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# CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

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## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**

**CHANDLER, ARIZONA**

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

Issued by:  
Business and Finance Department

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**

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## **INTRODUCTORY SECTION**

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## CHANDLER UNIFIED SCHOOL DISTRICT NO. 80

James T. Perry Administration Center • 1525 West Frye Road • Chandler, Arizona 85224  
(480) 812-7000 • FAX: (480) 812-7015

“Dedicated to Excellence”

**Camille Casteel, Ed.D., Superintendent**

December 11, 2017

Citizens and Governing Board  
Chandler Unified School District No. 80  
1525 West Frye Road  
Chandler, Arizona 85224

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 Chandler Unified School District No. 80 (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.

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Governing Board

Annette Auxier  
(480) 786-3544

Karen McGee  
(480) 892-7600

David F. Evans  
(480) 782-7961

Barbara Mozden  
(480) 497-5703

Robert J.C. Rice  
(480) 963-0307

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

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

## **PROFILE OF THE DISTRICT**

The District is one of 58 public school districts located in Maricopa County, Arizona. It is the second largest district in the county and third largest district in the state. It provides a program of public education from preschool through grade twelve.

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

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

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

Approximately 45,000 students are served in 30 elementary schools, six junior highs, six comprehensive high schools and four alternative schools, Chandler Early College on the campus of Chandler Gilbert Community College, Hill Learning Academy, Hill at ICAN and Chandler Online Academy.

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.

### **District Accomplishments**

Chandler Unified School District continues to outperform peers, as AzMERIT results show Chandler students scored better than the state average in every grade level and subject area for the third straight year! The AzMERIT scores, released by the Arizona Department of Education on Wednesday, illustrate the hard work and dedication of Chandler Unified students, teachers and leaders. CUSD highlights:

1. Chandler Unified students outperformed the charter average of students passing the Mathematics test on average by 9 percentage points and the charter average of students passing the English Language Arts test on average by 6 percentage points.
2. Chandler Unified students outperformed the state average of students passing the English Language Arts test on average by 15 percentage points.
3. Chandler Unified students outperformed the state average of students passing the Mathematics test on average by 16 percentage points.
4. ACP Oakland ranked second and Knox Gifted Academy fifth in the state on math proficiency.
5. Knox Gifted Academy finished third and ACP Oakland ninth in the state on English Language Arts proficiency.
6. Arizona College Prep Oakland campus in November 2017 was recognized as a U.S. Blue Ribbon School.

The District's dropout rate of 1.0% is below the state and national averages. Student success is also measured by achievement on the AIMS scores (above state averages) and college scholarship dollars earned (\$118 million for the graduating class of 2017).

Because of the outstanding educational programs offered in the Chandler Unified School District, schools have earned A+ recognition from the Arizona Educational Foundation or Blue Ribbon status 70 times since 1983 (59 A+ and 12 Blue Ribbons), the most of any school district in Arizona.

In addition to academic success, CUSD schools are leaders in the athletic area. Chandler schools won 28 individual and team state championships through Arizona Interscholastic Association competition.

The Chandler Unified School District embraces accountability as a means to improve student performance and we strive to perform at levels greater than state and national standards. Our Governing Board has adopted a 10-year strategic plan called Journey 2025 to position CUSD as a premier district of choice. At the heart of Journey 2025 are strategies centered around:

- 1) student achievement;
- 2) outstanding staff;
- 3) effective resource management;
- 4) culture of success.

We invite you to learn about Journey 2025 on our web site at [www.cusd80.com](http://www.cusd80.com).

Chandler Unified has earned a reputation as a district that offers challenging curriculum, including a tiered program (our gifted program includes three different levels of support) for gifted students called Chandler Academically Talented Students (CATS), Honors, Advanced Placement and International Baccalaureate programs.

CUSD collaborates well with parents, staff and the community in all aspects of education, including joint-use cooperative efforts. To leverage taxpayer dollars, the District has partnered with the City of Chandler and Town of Gilbert to build and operate the Chandler Center for the Arts, municipal libraries, municipal pools and a transportation complex.

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

**Local Economy.** Maricopa County (the "County") encompasses an area of approximately 9,225 square miles and is located in the south-central portion of Arizona. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert and Paradise Valley. This metropolitan area is the State's major economic, political and population center.

Maricopa County is the fourth-most populous in the nation and the fourteenth in land area. The County's population is estimated at approximately four million and is expected to reach 6 million by 2030. Population growth has historically been strong in the County.

The County has a diverse economy based on manufacturing, high tech, retail, service industries, tourism, government and agriculture. The County's top employer is the State of Arizona and other major employers include education, healthcare and aerospace. Education/healthcare, professional/business and leisure/hospitality service sectors have led much of the County's recent employment growth and in fiscal 2014-15, the unemployment rate dropped to under 6 percent for the first time in five years and remains under six percent.

The County's economy will continue to benefit from its role as the economic and political center for the entire State. Because of a favorable climate, diverse recreational activities and ample accommodations, millions of people are attracted to the area each year, contributing to the strength of the tourism industry and local economy. The metropolitan area provides excellent educational and training opportunities with its twelve community colleges, ten private colleges and graduate schools and three highly regarded state universities.

The majority of the District is located in the City of Chandler. The City is home to notable names in manufacturing, technology and business services and is also seeing extensive growth in the healthcare sector. Chandler was voted one of Money Magazine's "100 Best Places to Live," was named one of the "5 Great Places to Live (and Retire)" by AARP and named among the "100 Best Communities for Young People" by Alliance for Youth.

The District's financial condition reflects the strength of the local economy. The District's tax base is relatively strong with net full cash assessed valuation increasing approximately 6.5 percent annually over the last ten years. The highest increase year over year in net full cash assessed valuation was in 2007-08 with 55.2 and the largest decrease year over year was in 2011-12 with 19.4 percent. In 2016-17, the District's net full cash assessed valuation saw a boost of 12.4 percent from the previous year with residential property providing the bulk of the increase. Starting in 2015-16, ad valorem property taxes will be based off the net limited assessed valuation; the net limited assessed valuation increased by approximately 7.9 percent in 2016-17. Moderate increases are anticipated in future years.

In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university.

**Long-term Financial Planning.** The District's Mission is "to provide students with the knowledge, skills and attitude necessary to be lifelong learners and responsible citizens." The District's Vision Statement stresses four key points: student success, parent satisfaction, staff which experiences accomplishment, and a community which takes pride in its school system.

Keeping our mission and vision in mind, our ten-year strategic plan, Journey 2025, has been designed to establish Chandler Unified School District as a district of choice and focuses on ensuring academic excellence, outstanding staff, effective resource management, and a culture of success.

The Chandler Unified School District continues to grow, with a slight increase in students. The District opened Auxier Elementary School and Casteel High School in 2015. The District has started construction on phase three of Casteel High School, additions to Hamilton High School and Auxier Elementary along with adding square footage for Elite Performance at CTA Humphrey and multiple portables throughout the District. Chandler Unified School District is proud of how it has managed its resources in an era of restricted budgets and accountability. Management has built a contingency fund in excess of \$40 million. The average age of the school building is 26 years.

The District has also achieved some of the highest bond ratings in the State of Arizona. The District currently maintains a bond rating of "Aa2" from Moody's and "AA" from Standard and Poor's.

## AWARDS AND ACKNOWLEDGMENT

**Awards.** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2016. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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



Dr. Camille Casteel  
Superintendent of Schools



Joel Wirth, CPA  
Chief Financial Officer



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Chandler Unified School District No. 80**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

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



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA  
President

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

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

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

Presented to

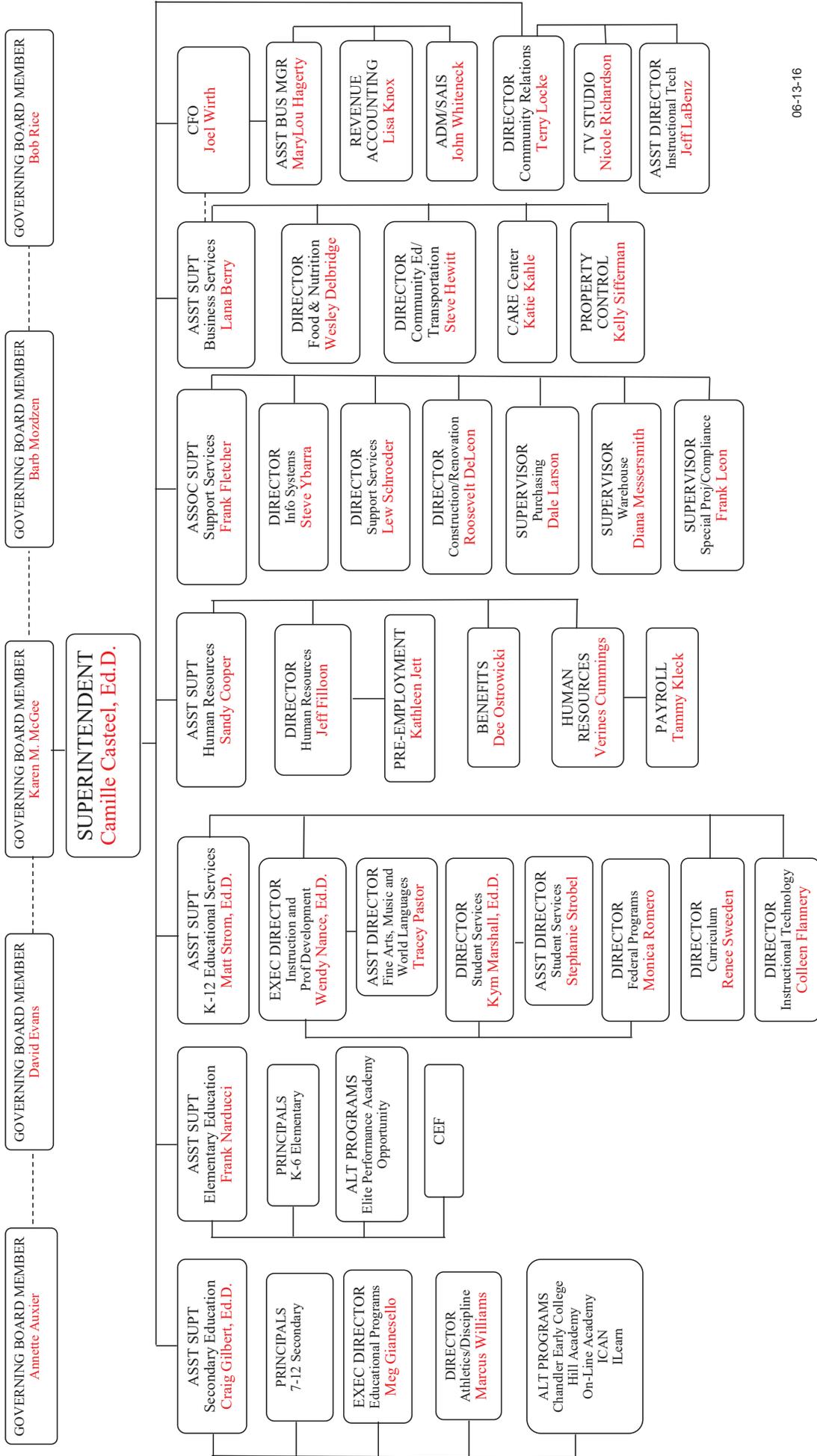
**Chandler Unified School District No. 80  
Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

CHANDLER UNIFIED SCHOOL DISTRICT  
2016-17 ORGANIZATIONAL CHART



**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Annette Auxier, President

Barbara Mozdzen, Vice President

Robert J.C. Rice, Member

David F. Evans, Member

Karen M. McGee, Member

**ADMINISTRATIVE STAFF**

Dr. Camille Casteel, Superintendent of Schools

Joel Wirth, CPA, Chief Financial Officer

Frank Fletcher, Associate Superintendent for Support Services

Lana Berry, CPA, Assistant Superintendent for Business

Sandy Cooper, Assistant Superintendent for Human Resources

Craig Gilbert, Assistant Superintendent for Secondary Education

Frank Narducci, Assistant Superintendent for Elementary Education

**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Chandler Unified School District No. 80

### **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 Chandler Unified School District No. 80 (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 Chandler Unified School District No. 80, 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, net pension liability information, and schedule of funding progress, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2017, on our consideration of Chandler Unified School District No. 80'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 Chandler Unified School District No. 80's internal control over financial reporting and compliance.

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

Heinfeld, Meech & Co., P.C.  
Phoenix, Arizona  
December 11, 2017

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

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**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

As management of the Chandler Unified School District No. 80 (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 increased \$5.2 million which represents a four percent increase from the prior fiscal year which was primarily due to an increase in property tax revenue.
- General revenues accounted for \$306.1 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$69.6 million or 19 percent of total current fiscal year revenues.
- The District had approximately \$370.4 million in expenses related to governmental activities, an increase of 11 percent from the prior fiscal year.
- Among major funds, the General Fund had \$256.9 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$263.8 million in expenditures. The General Fund's fund balance decreased from \$34.7 million at the prior fiscal year end to \$28.7 million at the end of the current fiscal year was primarily due to an increase in instruction expenditures.

### **OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**OVERVIEW OF FINANCIAL STATEMENTS**

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.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service and 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 statements and schedules.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information. Schedules for the pension plan and other postemployment benefit plan have also 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 \$137.9 million at the current fiscal year end.

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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	\$ 262,421,099	\$ 255,847,235
Capital assets, net	567,146,886	545,220,520
Total assets	<u>829,567,985</u>	<u>801,067,755</u>
Deferred outflows	<u>82,466,613</u>	<u>40,433,008</u>
Current and other liabilities	85,626,712	83,428,818
Long-term liabilities	647,745,467	599,830,172
Total liabilities	<u>733,372,179</u>	<u>683,258,990</u>
Deferred inflows	<u>40,712,969</u>	<u>25,537,904</u>
Net position:		
Net investment in capital assets	315,644,460	312,910,731
Restricted	67,875,820	52,243,718
Unrestricted	(245,570,830)	(232,450,580)
Total net position	<u>\$ 137,949,450</u>	<u>\$ 132,703,869</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. The District's unrestricted net position reported a deficit 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.

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

- The addition of \$41.8 million in capital assets primarily for renovations and additions to school sites and purchases of vehicles, furniture and equipment.
- The increase of \$32.1 million in pension liabilities.
- An increase in accumulated depreciation of \$19.7 million.
- The issuance of \$71.9 million of school improvement bonds.
- The principal retirement of \$20.1 million of bonds.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

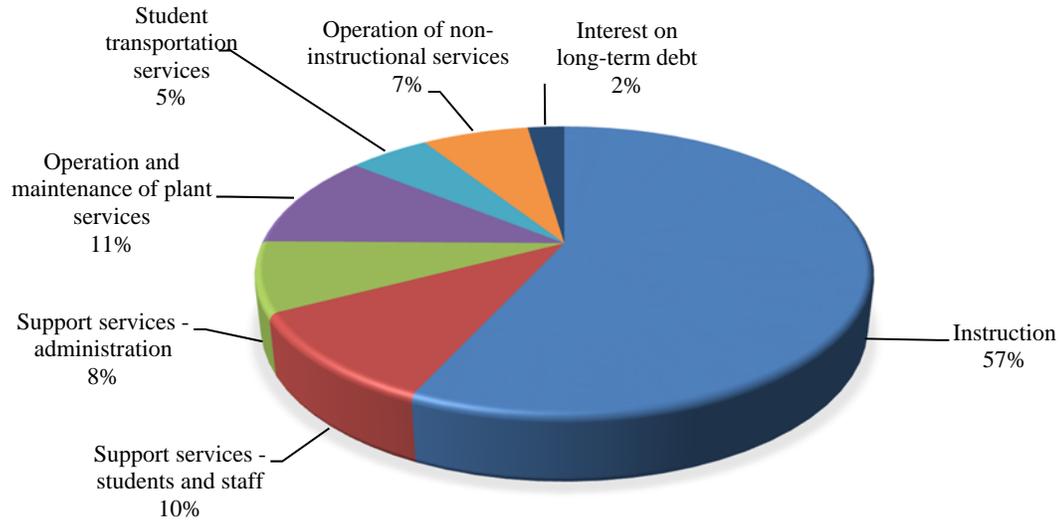
**Changes in net position.** The District's total revenues for the current fiscal year were \$375.6 million. The total cost of all programs and services was \$370.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2017 and June 30, 2016.

	<u>Fiscal Year Ended June 30, 2017</u>	<u>Fiscal Year Ended June 30, 2016</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 29,409,614	\$ 28,743,006
Operating grants and contributions	29,743,563	27,671,862
Capital grants and contributions	10,431,944	2,100,072
General revenues:		
Property taxes	137,525,079	128,101,295
Investment income	754,852	585,719
Unrestricted county aid	12,273,304	11,576,061
Unrestricted state aid	154,307,593	148,132,881
Unrestricted federal aid	1,200,431	1,025,786
<b>Total revenues</b>	<u>375,646,380</u>	<u>347,936,682</u>
<b>Expenses:</b>		
Instruction	210,655,223	191,898,312
Support services – students and staff	38,713,351	33,152,498
Support services – administration	29,260,509	26,316,599
Operation and maintenance of plant services	39,216,088	35,752,987
Student transportation services	19,051,987	15,678,218
Operation of non-instructional services	24,925,897	23,657,815
Interest on long-term debt	8,577,744	8,666,277
<b>Total expenses</b>	<u>370,400,799</u>	<u>335,122,706</u>
<b>Changes in net position</b>	<u>5,245,581</u>	<u>12,813,976</u>
<b>Net position, beginning</b>	<u>132,703,869</u>	<u>119,889,893</u>
<b>Net position, ending</b>	<u>\$ 137,949,450</u>	<u>\$ 132,703,869</u>

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Expenses - Fiscal Year 2017**



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

- An increase of \$9.4 million in property tax revenue due to an increase in the net limited assessed valuation of taxable property within the District.
- An increase of \$18.8 million in instruction expenses due to student growth and the Proposition 123 allocation that was used to increase salaries and benefits.

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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	<u>Year Ended June 30, 2017</u>		<u>Year Ended June 30, 2016</u>	
	<u>Total Expenses</u>	<u>Net burden on taxpayers</u>	<u>Total Expenses</u>	<u>Net burden on taxpayers</u>
Instruction	\$ 210,655,223	\$ (178,501,389)	\$191,898,312	\$ (170,296,376)
Support services – students and staff	38,713,351	(32,139,175)	33,152,498	(26,680,684)
Support services – administration	29,260,509	(28,589,105)	26,316,599	(25,215,556)
Operation and maintenance of plant services	39,216,088	(38,522,029)	35,752,987	(34,375,779)
Student transportation services	19,051,987	(17,292,931)	15,678,218	(14,799,361)
Operation of non-instructional services	24,925,897	1,603,936	23,657,815	1,639,474
Interest on long-term debt	8,577,744	(7,374,985)	8,666,277	(6,879,484)
<b>Total</b>	<u>\$ 370,400,799</u>	<u>\$ (300,815,678)</u>	<u>\$ 335,122,706</u>	<u>\$ (276,607,766)</u>

- The cost of all governmental activities this year was \$370.4 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$69.6 million.
- Net cost of governmental activities of \$300.8 million was financed by general revenues, which are made up of primarily property taxes of \$137.5 million and state and county aid of \$166.6 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 \$147.3 million, an increase of \$6.9 million primarily due to the issuance of school improvement bonds, the payoff of a lease, and the receipt of school board facilities monies.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

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

The General Fund comprises 19 percent of the total fund balance. Approximately \$25.6 million, or 89 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance from \$34.7 million to \$28.7 million as of fiscal year end was a result of an increase in expenditures. General Fund revenues increased \$10.4 million, or four percent. General Fund expenditures increased \$20.6 million or eight percent.

The fund balance of the Debt Service Fund increased \$518,759 to \$4.1 million as of fiscal year end.

The fund balance of the Bond Building Fund decreased \$3.1 million to \$51.6 million as of fiscal year end as a result of school improvement bonds being utilized for the payoff of a lease and capital expenditures.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget to include carryover and student growth figures. The difference between the original budget and the final amended budget was a \$6.9 million increase, or three 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 unfavorable variance of \$1.3 million in Student Transportation Services was a result of growth throughout the District; specifically, there were additional bus routes at the two new schools located in Queen Creek. Also, additional field trips and extra-curricular activities throughout the District.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$813.8 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 \$40.4 million from the prior fiscal year, primarily due to several construction projects including Casteel High School phase III. Total depreciation expense for the current fiscal year was \$19.7 million.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
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.

	<u>As of June 30, 2017</u>	<u>As of June 30, 2016</u>
Capital assets – non-depreciable	\$ 102,432,442	\$ 77,008,464
Capital assets – depreciable, net	464,714,444	468,212,056
<b>Total</b>	<u>\$ 567,146,886</u>	<u>\$ 545,220,520</u>

The estimated cost to complete current construction projects is \$29.3 million.

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

**Debt Administration.** At year end, the District had \$306.7 million in long-term debt outstanding, \$19.3 million due within one year. Long-term debt increased by \$15.2 million, primarily a result of the issuance of school improvement bonds.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total 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 \$896.8 million and the Class B debt limit is \$597.8 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

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

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

Many factors were considered by the District's administration during the process of developing the fiscal year 2017-18 Maintenance and Operations Fund budget. Among them:

- Fiscal year 2016-17 budget balance carry forward (\$915,955).
- District student population (estimated 43,905).

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2017**

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

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

Budgeted expenditures in the General Fund increased less than one percent to \$261.4 million in fiscal year 2017-18. 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, Chandler Unified School District No. 80, 1525 West Frye Road, Chandler, Arizona 85224.

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 202,849,549
Property taxes receivable	10,532,122
Accounts receivable	254,731
Due from governmental entities	47,112,592
Inventory	1,545,921
Total current assets	262,294,915
Noncurrent assets:	
Other postemployment benefit	126,184
Capital assets not being depreciated	102,432,442
Capital assets, net of accumulated depreciation	464,714,444
Total noncurrent assets	567,273,070
<b>Total assets</b>	<b>829,567,985</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred charge on refunding	3,627,854
Pension plan items	78,838,759
<b>Total deferred outflows of resources</b>	<b>82,466,613</b>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	3,244,923
Construction contracts payable	5,977,485
Credit line payable	17,317,000
Accrued payroll and employee benefits	9,138,638
Compensated absences payable	470,000
Accrued interest payable	4,585,065
Unearned revenues	363,601
Bonds payable	19,342,778
Tax anticipation notes payable	45,000,000
Total current liabilities	105,439,490
Noncurrent liabilities:	
Non-current portion of long-term obligations	627,932,689
Total noncurrent liabilities	627,932,689
<b>Total liabilities</b>	<b>733,372,179</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension plan items	40,712,969
<b><u>NET POSITION</u></b>	
Net investment in capital assets	315,644,460
Restricted for:	
Voter approved initiatives	11,555,329
Food service	3,328,851
Civic center	11,292,132
Community school	17,402,174
Extracurricular activities	3,966,460
Joint technical education	1,976,625
Other local initiatives and federal projects	487,690
Debt service	4,197,730
Capital outlay	13,668,829
Unrestricted	(245,570,830)
<b>Total net position</b>	<b>\$ 137,949,450</b>

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2017**

<b>Functions/Programs</b>	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 210,655,223	\$ 8,190,769	\$ 13,531,121	\$ 10,431,944	\$ (178,501,389)
Support services - students and staff	38,713,351	277,407	6,296,769		(32,139,175)
Support services - administration	29,260,509	510,114	161,290		(28,589,105)
Operation and maintenance of plant services	39,216,088	694,059			(38,522,029)
Student transportation services	19,051,987	995,425	763,631		(17,292,931)
Operation of non-instructional services	24,925,897	18,741,840	7,787,993		1,603,936
Interest on long-term debt	8,577,744		1,202,759		(7,374,985)
<b>Total governmental activities</b>	<u>\$ 370,400,799</u>	<u>\$ 29,409,614</u>	<u>\$ 29,743,563</u>	<u>\$ 10,431,944</u>	<u>(300,815,678)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	106,092,724
Property taxes, levied for debt service	25,309,540
Property taxes, levied for capital outlay	6,122,815
Investment income	754,852
Unrestricted county aid	12,273,304
Unrestricted state aid	154,307,593
Unrestricted federal aid	1,200,431
<b>Total general revenues</b>	<u>306,061,259</u>

**Changes in net position**

5,245,581

**Net position, beginning of year**

132,703,869

**Net position, end of year**

\$ 137,949,450

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

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**FUND FINANCIAL STATEMENTS**

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 50,891,819	\$ 27,405,503	\$ 56,307,749
Property taxes receivable	9,618,547	238,570	
Accounts receivable	89,135		
Due from governmental entities	42,862,842		
Due from other funds	1,042,739		
Inventory	685,038		
<b>Total assets</b>	<b>\$ 105,190,120</b>	<b>\$ 27,644,073</b>	<b>\$ 56,307,749</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 2,759,094	\$	\$
Construction contracts payable			4,737,869
Credit line payable	17,317,000		
Due to other funds			
Accrued payroll and employee benefits	1,853,450		
Accrued interest payable	481,500		
Unearned revenues			
Bonds payable		19,342,778	
Bond interest payable		4,103,565	
Tax anticipation notes payable	45,000,000		
<b>Total liabilities</b>	<b>67,411,044</b>	<b>23,446,343</b>	<b>4,737,869</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	9,105,956	115,016	
Unavailable revenues - other			
<b>Total deferred inflows of resources</b>	<b>9,105,956</b>	<b>115,016</b>	
Fund balances (deficits):			
Nonspendable	685,038		
Restricted		4,082,714	51,569,880
Assigned	2,417,185		
Unassigned	25,570,897		
<b>Total fund balances</b>	<b>28,673,120</b>	<b>4,082,714</b>	<b>51,569,880</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 105,190,120</b>	<b>\$ 27,644,073</b>	<b>\$ 56,307,749</b>

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

<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 68,244,478	\$ 202,849,549
675,005	10,532,122
165,596	254,731
4,249,750	47,112,592
	1,042,739
860,883	1,545,921
<u>\$ 74,195,712</u>	<u>\$ 263,337,654</u>

\$ 485,829	\$ 3,244,923
1,239,616	5,977,485
	17,317,000
1,042,739	1,042,739
7,285,188	9,138,638
	481,500
363,601	363,601
	19,342,778
	4,103,565
	45,000,000
<u>10,416,973</u>	<u>106,012,229</u>

660,250	9,881,222
120,959	120,959
<u>781,209</u>	<u>10,002,181</u>

860,883	1,545,921
62,144,071	117,796,665
	2,417,185
(7,424)	25,563,473
<u>62,997,530</u>	<u>147,323,244</u>

<u>\$ 74,195,712</u>	<u>\$ 263,337,654</u>
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**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

<b>Total governmental fund balances</b>		<b>\$ 147,323,244</b>
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 813,774,008	
Less accumulated depreciation	<u>(246,627,122)</u>	567,146,886
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	9,881,222	
Other	<u>120,959</u>	10,002,181
<p>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.</p>		
		3,627,854
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	78,838,759	
Deferred inflows of resources related to pensions	<u>(40,712,969)</u>	38,125,790
<p>OPEB contributions net of the OPEB liability recognized to date, are not current financial resources and, therefore are not reported in the funds.</p>		
		126,184
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(6,511,687)	
Net pension liability	(334,533,619)	
Bonds payable	<u>(287,357,383)</u>	<u>(628,402,689)</u>
<b>Net position of governmental activities</b>		<b><u><u>\$ 137,949,450</u></u></b>

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<b>Revenues:</b>			
Other local	\$ 17,292,266	\$ 100,639	\$ 223,480
Property taxes	106,420,953	25,361,445	
State aid and grants	129,702,685		
Federal aid, grants and reimbursements	3,479,767	2,393,955	
<b>Total revenues</b>	<u>256,895,671</u>	<u>27,856,039</u>	<u>223,480</u>
<b>Expenditures:</b>			
Current -			
Instruction	158,684,200		
Support services - students and staff	29,414,912		
Support services - administration	26,186,292		
Operation and maintenance of plant services	32,939,519		
Student transportation services	14,068,307		
Operation of non-instructional services	480,535		
Capital outlay	2,027,139		38,777,384
Debt service -			
Principal retirement		19,342,778	43,765,000
Interest and fiscal charges		8,217,980	483,603
Bond issuance costs			609,095
<b>Total expenditures</b>	<u>263,800,904</u>	<u>27,560,758</u>	<u>83,635,082</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(6,905,233)</u>	<u>295,281</u>	<u>(83,411,602)</u>
<b>Other financing sources (uses):</b>			
Transfers in	1,028,031	223,478	
Transfers out			(223,478)
Issuance of school improvement bonds			71,935,000
Premium on sale of bonds			8,607,327
<b>Total other financing sources (uses):</b>	<u>1,028,031</u>	<u>223,478</u>	<u>80,318,849</u>
<b>Changes in fund balances</b>	<u>(5,877,202)</u>	<u>518,759</u>	<u>(3,092,753)</u>
<b>Fund balances, beginning of year</b>	34,651,556	3,563,955	54,662,633
Increase (decrease) in reserve for inventory	(101,234)		
<b>Fund balances, end of year</b>	<u>\$ 28,673,120</u>	<u>\$ 4,082,714</u>	<u>\$ 51,569,880</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 32,061,768	\$ 49,678,153
5,941,413	137,723,811
35,186,766	164,889,451
19,122,648	24,996,370
<u>92,312,595</u>	<u>377,287,785</u>
26,799,762	185,483,962
6,308,234	35,723,146
561,553	26,747,845
442,246	33,381,765
1,333,145	15,401,452
23,590,377	24,070,912
16,471,794	57,276,317
	63,107,778
483,604	9,185,187
	609,095
<u>75,990,715</u>	<u>450,987,459</u>
<u>16,321,880</u>	<u>(73,699,674)</u>
	1,251,509
(1,028,031)	(1,251,509)
	71,935,000
	8,607,327
<u>(1,028,031)</u>	<u>80,542,327</u>
<u>15,293,849</u>	<u>6,842,653</u>
47,558,829	140,436,973
144,852	43,618
<u>\$ 62,997,530</u>	<u>\$ 147,323,244</u>

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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** **\$ 6,842,653**

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	\$ 41,827,873	
Less current year depreciation	<u>(19,676,909)</u>	22,150,964

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.

Issuance of school improvement bonds		(71,935,000)
--------------------------------------	--	--------------

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

Property taxes	(198,732)	
Other	120,959	
Intergovernmental	<u>(1,563,632)</u>	(1,641,405)

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	43,765,000	
Bond principal retirement	<u>19,342,778</u>	63,107,778

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	22,071,393	
Pension expense	<u>(26,461,539)</u>	(4,390,146)

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	43,618	
Other post employment benefits	(141,674)	
Deferred charges on issuance of debt	(877,962)	
Loss on disposal of assets	(224,598)	
Amortization of deferred bond items	(7,121,922)	
Compensated absences	<u>(566,725)</u>	<u>(8,889,263)</u>

**Changes in net position in governmental activities** **\$ 5,245,581**

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 3,318,908
<b>Total assets</b>	<b>\$ 3,318,908</b>
 <b><u>LIABILITIES</u></b>	
Accounts payable	\$ 12,873
Deposits held for others	1,983,684
Due to governmental entities	135,880
Due to student groups	1,186,471
<b>Total liabilities</b>	<b>\$ 3,318,908</b>

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

The financial statements of the Chandler Unified School District No. 80 (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.

**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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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.

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

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 the certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

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

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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes 1) the Student Activities Fund, which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent, 2) funds that account for employee withholdings before the monies are remitted to the appropriate entities and 3) activities related to agreements with other governments where the District is the fiscal agent.

The Agency Funds are custodial in nature and do not have a measurement focus and are reported on the accrual basis of accounting. The Agency Funds are reported by fund type.

**D. Cash and Investments**

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

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

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

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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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 in the Statement of Net Position.

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

**G. Property Tax Calendar**

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

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**H. Inventory**

All general supplies inventories are valued at cost using the average cost method. Inventories of the Food Service Fund 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.

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	20 years
Buildings and improvements	10-50 years
Vehicles, furniture and equipment	5-25 years

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**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.

**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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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 fund 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.

**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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

***Assigned.*** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The Board delegated the responsibility to the Chief Financial Officer by adopting a formal policy.

***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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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.

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 685,038	\$	\$	\$ 860,883
Restricted:				
Debt service		4,082,714		
Bond building projects			51,569,880	
Capital projects				13,008,579
Voter-approved initiatives				11,555,329
Food service				2,455,082
Civic center				11,292,132
Community schools				17,402,174
Extracurricular activities				3,966,460
Joint technical education				1,976,625
Other purposes				487,690
Assigned:				
Future employee benefits	2,159,933			
Maintenance	257,252			
Unassigned	25,570,897			(7,424)
Total fund balances	\$ 28,673,120	\$ 4,082,714	\$ 51,569,880	\$ 62,997,530

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

**Individual Deficit Fund Balance** – At year end, the County, City, and Town Grants Fund, a non-major governmental fund, reported a deficit in fund balance of \$7,424. The deficit arose because of operations during the year. Additional revenues received in fiscal year 2017-18 are expected to eliminate the deficit.

**Excess Expenditures Over Budget** – At year end, the District had expenditures in funds that exceeded the budgets, however this does not constitute a violation of any legal provisions, as the budget for these funds is simply an estimate and does not prevent the District exceeding the budget as long as the necessary revenue is earned.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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 \$2,706,228 and the bank balance was \$3,439,870. At year end, \$3,189,870 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. In addition, the District had \$10,180 of cash on hand at year end.

*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 and the Arizona School Risk Retention Trust Investment Pool are external investment pools with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The fair value of each participant’s position in both the investment pools 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:

	Level	Average Maturities	Fair Value
County Treasurer’s investment pool	Not Applicable	457 days	\$ 201,253,786
Money Market U.S. Treasuries	Level 1	Less than 1 year	38,330
Arizona School Risk Retention Trust Investment Pool	Not Applicable	1003 days	2,159,933
Total			<u>\$ 203,452,049</u>

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 4 – CASH AND INVESTMENTS**

*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. Investments held in the Arizona School Risk Retention Trust Investment Pool were rated between A and AA+ by Standard and Poor’s. The District’s investments in Money Market U.S. Treasuries and Agencies were rated AAA-mf by Moody’s Investors Service and AAAM by Standard & Poor’s.

*Custodial Credit Risk – Investments.* The District’s investment in the County Treasurer’s investment pool and the Arizona School Risk Retention Trust Investment Pool both represent a proportionate interest in the applicable pool’s portfolio; however, the District’s portion is not identified with specific investments and is not subject to custodial credit risk.

**NOTE 5 – RECEIVABLES**

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

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$ 474,230	\$ 1,163,461
Due from state government	42,388,612	2,220,742
Due from other districts		865,547
Net due from governmental entities	\$ 42,862,842	\$ 4,249,750

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 66,131,103	\$ 369,332	\$	\$ 66,500,435
Construction in progress	10,877,361	28,450,140	3,395,494	35,932,007
Total capital assets, not being depreciated	<u>77,008,464</u>	<u>28,819,472</u>	<u>3,395,494</u>	<u>102,432,442</u>
Capital assets, being depreciated:				
Land improvements	60,107,305	3,623,754		63,731,059
Buildings and improvements	593,372,581	4,413,577		597,786,158
Vehicles, furniture and equipment	42,919,298	8,366,564	1,461,513	49,824,349
Total capital assets being depreciated	<u>696,399,184</u>	<u>16,403,895</u>	<u>1,461,513</u>	<u>711,341,566</u>
Less accumulated depreciation for:				
Land improvements	(24,916,506)	(2,876,899)		(27,793,405)
Buildings and improvements	(180,101,427)	(13,902,026)		(194,003,453)
Vehicles, furniture and equipment	(23,169,195)	(2,897,984)	(1,236,915)	(24,830,264)
Total accumulated depreciation	<u>(228,187,128)</u>	<u>(19,676,909)</u>	<u>(1,236,915)</u>	<u>(246,627,122)</u>
Total capital assets, being depreciated, net	<u>468,212,056</u>	<u>(3,273,014)</u>	<u>224,598</u>	<u>464,714,444</u>
Governmental activities capital assets, net	<u>\$ 545,220,520</u>	<u>\$ 25,546,458</u>	<u>\$ 3,620,092</u>	<u>\$ 567,146,886</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 11,229,159
Support services – students and staff	548,982
Support services – administration	676,347
Operation and maintenance of plant services	4,610,346
Student transportation services	2,063,888
Operation of non-instructional services	548,187
Total depreciation expense – governmental activities	<u>\$ 19,676,909</u>

**Construction Commitments** – At year end, the District had contractual commitments related to various capital projects for the construction of Casteel High School Phase III, classroom additions at two schools, and roofing projects at several schools. At year end, the District had spent \$35.9 million on the projects and had estimated remaining contractual commitments of \$29.3 million. These projects are being funded with bond proceeds.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 7 – SHORT TERM DEBT**

**Tax Anticipation Notes** – In July 2016, the District issued \$45,000,000 in tax anticipation notes in advance of property tax collections, depositing the proceeds in the General Fund. These notes are necessary to provide cash flow as most tax revenue is collected in November and May. Resources were available on deposit with the County Treasurer in the amount of \$45,528,765 at year end. Property tax revenues of the General Fund will be used to repay these notes in July 2017. Short-term debt activity for the current fiscal year, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation notes	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000	\$ 45,000,000

**Revolving Line of Credit** – The District has a \$41.5 million revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. The interest rate on the line was 2.145 percent. Short-term debt activity for the current fiscal year, was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$ 10,821,000	\$ 54,249,000	\$ 47,753,000	\$ 17,317,000

**NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES**

**Capital Leases** – The District financed the construction of one elementary school and one high school under the provisions of a long-term lease agreement classified as a capital lease. The lease agreement qualified as a capital lease for accounting purposes and, therefore, was recorded at the present value of its future minimum lease payments as of the inception date. Lease proceeds were used to pay interest payments in fiscal year 2016-17. The lease was paid off during fiscal year 2016-17 with bond proceeds. Amortization of assets recorded under capital leases is included with depreciation expense.

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**NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE**

Bonds payable at year end consisted of the following outstanding general obligation bonds of the total amount originally authorized, \$56 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. In addition, a portion of the District's school improvement bonds are Qualified School Construction Bonds, as such it is expected the District will receive direct subsidy payments from the United States of America for a portion of the interest due on the bonds. The District received \$2,393,955 in federal subsidies during the year.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2017	Due Within One Year
<b>Governmental activities:</b>					
School Improvement Bonds, Series 2007	\$ 50,250,000	4.25%	7/1/17	\$ 500,000	\$ 500,000
School Improvement Bonds, Series 2008	58,700,000	4.00%	7/1/17-19	9,985,000	3,200,000
School Improvement Bonds, Project of 2010 Tax-Exempt Series A-1	20,000,000	4.00-5.00%	7/1/22-26	13,000,000	
School Improvement Bonds, Project of 2010 federally taxable/state tax exempt Series A-2 (QSCAB)	25,000,000	5.834	7/1/17-25	25,000,000	2,777,778
Refunding Bonds, Series 2012	30,000,000	4.00%	7/1/17-24	29,900,000	6,460,000
School Improvement Bonds, Project of 2010, Series B (2013)	17,375,000	1.75-3.00%	7/1/17-25	17,150,000	1,000,000
Refunding Bonds, Taxable Series 2013	16,880,000	5.23%	7/1/17-18	3,660,000	3,585,000
School Improvement Bonds, Project of 2010, Series C (2014)	21,940,000	1.50-4.00%	7/1/17-29	21,015,000	1,420,000
Refunding Bonds, Series 2015	36,770,000	4.00-5.00%	7/1/18-23	36,400,000	
School Improvement Bonds, Project of 2015, Series A (2016)	60,000,000	2.00-4.00%	7/1/17-35	60,000,000	400,000
School Improvement Bonds, Project of 2015, Series B (2017)	71,935,000	2.00-5.00%	7/1/18-36	71,935,000	
Total				<u>\$288,545,000</u>	<u>\$ 19,342,778</u>

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 9 – 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	\$ 19,417,777	\$ 9,722,658
2019	19,812,777	10,358,013
2020	21,517,778	9,820,488
2021	19,377,778	9,274,088
2022	18,577,778	8,694,638
2023-27	76,581,112	32,755,215
2028-32	64,745,000	14,839,145
2033-37	48,515,000	3,949,075
<b>Total</b>	<b>\$ 288,545,000</b>	<b>\$ 99,413,320</b>

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$15,515,000 of defeased bonds are still outstanding.

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

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 236,680,000	\$ 71,935,000	\$ 20,070,000	\$288,545,000	\$ 19,342,778
Premium	11,033,239	8,607,327	1,485,405	18,155,161	
Total bonds payable	<u>247,713,239</u>	<u>80,542,327</u>	<u>21,555,405</u>	<u>306,700,161</u>	<u>19,342,778</u>
Obligations under capital leases	43,765,000		43,765,000		
Net pension liability	302,406,971	32,126,648		334,533,619	
Compensated absences payable	5,944,962	3,420,810	2,854,085	6,511,687	470,000
Governmental activity long-term liabilities	<u>\$ 599,830,172</u>	<u>\$116,089,785</u>	<u>\$ 68,174,490</u>	<u>\$ 647,745,467</u>	<u>\$ 19,812,778</u>

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

At year end, interfund balances were as follows:

**Due to/from other funds:**

At year end, several non-major governmental funds had negative cash balances in the Treasurer’s pooled cash accounts of \$1,042,739. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

	Transfers in		
	General Fund	Debt Service Fund	Total
Transfers out			
Bond Building Fund	\$	\$ 223,478	\$ 223,478
Non-Major Governmental Funds	1,028,031		1,028,031
Total	\$ 1,028,031	\$ 223,478	\$ 1,251,509

Transfers between funds were used to (1) move investment income and premium earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, and (2) move federal grant funds restricted for indirect costs.

**NOTE 12 – CONTINGENT LIABILITIES**

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

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

**Other Potential Litigation** - The District has received notices of claims, which are statutorily required notices prior to filing litigation against governmental entities such as the District, related to purported hazing at one of the District's schools. While the claims seek a total of \$44 million of damages from the District, the District believes that it has meritorious defenses if the claims result in litigation and would vigorously defend itself. However, in the event of an unfavorable outcome related to this matter, the District would be covered by its insurance provider.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 12 – CONTINGENT LIABILITIES**

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

**Lease-To-Own Agreement** – The Arizona School Facilities Board (SFB) entered into lease agreements to finance the costs of the District’s new school facilities pursuant to A.R.S. 15-2004, 15-2005 and 15-2006. The SFB lease agreements cover two high schools, one junior high school, and five elementary schools. The SFB is required to make all lease payments, however if the SFB does not make the lease payments, the District has the option to make the payments on behalf of the SFB to ensure the facilities do not revert back to the lessor.

**NOTE 13 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain access to professional management services and reinsurance and to achieve greater economies of scale, the District joined the following pools described below.

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

The District’s employees have health and accident insurance coverage with the Valley Schools Employee Benefit Trust (VSEBT). VSEBT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to VSEBT for employees’ health and accident insurance coverage. The agreement provides that VSEBT will be self-sustaining through members’ premiums and will reinsure through commercial companies for claims in excess of specified amount for each insured event.

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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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

**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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.48 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 \$22,071,393.

In addition, the District was required by statute to contribute at the actuarially determined rate of 9.47 percent (9.17 for retirement, 0.21 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 pension contributions are paid by the same funds as the employee’s salary, with the largest component coming from the General Fund. 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	\$	1,146,566	\$	286,641
2016		942,594		226,222
2015		1,042,925		212,120

**Pension Liability.** At June 30, 2017, the District reported a liability of \$334.5 million 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 2.07 percent, which was an increase of 0.13 percent from its proportion measured as of June 30, 2015.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**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 \$26.5 million 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	\$ 2,032,939	\$23,013,468
Changes of assumptions or other inputs		17,699,501
Net difference between projected and actual earnings on pension plan investments	36,252,309	
Changes in proportion and differences between contributions and proportionate share of contributions	18,482,118	
Contributions subsequent to the measurement date	<u>22,071,393</u>	
Total	<u>\$78,838,759</u>	<u>\$40,712,969</u>

The deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as a reduction of the net pension liability in the year ended June 30, 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	\$ (5,940,780)
2019	(4,290,644)
2020	16,120,780
2021	10,165,042

**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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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.

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	100%	

**Discount Rate.** The discount rate used to measure the ASRS total pension liability was 8.0 percent, which is less than the long-term expected rate of return of 8.75 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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

**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	\$426,555,767	\$334,533,619	\$260,751,971

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

**NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN**

**Plan Description** – Under authority of the Governing Board, the District provides postretirement insurance (health and dental) benefits, for certain retirees and their dependents, in accordance with the Employee Retirement Postemployment Plan. The plan is a single-employer defined benefit plan administered by the District. The plan provides medical and dental coverage for eligible retirees, their spouses and dependents and premium subsidies to retirees. To be eligible for District-paid benefits, an individual must have been hired by the District prior to July 1, 1999, completed at least 20 years of full-time employment with the District, and either attained age 55 or completed 80 points under the Arizona State Retirement System (ASRS). The retiree must also have not yet reached the age for commencement of Medicare benefits (age 65) at the time of retirement. The plan does not issue an annual financial report and it is not included in the reports of any other retirement system or entity. While covered payroll amounts are presented later in this Note, the benefit amount is not dependent on a retiree’s covered payroll amount and is derived instead as follows: For the first 18 months after retirement, an eligible retiree must elect to be covered under one of the District’s three medical plan options. The District pays retiree premiums, net of \$150 ASRS subsidy, with the balance after the District’s contribution, if any, being the responsibility of the retiree. After 18 months, the retiree must transfer to ASRS in order to continue to receive a District contribution. The District then pays a monthly healthcare subsidy of \$250 to the retiree until age 65. Effective in fiscal year 2014-15, future retirees may no longer join the plan. For the current fiscal year, the District contributed \$293,236 for these benefits. The number of participants as of the effective date of the biannual OPEB valuation, follows:

Retired employees	Participants
	130
Total	130

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN**

**Funding Policy** – The District currently pays for postemployment benefits on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue. Generally, resources from the General Fund are used to pay for postemployment benefits.

**Annual OPEB Cost and Net OPEB Obligation** – The District’s annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation.

Annual required contribution	\$ 371,832
Interest on net OPEB obligation	(10,714)
Adjustment to annual required contribution	<u>73,792</u>
Annual OPEB cost (expense)	434,910
Contributions made	(293,236)
Decrease in net OPEB obligation	<u>141,674</u>
Net OPEB asset – beginning of year	<u>(267,858)</u>
Net OPEB asset – end of year	<u><u>\$ (126,184)</u></u>

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year ended June 30, 2017 and the two preceding years is as follows.

Fiscal Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2017	\$ 434,910	\$ 293,236	67%	\$ (126,184)
June 30, 2016	460,468	351,936	76	(267,858)
June 30, 2015	351,489	1,998,549	569	(376,390)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS – SINGLE EMPLOYER PLAN**

**Funded Status and Funding Progress.** As of June 30, 2017, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,349,711, and the actuarial value of assets was \$0, resulting in an unfunded actuarial liability (UAAL) of \$1,349,711. The covered payroll (annual payroll of active employees covered by the plan) was \$0.

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The projection of future benefit payments involves estimates of the value of reported amounts and assumptions about the probability of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Amounts determined and the funded status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The more significant actuarial assumptions and methods used in the calculation of the employer contributions for the current fiscal year were as follows:

Valuation date	July 1, 2015
Actuarial cost method	Projected Unit Credit
Amortization method for actuarial accrued liabilities	4 year level dollar, open period
Remaining amortization period	4 years as of June 30, 2016
Interest rate	4.00%
Inflation rate	4.00%
Projected salary increases	N/A
Health care cost trend rate:	
Medical and Prescription Drug	8% graded down to an ultimate rate of 5% over 3 years
Retiree contribution increase	Consistent with medical/drug trends
ASRS subsidy increases	None
Cost of living adjustments	N/A

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

**NOTE 16 – SUBSEQUENT EVENT**

In July 2017, the District issued \$48 million of tax anticipation notes in advance of property collections, depositing the proceeds in its General Fund

**REQUIRED SUPPLEMENTARY INFORMATION**

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
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		
<b>Revenues:</b>				
Other local	\$	\$	\$ 12,045,542	\$ 12,045,542
Property taxes			106,420,953	106,420,953
State aid and grants			129,702,685	129,702,685
<b>Total revenues</b>			248,169,180	248,169,180
<b>Expenditures:</b>				
Current -				
Instruction	156,083,579	159,827,709	158,440,232	1,387,477
Support services - students and staff	26,470,109	28,605,684	29,033,551	(427,867)
Support services - administration	27,001,763	26,513,353	25,793,174	720,179
Operation and maintenance of plant services	32,797,461	32,670,648	31,847,837	822,811
Student transportation services	11,061,363	12,650,506	13,989,853	(1,339,347)
Operation of non-instructional services	296,204	295,290	441,361	(146,071)
<b>Total expenditures</b>	253,710,479	260,563,190	259,546,008	1,017,182
<b>Changes in fund balances</b>	(253,710,479)	(260,563,190)	(11,376,828)	249,186,362
<b>Fund balances, beginning of year</b>			13,952,564	13,952,564
Increase (decrease) in reserve for prepaid items			2,500,000	2,500,000
Increase (decrease) in reserve for inventory			(101,234)	(101,234)
<b>Fund balances (deficits), end of year</b>	\$ (253,710,479)	\$ (260,563,190)	\$ 4,974,502	\$ 265,537,692

See accompanying notes to this schedule.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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)	2.07%	1.94%	1.89%
District's proportionate share of the net pension liability (asset)	\$ 334,533,619	\$ 302,406,971	\$ 278,916,852
District's covered payroll	\$ 190,603,705	\$ 176,766,869	\$ 169,748,523
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	175.51%	171.08%	164.31%
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	\$ 22,071,393	\$ 20,680,502	\$ 19,249,912
Contributions in relation to the actuarially determined contribution	<u>22,071,393</u>	<u>20,680,502</u>	<u>19,249,912</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 204,743,905	\$ 190,603,705	\$ 176,766,869
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.**

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POSTEMPLOYMENT BENEFITS PLAN**  
**LAST THREE ACTUARIAL VALUATIONS**

<u>Actuarial Valuation Date</u>	<u>Actuarial Valuation of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
2015	\$ -	\$ 1,349,711	\$ 1,349,711	- %	\$ N/A	N/A %
2013	-	4,123,079	4,123,079	-	29,132,019	14.15
2011		4,167,179	4,167,179	-	33,162,516	12.57

See accompanying notes to this schedule.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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 items.

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

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 263,800,904	\$ 28,673,120
Activity budgeted as special revenue funds	(6,044,326)	(19,832,964)
Activity budgeted as capital projects funds	(710,570)	(3,865,654)
Current-year prepaid items	<u>2,500,000</u>	<u>                    </u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 259,546,008</u>	<u>\$ 4,974,502</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**

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2017**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 56,123,351	\$ 12,121,127	\$ 68,244,478
Property taxes receivable		675,005	675,005
Accounts receivable	155,647	9,949	165,596
Due from governmental entities	2,133,691	2,116,059	4,249,750
Inventory	752,810	108,073	860,883
<b>Total assets</b>	<b><u><u>\$ 59,165,499</u></u></b>	<b><u><u>\$ 15,030,213</u></u></b>	<b><u><u>\$ 74,195,712</u></u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 472,134	\$ 13,695	\$ 485,829
Construction contracts payable		1,239,616	1,239,616
Due to other funds	1,042,739		1,042,739
Accrued payroll and employee benefits	7,285,188		7,285,188
Unearned revenues	363,601		363,601
<b>Total liabilities</b>	<b><u><u>9,163,662</u></u></b>	<b><u><u>1,253,311</u></u></b>	<b><u><u>10,416,973</u></u></b>
Deferred inflows of resources:			
Unavailable revenues - property taxes		660,250	660,250
Unavailable revenues - other	120,959		120,959
<b>Total deferred inflows of resources</b>	<b><u><u>120,959</u></u></b>	<b><u><u>660,250</u></u></b>	<b><u><u>781,209</u></u></b>
Fund balances (deficits):			
Nonspendable	752,810	108,073	860,883
Restricted	49,135,492	13,008,579	62,144,071
Unassigned	(7,424)		(7,424)
<b>Total fund balances</b>	<b><u><u>49,880,878</u></u></b>	<b><u><u>13,116,652</u></u></b>	<b><u><u>62,997,530</u></u></b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b><u><u>\$ 59,165,499</u></u></b>	 <b><u><u>\$ 15,030,213</u></u></b>	 <b><u><u>\$ 74,195,712</u></u></b>

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 31,489,096	\$ 572,672	\$ 32,061,768
Property taxes		5,941,413	5,941,413
State aid and grants	21,216,762	13,970,004	35,186,766
Federal aid, grants and reimbursements	19,122,648		19,122,648
<b>Total revenues</b>	<u>71,828,506</u>	<u>20,484,089</u>	<u>92,312,595</u>
<b>Expenditures:</b>			
Current -			
Instruction	26,724,039	75,723	26,799,762
Support services - students and staff	6,308,234		6,308,234
Support services - administration	553,382	8,171	561,553
Operation and maintenance of plant services	374,420	67,826	442,246
Student transportation services	1,333,145		1,333,145
Operation of non-instructional services	23,590,377		23,590,377
Capital outlay	1,139,271	15,332,523	16,471,794
Debt service -			
Interest and fiscal charges		483,604	483,604
<b>Total expenditures</b>	<u>60,022,868</u>	<u>15,967,847</u>	<u>75,990,715</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>11,805,638</u>	<u>4,516,242</u>	<u>16,321,880</u>
<b>Other financing sources (uses):</b>			
Transfers out	<u>(1,028,031)</u>		<u>(1,028,031)</u>
<b>Total other financing sources (uses):</b>	<u>(1,028,031)</u>		<u>(1,028,031)</u>
<b>Changes in fund balances</b>	<u>10,777,607</u>	<u>4,516,242</u>	<u>15,293,849</u>
<b>Fund balances, beginning of year</b>	38,879,437	8,679,392	47,558,829
Increase (decrease) in reserve for inventory	223,834	(78,982)	144,852
<b>Fund balances, end of year</b>	<u>\$ 49,880,878</u>	<u>\$ 13,116,652</u>	<u>\$ 62,997,530</u>

## **SPECIAL REVENUE FUNDS**

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

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

**County, City and Town Grants** - to account for monies received from county, city and town grants.

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

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

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

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

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

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

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

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

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

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

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

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

**Family Literacy Pilot Program** - to account for financial assistance received from the State for family literacy programs.

**Failing Schools Tutoring Grant** - to account for monies used to assist high school students who are underperforming.

**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.

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

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

**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.

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2017**

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<b><u>ASSETS</u></b>			
Cash and investments	\$ 17,843,647	\$ 417,914	\$
Accounts receivable			
Due from governmental entities			83,859
Inventory			
<b>Total assets</b>	<b>\$ 17,843,647</b>	<b>\$ 417,914</b>	<b>\$ 83,859</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 5,441
Due to other funds			76,390
Accrued payroll and employee benefits	6,706,106	126	9,452
Unearned revenues			
<b>Total liabilities</b>	<b>6,706,106</b>	<b>126</b>	<b>91,283</b>
Deferred inflows of resources:			
Unavailable revenues - other			
Fund balances (deficits):			
Nonspendable			
Restricted	11,137,541	417,788	
Unassigned			(7,424)
<b>Total fund balances</b>	<b>11,137,541</b>	<b>417,788</b>	<b>(7,424)</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 17,843,647</b>	 <b>\$ 417,914</b>	 <b>\$ 83,859</b>

<u>Structured English Immersion</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$	\$	\$	\$ 122	\$	\$
208	252,460	101,656	1	12,666	562,243
<u>\$ 208</u>	<u>\$ 252,460</u>	<u>\$ 101,656</u>	<u>\$ 123</u>	<u>\$ 12,666</u>	<u>\$ 562,243</u>
\$	\$	\$	\$	\$	\$
208	34,969 185,722 31,769	35,683 65,258 715	123	11,089 1,577	11,761 542,200 8,282
<u>208</u>	<u>252,460</u>	<u>101,656</u>	<u>123</u>	<u>12,666</u>	<u>562,243</u>
<u>\$ 208</u>	<u>\$ 252,460</u>	<u>\$ 101,656</u>	<u>\$ 123</u>	<u>\$ 12,666</u>	<u>\$ 562,243</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2017**

	<u>Johnson O'Malley</u>	<u>Vocational Education</u>	<u>Other Federal Projects</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$ 39	\$ 8,013
Accounts receivable			
Due from governmental entities	2,616	124,918	
Inventory			
<b>Total assets</b>	<u>\$ 2,616</u>	<u>\$ 124,957</u>	<u>\$ 8,013</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 3,499	\$
Due to other funds	2,616	116,411	8,013
Accrued payroll and employee benefits		5,047	
Unearned revenues			
<b>Total liabilities</b>	<u>2,616</u>	<u>124,957</u>	<u>8,013</u>
Deferred inflows of resources:			
Unavailable revenues - other			
Fund balances (deficits):			
Nonspendable			
Restricted			
Unassigned			
<b>Total fund balances</b>			
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 2,616</u>	<u>\$ 124,957</u>	<u>\$ 8,013</u>

<u>State Vocational Education</u>	<u>Failing Schools Tutoring Grant</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
\$ 34	\$	\$ 18,007	\$ 2,812,320	\$ 11,309,335	\$ 18,013,548
	20,616		120,959	26,000	8,688
			106,901		
			752,810		
<u>\$ 34</u>	<u>\$ 20,616</u>	<u>\$ 18,007</u>	<u>\$ 3,792,990</u>	<u>\$ 11,335,335</u>	<u>\$ 18,022,236</u>
\$	\$	\$	\$	\$	\$
33	20,616	14,183	26,563	15,571	218,831
1		42	77,757	27,632	401,231
		3,782	359,819		
<u>34</u>	<u>20,616</u>	<u>18,007</u>	<u>464,139</u>	<u>43,203</u>	<u>620,062</u>
			120,959		
			752,810		
			2,455,082	11,292,132	17,402,174
			<u>3,207,892</u>	<u>11,292,132</u>	<u>17,402,174</u>
<u>\$ 34</u>	<u>\$ 20,616</u>	<u>\$ 18,007</u>	<u>\$ 3,792,990</u>	<u>\$ 11,335,335</u>	<u>\$ 18,022,236</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2017**

	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 4,058,906	\$ 25,154	\$ 124,504
Accounts receivable			
Due from governmental entities			
Inventory			
<b>Total assets</b>	<u>\$ 4,058,906</u>	<u>\$ 25,154</u>	<u>\$ 124,504</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 84,354	\$	\$
Due to other funds			
Accrued payroll and employee benefits	8,092		
Unearned revenues			
<b>Total liabilities</b>	<u>92,446</u>		
Deferred inflows of resources:			
Unavailable revenues - other			
Fund balances (deficits):			
Nonspendable			
Restricted	3,966,460	25,154	124,504
Unassigned			
<b>Total fund balances</b>	<u>3,966,460</u>	<u>25,154</u>	<u>124,504</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 4,058,906</u>	<u>\$ 25,154</u>	<u>\$ 124,504</u>

<u>Insurance Refund</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 338,032	\$ 1,153,776	\$ 56,123,351
		155,647
	865,547	2,133,691
		752,810
<u>\$ 338,032</u>	<u>\$ 2,019,323</u>	<u>\$ 59,165,499</u>

\$	\$ 35,462	\$ 472,134
		1,042,739
	7,236	7,285,188
		363,601
	<u>42,698</u>	<u>9,163,662</u>

		<u>120,959</u>
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		752,810
338,032	1,976,625	49,135,492
		(7,424)
<u>338,032</u>	<u>1,976,625</u>	<u>49,880,878</u>

<u>\$ 338,032</u>	<u>\$ 2,019,323</u>	<u>\$ 59,165,499</u>
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**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<b>Revenues:</b>			
Other local	\$ 38,733	\$ 5,447	\$
State aid and grants	16,870,197	1,731,727	271,983
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>16,908,930</u>	<u>1,737,174</u>	<u>271,983</u>
<b>Expenditures:</b>			
Current -			
Instruction	9,371,076	1,977,410	995
Support services - students and staff		34,949	265,232
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			2,702
<b>Total expenditures</b>	<u>9,371,076</u>	<u>2,012,359</u>	<u>268,929</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>7,537,854</u>	<u>(275,185)</u>	<u>3,054</u>
<b>Other financing sources (uses):</b>			
Transfers out			(10,478)
<b>Total other financing sources (uses):</b>			<u>(10,478)</u>
<b>Changes in fund balances</b>	<u>7,537,854</u>	<u>(275,185)</u>	<u>(7,424)</u>
<b>Fund balances, beginning of year</b>	3,599,687	692,973	
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ 11,137,541</u>	<u>\$ 417,788</u>	<u>\$ (7,424)</u>

Structured English Immersion	Title I Grants	Professional Development and Technology Grants	Limited English & Immigrant Students	Indian Education	Special Education Grants
\$ 257,955	\$ 4,496,814	\$ 616,437	\$ 242,790	\$ 78,937	\$ 5,269,731
<u>257,955</u>	<u>4,496,814</u>	<u>616,437</u>	<u>242,790</u>	<u>78,937</u>	<u>5,269,731</u>
238,778	2,599,602		762	15,080	3,388,422
19,177	1,750,112	578,590	241,273	59,866	1,600,911
	106,447	15,067	755		34,808
	659				12,582
	2,010			498	21,483
	19,884				
<u>257,955</u>	<u>4,478,714</u>	<u>593,657</u>	<u>242,790</u>	<u>75,444</u>	<u>5,058,206</u>
	18,100	22,780		3,493	211,525
	(18,100)	(22,780)		(3,493)	(211,525)
	<u>(18,100)</u>	<u>(22,780)</u>		<u>(3,493)</u>	<u>(211,525)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Johnson O'Malley	Vocational Education	Other Federal Projects
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements	3,459	448,789	177,698
<b>Total revenues</b>	3,459	448,789	177,698
<b>Expenditures:</b>			
Current -			
Instruction		51,632	155,809
Support services - students and staff	3,320	289,148	
Support services - administration		264	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		96,229	21,889
<b>Total expenditures</b>	3,320	437,273	177,698
<b>Excess (deficiency) of revenues over expenditures</b>	139	11,516	
<b>Other financing sources (uses):</b>			
Transfers out	(139)	(11,516)	
<b>Total other financing sources (uses):</b>	(139)	(11,516)	
<b>Changes in fund balances</b>			
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	\$	\$	\$

<u>State Vocational Education</u>	<u>Family Literacy Program</u>	<u>Failing Schools Tutoring Grant</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>
\$ 276,622	\$ 5,505	\$ 55,440	\$ 1,747,333	\$ 8,851,301	\$ 1,677,028
<u>276,622</u>	<u>5,505</u>	<u>55,440</u>	<u>1,747,333</u>	<u>7,787,993</u>	<u>1,677,028</u>
				<u>16,639,294</u>	
82,413		52,940	1,020,031		39,937
16,345	5,505	2,500	721,687		36,605
103				23,640	200,705
46,600				50,325	247,025
					490,354
131,161			5,615	15,104,949	87,735
<u>276,622</u>	<u>5,505</u>	<u>55,440</u>	<u>1,747,333</u>	<u>83,504</u>	<u>87,735</u>
				<u>15,262,418</u>	<u>1,102,361</u>
				<u>1,376,876</u>	<u>574,667</u>
				<u>(750,000)</u>	
				<u>(750,000)</u>	
				<u>626,876</u>	<u>574,667</u>
				<u>2,357,182</u>	<u>10,717,465</u>
				<u>223,834</u>	
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 3,207,892</u>	<u>\$ 11,292,132</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Community School	Extracurricular Activities Fees Tax Credit	Fingerprint
<b>Revenues:</b>			
Other local	\$ 12,291,286	\$ 5,135,752	\$ 7,286
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>12,291,286</u>	<u>5,135,752</u>	<u>7,286</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,688,797	3,283,173	
Support services - students and staff	277,407	312,022	
Support services - administration	170,603		990
Operation and maintenance of plant services	13,144	4,085	
Student transportation services	67,149	739,054	
Operation of non-instructional services	8,485,428		
Capital outlay	219,229	161,875	
<b>Total expenditures</b>	<u>10,921,757</u>	<u>4,500,209</u>	<u>990</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,369,529</u>	<u>635,543</u>	<u>6,296</u>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>1,369,529</u>	<u>635,543</u>	<u>6,296</u>
<b>Fund balances, beginning of year</b>	16,032,645	3,330,917	18,858
Increase (decrease) in reserve for inventory			
<b>Fund balances, end of year</b>	<u>\$ 17,402,174</u>	<u>\$ 3,966,460</u>	<u>\$ 25,154</u>

<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Joint Technical Education</u>	<u>Totals</u>
\$ 11,813	\$ 1,661	\$ 3,468,789	\$ 31,489,096
			21,216,762
			19,122,648
<u>11,813</u>	<u>1,661</u>	<u>3,468,789</u>	<u>71,828,506</u>
672		2,756,510	26,724,039
3,944		89,641	6,308,234
			553,382
			374,420
		12,597	1,333,145
			23,590,377
<u>2,454</u>		<u>306,994</u>	<u>1,139,271</u>
<u>7,070</u>		<u>3,165,742</u>	<u>60,022,868</u>
<u>4,743</u>	<u>1,661</u>	<u>303,047</u>	<u>11,805,638</u>
			(1,028,031)
			(1,028,031)
<u>4,743</u>	<u>1,661</u>	<u>303,047</u>	<u>10,777,607</u>
119,761	336,371	1,673,578	38,879,437
			223,834
<u>\$ 124,504</u>	<u>\$ 338,032</u>	<u>\$ 1,976,625</u>	<u>\$ 49,880,878</u>

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 38,733	\$ 38,733
State aid and grants		16,870,197	16,870,197
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>16,908,930</u>	<u>16,908,930</u>
<b>Expenditures:</b>			
Current -			
Instruction	22,653,983	9,371,076	13,282,907
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>22,653,983</u>	<u>9,371,076</u>	<u>13,282,907</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(22,653,983)</u>	<u>7,537,854</u>	<u>30,191,837</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(22,653,983)</u>	<u>7,537,854</u>	<u>30,191,837</u>
<b>Fund balances, beginning of year</b>		3,599,687	3,599,687
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (22,653,983)</u>	<u>\$ 11,137,541</u>	<u>\$ 33,791,524</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 5,447 1,731,727	\$ 5,447 1,731,727	\$	\$ 271,983	\$ 271,983
	<u>1,737,174</u>	<u>1,737,174</u>		<u>271,983</u>	<u>271,983</u>
2,004,450 100,000	1,977,410 34,949	27,040 65,051		995 265,232	(995) (265,232)
<u>2,104,450</u>	<u>2,012,359</u>	<u>92,091</u>		<u>2,702</u> <u>268,929</u>	<u>(2,702)</u> <u>(268,929)</u>
<u>(2,104,450)</u>	<u>(275,185)</u>	<u>1,829,265</u>		<u>3,054</u>	<u>3,054</u>
				<u>(10,478)</u> <u>(10,478)</u>	<u>(10,478)</u> <u>(10,478)</u>
<u>(2,104,450)</u>	<u>(275,185)</u>	<u>1,829,265</u>		<u>(7,424)</u>	<u>(7,424)</u>
	692,973	692,973			
<u>\$ (2,104,450)</u>	<u>\$ 417,788</u>	<u>\$ 2,522,238</u>	<u>\$</u>	<u>\$ (7,424)</u>	<u>\$ (7,424)</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Structured English Immersion		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		257,955	257,955
Federal aid, grants and reimbursements			
<b>Total revenues</b>		257,955	257,955
<b>Expenditures:</b>			
Current -			
Instruction	280,000	238,778	41,222
Support services - students and staff	35,590	19,177	16,413
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	315,590	257,955	57,635
<b>Excess (deficiency) of revenues over expenditures</b>	(315,590)		315,590
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(315,590)		315,590
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (315,590)	\$	\$ 315,590

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	4,496,814	4,496,814		616,437	616,437
	<u>4,496,814</u>	<u>4,496,814</u>		<u>616,437</u>	<u>616,437</u>
3,000,000	2,599,602	400,398			
1,850,000	1,750,112	99,888	706,744	578,590	128,154
141,293	106,447	34,846	100,000	15,067	84,933
10,000	659	9,341			
5,000	2,010	2,990			
50,000	19,884	30,116			
<u>5,056,293</u>	<u>4,478,714</u>	<u>577,579</u>	<u>806,744</u>	<u>593,657</u>	<u>213,087</u>
<u>(5,056,293)</u>	<u>18,100</u>	<u>5,074,393</u>	<u>(806,744)</u>	<u>22,780</u>	<u>829,524</u>
	(18,100)	(18,100)		(22,780)	(22,780)
	<u>(18,100)</u>	<u>(18,100)</u>		<u>(22,780)</u>	<u>(22,780)</u>
<u>(5,056,293)</u>		<u>5,056,293</u>	<u>(806,744)</u>		<u>806,744</u>
<u>\$ (5,056,293)</u>	<u>\$</u>	<u>\$ 5,056,293</u>	<u>\$ (806,744)</u>	<u>\$</u>	<u>\$ 806,744</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Limited English & Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		242,790	242,790
<b>Total revenues</b>		242,790	242,790
<b>Expenditures:</b>			
Current -			
Instruction	5,000	762	4,238
Support services - students and staff	433,337	241,273	192,064
Support services - administration	5,000	755	4,245
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	443,337	242,790	200,547
<b>Excess (deficiency) of revenues over expenditures</b>	(443,337)		443,337
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(443,337)		443,337
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (443,337)	\$	\$ 443,337

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	78,937	78,937		5,269,731	5,269,731
	78,937	78,937		5,269,731	5,269,731
16,000	15,080	920	3,760,292	3,388,422	371,870
61,515	59,866	1,649	1,800,000	1,600,911	199,089
			40,000	34,808	5,192
			20,000	12,582	7,418
1,000	498	502	25,000	21,483	3,517
78,515	75,444	3,071	5,645,292	5,058,206	587,086
(78,515)	3,493	82,008	(5,645,292)	211,525	5,856,817
	(3,493)	(3,493)		(211,525)	(211,525)
	(3,493)	(3,493)		(211,525)	(211,525)
(78,515)		78,515	(5,645,292)		5,645,292
\$ (78,515)	\$	\$ 78,515	\$ (5,645,292)	\$	\$ 5,645,292

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Johnson O'Malley		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		3,459	3,459
<b>Total revenues</b>		<u>3,459</u>	<u>3,459</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	13,167	3,320	9,847
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>13,167</u>	<u>3,320</u>	<u>9,847</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(13,167)</u>	<u>139</u>	<u>13,306</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(139)	(139)
<b>Total other financing sources (uses):</b>		<u>(139)</u>	<u>(139)</u>
<b>Changes in fund balances</b>	<u>(13,167)</u>		<u>13,167</u>
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (13,167)</u>	<u>\$</u>	<u>\$ 13,167</u>

Vocational Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 36,494	\$ 36,494
	448,789	448,789		1,200,431	1,200,431
	448,789	448,789		1,236,925	1,236,925
60,000	51,632	8,368			
292,376	289,148	3,228	100,000	40,243	59,757
1,000	264	736	250,000	195,009	54,991
100,000	96,229	3,771	50,000	40,848	9,152
453,376	437,273	16,103	400,000	276,100	123,900
(453,376)	11,516	464,892	(400,000)	960,825	1,360,825
	(11,516)	(11,516)			
	(11,516)	(11,516)			
(453,376)		453,376	(400,000)	960,825	1,360,825
				9,342,179	9,342,179
\$ (453,376)	\$	\$ 453,376	\$ (400,000)	\$ 10,303,004	\$ 10,703,004

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	E-Rate		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 1,856	\$ 1,856
State aid and grants			
Federal aid, grants and reimbursements		2,279,336	2,279,336
<b>Total revenues</b>		<u>2,281,192</u>	<u>2,281,192</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	300,000	957,600	(657,600)
Student transportation services			
Operation of non-instructional services			
Capital outlay	300,000	863,088	(563,088)
<b>Total expenditures</b>	<u>600,000</u>	<u>1,820,688</u>	<u>(1,220,688)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(600,000)</u>	<u>460,504</u>	<u>1,060,504</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(600,000)</u>	<u>460,504</u>	<u>1,060,504</u>
<b>Fund balances, beginning of year</b>		65,253	65,253
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (600,000)</u>	<u>\$ 525,757</u>	<u>\$ 1,125,757</u>

Other Federal Projects			State Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	177,698	177,698		276,622	276,622
	<u>177,698</u>	<u>177,698</u>		<u>276,622</u>	<u>276,622</u>
159,132	155,809	3,323	100,000	82,413	17,587
			19,000	16,345	2,655
			1,000	103	897
			50,000	46,600	3,400
<u>22,000</u>	<u>21,889</u>	<u>111</u>	<u>150,000</u>	<u>131,161</u>	<u>18,839</u>
<u>181,132</u>	<u>177,698</u>	<u>3,434</u>	<u>320,000</u>	<u>276,622</u>	<u>43,378</u>
<u>(181,132)</u>		<u>181,132</u>	<u>(320,000)</u>		<u>320,000</u>
<u>(181,132)</u>		<u>181,132</u>	<u>(320,000)</u>		<u>320,000</u>
<u>\$ (181,132)</u>	<u>\$</u>	<u>\$ 181,132</u>	<u>\$ (320,000)</u>	<u>\$</u>	<u>\$ 320,000</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Family Literacy Program		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		5,505	5,505
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>5,505</u>	<u>5,505</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff		5,505	(5,505)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>		<u>5,505</u>	<u>(5,505)</u>
<b>Excess (deficiency) of revenues over expenditures</b>			
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>			
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Failing Schools Tutoring Grant			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 55,440	\$ 55,440	\$	\$ 1,747,333	\$ 1,747,333
	<u>55,440</u>	<u>55,440</u>		<u>1,747,333</u>	<u>1,747,333</u>
	52,940	(52,940)	1,109,790	1,020,031	89,759
	2,500	(2,500)	770,000	721,687	48,313
			10,000	5,615	4,385
	<u>55,440</u>	<u>(55,440)</u>	<u>1,889,790</u>	<u>1,747,333</u>	<u>142,457</u>
			<u>(1,889,790)</u>		<u>1,889,790</u>
			<u>(1,889,790)</u>		<u>1,889,790</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (1,889,790)</u>	<u>\$</u>	<u>\$ 1,889,790</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 90,876	\$ 90,876
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>90,876</u>	<u>90,876</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	25,000		25,000
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>25,000</u>		<u>25,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(25,000)</u>	<u>90,876</u>	<u>115,876</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(25,000)</u>	<u>90,876</u>	<u>115,876</u>
<b>Fund balances, beginning of year</b>		166,376	166,376
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (25,000)</u>	<u>\$ 257,252</u>	<u>\$ 282,252</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 8,851,301	\$ 8,851,301	\$	\$ 1,677,028	\$ 1,677,028
	7,787,993	7,787,993		1,677,028	1,677,028
	<u>16,639,294</u>	<u>16,639,294</u>		<u>1,677,028</u>	<u>1,677,028</u>
			50,000	39,937	10,063
			50,000	36,605	13,395
20,000	23,640	(3,640)	210,000	200,705	9,295
40,000	50,325	(10,325)	300,000	247,025	52,975
			595,863	490,354	105,509
14,838,271	15,104,949	(266,678)	100,000	87,735	12,265
70,000	83,504	(13,504)	<u>1,305,863</u>	<u>1,102,361</u>	<u>203,502</u>
<u>14,968,271</u>	<u>15,262,418</u>	<u>(294,147)</u>	<u>(1,305,863)</u>	<u>574,667</u>	<u>1,880,530</u>
(14,968,271)	1,376,876	16,345,147			
	(750,000)	(750,000)			
	<u>(750,000)</u>	<u>(750,000)</u>			
(14,968,271)	626,876	15,595,147	<u>(1,305,863)</u>	<u>574,667</u>	<u>1,880,530</u>
	2,357,182	2,357,182		10,717,465	10,717,465
	223,834	223,834			
<u>\$ (14,968,271)</u>	<u>\$ 3,207,892</u>	<u>\$ 18,176,163</u>	<u>\$ (1,305,863)</u>	<u>\$ 11,292,132</u>	<u>\$ 12,597,995</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Community School		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 12,291,286	\$ 12,291,286
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>12,291,286</u>	<u>12,291,286</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,000,000	1,688,797	(688,797)
Support services - students and staff	200,000	277,407	(77,407)
Support services - administration	125,000	170,603	(45,603)
Operation and maintenance of plant services	10,000	13,144	(3,144)
Student transportation services	40,000	67,149	(27,149)
Operation of non-instructional services	8,004,356	8,485,428	(481,072)
Capital outlay	150,000	219,229	(69,229)
<b>Total expenditures</b>	<u>9,529,356</u>	<u>10,921,757</u>	<u>(1,392,401)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(9,529,356)</u>	<u>1,369,529</u>	<u>10,898,885</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(9,529,356)</u>	<u>1,369,529</u>	<u>10,898,885</u>
<b>Fund balances, beginning of year</b>		16,032,645	16,032,645
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (9,529,356)</u>	<u>\$ 17,402,174</u>	<u>\$ 26,931,530</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 3,073,026	\$ 3,073,026	\$	\$ 5,135,752	\$ 5,135,752
	<u>3,073,026</u>	<u>3,073,026</u>		<u>5,135,752</u>	<u>5,135,752</u>
2,765,000	2,301,395	463,605	2,094,000	3,283,173	(1,189,173)
75,000	71,812	3,188	205,000	312,022	(107,022)
160,000	138,806	21,194			
150,000	129,087	20,913	1,000	4,085	(3,085)
100,000	75,121	24,879	500,000	739,054	(239,054)
50,000	39,174	10,826			
250,000	221,381	28,619	100,000	161,875	(61,875)
<u>3,550,000</u>	<u>2,976,776</u>	<u>573,224</u>	<u>2,900,000</u>	<u>4,500,209</u>	<u>(1,600,209)</u>
<u>(3,550,000)</u>	<u>96,250</u>	<u>3,646,250</u>	<u>(2,900,000)</u>	<u>635,543</u>	<u>3,535,543</u>
<u>(3,550,000)</u>	<u>96,250</u>	<u>3,646,250</u>	<u>(2,900,000)</u>	<u>635,543</u>	<u>3,535,543</u>
	3,119,694	3,119,694		3,330,917	3,330,917
<u>\$ (3,550,000)</u>	<u>\$ 3,215,944</u>	<u>\$ 6,765,944</u>	<u>\$ (2,900,000)</u>	<u>\$ 3,966,460</u>	<u>\$ 6,866,460</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Gifts and Donations		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 1,061,979	\$ 1,061,979
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>1,061,979</u>	<u>1,061,979</u>
<b>Expenditures:</b>			
Current -			
Instruction	435,000	435,015	(15)
Support services - students and staff	266,000	267,206	(1,206)
Support services - administration	58,400	59,303	(903)
Operation and maintenance of plant services	2,400	2,412	(12)
Student transportation services	3,000	3,333	(333)
Operation of non-instructional services			
Capital outlay	<u>126,161</u>	<u>129,866</u>	<u>(3,705)</u>
<b>Total expenditures</b>	<u>890,961</u>	<u>897,135</u>	<u>(6,174)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(890,961)</u>	<u>164,844</u>	<u>1,055,805</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(890,961)</u>	<u>164,844</u>	<u>1,055,805</u>
<b>Fund balances, beginning of year</b>		2,461,499	2,461,499
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (890,961)</u>	<u>\$ 2,626,343</u>	<u>\$ 3,517,304</u>

Fingerprint			Textbooks		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 7,286	\$ 7,286	\$	\$ 11,813	\$ 11,813
	<u>7,286</u>	<u>7,286</u>		<u>11,813</u>	<u>11,813</u>
30,000	990	29,010	5,000	672	4,328
			10,000	3,944	6,056
<u>30,000</u>	<u>990</u>	<u>29,010</u>	<u>5,000</u>	<u>2,454</u>	<u>2,546</u>
<u>(30,000)</u>	<u>6,296</u>	<u>36,296</u>	<u>20,000</u>	<u>7,070</u>	<u>12,930</u>
			<u>(20,000)</u>	<u>4,743</u>	<u>24,743</u>
<u>(30,000)</u>	<u>6,296</u>	<u>36,296</u>	<u>(20,000)</u>	<u>4,743</u>	<u>24,743</u>
	18,858	18,858		119,761	119,761
<u>\$ (30,000)</u>	<u>\$ 25,154</u>	<u>\$ 55,154</u>	<u>\$ (20,000)</u>	<u>\$ 124,504</u>	<u>\$ 144,504</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 9,384	\$ 9,384
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>9,384</u>	<u>9,384</u>
<b>Expenditures:</b>			
Current -			
Instruction	25,000	7,558	17,442
Support services - students and staff	25,000	2,100	22,900
Support services - administration			
Operation and maintenance of plant services	25,000	2,583	22,417
Student transportation services			
Operation of non-instructional services			
Capital outlay	<u>625,000</u>	<u>61,386</u>	<u>563,614</u>
<b>Total expenditures</b>	<u>700,000</u>	<u>73,627</u>	<u>626,373</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(700,000)</u>	<u>(64,243)</u>	<u>635,757</u>
<b>Other financing sources (uses):</b>			
Transfers in		1,028,031	1,028,031
Transfers out			
<b>Total other financing sources (uses):</b>		<u>1,028,031</u>	<u>1,028,031</u>
<b>Changes in fund balances</b>	<u>(700,000)</u>	<u>963,788</u>	<u>1,663,788</u>
<b>Fund balances, beginning of year</b>		1,940,876	1,940,876
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (700,000)</u>	<u>\$ 2,904,664</u>	<u>\$ 3,604,664</u>

Insurance Refund			Joint Technical Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,661	\$ 1,661	\$	\$ 3,468,789	\$ 3,468,789
	<u>1,661</u>	<u>1,661</u>		<u>3,468,789</u>	<u>3,468,789</u>
5,000		5,000	2,188,763	2,756,510	(567,747)
			75,000	89,641	(14,641)
			10,000	12,597	(2,597)
			<u>250,000</u>	<u>306,994</u>	<u>(56,994)</u>
<u>5,000</u>		<u>5,000</u>	<u>2,523,763</u>	<u>3,165,742</u>	<u>(641,979)</u>
<u>(5,000)</u>	<u>1,661</u>	<u>6,661</u>	<u>(2,523,763)</u>	<u>303,047</u>	<u>2,826,810</u>
<u>(5,000)</u>	<u>1,661</u>	<u>6,661</u>	<u>(2,523,763)</u>	<u>303,047</u>	<u>2,826,810</u>
	336,371	336,371		1,673,578	1,673,578
<u>\$ (5,000)</u>	<u>\$ 338,032</u>	<u>\$ 343,032</u>	<u>\$ (2,523,763)</u>	<u>\$ 1,976,625</u>	<u>\$ 4,500,388</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 35,762,711	\$ 35,762,711
State aid and grants		21,216,762	21,216,762
Federal aid, grants and reimbursements		22,602,415	22,602,415
<b>Total revenues</b>		<u>79,581,888</u>	<u>79,581,888</u>
<b>Expenditures:</b>			
Current -			
Instruction	41,716,410	29,468,007	12,248,403
Support services - students and staff	7,087,729	6,689,595	398,134
Support services - administration	1,141,693	946,500	195,193
Operation and maintenance of plant services	933,400	1,466,102	(532,702)
Student transportation services	1,279,863	1,411,599	(131,736)
Operation of non-instructional services	22,892,627	23,629,551	(736,924)
Capital outlay	2,358,161	2,455,840	(97,679)
<b>Total expenditures</b>	<u>77,409,883</u>	<u>66,067,194</u>	<u>11,342,689</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(77,409,883)</u>	<u>13,514,694</u>	<u>90,924,577</u>
<b>Other financing sources (uses):</b>			
Transfers in		1,028,031	1,028,031
Transfers out		(1,028,031)	(1,028,031)
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(77,409,883)</u>	<u>13,514,694</u>	<u>90,924,577</u>
<b>Fund balances, beginning of year</b>		55,975,314	55,975,314
Increase (decrease) in reserve for inventory		223,834	223,834
<b>Fund balances (deficits), end of year</b>	<u>\$ (77,409,883)</u>	<u>\$ 69,713,842</u>	<u>\$ 147,123,725</u>

## **DEBT SERVICE FUND**

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL DEBT SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 100,639	\$ 100,639
Property taxes		25,361,445	25,361,445
Federal aid, grants and reimbursements		2,393,955	2,393,955
<b>Total revenues</b>		<u>27,856,039</u>	<u>27,856,039</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	19,342,778	19,342,778	
Interest and fiscal charges	8,207,130	8,217,980	(10,850)
<b>Total expenditures</b>	<u>27,549,908</u>	<u>27,560,758</u>	<u>(10,850)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(27,549,908)</u>	<u>295,281</u>	<u>27,845,189</u>
<b>Other financing sources (uses):</b>			
Transfers in		223,478	223,478
<b>Total other financing sources (uses):</b>		<u>223,478</u>	<u>223,478</u>
<b>Changes in fund balances</b>	<u>(27,549,908)</u>	<u>518,759</u>	<u>28,068,667</u>
<b>Fund balances, beginning of year</b>		3,563,955	3,563,955
<b>Fund balances (deficits), end of year</b>	<u>\$ (27,549,908)</u>	<u>\$ 4,082,714</u>	<u>\$ 31,632,622</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.

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

**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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2017**

	Insurance Proceeds	Litigation Recovery	Unrestricted Capital Outlay
<b><u>ASSETS</u></b>			
Cash and investments	\$ 63,109	\$ 39,687	\$ 11,333,166
Property taxes receivable			675,005
Accounts receivable	9,949		
Due from governmental entities			522,655
Inventory			108,073
<b>Total assets</b>	<b>\$ 73,058</b>	<b>\$ 39,687</b>	<b>\$ 12,638,899</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 13,695
Construction contracts payable			1,239,616
<b>Total liabilities</b>			<b>1,253,311</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes			660,250
Fund balances:			
Nonspendable			108,073
Restricted	73,058	39,687	10,617,265
<b>Total fund balances</b>	<b>73,058</b>	<b>39,687</b>	<b>10,725,338</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 73,058</b>	 <b>\$ 39,687</b>	 <b>\$ 12,638,899</b>

<u>Adjacent Ways</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 683,895	\$ 1,270	\$ 12,121,127
		675,005
		9,949
	1,593,404	2,116,059
		108,073
<u>\$ 683,895</u>	<u>\$ 1,594,674</u>	<u>\$ 15,030,213</u>
\$	\$	\$ 13,695
 	 	1,239,616
 	 	<u>1,253,311</u>
 	 	<u>660,250</u>
 	 	108,073
<u>683,895</u>	<u>1,594,674</u>	<u>13,008,579</u>
<u>683,895</u>	<u>1,594,674</u>	<u>13,116,652</u>
<u>\$ 683,895</u>	<u>\$ 1,594,674</u>	<u>\$ 15,030,213</u>

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>Insurance Proceeds</u>	<u>Litigation Recovery</u>	<u>Unrestricted Capital Outlay</u>
<b>Revenues:</b>			
Other local	\$ 43,649	\$ 1,177	\$ 523,419
Property taxes			5,941,413
State aid and grants			6,002,984
<b>Total revenues</b>	<u>43,649</u>	<u>1,177</u>	<u>12,467,816</u>
<b>Expenditures:</b>			
Current -			
Instruction		75,723	
Support services - administration	300	7,871	
Operation and maintenance of plant services	67,826		
Capital outlay	50,447		8,823,120
Debt service -			
Interest and fiscal charges			483,604
<b>Total expenditures</b>	<u>118,573</u>	<u>83,594</u>	<u>9,306,724</u>
<b>Changes in fund balances</b>	<u>(74,924)</u>	<u>(82,417)</u>	<u>3,161,092</u>
<b>Fund balances, beginning of year</b>	147,982	122,104	7,643,228
Increase (decrease) in reserve for inventory			(78,982)
<b>Fund balances, end of year</b>	<u>\$ 73,058</u>	<u>\$ 39,687</u>	<u>\$ 10,725,338</u>

<u>Adjacent Ways</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 3,157	\$ 1,270	\$ 572,672
		5,941,413
	7,967,020	13,970,004
<u>3,157</u>	<u>7,968,290</u>	<u>20,484,089</u>
		75,723
		8,171
		67,826
85,340	6,373,616	15,332,523
		483,604
<u>85,340</u>	<u>6,373,616</u>	<u>15,967,847</u>
(82,183)	1,594,674	4,516,242
766,078		8,679,392
		(78,982)
<u>\$ 683,895</u>	<u>\$ 1,594,674</u>	<u>\$ 13,116,652</u>

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 43,649	\$ 43,649
Property taxes			
State aid and grants			
<b>Total revenues</b>		<u>43,649</u>	<u>43,649</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - administration	100	300	(200)
Operation and maintenance of plant services	49,900	67,826	(17,926)
Capital outlay	35,000	50,447	(15,447)
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
<b>Total expenditures</b>	<u>85,000</u>	<u>118,573</u>	<u>(33,573)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(85,000)</u>	<u>(74,924)</u>	<u>10,076</u>
<b>Other financing sources (uses):</b>			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(85,000)</u>	<u>(74,924)</u>	<u>10,076</u>
<b>Fund balances, beginning of year</b>		147,982	147,982
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>\$ (85,000)</u>	<u>\$ 73,058</u>	<u>\$ 158,058</u>

Litigation Recovery			Unrestricted Capital Outlay		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,177	\$ 1,177	\$	\$ 523,367	\$ 523,367
				5,941,413	5,941,413
				6,002,984	6,002,984
	<u>1,177</u>	<u>1,177</u>		<u>12,467,764</u>	<u>12,467,764</u>
45,000	75,723	(30,723)			
5,000	7,871	(2,871)			
			12,450,771	8,823,120	3,627,651
<u>50,000</u>	<u>83,594</u>	<u>(33,594)</u>	<u>12,450,771</u>	<u>8,823,120</u>	<u>3,627,651</u>
<u>(50,000)</u>	<u>(82,417)</u>	<u>(32,417)</u>	<u>(12,450,771)</u>	<u>3,644,644</u>	<u>16,095,415</u>
<u>(50,000)</u>	<u>(82,417)</u>	<u>(32,417)</u>	<u>(12,450,771)</u>	<u>3,644,644</u>	<u>16,095,415</u>
	122,104	122,104		7,121,346	7,121,346
				(78,982)	(78,982)
<u>\$ (50,000)</u>	<u>\$ 39,687</u>	<u>\$ 89,687</u>	<u>\$ (12,450,771)</u>	<u>\$ 10,687,008</u>	<u>\$ 23,137,779</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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 - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 3,157	\$ 3,157
Property taxes			
State aid and grants			
<b>Total revenues</b>	<u>                    </u>	<u>          3,157</u>	<u>          3,157</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	675,000	85,340	589,660
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
<b>Total expenditures</b>	<u>          675,000</u>	<u>          85,340</u>	<u>          589,660</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>          (675,000)</u>	<u>          (82,183)</u>	<u>          592,817</u>
<b>Other financing sources (uses):</b>			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses):</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Changes in fund balances</b>	<u>          (675,000)</u>	<u>          (82,183)</u>	<u>          592,817</u>
<b>Fund balances, beginning of year</b>		766,078	766,078
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	<u>          \$ (675,000)</u>	<u>          \$ 683,895</u>	<u>          \$ 1,358,895</u>

Bond Building			Gifts and Donations - Capital		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 223,480	\$ 223,480	\$	\$ 973,109	\$ 973,109
	<u>223,480</u>	<u>223,480</u>		<u>973,109</u>	<u>973,109</u>
42,600,000	38,777,384	3,822,616	1,650,000	710,570	939,430
	43,765,000	(43,765,000)			
	483,603	(483,603)			
	609,095	(609,095)			
<u>42,600,000</u>	<u>83,635,082</u>	<u>(41,035,082)</u>	<u>1,650,000</u>	<u>710,570</u>	<u>939,430</u>
<u>(42,600,000)</u>	<u>(83,411,602)</u>	<u>(40,811,602)</u>	<u>(1,650,000)</u>	<u>262,539</u>	<u>1,912,539</u>
	(223,478)	(223,478)			
	71,935,000	71,935,000			
	8,607,327	8,607,327			
	<u>80,318,849</u>	<u>80,318,849</u>			
<u>(42,600,000)</u>	<u>(3,092,753)</u>	<u>39,507,247</u>	<u>(1,650,000)</u>	<u>262,539</u>	<u>1,912,539</u>
	54,662,633	54,662,633		3,603,115	3,603,115
<u>\$ (42,600,000)</u>	<u>\$ 51,569,880</u>	<u>\$ 94,169,880</u>	<u>\$ (1,650,000)</u>	<u>\$ 3,865,654</u>	<u>\$ 5,515,654</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	New School Facilities		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 1,270	\$ 1,270
Property taxes			
State aid and grants		7,967,020	7,967,020
<b>Total revenues</b>		7,968,290	7,968,290
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	42,600,000	6,373,616	36,226,384
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
<b>Total expenditures</b>	42,600,000	6,373,616	36,226,384
<b>Excess (deficiency) of revenues over expenditures</b>	(42,600,000)	1,594,674	44,194,674
<b>Other financing sources (uses):</b>			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(42,600,000)	1,594,674	44,194,674
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for inventory			
<b>Fund balances (deficits), end of year</b>	\$ (42,600,000)	\$ 1,594,674	\$ 44,194,674

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,769,209	\$ 1,769,209
	5,941,413	5,941,413
	13,970,004	13,970,004
	<u>21,680,626</u>	<u>21,680,626</u>
45,000	75,723	(30,723)
5,100	8,171	(3,071)
49,900	67,826	(17,926)
100,010,771	54,820,477	45,190,294
	43,765,000	(43,765,000)
	483,603	(483,603)
	609,095	(609,095)
<u>100,110,771</u>	<u>99,829,895</u>	<u>280,876</u>
<u>(100,110,771)</u>	<u>(78,149,269)</u>	<u>21,961,502</u>
	(223,478)	(223,478)
	71,935,000	71,935,000
	8,607,327	8,607,327
	<u>80,318,849</u>	<u>80,318,849</u>
<u>(100,110,771)</u>	<u>2,169,580</u>	<u>102,280,351</u>
	66,423,258	66,423,258
	(78,982)	(78,982)
<u>\$ (100,110,771</u>	<u>\$ 68,513,856</u>	<u>\$ 168,624,627</u>
<u>)</u>		

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## **AGENCY FUNDS**

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

**Employee Insurance** - to account for voluntary deductions temporarily held by the District as an agent.

**Intergovernmental Agreements** - to account for the financial activities relating to agreements with other governments not required to be accounted for elsewhere.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2017**

	<u>Student Activities</u>	<u>Employee Insurance</u>	<u>Intergovernment al Agreements</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,199,344	\$ 1,983,684	\$ 135,880
<b>Total assets</b>	<b><u>\$ 1,199,344</u></b>	<b><u>\$ 1,983,684</u></b>	<b><u>\$ 135,880</u></b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 12,873	\$	\$
Deposits held for others		1,983,684	
Due to governmental entities			135,880
Due to student groups	1,186,471		
<b>Total liabilities</b>	<b><u>\$ 1,199,344</u></b>	<b><u>\$ 1,983,684</u></b>	<b><u>\$ 135,880</u></b>

Totals

\$ 3,318,908  
\$ 3,318,908

\$ 12,873  
1,983,684  
135,880  
1,186,471  
\$ 3,318,908

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**COMBINING STATEMENT OF CHANGES ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2017**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 1,088,059	\$ 1,225,155	\$ 1,113,870	\$ 1,199,344
Total assets	<u>\$ 1,088,059</u>	<u>\$ 1,225,155</u>	<u>\$ 1,113,870</u>	<u>\$ 1,199,344</u>
<u>Liabilities</u>				
Accounts payable	\$ 15,971	\$ 12,873	\$ 15,971	\$ 12,873
Due to student groups	<u>1,072,088</u>	<u>1,212,282</u>	<u>1,097,899</u>	<u>1,186,471</u>
Total liabilities	<u>\$ 1,088,059</u>	<u>\$ 1,225,155</u>	<u>\$ 1,113,870</u>	<u>\$ 1,199,344</u>
<b><u>EMPLOYEE INSURANCE FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 764,193	\$ 20,475,846	\$ 19,256,355	\$ 1,983,684
Total assets	<u>\$ 764,193</u>	<u>\$ 20,475,846</u>	<u>\$ 19,256,355</u>	<u>\$ 1,983,684</u>
<u>Liabilities</u>				
Deposits held for others	\$ 764,193	\$ 20,475,846	\$ 19,256,355	\$ 1,983,684
Total liabilities	<u>\$ 764,193</u>	<u>\$ 20,475,846</u>	<u>\$ 19,256,355</u>	<u>\$ 1,983,684</u>
<b><u>INTERGOVERNMENTAL AGREEMENTS</u></b>				
<u>Assets</u>				
Cash and investments	\$ 151,342	\$ 214,997	\$ 230,459	\$ 135,880
Total assets	<u>\$ 151,342</u>	<u>\$ 214,997</u>	<u>\$ 230,459</u>	<u>\$ 135,880</u>
<u>Liabilities</u>				
Due to governmental entities	\$ 151,342	\$ 214,997	\$ 230,459	\$ 135,880
Total liabilities	<u>\$ 151,342</u>	<u>\$ 214,997</u>	<u>\$ 230,459</u>	<u>\$ 135,880</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ 2,003,594	\$ 21,915,998	\$ 20,600,684	\$ 3,318,908
Total assets	<u>\$ 2,003,594</u>	<u>\$ 21,915,998</u>	<u>\$ 20,600,684</u>	<u>\$ 3,318,908</u>
<u>Liabilities</u>				
Accounts payable	\$ 15,971	\$ 12,873	\$ 15,971	\$ 12,873
Deposits held for others	764,193	20,475,846	19,256,355	1,983,684
Due to governmental entities	151,342	214,997	230,459	135,880
Due to student groups	<u>1,072,088</u>	<u>1,212,282</u>	<u>1,097,899</u>	<u>1,186,471</u>
Total liabilities	<u>\$ 2,003,594</u>	<u>\$ 21,915,998</u>	<u>\$ 20,600,684</u>	<u>\$ 3,318,908</u>

## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 315,644,460	\$ 312,910,731	\$ 307,865,253	\$ 232,870,770	\$ 301,474,433
Restricted	67,875,820	52,243,718	45,627,532	43,063,447	40,530,253
Unrestricted	<u>(245,570,830)</u>	<u>(232,450,580)</u>	<u>(233,602,892)</u>	<u>118,927,695</u>	<u>56,159,611</u>
Total net position	<u><u>\$ 137,949,450</u></u>	<u><u>\$ 132,703,869</u></u>	<u><u>\$ 119,889,893</u></u>	<u><u>\$ 394,861,912</u></u>	<u><u>\$ 398,164,297</u></u>
	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 299,206,346	\$ 290,792,490	\$ 280,973,330	\$ 271,346,813	\$ 274,575,054
Restricted	40,482,863	48,221,343	62,487,821	54,097,818	63,739,848
Unrestricted	<u>52,639,580</u>	<u>44,337,441</u>	<u>34,490,256</u>	<u>25,391,956</u>	<u>20,106,379</u>
Total net position	<u><u>\$ 392,328,789</u></u>	<u><u>\$ 383,351,274</u></u>	<u><u>\$ 377,951,407</u></u>	<u><u>\$ 350,836,587</u></u>	<u><u>\$ 358,421,281</u></u>

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

**Note:** The District's unrestricted net position changed significantly with the implementation of GASB Statement No. 68 in fiscal year ended June 30, 2015.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Expenses</b>					
Instruction	\$ 210,655,223	\$ 191,898,312	\$ 186,429,957	\$ 173,271,438	\$ 168,729,823
Support services - students and staff	38,713,351	33,152,498	32,515,619	29,785,694	28,882,401
Support services - administration	29,260,509	26,316,599	25,912,476	24,248,461	23,338,498
Operation and maintenance of plant services	39,216,088	35,752,987	33,908,962	33,501,695	32,113,156
Student transportation services	19,051,987	15,678,218	14,578,521	13,188,767	12,100,023
Operation of non-instructional services	24,925,897	23,657,815	23,564,282	21,509,105	20,523,239
Interest on long-term debt	8,577,744	8,666,277	7,273,786	8,037,646	7,804,195
Total expenses	<u>370,400,799</u>	<u>335,122,706</u>	<u>324,183,603</u>	<u>303,542,806</u>	<u>293,491,335</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	8,190,769	8,488,234	5,570,716	6,359,353	5,219,916
Support services - students and staff	277,407	402,315	385,424	117,650	
Support services - administration	510,114	950,698	238,136	111,485	178,786
Operation and maintenance of plant	694,059	906,347	212,162	376,764	662,435
Student transportation	995,425	198,816	822,449	438,848	581,916
Operation of non-instructional services	18,741,840	17,796,596	16,888,844	13,286,083	17,163,282
Operating grants and contributions	29,743,563	27,671,862	25,828,399	24,591,991	25,066,393
Capital grants and contributions	10,431,944	2,100,072	1,713,252	1,257,783	963,200
Total program revenues	<u>69,585,121</u>	<u>58,514,940</u>	<u>51,659,382</u>	<u>46,539,957</u>	<u>49,835,928</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (300,815,678)</u>	<u>\$ (276,607,766)</u>	<u>\$ (272,524,221)</u>	<u>\$ (257,002,849)</u>	<u>\$ (243,655,407)</u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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>
<b>Expenses</b>					
Instruction	\$ 163,526,973	\$ 166,877,011	\$ 161,837,168	\$ 173,594,344	\$ 164,521,068
Support services - students and staff	27,076,214	28,394,163	26,960,045	28,452,421	26,151,533
Support services - administration	22,137,479	23,509,661	22,166,871	23,604,982	20,836,773
Operation and maintenance of plant services	30,591,102	32,392,290	29,459,009	30,399,754	28,988,546
Student transportation services	9,719,040	10,881,130	9,607,141	9,969,991	7,264,375
Operation of non-instructional services	19,329,250	18,061,525	18,044,380	18,933,055	15,946,075
Interest on long-term debt	10,027,609	7,496,046	9,205,810	9,900,670	9,479,062
Total expenses	<u>282,407,667</u>	<u>287,611,826</u>	<u>277,280,424</u>	<u>294,855,217</u>	<u>273,187,432</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	4,996,244	5,577,144	773,984	381,205	323,317
Support services - students and staff	10,034	629,734	765,296	381,301	305,604
Support services - administration	478,513		88,724	20,061	12,662
Operation and maintenance of plant	997,082	1,877,912	16,947	53,881	1,170,792
Student transportation	471,253			55,918	
Operation of non-instructional services	16,441,126	15,835,658	15,158,016	15,462,819	14,218,683
Operating grants and contributions	24,577,873	30,477,791	50,531,358	36,657,368	40,082,730
Capital grants and contributions	1,107,427	1,261,054	1,190,231	2,254,464	27,149,930
Total program revenues	<u>49,079,552</u>	<u>55,659,293</u>	<u>68,524,556</u>	<u>55,267,017</u>	<u>83,263,718</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (233,328,115)</u>	<u>\$ (231,952,533)</u>	<u>\$ (208,755,868)</u>	<u>\$ (239,588,200)</u>	<u>\$ (189,923,714)</u>

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

**(Concluded)**

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Net (Expense)/Revenue</b>	\$ (300,815,678)	\$ (276,607,766)	\$ (272,524,221)	\$ (257,002,849)	\$ (243,655,407)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	106,092,724	97,247,079	106,255,122	90,478,185	88,551,962
Property taxes, levied for debt service	25,309,540	26,589,983	25,400,680	23,624,602	24,396,557
Property taxes, levied for capital outlay	6,122,815	4,264,233	8,777,957	1,634	504,545
Investment income	754,852	585,719	468,173	557,934	401,472
Unrestricted county aid	12,273,304	11,576,061	10,859,951	10,490,856	10,429,044
Unrestricted state aid	154,307,593	148,132,881	135,555,551	131,337,693	124,603,281
Unrestricted federal aid	1,200,431	1,025,786	885,407	483,119	604,054
<b>Total general revenues</b>	<b>306,061,259</b>	<b>289,421,742</b>	<b>288,202,841</b>	<b>256,974,023</b>	<b>249,490,915</b>
<b>Changes in Net Position</b>	<b>\$ 5,245,581</b>	<b>\$ 12,813,976</b>	<b>\$ 15,678,620</b>	<b>\$ (28,826)</b>	<b>\$ 5,835,508</b>

**(Continued)**

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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>
<b>Net (Expense)/Revenue</b>	\$ (233,328,115)	\$ (231,952,533)	\$ (208,755,868)	\$ (239,588,200)	\$ (189,923,714)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	84,683,551	82,014,404	86,005,833	82,338,004	71,634,769
Property taxes, levied for debt service	25,507,746	26,344,671	23,257,885	24,711,887	25,864,315
Property taxes, levied for capital outlay	626,292		4,389,300	508,750	3,213,099
Investment income	615,998	1,214,554	1,148,586	2,930,561	3,277,566
Unrestricted county aid	10,827,469	10,490,730	9,879,568		
Unrestricted state aid	119,135,679	117,269,988	92,305,080	121,094,266	127,415,405
Unrestricted federal aid	908,895	1,458,310	13,266,976		
Other			2,141,289	1,635,478	560,378
<b>Total general revenues</b>	<u>242,305,630</u>	<u>238,792,657</u>	<u>232,394,517</u>	<u>233,218,946</u>	<u>231,965,532</u>
<b>Changes in Net Position</b>	<u>\$ 8,977,515</u>	<u>\$ 6,840,124</u>	<u>\$ 23,638,649</u>	<u>\$ (6,369,254)</u>	<u>\$ 42,041,818</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)**

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
General Fund:					
Nonspendable	\$ 685,038	\$ 786,272	\$ 673,623	\$ 652,847	\$ 784,259
Assigned	2,417,185	2,313,266		2,237,799	2,230,485
Unassigned	25,570,897	31,552,018	30,179,538	19,052,614	19,244,972
Total General Fund	<b>\$ 28,673,120</b>	<b>\$ 34,651,556</b>	<b>\$ 30,853,161</b>	<b>\$ 21,943,260</b>	<b>\$ 22,259,716</b>
All Other Governmental Funds:					
Nonspendable	\$ 860,883	\$ 716,031	\$ 1,116,882	\$ 1,139,532	\$ 1,165,402
Restricted	117,796,665	105,069,386	59,376,165	76,914,832	62,098,400
Assigned					5,986,839
Unassigned	(7,424)				(242)
Total all other governmental funds	<b>\$ 118,650,124</b>	<b>\$ 105,785,417</b>	<b>\$ 60,493,047</b>	<b>\$ 78,054,364</b>	<b>\$ 69,250,399</b>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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:					
Nonspendable	\$ 832,308	\$ 1,242,381	\$	\$	\$
Assigned	103,947	2,170,447			
Unassigned	19,901,529	22,585,873			
Reserved		-	898,110	1,268,583	1,275,595
Unreserved			9,422,139	5,993,432	11,059,872
Total General Fund	<u>\$ 20,837,784</u>	<u>\$ 25,998,701</u>	<u>\$ 10,320,249</u>	<u>\$ 7,262,015</u>	<u>\$ 12,335,467</u>
All Other Governmental Funds:					
Nonspendable	\$ 864,351	\$ 472,298	\$	\$	\$
Restricted	59,801,258	95,564,046			
Assigned	7,200,390	10,262,249			
Unassigned		(173,863)			
Reserved		-	461,660.0	408,259.0	353,626.0
Unreserved, reported in:					
Special revenue funds			33,264,821	28,674,474	32,099,550
Capital projects funds			5,734,017	7,518,124	8,287,982
Debt service fund			39,942,388	49,031,650	16,764,772
Total all other governmental funds	<u>\$ 67,865,999</u>	<u>\$ 106,124,730</u>	<u>\$ 79,402,886</u>	<u>\$ 85,632,507</u>	<u>\$ 57,505,930</u>

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

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

**(Concluded)**

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 17,208,377	\$ 14,423,556	\$ 14,287,971	\$ 13,131,114	\$ 14,996,461
State Fiscal Stabilization (ARRA) Education Jobs					
National School Lunch Program	7,787,993	7,500,693	7,316,703	7,250,621	6,303,395
Total federal sources	<u>24,996,370</u>	<u>21,924,249</u>	<u>21,604,674</u>	<u>20,381,735</u>	<u>21,299,856</u>
<b>State sources:</b>					
State equalization assistance	135,705,669	130,148,772	118,890,542	115,449,634	113,164,519
State grants	2,084,900	2,520,372	1,232,843	1,043,290	992,266
School Facilities Board	7,967,020		26,532	128,063	575
Other revenues	19,131,862	17,984,109	17,037,061	16,969,134	11,832,638
Total state sources	<u>164,889,451</u>	<u>150,653,253</u>	<u>137,186,978</u>	<u>133,590,121</u>	<u>125,989,998</u>
<b>Local sources:</b>					
Property taxes	137,723,811	134,275,739	140,527,520	113,385,224	112,239,554
County aid	12,273,304	11,576,061	10,859,951	10,490,856	10,429,044
Food service sales	8,824,664	7,891,558	8,167,122	7,544,780	7,905,222
Investment income	754,852	585,719	468,173	557,934	401,472
Other revenues	27,825,333	26,468,810	23,399,205	20,899,249	19,180,174
Total local sources	<u>187,401,964</u>	<u>180,797,887</u>	<u>183,421,971</u>	<u>152,878,043</u>	<u>150,155,466</u>
<b>Total revenues</b>	<u><u>\$ 377,287,785</u></u>	<u><u>\$ 353,375,389</u></u>	<u><u>\$ 342,213,623</u></u>	<u><u>\$ 306,849,899</u></u>	<u><u>\$ 297,445,320</u></u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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>
<b>Federal sources:</b>					
Federal grants	\$ 15,467,391	\$ 14,993,389	\$ 13,627,566	\$ 11,885,873	\$ 10,282,581
State Fiscal Stabilization (ARRA)		1,194,557	13,266,976		
Education Jobs	107,704	7,017,462			
National School Lunch Program	5,916,349	6,046,703	5,445,247	4,026,765	3,769,502
Total federal sources	<u>21,491,444</u>	<u>29,252,111</u>	<u>32,339,789</u>	<u>15,912,638</u>	<u>14,052,083</u>
<b>State sources:</b>					
State equalization assistance	107,942,906	108,612,582	87,087,004	121,092,808	127,095,451
State grants	1,062,411	1,043,501	18,128,955	2,958,820	1,581,078
School Facilities Board				2,254,464	26,564,774
Other revenues	12,067,804	11,089,418	10,353,319	12,124,931	17,488,888
Total state sources	<u>121,073,121</u>	<u>120,745,501</u>	<u>115,569,278</u>	<u>138,431,023</u>	<u>172,730,191</u>
<b>Local sources:</b>					
Property taxes	108,935,444	107,114,442	106,475,575	105,315,825	99,895,062
County aid	10,827,469	10,490,730	9,566,820		
Food service sales	7,873,837	7,448,743	7,643,407	7,603,643	7,098,910
Investment income	615,998	1,214,554	1,148,586	2,930,561	3,277,566
Other revenues	18,907,653	18,738,151	18,661,714	15,914,823	17,358,317
Total local sources	<u>147,160,401</u>	<u>145,006,620</u>	<u>143,496,102</u>	<u>131,764,852</u>	<u>127,629,855</u>
<b>Total revenues</b>	<u>\$ 289,724,966</u>	<u>\$ 295,004,232</u>	<u>\$ 291,405,169</u>	<u>\$ 286,108,513</u>	<u>\$ 314,412,129</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)**

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 185,483,962	\$ 178,161,154	\$ 168,613,847	\$ 159,893,937	\$ 157,503,654
Support services - students and staff	35,723,146	32,408,465	30,655,699	28,298,703	27,415,768
Support services - administration	26,747,845	25,525,181	24,158,819	22,774,150	21,751,970
Operation and maintenance of plant services	33,381,765	31,551,044	29,678,347	29,522,186	28,874,870
Student transportation services	15,401,452	13,716,324	11,728,466	10,781,835	9,794,146
Operation of non-instructional services	24,070,912	23,141,327	22,569,225	20,781,733	20,108,022
Capital outlay	57,276,317	31,779,849	79,831,110	22,752,705	21,139,365
Debt service -					
Interest and fiscal charges	9,185,187	8,678,122	7,802,652	8,296,843	8,480,287
Principal retirement	63,107,778	20,070,000	19,590,000	17,780,000	17,875,000
Payment to refunded bond escrow agent					
Bond issuance costs	609,095	536,500	399,732	226,110	284,515
<b>Total expenditures</b>	<u>\$ 450,987,459</u>	<u>\$ 365,567,966</u>	<u>\$ 395,027,897</u>	<u>\$ 321,108,202</u>	<u>\$ 313,227,597</u>
Expenditures for capitalized assets	\$ 41,827,873	\$ 28,761,040	\$ 65,649,499	\$ 14,191,078	\$ 11,034,822
Debt service as a percentage of noncapital expenditures	18%	9%	8%	8%	9%

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 154,632,849	\$ 151,400,235	\$ 151,675,594	\$ 162,545,125	\$ 155,380,849
Support services - students and staff	27,074,278	27,354,414	26,924,216	28,510,174	26,070,330
Support services - administration	22,163,912	21,557,673	21,411,460	22,700,240	20,898,410
Operation and maintenance of plant services	28,130,506	28,782,561	32,792,671	37,055,082	39,631,451
Student transportation services	9,068,423	9,065,798	9,939,226	9,704,720	13,283,853
Operation of non-instructional services	19,290,993	17,751,253	17,911,828	18,836,748	15,863,146
Capital outlay	46,133,024	10,702,323	7,362,435	14,123,195	46,166,521
Debt service -					
Interest and fiscal charges	9,817,215	9,735,025	9,424,601	10,137,272	9,628,353
Principal retirement	16,605,000	20,490,767	16,087,783	17,707,563	15,361,532
Payment to refunded bond escrow agent	210,394				
Bond issuance costs	306,000	414,250		438,565	
<b>Total expenditures</b>	<u>\$ 333,432,594</u>	<u>\$ 297,254,299</u>	<u>\$ 293,529,814</u>	<u>\$ 321,758,684</u>	<u>\$ 342,284,445</u>
Expenditures for capitalized assets	\$ 43,897,705	\$ 7,906,464	\$ 15,586,238	\$ 24,470,854	\$ 73,086,576
Debt service as a percentage of noncapital expenditures	9%	10%	9%	9%	9%

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

**(Concluded)**

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (73,699,674)	\$ (12,192,577)	\$ (52,814,274)	\$ (14,258,303)	\$ (15,782,277)
<b>Other financing sources (uses):</b>					
Issuance of school improvement bonds	71,935,000	60,000,000		21,940,000	17,375,000
Issuance of refunding bonds			36,770,000		16,880,000
Premium on sale of bonds	8,607,327	1,571,544	5,607,102	963,094	2,075,907
Transfers in	1,251,509	1,563,023	532,891	7,086,908	1,239,507
Transfers out	(1,251,509)	(1,563,023)	(532,891)	(7,086,908)	(1,239,507)
Payment to refunded bond escrow agent			(41,977,370)		(17,995,300)
Capital lease agreements			43,765,000		
Total other financing sources (uses)	<u>80,542,327</u>	<u>61,571,544</u>	<u>44,164,732</u>	<u>22,903,094</u>	<u>18,335,607</u>
<b>Changes in fund balances</b>	<u>\$ 6,842,653</u>	<u>\$ 49,378,967</u>	<u>\$ (8,649,542)</u>	<u>\$ 8,644,791</u>	<u>\$ 2,553,330</u>
	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (43,707,628)	\$ (2,250,067)	\$ (2,124,645)	\$ (35,650,171)	\$ (27,872,316)
<b>Other financing sources (uses):</b>					
Issuance of school improvement bonds		45,000,000		58,700,000	
Premium on sale of bonds	3,623,165	1,158,832		1,171,115	
Transfers in	2,225,435	1,501,964	456,865	348,101	247,768
Transfers out	(2,225,435)	(1,501,964)	(456,865)	(348,101)	(247,768)
Total other financing sources (uses)	<u>306,000</u>	<u>46,158,832</u>	<u></u>	<u>59,871,115</u>	<u></u>
<b>Changes in fund balances</b>	<u>\$ (43,401,628)</u>	<u>\$ 43,908,765</u>	<u>\$ (2,124,645)</u>	<u>\$ 24,220,944</u>	<u>\$ (27,872,316)</u>

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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	\$ 480,411,103	\$ 436,005,673	\$ 421,798,183	\$ 425,479,044	\$ 460,698,786
Agricultural and Vacant	68,574,794	80,351,982	74,741,486	77,874,589	97,716,507
Residential (Owner Occupied)	1,285,240,669	1,207,781,038	1,150,537,390	1,062,131,857	1,173,551,420
Residential (Rental)	420,345,263	378,854,071	330,311,533	259,303,264	171,404,533
Railroad, Private Cars and Airlines	1,590,459	1,795,679	1,934,935	2,284,251	2,228,679
Historical Property	183,942,530	156,585,974	159,498,893	160,464,140	116,424,251
Certain Government Property Improvements	43,887	112,099	102,841	36,359	43,420
Total	<u>\$ 2,440,148,705</u>	<u>\$ 2,261,486,516</u>	<u>\$ 2,138,925,261</u>	<u>\$ 1,987,573,504</u>	<u>\$ 2,022,067,596</u>
Gross Full Cash Value	\$ 31,397,242,100	\$ 23,693,816,446	\$ 23,410,453,822	\$ 21,104,261,790	\$ 20,421,890,654
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	10%	9%	9%	10%
Total Direct Rate	6.52	6.61	7.28	6.46	6.20

<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	\$ 506,650,685	\$ 603,873,570	\$ 560,966,287	\$ 466,808,865	\$ 410,878,987
Agricultural and Vacant	121,440,385	174,981,294	179,069,403	171,749,993	147,898,883
Residential (Owner Occupied)	1,273,261,533	1,468,955,082	1,654,936,034	1,471,797,690	1,262,351,380
Residential (Rental)	186,983,967	213,514,649	202,155,593	173,007,705	139,410,742
Railroad, Private Cars and Airlines	2,489,942	2,540,881	2,668,548	3,085,989	3,084,513
Historical Property	70,860,605	106,551,607	109,711,625	75,645,863	66,879,270
Certain Government Property Improvements	2,125				
Total	<u>\$ 2,161,689,242</u>	<u>\$ 2,570,417,083</u>	<u>\$ 2,709,507,490</u>	<u>\$ 2,362,096,105</u>	<u>\$ 2,030,503,775</u>
Gross Full Cash Value	\$ 21,184,343,386	\$ 25,755,491,706	\$ 29,506,401,969	\$ 29,299,993,619	\$ 25,282,552,724
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	9%	8%	8%
Total Direct Rate	5.71	4.84	4.49	4.58	5.16

**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 requirement and other voter-approved overrides.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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	\$ 567,880,079	\$ 473,151,270	\$ 428,489,081	\$ 428,347,889	\$ 463,859,119
Agricultural and Vacant	105,726,019	107,360,788	83,777,677	82,524,623	103,813,270
Residential (Owner Occupied)	1,584,276,028	1,459,082,210	1,200,797,172	1,062,725,411	1,173,675,234
Residential (Rental)	539,228,989	473,816,571	362,627,777	268,125,969	171,464,535
Railroad, Private Cars and Airlines	1,710,170	1,832,325	1,954,480	2,306,125	2,271,628
Historical Property	190,339,052	160,687,437	160,679,356	160,958,571	117,520,352
Certain Government Property Improvements	50,451	128,944	103,516	36,359	43,420
<b>Total</b>	<u>\$ 2,989,210,788</u>	<u>\$ 2,676,059,545</u>	<u>\$ 2,238,429,059</u>	<u>\$ 2,005,024,947</u>	<u>\$ 2,032,647,558</u>
Gross Full Cash Value	\$ 31,397,242,100	\$ 23,693,816,446	\$ 23,410,453,822	\$ 21,104,261,790	\$ 20,421,890,654
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	11%	10%	10%	10%
Estimated Net Full Cash Value	<u>27,856,690,675</u>	<u>\$ 24,783,562,534</u>	<u>\$ 20,729,860,532</u>	<u>\$ 18,459,452,450</u>	<u>\$ 18,001,274,044</u>
Total Direct Rate	6.52	6.61	7.28	6.46	6.20

<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	\$ 510,752,596	\$ 673,791,378	\$ 802,532,445	\$ 547,658,595	\$ 468,449,852
Agricultural and Vacant	125,519,607	211,782,651	188,645,271	269,731,945	240,776,178
Residential (Owner Occupied)	1,274,049,523	1,473,299,511	1,700,032,500	1,975,917,663	1,730,625,064
Residential (Rental)	187,318,640	223,007,966	298,018,725	222,189,579	176,595,829
Railroad, Private Cars and Airlines	2,785,597	3,044,235	3,150,912	3,491,125	3,413,346
Historical Property	70,860,808	108,526,907	113,087,536	80,635,102	66,920,073
Certain Government Property Improvements	2,125				
<b>Total</b>	<u>\$ 2,171,288,896</u>	<u>\$ 2,693,452,648</u>	<u>\$ 3,105,467,389</u>	<u>\$ 3,099,624,009</u>	<u>\$ 2,686,780,342</u>
Gross Full Cash Value	\$ 21,184,343,386	\$ 25,755,491,706	\$ 29,506,401,969	\$ 29,299,993,619	\$ 25,282,552,724
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	11%	11%	11%
Estimated Net Full Cash Value	<u>18,624,989,318</u>	<u>\$ 22,830,342,867</u>	<u>\$ 26,643,320,410</u>	<u>\$ 26,931,004,881</u>	<u>\$ 23,235,691,819</u>
Total Direct Rate	5.71	4.84	4.49	4.58	5.16

**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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
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 %	20 %	20 %	21 %	22 %
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	15	17	18

<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	23 %	24 %	25 %	25 %	25 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	1	10	10	10
Railroad, Private Cars and Airlines	0	21	22	21	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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates									District Direct Rates		
	State	County	Community College District	Sun Lakes Fire District	City of Chandler	City of Tempe	Town of Gilbert	Town of Queen Creek	Primary	Secondary	Total	
	Equalization											
2017	0.50	1.40	1.47	3.25	1.16	2.53	1.06	1.95	4.19	2.33	6.52	
2016	0.51	1.36	1.49	3.25	1.18	2.52	1.06	1.95	4.16	2.45	6.61	
2015	0.51	1.32	1.52	3.25	1.18	2.44	1.07	1.95	4.89	2.39	7.28	
2014	0.51	1.28	1.53	3.19	1.27	2.49	1.15	1.95	4.39	2.07	6.46	
2013	0.47	1.24	1.38	3.09	1.27	2.14	1.15	1.95	4.12	2.08	6.20	
2012	0.43	1.24	1.21	2.87	1.27	1.79	1.15	1.95	3.73	1.98	5.71	
2011	0.36	1.05	0.97	2.60	1.18	1.40	1.15	1.95	3.18	1.66	4.84	
2010	0.33	0.99	0.88	2.33	1.18	1.40	1.15	1.95	3.18	1.31	4.49	
2009		1.03	0.94	2.17	1.18	1.40	1.15	1.95	3.26	1.32	4.58	
2008		1.10	0.98	2.17	1.25	1.40	1.15	1.95	3.64	1.52	5.16	

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

**Note:** There was no state equalization overlapping rate prior to 2010. Additionally, the Town of Queen Creek had no overlap prior to 2008.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2017</u>		<u>2008</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Intel Corporation	\$ 179,946,910	7.37 %	\$ 78,765,981	2.93 %
Wells Fargo Bank Na	23,027,108	0.94	19,361,802	0.72
Freescale Semiconductor Inc	16,354,769	0.67	28,858,955	1.07
Bank of America	14,767,372	0.61		
Iridium Satellite LLC	12,866,610	0.53		
Covance Laboratories Inc	10,505,628	0.43		
Caz 1 LLC	9,284,175	0.38		
Southwest Gas Corporation (T&D)	8,543,452	0.35	10,073,723	0.37
Digital 2121 South Price LLC	8,021,686	0.33		
Chandler Festival Spe Llc	7,186,266	0.29	10,919,710	0.41
Qwest Corporation			15,056,911	0.56
Countrywide Home Loans Inc.			25,429,642	0.95
Fulton Homes Sales Corporation			12,066,321	0.45
Vestar California Xxii LLC			11,007,031	0.41
Mountainwood Development Inc.			8,792,527	0.33
<b>Total</b>	<u><u>\$ 290,503,976</u></u>	<u><u>11.90 %</u></u>	<u><u>\$ 220,332,603</u></u>	<u><u>8.20 %</u></u>

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

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2017	\$ 159,320,009	\$ 149,797,887	94.02 %	\$	\$ 149,797,887	94.02 %
2016	153,920,357	152,005,832	98.76	1,892,063	153,897,895	99.99
2015	158,182,016	150,417,135	95.09	7,701,204	158,118,339	99.96
2014	129,351,907	128,512,923	99.35	819,568	129,332,491	99.98
2013	127,097,093	120,294,725	94.65	6,792,178	127,086,903	99.99
2012	125,213,643	117,879,099	94.14	5,810,178	123,689,277	98.78
2011	124,872,625	118,099,660	94.58	6,757,638	124,857,298	99.99
2010	126,666,025	112,467,632	88.79	7,987,384	120,455,016	95.10
2009	119,658,082	110,283,421	92.17	7,748,532	118,031,953	98.64
2008	115,522,309	111,669,356	96.66	3,845,893	115,515,249	99.99

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

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

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2017	\$ 306,700,161	\$ 4,197,730	\$302,502,431	0.96 %	\$ 1,255	\$	\$306,700,161	0.98 %	\$ 1,272	N/A %	
2016	247,713,239	4,922,072	242,791,167	1.02	1,048	43,765,000	291,478,239	1.23	1,258	0.17	
2015	207,217,100	3,558,226	203,658,874	0.87	899	43,765,000	250,982,100	1.07	1,107	0.15	
2014	215,765,000	3,984,787	211,780,213	1.00	941		215,765,000	1.02	959	0.15	
2013	211,700,000	4,306,912	207,393,088	1.02	932		211,700,000	1.04	952	0.14	
2012	210,930,000	4,059,276	206,870,724	0.98	922		210,930,000	1.00	940	0.15	
2011	226,925,000	3,153,326	223,771,674	0.87	939		226,925,000	0.88	953	0.16	
2010	186,420,767	5,734,017	180,686,750	0.61	715		186,420,767	0.63	737	0.13	
2009	202,508,550	7,518,124	194,990,426	0.67	774		202,508,550	0.69	804	0.14	
2008	161,516,113	8,287,982	153,228,131	0.61	615		161,516,113	0.64	649	0.12	

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

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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:			
Maricopa County Community College District	\$ 509,430,000	6.75 %	34,386,525
City of Chandler	302,595,000	76.20	230,577,390
Town of Gilbert	105,250,000	16.08	16,924,200
Subtotal, Overlapping Debt			<u>281,888,115</u>
Direct:			
Chandler Unified School District No. 80			<u>306,700,161</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 588,588,276</u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		9.70 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 2,151	
As a Percentage of Net Limited Assessed Valuation		21.25 %
As a Percentage of Gross Full Cash Value		1.65 %

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

**Note:** 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.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

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

Net full cash assessed valuation	\$ 2,989,210,788
Debt limit (20% of assessed value)	597,842,158
Debt applicable to limit	<u>292,950,000</u>
Legal debt margin	<u><u>\$ 304,892,158</u></u>

**Total Legal Debt Margin Calculation for Fiscal Year 2017:**

Net full cash assessed valuation	\$ 2,989,210,788
Debt limit (30% of assessed value)	896,763,236
Debt applicable to limit	<u>296,610,000</u>
Legal debt margin	<u><u>\$ 600,153,236</u></u>

**Fiscal Year Ended June 30**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 896,763,236	\$ 802,817,864	\$ 671,528,718	\$ 601,507,484	\$ 609,794,267
Total net debt applicable to limit	<u>296,610,000</u>	<u>236,680,000</u>	<u>207,217,100</u>	<u>215,765,000</u>	<u>211,700,000</u>
Legal debt margin	<u><u>\$ 600,153,236</u></u>	<u><u>\$ 566,137,864</u></u>	<u><u>\$ 464,311,618</u></u>	<u><u>\$ 385,742,484</u></u>	<u><u>\$ 398,094,267</u></u>

Total net debt applicable to the limit as a percentage of debt limit	33%	29%	31%	36%	35%
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	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Debt Limit	\$ 651,386,669	\$ 808,035,794	\$ 931,640,352	\$ 928,887,203	\$ 806,034,103
Total net debt applicable to limit	<u>210,930,000</u>	<u>226,925,000</u>	<u>186,420,767</u>	<u>202,508,550</u>	<u>161,516,113</u>
Legal debt margin	<u><u>\$ 440,456,669</u></u>	<u><u>\$ 581,110,794</u></u>	<u><u>\$ 745,219,585</u></u>	<u><u>\$ 726,378,653</u></u>	<u><u>\$ 644,517,990</u></u>

Total net debt applicable to the limit as a percentage of debt limit	32%	28%	20%	22%	20%
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**Source:** The source of this information is the District's financial records.

- Notes:** 1) The District's general obligation bonds outstanding are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds 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 costs.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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	4,137,076	\$ N/A	\$ N/A	4.5 %	241,066
2015	4,076,438	175,437,829	42,092	5.5	231,764
2014	4,008,651	168,483,421	41,222	4.7	226,642
2013	4,009,412	147,700,000	27,552	6.2	225,000
2012	3,824,058	147,374,500	38,238	9.1	222,442
2011	3,843,370	142,864,275	37,352	8.4	224,442
2010	3,817,117	142,091,618	35,319	8.7	238,199
2009	4,023,331	147,122,078	29,395	8.3	252,856
2008	3,987,942	139,665,253	29,005	4.9	251,788
2007	3,907,492	132,423,154	25,951	3.2	249,056

**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 2015, the source of the information is the Arizona Office of Employment and Population Statistics.

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
PRINCIPAL EMPLOYERS  
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2017</u>		<u>2008</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	36,310	1.91 %	32,600	1.63 %
Banner Health Systems	34,776	1.83	11,100	0.56
Wal-Mart Stores Inc.	34,090	1.79	19,600	0.98
Wells Fargo Company	14,818	0.78	9,100	0.46
City of Phoenix	13,776	0.72	16,006	0.80
Maricopa County	12,939	0.68	14,100	0.71
Arizona State University	12,715	0.67	12,700	0.64
Honor Health	11,296	0.59		
Dignity Health	11,182	0.59		
Intel Corporation	11,000	0.58	10,100	
Diversified Human Resources, Inc		-	39,600	1.98
National PEO LLC			22,100	1.11
Consolidated Personnel Service, Inc			21,000	1.05
Total	<u>192,902</u>	<u>10.14 %</u>	<u>208,006</u>	<u>9.92 %</u>
Total employment	<u>1,902,687</u>		<u>1,995,000</u>	

**Sources:** The source of this county-wide information is the Business Journal Book of Lists.  
The source of the "Total employment" for 2017 is the U.S. Department of Labor, Bureau of Labor Statistics, by Arizona Department of Administration, Office of Employment and Population Statistics.

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2013</u></b>
<b>Supervisory</b>					
Instructional administrators	11	11	8	5	5
Noninstructional administrators	11	11	8	11	13
Principals	44	43	41	41	41
Assistant principals	25	22	20	20	20
Total supervisory	<u>91</u>	<u>87</u>	<u>77</u>	<u>77</u>	<u>79</u>
<b>Instruction</b>					
Elementary classroom teachers	900	911	893	897	889
Secondary classroom teachers	731	693	649	656	639
ESE teachers	306	290	273	276	262
Other teachers	345	338	317	287	285
Aides	298	290	263	266	304
Total instruction	<u>2,580</u>	<u>2,522</u>	<u>2,395</u>	<u>2,382</u>	<u>2,379</u>
<b>Student Services</b>					
Counselors	75	76	77	71	69
Psychologists	22	22	23	21	16
Librarians	35	35	32	33	34
Other professionals (noninstructional)	103	92	96	83	90
Technicians	90	87	82	81	79
Total student services	<u>325</u>	<u>312</u>	<u>310</u>	<u>289</u>	<u>288</u>
<b>Support and Administration</b>					
Office/Clerical	249	241	241	235	218
Transportation	254	226	197	187	180
Food Services	207	206	200	191	192
Skilled crafts	242	241	227	228	232
Unskilled laborers	398	371	363	322	265
Total support and administration	<u>1,350</u>	<u>1,285</u>	<u>1,228</u>	<u>1,163</u>	<u>1,087</u>
<b>Total</b>	<u><u>4,346</u></u>	<u><u>4,206</u></u>	<u><u>4,010</u></u>	<u><u>3,911</u></u>	<u><u>3,833</u></u>

(Continued)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**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>
<b>Supervisory</b>					
Instructional administrators	5	5	5	5	6
Noninstructional administrators	10	10	10	10	10
Principals	40	39	39	39	36
Assistant principals	21	19	19	20	17
Total supervisory	<u>76</u>	<u>73</u>	<u>73</u>	<u>74</u>	<u>69</u>
<b>Instruction</b>					
Elementary classroom teachers	852	847	836	720	851
Secondary classroom teachers	613	596	566	543	591
ESE teachers	190	190	180	200	193
Other teachers	298	291	321	361	221
Aides	263	287	332	444	446
Total instruction	<u>2,216</u>	<u>2,211</u>	<u>2,235</u>	<u>2,268</u>	<u>2,302</u>
<b>Student Services</b>					
Counselors	66	66	66	60	62
Psychologists	17	15	16	15	15
Librarians	34	34	34	31	32
Other professionals (noninstructional)	68	64	64	58	65
Technicians	74	108	77	78	69
Total student services	<u>259</u>	<u>287</u>	<u>257</u>	<u>242</u>	<u>243</u>
<b>Support and Administration</b>					
Office/Clerical	170	170	154	186	174
Transportation	178	176	296	317	265
Food Services	200	204	173	178	157
Skilled crafts	195	199	138	106	140
Unskilled laborers	345	345	350	447	340
Total support and administration	<u>1,088</u>	<u>1,094</u>	<u>1,111</u>	<u>1,234</u>	<u>1,076</u>
<b>Total</b>	<u><u>3,639</u></u>	<u><u>3,665</u></u>	<u><u>3,676</u></u>	<u><u>3,818</u></u>	<u><u>3,690</u></u>

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

(Concluded)

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30</u>	<u>Average Daily Membership</u>	<u>Operating Expenditures</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Expenses</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Free/Reduced Students</u>
2017	43,050	\$ 320,809,082	\$ 7,452	4.97 %	\$ 370,400,799	\$ 8,604	10.13 %	2,282	18.9	29.0 %
2016	42,894	304,503,495	7,099	0.82	335,122,706	7,813	(1.63)	2,232	19.2	25.3
2015	40,819	287,404,403	7,041	2.78	324,183,603	7,942	3.91	2,132	19.1	32.0
2014	39,714	272,052,544	6,850	(2.47)	303,542,806	7,643	(1.58)	2,116	18.8	31.0
2013	37,793	265,448,430	7,024	1.89	293,491,335	7,766	3.86	2,075	18.2	30.3
2012	37,771	260,360,961	6,893	(0.04)	282,407,667	7,477	(3.53)	1,953	19.3	32.8
2011	37,110	255,911,934	6,896	(4.32)	287,611,826	7,750	1.09	1,924	19.3	31.8
2010	36,166	260,654,995	7,207	(9.00)	277,280,424	7,667	(8.29)	1,903	19.0	29.3
2009	35,270	279,352,089	7,920	(1.22)	294,855,217	8,360	3.48	1,824	19.3	24.7
2008	33,815	271,128,039	8,018	9.23	273,187,432	8,079	6.97	1,856	18.2	22.2

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

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

**CHANDLER UNIFIED SCHOOL DISTRICT NO. 80  
CAPITAL ASSETS INFORMATION  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year Ended June 30</b>									
	<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>
<b><u>Schools</u></b>										
<b>Elementary</b>										
Square feet	2,097,538	2,083,045	1,992,200	1,992,200	1,992,200	1,942,250	1,942,250	1,942,250	1,942,250	1,771,092
Capacity	21,147	25,412	24,276	24,276	24,276	24,276	24,276	24,276	24,276	22,137
Enrollment	22,700	20,765	22,913	22,764	22,306	22,100	22,013	21,145	20,844	19,884
<b>Middle</b>										
Square feet	715,593	715,593	635,092	635,092	635,092	635,092	635,092	635,092	602,322	600,446
Capacity	7,168	8,511	7,505	7,505	7,505	7,505	7,505	7,505	7,505	7,505
Enrollment	7,231	6,770	6,569	6,379	6,092	5,982	5,738	5,632	5,474	5,201
<b>High</b>										
Square feet	14,509	1,700,725	1,539,724	1,492,717	1,492,717	1,492,717	1,492,717	1,492,717	1,467,183	1,465,307
Capacity	14,546	17,301	15,588	15,588	15,588	15,588	15,588	15,588	15,588	15,588
Enrollment	44,477	13,778	13,113	12,521	12,011	11,562	11,154	10,693	10,107	9,717
<b><u>Administrative</u></b>										
Square feet	64,321	64,321	64,321	64,321	64,321	64,321	64,321	64,321	64,321	49,437
<b><u>Transportation</u></b>										
Garages	2	2	2	2	2	2	2	2	2	2
Buses	276	227	213	213	204	204	204	209	N/A	N/A
<b><u>Athletics</u></b>										
Football fields	10	10	9	9	9	9	9	9	9	9
Running tracks	9	9	9	9	9	9	9	9	9	9
Baseball/softball	42	42	38	38	38	38	38	38	38	38
Swimming pools	4	4	4	4	4	4	4	4	4	4
Playgrounds	62	62	62	62	62	62	62	62	61	60

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