
RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2

Annual Financial Report

Fiscal Year Ended June 30, 2019



RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2

PHOENIX, ARIZONA

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Issued by:
Business and Finance Department

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Riverside Elementary School District No. 2

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 Riverside Elementary School District No. 2 (District), as of and for the year ended June 30, 2019, 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 Riverside Elementary School District No. 2, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, for the year ended June 30, 2019, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 Statistical Section has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2020, on our consideration of Riverside Elementary School District No. 2'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 solely 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 effectiveness of the Riverside Elementary School District No. 2's 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 Riverside Elementary School District No. 2's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
January 17, 2020

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

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**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

As management of the Riverside Elementary School District No. 2 (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, 2019. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$4.7 million which represents an 15 percent increase from the prior fiscal year as a result of the retirement of \$6.3 million in bonded debt.
- General revenues accounted for \$15.8 million in revenue, or 85 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$2.7 million or 15 percent of total current fiscal year revenues.
- The District had approximately \$13.8 million in expenses related to governmental activities, a decrease of three percent from the prior fiscal year.
- Among major funds, the General Fund had \$6.6 million current fiscal year revenues, which primarily consisted of property taxes, and \$6.4 million in expenditures. The General Fund's fund balance increased from \$1.1 million at the prior fiscal year end, to \$1.5 million at the end of the current fiscal year.

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.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

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.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

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 and other postemployment benefit plans have been provided as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$35.7 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.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	As of June 30, 2019	As of June 30, 2018
Current and other assets	\$ 32,326,589	\$ 24,012,572
Capital assets, net	64,590,812	65,723,146
Total assets	<u>96,917,401</u>	<u>89,735,718</u>
 Deferred outflows	 <u>953,268</u>	 <u>1,151,797</u>
 Current and other liabilities	 1,600,316	 1,727,594
Long-term liabilities	59,585,473	57,617,236
Total liabilities	<u>61,185,789</u>	<u>59,344,830</u>
 Deferred inflows	 <u>1,008,250</u>	 <u>561,686</u>
 Net position:		
Net investment in capital assets	30,512,206	28,053,174
Restricted	9,404,562	8,198,728
Unrestricted	(4,240,138)	(5,270,903)
Total net position	<u>\$ 35,676,630</u>	<u>\$ 30,980,999</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission reported a deficit of \$4.2 million 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 issuance of \$8.0 million in school improvement bonds.
- The principal retirement of \$6.3 million of bonds and \$471,638 of bond premium.
- The addition of \$2.0 million in capital assets through school improvement projects and the purchases of vehicles, furniture and equipment.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

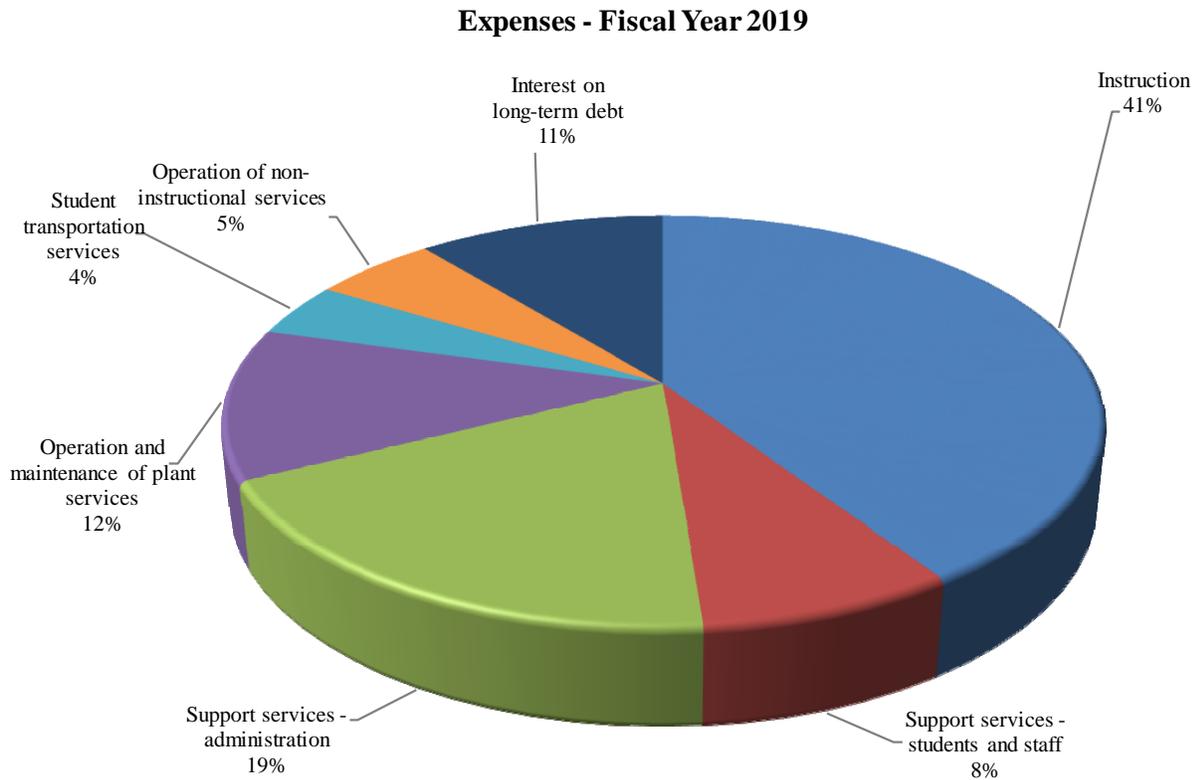
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$18.5 million. The total cost of all programs and services was \$13.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	Fiscal Year Ended <u>June 30, 2019</u>	Fiscal Year Ended <u>June 30, 2018</u>
Revenues:		
Program revenues:		
Charges for services	\$ 818,083	\$ 501,200
Operating grants and contributions	1,789,381	1,896,229
Capital grants and contributions	110,000	
General revenues:		
Property taxes	14,785,070	13,667,341
Investment income	472,334	135,081
Unrestricted state aid	549,833	530,353
Total revenues	<u>18,524,701</u>	<u>16,730,204</u>
Expenses:		
Instruction	5,635,708	6,534,080
Support services - students and staff	1,107,552	1,236,770
Support services - administration	2,601,354	2,239,810
Operation and maintenance of plant services	1,636,937	1,566,523
Student transportation services	588,074	520,805
Operation of non-instructional services	755,887	681,242
Interest on long-term debt	1,503,558	1,459,267
Total expenses	<u>13,829,070</u>	<u>14,238,497</u>
Changes in net position	4,695,631	2,491,707
Net position, beginning	30,980,999	28,489,292
Net position, ending	<u>\$ 35,676,630</u>	<u>\$ 30,980,999</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- The increase in property tax revenues of \$1.1 million was due to an increase in the assessed valuation of taxable property within the District.
- The decrease in instructional expenses of \$898,372 was related to prior year one-time purchases on instructional aids.

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.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2019		Year Ended June 30, 2018	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 5,635,708	\$ (4,751,861)	\$ 6,534,080	\$ (5,443,477)
Support services - students and staff	1,107,552	(923,793)	1,236,770	(1,125,308)
Support services - administration	2,601,354	(2,192,568)	2,239,810	(2,062,490)
Operation and maintenance of plant services	1,636,937	(1,500,707)	1,566,523	(1,515,154)
Student transportation services	588,074	(430,848)	520,805	(519,095)
Operation of non-instructional services	755,887	63,070	681,242	148,319
Interest on long-term debt	1,503,558	(1,374,899)	1,459,267	(1,323,863)
Total	<u><u>\$ 13,829,070</u></u>	<u><u>\$ (11,111,606)</u></u>	<u><u>\$ 14,238,497</u></u>	<u><u>\$ (11,841,068)</u></u>

- The cost of all governmental activities this year was \$13.8 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$2.7 million.
- Net cost of governmental activities of \$11.1 million was financed by general revenues, which are made up of primarily property taxes of \$14.8 million and state aid of \$549,833.

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 \$24.1 million, an increase of \$8.1 million due primarily to the issuance of school improvement bonds.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises six percent of the total fund balance. All of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$424,476 in the General Fund to \$1.5 million as of fiscal year end.

The fund balance of the Debt Service Fund increased \$651,552 to \$6.0 million.

The Bond Building Fund's fund balance increased \$6.4 million to \$13.4 million as of fiscal year end primarily due to the issuance of school improvement bonds.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in the student count. The difference between the original budget and the final amended budget was a \$227,568 decrease, or four 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. No significant variances were noted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$89.0 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 \$1.9 million from the prior fiscal year, primarily due to a kitchen renovation project at Riverside Traditional School. Total depreciation expense for the current fiscal year was \$3.1 million.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2019 and June 30, 2018.

	As of June 30, 2019	As of June 30, 2018
Capital assets - non-depreciable	\$ 6,625,934	\$ 6,698,142
Capital assets - depreciable, net	57,964,878	59,025,004
Total	\$ 64,590,812	\$ 65,723,146

The estimated cost to complete current construction projects is \$182,060.

Additional information on the District's capital assets can be found in Note 7.

Debt Administration. At year end, the District had \$52.6 million in long-term debt outstanding, \$6.3 million due within one year. Long-term debt increased by \$2.7 million due primarily to 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 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$71.1 million and the Class B debt limit is \$47.4 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 and 9.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2019-20 budget. Among them:

- Fiscal year 2018-19 budget balance carry forward (estimated \$251,189).
- District student population (estimated 850).
- Employee salaries.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

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 seven percent to \$6.4 million in fiscal year 2019-20. The increase is primarily due to increases in funding from the legislature and budget balance carryforward. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2019-20 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, Riverside Elementary School District No. 2, 1414 South 51st Avenue, Phoenix, Arizona 85043.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 26,585,890
Cash and investments - restricted	4,928,693
Property taxes receivable	209,295
Accounts receivable	185,847
Deposits	23,677
Due from governmental entities	376,788
Total current assets	32,310,190
Noncurrent assets:	
Net other postemployment benefit assets	16,399
Capital assets not being depreciated	6,625,934
Capital assets, net of accumulated depreciation	57,964,878
Total noncurrent assets	64,607,211
Total assets	96,917,401
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding	19,913
Pension and other postemployment benefit plan items	933,355
Total deferred outflows of resources	953,268
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	88,713
Construction contracts payable	324,087
Accrued payroll and employee benefits	126,741
Compensated absences payable	119,340
Accrued interest payable	1,058,385
Unearned revenues	2,390
Bonds payable	6,320,000
Total current liabilities	8,039,656
Noncurrent liabilities:	
Non-current portion of long-term obligations	53,146,133
Total noncurrent liabilities	53,146,133
Total liabilities	61,185,789
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	1,008,250
<u>NET POSITION</u>	
Net investment in capital assets	30,512,206
Restricted	9,404,562
Unrestricted	(4,240,138)
Total net position	\$ 35,676,630

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 5,635,708	\$ 308,842	\$ 575,005	\$	\$ (4,751,861)
Support services - students and staff	1,107,552		183,759		(923,793)
Support services - administration	2,601,354	324,086	84,700		(2,192,568)
Operation and maintenance of plant services	1,636,937	136,230			(1,500,707)
Student transportation services	588,074		47,226	110,000	(430,848)
Operation of non-instructional services	755,887	48,925	770,032		63,070
Interest on long-term debt	1,503,558		128,659		(1,374,899)
Total governmental activities	<u>\$ 13,829,070</u>	<u>\$ 818,083</u>	<u>\$ 1,789,381</u>	<u>\$ 110,000</u>	<u>(11,111,606)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	5,895,169
Property taxes, levied for debt service	8,407,380
Property taxes, levied for capital outlay	482,521
Investment income	472,334
Unrestricted state aid	549,833
Total general revenues	<u>15,807,237</u>

Changes in net position

4,695,631

Net position, beginning of year

30,980,999

Net position, end of year

\$ 35,676,630

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

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FUND FINANCIAL STATEMENTS

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Debt Service	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 1,186,404	\$ 8,367,663	\$ 13,732,190
Cash and investments - restricted		4,928,693	
Property taxes receivable	105,464	98,230	
Accounts receivable	164,065		
Deposits			
Due from governmental entities	17,797		
Due from other funds	267,282		
Total assets	\$ 1,741,012	\$ 13,394,586	\$ 13,732,190
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 66,439	\$	\$
Construction contracts payable			324,087
Due to other funds			
Accrued payroll and employee benefits	85,715		11,649
Unearned revenues			
Bonds payable		6,320,000	
Bond interest payable		1,058,385	
Total liabilities	152,154	7,378,385	335,736
Deferred inflows of resources:			
Unavailable revenues - property taxes	74,486	54,887	
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	74,486	54,887	
Fund balances (deficits):			
Restricted		5,961,314	13,396,454
Unassigned	1,514,372		
Total fund balances	1,514,372	5,961,314	13,396,454
 Total liabilities, deferred inflows of resources and fund balances	 \$ 1,741,012	 \$ 13,394,586	 \$ 13,732,190

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 3,299,633	\$ 26,585,890
	4,928,693
5,601	209,295
21,782	185,847
23,677	23,677
358,991	376,788
	267,282
<u>\$ 3,709,684</u>	<u>\$ 32,577,472</u>

\$ 22,274	\$ 88,713
	324,087
267,282	267,282
29,377	126,741
2,390	2,390
	6,320,000
	1,058,385
<u>321,323</u>	<u>8,187,598</u>

3,073	132,446
160,118	160,118
<u>163,191</u>	<u>292,564</u>

3,385,288	22,743,056
(160,118)	1,354,254
<u>3,225,170</u>	<u>24,097,310</u>

<u>\$ 3,709,684</u>	<u>\$ 32,577,472</u>
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RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total governmental fund balances	\$	24,097,310
<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	\$ 89,028,550	
Less accumulated depreciation	<u>(24,437,738)</u>	64,590,812
<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	132,446	
Intergovernmental	<u>160,118</u>	292,564
<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>		
		19,913
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions/OPEB	933,355	
Deferred inflows of resources related to pensions/OPEB	<u>(1,008,250)</u>	(74,895)
<p>The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.</p>		
		16,399
<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	(708,295)	
Net OPEB liability	(23,523)	
Net pension liability	(6,264,759)	
Bonds payable	<u>(46,268,896)</u>	<u>(53,265,473)</u>
Net position of governmental activities	\$	<u>35,676,630</u>

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 585,721	\$ 110,723	\$ 288,601
Property taxes	5,900,608	8,394,074	
State aid and grants	95,949		
Federal aid, grants and reimbursements		128,659	
Total revenues	<u>6,582,278</u>	<u>8,633,456</u>	<u>288,601</u>
Expenditures:			
Current -			
Instruction	2,663,566		
Support services - students and staff	780,025		
Support services - administration	1,521,721		
Operation and maintenance of plant services	990,295		
Student transportation services	311,693		
Operation of non-instructional services	3,382		
Capital outlay	82,122		2,517,253
Debt service -			
Principal retirement		6,320,000	
Interest and fiscal charges		1,950,505	
Bond issuance costs			165,244
Total expenditures	<u>6,352,804</u>	<u>8,270,505</u>	<u>2,682,497</u>
Excess (deficiency) of revenues over expenditures	<u>229,474</u>	<u>362,951</u>	<u>(2,393,896)</u>
Other financing sources (uses):			
Transfers in	111,341	288,601	
Transfers out			(288,601)
Issuance of school improvement bonds			8,035,000
Premium on sale of bonds			1,033,092
Insurance recoveries	83,661		
Total other financing sources (uses)	<u>195,002</u>	<u>288,601</u>	<u>8,779,491</u>
Changes in fund balances	<u>424,476</u>	<u>651,552</u>	<u>6,385,595</u>
Fund balances, beginning of year	1,089,896	5,309,762	7,010,859
Fund balances, end of year	<u>\$ 1,514,372</u>	<u>\$ 5,961,314</u>	<u>\$ 13,396,454</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 247,061	\$ 1,232,106
482,157	14,776,839
585,219	681,168
1,667,521	1,796,180
<u>2,981,958</u>	<u>18,486,293</u>
927,737	3,591,303
178,686	958,711
82,567	1,604,288
15,630	1,005,925
27,279	338,972
664,304	667,686
380,318	2,979,693
	6,320,000
	1,950,505
	165,244
<u>2,276,521</u>	<u>19,582,327</u>
<u>705,437</u>	<u>(1,096,034)</u>
	399,942
(111,341)	(399,942)
	8,035,000
	1,033,092
	83,661
<u>(111,341)</u>	<u>9,151,753</u>
<u>594,096</u>	<u>8,055,719</u>
2,631,074	16,041,591
<u>\$ 3,225,170</u>	<u>\$ 24,097,310</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Changes in fund balances - total governmental funds **\$ 8,055,719**

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	\$ 1,999,012	
Less current year depreciation	<u>(3,131,346)</u>	(1,132,334)

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.		(9,068,092)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	8,231	
Intergovernmental	<u>(53,484)</u>	(45,253)

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.		6,320,000
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Governmental funds report pension/OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension/OPEB liability, adjusted for deferred items, is reported as pension/OPEB expense in the Statement of Activities.

Current year pension/OPEB contributions	525,905	
Pension/OPEB expense	<u>(190,973)</u>	334,932

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.

Deferred charges on issuance of debt	(19,912)	
Amortization of deferred bond items	466,859	
Compensated absences	<u>(216,288)</u>	<u>230,659</u>

Changes in net position in governmental activities **\$ 4,695,631**

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 207,578
Total assets	\$ 207,578
 <u>LIABILITIES</u>	
Deposits held for others	\$ 196,705
Due to student groups	10,873
Total liabilities	\$ 207,578

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Riverside Elementary School District No. 2 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2019, the District implemented the provisions of GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This Statement requires enhanced note disclosures and clarifies which liabilities governments should include when disclosing information related to debt.

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 three 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, and food services.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted state 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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. 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.

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

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

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

The District reports the following major governmental funds:

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Additionally, the District reports the following fund type:

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

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

D. Cash and Investments

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

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

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. 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.

Certain resources set aside for the repayment of debt are classified as restricted cash and investments on the statement of net position and balance sheet, because their use is limited by applicable bond covenants. A trust account, recorded in the Debt Service Fund, is used to segregate resources accumulated for future debt service payments.

E. Investment Income

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

F. Receivables and Payables

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

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

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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Prepaid Items

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

I. Capital Assets

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

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. 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	5 - 50 years
Buildings and improvements	5 - 50 years
Vehicles, furniture and equipment	5 - 15 years

J. Deferred Outflows/Inflows of Resources

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

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Compensated Absences

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

L. Pensions and Other Postemployment Benefits

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

M. Long-term Obligations

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

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

N. Interfund Activity

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Net Position Flow Assumption

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

P. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Bond Building Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Restricted:				
Debt service	\$	\$ 5,961,314	\$	\$
Capital projects				2,588,349
Bond building projects			13,396,454	
Voter approved initiatives				327,468
Federal and state projects				14,514
Food service				185,817
Civic center				230,752
Other purposes				38,388
Unassigned	1,514,372			(160,118)
Total fund balances	<u>\$ 1,514,372</u>	<u>\$ 5,961,314</u>	<u>\$ 13,396,454</u>	<u>\$ 3,225,170</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 3 – RESTRICTED NET POSITION

The table below provides detail of the major components of the District’s restricted net position at year end.

	Governmental Activities
Restricted Net Position:	
Debt service	\$ 6,016,201
Capital projects	2,591,422
Voter approved initiatives	327,468
Federal and state projects	14,514
Food service	185,817
Civic center	230,752
Other purposes	38,388
Total	\$ 9,404,562

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Non-Major Governmental Funds:	
Special Education Grants	\$ 143,649
Other Federal Projects	2,836
Other State Projects	13,633

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2019-20 are expected to eliminate the deficits.

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

NOTE 5 – 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 \$207,578 and the bank balance was \$237,455.

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – CASH AND INVESTMENTS

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

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

	Average Maturities	Fair Value
County Treasurer’s investment pool	318 days	\$ 26,585,890
Total		\$ 26,585,890

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

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

Custodial Credit Risk - Investments. The District’s investment in the County Treasurer’s investment pool represents a proportionate interest in the pool’s portfolio; however, the District’s portion is not identified with specific investments and is not subject to custodial credit risk. The District is invested in a treasury money market account through the trust department of Zions Bank. The money market account has a value of \$4,928,693 at June 30, 2019.

NOTE 6 – 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	\$	\$ 148,579
Due from state government	17,797	210,412
Net due from governmental entities	\$ 17,797	\$ 358,991

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 6,200,114	\$	\$	\$ 6,200,114
Construction in progress	498,028	579,429	651,637	425,820
Total capital assets, not being depreciated	<u>6,698,142</u>	<u>579,429</u>	<u>651,637</u>	<u>6,625,934</u>
Capital assets, being depreciated:				
Land improvements	8,069,604	205,078		8,274,682
Buildings and improvements	63,187,498	1,267,309		64,454,807
Vehicles, furniture and equipment	9,173,390	598,833	99,096	9,673,127
Total capital assets being depreciated	<u>80,430,492</u>	<u>2,071,220</u>	<u>99,096</u>	<u>82,402,616</u>
Less accumulated depreciation for:				
Land improvements	(3,065,008)	(337,173)		(3,402,181)
Buildings and improvements	(13,279,494)	(1,969,917)		(15,249,411)
Vehicles, furniture and equipment	(5,060,986)	(824,256)	(99,096)	(5,786,146)
Total accumulated depreciation	<u>(21,405,488)</u>	<u>(3,131,346)</u>	<u>(99,096)</u>	<u>(24,437,738)</u>
Total capital assets, being depreciated, net	<u>59,025,004</u>	<u>(1,060,126)</u>		<u>57,964,878</u>
Governmental activities capital assets, net	<u>\$ 65,723,146</u>	<u>\$ (480,697)</u>	<u>\$ 651,637</u>	<u>\$ 64,590,812</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,756,085
Support services – students and staff	123,437
Support services – administration	396,862
Operation and maintenance of plant services	624,202
Student transportation services	133,417
Operation of non-instructional services	97,343
Total depreciation expense – governmental activities	<u>\$ 3,131,346</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects including the expansion of the Maricopa Institute of Technology campus and road improvements to Riverside Traditional School. At year end, the District had spent \$425,820 on the projects and had estimated remaining contractual commitments of \$182,060. These projects are being funded with bond proceeds.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$13,928,288 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 improvements bonds are Qualified Build America Bonds (BABS). The District receives a direct subsidy payment from the United States of America for a portion of the interest payment due on the bonds.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2019	Due Within One Year
Governmental activities:					
General obligation bonds:					
School Improvement Bonds Project of 2006, Series B-2 (2010)	\$7,545,000	6.5-7.5%	7/1/19-29	\$ 5,435,000	\$ 325,000
School Improvement Bonds Project of 2011, Series C (2013)	14,465,000	2.5-4.5%	7/1/19-27	8,335,000	1,750,000
Refunding Bonds, Series 2011	3,820,000	5.75%	7/1/30	520,000	
School Improvement Bonds Project of 2014, Series C (2017)	10,235,000	4.0-5.0%	7/1/20-25	10,235,000	
Refunding Bonds, Series 2017 (2020 Crossover)	4,510,000	4.0-5.0%	7/1/21-29	4,510,000	
School Improvement Bonds Project of 2014, Series D (2018)	8,035,000	5.00%	7/1/22-25	8,035,000	
Private placement general obligation bonds:					
School Improvement Bonds Project of 2014, Series A (2015)	10,200,000	3.10%	7/1/19-21	5,895,000	3,000,000
School Improvement Bonds Project of 2014, Series B (2016)	5,075,000	1.13-1.42%	7/1/19-21	4,035,000	1,030,000
Refunding Bonds, Series 2016	2,565,000	1.42-4.5%	7/1/19-21	2,355,000	215,000
Total				<u>\$ 49,355,000</u>	<u>\$ 6,320,000</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 – 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			
	General Obligation Bonds		Private Placement General Obligation Bonds	
	Principal	Interest	Principal	Interest
2020	\$ 2,075,000	\$1,780,232	\$ 4,245,000	\$ 248,556
2021	2,130,000	1,701,748	4,370,000	132,812
2022	3,110,000	1,586,102	3,670,000	36,306
2023	6,290,000	1,356,952		
2024	5,225,000	1,102,352		
2025-29	16,505,000	2,087,155		
2030-31	1,735,000	83,100		
Total	<u>\$ 37,070,000</u>	<u>\$9,697,641</u>	<u>\$12,285,000</u>	<u>\$ 417,674</u>

Crossover Refunding – During the year ended June 30, 2018, the District issued crossover refunding bonds to advance refund \$4,735,000 of general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased at the crossover date of July 1, 2020. At that time the liability for those bonds will be removed from the government-wide financial statements. The proceeds of the crossover refunding bonds were placed in an irrevocable trust with an escrow agent and recorded in the Debt Service Fund to provide for all future debt service payments of the refunded general obligation bonds.

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 31,035,000	\$ 8,035,000	\$ 2,000,000	\$ 37,070,000	\$ 2,075,000
Private placement general obligation bonds	16,165,000		3,880,000	12,285,000	4,245,000
Premium	2,725,009	1,033,092	471,638	3,286,463	
Discount	(57,346)		(4,779)	(52,567)	
Total bonds payable	<u>49,867,663</u>	<u>9,068,092</u>	<u>6,346,859</u>	<u>52,588,896</u>	<u>6,320,000</u>
Net OPEB liability	16,888	6,635		23,523	
Net pension liability	7,240,678		975,919	6,264,759	
Compensated absences payable	492,007	335,628	119,340	708,295	119,340
Governmental activity long-term liabilities	<u>\$ 57,617,236</u>	<u>\$ 9,410,355</u>	<u>\$ 7,442,118</u>	<u>\$ 59,585,473</u>	<u>\$ 6,439,340</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 10 – 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 \$267,282. 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	\$	\$ 288,601	\$ 288,601
Non-Major Governmental Funds	111,341		111,341
Total	\$ 111,341	\$ 288,601	\$ 399,942

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

NOTE 11 – CONTINGENT LIABILITIES

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

NOTE 12 – RISK MANAGEMENT

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

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 – RISK MANAGEMENT

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

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

The District continues to carry commercial insurance for other risks of loss, including employee dental and life insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Aggregate Amounts. At June 30, 2019, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB
Net assets	\$	\$ (16,399)
Net liability	6,264,759	23,523
Deferred outflows of resources	868,401	64,954
Deferred inflows of resources	957,364	50,886
Expense	165,307	25,666
Contributions	498,273	27,632

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

*With actuarially reduced benefits

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

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Active members are eligible for a long-term disability benefit in the event they become unable to perform their work. The monthly benefit is equal to two-thirds of their monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999 are limited to 30 years of service or the service on record as of the effective disability date, if their service is greater than 30 years.

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 11.80 percent (11.64 percent for retirement and 0.16 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 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions for the year ended June 30, 2019 were as follows:

	Contributions
Pension	\$ 498,273
Health Insurance Premium	20,501
Long-Term Disability	7,131

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.53 percent (10.41 for retirement, 0.06 percent for health insurance premium benefit, and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The District’s pension and OPEB contributions are paid by the same funds as the employee’s salary, with the largest component coming from the General Fund.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2018. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The total liability as of June 30, 2018 reflects changes in actuarial assumptions based on the results of an actuarial experience study for the five-year period ended June 30, 2016, including decreasing the discount rate from 8.0 percent to 7.5 percent, changing the projected salary increases from 3-6.75 percent to 2.7-7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates. The District’s proportion of the net assets/liability was based on the District’s actual contributions to the applicable plan relative to the total of all participating employers’ contributions to the plan for the year ended June 30, 2018.

At June 30, 2019, the District reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2018, the District’s percentage proportion for each plan and the related change from its proportion measured as of June 30, 2017 was:

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 6,264,759	0.045	(0.001)
Health Insurance Premium	(16,399)	0.046	(0.001)
Long-Term Disability	23,523	0.045	(0.002)

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2019, the District recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 165,307
Health Insurance Premium	17,016
Long-Term Disability	8,650

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 172,589	\$	\$ 602
Changes of assumptions or other inputs	165,777	31,625	5,095
Changes in proportion and differences between contributions and proportionate share of contributions	31,762		
Contributions subsequent to the measurement date	498,273	20,501	7,131
Total	<u>\$ 868,401</u>	<u>\$ 52,126</u>	<u>\$ 12,828</u>

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 34,537	\$ 15,135	\$
Changes of assumptions or other inputs	555,457		
Net difference between projected and actual earnings on pension investments	150,653	32,759	2,278
Changes in proportion and differences between contributions and proportionate share of contributions	216,717	124	590
Total	<u>\$ 957,364</u>	<u>\$ 48,018</u>	<u>\$ 2,868</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2020	\$ (44,558)	\$ (6,378)	\$ (13)
2021	(246,587)	(6,379)	(13)
2022	(228,529)	(6,379)	(13)
2023	(67,562)	605	597
2024		2,138	709
Thereafter			1,562

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

	Pension	OPEB
Actuarial valuation date	June 30, 2017	June 30, 2017
Actuarial roll forward date	June 30, 2018	June 30, 2018
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.5%	7.5%
Projected salary increases	2.7-7.2%	Not applicable
Inflation	2.3%	2.3%
Permanent base increases	Included	Not applicable
Mortality rates	2017 SRA Scale U-MP	Health Ins: 2017 SRA Scale U-MP, LTD: 2012 GLDT
Healthcare cost trend rate	Not applicable	Not applicable

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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, excluding any expected inflation.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

On June 29, 2018, the ASRS Board approved updated strategic asset allocation targets, to be effective July 2018. The target allocation and best estimates of geometric real rates of return for each major asset class for all ASRS plans are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	50%	5.50%
Fixed income	30	3.83
Real estate	20	5.85
Total	100%	

Discount Rate. The discount rate used to measure the ASRS total pension and OPEB liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. 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 plans’ 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 investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

Sensitivity of the Proportionate Share of the Net Pension and OPEB Asset/Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension and OPEB assets/liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension and OPEB asset/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:

	Proportionate share of the net (assets) liability		
	Current		
	1% Decrease	Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Pension	\$ 8,930,558	\$ 6,264,759	\$ 4,037,527
Health Insurance Premium	58,104	(16,399)	(79,860)
Long-Term Disability	26,658	23,523	20,481

Pension and OPEB Plan Fiduciary Net Position. Detailed information about the pension and OPEB 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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 - AGREEMENTS

The District has an agreement with the Estrella Educational Foundation, an Arizona non-profit corporation. The District agrees to allow the Foundation to utilize portions of the MIT STEM Magnet School. The Foundation agrees to pay the District an annual fee in the amount of 10% percent of the revenues received from the Foundation.

REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 13,836	\$ 13,836
Property taxes			5,900,608	5,900,608
State aid and grants			95,949	95,949
Total revenues			<u>6,010,393</u>	<u>6,010,393</u>
Expenditures:				
Current -				
Instruction	2,726,664	2,720,540	2,525,694	194,846
Support services - students and staff	930,881	788,875	770,305	18,570
Support services - administration	1,415,108	1,399,721	1,330,175	69,546
Operation and maintenance of plant services	753,973	692,441	635,958	56,483
Student transportation services	341,930	339,411	261,799	77,612
Total expenditures	<u>6,168,556</u>	<u>5,940,988</u>	<u>5,523,931</u>	<u>417,057</u>
Changes in fund balances	<u>(6,168,556)</u>	<u>(5,940,988)</u>	<u>486,462</u>	<u>6,427,450</u>
Fund balances, beginning of year			818,810	818,810
Fund balances (deficits), end of year	<u>\$ (6,168,556)</u>	<u>\$ (5,940,988)</u>	<u>\$ 1,305,272</u>	<u>\$ 7,246,260</u>

See accompanying notes to this schedule.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	0.05%	0.05%	0.05%	0.04%	0.04%
District's proportionate share of the net pension (assets) liability	\$ 6,264,759	\$ 7,240,678	\$ 7,641,154	\$ 6,893,085	\$ 6,190,510
District's covered payroll	\$ 4,607,505	\$ 4,630,204	\$ 4,369,005	\$ 4,087,851	\$ 3,712,140
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	135.97%	156.38%	174.89%	168.62%	166.76%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

SCHEDULE OF PENSION CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 498,273	\$ 502,218	\$ 499,136	\$ 474,037	\$ 445,167
Contributions in relation to the actuarially determined contribution	<u>498,273</u>	<u>502,218</u>	<u>499,136</u>	<u>474,037</u>	<u>445,167</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 4,456,825	\$ 4,607,505	\$ 4,630,204	\$ 4,369,005	\$ 4,087,851
Contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	10.89%

NOTE: The pension and OPEB 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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.05%	0.05%
District's proportionate share of the net OPEB (assets) liability	\$ (16,399)	\$ (25,570)
District's covered payroll	\$ 4,607,505	\$ 4,630,204
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	(0.36)%	(0.55)%
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 20,501	\$ 20,273
Contributions in relation to the actuarially determined contribution	<u>20,501</u>	<u>20,273</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 4,456,825	\$ 4,607,505
Contributions as a percentage of covered payroll	0.46%	0.44%

NOTE: The pension and OPEB 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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.05%	0.05%
District's proportionate share of the net OPEB (assets) liability	\$ 23,523	\$ 16,888
District's covered payroll	\$ 4,607,505	\$ 4,630,204
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.51%	0.36%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

SCHEDULE OF OPEB CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 7,131	\$ 7,372
Contributions in relation to the actuarially determined contribution	<u>7,131</u>	<u>7,372</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 4,456,825	\$ 4,607,505
Contributions as a percentage of covered payroll	0.16%	0.16%

NOTE: The pension and OPEB 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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 6,352,804	\$ 1,514,372
Activity budgeted as special revenue funds	(828,873)	(209,100)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 5,523,931	\$ 1,305,272

NOTE 2 – PENSION AND OPEB 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, 2017, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. 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, 2017, actuarial valuation.

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

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GOVERNMENTAL FUNDS

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 695,782	\$ 2,603,851	\$ 3,299,633
Property taxes receivable		5,601	5,601
Accounts receivable	21,782		21,782
Deposits	23,677		23,677
Due from governmental entities	358,991		358,991
Total assets	<u>\$ 1,100,232</u>	<u>\$ 2,609,452</u>	<u>\$ 3,709,684</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 4,244	\$ 18,030	\$ 22,274
Due to other funds	267,282		267,282
Accrued payroll and employee benefits	29,377		29,377
Unearned revenues	2,390		2,390
Total liabilities	<u>303,293</u>	<u>18,030</u>	<u>321,323</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		3,073	3,073
Unavailable revenues - intergovernmental	160,118		160,118
Total deferred inflows of resources	<u>160,118</u>	<u>3,073</u>	<u>163,191</u>
Fund balances (deficits):			
Restricted	796,939	2,588,349	3,385,288
Unassigned	(160,118)		(160,118)
Total fund balances	<u>636,821</u>	<u>2,588,349</u>	<u>3,225,170</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 1,100,232</u>	 <u>\$ 2,609,452</u>	 <u>\$ 3,709,684</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 198,057	\$ 49,004	\$ 247,061
Property taxes		482,157	482,157
State aid and grants	585,219		585,219
Federal aid, grants and reimbursements	1,667,521		1,667,521
Total revenues	<u>2,450,797</u>	<u>531,161</u>	<u>2,981,958</u>
Expenditures:			
Current -			
Instruction	927,737		927,737
Support services - students and staff	178,686		178,686
Support services - administration	82,567		82,567
Operation and maintenance of plant services	15,630		15,630
Student transportation services	27,279		27,279
Operation of non-instructional services	664,304		664,304
Capital outlay	119,792	260,526	380,318
Total expenditures	<u>2,015,995</u>	<u>260,526</u>	<u>2,276,521</u>
Excess (deficiency) of revenues over expenditures	<u>434,802</u>	<u>270,635</u>	<u>705,437</u>
Other financing sources (uses):			
Transfers out	(111,341)		(111,341)
Total other financing sources (uses)	<u>(111,341)</u>		<u>(111,341)</u>
Changes in fund balances	<u>323,461</u>	<u>270,635</u>	<u>594,096</u>
Fund balances, beginning of year	313,360	2,317,714	2,631,074
Fund balances, end of year	<u>\$ 636,821</u>	<u>\$ 2,588,349</u>	<u>\$ 3,225,170</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.

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

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

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

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

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

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.

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

Results-based Funding - to account for financial assistance received for academic performance results in accordance with A.R.S. §15-249.08.

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.

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.

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

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

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

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

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 226,255	\$ 22,134	\$ 5,197
Accounts receivable			
Deposits			
Due from governmental entities	69,422	17,357	2,094
Total assets	\$ 295,677	\$ 39,491	\$ 7,291
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	7,700		7,291
Unearned revenues			
Total liabilities	7,700		7,291
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	287,977	39,491	
Unassigned			
Total fund balances	287,977	39,491	
 Total liabilities, deferred inflows of resources and fund balances	\$ 295,677	\$ 39,491	\$ 7,291

<u>Professional Development and Technology Grants</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>
\$ 8,322	\$	\$ 2,444	\$ 2,678	\$ 12,070	\$
	143,649		2,836		123,633
<u>\$ 8,322</u>	<u>\$ 143,649</u>	<u>\$ 2,444</u>	<u>\$ 5,514</u>	<u>\$ 12,070</u>	<u>\$ 123,633</u>
\$	\$	\$	\$	\$	\$
	143,649				123,633
5,932			5,514		
2,390					
<u>8,322</u>	<u>143,649</u>		<u>5,514</u>		<u>123,633</u>
	143,649		2,836		13,633
		2,444		12,070	
	<u>(143,649)</u>		<u>(2,836)</u>		<u>(13,633)</u>
	<u>(143,649)</u>	<u>2,444</u>	<u>(2,836)</u>	<u>12,070</u>	<u>(13,633)</u>
<u>\$ 8,322</u>	<u>\$ 143,649</u>	<u>\$ 2,444</u>	<u>\$ 5,514</u>	<u>\$ 12,070</u>	<u>\$ 123,633</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
<u>ASSETS</u>			
Cash and investments	\$ 165,080	\$ 210,411	\$ 5,012
Accounts receivable		21,782	
Deposits	23,677		
Due from governmental entities			
Total assets	<u>\$ 188,757</u>	<u>\$ 232,193</u>	<u>\$ 5,012</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 1,441	\$
Due to other funds			
Accrued payroll and employee benefits	2,940		
Unearned revenues			
Total liabilities	<u>2,940</u>	<u>1,441</u>	<u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u></u>	<u></u>	<u></u>
Fund balances (deficits):			
Restricted	185,817	230,752	5,012
Unassigned			
Total fund balances	<u>185,817</u>	<u>230,752</u>	<u>5,012</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 188,757</u>	<u>\$ 232,193</u>	<u>\$ 5,012</u>

Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks	Totals
\$ 33,473	\$ 1,302	\$ 1,404	\$ 695,782
			21,782
			23,677
			358,991
<u>\$ 33,473</u>	<u>\$ 1,302</u>	<u>\$ 1,404</u>	<u>\$ 1,100,232</u>
\$ 2,803	\$	\$	\$ 4,244
			267,282
			29,377
			2,390
<u>2,803</u>			<u>303,293</u>
			<u>160,118</u>
30,670	1,302	1,404	796,939
			(160,118)
<u>30,670</u>	<u>1,302</u>	<u>1,404</u>	<u>636,821</u>
<u>\$ 33,473</u>	<u>\$ 1,302</u>	<u>\$ 1,404</u>	<u>\$ 1,100,232</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Classroom Site	Instructional Improvement	Title I Grants
Revenues:			
Other local	\$ 3,234	\$ 764	\$
State aid and grants	416,528	37,356	
Federal aid, grants and reimbursements			340,182
Total revenues	419,762	38,120	340,182
Expenditures:			
Current -			
Instruction	339,783	28,050	121,271
Support services - students and staff			124,659
Support services - administration			78,644
Operation and maintenance of plant services			
Student transportation services			1,747
Operation of non-instructional services			
Capital outlay		9,083	
Total expenditures	339,783	37,133	326,321
Excess (deficiency) of revenues over expenditures	79,979	987	13,861
Other financing sources (uses):			
Transfers out			(13,861)
Total other financing sources (uses)			(13,861)
Changes in fund balances	79,979	987	
Fund balances (deficits), beginning of year	207,998	38,504	
Fund balances (deficits), end of year	\$ 287,977	\$ 39,491	\$

Professional Development and Technology Grants	Limited English & Immigrant Students	Special Education Grants	E-Rate	Other Federal Projects	Gifted
\$	\$	\$	\$ 72	\$	\$
42,252	19,224	312,548		183,283	1,713
<u>42,252</u>	<u>19,224</u>	<u>312,548</u>	<u>72</u>	<u>183,283</u>	<u>1,713</u>
12,605	18,556	250,517		140,368	
11,630				38,932	1,713
3,279			3,624		
		19,412		709	
<u>27,514</u>	<u>18,556</u>	<u>269,929</u>	<u>3,624</u>	<u>180,009</u>	<u>1,713</u>
14,738	668	42,619	(3,552)	3,274	
(975)	(668)	(91)			
<u>(975)</u>	<u>(668)</u>	<u>(91)</u>			
13,763		42,528	(3,552)	3,274	
(13,763)		(186,177)	5,996	(6,110)	
<u>\$</u>	<u>\$</u>	<u>\$ (143,649)</u>	<u>\$ 2,444</u>	<u>\$ (2,836)</u>	<u>\$</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Results-based Funding	Other State Projects	Food Service
Revenues:			
Other local	\$	\$	\$ 49,163
State aid and grants	12,070	117,552	
Federal aid, grants and reimbursements			770,032
Total revenues	12,070	117,552	819,195
Expenditures:			
Current -			
Instruction		12,833	
Support services - students and staff		800	
Support services - administration			175
Operation and maintenance of plant services			1,806
Student transportation services			
Operation of non-instructional services			664,304
Capital outlay		110,000	
Total expenditures		123,633	666,285
Excess (deficiency) of revenues over expenditures	12,070	(6,081)	152,910
Other financing sources (uses):			
Transfers out			(95,746)
Total other financing sources (uses)			(95,746)
Changes in fund balances	12,070	(6,081)	57,164
Fund balances (deficits), beginning of year		(7,552)	128,653
Fund balances (deficits), end of year	\$ 12,070	\$ (13,633)	\$ 185,817

Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks	Totals
\$ 138,637	\$ 1,290	\$ 3,942	\$ 581	\$ 374	\$ 198,057
<u>138,637</u>	<u>1,290</u>	<u>3,942</u>	<u>581</u>	<u>374</u>	<u>2,450,797</u>
	200	3,554			927,737
	952		469		178,686
10,200					82,567
6,000		120			15,630
<u>16,200</u>	<u>1,152</u>	<u>3,674</u>	<u>469</u>		<u>27,279</u>
<u>122,437</u>	<u>138</u>	<u>268</u>	<u>112</u>	<u>374</u>	<u>664,304</u>
					<u>119,792</u>
					<u>2,015,995</u>
					(111,341)
					(111,341)
<u>122,437</u>	<u>138</u>	<u>268</u>	<u>112</u>	<u>374</u>	<u>323,461</u>
108,315	4,874	30,402	1,190	1,030	313,360
<u>\$ 230,752</u>	<u>\$ 5,012</u>	<u>\$ 30,670</u>	<u>\$ 1,302</u>	<u>\$ 1,404</u>	<u>\$ 636,821</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 3,234	\$ 3,234
State aid and grants		416,528	416,528
Federal aid, grants and reimbursements			
Total revenues		<u>419,762</u>	<u>419,762</u>
Expenditures:			
Current -			
Instruction	624,538	339,783	284,755
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>624,538</u>	<u>339,783</u>	<u>284,755</u>
Excess (deficiency) of revenues over expenditures	<u>(624,538)</u>	<u>79,979</u>	<u>704,517</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	<u>(624,538)</u>	<u>79,979</u>	<u>704,517</u>
Fund balances (deficits), beginning of year		207,998	207,998
Fund balances (deficits), end of year	<u>\$ (624,538)</u>	<u>\$ 287,977</u>	<u>\$ 912,515</u>

Instructional Improvement			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 764	\$ 764	\$	\$	\$
	37,356	37,356			
	<u>38,120</u>	<u>38,120</u>		<u>340,182</u>	<u>340,182</u>
				<u>340,182</u>	<u>340,182</u>
63,504	28,050	35,454	339,993	121,271	218,722
			130,000	124,659	5,341
			85,000	78,644	6,356
			2,000	1,747	253
<u>10,000</u>	<u>9,083</u>	<u>917</u>	<u>556,993</u>	<u>326,321</u>	<u>230,672</u>
<u>73,504</u>	<u>37,133</u>	<u>36,371</u>			
<u>(73,504)</u>	<u>987</u>	<u>74,491</u>	<u>(556,993)</u>	<u>13,861</u>	<u>570,854</u>
			(15,000)	(13,861)	1,139
			<u>(15,000)</u>	<u>(13,861)</u>	<u>1,139</u>
<u>(73,504)</u>	<u>987</u>	<u>74,491</u>	<u>(571,993)</u>		<u>571,993</u>
	38,504	38,504			
<u>\$ (73,504)</u>	<u>\$ 39,491</u>	<u>\$ 112,995</u>	<u>\$ (571,993)</u>	<u>\$</u>	<u>\$ 571,993</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		42,252	42,252
Total revenues		42,252	42,252
Expenditures:			
Current -			
Instruction	48,251	12,605	35,646
Support services - students and staff	15,000	11,630	3,370
Support services - administration	5,000	3,279	1,721
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	68,251	27,514	40,737
Excess (deficiency) of revenues over expenditures	(68,251)	14,738	82,989
Other financing sources (uses):			
Transfers in			
Transfers out	(1,000)	(975)	25
Insurance recoveries			
Total other financing sources (uses)	(1,000)	(975)	25
Changes in fund balances	(69,251)	13,763	83,014
Fund balances (deficits), beginning of year		(13,763)	(13,763)
Fund balances (deficits), end of year	\$ (69,251)	\$	\$ 69,251

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				19,224	19,224
				19,224	19,224
44,325		44,325	19,292	18,556	736
<u>44,325</u>		<u>44,325</u>	<u>19,292</u>	<u>18,556</u>	<u>736</u>
<u>(44,325)</u>		<u>44,325</u>	<u>(19,292)</u>	<u>668</u>	<u>19,960</u>
			(700)	(668)	32
			<u>(700)</u>	<u>(668)</u>	<u>32</u>
<u>(44,325)</u>		<u>44,325</u>	<u>(19,992)</u>		<u>19,992</u>
<u>\$ (44,325)</u>	<u>\$</u>	<u>\$ 44,325</u>	<u>\$ (19,992)</u>	<u>\$</u>	<u>\$ 19,992</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		312,548	312,548
Total revenues		312,548	312,548
Expenditures:			
Current -			
Instruction	295,945	250,517	45,428
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	20,000	19,412	588
Operation of non-instructional services			
Capital outlay			
Total expenditures	315,945	269,929	46,016
Excess (deficiency) of revenues over expenditures	(315,945)	42,619	358,564
Other financing sources (uses):			
Transfers in			
Transfers out	(100)	(91)	9
Insurance recoveries			
Total other financing sources (uses)	(100)	(91)	9
Changes in fund balances	(316,045)	42,528	358,573
Fund balances (deficits), beginning of year		(186,177)	(186,177)
Fund balances (deficits), end of year	\$ (316,045)	\$ (143,649)	\$ 172,396

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 72	\$ 72
				72	72
7,500		7,500			
			6,100	3,624	2,476
<u>7,500</u>		<u>7,500</u>	<u>6,100</u>	<u>3,624</u>	<u>2,476</u>
<u>(7,500)</u>		<u>7,500</u>	<u>(6,100)</u>	<u>(3,552)</u>	<u>2,548</u>
<u>(7,500)</u>		<u>7,500</u>	<u>(6,100)</u>	<u>(3,552)</u>	<u>2,548</u>
	7,361	7,361		5,996	5,996
<u>\$ (7,500)</u>	<u>\$ 7,361</u>	<u>\$ 14,861</u>	<u>\$ (6,100)</u>	<u>\$ 2,444</u>	<u>\$ 8,544</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		183,283	183,283
Total revenues		183,283	183,283
Expenditures:			
Current -			
Instruction	139,240	140,368	(1,128)
Support services - students and staff	40,000	38,932	1,068
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	1,000	709	291
Total expenditures	180,240	180,009	231
Excess (deficiency) of revenues over expenditures	(180,240)	3,274	183,514
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(180,240)	3,274	183,514
Fund balances (deficits), beginning of year		(6,110)	(6,110)
Fund balances (deficits), end of year	\$ (180,240)	\$ (2,836)	\$ 177,404

Gifted			Results-based Funding		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,713	1,713		12,070	12,070
	<u>1,713</u>	<u>1,713</u>		<u>12,070</u>	<u>12,070</u>
2,383	1,713	670	12,070		12,070
<u>2,383</u>	<u>1,713</u>	<u>670</u>	<u>12,070</u>		<u>12,070</u>
<u>(2,383)</u>		<u>2,383</u>	<u>(12,070)</u>	<u>12,070</u>	<u>24,140</u>
<u>(2,383)</u>		<u>2,383</u>	<u>(12,070)</u>	<u>12,070</u>	<u>24,140</u>
<u>\$ (2,383)</u>	<u>\$</u>	<u>\$ 2,383</u>	<u>\$ (12,070)</u>	<u>\$ 12,070</u>	<u>\$ 24,140</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		117,552	117,552
Federal aid, grants and reimbursements			
Total revenues		117,552	117,552
Expenditures:			
Current -			
Instruction	15,000	12,833	2,167
Support services - students and staff	1,000	800	200
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	111,600	110,000	1,600
Total expenditures	127,600	123,633	3,967
Excess (deficiency) of revenues over expenditures	(127,600)	(6,081)	121,519
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(127,600)	(6,081)	121,519
Fund balances (deficits), beginning of year		(7,552)	(7,552)
Fund balances (deficits), end of year	\$ (127,600)	\$ (13,633)	\$ 113,967

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 436	\$ 436	\$	\$ 49,163	\$ 49,163
	<u>436</u>	<u>436</u>		<u>770,032</u>	<u>770,032</u>
				<u>819,195</u>	<u>819,195</u>
5,100	5,034	66	200	175	25
			2,000	1,806	194
			765,800	664,304	101,496
<u>5,100</u>	<u>5,034</u>	<u>66</u>	<u>768,000</u>	<u>666,285</u>	<u>101,715</u>
<u>(5,100)</u>	<u>(4,598)</u>	<u>502</u>	<u>(768,000)</u>	<u>152,910</u>	<u>920,910</u>
			(100,000)	(95,746)	4,254
			<u>(100,000)</u>	<u>(95,746)</u>	<u>4,254</u>
<u>(5,100)</u>	<u>(4,598)</u>	<u>502</u>	<u>(868,000)</u>	<u>57,164</u>	<u>925,164</u>
	5,036	5,036		128,653	128,653
<u>\$ (5,100)</u>	<u>\$ 438</u>	<u>\$ 5,538</u>	<u>\$ (868,000)</u>	<u>\$ 185,817</u>	<u>\$ 1,053,817</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 138,637	\$ 138,637
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u> </u>	<u>138,637</u>	<u>138,637</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	130,000	10,200	119,800
Student transportation services	100,000	6,000	94,000
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>230,000</u>	<u>16,200</u>	<u>213,800</u>
Excess (deficiency) of revenues over expenditures	<u>(230,000)</u>	<u>122,437</u>	<u>352,437</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)	<u> </u>	<u> </u>	<u> </u>
Changes in fund balances	<u>(230,000)</u>	<u>122,437</u>	<u>352,437</u>
Fund balances (deficits), beginning of year		108,315	108,315
Fund balances (deficits), end of year	<u>\$ (230,000)</u>	<u>\$ 230,752</u>	<u>\$ 460,752</u>

Community School			Extracurricular Activities Fees Tax Credit		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,290	\$ 1,290	\$	\$ 3,942	\$ 3,942
	<u>1,290</u>	<u>1,290</u>		<u>3,942</u>	<u>3,942</u>
900	200	700	39,000	3,554	35,446
1,432	952	480			
			1,000	120	880
<u>2,332</u>	<u>1,152</u>	<u>1,180</u>	<u>40,000</u>	<u>3,674</u>	<u>36,326</u>
<u>(2,332)</u>	<u>138</u>	<u>2,470</u>	<u>(40,000)</u>	<u>268</u>	<u>40,268</u>
<u>(2,332)</u>	<u>138</u>	<u>2,470</u>	<u>(40,000)</u>	<u>268</u>	<u>40,268</u>
	4,874	4,874		30,402	30,402
<u>\$ (2,332)</u>	<u>\$ 5,012</u>	<u>\$ 7,344</u>	<u>\$ (40,000)</u>	<u>\$ 30,670</u>	<u>\$ 70,670</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Gifts and Donations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 25,774	\$ 25,774
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		25,774	25,774
Expenditures:			
Current -			
Instruction	3,000	1,528	1,472
Support services - students and staff	3,000	1,556	1,444
Support services - administration	8,000	5,228	2,772
Operation and maintenance of plant services			
Student transportation services	32,000	5,441	26,559
Operation of non-instructional services	4,000	3,032	968
Capital outlay			
Total expenditures	50,000	16,785	33,215
Excess (deficiency) of revenues over expenditures	(50,000)	8,989	58,989
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(50,000)	8,989	58,989
Fund balances (deficits), beginning of year		19,013	19,013
Fund balances (deficits), end of year	\$ (50,000)	\$ 28,002	\$ 78,002

Fingerprint			Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 581	\$ 581	\$	\$ 1,225	\$ 1,225
	<u>581</u>	<u>581</u>		<u>1,225</u>	<u>1,225</u>
2,000	469	1,531	20,000	14,674	5,326
			10,000	9,097	903
			<u>70,000</u>	<u>60,845</u>	<u>9,155</u>
<u>2,000</u>	<u>469</u>	<u>1,531</u>	<u>100,000</u>	<u>84,616</u>	<u>15,384</u>
<u>(2,000)</u>	<u>112</u>	<u>2,112</u>	<u>(100,000)</u>	<u>(83,391)</u>	<u>16,609</u>
				<u>83,661</u>	<u>83,661</u>
				<u>83,661</u>	<u>83,661</u>
<u>(2,000)</u>	<u>112</u>	<u>2,112</u>	<u>(100,000)</u>	<u>270</u>	<u>100,270</u>
	1,190	1,190		8,326	8,326
<u>\$ (2,000)</u>	<u>\$ 1,302</u>	<u>\$ 3,302</u>	<u>\$ (100,000)</u>	<u>\$ 8,596</u>	<u>\$ 108,596</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 374	\$ 374
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		374	374
Expenditures:			
Current -			
Instruction	1,500		1,500
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,500		1,500
Excess (deficiency) of revenues over expenditures	(1,500)	374	1,874
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(1,500)	374	1,874
Fund balances (deficits), beginning of year		1,030	1,030
Fund balances (deficits), end of year	\$ (1,500)	\$ 1,404	\$ 2,904

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 37	\$ 37	\$	\$	\$
	<u>37</u>	<u>37</u>			
365		365	5,000	3,926	1,074
			16,000	11,675	4,325
			298,000	237,090	60,910
			1,000	852	148
<u>365</u>		<u>365</u>	<u>320,000</u>	<u>253,543</u>	<u>66,457</u>
<u>(365)</u>	<u>37</u>	<u>402</u>	<u>(320,000)</u>	<u>(253,543)</u>	<u>66,457</u>
				111,341	111,341
				<u>111,341</u>	<u>111,341</u>
<u>(365)</u>	<u>37</u>	<u>402</u>	<u>(320,000)</u>	<u>(142,202)</u>	<u>177,798</u>
	358	358		142,393	142,393
<u>\$ (365)</u>	<u>\$ 395</u>	<u>\$ 760</u>	<u>\$ (320,000)</u>	<u>\$ 191</u>	<u>\$ 320,191</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Intergovernmental Agreements		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 544,413	\$ 544,413
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		544,413	544,413
Expenditures:			
Current -			
Instruction	136,344	136,344	
Support services - students and staff	4,238	4,238	
Support services - administration	203,504	174,643	28,861
Operation and maintenance of plant services	97,539	97,539	
Student transportation services	34,504	34,504	
Operation of non-instructional services	350	350	
Capital outlay	21,277	21,277	
Total expenditures	497,756	468,895	28,861
Excess (deficiency) of revenues over expenditures	(497,756)	75,518	573,274
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries			
Total other financing sources (uses)			
Changes in fund balances	(497,756)	75,518	573,274
Fund balances (deficits), beginning of year		88,599	88,599
Fund balances (deficits), end of year	\$ (497,756)	\$ 164,117	\$ 661,873

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 769,942	\$ 769,942
	585,219	585,219
	<u>1,667,521</u>	<u>1,667,521</u>
	<u>3,022,682</u>	<u>3,022,682</u>
1,790,767	1,065,609	725,158
202,053	188,406	13,647
319,704	274,113	45,591
558,739	369,967	188,772
200,504	77,173	123,331
770,150	667,686	102,464
213,877	201,914	11,963
<u>4,055,794</u>	<u>2,844,868</u>	<u>1,210,926</u>
<u>(4,055,794)</u>	<u>177,814</u>	<u>4,233,608</u>
	111,341	111,341
(116,800)	(111,341)	5,459
	<u>83,661</u>	<u>83,661</u>
<u>(116,800)</u>	<u>83,661</u>	<u>200,461</u>
<u>(4,172,594)</u>	<u>261,475</u>	<u>4,434,069</u>
	584,446	584,446
<u>\$ (4,172,594)</u>	<u>\$ 845,921</u>	<u>\$ 5,018,515</u>

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DEBT SERVICE FUND

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2019

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 110,723	\$ 110,723
Property taxes		8,394,074	8,394,074
Federal aid, grants and reimbursements		128,659	128,659
Total revenues		<u>8,633,456</u>	<u>8,633,456</u>
Expenditures:			
Debt service -			
Principal retirement	6,320,000	6,320,000	
Interest and fiscal charges	1,531,568	1,950,505	(418,937)
Total expenditures	<u>7,851,568</u>	<u>8,270,505</u>	<u>(418,937)</u>
Excess (deficiency) of revenues over expenditures	<u>(7,851,568)</u>	<u>362,951</u>	<u>8,214,519</u>
Other financing sources (uses):			
Transfers in		288,601	288,601
Total other financing sources (uses)		<u>288,601</u>	<u>288,601</u>
Changes in fund balances	<u>(7,851,568)</u>	<u>651,552</u>	<u>8,503,120</u>
Fund balances, beginning of year		5,309,762	5,309,762
Fund balances (deficits), end of year	<u>\$ (7,851,568)</u>	<u>\$ 5,961,314</u>	<u>\$ 13,812,882</u>

CAPITAL PROJECTS FUNDS

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

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

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.

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	Unrestricted Capital Outlay	Adjacent Ways	Totals
<u>ASSETS</u>			
Cash and investments	\$ 463,833	\$ 2,140,018	\$ 2,603,851
Property taxes receivable	5,601		5,601
Total assets	\$ 469,434	\$ 2,140,018	\$ 2,609,452
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 18,030	\$ _____	\$ 18,030
Total liabilities	18,030	_____	18,030
Deferred inflows of resources:			
Unavailable revenues - property taxes	3,073		3,073
Fund balances:			
Restricted	448,331	2,140,018	2,588,349
Total fund balances	448,331	2,140,018	2,588,349
 Total liabilities, deferred inflows of resources and fund balances	 \$ 469,434	 \$ 2,140,018	 \$ 2,609,452

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Unrestricted Capital Outlay	Adjacent Ways	Totals
Revenues:			
Other local	\$ 6,111	\$ 42,893	\$ 49,004
Property taxes	479,626	2,531	482,157
Total revenues	485,737	45,424	531,161
Expenditures:			
Capital outlay	260,526		260,526
Total expenditures	260,526		260,526
Changes in fund balances	225,211	45,424	270,635
Fund balances, beginning of year	223,120	2,094,594	2,317,714
Fund balances, end of year	\$ 448,331	\$ 2,140,018	\$ 2,588,349

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 6,111	\$ 6,111
Property taxes		479,626	479,626
Total revenues		485,737	485,737
Expenditures:			
Capital outlay	632,164	260,526	371,638
Debt service - Bond issuance costs			
Total expenditures	632,164	260,526	371,638
Excess (deficiency) of revenues over expenditures	(632,164)	225,211	857,375
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	(632,164)	225,211	857,375
Fund balances, beginning of year		223,120	223,120
Fund balances (deficits), end of year	\$ (632,164)	\$ 448,331	\$ 1,080,495

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 42,893	\$ 42,893	\$	\$ 288,601	\$ 288,601
	2,531	2,531			
	45,424	45,424		288,601	288,601
2,100,000		2,100,000	15,849,660	2,517,253	13,332,407
			200,000	165,244	34,756
2,100,000		2,100,000	16,049,660	2,682,497	13,367,163
(2,100,000)	45,424	2,145,424	(16,049,660)	(2,393,896)	13,655,764
				(288,601)	(288,601)
				8,035,000	8,035,000
				1,033,092	1,033,092
				8,779,491	8,779,491
(2,100,000)	45,424	2,145,424	(16,049,660)	6,385,595	22,435,255
	2,094,594	2,094,594		7,010,859	7,010,859
\$ (2,100,000)	\$ 2,140,018	\$ 4,240,018	\$ (16,049,660)	\$ 13,396,454	\$ 29,446,114

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Emergency Deficiencies Correction		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
Total revenues			
Expenditures:			
Capital outlay	10,000		10,000
Debt service -			
Bond issuance costs			
Total expenditures	10,000		10,000
Excess (deficiency) of revenues over expenditures	(10,000)		10,000
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	(10,000)		10,000
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (10,000)	\$	\$ 10,000

Totals		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 337,605	\$ 337,605
	482,157	482,157
	<u>819,762</u>	<u>819,762</u>
18,591,824	2,777,779	15,814,045
200,000	165,244	34,756
<u>18,791,824</u>	<u>2,943,023</u>	<u>15,848,801</u>
<u>(18,791,824)</u>	<u>(2,123,261)</u>	<u>16,668,563</u>
	(288,601)	(288,601)
	8,035,000	8,035,000
	1,033,092	1,033,092
	<u>8,779,491</u>	<u>8,779,491</u>
<u>(18,791,824)</u>	<u>6,656,230</u>	<u>25,448,054</u>
	9,328,573	9,328,573
<u>\$ (18,791,824)</u>	<u>\$ 15,984,803</u>	<u>\$ 34,776,627</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.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
 COMBINING STATEMENT OF ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2019**

	<u>Student Activities</u>	<u>Employee Insurance</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 10,873	\$ 196,705	\$ 207,578
Total assets	<u>\$ 10,873</u>	<u>\$ 196,705</u>	<u>\$ 207,578</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 196,705	\$ 196,705
Due to student groups	10,873		10,873
Total liabilities	<u>\$ 10,873</u>	<u>\$ 196,705</u>	<u>\$ 207,578</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
 <u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 8,521	\$ 14,688	\$ 12,336	\$ 10,873
Total assets	<u>\$ 8,521</u>	<u>\$ 14,688</u>	<u>\$ 12,336</u>	<u>\$ 10,873</u>
<u>Liabilities</u>				
Due to student groups	\$ 8,521	\$ 14,688	\$ 12,336	\$ 10,873
Total liabilities	<u>\$ 8,521</u>	<u>\$ 14,688</u>	<u>\$ 12,336</u>	<u>\$ 10,873</u>
 <u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 145,863	\$ 753,506	\$ 702,664	\$ 196,705
Total assets	<u>\$ 145,863</u>	<u>\$ 753,506</u>	<u>\$ 702,664</u>	<u>\$ 196,705</u>
<u>Liabilities</u>				
Deposits held for others	\$ 145,863	\$ 753,506	\$ 702,664	\$ 196,705
Total liabilities	<u>\$ 145,863</u>	<u>\$ 753,506</u>	<u>\$ 702,664</u>	<u>\$ 196,705</u>
 <u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 154,384	\$ 768,194	\$ 715,000	\$ 207,578
Total assets	<u>\$ 154,384</u>	<u>\$ 768,194</u>	<u>\$ 715,000</u>	<u>\$ 207,578</u>
<u>Liabilities</u>				
Deposits held for others	\$ 145,863	\$ 753,506	\$ 702,664	\$ 196,705
Due to student groups	8,521	14,688	12,336	10,873
Total liabilities	<u>\$ 154,384</u>	<u>\$ 768,194</u>	<u>\$ 715,000</u>	<u>\$ 207,578</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:					
Net investment in capital assets	\$ 30,512,206	\$ 28,053,174	\$ 26,424,131	\$ 29,792,951	\$ 23,908,182
Restricted	9,404,562	8,198,728	582,761	1,114,274	17,123,942
Unrestricted	(4,240,138)	(5,270,903)	1,579,870	(3,879,216)	(15,639,760)
Total net position	\$ 35,676,630	\$ 30,980,999	\$ 28,586,762	\$ 27,028,009	\$ 25,392,364
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position:					
Net investment in capital assets	\$ 7,637,073	\$ 26,542,911	\$ 16,771,279	\$ 17,748,653	\$ 15,866,464
Restricted	17,833,274	2,169,671	1,917,189	2,901,709	2,319,594
Unrestricted	4,633,910	1,090,987	6,472,957	1,238,101	1,777,341
Total net position	\$ 30,104,257	\$ 29,803,569	\$ 25,161,425	\$ 21,888,463	\$ 19,963,399

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Instruction	\$ 5,635,708	\$ 6,534,080	\$ 6,109,450	\$ 5,463,737	\$ 5,653,347
Support services - students and staff	1,107,552	1,236,770	1,705,904	1,332,920	1,154,461
Support services - administration	2,601,354	2,239,810	2,588,092	2,157,932	2,119,459
Operation and maintenance of plant services	1,636,937	1,566,523	1,101,478	1,699,121	1,145,606
Student transportation services	588,074	520,805	473,915	556,751	452,739
Operation of non-instructional services	755,887	681,242	855,505	606,116	669,211
Interest on long-term debt	1,503,558	1,459,267	1,556,906	1,248,883	1,230,103
Total expenses	<u>13,829,070</u>	<u>14,238,497</u>	<u>14,391,250</u>	<u>13,065,460</u>	<u>12,424,926</u>
Program Revenues					
Charges for services:					
Instruction	308,842	374,896			
Operation of non-instructional services	48,925	82,875	34,582	25,483	121,210
Other activities	460,316	43,429			
Operating grants and contributions	1,789,381	1,896,229	2,416,853	2,159,654	2,367,964
Capital grants and contributions	110,000				
Total program revenues	<u>2,717,464</u>	<u>2,397,429</u>	<u>2,451,435</u>	<u>2,185,137</u>	<u>2,489,174</u>
Net (Expense)/Revenue	<u>\$ (11,111,606)</u>	<u>\$ (11,841,068)</u>	<u>\$ (11,939,815)</u>	<u>\$ (10,880,323)</u>	<u>\$ (9,935,752)</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
Instruction	\$ 6,148,377	\$ 4,499,263	\$ 4,165,498	\$ 3,861,321	\$ 4,374,991
Support services - students and staff	992,602	954,514	759,752	871,057	872,725
Support services - administration	2,120,256	1,719,265	1,521,044	1,478,077	1,752,806
Operation and maintenance of plant services	1,789,702	934,106	2,471,532	815,980	768,703
Student transportation services	593,613	428,555	1,162,238	374,258	389,213
Operation of non-instructional services	673,253	534,053	596,343	508,214	416,424
Interest on long-term debt	1,165,043	908,858	1,162,539	1,180,267	619,941
Total expenses	<u>13,482,846</u>	<u>9,978,614</u>	<u>11,838,946</u>	<u>9,089,174</u>	<u>9,194,803</u>
Program Revenues					
Charges for services:					
Instruction	7,116	7,017	2,301	890	1,075
Operation of non-instructional services	32,878	23,492	56,446	46,453	53,839
Other activities					
Operating grants and contributions	2,302,199	3,203,873	3,495,188	2,250,320	1,673,271
Capital grants and contributions		161,166	67,832		
Total program revenues	<u>2,342,193</u>	<u>3,395,548</u>	<u>3,621,767</u>	<u>2,297,663</u>	<u>1,728,185</u>
Net (Expense)/Revenue	<u>\$ (11,140,653)</u>	<u>\$ (6,583,066)</u>	<u>\$ (8,217,179)</u>	<u>\$ (6,791,511)</u>	<u>\$ (7,466,618)</u>

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

(Concluded)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Net (Expense)/Revenue	\$ (11,111,606)	\$ (11,841,068)	\$ (11,939,815)	\$ (10,880,323)	\$ (9,935,752)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	5,895,169	5,782,461	5,619,930	5,397,940	5,189,673
Property taxes, levied for debt service	8,407,380	7,406,965	6,262,588	5,725,767	5,912,853
Property taxes, levied for capital outlay	482,521	477,915	669,941	1,170,402	570,327
Investment income	472,334	135,081	72,365	118,273	100,612
Unrestricted state aid	549,833	530,353	36,897	47,423	73,796
Miscellaneous			123,571	56,163	
Total general revenues	15,807,237	14,332,775	12,785,292	12,515,968	11,847,261
Changes in Net Position	\$ 4,695,631	\$ 2,491,707	\$ 845,477	\$ 1,635,645	\$ 1,911,509

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net (Expense)/Revenue	\$ (11,140,653)	\$ (6,583,066)	\$ (8,217,179)	\$ (6,791,511)	\$ (7,466,618)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	3,894,848	4,597,544	4,403,375	3,548,219	3,644,250
Property taxes, levied for debt service	5,839,227	6,171,122	5,438,744	3,745,326	1,551,087
Property taxes, levied for capital outlay	1,190,742	803,975	1,287,167	1,133,556	1,067,094
Investment income	67,109	29,025	37,652	56,403	72,061
Unrestricted state aid	320,478	38,004	43,207	45,653	83,091
Miscellaneous	128,937	202,402	279,996	187,418	104,728
Total general revenues	<u>11,441,341</u>	<u>11,842,072</u>	<u>11,490,141</u>	<u>8,716,575</u>	<u>6,522,311</u>
Changes in Net Position	<u>\$ 300,688</u>	<u>\$ 5,259,006</u>	<u>\$ 3,272,962</u>	<u>\$ 1,925,064</u>	<u>\$ (944,307)</u>

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

(Concluded)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Unassigned	\$ 1,514,372	\$ 1,089,896	\$ 663,705	\$ 461,463	\$ 359,146
Total General Fund	\$ 1,514,372	\$ 1,089,896	\$ 663,705	\$ 461,463	\$ 359,146
All Other Governmental Funds:					
Restricted	\$ 22,743,056	\$ 15,165,297	\$ 6,581,004	\$ 9,124,940	\$ 17,187,100
Unassigned	(160,118)	(213,602)	(14,007)	(21,231)	(83,283)
Total all other governmental funds	\$ 22,582,938	\$ 14,951,695	\$ 6,566,997	\$ 9,103,709	\$ 17,103,817

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nonspendable	\$	\$	\$	\$	\$
Unassigned	289,854	1,143,190	669,413	107,679	
Reserved					8,717
Unreserved					321,313
Total General Fund	<u>\$ 289,854</u>	<u>\$ 1,182,706</u>	<u>\$ 705,859</u>	<u>\$ 120,871</u>	<u>\$ 330,030</u>
All Other Governmental Funds:					
Nonspendable	\$	\$	\$	\$	\$
Restricted	17,833,274	2,615,965	5,421,967	3,633,047	
Assigned	21,898				
Unassigned	(83,304)	(46,844)	(77,936)	(81,475)	
Reserved					5,600
Unreserved, reported in:					
Special revenue funds					529,827
Capital projects funds					5,886,940
Debt service fund					120,633
Total all other governmental funds	<u>\$ 17,771,868</u>	<u>\$ 2,574,008</u>	<u>\$ 5,349,574</u>	<u>\$ 3,557,085</u>	<u>\$ 6,543,000</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)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal sources:					
Federal grants	\$ 1,026,148	\$ 823,635	\$ 1,227,532	\$ 819,596	\$ 892,697
National School Lunch Program	770,032	746,686	779,933	702,714	706,478
Total federal sources	1,796,180	1,570,321	2,007,465	1,522,310	1,599,175
State sources:					
State equalization assistance	95,949	95,785	55,112	83,754	41,861
State grants	131,335	80,089	13,704	122,274	405,515
Other revenues	453,884	434,568	362,633	460,282	339,193
Total state sources	681,168	610,442	431,449	666,310	786,569
Local sources:					
Property taxes	14,776,839	13,699,075	12,528,073	12,275,288	11,553,894
Food service sales	48,925	41,927	34,582	25,483	30,498
Investment income	472,334	132,081	72,365	118,273	100,612
Other revenues	710,847	494,490	138,407	74,620	270,802
Total local sources	16,008,945	14,367,573	12,773,427	12,493,664	11,955,806
Total revenues	\$ 18,486,293	\$ 16,548,336	\$ 15,212,341	\$ 14,682,284	\$ 14,341,550

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Federal sources:					
Federal grants	\$ 975,378	\$ 1,949,621	\$ 2,258,551	\$ 1,052,703	\$ 523,391
National School Lunch Program	693,634	648,573	655,685	577,863	461,459
Total federal sources	<u>1,669,012</u>	<u>2,598,194</u>	<u>2,914,236</u>	<u>1,630,566</u>	<u>984,850</u>
State sources:					
State equalization assistance	30,626	38,004	43,207	52,717	80,126
State grants	684,345	324,770	393,257	449,601	483,171
Other revenues	204,473	280,909	187,695	166,054	205,250
Total state sources	<u>919,444</u>	<u>643,683</u>	<u>624,159</u>	<u>668,372</u>	<u>768,547</u>
Local sources:					
Property taxes	10,968,804	11,583,789	11,177,511	8,345,803	6,248,619
Food service sales	27,018	23,492	31,545	30,309	32,611
Investment income	67,109	29,022	37,661	56,406	72,067
Other revenues	206,760	370,588	375,021	204,449	127,025
Total local sources	<u>11,269,691</u>	<u>12,006,891</u>	<u>11,621,738</u>	<u>8,636,967</u>	<u>6,480,322</u>
Total revenues	<u>\$ 13,858,147</u>	<u>\$ 15,248,768</u>	<u>\$ 15,160,133</u>	<u>\$ 10,935,905</u>	<u>\$ 8,233,719</u>

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

(Concluded)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenditures:					
Current -					
Instruction	\$ 3,591,303	\$ 3,504,595	\$ 4,277,304	\$ 4,204,669	\$ 4,445,784
Support services - students and staff	958,711	994,129	1,582,489	1,211,907	1,083,059
Support services - administration	1,604,288	1,535,156	2,061,245	1,788,074	1,785,973
Operation and maintenance of plant services	1,005,925	1,049,838	793,027	1,498,510	1,002,795
Student transportation services	338,972	369,817	330,941	415,868	333,946
Operation of non-instructional services	667,686	623,291	827,083	595,796	702,163
Capital outlay	2,979,693	8,950,520	5,731,913	17,372,290	3,774,612
Debt service -					
Interest and fiscal charges	1,950,505	1,806,968	1,501,170	1,186,030	1,329,042
Principal retirement	6,320,000	5,880,000	5,485,000	4,515,000	5,250,000
Bond issuance costs	165,244	293,590	74,024	221,450	
Total expenditures	<u><u>\$ 19,582,327</u></u>	<u><u>\$ 25,007,904</u></u>	<u><u>\$ 22,664,196</u></u>	<u><u>\$ 33,009,594</u></u>	<u><u>\$ 19,707,374</u></u>
Expenditures for capitalized assets	\$ 1,999,012	\$ 7,491,412	\$ 5,731,913	\$ 17,372,290	\$ 3,774,612
Debt service as a percentage of noncapital expenditures	47%	44%	41%	36%	41%

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenditures:					
Current -					
Instruction	\$ 4,921,302	\$ 3,383,221	\$ 2,817,477	\$ 3,022,649	\$ 3,548,932
Support services - students and staff	920,359	807,961	604,072	759,910	685,775
Support services - administration	1,731,379	2,593,818	1,395,812	1,515,046	1,580,045
Operation and maintenance of plant services	1,708,217	905,867	2,315,550	747,373	755,888
Student transportation services	464,666	599,895	314,637	355,853	428,302
Operation of non-instructional services	599,118	592,197	584,223	503,090	403,911
Capital outlay	1,167,603	2,630,323	1,442,779	5,069,194	7,578,459
Debt service -					
Interest and fiscal charges	1,196,627	971,619	1,104,392	1,123,421	615,449
Principal retirement	4,665,000	5,065,000	5,230,000	681,666	1,431,494
Bond issuance costs			55,850	275,290	248,735
Total expenditures	<u>\$ 17,374,271</u>	<u>\$ 17,549,901</u>	<u>\$ 15,864,792</u>	<u>\$ 14,053,492</u>	<u>\$ 17,276,990</u>
Expenditures for capitalized assets	\$ 1,167,603	\$ 4,197,324	\$ 563,586	\$ 5,114,353	\$ 7,630,488
Debt service as a percentage of noncapital expenditures	36%	45%	41%	20%	21%

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

(Concluded)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ (1,096,034)	\$ (8,459,568)	\$ (7,451,855)	\$ (18,327,310)	\$ (5,365,824)
Other financing sources (uses):					
General obligation bonds issued	8,035,000	10,235,000	5,075,000	10,200,000	4,565,000
Refunding bonds issued		4,510,000	2,565,000		
Premium on sale of bonds	1,033,092	2,387,115	138,775	229,519	202,065
Transfers in	399,942	364,752	191,923	34,285	55,231
Transfers out	(399,942)	(364,752)	(191,923)	(34,285)	(55,231)
Payment to refunded bond escrow agent			(2,661,390)		
Insurance recoveries	83,661				
Total other financing sources (uses)	<u>9,151,753</u>	<u>17,132,115</u>	<u>5,117,385</u>	<u>10,429,519</u>	<u>4,767,065</u>
Changes in fund balances	<u>\$ 8,055,719</u>	<u>\$ 8,672,547</u>	<u>\$ (2,334,470)</u>	<u>\$ (7,897,791)</u>	<u>\$ (598,759)</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ (3,516,124)	\$ (2,301,133)	\$ (704,659)	\$ (3,117,587)	\$ (9,043,271)
Other financing sources (uses):					
General obligation bonds issued	17,425,000		3,010,000		10,361,666
Refunding bonds issued				8,670,000	
Premium on sale of bonds	471,161		48,852	351,860	
Discount on sale of bonds					(39,329)
Transfers in	239,991	162,989	175,527	142,929	1,000,911
Transfers out	(239,991)	(162,989)	(175,527)	(142,929)	(1,000,911)
Payment to refunded bond escrow agent				(9,103,735)	
Total other financing sources (uses)	<u>17,896,161</u>	<u></u>	<u>3,058,852</u>	<u>(81,875)</u>	<u>10,322,337</u>
Changes in fund balances	<u>\$ 14,380,037</u>	<u>\$ (2,301,133)</u>	<u>\$ 2,354,193</u>	<u>\$ (3,199,462)</u>	<u>\$ 1,279,066</u>

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 342,355,087	\$ 326,829,027	\$ 310,602,700	\$ 309,167,525	\$ 311,011,279
Agricultural and Vacant	8,465,695	7,356,922	7,306,935	8,086,810	8,706,973
Residential (Owner Occupied)	9,275,986	8,561,394	8,165,665	7,715,635	7,481,218
Residential (Rental)	5,856,612	5,812,113	5,510,554	5,382,919	4,978,594
Railroad, Private Cars and Airlines	799,252	861,988	845,643	933,016	997,238
Historical Property	<u>4,702,911</u>	<u>4,583,423</u>	<u>4,747,899</u>	<u>4,852,815</u>	<u>2,927,154</u>
Total	<u>\$ 371,455,543</u>	<u>\$ 354,004,867</u>	<u>\$ 337,179,396</u>	<u>\$ 336,138,720</u>	<u>\$ 336,102,456</u>
Gross Full Cash Value	\$ 2,983,257,983	\$ 2,787,618,982	\$ 2,550,233,189	\$ 2,283,339,214	\$ 2,031,282,639
Ratio of Net Limited Assessed Value to Gross Full Cash Value	12%	13%	13%	15%	17%
Total Direct Rate	3.91	3.83	3.72	3.61	3.32

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 300,827,888	\$ 336,021,643	\$ 367,351,094	\$ 403,709,724	\$ 348,359,060
Agricultural and Vacant	8,951,967	9,970,084	10,827,794	12,127,139	11,796,873
Residential (Owner Occupied)	7,149,307	9,405,745	11,603,673	17,553,052	27,376,553
Residential (Rental)	4,259,912	3,235,479	2,631,871	2,788,370	3,390,622
Railroad, Private Cars and Airlines	908,553	874,989	523,839	528,850	383,155
Historical Property	<u>576,168</u>	<u>108,534</u>	<u>266,479</u>	<u>351,633</u>	<u>353,930</u>
Total	<u>\$ 322,673,795</u>	<u>\$ 359,616,474</u>	<u>\$ 393,204,750</u>	<u>\$ 437,058,768</u>	<u>\$ 391,660,193</u>
Gross Full Cash Value	\$ 1,829,109,783	\$ 1,970,815,454	\$ 2,192,386,115	\$ 2,572,414,825	\$ 2,416,358,181
Ratio of Net Limited Assessed Value to Gross Full Cash Value	18%	18%	18%	17%	16%
Total Direct Rate	3.37	3.19	2.76	1.83	1.51

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

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 428,943,997	\$ 403,528,761	\$ 368,810,609	\$ 340,331,057	\$ 317,823,003
Agricultural and Vacant	11,387,327	9,433,869	8,524,917	9,061,286	9,426,233
Residential (Owner Occupied)	16,081,608	13,621,147	12,182,576	10,706,073	8,393,509
Residential (Rental)	10,264,195	9,360,225	8,315,821	7,528,183	5,621,170
Railroad, Private Cars and Airlines	968,461	1,008,794	907,086	951,393	1,006,900
Historical Property	6,082,127	5,851,022	6,146,272	5,274,420	3,630,816
Total	<u>\$ 473,727,715</u>	<u>\$ 442,803,818</u>	<u>\$ 404,887,281</u>	<u>\$ 373,852,412</u>	<u>\$ 345,901,631</u>
Gross Full Cash Value	\$ 2,983,257,983	\$ 2,787,618,982	\$ 2,550,233,189	\$ 2,283,339,214	\$ 2,031,282,639
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	16%	16%	16%	16%	17%
Estimated Net Full Cash Value	2,855,203,083	2,662,416,476	2,442,423,671	2,182,387,020	1,940,119,629
Total Direct Rate	3.91	3.83	3.72	3.61	3.32

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 302,841,974	\$ 336,951,854	\$ 375,143,771	\$ 451,912,932	\$ 405,374,930
Agricultural and Vacant	9,207,770	10,417,085	12,379,375	17,467,141	17,795,231
Residential (Owner Occupied)	7,195,616	9,456,223	11,664,032	17,605,803	30,193,826
Residential (Rental)	4,271,059	3,245,453	2,652,563	2,831,299	3,905,553
Railroad, Private Cars and Airlines	917,403	892,153	585,280	632,505	451,441
Historical Property	907,825	434,136	1,065,915	1,476,857	1,557,295
Total	<u>\$ 325,341,647</u>	<u>\$ 361,396,904</u>	<u>\$ 403,490,936</u>	<u>\$ 491,926,537</u>	<u>\$ 459,278,276</u>
Gross Full Cash Value	\$ 1,829,109,783	\$ 1,970,815,454	\$ 2,192,386,115	\$ 2,572,414,825	\$ 2,416,358,181
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	18%	18%	18%	19%	19%
Estimated Net Full Cash Value	1,742,148,912	1,890,909,461	2,111,362,101	2,484,004,819	2,312,488,196
Total Direct Rate	3.37	3.19	2.76	1.83	1.51

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.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	19 %	19 %
Agricultural and Vacant	15	15	15	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	14	15	16

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	20 %	21 %	22 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	17	18

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.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates									District Direct Rates		
	State Equalization	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Phoenix	Phoenix Union High School District No. 210	Primary	Secondary	Total
	2019	0.47	1.40	0.06	0.18	1.38	0.01	0.14	2.14	5.20	1.38	2.53
2018	0.49	1.40	0.06	0.18	1.41	0.01	0.14	2.16	5.03	1.43	2.40	3.83
2017	0.50	1.40	0.06	0.18	1.47	0.01	0.14	2.17	5.07	1.53	2.19	3.72
2016	0.51	1.36	0.06	0.16	1.49	0.01	0.14	1.82	4.96	1.62	1.99	3.61
2015	0.51	1.32	0.06	0.14	1.52	0.01	0.14	1.82	4.62	1.38	1.95	3.33
2014	0.51	1.28	0.04	0.14	1.53	0.01	0.14	1.82	4.82	1.33	2.04	3.37
2013	0.47	1.24	0.05	0.18	1.38	0.01	0.10	1.82	4.27	1.39	1.81	3.20
2012	0.43	1.24	0.05	0.18	1.21	0.01	0.10	1.82	3.76	1.21	1.56	2.77
2011	0.36	1.05	0.04	0.15	0.97	0.01	0.10	1.82	3.25	0.88	0.95	1.83
2010	0.33	0.99	0.04	0.14	0.88	0.01	0.10	1.82	2.95	0.96	0.54	1.50

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2019</u>		<u>2010</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>
Arizona Public Service Company	\$ 69,584,891	18.73 %	\$ 69,366,943	17.71 %
Southwest Gas Company	43,449,329	11.70	20,000,444	5.11
Western C Reit AZ LLC	8,942,634	2.41		
Prologis LP	5,827,640	1.57		
Amazon.com.AZDC KKC	5,744,191	1.55		
Kinder Morgan Energy Partners LP	5,339,749	1.44		
Generation 3 Investments I LLC	5,081,154	1.37	7,710,387	1.97
Dawson Logistics Assets LLC	5,008,466	1.35		
Le Clerc Foods Nutrition Arizona LLC	4,153,960	1.12		
Icon Owner Pool 1 West/Southwest LLC	3,874,519	1.04		
KT Riverside 1 LLC			9,320,148	2.38
Lincoln National Life Ininsurance Company			7,305,012	1.87
Miref Riverside LLC			6,675,295	1.70
Phoenix Property Partners LLC			6,139,502	1.57
Burlingame Industries Inc.			5,408,476	1.38
Smith Food & Drug Centers			5,234,154	1.34
USF PropCo I LLC			5,004,518	1.28
Total	<u>\$ 157,006,533</u>	<u>42.28 %</u>	<u>\$ 142,164,879</u>	<u>36.31 %</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.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 14,605,208	\$ 14,442,442	98.89 %	\$	\$ 14,442,442	98.89 %
2018	13,620,602	13,485,971	99.01	116,379	13,602,350	99.87
2017	12,679,907	12,580,600	99.22	95,511	12,676,111	99.97
2016	12,212,589	12,137,104	99.38	74,037	12,211,141	99.99
2015	11,623,866	11,475,219	98.72	146,842	11,622,061	99.98
2014	11,108,878	10,918,695	98.29	188,560	11,107,255	99.99
2013	11,551,355	11,444,729	99.08	105,427	11,550,156	99.99
2012	11,150,072	11,025,413	98.88	118,449	11,143,862	99.94
2011	8,435,411	8,297,856	98.37	137,555	8,435,411	100.00
2010	6,278,998	6,093,901	97.05	151,980	6,245,881	99.47

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.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
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	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2019	\$ 52,588,896	\$ 6,016,201	\$ 46,572,695	1.56 %	\$ 5,259	\$ 52,588,896	1.76 %	\$ 5,939	0.02 %	
2018	49,867,663	5,351,343	44,516,320	1.60	6,384	49,867,663	1.79	7,152	0.03	
2017	38,673,809	244,143	38,429,666	1.51	5,511	38,673,809	1.52	5,546	0.02	
2016	38,110,310	667,520	37,442,790	1.64	5,370	38,110,310	1.67	5,465	0.02	
2015	33,139,833	403,263	32,736,570	1.61	4,695	33,139,833	1.63	4,753	0.02	
2014	33,187,152	709,828	32,477,324	1.78	4,810	33,187,152	1.81	4,915	0.02	
2013	15,373,020	321,957	15,051,063	0.76	2,229	15,373,020	0.78	2,277	0.01	
2012	19,946,353	473,870	19,472,483	0.89	3,067	19,946,353	0.91	3,141	0.01	
2011	22,131,410	1,072,735	21,058,675	0.82	3,316	22,131,410	0.86	3,485	0.02	
2010	22,956,859	145,558	22,811,301	0.94	3,592	22,956,859	0.95	3,615	0.02	

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Net Full Cash Assessed Value</u>	<u>Net Limited Assessed Value</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:					
State of Arizona	None	\$ 76,437,036,352	\$ 62,328,357,186	0.60 %	\$ None
Maricopa County	None	51,944,549,119	40,423,232,423	0.92	None
Maricopa Community College District	380,740,000	51,944,549,119	40,423,232,423	0.92	3,513,008
Maricopa County Fire District Assistance Tax	N/A	51,944,549,119	40,423,232,423	N/A	N/A
Maricopa County Special Healthcare District	75,000,000	51,944,549,119	40,423,232,423	0.92	692,009
Maricopa County Library District	N/A	51,944,549,119	40,423,232,423	N/A	N/A
Maricopa County Flood Control District	None	N/A	37,003,666,851	1.01	None
Central Arizona Water Conservation District	N/A	51,944,549,119	40,423,232,423	N/A	N/A
Laveen Meadows Fire District	N/A	63,113,014	43,207,138	N/A	N/A
City of Phoenix	1,149,785,000	16,665,875,180	12,399,776,105	3.01	34,584,735
Phoenix Union High School District No. 210	384,290,000	7,001,735,308	4,965,898,777	7.51	28,863,094
Subtotal, Overlapping Debt					<u>67,652,846</u>
Direct:					
Riverside Elementary School District No. 2					<u>52,588,896</u>
Total Direct and Overlapping Governmental Activities Debt					<u>\$ 120,241,742</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	12.54 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	\$ 12,900
As a Percentage of Net Limited Assessed Valuation	30.75 %
As a Percentage of Gross Full Cash Value	3.83 %

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
2) Outstanding debt as of June 30, 2018 is presented for the overlapping governments as this is the most recent available information.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMPARATIVE NET FULL CASH ASSESSED VALUATIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Riverside Elementary School District No. 2	Phoenix Union High School District No. 210	City of Phoenix	Maricopa County	State of Arizona
2019	\$ 473,727,715	\$ 7,001,735,308	\$16,665,875,180	\$ 51,944,549,119	\$ 76,437,036,352
2018	442,803,818	5,650,995,865	14,008,918,676	44,850,741,762	67,264,430,756
2017	404,887,281	5,088,747,539	10,982,150,871	36,135,494,474	56,589,592,481
2016	373,852,412	4,372,062,126	12,783,575,022	41,124,639,380	54,841,866,009
2015	345,901,631	4,573,470,147	10,818,634,186	35,079,646,593	55,349,948,120
2014	325,341,647	5,325,305,098	10,849,743,656	34,400,455,716	56,271,814,583
2013	361,396,904	7,071,398,209	12,343,773,555	38,760,296,714	61,700,292,915
2012	403,490,936	8,292,780,584	16,092,308,323	49,707,952,123	75,643,290,656
2011	491,926,537	8,147,303,545	18,861,238,355	57,984,051,718	86,538,111,171
2010	459,278,276	6,844,050,898	18,856,072,373	58,303,635,287	86,183,351,753

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2019:

Net full cash assessed valuation	\$ 473,727,715
Debt limit (10% of assessed value)	47,372,772
Debt applicable to limit	<u>47,371,712</u>
Legal debt margin	<u>\$ 1,060</u>

Total Legal Debt Margin Calculation for Fiscal Year 2019:

Net full cash assessed valuation	\$ 473,727,715
Debt limit (15% of assessed value)	71,059,157
Debt applicable to limit	<u>47,371,712</u>
Legal debt margin	<u>\$ 23,687,445</u>

Fiscal Year Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 71,059,157	\$ 66,420,573	\$ 60,733,092	\$ 56,077,862	\$ 51,885,245
Total net debt applicable to limit	<u>47,371,712</u>	<u>44,275,964</u>	<u>37,940,000</u>	<u>37,380,000</u>	<u>32,430,000</u>
Legal debt margin	<u>\$ 23,687,445</u>	<u>\$ 22,144,609</u>	<u>\$ 22,793,092</u>	<u>\$ 18,697,862</u>	<u>\$ 19,455,245</u>
Total net debt applicable to the limit as a percentage of debt limit	67%	67%	62%	67%	63%

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 48,801,247	\$ 54,209,536	\$ 60,523,640	\$ 73,788,981	\$ 68,891,741
Total net debt applicable to limit	<u>32,530,000</u>	<u>15,105,000</u>	<u>20,170,000</u>	<u>22,390,000</u>	<u>22,806,666</u>
Legal debt margin	<u>\$ 16,271,247</u>	<u>\$ 39,104,536</u>	<u>\$ 40,353,640</u>	<u>\$ 51,398,981</u>	<u>\$ 46,085,075</u>
Total net debt applicable to the limit as a percentage of debt limit	67%	28%	33%	30%	33%

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

- Notes:**
- 1) The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
 - 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.
 - 3) Debt applicable to the 2019 limit does not include \$4,735,000 of refunded bonds that will be considered defeased at the crossover date of July 1, 2020.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
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>
2018	4,294,460	\$ 210,370,180	\$ 47,694	4.1 %	8,855
2017	4,221,684	196,286,191	45,573	4.3	6,973
2016	4,137,076	185,111,698	43,628	4.5	6,973
2015	4,076,438	178,169,935	42,092	5.5	6,973
2014	4,008,651	167,574,150	41,222	5.9	6,973
2013	3,944,859	157,805,072	40,003	6.7	6,752
2012	3,824,058	153,930,729	40,424	9.1	6,752
2011	3,843,370	145,400,772	39,024	8.4	6,350
2010	3,817,117	137,837,071	37,318	9.1	6,350
2009	4,023,331	137,102,771	36,966	8.1	6,350

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 2009 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2018, the source of the information is the Arizona Office of Employment and Population Statistics.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health Systems	45,894	2.23 %	27,431	1.43 %
State of Arizona	37,040	1.80	52,420	2.73
Wal-Mart Stores Inc.	33,619	1.63	31,280	1.63
Fry's Food and Drug Stores	20,165	0.98		
Wells Fargo & Co.	16,300	0.79	14,000	0.73
University of Arizona	15,967	0.78		
Amazon.com Inc.	15,000	0.73		
Arizona State University	14,889	0.72	12,043	0.63
City of Phoenix	14,821	0.72	16,375	0.85
Maricopa County	13,595	0.66	12,996	0.68
Apollo Group Inc.			12,299	0.64
Raytheon Co.			11,500	0.60
Honeywell Aerospace			10,145	0.53
Total	<u>227,290</u>	<u>11.04 %</u>	<u>200,489</u>	<u>10.45 %</u>
Total employment	<u>2,060,000</u>		<u>1,923,600</u>	

Source: The source of this information is the Business Journal Book of Lists.

Note: The principal employers were not available for the District alone, therefore the principal employers for Maricopa County are presented.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	1	1	1	1	1
Consultants/supervisors of instruction	6	6	6	6	6
Principals	3	3	3	3	2
Total supervisory	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>10</u>
Instruction					
Teachers	45	45	48	44	48
Other professionals (instructional)					
Aides	15	14	14	13	13
Total instruction	<u>60</u>	<u>59</u>	<u>62</u>	<u>57</u>	<u>61</u>
Student Services					
Nurses	2	2	2	2	2
Technicians	2				
Total student services	<u>4</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Support and Administration					
Clerical workers	13	13	13	12	11
Maintenance workers	6	6	6	5	5
Bus Drivers	6	4	5	5	5
Food Service workers	9	8	8	7	7
Other classified	2	2	2	2	2
Total support and administration	<u>36</u>	<u>33</u>	<u>34</u>	<u>31</u>	<u>30</u>
Total	<u><u>111</u></u>	<u><u>105</u></u>	<u><u>109</u></u>	<u><u>101</u></u>	<u><u>103</u></u>

(Continued)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	1	1	1	1	1
Consultants/supervisors of instruction	6	6	5	6	5
Principals	2	2	2	2	2
Total supervisory	<u>10</u>	<u>10</u>	<u>9</u>	<u>10</u>	<u>9</u>
Instruction					
Teachers	43	43	39	41	43
Other professionals (instructional)			1	1	1
Aides	12	12	10	12	12
Total instruction	<u>55</u>	<u>55</u>	<u>50</u>	<u>54</u>	<u>56</u>
Student Services					
Nurses	2	2	2	2	2
Technicians					
Total student services	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Support and Administration					
Clerical workers	11	10	8	9	8
Maintenance workers	4	4	4	4	4
Bus Drivers	4	4	4	5	4
Food Service workers	7	7	6	6	5
Other classified	2	2	2	2	2
Total support and administration	<u>28</u>	<u>27</u>	<u>24</u>	<u>26</u>	<u>23</u>
Total	<u><u>95</u></u>	<u><u>94</u></u>	<u><u>85</u></u>	<u><u>92</u></u>	<u><u>90</u></u>

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

(Concluded)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2019	819	\$ 8,166,885	\$ 9,972	4.82 %	\$ 13,829,070	\$ 16,885	0.68 %	45	18.2	75.0 %
2018	849	8,076,826	9,513	(14.04)	14,238,497	16,771	3.95	45	18.9	88.0
2017	892	9,872,089	11,067	(3.62)	14,391,250	16,134	4.47	48	18.6	89.0
2016	846	9,714,824	11,483	3.12	13,065,460	15,444	4.41	44	19.2	89.0
2015	840	9,353,720	11,135	(12.81)	12,424,926	14,792	(11.14)	48	17.5	88.0
2014	810	10,345,041	12,772	8.84	13,482,846	16,645	26.28	43	18.8	91.0
2013	757	8,882,959	11,734	8.84	9,978,614	13,182	(17.05)	43	17.6	94.4
2012	745	8,031,771	10,781	5.56	11,838,946	15,891	18.19	39	19.1	88.4
2011	676	6,903,921	10,213	(12.81)	9,089,174	13,446	(7.58)	41	16.5	89.5
2010	632	7,402,853	11,713	26.99	9,194,803	14,549	34.57	43	14.7	92.5

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

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2019</u>	<u>2018</u>	<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>Schools</u>										
Elementary										
Buildings	10	10	10	10	10	10	7	7	7	7
Square feet	90,756	90,756	90,756	90,756	90,756	90,756	71,856	71,856	71,856	71,856
Capacity	660	660	660	660	660	660	660	660	660	660
Enrollment	512	483	535	522	518	520	480	441	408	422
Middle										
Buildings	2	2	2	2	2	2	1	1	1	1
Square feet	89,112	89,112	89,112	89,112	89,112	89,112	76,260	76,260	76,260	76,260
Capacity	528	528	528	528	528	528	528	528	528	528
Enrollment	400	419	404	384	411	374	352	360	342	291
Junior High										
Buildings	1	1	1							
Square feet	61,656	61,656	61,656							
Capacity	702	702	702							
Enrollment	34	29	29							
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	2	2	2	2
Square feet	12,541	12,541	12,541	12,541	12,541	12,541	8,221	8,221	8,221	8,221
<u>Transportation</u>										
Garages	2	2	2	2	2	2	2	2	1	1
Buses	13	14	12	12	11	11	9	8	7	7
<u>Athletics</u>										
Football fields	1	1	1	1	1					
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1					
Baseball/softball	2	2	2	2	2	2	1	1	1	1
Playgrounds	3	3	3	3	3	3	3	3	3	3

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

Note: The Junior High building was built in 2017.

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