$ 646,604	\$	\$ 8,567
Property taxes	10,017,903		
State aid and grants	3,267,655		
Federal aid, grants and reimbursements	743,860	19,895	
Total revenues	<u>14,676,022</u>	<u>19,895</u>	<u>8,567</u>
Expenditures:			
Current -			
Instruction	6,677,036	211,988	
Support services - students and staff	1,694,290	185,997	
Support services - administration	1,886,782	2,294	
Operation and maintenance of plant services	2,260,790		
Student transportation services	909,086		
Operation of non-instructional services	33,246		
Capital outlay	369,980	2,669	6,691,536
Debt service -			
Principal retirement	113,042		
Interest and fiscal charges	4,463		
Bond issuance costs			237,563
Total expenditures	<u>13,948,715</u>	<u>402,948</u>	<u>6,929,099</u>
Excess (deficiency) of revenues over expenditures	<u>727,307</u>	<u>(383,053)</u>	<u>(6,920,532)</u>
Other financing sources (uses):			
Transfers in	63,808		
Transfers out	(258,849)	(26,732)	(3,560)
Issuance of school improvement bonds			13,920,000
Premium on sale of bonds			1,284,976
Insurance recoveries	47,632		
Total other financing sources (uses):	<u>(147,409)</u>	<u>(26,732)</u>	<u>15,201,416</u>
Changes in fund balances	<u>579,898</u>	<u>(409,785)</u>	<u>8,280,884</u>
Fund balances, beginning of year, as restated	701,062		
Increase (decrease) in reserve for inventory			
Fund balances, end of year	<u>\$ 1,280,960</u>	<u>\$ (409,785)</u>	<u>\$ 8,280,884</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 909,037	\$ 1,564,208
1,628,436	11,646,339
1,311,276	4,578,931
1,360,976	2,124,731
<u>5,209,725</u>	<u>19,914,209</u>
1,722,731	8,611,755
296,116	2,176,403
97,190	1,986,266
	2,260,790
5,337	914,423
748,181	781,427
700,371	7,764,556
1,981,333	2,094,375
569,464	573,927
	237,563
<u>6,120,723</u>	<u>27,401,485</u>
<u>(910,998)</u>	<u>(7,487,276)</u>
262,409	326,217
(37,076)	(326,217)
	13,920,000
	1,284,976
	47,632
<u>225,333</u>	<u>15,252,608</u>
<u>(685,665)</u>	<u>7,765,332</u>
1,432,639	2,133,701
6,711	6,711
<u>\$ 753,685</u>	<u>\$ 9,905,744</u>

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

Changes in fund balances - total governmental funds **\$ 7,765,332**

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	\$ 6,016,169	
Less current year depreciation	<u>(1,991,586)</u>	4,024,583

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.	(15,204,976)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	1,205	
Intergovernmental	<u>95,015</u>	96,220

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	534,375	
Bond principal retirement	<u>1,560,000</u>	2,094,375

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	975,091	
Pension expense	<u>(267,470)</u>	707,621

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

Inventory	6,711	
Amortization of deferred bond items	(76,494)	
Compensated absences	<u>(120,791)</u>	<u>(190,574)</u>

Changes in net position in governmental activities **\$ (707,419)**

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 182,909
Total assets	<u>\$ 182,909</u>
<u>LIABILITIES</u>	
Due to student groups	\$ 182,909
Total liabilities	<u>\$ 182,909</u>

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Blue Ridge Unified School District No. 32 (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.

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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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, 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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Special Education Grants Fund – The Special Education Grants Fund accounts for supplemental financial assistance received to provide a free, appropriate public education to disabled children.

Bond Building Fund – The Bond Building Fund accounts for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

Additionally, the District reports the following fund type:

Fiduciary Fund – The Fiduciary Fund is an Agency Fund which accounts for resources held by the District on behalf of others. This fund type includes the Student Activities Fund, which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent.

The agency fund is custodial in nature and does not have a measurement focus and is reported on accrual basis of accounting. The agency fund is 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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Property Tax Calendar

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

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

H. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

I. Prepaid Items

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

J. Capital Assets

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Land improvements	15 – 25 years
Buildings and improvements	10 – 75 years
Vehicles, furniture and equipment	5 – 20 years

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Pensions

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

N. Long-term Obligations

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

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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	Special Education Grants Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$	\$	\$	\$ 32,105
Restricted:				
Debt service				179,596
Capital projects	45,178			553,488
Voter approved initiatives				88,435
Bond building projects			8,280,884	
Community school				49,661
Extracurricular activities				181,253
Joint technical education				249,380
Other purposes				4,254
Unassigned	1,235,782	(409,785)		(584,487)
Total fund balances	<u>\$1,280,960</u>	<u>\$ (409,785)</u>	<u>\$ 8,280,884</u>	<u>\$ 753,685</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Funds:	
Special Education Grants	\$ (409,785)
Non-Major Governmental Funds:	
Other Federal Projects	(85,223)
Food Service	(237,055)
Civic Center	(89,355)
Building Renewal Grant	(133,164)
New School Facilities	(39,690)

The deficits arose because of operations during both the current and prior fiscal years. Additional revenues received in future fiscal years are expected to eliminate the deficits.

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

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 \$470,379 and the bank balance was \$695,579. At year end, \$445,579 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name.

Fair Value Measurements. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

Valuation Techniques. Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

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

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. At year end, the District's investments consisted of the following:

Investment Type	Category	Fair Value	Investment Maturities (in Years)
			Less than 1 year
Certificates of Deposit	Level 1	\$ 46,026	\$ 46,026
			<u>\$ 46,026</u>
Arizona School Risk Retention Trust investment pool	Not applicable	16,947	2.75 years average maturities
County Treasurer's investment pool	Not applicable	13,198,040	1.29 years average maturities
Total		<u>\$13,261,013</u>	

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 – CASH AND INVESTMENTS

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. All investments held in the Arizona School Risk Retention Trust investment pool were rated between A and A++ by Standard and Poor's at year end.

Custodial Credit Risk – Investments. The District's investments in the County Treasurer's investment pool and the Arizona School Risk Retention Trust investment pool represent 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	Special Education Grants Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 36,744	\$ 409,785	\$ 519,222
Due from state government	1,199,249		329,422
Due from other districts			117,684
Net due from governmental entities	<u>\$1,235,993</u>	<u>\$ 409,785</u>	<u>\$ 966,328</u>

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance (as restated)	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 988,427	\$ 13,811	\$	\$ 1,002,238
Construction in progress		3,290,286		3,290,286
Total capital assets, not being depreciated	988,427	3,304,097		4,292,524
Capital assets, being depreciated:				
Land improvements	3,009,398	15,203		3,024,601
Buildings and improvements	73,746,154	602,682		74,348,836
Vehicles, furniture and equipment	5,483,419	2,094,187		7,577,606
Total capital assets being depreciated	82,238,971	2,712,072		84,951,043
Less accumulated depreciation for:				
Land improvements	(1,951,576)	(104,808)		(2,056,384)
Buildings and improvements	(29,404,589)	(1,677,146)		(31,081,735)
Vehicles, furniture and equipment	(4,315,120)	(209,632)		(4,524,752)
Total accumulated depreciation	(35,671,285)	(1,991,586)		(37,662,871)
Total capital assets, being depreciated, net	46,567,686	720,486		47,288,172
Governmental activities capital assets, net	<u>\$ 47,556,113</u>	<u>\$ 4,024,583</u>	<u>\$</u>	<u>\$ 51,580,696</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,485,392
Support services – administration	3,192
Operation and maintenance of plant services	347,256
Student transportation services	144,812
Operation of non-instructional services	10,934
Total depreciation expense – governmental activities	<u>\$ 1,991,586</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of various building renovations. At year end the District had spent \$3.3 million on the projects and had estimated remaining contractual commitments of \$2.4 million. These projects are being funded with bond proceeds.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7 – DUE TO COUNTY TREASURER

At year end, several funds had a negative cash balance in the Treasurer's pooled cash accounts, resulting in a payable due to the County Treasurer in the amount of \$1,564,100. Fiscal year 2017-18 revenues will be used to eliminate the payable.

	Special Education Grants Fund	Non-Major Governmental Funds	Total
Due to County Treasurer	\$ 409,785	\$ 1,154,315	\$ 1,564,100

NOTE 8 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. Short-term debt activity for the current fiscal year was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$	\$ 4,947,000	\$ 4,947,000	\$

NOTE 9 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired buses, technology infrastructure, and energy savings retrofits under the provisions of long-term lease agreements classified as capital leases. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund and the Energy Water Savings Fund, both non-major governmental funds, and the General Fund are used to pay the capital lease obligations. Revenues from the General Fund are transferred to the Energy and Water Savings Fund to pay the capital lease obligations when due. Amortization of assets recorded under capital leases is included with depreciation expense.

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

	Governmental Activities
Asset:	
Building improvements	\$ 2,405,147
Vehicles, furniture and equipment	835,478
Less: Accumulated depreciation	477,519
Total	\$ 2,763,106

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9 – OBLIGATIONS UNDER CAPITAL LEASES

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

Year Ending June 30:	Governmental Activities
2018	\$ 517,839
2019	271,682
2020	277,125
2021	282,697
2022	231,659
2023-27	1,248,712
2028-30	683,871
Total minimum lease payments	<u>3,513,585</u>
Less: amount representing interest	<u>601,347</u>
Present value of minimum lease payments	<u><u>2,912,238</u></u>
Due within one year	<u><u>\$ 426,105</u></u>

NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE

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

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2017	Due Within One Year
Governmental activities:					
School Improvement Bonds, Series A (2007) (Class B)	\$ 5,000,000	4.25%	7/1/2018-19	\$ 350,000	\$ 170,000
Refunding Bonds, Series 2015	15,660,000	2.50%	7/1/2018-25	15,660,000	1,280,000
School Improvement Bonds, Series 2017	13,920,000	5.00%	7/1/2018-36	<u>13,920,000</u>	<u>935,000</u>
Total				<u><u>\$ 29,930,000</u></u>	<u><u>\$2,385,000</u></u>

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2018	\$ 2,385,000	\$ 1,080,173
2019	2,615,000	901,900
2020	2,710,000	830,000
2021	2,790,000	758,625
2022	2,870,000	685,050
2023-27	9,660,000	2,439,005
2028-32	4,505,000	956,630
2033-36	2,395,000	224,078
Total	<u>\$ 29,930,000</u>	<u>\$ 7,875,461</u>

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 17,570,000	\$ 13,920,000	\$ 1,560,000	\$ 29,930,000	\$ 2,385,000
Premium		1,284,976		1,284,976	
Total bonds payable	<u>17,570,000</u>	<u>15,204,976</u>	<u>1,560,000</u>	<u>31,214,976</u>	<u>2,385,000</u>
Obligations under capital leases	3,446,613		534,375	2,912,238	426,105
Net pension liability	13,335,569	1,286,567		14,622,136	
Compensated absences payable	<u>292,832</u>	<u>203,960</u>	<u>83,169</u>	<u>413,623</u>	<u>40,000</u>
Governmental activity long-term liabilities	<u>\$ 34,645,014</u>	<u>\$ 16,695,503</u>	<u>\$ 2,177,544</u>	<u>\$ 49,162,973</u>	<u>\$ 2,851,105</u>

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Interfund transfers:

		Transfers in Non-Major Governmental	
Transfers out	General Fund	Funds	Total
General Fund	\$	\$ 258,849	\$ 258,849
Special Education Grants Fund	26,732		26,732
Bond Building Fund		3,560	3,560
Non-Major Governmental Funds	37,076		37,076
Total	<u>\$ 63,808</u>	<u>\$ 262,409</u>	<u>\$ 326,217</u>

Transfers between funds were used to (1) transfer energy savings from the General Fund to the Energy and Water Savings Fund, a non-major governmental fund, as allowed by statute, (2) to move federal grant funds restricted for indirect costs, 3) to reduce taxes in the Unrestricted Capital Outlay Fund, a non-major governmental fund and 4) move investment income earned in the Bond Building Fund.

NOTE 13 – 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.

NOTE 14 – RISK MANAGEMENT

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

The District 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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 14 – RISK MANAGEMENT

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

The District 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 specific amounts.

NOTE 15 – 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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 percent (11.34 percent for retirement and 0.14 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 11.48 percent (10.78 percent for retirement, 0.56 percent for health insurance premium benefit, and 0.14 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, 2017 were \$975,091.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.21 for retirement and 0.13 percent for health insurance premium benefit, and 0.09 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:		
	2017	\$ 50,654	\$ 12,664
	2016	40,471	9,713
	2015	43,424	8,832

Pension Liability. At June 30, 2017, the District reported a liability of \$14,622,136 for its proportionate share of the net pension liability of the ASRS. The net pension liability was measured as of June 30, 2016. 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, 2015, to the measurement date of June 30, 2016. 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, 2016, the District's proportion was 0.09 percent, which was the same as its proportion measured as of June 30, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability of retirement benefits. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. For the year ended June 30, 2017, the District recognized pension expense of \$267,470 and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 88,858	\$ 1,005,896
Changes of assumptions or other inputs		773,628
Net difference between projected and actual earnings on pension plan investments	1,584,553	
Changes in proportion and differences between contributions and proportionate share of contributions	563,343	591,171
Contributions subsequent to the measurement date	975,091	
Total	<u>\$ 3,211,845</u>	<u>\$ 2,370,695</u>

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. 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:		
	2018	\$ (936,961)
	2019	(338,135)
	2020	696,851
	2021	444,304

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

Actuarial valuation date	June 30, 2015
Actuarial roll forward date	June 30, 2016
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, 2015 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 8.75 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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

Discount Rate. The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Proportionate share of the net pension liability	\$18,644,334	\$ 14,622,136	\$11,397,213

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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 16 – PRIOR PERIOD ADJUSTMENT

The July 1, 2016 government-wide net position and the fund balance of the General Fund and the Non-Major Governmental Funds do not agree to the prior year financial statements due to the reclassification of certain funds and the correction of an error.

	Statement of Activities	Governmental Funds	
		General Fund	Non-Major Governmental Funds
Net position/fund balance, June 30, 2016, as previously reported	\$14,753,967	\$ 696,388	\$ 1,437,313
Corrections to capital asset balances	115,333		
Reclassification of funds		4,674	(4,674)
Net position/fund balance, July 1, 2016, as restated	<u>\$14,869,300</u>	<u>\$ 701,062</u>	<u>\$ 1,432,639</u>

REQUIRED SUPPLEMENTARY INFORMATION

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 371,291	\$ 371,291
Property taxes			10,017,903	10,017,903
State aid and grants			3,267,655	3,267,655
Total revenues			<u>13,656,849</u>	<u>13,656,849</u>
Expenditures:				
Current -				
Instruction	7,102,399	6,815,991	6,523,067	292,924
Support services - students and staff	1,458,666	1,450,460	1,422,127	28,333
Support services - administration	1,605,279	1,633,028	1,723,413	(90,385)
Operation and maintenance of plant services	2,162,448	2,133,589	2,097,263	36,326
Student transportation services	882,546	893,013	900,700	(7,687)
Operation of non-instructional services	31,595	30,595	33,146	(2,551)
Total expenditures	<u>13,242,933</u>	<u>12,956,676</u>	<u>12,699,716</u>	<u>256,960</u>
Excess (deficiency) of revenues over expenditures	<u>(13,242,933)</u>	<u>(12,956,676)</u>	<u>957,133</u>	<u>13,913,809</u>
Other financing sources (uses):				
Transfers out			(258,849)	(258,849)
Total other financing sources (uses):			<u>(258,849)</u>	<u>(258,849)</u>
Changes in fund balances	<u>(13,242,933)</u>	<u>(12,956,676)</u>	<u>698,284</u>	<u>13,654,960</u>
Fund balances, beginning of year			2,227	2,227
Fund balances (deficits), end of year	<u>\$ (13,242,933)</u>	<u>\$ (12,956,676)</u>	<u>\$ 700,511</u>	<u>\$ 13,657,187</u>

See accompanying notes to this schedule.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL EDUCATION GRANTS
YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 19,895	\$ 19,895
Total revenues			19,895	19,895
Expenditures:				
Current -				
Instruction	444,541	450,813	211,988	238,825
Support services - students and staff			185,997	(185,997)
Support services - administration			2,294	(2,294)
Capital outlay			2,669	(2,669)
Total expenditures	444,541	450,813	402,948	47,865
Excess (deficiency) of revenues over expenditures	(444,541)	(450,813)	(383,053)	67,760
Other financing sources (uses):				
Transfers out			(26,732)	(26,732)
Total other financing sources (uses):			(26,732)	(26,732)
Changes in fund balances	(444,541)	(450,813)	(409,785)	41,028
Fund balances, beginning of year				
Fund balances (deficits), end of year	\$ (444,541)	\$ (450,813)	\$ (409,785)	\$ 41,028

See accompanying notes to this schedule.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension liability (asset)	0.09%	0.09%	0.09%
District's proportionate share of the net pension liability (asset)	\$ 14,622,136	\$ 13,335,569	\$ 13,893,380
District's covered payroll	\$ 8,094,258	\$ 7,360,073	\$ 8,275,299
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	180.65%	181.19%	167.89%
Plan fiduciary net position as a percentage of the total pension liability	67.06%	68.35%	69.49%

SCHEDULE OF CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST THREE FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 975,091	\$ 878,227	\$ 801,511
Contributions in relation to the actuarially determined contribution	<u>975,091</u>	<u>878,227</u>	<u>801,511</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 9,045,371	\$ 8,094,258	\$ 7,360,073
Contributions as a percentage of covered payroll	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 13,948,715	\$ 1,280,960
Activity budgeted as special revenue funds	(1,224,100)	(485,844)
Activity budgeted as capital projects funds	<u>(24,899)</u>	<u>(94,605)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 12,699,716</u>	<u>\$ 700,511</u>

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, 2015, 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.

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

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GOVERNMENTAL FUNDS

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2017

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 441,683	\$ 163,838	\$ 550,951
Property taxes receivable		55,850	18,137
Accounts receivable	86,440		
Due from governmental entities	812,445		153,883
Inventory	32,105		
Total assets	<u><u>\$ 1,372,673</u></u>	<u><u>\$ 219,688</u></u>	<u><u>\$ 722,971</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 34,299	\$	\$
Construction contracts payable			137,146
Due to governmental entities	1,091,792		62,523
Accrued payroll and employee benefits	44,102		
Unearned revenues	9,025		
Total liabilities	<u>1,179,218</u>		<u>199,669</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		40,092	11,618
Unavailable revenues - intergovernmental			131,050
Total deferred inflows of resources		<u>40,092</u>	<u>142,668</u>
Fund balances (deficits):			
Nonspendable	32,105		
Restricted	572,983	179,596	553,488
Unassigned	(411,633)		(172,854)
Total fund balances	<u>193,455</u>	<u>179,596</u>	<u>380,634</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,372,673</u></u>	<u><u>\$ 219,688</u></u>	<u><u>\$ 722,971</u></u>

Total Non-
Major
Governmental
Fund

\$	1,156,472
	73,987
	86,440
	966,328
	32,105
\$	<u>2,315,332</u>

\$	34,299
	137,146
	1,154,315
	44,102
	9,025
	<u>1,378,887</u>

	51,710
	<u>131,050</u>
	<u>182,760</u>

	32,105
	1,306,067
	<u>(584,487)</u>
	<u>753,685</u>

\$	<u>2,315,332</u>
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BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2017

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 852,167	\$ 38,630	\$ 18,240
Property taxes		1,099,426	529,010
State aid and grants	1,075,627		235,649
Federal aid, grants and reimbursements	1,360,976		
Total revenues	<u>3,288,770</u>	<u>1,138,056</u>	<u>782,899</u>
Expenditures:			
Current -			
Instruction	1,722,731		
Support services - students and staff	296,116		
Support services - administration	97,190		
Student transportation services	5,337		
Operation of non-instructional services	748,181		
Capital outlay	204,599		495,772
Debt service -			
Principal retirement		1,560,000	421,333
Interest and fiscal charges		470,163	99,301
Total expenditures	<u>3,074,154</u>	<u>2,030,163</u>	<u>1,016,406</u>
Excess (deficiency) of revenues over expenditures	<u>214,616</u>	<u>(892,107)</u>	<u>(233,507)</u>
Other financing sources (uses):			
Transfers in		3,560	258,849
Transfers out	(37,076)		
Total other financing sources (uses):	<u>(37,076)</u>	<u>3,560</u>	<u>258,849</u>
Changes in fund balances	<u>177,540</u>	<u>(888,547)</u>	<u>25,342</u>
Fund balances, beginning of year	9,204	1,068,143	355,292
Increase (decrease) in reserve for inventory	6,711		
Fund balances, end of year	<u>\$ 193,455</u>	<u>\$ 179,596</u>	<u>\$ 380,634</u>

Total Non-
Major
Governmental
Funds

\$	909,037
	1,628,436
	1,311,276
	1,360,976
	<u>5,209,725</u>

1,722,731
296,116
97,190
5,337
748,181
700,371

1,981,333
569,464
<u>6,120,723</u>

<u>(910,998)</u>

262,409
<u>(37,076)</u>
<u>225,333</u>

<u>(685,665)</u>

1,432,639

6,711

\$	<u>753,685</u>
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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.

Structured English Immersion - to account for monies received to provide for the incremental cost of instruction to English language learners.

Student Success - to account for student success monies.

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

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

Title IV Grants - to account for financial assistance received for chemical abuse awareness programs and expanding projects that benefit educational and health needs of the communities.

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.

Homeless Education - to account for financial assistance received for the education of homeless students.

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 national forests are situated.

Taylor Grazing - to account for financial assistance received for the purpose of protecting public lands by preventing over-grazing and soil deterioration and to provide for orderly use, improvement and development, and stabilization of the livestock industry.

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

Impact Aid - to account for financial assistance to local educational agencies that are financially burdened by federal activities.

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.

Early Childhood Block Grant - to account for financial assistance received for preschool education.

Chemical Abuse Prevention Programs - to account for financial assistance received for chemical abuse awareness programs.

Academic Contests - to account for financial assistance received for participation in academic contests.

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

Environmental Special Plate - to account for the proceeds received from the sale of environmental license plates.

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 Education 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.

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

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

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

Advertisement - to account for monies received from the sale of advertising.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Structured English Immersion</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 41,495	\$
Accounts receivable			
Due from governmental entities	76,600	24,803	73,500
Inventory			
Total assets	<u><u>\$ 76,600</u></u>	<u><u>\$ 66,298</u></u>	<u><u>\$ 73,500</u></u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to governmental entities	10,361		73,500
Accrued payroll and employee benefits	44,102		
Unearned revenues			
Total liabilities	<u><u>54,463</u></u>	<u><u></u></u>	<u><u>73,500</u></u>
Fund balances (deficits):			
Nonspendable			
Restricted	22,137	66,298	
Unassigned			
Total fund balances	<u><u>22,137</u></u>	<u><u>66,298</u></u>	<u><u></u></u>
Total liabilities and fund balances	<u><u>\$ 76,600</u></u>	<u><u>\$ 66,298</u></u>	<u><u>\$ 73,500</u></u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Vocational Education</u>	<u>Homeless Education</u>	<u>Other Federal Projects</u>
\$	\$ 4,895	\$ 314	\$	\$ 1	\$
504,928			1,089		3,291
<u>\$ 504,928</u>	<u>\$ 4,895</u>	<u>\$ 314</u>	<u>\$ 1,089</u>	<u>\$ 1</u>	<u>\$ 3,291</u>
\$ 3,679	\$	\$	\$	\$	\$
501,249			1,089		88,514
	4,895	314		1	
<u>504,928</u>	<u>4,895</u>	<u>314</u>	<u>1,089</u>	<u>1</u>	<u>88,514</u>
					(85,223)
					<u>(85,223)</u>
<u>\$ 504,928</u>	<u>\$ 4,895</u>	<u>\$ 314</u>	<u>\$ 1,089</u>	<u>\$ 1</u>	<u>\$ 3,291</u>

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	State Vocational Education	Early Childhood Block Grant	Chemical Abuse Prevention Programs
<u>ASSETS</u>			
Cash and investments	\$ 2,505	\$	\$ 215
Accounts receivable			
Due from governmental entities		636	
Inventory			
Total assets	<u>\$ 2,505</u>	<u>\$ 636</u>	<u>\$ 215</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to governmental entities		636	
Accrued payroll and employee benefits			
Unearned revenues	<u>2,505</u>	<u></u>	<u>215</u>
Total liabilities	<u>2,505</u>	<u>636</u>	<u>215</u>
Fund balances (deficits):			
Nonspendable			
Restricted			
Unassigned			
Total fund balances	<u></u>	<u></u>	<u></u>
Total liabilities and fund balances	<u>\$ 2,505</u>	<u>\$ 636</u>	<u>\$ 215</u>

Gifted	Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
\$ 3	\$ 1,092	\$ 41,030 66,208 9,914 32,105	\$	\$ 29,429 20,232	\$ 184,754
<u>\$ 3</u>	<u>\$ 1,092</u>	<u>\$ 149,257</u>	<u>\$</u>	<u>\$ 49,661</u>	<u>\$ 184,754</u>
\$	\$	\$ 30,620 323,587	\$ 89,355	\$	\$ 3,501
<u>3</u>	<u>1,092</u>	<u>354,207</u>	<u>89,355</u>	<u></u>	<u>3,501</u>
<u>3</u>	<u>1,092</u>				
		32,105		49,661	181,253
		(237,055)	(89,355)		
		(204,950)	(89,355)	49,661	181,253
<u>\$ 3</u>	<u>\$ 1,092</u>	<u>\$ 149,257</u>	<u>\$</u>	<u>\$ 49,661</u>	<u>\$ 184,754</u>

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017

	Career, Technical, and Vocational Education	Textbooks	Advertisement
<u>ASSETS</u>			
Cash and investments	\$ 47	\$ 570	\$ 3,637
Accounts receivable			
Due from governmental entities			
Inventory			
Total assets	<u>\$ 47</u>	<u>\$ 570</u>	<u>\$ 3,637</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to governmental entities			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	<u></u>	<u></u>	<u></u>
Fund balances (deficits):			
Nonspendable			
Restricted	47	570	3,637
Unassigned			
Total fund balances	<u>47</u>	<u>570</u>	<u>3,637</u>
Total liabilities and fund balances	<u>\$ 47</u>	<u>\$ 570</u>	<u>\$ 3,637</u>

Joint Technical Education	Totals
\$ 131,696	\$ 441,683
	86,440
117,684	812,445
	32,105
<u>\$ 249,380</u>	<u>\$ 1,372,673</u>

\$	\$ 34,299
	1,091,792
	44,102
	9,025
<u></u>	<u>1,179,218</u>

	32,105
249,380	572,983
	(411,633)
<u>249,380</u>	<u>193,455</u>
<u>\$ 249,380</u>	<u>\$ 1,372,673</u>

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Classroom Site	Instructional Improvement	Structured English Immersion
Revenues:			
Other local	\$ 295	\$ 104	\$
State aid and grants	868,680	88,559	73,500
Federal aid, grants and reimbursements			
Total revenues	<u>868,975</u>	<u>88,663</u>	<u>73,500</u>
Expenditures:			
Current -			
Instruction	908,643	56,626	73,500
Support services - students and staff	18,534	129	
Support services - administration			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>927,177</u>	<u>56,755</u>	<u>73,500</u>
Excess (deficiency) of revenues over expenditures	<u>(58,202)</u>	<u>31,908</u>	
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):			
Changes in fund balances	<u>(58,202)</u>	<u>31,908</u>	
Fund balances (deficits), beginning of year, as restated	80,339	34,390	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ 22,137</u>	<u>\$ 66,298</u>	<u>\$</u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Vocational Education</u>	<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>Academic Contests</u>
\$	\$	\$	\$	\$	\$
				41,098	1,112
656,554	77,474	48,413	10,730		
656,554	77,474	48,413	10,730	41,098	1,112
338,730	3,652	19	10,127	18,282	1,112
60,912	63,854	12,473			
94,169	1,655				
128,585	6,923	34,996		22,816	
622,396	76,084	47,488	10,127	41,098	1,112
34,158	1,390	925	603		
(34,158)	(1,390)	(925)	(603)		
(34,158)	(1,390)	(925)	(603)		
			(85,223)		
\$	\$	\$	\$ (85,223)	\$	\$

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Environmental Special Plate	Food Service	Civic Center
Revenues:			
Other local	\$	\$ 193,662	\$ 61,439
State aid and grants	2,678		
Federal aid, grants and reimbursements		567,805	
Total revenues	<u>2,678</u>	<u>761,467</u>	<u>61,439</u>
Expenditures:			
Current -			
Instruction	2,678		
Support services - students and staff			
Support services - administration			
Student transportation services			
Operation of non-instructional services		748,181	
Capital outlay			
Total expenditures	<u>2,678</u>	<u>748,181</u>	<u></u>
Excess (deficiency) of revenues over expenditures	<u></u>	<u>13,286</u>	<u>61,439</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses):	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u></u>	<u>13,286</u>	<u>61,439</u>
Fund balances (deficits), beginning of year, as restated		(224,947)	(150,794)
Increase (decrease) in reserve for inventory		6,711	
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ (204,950)</u>	<u>\$ (89,355)</u>

Community School	Extracurricular Activities Fees Tax Credit	Career, Technical, and Vocational Education	Textbooks	Advertisement	Joint Technical Education
\$ 66,740	\$ 95,031	\$	\$ 467	\$ 14	\$ 434,415
<u>66,740</u>	<u>95,031</u>		<u>467</u>	<u>14</u>	<u>434,415</u>
80,218	32,959 34,663 5,337		65		196,120 105,551 1,366
<u>80,218</u>	<u>2,338</u> <u>75,297</u>		<u>65</u>		<u>8,941</u> <u>311,978</u>
<u>(13,478)</u>	<u>19,734</u>		<u>402</u>	<u>14</u>	<u>122,437</u>
<u>(13,478)</u>	<u>19,734</u>		<u>402</u>	<u>14</u>	<u>122,437</u>
63,139	161,519	47	168	3,623	126,943
<u>\$ 49,661</u>	<u>\$ 181,253</u>	<u>\$ 47</u>	<u>\$ 570</u>	<u>\$ 3,637</u>	<u>\$ 249,380</u>

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Totals
Revenues:	
Other local	\$ 852,167
State aid and grants	1,075,627
Federal aid, grants and reimbursements	1,360,976
Total revenues	<u>3,288,770</u>
Expenditures:	
Current -	
Instruction	1,722,731
Support services - students and staff	296,116
Support services - administration	97,190
Student transportation services	5,337
Operation of non-instructional services	748,181
Capital outlay	204,599
Total expenditures	<u>3,074,154</u>
Excess (deficiency) of revenues over expenditures	<u>214,616</u>
Other financing sources (uses):	
Transfers out	<u>(37,076)</u>
Total other financing sources (uses):	<u>(37,076)</u>
Changes in fund balances	<u>177,540</u>
Fund balances (deficits), beginning of year, as restated	9,204
Increase (decrease) in reserve for inventory	6,711
Fund balances, end of year	<u><u>\$ 193,455</u></u>

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BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Classroom Site		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 295	\$ 295
State aid and grants		868,680	868,680
Federal aid, grants and reimbursements			
Total revenues		<u>868,975</u>	<u>868,975</u>
Expenditures:			
Current -			
Instruction	912,237	908,643	3,594
Support services - students and staff	16,789	18,534	(1,745)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>929,026</u>	<u>927,177</u>	<u>1,849</u>
Excess (deficiency) of revenues over expenditures	<u>(929,026)</u>	<u>(58,202)</u>	<u>870,824</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(929,026)</u>	<u>(58,202)</u>	<u>870,824</u>
Fund balances (deficits), beginning of year, as restated		80,339	80,339
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (929,026)</u>	<u>\$ 22,137</u>	<u>\$ 951,163</u>

Instructional Improvement			Structured English Immersion		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 104 88,559	\$ 104 88,559	\$	\$ 73,500	\$ 73,500
	88,663	88,663		73,500	73,500
55,518	56,626 129	(1,108) (129)	74,475	73,500	975
55,518	56,755	(1,237)	74,475	73,500	975
(55,518)	31,908	87,426	(74,475)		74,475
(55,518)	31,908	87,426	(74,475)		74,475
	34,390	34,390			
\$ (55,518)	\$ 66,298	\$ 121,816	\$ (74,475)	\$	\$ 74,475

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Student Success		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 16	\$ 16
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>16</u>	<u>16</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		5,370	(5,370)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures		<u>5,370</u>	<u>(5,370)</u>
Excess (deficiency) of revenues over expenditures		<u>(5,354)</u>	<u>(5,354)</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		<u>(5,354)</u>	<u>(5,354)</u>
Fund balances (deficits), beginning of year, as restated		5,370	5,370
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 16</u>	<u>\$ 16</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	656,554	656,554		77,474	77,474
	656,554	656,554		77,474	77,474
1,235,586	338,730	896,856		3,652	(3,652)
	60,912	(60,912)	115,636	63,854	51,782
	94,169	(94,169)		1,655	(1,655)
	128,585	(128,585)		6,923	(6,923)
1,235,586	622,396	613,190	115,636	76,084	39,552
(1,235,586)	34,158	1,269,744	(115,636)	1,390	117,026
	(34,158)	(34,158)		(1,390)	(1,390)
	(34,158)	(34,158)		(1,390)	(1,390)
(1,235,586)		1,235,586	(115,636)		115,636
\$ (1,235,586)	\$	\$ 1,235,586	\$ (115,636)	\$	\$ 115,636

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		48,413	48,413
Total revenues		<u>48,413</u>	<u>48,413</u>
Expenditures:			
Current -			
Instruction		19	(19)
Support services - students and staff		12,473	(12,473)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	52,956	34,996	17,960
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>52,956</u>	<u>47,488</u>	<u>5,468</u>
Excess (deficiency) of revenues over expenditures	<u>(52,956)</u>	<u>925</u>	<u>53,881</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(925)	(925)
Total other financing sources (uses)		<u>(925)</u>	<u>(925)</u>
Changes in fund balances	<u>(52,956)</u>		<u>52,956</u>
Fund balances (deficits), beginning of year, as restated			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (52,956)</u>	<u>\$</u>	<u>\$ 52,956</u>

Medicaid Reimbursement			National Forest Fees		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 186	\$ 186
				6,091	6,091
				6,277	6,277
				700	(700)
			184,029	48,578	135,451
				134	(134)
				29,711	(29,711)
			184,029	79,123	104,906
			(184,029)	(72,846)	111,183
			(184,029)	(72,846)	111,183
	35	35		82,697	82,697
\$	\$ 35	\$ 35	\$ (184,029)	\$ 9,851	\$ 193,880

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Taylor Grazing Fees		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 9	\$ 9
State aid and grants			
Federal aid, grants and reimbursements		884	884
Total revenues		<u>893</u>	<u>893</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures			
Excess (deficiency) of revenues over expenditures		<u>893</u>	<u>893</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		<u>893</u>	<u>893</u>
Fund balances (deficits), beginning of year, as restated		2,151	2,151
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 3,044</u>	<u>\$ 3,044</u>

E-Rate			Impact Aid		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 176	\$ 176	\$	\$ 1,096	\$ 1,096
	118,838	118,838		618,047	618,047
	119,014	119,014		619,143	619,143
				48,604	(48,604)
				122,719	(122,719)
				71,841	(71,841)
93,624	118,838	(25,214)		44,689	(44,689)
				1,000	(1,000)
	85,325	(85,325)	244,250	216,559	27,691
			113,042	113,042	
			4,463	4,463	
93,624	204,163	(110,539)	361,755	622,917	(261,162)
(93,624)	(85,149)	8,475	(361,755)	(3,774)	357,981
(93,624)	(85,149)	8,475	(361,755)	(3,774)	357,981
	17,835	17,835		177,970	177,970
\$ (93,624)	\$ (67,314)	\$ 26,310	\$ (361,755)	\$ 174,196	\$ 535,951

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Other Federal Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		10,730	10,730
Total revenues		<u>10,730</u>	<u>10,730</u>
Expenditures:			
Current -			
Instruction	10,127	10,127	
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>10,127</u>	<u>10,127</u>	
Excess (deficiency) of revenues over expenditures	<u>(10,127)</u>	<u>603</u>	<u>10,730</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(603)	(603)
Total other financing sources (uses)		<u>(603)</u>	<u>(603)</u>
Changes in fund balances	<u>(10,127)</u>		<u>10,127</u>
Fund balances (deficits), beginning of year, as restated		(85,223)	(85,223)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (10,127)</u>	<u>\$ (85,223)</u>	<u>\$ (75,096)</u>

State Vocational Education			Academic Contests		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	41,098	41,098		1,112	1,112
	41,098	41,098		1,112	1,112
	18,282	(18,282)		1,112	(1,112)
41,127	22,816	18,311			
41,127	41,098	29		1,112	(1,112)
(41,127)		41,127			
(41,127)		41,127			
\$ (41,127)	\$	\$ 41,127	\$	\$	\$

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Environmental Special Plate		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		2,678	2,678
Federal aid, grants and reimbursements			
Total revenues		<u>2,678</u>	<u>2,678</u>
Expenditures:			
Current -			
Instruction		2,678	(2,678)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures		<u>2,678</u>	<u>(2,678)</u>
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances			
Fund balances (deficits), beginning of year, as restated			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 22,139	\$ 22,139	\$	\$ 193,662	\$ 193,662
				567,805	567,805
	22,139	22,139		761,467	761,467
			742,550	748,181	(5,631)
			742,550	748,181	(5,631)
	22,139	22,139	(742,550)	13,286	755,836
	22,139	22,139	(742,550)	13,286	755,836
	195,030	195,030		(224,947)	(224,947)
				6,711	6,711
\$	\$ 217,169	\$ 217,169	\$ (742,550)	\$ (204,950)	\$ 537,600

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 61,439	\$ 61,439
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		61,439	61,439
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	30,392		30,392
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	30,392		30,392
Excess (deficiency) of revenues over expenditures	(30,392)	61,439	91,831
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(30,392)	61,439	91,831
Fund balances (deficits), beginning of year, as restated		(150,794)	(150,794)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (30,392)	\$ (89,355)	\$ (58,963)

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 66,740	\$ 66,740	\$	\$ 192,589	\$ 192,589
	66,740	66,740		192,589	192,589
202,712	80,218	122,494	170,000	81,251	88,749
				70,339	(70,339)
				5,327	(5,327)
				7,386	(7,386)
				100	(100)
				10,738	(10,738)
202,712	80,218	122,494	170,000	175,141	(5,141)
(202,712)	(13,478)	189,234	(170,000)	17,448	187,448
(202,712)	(13,478)	189,234	(170,000)	17,448	187,448
	63,139	63,139		108,923	108,923
\$ (202,712)	\$ 49,661	\$ 252,373	\$ (170,000)	\$ 126,371	\$ 296,371

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 95,031	\$ 95,031
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>95,031</u>	<u>95,031</u>
Expenditures:			
Current -			
Instruction		32,959	(32,959)
Support services - students and staff	75,000	34,663	40,337
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		5,337	(5,337)
Operation of non-instructional services			
Capital outlay		2,338	(2,338)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>75,000</u>	<u>75,297</u>	<u>(297)</u>
Excess (deficiency) of revenues over expenditures	<u>(75,000)</u>	<u>19,734</u>	<u>94,734</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(75,000)</u>	<u>19,734</u>	<u>94,734</u>
Fund balances (deficits), beginning of year, as restated		161,519	161,519
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (75,000)</u>	<u>\$ 181,253</u>	<u>\$ 256,253</u>

Gifts and Donations			Career, Technical, and Vocational Education		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 57,804	\$ 57,804	\$	\$	\$
	57,804	57,804			
23,469	23,414	(23,414)			
	25,157	(1,688)			
	575	(575)			
	1,882	(1,882)			
23,469	51,028	(27,559)			
(23,469)	6,776	30,245			
(23,469)	6,776	30,245			
	15,700	15,700		47	47
\$ (23,469)	\$ 22,476	\$ 45,945	\$	\$ 47	\$ 47

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 467	\$ 467
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>467</u>	<u>467</u>
Expenditures:			
Current -			
Instruction	180	65	115
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>180</u>	<u>65</u>	<u>115</u>
Excess (deficiency) of revenues over expenditures	<u>(180)</u>	<u>402</u>	<u>582</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(180)</u>	<u>402</u>	<u>582</u>
Fund balances (deficits), beginning of year, as restated		168	168
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (180)</u>	<u>\$ 570</u>	<u>\$ 750</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 66	\$ 66	\$	\$	\$
	66	66			
			11,000		11,000
135,000	85,492	49,508			
	866	(866)			
135,000	86,358	48,642	11,000		11,000
(135,000)	(86,292)	48,708	(11,000)		11,000
	63,808	63,808			
	63,808	63,808			
(135,000)	(22,484)	112,516	(11,000)		11,000
	22,484	22,484			
\$ (135,000)	\$	\$ 135,000	\$ (11,000)	\$	\$ 11,000

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2017

	Advertisement		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 14	\$ 14
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		14	14
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures			
Excess (deficiency) of revenues over expenditures		14	14
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		14	14
Fund balances (deficits), beginning of year, as restated		3,623	3,623
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ 3,637	\$ 3,637

Joint Technical Education			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 434,415	\$ 434,415	\$	\$ 1,126,248	\$ 1,126,248
				1,075,627	1,075,627
				2,104,836	2,104,836
	434,415	434,415		4,306,711	4,306,711
475,793	196,120	279,673	3,147,628	1,876,700	1,270,928
	105,551	(105,551)	414,923	568,279	(153,356)
	1,366	(1,366)	135,000	260,559	(125,559)
			93,624	163,527	(69,903)
				13,723	(13,723)
			772,942	748,281	24,661
	8,941	(8,941)	338,333	549,680	(211,347)
			113,042	113,042	
			4,463	4,463	
475,793	311,978	163,815	5,019,955	4,298,254	721,701
(475,793)	122,437	598,230	(5,019,955)	8,457	5,028,412
				63,808	63,808
				(37,076)	(37,076)
				26,732	26,732
(475,793)	122,437	598,230	(5,019,955)	35,189	5,055,144
	126,943	126,943		637,399	637,399
				6,711	6,711
\$ (475,793)	\$ 249,380	\$ 725,173	\$ (5,019,955)	\$ 679,299	\$ 5,699,254

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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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2017

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 38,630	\$ 38,630
Property taxes		1,099,426	1,099,426
Total revenues		<u>1,138,056</u>	<u>1,138,056</u>
Expenditures:			
Debt service -			
Principal retirement	1,435,000	1,560,000	(125,000)
Interest and fiscal charges	634,796	470,163	164,633
Total expenditures	<u>2,069,796</u>	<u>2,030,163</u>	<u>39,633</u>
Excess (deficiency) of revenues over expenditures	<u>(2,069,796)</u>	<u>(892,107)</u>	<u>1,177,689</u>
Other financing sources (uses):			
Transfers in		3,560	3,560
Total other financing sources (uses)		<u>3,560</u>	<u>3,560</u>
Changes in fund balances	<u>(2,069,796)</u>	<u>(888,547)</u>	<u>1,181,249</u>
Fund balances, beginning of year		1,068,143	1,068,143
Fund balances (deficits), end of year	<u>\$ (2,069,796)</u>	<u>\$ 179,596</u>	<u>\$ 2,249,392</u>

CAPITAL PROJECTS FUNDS

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

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

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

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

Bond Building - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

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

New School Facilities - to account for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017

	Unrestricted Capital Outlay	Adjacent Ways	Emergency Deficiencies Correction
<u>ASSETS</u>			
Cash and investments	\$	\$ 536,173	\$ 14,693
Property taxes receivable	9,160	8,977	
Due from governmental entities	22,833		
Total assets	<u>\$ 31,993</u>	<u>\$ 545,150</u>	<u>\$ 14,693</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Construction contracts payable	\$	\$ 3,897	\$
Due to governmental entities	22,833		
Total liabilities	<u>22,833</u>	<u>3,897</u>	
Deferred inflows of resources:			
Unavailable revenues - property taxes	5,771	5,847	
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u>5,771</u>	<u>5,847</u>	
Fund balances (deficits):			
Restricted	3,389	535,406	14,693
Unassigned			
Total fund balances	<u>3,389</u>	<u>535,406</u>	<u>14,693</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,993</u>	<u>\$ 545,150</u>	<u>\$ 14,693</u>

Building Renewal Grant	New School Facilities	Totals
\$ 85	\$	\$ 550,951
131,050		18,137
\$ 131,135	\$	153,883
		\$ 722,971
\$ 133,249	\$	\$ 137,146
	39,690	62,523
133,249	39,690	199,669
131,050		11,618
131,050		131,050
		142,668
(133,164)	(39,690)	553,488
(133,164)	(39,690)	(172,854)
		380,634
\$ 131,135	\$	\$ 722,971

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Unrestricted Capital Outlay	Adjacent Ways	Energy and Water Savings
Revenues:			
Other local	\$ 16,632	\$ 1,522	\$
Property taxes	269,512	259,498	
State aid and grants	66,749		
Total revenues	<u>352,893</u>	<u>261,020</u>	<u></u>
Expenditures:			
Capital outlay	175,594	14,148	
Debt service -			
Principal retirement	299,199		122,134
Interest and fiscal charges	17,002		82,299
Total expenditures	<u>491,795</u>	<u>14,148</u>	<u>204,433</u>
Excess (deficiency) of revenues over expenditures	<u>(138,902)</u>	<u>246,872</u>	<u>(204,433)</u>
Other financing sources (uses):			
Transfers in	48,287		210,562
Total other financing sources (uses)	<u>48,287</u>	<u></u>	<u>210,562</u>
Changes in fund balances	<u>(90,615)</u>	<u>246,872</u>	<u>6,129</u>
Fund balances (deficits), beginning of year	94,004	288,534	(6,129)
Fund balances (deficits), end of year	<u>\$ 3,389</u>	<u>\$ 535,406</u>	<u>\$</u>

Emergency Deficiencies Correction	Building Renewal Grant	New School Facilities	Totals
\$ 57	\$ 29	\$	\$ 18,240
	168,900		529,010
	235,649		
57	168,929		782,899
	306,030		495,772
			421,333
			99,301
	306,030		1,016,406
57	(137,101)		(233,507)
			258,849
			258,849
57	(137,101)		25,342
14,636	3,937	(39,690)	355,292
\$ 14,693	\$ (133,164)	\$ (39,690)	\$ 380,634

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Insurance Proceeds		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 107	\$ 107
Property taxes			
State aid and grants			
Total revenues		107	107
Expenditures:			
Capital outlay	50,373	7,235	43,138
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	50,373	7,235	43,138
Excess (deficiency) of revenues over expenditures	(50,373)	(7,128)	43,245
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Insurance recoveries		47,632	47,632
Total other financing sources (uses)		47,632	47,632
Changes in fund balances	(50,373)	40,504	90,877
Fund balances (deficits), beginning of year		4,674	4,674
Fund balances (deficits), end of year	\$ (50,373)	\$ 45,178	\$ 95,551

Litigation Recovery			Unrestricted Capital Outlay		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,125	\$ 1,125	\$	\$ 16,632	\$ 16,632
				269,512	269,512
				66,749	66,749
	1,125	1,125		352,893	352,893
65,966	17,664	48,302	175,594	175,594	
			299,199	299,199	
			17,002	17,002	
65,966	17,664	48,302	491,795	491,795	
(65,966)	(16,539)	49,427	(491,795)	(138,902)	352,893
				48,287	48,287
				48,287	48,287
(65,966)	(16,539)	49,427	(491,795)	(90,615)	401,180
	65,966	65,966		94,004	94,004
\$ (65,966)	\$ 49,427	\$ 115,393	\$ (491,795)	\$ 3,389	\$ 495,184

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Adjacent Ways		Variance -
	Budget	Actual	Positive (Negative)
Revenues:			
Other local	\$	\$ 1,522	\$ 1,522
Property taxes		259,498	259,498
State aid and grants			
Total revenues		<u>261,020</u>	<u>261,020</u>
Expenditures:			
Capital outlay	300,000	14,148	285,852
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>300,000</u>	<u>14,148</u>	<u>285,852</u>
Excess (deficiency) of revenues over expenditures	<u>(300,000)</u>	<u>246,872</u>	<u>546,872</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(300,000)</u>	<u>246,872</u>	<u>546,872</u>
Fund balances (deficits), beginning of year		288,534	288,534
Fund balances (deficits), end of year	<u>\$ (300,000)</u>	<u>\$ 535,406</u>	<u>\$ 835,406</u>

Bond Building			Energy and Water Savings		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 8,567	\$ 8,567	\$	\$	\$
	8,567	8,567			
15,000,000	6,691,536	8,308,464			
			122,134	122,134	
			82,299	82,299	
	237,563	(237,563)			
15,000,000	6,929,099	8,070,901	204,433	204,433	
(15,000,000)	(6,920,532)	8,079,468	(204,433)	(204,433)	
				210,562	210,562
	(3,560)	(3,560)			
	13,920,000	13,920,000			
	1,284,976	1,284,976			
	15,201,416	15,201,416		210,562	210,562
(15,000,000)	8,280,884	23,280,884	(204,433)	6,129	210,562
				(6,129)	(6,129)
\$ (15,000,000)	\$ 8,280,884	\$ 23,280,884	\$ (204,433)	\$	\$ 204,433

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Emergency Deficiencies Correction		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 57	\$ 57
Property taxes			
State aid and grants			
Total revenues		<u>57</u>	<u>57</u>
Expenditures:			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures			
Excess (deficiency) of revenues over expenditures		<u>57</u>	<u>57</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances		<u>57</u>	<u>57</u>
Fund balances (deficits), beginning of year		14,636	14,636
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 14,693</u>	<u>\$ 14,693</u>

Building Renewal Grant			New School Facilities		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 29	\$ 29	\$	\$	\$
	168,900	168,900			
	168,929	168,929			
779,000	306,030	472,970			
779,000	306,030	472,970			
(779,000)	(137,101)	641,899			
(779,000)	(137,101)	641,899			
	3,937	3,937		(39,690)	(39,690)
\$ (779,000)	\$ (133,164)	\$ 645,836	\$	\$ (39,690)	\$ (39,690)

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2017

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 28,039	\$ 28,039
Property taxes		529,010	529,010
State aid and grants		235,649	235,649
Total revenues		<u>792,698</u>	<u>792,698</u>
Expenditures:			
Capital outlay	16,370,933	7,212,207	9,158,726
Debt service -			
Principal retirement	421,333	421,333	
Interest and fiscal charges	99,301	99,301	
Bond issuance costs		237,563	(237,563)
Total expenditures	<u>16,891,567</u>	<u>7,970,404</u>	<u>8,921,163</u>
Excess (deficiency) of revenues over expenditures	<u>(16,891,567)</u>	<u>(7,177,706)</u>	<u>9,713,861</u>
Other financing sources (uses):			
Transfers in		258,849	258,849
Transfers out		(3,560)	(3,560)
Issuance of school improvement bonds		13,920,000	13,920,000
Premium on sale of bonds		1,284,976	1,284,976
Insurance recoveries		47,632	47,632
Total other financing sources (uses)		<u>15,507,897</u>	<u>15,507,897</u>
Changes in fund balances	<u>(16,891,567)</u>	<u>8,330,191</u>	<u>25,221,758</u>
Fund balances (deficits), beginning of year		425,932	425,932
Fund balances (deficits), end of year	<u>\$ (16,891,567)</u>	<u>\$ 8,756,123</u>	<u>\$ 25,647,690</u>

AGENCY FUNDS

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2017

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 152,023	\$ 303,787	\$ 272,901	\$ 182,909
Total assets	\$ 152,023	\$ 303,787	\$ 272,901	\$ 182,909
<u>Liabilities</u>				
Due to student groups	\$ 152,023	\$ 303,787	\$ 272,901	\$ 182,909
Total liabilities	\$ 152,023	\$ 303,787	\$ 272,901	\$ 182,909

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.

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

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BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 26,346,316	\$ 27,112,611	\$ 27,220,271	\$ 28,301,036	\$ 28,020,208
Restricted	1,402,955	1,990,725	1,143,146	3,034,248	767,388
Unrestricted	(13,587,390)	(14,349,369)	(14,338,212)	(2,191,149)	441,044
Total net position	<u>\$ 14,161,881</u>	<u>\$ 14,753,967</u>	<u>\$ 14,025,205</u>	<u>\$ 29,144,135</u>	<u>\$ 29,228,640</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net Position:					
Net investment in capital assets	\$ 27,805,791	\$ 27,440,457	\$ 26,981,462	\$ 26,875,776	\$ 27,771,182
Restricted	1,499,810	1,888,364	1,465,232	984,908	2,035,977
Unrestricted	1,253,975	2,493,040	3,045,919	321,069	716,724
Total net position	<u>\$ 30,559,576</u>	<u>\$ 31,821,861</u>	<u>\$ 31,492,613</u>	<u>\$ 28,181,753</u>	<u>\$ 30,523,883</u>

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Instruction	\$ 11,023,676	\$ 9,593,252	\$ 9,039,195	\$ 10,031,312	\$ 10,548,257
Support services - students and staff	2,323,791	1,665,892	1,429,904	1,673,497	1,698,680
Support services - administration	2,106,545	1,664,806	1,853,581	1,789,656	1,708,552
Operation and maintenance of plant services	2,657,052	2,502,888	2,398,323	2,108,341	2,008,811
Student transportation services	1,184,515	1,224,833	1,065,467	1,136,767	1,033,305
Operation of non-instructional services	819,480	740,954	675,450	696,088	688,211
Interest on long-term debt	650,421	556,344	980,167	1,072,540	1,060,854
Facilities Acquisition & construction				17,547	14,724
Total expenses	<u>20,765,480</u>	<u>17,948,969</u>	<u>17,442,087</u>	<u>18,525,748</u>	<u>18,761,394</u>
Program Revenues					
Charges for services:					
Instruction	1,025,722	1,021,415	1,123,648	706,451	669,600
Operation of non-instructional services	193,658	163,718	135,268	225,436	175,750
Other activities	130,407	106,810	105,107	523,634	488,588
Operating grants and contributions	1,669,646	1,819,598	1,684,647	1,813,297	1,833,084
Capital grants and contributions	364,919	346,428	330,051		
Total program revenues	<u>3,384,352</u>	<u>3,457,969</u>	<u>3,378,721</u>	<u>3,268,818</u>	<u>3,167,022</u>
Net (Expense)/Revenue	<u>\$ (17,381,128)</u>	<u>\$ (14,491,000)</u>	<u>\$ (14,063,366)</u>	<u>\$ (15,256,930)</u>	<u>\$ (15,594,372)</u>

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses					
Instruction	\$ 10,451,862	\$ 10,281,328	\$ 10,809,662	\$ 12,742,183	\$ 10,076,739
Support services - students and staff	1,629,642	1,856,411	1,836,117	1,624,134	1,606,331
Support services - administration	1,955,229	1,921,138	2,111,921	2,168,068	2,254,959
Operation and maintenance of plant services	1,973,681	2,206,611	2,377,104	2,241,468	2,318,668
Student transportation services	1,056,438	1,179,467	1,012,103	1,150,080	1,507,628
Operation of non-instructional services	661,659	955,446	948,250	1,282,438	1,084,929
Interest on long-term debt	1,146,040	1,237,391	1,327,578	1,398,353	1,408,349
Facilities Acquisition & construction	61,069	365,230	257,431	2,102,839	
Total expenses	<u>18,935,620</u>	<u>20,003,022</u>	<u>20,680,166</u>	<u>24,709,563</u>	<u>20,257,603</u>
Program Revenues					
Charges for services:					
Instruction	636,619	561,033	941,113	609,757	549,181
Operation of non-instructional services	192,871	129,794	180,192	218,955	247,900
Other activities	563,610	545,426	918,223	573,757	391,827
Operating grants and contributions	1,999,036	2,351,969	3,598,551	2,601,102	1,859,439
Capital grants and contributions		275,218	6,267	341,822	1,802,357
Total program revenues	<u>3,392,136</u>	<u>3,863,440</u>	<u>5,644,346</u>	<u>4,345,393</u>	<u>4,850,704</u>
Net (Expense)/Revenue	<u>\$ (15,543,484)</u>	<u>\$ (16,139,582)</u>	<u>\$ (15,035,820)</u>	<u>\$ (20,364,170)</u>	<u>\$ (15,406,899)</u>

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

(Concluded)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (17,381,128)	\$ (14,491,000)	\$ (14,063,366)	\$ (15,256,930)	\$ (15,594,372)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	10,014,027	7,946,544	8,377,067	11,408,595	10,586,175
Property taxes, levied for debt service	1,096,279	2,726,448	2,229,924		
Property taxes, levied for capital outlay	537,238	297,071	327,287		
Investment income	17,067	8,689	9,223	10,038	13,483
Unrestricted county aid	92,433	102,007	136,918	144,230	139,474
Unrestricted state aid	4,291,643	3,636,319	3,915,714	3,414,572	3,387,504
Unrestricted federal aid	625,022	502,684	396,628	194,990	130,206
Miscellaneous					6,594
Total general revenues	<u>16,673,709</u>	<u>15,219,762</u>	<u>15,392,761</u>	<u>15,172,425</u>	<u>14,263,436</u>
Changes in Net Position	<u>\$ (707,419)</u>	<u>\$ 728,762</u>	<u>\$ 1,329,395</u>	<u>\$ (84,505)</u>	<u>\$ (1,330,936)</u>

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Net (Expense)/Revenue	\$ (15,543,484)	\$ (16,139,582)	\$ (15,035,820)	\$ (20,364,170)	\$ (15,406,899)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	7,482,076	8,125,151	9,316,350	8,615,809	7,936,490
Property taxes, levied for debt service	2,098,450	2,586,204	2,333,704	2,198,598	2,256,130
Investment income	15,016	16,567	17,361	69,882	478,296
Unrestricted county aid	134,988	153,133	168,208	74	2,579
Unrestricted state aid	4,546,149	5,581,815	6,492,661	7,605,560	9,642,005
Miscellaneous	4,520	5,960	52,887	48,244	3,114
Loss on disposal of capital assets			(34,491)	(77,940)	
Change in capitalization threshold				(438,187)	
Total general revenues	<u>14,281,199</u>	<u>16,468,830</u>	<u>18,346,680</u>	<u>18,022,040</u>	<u>20,318,614</u>
Changes in Net Position	<u>\$ (1,262,285)</u>	<u>\$ 329,248</u>	<u>\$ 3,310,860</u>	<u>\$ (2,342,130)</u>	<u>\$ 4,911,715</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 2007-08 through 2008-09.

(Concluded)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Restricted	\$ 45,178	\$	\$	\$	\$
Unassigned	1,235,782	696,388	1,623,803	381,701	259,314
Total General Fund	<u>\$ 1,280,960</u>	<u>\$ 696,388</u>	<u>\$ 1,623,803</u>	<u>\$ 381,701</u>	<u>\$ 259,314</u>
All Other Governmental Funds:					
Nonspendable	\$ 32,105	\$ 25,394	\$	\$ 15,912	\$ 15,335
Restricted	9,586,951	1,944,096	1,090,007	957,336	779,574
Assigned				247,354	652,839
Unassigned	(994,272)	(532,177)	(557,544)	(770,277)	(464,111)
Total all other governmental funds	<u>\$ 8,624,784</u>	<u>\$ 1,437,313</u>	<u>\$ 532,463</u>	<u>\$ 450,325</u>	<u>\$ 983,637</u>

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
General Fund:					
Nondspendable	\$ 145,933	\$ 243,744	\$	\$	\$
Unassigned	738,024	1,792,069			
Reserved			303,347	6,411	37,511
Unreserved			1,852,288	(202,121)	147,444
Total General Fund	<u>\$ 883,957</u>	<u>\$ 2,035,813</u>	<u>\$ 2,155,635</u>	<u>\$ (195,710)</u>	<u>\$ 184,955</u>
All Other Governmental Funds:					
Nondspendable	\$ 18,864	\$ 22,648	\$	\$	\$
Restricted	668,991	1,331,557			
Assigned	1,888,015	490,902			
Unassigned	(664,888)	503,762			
Reserved			670,312	764,191	1,028,239
Unreserved, reported in:					
Special revenue funds			1,084,145	606,222	722,383
Capital projects funds			851,840	240,667	825,496
Total all other governmental funds	<u>\$ 1,910,982</u>	<u>\$ 2,348,869</u>	<u>\$ 2,606,297</u>	<u>\$ 1,611,080</u>	<u>\$ 2,576,118</u>

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

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

(Concluded)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 1,556,926	\$ 1,755,744	\$ 1,489,846	\$ 1,148,207	\$ 1,489,503
National School Lunch Program	567,805	568,363	483,018	528,775	473,787
Total federal sources	<u>2,124,731</u>	<u>2,324,107</u>	<u>1,972,864</u>	<u>1,676,982</u>	<u>1,963,290</u>
State sources:					
State equalization assistance	3,334,134	2,730,130	3,033,598	2,490,583	2,437,672
State grants	44,888	36,815	43,111		
School Facilities Board	168,900	136,943	144,654		
Other revenues	1,031,009	994,940	882,116	1,255,293	949,831
Total state sources	<u>4,578,931</u>	<u>3,898,828</u>	<u>4,103,479</u>	<u>3,745,876</u>	<u>3,387,503</u>
Local sources:					
Property taxes	11,646,339	10,973,136	11,021,941	11,330,052	10,688,597
County aid	92,433	102,007	136,918	144,230	139,474
Food service sales	193,658	163,718	135,268	146,032	165,306
Investment income	17,067	8,689	9,423	10,038	13,480
Other revenues	1,261,050	1,262,901	1,390,635	1,358,080	1,175,242
Total local sources	<u>13,210,547</u>	<u>12,510,451</u>	<u>12,694,185</u>	<u>12,988,432</u>	<u>12,182,099</u>
Total revenues	<u><u>\$ 19,914,209</u></u>	<u><u>\$ 18,733,386</u></u>	<u><u>\$ 18,770,528</u></u>	<u><u>\$ 18,411,290</u></u>	<u><u>\$ 17,532,892</u></u>

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Federal sources:					
Federal grants	\$ 1,324,533	\$ 1,610,846	\$ 2,901,123	\$ 1,480,203	\$ 1,040,386
National School Lunch Program	493,860	480,827	517,310	498,501	361,863
Total federal sources	<u>1,818,393</u>	<u>2,091,673</u>	<u>3,418,433</u>	<u>1,978,704</u>	<u>1,402,249</u>
State sources:					
State equalization assistance	3,969,366	4,947,541	5,709,952	6,436,582	7,543,066
Other revenues	892,414	1,322,921	1,137,302	1,791,450	4,361,065
Total state sources	<u>4,861,780</u>	<u>6,270,462</u>	<u>6,847,254</u>	<u>8,228,032</u>	<u>11,904,131</u>
Local sources:					
Property taxes	9,678,957	10,499,127	11,861,646	10,658,038	10,082,866
Other revenues	1,412,636	1,258,780	2,109,776	1,862,417	1,670,318
Total local sources	<u>11,091,593</u>	<u>11,757,907</u>	<u>13,971,422</u>	<u>12,520,455</u>	<u>11,753,184</u>
Total revenues	<u>\$ 17,771,766</u>	<u>\$ 20,120,042</u>	<u>\$ 24,237,109</u>	<u>\$ 22,727,191</u>	<u>\$ 25,059,564</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 2007-08 through 2008-09.

(Concluded)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 8,611,755	\$ 8,082,291	\$ 7,527,620	\$ 8,554,448	\$ 9,016,850
Support services - students and staff	2,176,403	1,647,948	1,417,365	1,673,497	1,698,680
Support services - administration	1,986,266	1,725,507	1,904,328	1,787,114	1,706,012
Operation and maintenance of plant services	2,260,790	2,171,395	2,048,467	1,975,335	1,873,886
Student transportation services	914,423	1,052,350	881,527	965,547	861,352
Operation of non-instructional services	781,427	743,278	649,656	691,452	683,575
Capital outlay	7,764,556	1,168,284	434,689	167,815	69,672
Debt service -					
Interest and fiscal charges	573,927	556,344	980,167	1,031,229	1,525,391
Principal retirement	2,094,375	1,903,530	1,837,562	1,976,355	1,500,000
Bond issuance costs	237,563	196,556			
Total expenditures	\$ 27,401,485	\$ 19,247,483	\$ 17,681,381	\$ 18,822,792	\$ 18,935,418
Expenditures for capitalized assets	\$ 6,016,169	\$ 380,412	\$ 250,551	\$ 4,019,125	\$ 620,844
Debt service as a percentage of noncapital expenditures	12%	13%	16%	20%	17%

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures:					
Current -					
Instruction	\$ 8,855,217	\$ 8,828,789	\$ 9,714,194	\$ 10,965,179	\$ 10,779,796
Support services - students and staff	1,623,713	1,850,482	1,830,188	1,618,205	1,596,563
Support services - administration	1,951,831	1,917,781	2,108,564	2,164,711	2,218,651
Operation and maintenance of plant services	1,837,900	2,090,952	2,256,510	2,125,334	2,202,485
Student transportation services	915,828	934,404	850,909	973,899	1,323,543
Operation of non-instructional services	657,023	950,810	942,212	1,276,921	1,067,457
Capital outlay	362,120	728,741	409,859	2,875,442	17,604,352
Debt service -					
Interest and fiscal charges	1,146,040	1,237,391	1,327,578	1,398,353	1,408,349
Principal retirement	1,959,348	1,864,068	1,784,438	1,935,370	1,596,146
Bond issuance costs					
Total expenditures	<u>\$ 19,309,020</u>	<u>\$ 20,403,418</u>	<u>\$ 21,224,452</u>	<u>\$ 25,333,414</u>	<u>\$ 39,797,342</u>
Expenditures for capitalized assets	\$ 301,051	\$ 363,511	\$ 152,428	\$ 772,603	\$ 19,578,709
Debt service as a percentage of noncapital expenditures	16%	15%	15%	14%	15%

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

(Concluded)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (7,487,276)	\$ (514,097)	\$ 1,089,147	\$ (411,502)	\$ (1,402,526)
Other financing sources (uses):					
Issuance of School Improvement Bonds	13,920,000				
Refunding bonds issued		15,660,000			
Premium on sale of bonds	1,284,976				
Capital lease agreements		269,582			
Transfers in	326,217	250,607	77,690	97,301	763,373
Transfers out	(326,217)	(250,607)	(77,690)	(97,301)	(763,373)
Payment to refunded bond escrow agent		(15,463,444)			
Insurance recoveries	47,632				
Total other financing sources (uses)	<u>15,252,608</u>	<u>466,138</u>			
Changes in fund balances	<u>\$ 7,765,332</u>	<u>\$ (47,959)</u>	<u>\$ 1,089,147</u>	<u>\$ (411,502)</u>	<u>\$ (1,402,526)</u>
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Excess (deficiency) of revenues over expenditures	\$ (1,537,254)	\$ (283,376)	\$ 3,012,657	\$ (2,606,223)	\$ (14,737,778)
Other financing sources (uses):					
Issuance of School Improvement Bonds					5,000,000
Capital lease agreements	49,106			1,285,617	402,645
Transfers in	697	1,230			
Transfers out	(697)	(1,230)			
Total other financing sources (uses)	<u>49,106</u>			<u>1,285,617</u>	<u>5,402,645</u>
Changes in fund balances	<u>\$ (1,488,148)</u>	<u>\$ (283,376)</u>	<u>\$ 3,012,657</u>	<u>\$ (1,320,606)</u>	<u>\$ (9,335,133)</u>

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 36,519,756	\$ 36,374,443	\$ 37,583,867	\$ 40,354,457	\$ 43,027,722
Agricultural and Vacant	21,973,988	24,504,340	26,411,389	28,817,608	32,493,608
Residential (Owner Occupied)	58,221,359	56,042,618	55,530,054	61,699,550	73,334,783
Residential (Rental)	<u>116,016,057</u>	<u>111,036,035</u>	<u>106,542,052</u>	<u>116,471,750</u>	<u>124,714,890</u>
Total	<u>\$ 232,731,160</u>	<u>\$ 227,957,436</u>	<u>\$ 226,067,362</u>	<u>\$ 247,343,365</u>	<u>\$ 273,571,003</u>
Gross Full Cash Value	\$ 2,237,607,460	\$ 2,122,902,082	\$ 2,041,307,953	\$ 2,227,526,753	\$ 2,481,656,993
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	11%	11%	11%	11%
Total Direct Rate	5.49	5.22	5.26	4.99	4.17

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 44,981,124	\$ 46,402,345	\$ 48,784,440	\$ 46,114,449	\$ 44,245,779
Agricultural and Vacant	36,423,191	36,421,461	34,361,043	36,067,881	31,464,095
Residential (Owner Occupied)	210,049,325	226,253,804	207,399,793	181,313,241	157,295,457
Residential (Rental)	<u>12,010,916</u>	<u>12,804,105</u>	<u>11,624,236</u>	<u>10,410,045</u>	<u>8,494,275</u>
Total	<u>\$ 303,464,556</u>	<u>\$ 321,881,715</u>	<u>\$ 302,169,512</u>	<u>\$ 273,905,616</u>	<u>\$ 241,499,606</u>
Gross Full Cash Value	\$ 2,775,621,583	\$ 3,079,237,223	\$ 3,047,139,546	\$ 2,782,139,110	\$ 2,221,944,109
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	10%	10%	10%	11%
Total Direct Rate	3.89	4.03	4.61	4.60	4.96

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

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 37,230,520	\$ 36,429,538	\$ 37,614,710	\$ 40,392,985	\$ 43,102,884
Agricultural and Vacant	23,181,569	24,956,752	26,515,689	28,988,281	32,926,771
Residential (Owner Occupied)	61,005,873	57,628,224	55,566,643	61,719,536	73,411,937
Residential (Rental)	<u>121,090,742</u>	<u>113,785,553</u>	<u>106,652,419</u>	<u>116,568,664</u>	<u>124,856,499</u>
Total	<u>\$ 242,508,704</u>	<u>\$ 232,800,067</u>	<u>\$ 226,349,461</u>	<u>\$ 247,669,466</u>	<u>\$ 274,298,091</u>
Gross Full Cash Value	\$ 2,237,607,460	\$ 2,122,902,082	\$ 2,041,307,953	\$ 2,227,526,753	\$ 2,481,656,993
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	2,165,748,892	2,046,851,190	1,966,511,261	2,151,712,590	2,376,119,818
Total Direct Rate	5.49	5.22	5.26	4.99	4.17

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	\$ 45,165,452	\$ 46,651,220	\$ 49,514,365	\$ 47,510,915	\$ 44,652,756
Agricultural and Vacant	39,713,780	44,712,329	42,996,389	48,883,503	39,424,780
Residential (Owner Occupied)	210,523,881	237,270,941	235,693,197	208,472,489	163,964,269
Residential (Rental)	<u>12,032,947</u>	<u>13,287,368</u>	<u>12,791,020</u>	<u>11,610,719</u>	<u>8,683,316</u>
Total	<u>\$ 307,436,060</u>	<u>\$ 341,921,858</u>	<u>\$ 340,994,971</u>	<u>\$ 316,477,626</u>	<u>\$ 256,725,121</u>
Gross Full Cash Value	\$ 2,775,621,583	\$ 3,079,237,223	\$ 3,047,139,546	\$ 2,782,139,110	\$ 2,221,944,109
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	12%
Estimated Net Full Cash Value	2,672,400,361	3,163,331,613	2,953,836,313	2,689,756,368	2,139,034,953
Total Direct Rate	3.89	4.03	4.61	4.60	4.96

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

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	18 %	19 %	19 %	20 %	20 %
Agricultural and Vacant	15	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	16	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Commercial, Industrial, Utilities and Mining	20 %	21 %	22 %	23 %	24 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	17	18	20	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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State		County	Flood	Community	Fire	Public			
	Equalization	County	Free Library	Control District	College District	District Assistance	Health Services	Primary	Secondary	Total
2017	0.50	0.85	0.10	0.29	1.79	0.10	0.25	4.34	1.15	5.49
2016	0.51	0.84	0.10	0.30	1.74	0.10	0.25	3.60	1.62	5.22
2015	0.51	0.82	0.10	0.30	1.66	0.10	0.24	3.91	1.35	5.26
2014	0.51	0.70	0.07	0.30	1.48	0.10	0.22	3.59	1.40	4.99
2013	0.47	0.64	0.05	0.30	1.35	0.10	0.20	2.91	1.26	4.17
2012	0.43	0.60	0.05	0.30	1.24	0.10	0.20	2.87	1.02	3.89
2011	0.36	0.56	0.05	0.30	1.13	0.10	0.20	2.94	1.09	4.03
2010	0.33	0.56	0.05	0.30	1.14	0.10	0.20	3.57	1.04	4.61
2009		0.58	0.05	0.30	1.34	0.10	0.20	3.50	1.10	4.60
2008		0.60	0.05	0.30	1.42	0.10	0.20	3.58	1.38	4.96

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Taxpayer	2017			2008	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation		Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Navopache Electric Co-Op (T&D)	\$ 3,567,964	1.53 %		\$ 2,375,164	0.93 %
Unisource Energy Corporation	2,331,100	1.00		2,332,850	0.91
Wal-Mart Stores Inc	1,988,040	0.85		2,271,745	0.88
Lowes HIW Inc	1,502,829	0.65			
Citizens Telecomm of White Mtns	1,061,475	0.46		1,895,173	0.74
Home Depot USA Inc	954,631	0.41		1,020,788	0.40
Arizona Water Company Lakeside	869,058	0.37		1,073,410	0.42
Show Low Yale Casitas LLC	653,049	0.28		1,193,972	0.47
Bear Cub Properties LLC	603,109	0.26		1,073,364	0.42
Aspen Ridge Medical Complex LLC	596,065	0.26			
Lakeside 160 LLC				1,611,457	0.63
MJM Resorts LLC				815,137	0.32
Total	<u>\$ 14,127,320</u>	<u>6.07 %</u>		<u>\$ 15,663,060</u>	<u>6.12 %</u>

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

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
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
2017	\$ 11,627,823	\$ 11,293,089	97.12 %	\$	\$ 11,293,089	97.12 %
2016	10,975,571	10,588,712	96.48	368,357	10,957,069	99.83
2015	10,940,499	10,571,371	96.63	358,922	10,930,293	99.91
2014	11,430,928		0.00	11,423,991	11,423,991	99.94
2013	10,617,927		0.00	10,593,902	10,593,902	99.77
2012	9,597,281		0.00	9,561,409	9,561,409	99.63
2011	10,700,204		0.00	10,676,297	10,676,297	99.78
2010	11,685,900		0.00	11,639,015	11,639,015	99.60
2009	10,831,224		0.00	10,822,182	10,822,182	99.92
2008	10,206,092		0.00	10,191,537	10,191,537	99.86

Source: The source of this information is the 2017 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.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
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	Per Capita	Capital Leases	Total	Percentage of	Per Capita	Percentage of Personal Income	
				Estimated Actual Value (Full Cash Value)				Estimated Actual Value (Full Cash Value)			
2017	\$ 29,930,000	\$ 219,688	\$ 29,710,312	1.33 %	\$ 2,658	\$ 2,912,238	\$ 32,842,238	1.47 %	\$ 2,939	1.04 %	
2016	17,570,000	1,111,382	16,458,618	0.78	1,488	3,446,613	21,016,613	0.99	1,900	0.70	
2015	18,120,000	217,192	17,902,808	0.88	1,713	3,645,561	21,765,561	1.07	2,083	0.77	
2014	19,560,000	1,705,561	17,854,439	0.80	1,463	2,864,123	22,424,123	1.01	1,838	0.81	
2013	21,100,000	296,046	20,803,954	0.84	1,699	555,457	21,655,457	0.87	1,769	0.79	
2012	22,600,000	307,569	22,292,431	0.80	1,960	454,097	23,054,097	0.83	2,027	0.87	
2011	24,050,000	714,750	23,335,250	0.76	2,222	914,339	24,964,339	0.81	2,378	0.92	
2010	25,425,000	613,392	24,811,608	0.81	2,256	1,403,407	26,828,407	0.88	2,439	1.04	
2009	26,725,000	744,241	25,980,759	0.93	2,593	1,887,845	28,612,845	1.03	2,856	1.18	
2008	27,980,000	1,014,292	26,965,708	1.21	2,921	1,282,598	29,262,598	1.32	3,170	1.37	

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2017

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Navajo County	\$ 15,862,822	28.82 %	\$ 4,571,861
Town of Pinetop-Lakeside	910,902	100.00	910,902
Direct:			
Blue Ridge Unified School District			<u>32,842,238</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 38,325,001</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	12.77 %	
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 3,149	
As a Percentage of Net Limited Assessed Valuation	15.12 %	
As a Percentage of Gross Full Cash Value	1.57 %	

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

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
 - 2) Outstanding debt as of June 30, 2016 is presented for the overlapping governments as this is the most recent available information.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2017:

Net full cash assessed valuation	\$ 242,508,704
Debt limit (20% of assessed value)	48,501,741
Debt applicable to limit	<u>31,214,976</u>
Legal debt margin	<u><u>\$ 17,286,765</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2017:

Net full cash assessed valuation	\$ 242,508,704
Debt limit (30% of assessed value)	72,752,611
Debt applicable to limit	<u>31,214,976</u>
Legal debt margin	<u><u>\$ 41,537,635</u></u>

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 72,752,611	\$ 69,840,020	\$ 67,904,838	\$ 74,300,840	\$ 82,289,427
Total net debt applicable to limit	<u>31,214,976</u>	<u>17,570,000</u>	<u>18,120,000</u>	<u>19,560,000</u>	<u>21,100,000</u>
Legal debt margin	<u><u>\$ 41,537,635</u></u>	<u><u>\$ 52,270,020</u></u>	<u><u>\$ 49,784,838</u></u>	<u><u>\$ 54,740,840</u></u>	<u><u>\$ 61,189,427</u></u>
Total net debt applicable to the limit as a percentage of debt limit	43%	25%	27%	26%	26%
	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$ 92,230,818	\$ 102,576,557	\$ 102,298,491	\$ 94,943,288	\$ 77,017,536
Total net debt applicable to limit	<u>22,600,000</u>	<u>24,050,000</u>	<u>25,425,000</u>	<u>26,725,000</u>	<u>27,980,000</u>
Legal debt margin	<u><u>\$ 69,630,818</u></u>	<u><u>\$ 78,526,557</u></u>	<u><u>\$ 76,873,491</u></u>	<u><u>\$ 68,218,288</u></u>	<u><u>\$ 49,037,536</u></u>
Total net debt applicable to the limit as a percentage of debt limit	25%	23%	25%	28%	36%

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

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

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
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>
2016	110,413	\$	3,154,284	\$	29,132	8.1 %	11,176
2015	109,671		2,991,865		27,672	10.2	11,061
2014	109,185		2,832,564		26,368	11.3	10,450
2013	107,322		2,767,865		25,860	13.1	12,200
2012	107,094		2,746,969		25,570	15.2	12,244
2011	107,398		2,663,929		24,731	13.9	11,371
2010	107,449		2,719,874		25,284	15.6	10,500
2009	112,975		2,583,202		24,002	15.4	11,000
2008	114,780		2,435,033		22,773	9.2	10,018
2007	113,796		2,128,949		19,505	6.4	9,232

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 2007 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2016, the source of the information is the Arizona Office of Employment and Population Statistics.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Employer	2017			2008		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Haven of Show Low	512	1.83	%			%
Show Low Unified School District No. 10	275	0.98		315	1.07	
Smith Bagley, Inc.	180	0.64				
City of Show Low	150	0.54		145	0.49	
Summit Healthcare	100	0.36				
Torreon Golf Club LLC	100	0.36		100	0.34	
Dishchiibikoh Community School	99	0.35				
Timber Mesa Fire and Medical District	86	0.31				
Precision Lumber and Hardware, Inc.	80	0.29				
Wal-Mart				550	1.87	
Navapache Regional Medical Center				540	1.83	
Northland Pioneer College				235	0.80	
Giant Industries Inc.				105	0.36	
Infinia at Show Low				100	0.34	
Home Depot				95	0.32	
Total	<u>1,582</u>	<u>5.66</u>	%	<u>2,185</u>	<u>7.42</u>	%
Total employment	<u>27,925</u>			<u>29,449</u>		

Source: The primary source of this information is Hoover's, Inc., a D&B Company.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Supervisory					
Superintendent	1	1	1	1	1
Consultants/supervisors of instruction	1	1	1	1	1
Principals	3	3	4	4	4
Assistant principals	2	3	3	3	3
Total supervisory	<u>7</u>	<u>8</u>	<u>9</u>	<u>9</u>	<u>9</u>
Instruction					
Teachers	121	115	109	119	127
Other professionals (instructional)	3	2	1		
Aides	47	38	37	39	41
Total instruction	<u>171</u>	<u>155</u>	<u>147</u>	<u>158</u>	<u>168</u>
Student Services					
Nurses			1	1	1
Counselors/Advisors	4	4	3	4	4
Technicians	9	13	13	16	15
Total student services	<u>13</u>	<u>17</u>	<u>17</u>	<u>21</u>	<u>20</u>
Support and Administration					
Clerical workers	19	17	16	16	16
Maintenance workers	24	20	20	20	20
Bus Drivers	16	11	12	16	16
Other classified	14	13	14	17	18
Total support and administration	<u>73</u>	<u>61</u>	<u>62</u>	<u>69</u>	<u>70</u>
Total	<u><u>264</u></u>	<u><u>241</u></u>	<u><u>235</u></u>	<u><u>257</u></u>	<u><u>267</u></u>

(Continued)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Supervisory					
Superintendent	1	1	1	1	1
Consultants/supervisors of instruction	1	1	1	1	1
Principals	4	5	5	5	4
Assistant principals	3	3	3	5	5
Total supervisory	<u>9</u>	<u>10</u>	<u>10</u>	<u>12</u>	<u>11</u>
Instruction					
Teachers	131	137	153	172	172
Other professionals (instructional)			1		
Aides	43	49	55	63	60
Total instruction	<u>174</u>	<u>186</u>	<u>209</u>	<u>235</u>	<u>232</u>
Student Services					
Nurses	1	1	1	1	3
Counselors/Advisors	4	4	4	5	6
Technicians	15	10	13	16	12
Total student services	<u>20</u>	<u>15</u>	<u>18</u>	<u>22</u>	<u>21</u>
Support and Administration					
Clerical workers	17	22	23	23	25
Maintenance workers	22	25	26	32	28
Bus Drivers	16	17	16	18	18
Other classified	17	19	22	22	18
Total support and administration	<u>72</u>	<u>83</u>	<u>87</u>	<u>95</u>	<u>90</u>
Total	<u><u>275</u></u>	<u><u>294</u></u>	<u><u>324</u></u>	<u><u>364</u></u>	<u><u>354</u></u>

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

(Concluded)

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2017	2,084	\$ 16,731,064	\$ 8,028	6.97 %	\$ 20,765,480	\$ 9,964	14.08 %	121	17.2	40.0 %
2016	2,055	15,422,769	7,505	0.91	17,948,969	8,734	(2.85)	115	17.9	54.0
2015	1,940	14,428,963	7,438	(1.85)	17,442,087	8,991	0.22	109	17.8	53.0
2014	2,065	15,647,393	7,577	5.43	18,525,748	8,971	5.39	119	17.4	52.0
2013	2,204	15,840,355	7,187	3.53	18,761,394	8,512	2.59	127	17.4	53.0
2012	2,282	15,841,512	6,942	(0.35)	18,935,620	8,298	(1.31)	131	17.4	51.0
2011	2,379	16,573,218	6,966	(1.78)	20,003,022	8,408	1.48	137	17.4	51.0
2010	2,496	17,702,577	7,092	(3.95)	20,680,166	8,285	(13.16)	153	16.3	49.0
2009	2,590	19,124,249	7,384	0.97	24,709,563	9,540	23.58	172	15.1	45.0
2008	2,624	19,188,495	7,313	N/A	20,257,603	7,720	N/A	172	15.3	39.0

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

Note: 1) Operating expenditures are total expenditures less debt service and capital outlay.

2) N/A indicates that the information is not available.

BLUE RIDGE UNIFIED SCHOOL DISTRICT NO. 32
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>Schools</u>										
Elementary										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	101,798	70,714	70,714	70,714	70,714	70,714	70,714	70,714	70,714	70,714
Capacity	1,272	883	883	883	883	883	883	883	883	883
Enrollment	1,097	1,097	1,000	1,003	1,097	1,100	1,100	1,248	1,318	1,361
Middle										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	58,071	63,765	63,765	63,765	63,765	63,765	63,765	63,765	63,765	63,765
Capacity	725	797	797	797	797	797	797	797	797	797
Enrollment	351	351	304	345	389	389	389	385	414	431
High										
Buildings	20	20	20	20	20	20	20	20	20	20
Square feet	164,416	164,416	164,416	164,416	164,416	164,416	164,416	164,416	164,416	164,416
Capacity	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370
Enrollment	791	791	699	726	770	770	770	860	855	868
Other										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
<u>Administrative</u>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	41	29	29	29	30	32	31	31	31	31
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	3	3	3	3	3	3	3	3	3	3
Playgrounds	5	4	4	4	4	4	4	4	4	3

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

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