



**GOVERNING BOARD AGENDA ITEM  
AMPHITHEATER UNIFIED SCHOOL DISTRICT NO. 10**

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**DATE OF MEETING:**        **September 25, 2018**

**TITLE:**            **Approval of the 2017-18 Annual Financial Report**

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**BACKGROUND:**

The State of Arizona requires the Governing Board to annually publish and submit to the State a report of all revenue and expenditures for the previous year. A review of the Fiscal Year (FY) 2017-2018 Annual Financial Report will be presented.

This annual reporting is composed of four different reports:

- 2018 Annual Financial Report
- 2018 Desegregation Annual Financial Report
- 2018 Classroom Site Funds Narrative Report
- 2018 Food Services Annual Financial Report

**2018 Annual Financial Report**

This twelve page report summarizes all expenditures and revenues for the district. It contains a one page summary on page 11 that summarizes the previous 10 pages.

The comparison of actual expenses between fiscal years is difficult due to Proposition 123. The state required school districts to budget for the funds in Fiscal Year 2016 prior to their actual receipt. This created the appearance of a significant budget balance carry forward into Fiscal Year 2017. The one-time funds that were carried forward were spent in July 2017 and are reflected in this year's Annual Financial Report.

**Page 2 of 9 (MAINTENANCE AND OPERATION FUND):**

The large decrease in General Administration (line 4) expenses is the result of two items. The first item was the cost of the Bond Election in November of 2016. The second item was the mandated changes to accounting codes by the Office of the Auditor General.

Multiple positions were reclassified to Central Services (line 6) from General Administration (line 4) creating the increase in the Central Services expenses.

Transportation services (line 25) decreased slightly as a result of the timing of fuel purchases. Ongoing staff shortages for bus drivers are still requiring a significant amount of overtime from existing staff.

**Page 3 of 9 (CLASSROOM SITE FUNDS):**

Line 49 - The total revenue from Proposition 301 for the year was \$6,402,974. This represents a 1.18% increase from the 2016-2017 collections of \$5,429,652. This revenue is still significantly lower than the peak collection of \$7,754,546 in fiscal year 2007-2008. Hopefully, the sales tax increases will continue into future years.

The budget balance of the Unrestricted Capital Funds continues to decline. The budget formula, if fully funded for the year, should provide the fund with \$6,480,376 in revenue. Legislative cuts to the fund were \$5,691,763

leaving only \$788,613 (12.2%). Actual expenses for the year were approximately 3.5 times greater than the revenues to the fund.

2018 Desegregation Annual Financial Report

This 75 page report details the expenditure of desegregation expenditures for both the District and the individual schools. The annual budget for desegregation has been capped at \$4,025,000 for over 10 years.

2018 Classroom Site Funds Narrative Report

This one page report provides a programmatic narrative for the Classroom Site Fund expenditures contained on page 3 of 9 of the 2016 Annual Financial Report.

2018 Food Services Annual Financial Report

This one page report details the revenues and expenditures for the Food Services program.

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**RECOMMENDATION:**

It is the recommendation of the Administration that the Governing Board members certify the 2017-18 Annual Financial Report and direct its submission to the State and for publication on the Arizona Department of Education website.

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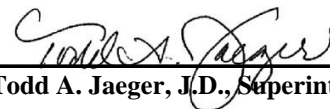
**INITIATED BY:**



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Scott Little, Chief Financial Officer

Date: September 24, 2018



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Todd A. Jaeger, J.D., Superintendent