
RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2

Annual Financial Report

Fiscal Year Ended June 30, 2020



RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2

PHOENIX, ARIZONA

**ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020, 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, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The 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 25, 2021, 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 25, 2021

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, 2020**

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, 2020. 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 \$2.8 million which represents an eight percent increase from the prior fiscal year as a result of the retirement of \$6.3 million in bonded debt.
- General revenues accounted for \$15.0 million in revenue, or 84 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$2.8 million or 16 percent of total current fiscal year revenues.
- The District had approximately \$15.0 million in expenses related to governmental activities, an increase of eight percent from the prior fiscal year.
- Among major funds, the General Fund had \$6.9 million current fiscal year revenues, which primarily consisted of property taxes, and \$6.7 million in expenditures. The General Fund's fund balance increased from \$1.5 million at the prior fiscal year end, to \$1.9 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, 2020**

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, 2020**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information. Schedules for the pension plan 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 \$38.4 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, 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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Current and other assets	\$ 28,764,607	\$ 32,326,589
Capital assets, net	63,909,177	64,590,812
Total assets	<u>92,673,784</u>	<u>96,917,401</u>
Deferred outflows	<u>734,313</u>	<u>953,268</u>
Current and other liabilities	1,456,318	1,600,316
Long-term liabilities	52,780,519	59,585,473
Total liabilities	<u>54,236,837</u>	<u>61,185,789</u>
Deferred inflows	<u>731,579</u>	<u>1,008,250</u>
Net position:		
Net investment in capital assets	32,718,471	30,512,206
Restricted	9,512,906	9,404,562
Unrestricted	(3,791,696)	(4,240,138)
Total net position	<u>\$ 38,439,681</u>	<u>\$ 35,676,630</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 \$3.8 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 principal retirement of \$6.3 million of bonds and \$471,639 of bond premium.
- Accumulated depreciation increased \$3.3 million.
- The addition of \$2.6 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, 2020**

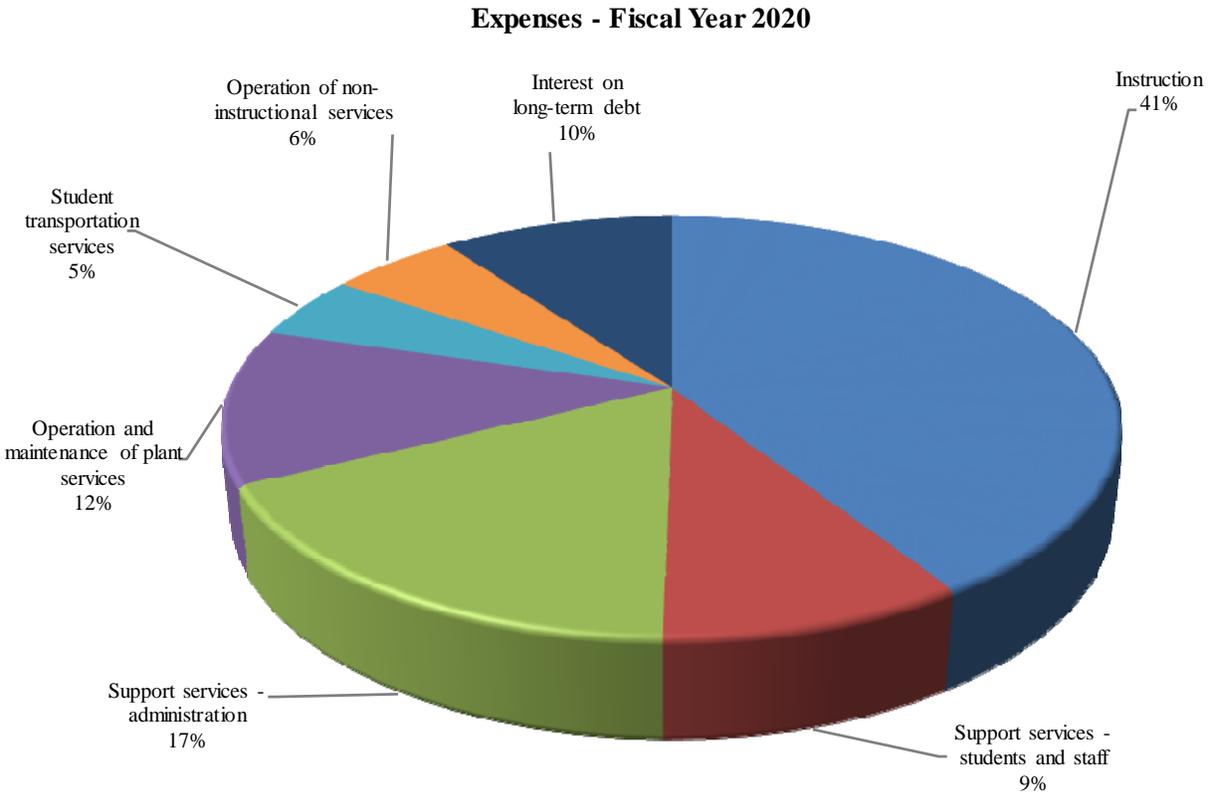
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$17.8 million. The total cost of all programs and services was \$15.0 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Revenues:		
Program revenues:		
Charges for services	\$ 962,211	\$ 818,083
Operating grants and contributions	1,802,872	1,789,381
Capital grants and contributions		110,000
General revenues:		
Property taxes	13,958,598	14,785,070
Investment income	491,939	472,334
Unrestricted state aid	549,717	549,833
Total revenues	<u>17,765,337</u>	<u>18,524,701</u>
Expenses:		
Instruction	6,139,507	5,635,708
Support services - students and staff	1,399,383	1,107,552
Support services - administration	2,623,210	2,601,354
Operation and maintenance of plant services	1,779,567	1,636,937
Student transportation services	739,859	588,074
Operation of non-instructional services	824,303	755,887
Interest on long-term debt	1,496,457	1,503,558
Total expenses	<u>15,002,286</u>	<u>13,829,070</u>
Changes in net position	2,763,051	4,695,631
Net position, beginning	<u>35,676,630</u>	<u>30,980,999</u>
Net position, ending	<u>\$ 38,439,681</u>	<u>\$ 35,676,630</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- Property tax revenues decreased \$826,472 primarily due to a decrease in the secondary tax rate, as a result of a decrease in debt service requirements.
- Instruction expenses increased \$503,799 as a result of one-time technology related instructional purchases.

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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 6,139,507	\$ (5,130,758)	\$ 5,635,708	\$ (4,751,861)
Support services - students and staff	1,399,383	(996,985)	1,107,552	(923,793)
Support services - administration	2,623,210	(2,355,988)	2,601,354	(2,192,568)
Operation and maintenance of plant services	1,779,567	(1,683,908)	1,636,937	(1,500,707)
Student transportation services	739,859	(673,034)	588,074	(430,848)
Operation of non-instructional services	824,303	(22,841)	755,887	63,070
Interest on long-term debt	1,496,457	(1,373,689)	1,503,558	(1,374,899)
Total	<u>\$ 15,002,286</u>	<u>\$ (12,237,203)</u>	<u>\$ 13,829,070</u>	<u>\$ (11,111,606)</u>

- The cost of all governmental activities this year was \$15.0 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$2.8 million.
- Net cost of governmental activities of \$12.2 million was financed by general revenues, which are made up of primarily property taxes of \$14.0 million and state aid of \$549,717.

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 \$20.5 million, a decrease of \$3.6 million due primarily to the utilization of bond proceeds received in the prior year.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises nine percent of the total fund balance. Approximately \$1.9 million, or 100 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$339,814 in the General Fund to \$1.9 million as of fiscal year end.

The fund balance of the Debt Service Fund decreased \$477,106 to \$5.5 million.

The Bond Building Fund's fund balance decreased \$3.8 million to \$9.6 million as of fiscal year end primarily due to the utilization of bond proceeds received in the prior year.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in the budget balance carryforward. The difference between the original budget and the final amended budget was a \$109,377 increase, or two percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. No significant variances were noted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$91.6 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$2.6 million from the prior fiscal year, primarily due to the expansion and renovation of the Maricopa Institute of Technology. Total depreciation expense for the current fiscal year was \$3.3 million.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Capital assets - non-depreciable	\$ 7,972,215	\$ 6,625,934
Capital assets - depreciable, net	55,936,962	57,964,878
Total	\$ 63,909,177	\$ 64,590,812

The estimated cost to complete current construction projects is \$11.1 million.

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

Debt Administration. At year end, the District had \$45.8 million in long-term debt outstanding, \$6.5 million due within one year. Long-term debt decreased by \$6.8 million due primarily to the repayment of long-term debt.

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 \$74.1 million and the Class B debt limit is \$49.4 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 9 and 10.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

Many factors were considered by the District’s administration during the process of developing the fiscal year 2020-21 budget. Among them:

- Fiscal year 2019-20 budget balance carry forward (estimated \$290,386).
- District student population (estimated 832).
- Employee salaries.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

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. The COVID-19 pandemic significantly impacted the fiscal year 2020-21 budget by means of a decline of approximately 72 ADM or an estimated reduction of \$380,419 in M&O budget capacity. The planned usage of the ESG funds was to reduce the fiscal year 2020-21 M&O budget decline impact by allocating the entire amount of \$321,887 in funding for teacher salaries and benefits.

Budgeted expenditures in the General Fund increased four percent to \$6.7 million in fiscal year 2020-21. The increase is primarily due to an increase in the base support level. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2020-21 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, 2020

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 23,082,313
Cash and investments - restricted	4,830,975
Property taxes receivable	242,537
Accounts receivable	267,391
Deposits	23,729
Due from governmental entities	317,662
Total current assets	28,764,607
Noncurrent assets:	
Capital assets not being depreciated	7,972,215
Capital assets, net of accumulated depreciation	55,936,962
Total noncurrent assets	63,909,177
Total assets	92,673,784
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	734,313
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	90,446
Construction contracts payable	165,714
Accrued payroll and employee benefits	229,455
Compensated absences payable	200,581
Accrued interest payable	970,403
Unearned revenues	300
Bonds payable	6,500,000
Total current liabilities	8,156,899
Noncurrent liabilities:	
Non-current portion of long-term obligations	46,079,938
Total noncurrent liabilities	46,079,938
Total liabilities	54,236,837
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	731,579
 <u>NET POSITION</u>	
Net investment in capital assets	32,718,471
Restricted	9,512,906
Unrestricted	(3,791,696)
Total net position	\$ 38,439,681

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, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental activities:				
Instruction	\$ 6,139,507	\$ 624,209	\$ 384,540	\$ (5,130,758)
Support services - students and staff	1,399,383		402,398	(996,985)
Support services - administration	2,623,210	222,649	44,573	(2,355,988)
Operation and maintenance of plant services	1,779,567	74,216	21,443	(1,683,908)
Student transportation services	739,859		66,825	(673,034)
Operation of non-instructional services	824,303	41,137	760,325	(22,841)
Interest on long-term debt	1,496,457		122,768	(1,373,689)
Total governmental activities	\$ 15,002,286	\$ 962,211	\$ 1,802,872	\$ (12,237,203)

General revenues:

Taxes:

Property taxes, levied for general purposes	5,962,182
Property taxes, levied for debt service	7,499,473
Property taxes, levied for capital outlay	496,943
Investment income	491,939
Unrestricted state aid	549,717
Total general revenues	15,000,254

Changes in net position	2,763,051
Net position, beginning of year	35,676,630
Net position, end of year	\$ 38,439,681

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, 2020

	General	Debt Service	Bond Building
<u>ASSETS</u>			
Cash and investments	\$ 1,503,301	\$ 8,053,223	\$ 9,748,179
Cash and investments - restricted		4,830,975	
Property taxes receivable	106,032	128,017	
Accounts receivable	211,541		
Deposits			
Due from governmental entities	17,406	61,712	
Due from other funds	277,361		
Total assets	\$ 2,115,641	\$ 13,073,927	\$ 9,748,179
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 59,183	\$	\$
Construction contracts payable			165,714
Due to other funds			
Accrued payroll and employee benefits	152,997		11,974
Unearned revenues			
Bonds payable		6,500,000	
Bond interest payable		970,403	
Total liabilities	212,180	7,470,403	177,688
Deferred inflows of resources:			
Unavailable revenues - property taxes	49,275	57,604	
Unavailable revenues - intergovernmental		61,712	
Total deferred inflows of resources	49,275	119,316	
Fund balances (deficits):			
Restricted		5,484,208	9,570,491
Unassigned	1,854,186		
Total fund balances	1,854,186	5,484,208	9,570,491
 Total liabilities, deferred inflows of resources and fund balances	 \$ 2,115,641	 \$ 13,073,927	 \$ 9,748,179

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

<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 3,777,610	\$ 23,082,313
	4,830,975
8,488	242,537
55,850	267,391
23,729	23,729
238,544	317,662
	277,361
<u>\$ 4,104,221</u>	<u>\$ 29,041,968</u>

\$ 31,263	\$ 90,446
	165,714
277,361	277,361
64,484	229,455
300	300
	6,500,000
	970,403
<u>373,408</u>	<u>8,233,679</u>

3,774	110,653
112,172	173,884
<u>115,946</u>	<u>284,537</u>

3,905,608	18,960,307
(290,741)	1,563,445
<u>3,614,867</u>	<u>20,523,752</u>

<u>\$ 4,104,221</u>	<u>\$ 29,041,968</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, 2020**

Total governmental fund balances **\$ 20,523,752**

Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 91,609,311	
Less accumulated depreciation	<u>(27,700,134)</u>	63,909,177

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

Property taxes	110,653	
Intergovernmental	<u>173,884</u>	284,537

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions	734,313	
Deferred inflows of resources related to pensions	<u>(731,579)</u>	2,734

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

Compensated absences payable	(824,796)	
Net pension liability	(6,153,687)	
Bonds payable	<u>(39,302,036)</u>	<u>(46,280,519)</u>

Net position of governmental activities **\$ 38,439,681**

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, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 798,499	\$ 116,648	\$ 291,838
Property taxes	5,987,393	7,496,756	
State aid and grants	100,315		
Federal aid, grants and reimbursements		61,056	
Total revenues	<u>6,886,207</u>	<u>7,674,460</u>	<u>291,838</u>
Expenditures:			
Current -			
Instruction	2,843,335		
Support services - students and staff	821,328		
Support services - administration	1,752,278		
Operation and maintenance of plant services	1,010,532		
Student transportation services	254,758		
Operation of non-instructional services	3,379		
Capital outlay	21,250		3,825,963
Debt service -			
Principal retirement		6,500,000	
Interest and fiscal charges		1,943,404	
Total expenditures	<u>6,706,860</u>	<u>8,443,404</u>	<u>3,825,963</u>
Excess (deficiency) of revenues over expenditures	<u>179,347</u>	<u>(768,944)</u>	<u>(3,534,125)</u>
Other financing sources (uses):			
Transfers in	160,467	291,838	
Transfers out			(291,838)
Total other financing sources (uses)	<u>160,467</u>	<u>291,838</u>	<u>(291,838)</u>
Changes in fund balances	<u>339,814</u>	<u>(477,106)</u>	<u>(3,825,963)</u>
Fund balances, beginning of year	1,514,372	5,961,314	13,396,454
Fund balances, end of year	<u>\$ 1,854,186</u>	<u>\$ 5,484,208</u>	<u>\$ 9,570,491</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 276,928	\$ 1,483,913
496,242	13,980,391
575,252	675,567
<u>1,572,437</u>	<u>1,633,493</u>
<u>2,920,859</u>	<u>17,773,364</u>
888,265	3,731,600
416,377	1,237,705
21,650	1,773,928
29,137	1,039,669
69,365	324,123
653,069	656,448
292,832	4,140,045
	6,500,000
	<u>1,943,404</u>
<u>2,370,695</u>	<u>21,346,922</u>
<u>550,164</u>	<u>(3,573,558)</u>
	452,305
<u>(160,467)</u>	<u>(452,305)</u>
<u>(160,467)</u>	
<u>389,697</u>	<u>(3,573,558)</u>
3,225,170	24,097,310
<u>\$ 3,614,867</u>	<u>\$ 20,523,752</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, 2020

Changes in fund balances - total governmental funds **\$ (3,573,558)**

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 and reported as depreciation expense.

Expenditures for capitalized assets	\$ 2,649,111	
Less current year depreciation	(3,325,727)	(676,616)

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

Property taxes	(21,793)	
Intergovernmental	13,766	(8,027)

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. 6,500,000

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

Current year pension contributions	597,133	
Pension expense	(401,308)	195,825

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 bond items on issuance of refunding debt	(19,913)	
Loss on disposal of assets	(5,019)	
Amortization of deferred bond items	466,860	
Compensated absences	(116,501)	325,427

Changes in net position in governmental activities **\$ 2,763,051**

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, 2020

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 195,210
Total assets	\$ 195,210
 <u>LIABILITIES</u>	
Deposits held for others	\$ 187,992
Due to student groups	7,218
Total liabilities	\$ 195,210

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, 2020

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.

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.

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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Cash and Investments

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

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

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

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

K. Compensated Absences

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

L. Pensions

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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	\$	\$ 5,484,208	\$	\$
Capital projects				2,847,387
Bond building projects			9,570,491	
Voter approved initiatives				350,250
Federal and state projects				105,843
Food service				234,607
Civic center				324,704
Other purposes				42,817
Unassigned	<u>1,854,186</u>			<u>(290,741)</u>
Total fund balances	<u>\$ 1,854,186</u>	<u>\$ 5,484,208</u>	<u>\$ 9,570,491</u>	<u>\$ 3,614,867</u>

NOTE 3 – RESTRICTED NET POSITION

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

	<u>Governmental Activities</u>
Restricted Net Position:	
Debt service	\$ 5,603,524
Capital projects	2,851,161
Voter approved initiatives	350,250
Federal and state projects	105,843
Food service	234,607
Civic center	324,704
Other purposes	42,817
Total	<u>\$ 9,512,906</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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:	
Title I Grants	\$ 267
Title IV Grants	5,114
Special Education Grants	106,791
Other Federal Projects	178,569

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2020-21 are expected to eliminate the deficits.

Excess Expenditures Over Budget – At year end, the District had expenditures in funds 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 \$195,210 and the bank balance was \$229,257.

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

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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – CASH AND INVESTMENTS

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

	Average Maturities	Fair Value
County Treasurer’s investment pool	313 days	\$ 23,082,313
Total		\$ 23,082,313

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 \$4,830,975 at June 30, 2020.

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	Debt Service Fund	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$	\$ 61,712	\$ 183,742
Due from state government	17,406		54,802
Net due from governmental entities	\$ 17,406	\$ 61,712	\$ 238,544

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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	425,820	2,025,120	678,839	1,772,101
Total capital assets, not being depreciated	<u>6,625,934</u>	<u>2,025,120</u>	<u>678,839</u>	<u>7,972,215</u>
Capital assets, being depreciated:				
Land improvements	8,274,682	58,419		8,333,101
Buildings and improvements	64,454,807	589,843		65,044,650
Vehicles, furniture and equipment	9,673,127	654,568	68,350	10,259,345
Total capital assets being depreciated	<u>82,402,616</u>	<u>1,302,830</u>	<u>68,350</u>	<u>83,637,096</u>
Less accumulated depreciation for:				
Land improvements	(3,402,181)	(344,749)		(3,746,930)
Buildings and improvements	(15,249,411)	(2,009,707)		(17,259,118)
Vehicles, furniture and equipment	(5,786,146)	(971,271)	(63,331)	(6,694,086)
Total accumulated depreciation	<u>(24,437,738)</u>	<u>(3,325,727)</u>	<u>(63,331)</u>	<u>(27,700,134)</u>
Total capital assets, being depreciated, net	<u>57,964,878</u>	<u>(2,022,897)</u>	<u>5,019</u>	<u>55,936,962</u>
Governmental activities capital assets, net	<u>\$ 64,590,812</u>	<u>\$ 2,223</u>	<u>\$ 683,858</u>	<u>\$ 63,909,177</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,774,830
Support services – students and staff	122,916
Support services – administration	540,131
Operation and maintenance of plant services	640,900
Student transportation services	139,328
Operation of non-instructional services	107,622
Total depreciation expense – governmental activities	<u>\$ 3,325,727</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. At year end, the District had spent \$1,772,101 on the projects and had estimated remaining contractual commitments of \$11,060,333. These projects are being funded with bond proceeds.

NOTE 8 – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$1.0 million in unused line of credit.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$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, 2020	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%	7/1/20-29	\$ 5,110,000	\$ 375,000
School Improvement Bonds Project of 2011, Series C (2013)	14,465,000	2.5-4.5%	7/1/20-27	6,585,000	1,025,000
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	730,000
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%	7/1/20-21	2,895,000	1,675,000
School Improvement Bonds Project of 2014, Series B (2016)	5,075,000	1.13-1.42%	7/1/20-21	3,005,000	1,650,000
Refunding Bonds, Series 2016	2,565,000	1.42-4.5%	7/1/20-21	2,140,000	1,045,000
Total				<u>\$ 43,035,000</u>	<u>\$ 6,500,000</u>

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

Year ending June 30:	Governmental Activities			
	General Obligation Bonds		Private Placement General Obligation Bonds	
	Principal	Interest	Principal	Interest
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	5,080,000	843,577		
2025-29	12,640,000	1,311,728		
2030-31	520,000	14,950		
Total	<u>\$ 34,995,000</u>	<u>\$ 7,917,409</u>	<u>\$ 8,040,000</u>	<u>\$ 169,118</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

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 10 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 37,070,000	\$	\$ 2,075,000	\$ 34,995,000	\$ 2,130,000
Private placement general obligation bonds	12,285,000		4,245,000	8,040,000	4,370,000
Premium	3,286,463		471,639	2,814,824	
Discount	(52,567)		(4,779)	(47,788)	
Total bonds payable	<u>52,588,896</u>		<u>6,786,860</u>	<u>45,802,036</u>	<u>6,500,000</u>
Net pension liability	6,264,759		111,072	6,153,687	
Compensated absences payable	708,295	317,082	200,581	824,796	200,581
Governmental activity long-term liabilities	<u>\$ 59,561,950</u>	<u>\$ 317,082</u>	<u>\$ 7,098,513</u>	<u>\$ 52,780,519</u>	<u>\$ 6,700,581</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, several non-major governmental funds had negative cash balances in the Treasurer’s pooled cash accounts of \$277,361. 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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers:

	Transfers in		
	General Fund	Debt Service Fund	Total
Transfers out			
Bond Building Fund	\$	\$ 291,838	\$ 291,838
Non-Major Governmental Funds	160,467		160,467
Total	<u>\$ 160,467</u>	<u>\$ 291,838</u>	<u>\$ 452,305</u>

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 12 – CONTINGENT LIABILITIES

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

NOTE 13 – RISK MANAGEMENT

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

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

The District’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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 – RISK MANAGEMENT

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

The District 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 14 – PENSIONS

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.

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the District's financial statements.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.11 percent (11.94 percent for retirement and 0.17 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 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2020 were \$597,133.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

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 10.41 percent (10.29 for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2019. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The District’s proportion of the net 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, 2019.

At June 30, 2020, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2019, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2018 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 6,153,687	0.042	(0.003)

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2020 was \$401,308.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 111,168	\$ 1,157
Changes of assumptions or other inputs	26,012	245,052
Net difference between projected and actual earnings on pension investments		138,314
Changes in proportion and differences between contributions and proportionate share of contributions		347,056
Contributions subsequent to the measurement date	597,133	
Total	\$ 734,313	\$ 731,579

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 liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2021	\$ (319,556)
2022	(285,325)
2023	(26,562)
2024	37,044

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

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Inflation	2.3%
Projected salary increases	2.7-7.2%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

The actuarial assumptions used in the June 30, 2018 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.

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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	6.09%
Credit	20	5.36
Interest rate sensitive bonds	10	1.62
Real estate	20	5.85
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 – PENSIONS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Net liability	\$ 8,758,122	\$ 6,153,687	\$ 3,977,050

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

NOTE 15 - 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.

NOTE 16- SUBSEQUENT EVENT

In September, 2020, the District issued \$12,315,000 in School Improvement Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

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RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 20,405	\$ 20,405
Property taxes			5,987,393	5,987,393
State aid and grants			100,315	100,315
Total revenues			<u>6,108,113</u>	<u>6,108,113</u>
Expenditures:				
Current -				
Instruction	2,850,974	2,759,219	2,518,249	240,970
Support services - students and staff	731,909	870,814	811,520	59,294
Support services - administration	1,591,616	1,617,233	1,545,341	71,892
Operation and maintenance of plant services	867,035	906,555	759,815	146,740
Student transportation services	339,064	336,154	213,656	122,498
Total expenditures	<u>6,380,598</u>	<u>6,489,975</u>	<u>5,848,581</u>	<u>641,394</u>
Changes in fund balances	<u>(6,380,598)</u>	<u>(6,489,975)</u>	<u>259,532</u>	<u>6,749,507</u>
Fund balances, beginning of year			1,282,416	1,282,416
Fund balances (deficits), end of year	<u>\$ (6,380,598)</u>	<u>\$ (6,489,975)</u>	<u>\$ 1,541,948</u>	<u>\$ 8,031,923</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 SIX FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension (assets) liability	0.04%	0.05%	0.05%	0.05%
District's proportionate share of the net pension (assets) liability	\$ 6,153,687	\$ 6,264,759	\$ 7,240,678	\$ 7,641,154
District's covered payroll	\$ 4,456,825	\$ 4,607,505	\$ 4,630,204	\$ 4,369,005
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	138.07%	135.97%	156.38%	174.89%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 597,133	\$ 498,273	\$ 502,218	\$ 499,136
Contributions in relation to the actuarially determined contribution	<u>597,133</u>	<u>498,273</u>	<u>502,218</u>	<u>499,136</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 5,215,135	\$ 4,456,825	\$ 4,607,505	\$ 4,630,204
Contributions as a percentage of covered payroll	11.45%	11.18%	10.90%	10.78%

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

See accompanying notes to this schedule.

2016

2015

June 30, 2015

June 30, 2014

0.04%

0.04%

\$ 6,893,085

\$ 6,190,510

\$ 4,087,851

\$ 3,712,140

168.62%

166.76%

68.35%

69.49%

2016

2015

\$ 474,037

\$ 445,167

474,037

445,167

\$

\$

\$ 4,369,005

\$ 4,087,851

10.85%

10.89%

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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	\$ 6,706,860	\$ 1,854,186
Activity budgeted as special revenue funds	(857,367)	(286,462)
Employee insurance account	(912)	(25,776)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 5,848,581	\$ 1,541,948

NOTE 2 – PENSION PLAN SCHEDULES

Actuarial Assumptions for Valuations Performed. The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated, which is the most recent actuarial valuation. The actuarial assumptions used are disclosed in the notes to the financial statements.

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2018, 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, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 905,889	\$ 2,871,721	\$ 3,777,610
Property taxes receivable		8,488	8,488
Accounts receivable	55,850		55,850
Deposits	23,729		23,729
Due from governmental entities	238,544		238,544
Total assets	<u>\$ 1,224,012</u>	<u>\$ 2,880,209</u>	<u>\$ 4,104,221</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,215	\$ 29,048	\$ 31,263
Due to other funds	277,361		277,361
Accrued payroll and employee benefits	64,484		64,484
Unearned revenues	300		300
Total liabilities	<u>344,360</u>	<u>29,048</u>	<u>373,408</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		3,774	3,774
Unavailable revenues - intergovernmental	112,172		112,172
Total deferred inflows of resources	<u>112,172</u>	<u>3,774</u>	<u>115,946</u>
Fund balances (deficits):			
Restricted	1,058,221	2,847,387	3,905,608
Unassigned	(290,741)		(290,741)
Total fund balances	<u>767,480</u>	<u>2,847,387</u>	<u>3,614,867</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 1,224,012</u>	 <u>\$ 2,880,209</u>	 <u>\$ 4,104,221</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, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 231,534	\$ 45,394	\$ 276,928
Property taxes		496,242	496,242
State aid and grants	575,252		575,252
Federal aid, grants and reimbursements	<u>1,572,437</u>		<u>1,572,437</u>
Total revenues	<u>2,379,223</u>	<u>541,636</u>	<u>2,920,859</u>
Expenditures:			
Current -			
Instruction	888,265		888,265
Support services - students and staff	416,377		416,377
Support services - administration	21,650		21,650
Operation and maintenance of plant services	29,137		29,137
Student transportation services	69,365		69,365
Operation of non-instructional services	653,069		653,069
Capital outlay	10,234	282,598	292,832
Total expenditures	<u>2,088,097</u>	<u>282,598</u>	<u>2,370,695</u>
Excess (deficiency) of revenues over expenditures	<u>291,126</u>	<u>259,038</u>	<u>550,164</u>
Other financing sources (uses):			
Transfers out	<u>(160,467)</u>		<u>(160,467)</u>
Total other financing sources (uses)	<u>(160,467)</u>		<u>(160,467)</u>
Changes in fund balances	<u>130,659</u>	<u>259,038</u>	<u>389,697</u>
Fund balances, beginning of year	636,821	2,588,349	3,225,170
Fund balances, end of year	<u>\$ 767,480</u>	<u>\$ 2,847,387</u>	<u>\$ 3,614,867</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, 2020

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 272,750	\$ 38,837	\$ 8,765
Accounts receivable			
Deposits			
Due from governmental entities	34,324	20,478	267
Total assets	<u>\$ 307,074</u>	<u>\$ 59,315</u>	<u>\$ 9,032</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 1,108	\$ 1,107
Due to other funds			
Accrued payroll and employee benefits	15,031		7,925
Unearned revenues			
Total liabilities	<u>15,031</u>	<u>1,108</u>	<u>9,032</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>267</u>
Fund balances (deficits):			
Restricted	292,043	58,207	
Unassigned			(267)
Total fund balances	<u>292,043</u>	<u>58,207</u>	<u>(267)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 307,074</u>	<u>\$ 59,315</u>	<u>\$ 9,032</u>

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>Results-based Funding</u>
\$	\$ 532	\$	\$ 2,491	\$	\$ 105,638
15,260	5,114	106,791			
<u>\$ 15,260</u>	<u>\$ 5,646</u>	<u>\$ 106,791</u>	<u>\$ 2,491</u>	<u>\$</u>	<u>\$ 105,638</u>
\$	\$	\$	\$	\$	\$
5,887		102,721		168,753	
9,373	5,646	4,070		9,816	2,286
<u>15,260</u>	<u>5,646</u>	<u>106,791</u>		<u>178,569</u>	<u>2,286</u>
	5,114	106,791			
	(5,114)	(106,791)	2,491	(178,569)	103,352
	<u>(5,114)</u>	<u>(106,791)</u>	<u>2,491</u>	<u>(178,569)</u>	<u>103,352</u>
<u>\$ 15,260</u>	<u>\$ 5,646</u>	<u>\$ 106,791</u>	<u>\$ 2,491</u>	<u>\$</u>	<u>\$ 105,638</u>

(Continued)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>
<u>ASSETS</u>			
Cash and investments	\$ 300	\$ 162,868	\$ 270,891
Accounts receivable			55,850
Deposits		23,729	
Due from governmental entities		56,310	
Total assets	<u>\$ 300</u>	<u>\$ 242,907</u>	<u>\$ 326,741</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits		8,300	2,037
Unearned revenues	300		
Total liabilities	<u>300</u>	<u>8,300</u>	<u>2,037</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted		234,607	324,704
Unassigned			
Total fund balances		<u>234,607</u>	<u>324,704</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 300</u>	<u>\$ 242,907</u>	<u>\$ 326,741</u>

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Totals</u>
\$ 4,225	\$ 35,795	\$ 1,302	\$ 1,495	\$ 905,889
				55,850
				23,729
				238,544
<u>\$ 4,225</u>	<u>\$ 35,795</u>	<u>\$ 1,302</u>	<u>\$ 1,495</u>	<u>\$ 1,224,012</u>
\$	\$	\$	\$	\$ 2,215
				277,361
				64,484
				300
				<u>344,360</u>
				<u>112,172</u>
4,225	35,795	1,302	1,495	1,058,221
				(290,741)
<u>4,225</u>	<u>35,795</u>	<u>1,302</u>	<u>1,495</u>	<u>767,480</u>
<u>\$ 4,225</u>	<u>\$ 35,795</u>	<u>\$ 1,302</u>	<u>\$ 1,495</u>	<u>\$ 1,224,012</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, 2020

	Classroom Site	Instructional Improvement	Title I Grants
Revenues:			
Other local	\$ 4,571	\$ 8	\$
State aid and grants	411,893	37,509	
Federal aid, grants and reimbursements			445,941
Total revenues	416,464	37,517	445,941
Expenditures:			
Current -			
Instruction	412,398	8,683	90,583
Support services - students and staff		2,463	319,539
Support services - administration		310	
Operation and maintenance of plant services			
Student transportation services		674	
Operation of non-instructional services			
Capital outlay		6,671	
Total expenditures	412,398	18,801	410,122
Excess (deficiency) of revenues over expenditures	4,066	18,716	35,819
Other financing sources (uses):			
Transfers out			(36,086)
Total other financing sources (uses)			(36,086)
Changes in fund balances	4,066	18,716	(267)
Fund balances (deficits), beginning of year	287,977	39,491	
Fund balances (deficits), end of year	\$ 292,043	\$ 58,207	\$ (267)

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Special Education Grants	E-Rate	Other Federal Projects
\$	\$	\$	\$	\$ 47	\$
58,054	15,362	20,977	272,100		2,836
<u>58,054</u>	<u>15,362</u>	<u>20,977</u>	<u>272,100</u>	<u>47</u>	<u>2,836</u>
27,544		18,701	220,800		21,891
20,237	18,282	250	440		53,136
5,447					12,809
					22,042
					68,691
			354		
<u>53,228</u>	<u>18,282</u>	<u>18,951</u>	<u>221,594</u>		<u>178,569</u>
<u>4,826</u>	<u>(2,920)</u>	<u>2,026</u>	<u>50,506</u>	<u>47</u>	<u>(175,733)</u>
<u>(4,826)</u>	<u>(2,194)</u>	<u>(2,026)</u>	<u>(13,648)</u>		
<u>(4,826)</u>	<u>(2,194)</u>	<u>(2,026)</u>	<u>(13,648)</u>		
	<u>(5,114)</u>		<u>36,858</u>	<u>47</u>	<u>(175,733)</u>
			<u>(143,649)</u>	<u>2,444</u>	<u>(2,836)</u>
<u>\$</u>	<u>\$ (5,114)</u>	<u>\$</u>	<u>\$ (106,791)</u>	<u>\$ 2,491</u>	<u>\$ (178,569)</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, 2020

	Gifted	Results-based Funding	Other State Projects
Revenues:			
Other local	\$	\$	\$
State aid and grants	2,098	103,419	20,333
Federal aid, grants and reimbursements			
Total revenues	2,098	103,419	20,333
Expenditures:			
Current -			
Instruction	903	9,232	
Support services - students and staff	1,195	557	
Support services - administration		2,348	245
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			3,246
Capital outlay			3,209
Total expenditures	2,098	12,137	6,700
Excess (deficiency) of revenues over expenditures		91,282	13,633
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		91,282	13,633
Fund balances (deficits), beginning of year		12,070	(13,633)
Fund balances, end of year	\$	\$ 103,352	\$

<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 44,400	\$ 176,246	\$ 691	\$ 5,480	\$	\$ 91
<u>757,167</u>					
<u>801,567</u>	<u>176,246</u>	<u>691</u>	<u>5,480</u>		<u>91</u>
	75,975	1,200	355		
	491	278			
1,267	5,828				
649,823					
<u>651,090</u>	<u>82,294</u>	<u>1,478</u>	<u>355</u>		
<u>150,477</u>	<u>93,952</u>	<u>(787)</u>	<u>5,125</u>		<u>91</u>
<u>(101,687)</u>					
<u>(101,687)</u>					
<u>48,790</u>	<u>93,952</u>	<u>(787)</u>	<u>5,125</u>		<u>91</u>
185,817	230,752	5,012	30,670	1,302	1,404
<u>\$ 234,607</u>	<u>\$ 324,704</u>	<u>\$ 4,225</u>	<u>\$ 35,795</u>	<u>\$ 1,302</u>	<u>\$ 1,495</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, 2020

	Totals
Revenues:	
Other local	\$ 231,534
State aid and grants	575,252
Federal aid, grants and reimbursements	1,572,437
Total revenues	2,379,223
Expenditures:	
Current -	
Instruction	888,265
Support services - students and staff	416,377
Support services - administration	21,650
Operation and maintenance of plant services	29,137
Student transportation services	69,365
Operation of non-instructional services	653,069
Capital outlay	10,234
Total expenditures	2,088,097
Excess (deficiency) of revenues over expenditures	291,126
Other financing sources (uses):	
Transfers out	(160,467)
Total other financing sources (uses)	(160,467)
Changes in fund balances	130,659
Fund balances (deficits), beginning of year	636,821
Fund balances, end of year	\$ 767,480

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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, 2020

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 4,571	\$ 4,571
State aid and grants		411,893	411,893
Federal aid, grants and reimbursements			
Total revenues		416,464	416,464
Expenditures:			
Current -			
Instruction	699,872	412,398	287,474
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	699,872	412,398	287,474
Excess (deficiency) of revenues over expenditures	(699,872)	4,066	703,938
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(699,872)	4,066	703,938
Fund balances (deficits), beginning of year		287,977	287,977
Fund balances (deficits), end of year	\$ (699,872)	\$ 292,043	\$ 991,915

Instructional Improvement			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 8	\$ 8	\$	\$	\$
	37,509	37,509		445,941	445,941
	<u>37,517</u>	<u>37,517</u>		<u>445,941</u>	<u>445,941</u>
74,491	8,683	65,808		90,583	(90,583)
	2,463	(2,463)	578,225	319,539	258,686
	310	(310)			
	674	(674)			
	<u>6,671</u>	<u>(6,671)</u>			
<u>74,491</u>	<u>18,801</u>	<u>55,690</u>	<u>578,225</u>	<u>410,122</u>	<u>168,103</u>
<u>(74,491)</u>	<u>18,716</u>	<u>93,207</u>	<u>(578,225)</u>	<u>35,819</u>	<u>614,044</u>
				<u>(36,086)</u>	<u>(36,086)</u>
				<u>(36,086)</u>	<u>(36,086)</u>
<u>(74,491)</u>	<u>18,716</u>	<u>93,207</u>	<u>(578,225)</u>	<u>(267)</u>	<u>577,958</u>
	39,491	39,491			
<u>\$ (74,491)</u>	<u>\$ 58,207</u>	<u>\$ 132,698</u>	<u>\$ (578,225)</u>	<u>\$ (267)</u>	<u>\$ 577,958</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, 2020

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		58,054	58,054
Total revenues		58,054	58,054
Expenditures:			
Current -			
Instruction	75,559	27,544	48,015
Support services - students and staff		20,237	(20,237)
Support services - administration		5,447	(5,447)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	75,559	53,228	22,331
Excess (deficiency) of revenues over expenditures	(75,559)	4,826	80,385
Other financing sources (uses):			
Transfers in			
Transfers out		(4,826)	(4,826)
Total other financing sources (uses)		(4,826)	(4,826)
Changes in fund balances	(75,559)		75,559
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	\$ (75,559)	\$	\$ 75,559

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	15,362	15,362		20,977	20,977
	15,362	15,362		20,977	20,977
86,670	18,282	68,388	21,736	18,701 250	3,035 (250)
86,670	18,282	68,388	21,736	18,951	2,785
(86,670)	(2,920)	83,750	(21,736)	2,026	23,762
	(2,194)	(2,194)		(2,026)	(2,026)
	(2,194)	(2,194)		(2,026)	(2,026)
(86,670)	(5,114)	81,556	(21,736)		21,736
\$ (86,670)	\$ (5,114)	\$ 81,556	\$ (21,736)	\$	\$ 21,736

(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, 2020

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		272,100	272,100
Total revenues		272,100	272,100
Expenditures:			
Current -			
Instruction	318,459	220,800	97,659
Support services - students and staff		440	(440)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		354	(354)
Total expenditures	318,459	221,594	96,865
Excess (deficiency) of revenues over expenditures	(318,459)	50,506	368,965
Other financing sources (uses):			
Transfers in			
Transfers out		(13,648)	(13,648)
Total other financing sources (uses)		(13,648)	(13,648)
Changes in fund balances	(318,459)	36,858	355,317
Fund balances (deficits), beginning of year		(143,649)	(143,649)
Fund balances (deficits), end of year	\$ (318,459)	\$ (106,791)	\$ 211,668

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 47	\$ 47
				47	47
7,500		7,500	2,550		2,550
<u>7,500</u>		<u>7,500</u>	<u>2,550</u>		<u>2,550</u>
<u>(7,500)</u>		<u>7,500</u>	<u>(2,550)</u>	<u>47</u>	<u>2,597</u>
<u>(7,500)</u>		<u>7,500</u>	<u>(2,550)</u>	<u>47</u>	<u>2,597</u>
	7,361	7,361		2,444	2,444
<u>\$ (7,500)</u>	<u>\$ 7,361</u>	<u>\$ 14,861</u>	<u>\$ (2,550)</u>	<u>\$ 2,491</u>	<u>\$ 5,041</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, 2020

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		2,836	2,836
Total revenues		2,836	2,836
Expenditures:			
Current -			
Instruction		21,891	(21,891)
Support services - students and staff		53,136	(53,136)
Support services - administration		12,809	(12,809)
Operation and maintenance of plant services		22,042	(22,042)
Student transportation services		68,691	(68,691)
Operation of non-instructional services			
Capital outlay			
Total expenditures		178,569	(178,569)
Excess (deficiency) of revenues over expenditures		(175,733)	(175,733)
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		(175,733)	(175,733)
Fund balances (deficits), beginning of year		(2,836)	(2,836)
Fund balances (deficits), end of year	\$	\$ (178,569)	\$ (178,569)

Gifted			Results-based Funding		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,098	\$ 2,098	\$	\$ 103,419	\$ 103,419
	<u>2,098</u>	<u>2,098</u>		<u>103,419</u>	<u>103,419</u>
2,141	903 1,195	1,238 (1,195)	73,773	9,232 557 2,348	64,541 (557) (2,348)
<u>2,141</u>	<u>2,098</u>	<u>43</u>	<u>73,773</u>	<u>12,137</u>	<u>61,636</u>
<u>(2,141)</u>		<u>2,141</u>	<u>(73,773)</u>	<u>91,282</u>	<u>165,055</u>
<u>(2,141)</u>		<u>2,141</u>	<u>(73,773)</u>	<u>91,282</u>	<u>165,055</u>
				12,070	12,070
<u>\$ (2,141)</u>	<u>\$</u>	<u>\$ 2,141</u>	<u>\$ (73,773)</u>	<u>\$ 103,352</u>	<u>\$ 177,125</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, 2020

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		20,333	20,333
Federal aid, grants and reimbursements			
Total revenues		20,333	20,333
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		245	(245)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	24,600	3,246	21,354
Capital outlay		3,209	(3,209)
Total expenditures	24,600	6,700	17,900
Excess (deficiency) of revenues over expenditures	(24,600)	13,633	38,233
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(24,600)	13,633	38,233
Fund balances (deficits), beginning of year		(13,633)	(13,633)
Fund balances (deficits), end of year	\$ (24,600)	\$	\$ 24,600

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 44,400	\$ 44,400
				757,167	757,167
				801,567	801,567
5,000	438	4,562		1,267	(1,267)
			810,000	649,823	160,177
<u>5,000</u>	<u>438</u>	<u>4,562</u>	<u>810,000</u>	<u>651,090</u>	<u>158,910</u>
<u>(5,000)</u>	<u>(438)</u>	<u>4,562</u>	<u>(810,000)</u>	<u>150,477</u>	<u>960,477</u>
				(101,687)	(101,687)
				(101,687)	(101,687)
<u>(5,000)</u>	<u>(438)</u>	<u>4,562</u>	<u>(810,000)</u>	<u>48,790</u>	<u>858,790</u>
	438	438		185,817	185,817
<u>\$ (5,000)</u>	<u>\$</u>	<u>\$ 5,000</u>	<u>\$ (810,000)</u>	<u>\$ 234,607</u>	<u>\$ 1,044,607</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, 2020

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 176,246	\$ 176,246
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	410,000	82,294	327,706
Expenditures:			
Current -			
Instruction	410,000	75,975	334,025
Support services - students and staff		491	(491)
Support services - administration		5,828	(5,828)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	410,000	82,294	327,706
Excess (deficiency) of revenues over expenditures	(410,000)	93,952	503,952
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)	(410,000)	93,952	503,952
Changes in fund balances	(410,000)	93,952	503,952
Fund balances (deficits), beginning of year		230,752	230,752
Fund balances (deficits), end of year	\$ (410,000)	\$ 324,704	\$ 734,704

Community School			Extracurricular Activities Fees Tax Credit		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 691	\$ 691	\$	\$ 5,480	\$ 5,480
	<u>691</u>	<u>691</u>		<u>5,480</u>	<u>5,480</u>
10,000	1,200 278	8,800 (278)	40,000	355	39,645
<u>10,000</u>	<u>1,478</u>	<u>8,522</u>	<u>40,000</u>	<u>355</u>	<u>39,645</u>
<u>(10,000)</u>	<u>(787)</u>	<u>9,213</u>	<u>(40,000)</u>	<u>5,125</u>	<u>45,125</u>
<u>(10,000)</u>	<u>(787)</u>	<u>9,213</u>	<u>(40,000)</u>	<u>5,125</u>	<u>45,125</u>
	5,012	5,012		30,670	30,670
<u>\$ (10,000)</u>	<u>\$ 4,225</u>	<u>\$ 14,225</u>	<u>\$ (40,000)</u>	<u>\$ 35,795</u>	<u>\$ 75,795</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, 2020

	Gifts and Donations		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 24,825	\$ 24,825
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>24,825</u>	<u>24,825</u>
Expenditures:			
Current -			
Instruction		657	(657)
Support services - students and staff		3,953	(3,953)
Support services - administration	54,680	13,201	41,479
Operation and maintenance of plant services		1,148	(1,148)
Student transportation services		2,390	(2,390)
Operation of non-instructional services		3,379	(3,379)
Capital outlay			
Total expenditures	<u>54,680</u>	<u>24,728</u>	<u>29,952</u>
Excess (deficiency) of revenues over expenditures	<u>(54,680)</u>	<u>97</u>	<u>54,777</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(54,680)</u>	<u>97</u>	<u>54,777</u>
Fund balances (deficits), beginning of year		28,002	28,002
Fund balances (deficits), end of year	<u>\$ (54,680)</u>	<u>\$ 28,099</u>	<u>\$ 82,779</u>

Fingerprint			Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 251	\$ 251
				251	251
2,000		2,000			
			50,000	125	49,875
				150	(150)
2,000		2,000	50,000	275	49,725
(2,000)		2,000	(50,000)	(24)	49,976
(2,000)		2,000	(50,000)	(24)	49,976
	1,302	1,302		8,596	8,596
\$ (2,000)	\$ 1,302	\$ 3,302	\$ (50,000)	\$ 8,572	\$ 58,572

(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, 2020

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 91	\$ 91
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		91	91
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)	91	1,591
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(1,500)	91	1,591
Fund balances (deficits), beginning of year		1,404	1,404
Fund balances (deficits), end of year	\$ (1,500)	\$ 1,495	\$ 2,995

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
400		400		3,412	(3,412)
				4,896	(4,896)
			130,000	121,692	8,308
<u>400</u>		<u>400</u>	<u>130,000</u>	<u>130,000</u>	
<u>(400)</u>		<u>400</u>	<u>(130,000)</u>	<u>(130,000)</u>	
				160,467	160,467
				<u>160,467</u>	<u>160,467</u>
<u>(400)</u>		<u>400</u>	<u>(130,000)</u>	<u>30,467</u>	<u>160,467</u>
	395	395		191	191
<u>\$ (400)</u>	<u>\$ 395</u>	<u>\$ 795</u>	<u>\$ (130,000)</u>	<u>\$ 30,658</u>	<u>\$ 160,658</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, 2020

	Intergovernmental Agreements		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 749,186	\$ 749,186
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		749,186	749,186
Expenditures:			
Current -			
Instruction	350,000	324,429	25,571
Support services - students and staff		2,443	(2,443)
Support services - administration	170,000	187,928	(17,928)
Operation and maintenance of plant services	130,000	127,314	2,686
Student transportation services		38,562	(38,562)
Operation of non-instructional services			
Capital outlay		21,250	(21,250)
Total expenditures	650,000	701,926	(51,926)
Excess (deficiency) of revenues over expenditures	(650,000)	47,260	697,260
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(650,000)	47,260	697,260
Fund balances (deficits), beginning of year		164,117	164,117
Fund balances (deficits), end of year	\$ (650,000)	\$ 211,377	\$ 861,377

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1,005,796	\$ 1,005,796
	575,252	575,252
	<u>1,572,437</u>	<u>1,572,437</u>
	<u>3,153,485</u>	<u>3,153,485</u>
2,089,981	1,213,351	876,630
664,895	426,185	238,710
224,680	227,675	(2,995)
315,000	279,854	35,146
	110,467	(110,467)
834,600	656,448	178,152
	31,484	(31,484)
<u>4,129,156</u>	<u>2,945,464</u>	<u>1,183,692</u>
<u>(4,129,156)</u>	<u>208,021</u>	<u>4,337,177</u>
	160,467	160,467
	<u>(160,467)</u>	<u>(160,467)</u>
<u>(4,129,156)</u>	<u>208,021</u>	<u>4,337,177</u>
	845,921	845,921
<u>\$ (4,129,156)</u>	<u>\$ 1,053,942</u>	<u>\$ 5,183,098</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, 2020

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 116,648	\$ 116,648
Property taxes		7,496,756	7,496,756
Federal aid, grants and reimbursements		61,056	61,056
Total revenues		<u>7,674,460</u>	<u>7,674,460</u>
Expenditures:			
Debt service -			
Principal retirement	6,500,000	6,500,000	
Interest and fiscal charges	1,351,668	1,943,404	(591,736)
Total expenditures	<u>7,851,668</u>	<u>8,443,404</u>	<u>(591,736)</u>
Excess (deficiency) of revenues over expenditures	<u>(7,851,668)</u>	<u>(768,944)</u>	<u>7,082,724</u>
Other financing sources (uses):			
Transfers in		291,838	291,838
Total other financing sources (uses)		<u>291,838</u>	<u>291,838</u>
Changes in fund balances	<u>(7,851,668)</u>	<u>(477,106)</u>	<u>7,374,562</u>
Fund balances, beginning of year		5,961,314	5,961,314
Fund balances (deficits), end of year	<u>\$ (7,851,668)</u>	<u>\$ 5,484,208</u>	<u>\$ 13,335,876</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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	Unrestricted Capital Outlay	Adjacent Ways	Totals
<u>ASSETS</u>			
Cash and investments	\$ 696,419	\$ 2,175,302	\$ 2,871,721
Property taxes receivable	8,488		8,488
Total assets	\$ 704,907	\$ 2,175,302	\$ 2,880,209
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 29,048	\$	\$ 29,048
Total liabilities	29,048		29,048
Deferred inflows of resources:			
Unavailable revenues - property taxes	3,774		3,774
Fund balances:			
Restricted	672,085	2,175,302	2,847,387
Total fund balances	672,085	2,175,302	2,847,387
 Total liabilities, deferred inflows of resources and fund balances	 \$ 704,907	 \$ 2,175,302	 \$ 2,880,209

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, 2020

	Unrestricted Capital Outlay	Adjacent Ways	Totals
Revenues:			
Other local	\$ 10,110	\$ 35,284	\$ 45,394
Property taxes	496,242		496,242
Total revenues	<u>506,352</u>	<u>35,284</u>	<u>541,636</u>
Expenditures:			
Capital outlay	282,598		282,598
Total expenditures	<u>282,598</u>		<u>282,598</u>
Changes in fund balances	<u>223,754</u>	<u>35,284</u>	<u>259,038</u>
Fund balances, beginning of year	448,331	2,140,018	2,588,349
Fund balances, end of year	<u>\$ 672,085</u>	<u>\$ 2,175,302</u>	<u>\$ 2,847,387</u>

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, 2020

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 10,110	\$ 10,110
Property taxes		496,242	496,242
Total revenues		506,352	506,352
Expenditures:			
Capital outlay	863,874	282,598	581,276
Total expenditures	863,874	282,598	581,276
Excess (deficiency) of revenues over expenditures	(863,874)	223,754	1,087,628
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(863,874)	223,754	1,087,628
Fund balances, beginning of year		448,331	448,331
Fund balances (deficits), end of year	\$ (863,874)	\$ 672,085	\$ 1,535,959

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 35,284	\$ 35,284	\$	\$ 291,838	\$ 291,838
	<u>35,284</u>	<u>35,284</u>		<u>291,838</u>	<u>291,838</u>
2,100,000		2,100,000	13,396,454	3,825,963	9,570,491
<u>2,100,000</u>		<u>2,100,000</u>	<u>13,396,454</u>	<u>3,825,963</u>	<u>9,570,491</u>
(2,100,000)	35,284	2,135,284	(13,396,454)	(3,534,125)	9,862,329
				(291,838)	(291,838)
				<u>(291,838)</u>	<u>(291,838)</u>
(2,100,000)	35,284	2,135,284	(13,396,454)	(3,825,963)	9,570,491
	2,140,018	2,140,018		13,396,454	13,396,454
<u>\$ (2,100,000)</u>	<u>\$ 2,175,302</u>	<u>\$ 4,275,302</u>	<u>\$ (13,396,454)</u>	<u>\$ 9,570,491</u>	<u>\$ 22,966,945</u>

(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, 2020

	Totals		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 337,232	\$ 337,232
Property taxes		496,242	496,242
Total revenues		<u>833,474</u>	<u>833,474</u>
Expenditures:			
Capital outlay	16,360,328	4,108,561	12,251,767
Total expenditures	<u>16,360,328</u>	<u>4,108,561</u>	<u>12,251,767</u>
Excess (deficiency) of revenues over expenditures	<u>(16,360,328)</u>	<u>(3,275,087)</u>	<u>13,085,241</u>
Other financing sources (uses):			
Transfers out		(291,838)	(291,838)
Total other financing sources (uses)		<u>(291,838)</u>	<u>(291,838)</u>
Changes in fund balances	<u>(16,360,328)</u>	<u>(3,566,925)</u>	<u>12,793,403</u>
Fund balances, beginning of year		15,984,803	15,984,803
Fund balances (deficits), end of year	<u>\$ (16,360,328)</u>	<u>\$ 12,417,878</u>	<u>\$ 28,778,206</u>

AGENCY FUNDS

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

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, 2020**

	<u>Student Activities</u>	<u>Employee Insurance</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 7,218	\$ 187,992	\$ 195,210
Total assets	<u>\$ 7,218</u>	<u>\$ 187,992</u>	<u>\$ 195,210</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 187,992	\$ 187,992
Due to student groups	7,218		7,218
Total liabilities	<u>\$ 7,218</u>	<u>\$ 187,992</u>	<u>\$ 195,210</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 10,873	\$ 13,265	\$ 16,920	\$ 7,218
Total assets	<u>\$ 10,873</u>	<u>\$ 13,265</u>	<u>\$ 16,920</u>	<u>\$ 7,218</u>
<u>Liabilities</u>				
Due to student groups	\$ 10,873	\$ 13,265	\$ 16,920	\$ 7,218
Total liabilities	<u>\$ 10,873</u>	<u>\$ 13,265</u>	<u>\$ 16,920</u>	<u>\$ 7,218</u>
<u>EMPLOYEE INSURANCE FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 196,705	\$ 763,617	\$ 772,330	\$ 187,992
Total assets	<u>\$ 196,705</u>	<u>\$ 763,617</u>	<u>\$ 772,330</u>	<u>\$ 187,992</u>
<u>Liabilities</u>				
Deposits held for others	\$ 196,705	\$ 763,617	\$ 772,330	\$ 187,992
Total liabilities	<u>\$ 196,705</u>	<u>\$ 763,617</u>	<u>\$ 772,330</u>	<u>\$ 187,992</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 207,578	\$ 776,882	\$ 789,250	\$ 195,210
Total assets	<u>\$ 207,578</u>	<u>\$ 776,882</u>	<u>\$ 789,250</u>	<u>\$ 195,210</u>
<u>Liabilities</u>				
Deposits held for others	\$ 196,705	\$ 763,617	\$ 772,330	\$ 187,992
Due to student groups	10,873	13,265	16,920	7,218
Total liabilities	<u>\$ 207,578</u>	<u>\$ 776,882</u>	<u>\$ 789,250</u>	<u>\$ 195,210</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Net investment in capital assets	\$ 32,718,471	\$ 30,512,206	\$ 28,053,174	\$ 26,424,131	\$ 29,792,951
Restricted	9,512,906	9,404,562	8,198,728	582,761	1,114,274
Unrestricted	(3,791,696)	(4,240,138)	(5,270,903)	1,579,870	(3,879,216)
Total net position	\$ 38,439,681	\$ 35,676,630	\$ 30,980,999	\$ 28,586,762	\$ 27,028,009
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 23,908,182	\$ 7,637,073	\$ 26,542,911	\$ 16,771,279	\$ 17,748,653
Restricted	17,123,942	17,833,274	2,169,671	1,917,189	2,901,709
Unrestricted	(15,639,760)	4,633,910	1,090,987	6,472,957	1,238,101
Total net position	\$ 25,392,364	\$ 30,104,257	\$ 29,803,569	\$ 25,161,425	\$ 21,888,463

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Instruction	\$ 6,139,507	\$ 5,635,708	\$ 6,534,080	\$ 6,109,450	\$ 5,463,737
Support services - students and staff	1,399,383	1,107,552	1,236,770	1,705,904	1,332,920
Support services - administration	2,623,210	2,601,354	2,239,810	2,588,092	2,157,932
Operation and maintenance of plant services	1,779,567	1,636,937	1,566,523	1,101,478	1,699,121
Student transportation services	739,859	588,074	520,805	473,915	556,751
Operation of non-instructional services	824,303	755,887	681,242	855,505	606,116
Interest on long-term debt	1,496,457	1,503,558	1,459,267	1,556,906	1,248,883
Total expenses	<u>15,002,286</u>	<u>13,829,070</u>	<u>14,238,497</u>	<u>14,391,250</u>	<u>13,065,460</u>
Program Revenues					
Charges for services:					
Instruction	624,209	308,842	374,896		
Operation of non-instructional services	41,137	48,925	82,875	34,582	25,483
Other activities	296,865	460,316	43,429		
Operating grants and contributions	1,802,872	1,789,381	1,896,229	2,416,853	2,159,654
Capital grants and contributions		110,000			
Total program revenues	<u>2,765,083</u>	<u>2,717,464</u>	<u>2,397,429</u>	<u>2,451,435</u>	<u>2,185,137</u>
Net (Expense)/Revenue	<u>\$ (12,237,203)</u>	<u>\$ (11,111,606)</u>	<u>\$ (11,841,068)</u>	<u>\$ (11,939,815)</u>	<u>\$ (10,880,323)</u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Instruction	\$ 5,653,347	\$ 6,148,377	\$ 4,499,263	\$ 4,165,498	\$ 3,861,321
Support services - students and staff	1,154,461	992,602	954,514	759,752	871,057
Support services - administration	2,119,459	2,120,256	1,719,265	1,521,044	1,478,077
Operation and maintenance of plant services	1,145,606	1,789,702	934,106	2,471,532	815,980
Student transportation services	452,739	593,613	428,555	1,162,238	374,258
Operation of non-instructional services	669,211	673,253	534,053	596,343	508,214
Interest on long-term debt	1,230,103	1,165,043	908,858	1,162,539	1,180,267
Total expenses	<u>12,424,926</u>	<u>13,482,846</u>	<u>9,978,614</u>	<u>11,838,946</u>	<u>9,089,174</u>
Program Revenues					
Charges for services:					
Instruction		7,116	7,017	2,301	890
Operation of non-instructional services	121,210	32,878	23,492	56,446	46,453
Other activities					
Operating grants and contributions	2,367,964	2,302,199	3,203,873	3,495,188	2,250,320
Capital grants and contributions			161,166	67,832	
Total program revenues	<u>2,489,174</u>	<u>2,342,193</u>	<u>3,395,548</u>	<u>3,621,767</u>	<u>2,297,663</u>
Net (Expense)/Revenue	<u>\$ (9,935,752)</u>	<u>\$ (11,140,653)</u>	<u>\$ (6,583,066)</u>	<u>\$ (8,217,179)</u>	<u>\$ (6,791,511)</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				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (Expense)/Revenue	\$ (12,237,203)	\$ (11,111,606)	\$ (11,841,068)	\$ (11,939,815)	\$ (10,880,323)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	5,962,182	5,895,169	5,782,461	5,619,930	5,397,940
Property taxes, levied for debt service	7,499,473	8,407,380	7,406,965	6,262,588	5,725,767
Property taxes, levied for capital outlay	496,943	482,521	477,915	669,941	1,170,402
Investment income	491,939	472,334	135,081	72,365	118,273
Unrestricted state aid	549,717	549,833	530,353	36,897	47,423
Miscellaneous				123,571	56,163
Total general revenues	15,000,254	15,807,237	14,332,775	12,785,292	12,515,968
Changes in Net Position	\$ 2,763,051	\$ 4,695,631	\$ 2,491,707	\$ 845,477	\$ 1,635,645

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (9,935,752)	\$ (11,140,653)	\$ (6,583,066)	\$ (8,217,179)	\$ (6,791,511)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	5,189,673	3,894,848	4,597,544	4,403,375	3,548,219
Property taxes, levied for debt service	5,912,853	5,839,227	6,171,122	5,438,744	3,745,326
Property taxes, levied for capital outlay	570,327	1,190,742	803,975	1,287,167	1,133,556
Investment income	100,612	67,109	29,025	37,652	56,403
Unrestricted state aid	73,796	320,478	38,004	43,207	45,653
Miscellaneous	128,937	202,402	279,996	187,418	187,418
Total general revenues	<u>11,847,261</u>	<u>11,441,341</u>	<u>11,842,072</u>	<u>11,490,141</u>	<u>8,716,575</u>
Changes in Net Position	<u>\$ 1,911,509</u>	<u>\$ 300,688</u>	<u>\$ 5,259,006</u>	<u>\$ 3,272,962</u>	<u>\$ 1,925,064</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Unassigned	\$ 1,854,186	\$ 1,514,372	\$ 1,089,896	\$ 663,705	\$ 461,463
Total General Fund	<u>\$ 1,854,186</u>	<u>\$ 1,514,372</u>	<u>\$ 1,089,896</u>	<u>\$ 663,705</u>	<u>\$ 461,463</u>
All Other Governmental Funds:					
Restricted	\$ 18,960,307	\$ 22,743,056	\$ 15,165,297	\$ 6,581,004	\$ 9,124,940
Unassigned	(290,741)	(160,118)	(213,602)	(14,007)	(21,231)
Total all other governmental funds	<u>\$ 18,669,566</u>	<u>\$ 22,582,938</u>	<u>\$ 14,951,695</u>	<u>\$ 6,566,997</u>	<u>\$ 9,103,709</u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nondisposable	\$	\$	\$	\$	\$
Unassigned	359,146	289,854	1,143,190	669,413	107,679
Total General Fund	<u>\$ 359,146</u>	<u>\$ 289,854</u>	<u>\$ 1,182,706</u>	<u>\$ 705,859</u>	<u>\$ 120,871</u>
All Other Governmental Funds:					
Nondisposable	\$	\$	\$	\$	\$
Restricted	17,187,100	17,833,274	2,615,965	5,421,967	3,633,047
Assigned		21,898			
Unassigned	(83,283)	(83,304)	(46,844)	(77,936)	(81,475)
Total all other governmental funds	<u>\$ 17,103,817</u>	<u>\$ 17,771,868</u>	<u>\$ 2,574,008</u>	<u>\$ 5,349,574</u>	<u>\$ 3,557,085</u>

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

(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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Federal sources:					
Federal grants	\$ 876,326	\$ 1,026,148	\$ 823,635	\$ 1,227,532	\$ 819,596
National School Lunch Program	757,167	770,032	746,686	779,933	702,714
Total federal sources	<u>1,633,493</u>	<u>1,796,180</u>	<u>1,570,321</u>	<u>2,007,465</u>	<u>1,522,310</u>
State sources:					
State equalization assistance	100,315	95,949	95,785	55,112	83,754
State grants	125,850	131,335	80,089	13,704	122,274
Other revenues	449,402	453,884	434,568	362,633	460,282
Total state sources	<u>675,567</u>	<u>681,168</u>	<u>610,442</u>	<u>431,449</u>	<u>666,310</u>
Local sources:					
Property taxes	13,980,391	14,776,839	13,699,075	12,528,073	12,275,288
Food service sales	41,137	48,925	41,927	34,582	25,483
Investment income	491,939	472,334	132,081	72,365	118,273
Other revenues	950,837	710,847	494,490	138,407	74,620
Total local sources	<u>15,464,304</u>	<u>16,008,945</u>	<u>14,367,573</u>	<u>12,773,427</u>	<u>12,493,664</u>
Total revenues	<u><u>\$ 17,773,364</u></u>	<u><u>\$ 18,486,293</u></u>	<u><u>\$ 16,548,336</u></u>	<u><u>\$ 15,212,341</u></u>	<u><u>\$ 14,682,284</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 892,697	\$ 975,378	\$ 1,949,621	\$ 2,258,551	\$ 1,052,703
National School Lunch Program	706,478	693,634	648,573	655,685	577,863
Total federal sources	<u>1,599,175</u>	<u>1,669,012</u>	<u>2,598,194</u>	<u>2,914,236</u>	<u>1,630,566</u>
State sources:					
State equalization assistance	41,861	30,626	38,004	43,207	52,717
State grants	405,515	684,345	324,770	393,257	449,601
Other revenues	339,193	204,473	280,909	187,695	166,054
Total state sources	<u>786,569</u>	<u>919,444</u>	<u>643,683</u>	<u>624,159</u>	<u>668,372</u>
Local sources:					
Property taxes	11,553,894	10,968,804	11,583,789	11,177,511	8,345,803
Food service sales	30,498	27,018	23,492	31,545	30,309
Investment income	100,612	67,109	29,022	37,661	56,406
Other revenues	270,802	206,760	370,588	375,021	204,449
Total local sources	<u>11,955,806</u>	<u>11,269,691</u>	<u>12,006,891</u>	<u>11,621,738</u>	<u>8,636,967</u>
Total revenues	<u>\$ 14,341,550</u>	<u>\$ 13,858,147</u>	<u>\$ 15,248,768</u>	<u>\$ 15,160,133</u>	<u>\$ 10,935,905</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures:					
Current -					
Instruction	\$ 3,731,600	\$ 3,591,303	\$ 3,504,595	\$ 4,277,304	\$ 4,204,669
Support services - students and staff	1,237,705	958,711	994,129	1,582,489	1,211,907
Support services - administration	1,773,928	1,604,288	1,535,156	2,061,245	1,788,074
Operation and maintenance of plant services	1,039,669	1,005,925	1,049,838	793,027	1,498,510
Student transportation services	324,123	338,972	369,817	330,941	415,868
Operation of non-instructional services	656,448	667,686	623,291	827,083	595,796
Capital outlay	4,140,045	2,979,693	8,950,520	5,731,913	17,372,290
Debt service -					
Interest and fiscal charges	1,943,404	1,950,505	1,806,968	1,501,170	1,186,030
Principal retirement	6,500,000	6,320,000	5,880,000	5,485,000	4,515,000
Bond issuance costs		165,244	293,590	74,024	221,450
Total expenditures	<u><u>\$ 21,346,922</u></u>	<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>
Expenditures for capitalized assets	\$ 2,649,111	\$ 1,999,012	\$ 7,491,412	\$ 5,731,913	\$ 17,372,290
Debt service as a percentage of noncapital expenditures	45%	47%	44%	41%	36%

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 4,445,784	\$ 4,921,302	\$ 3,383,221	\$ 2,817,477	\$ 3,022,649
Support services - students and staff	1,083,059	920,359	807,961	604,072	759,910
Support services - administration	1,785,973	1,731,379	2,593,818	1,395,812	1,515,046
Operation and maintenance of plant services	1,002,795	1,708,217	905,867	2,315,550	747,373
Student transportation services	333,946	464,666	599,895	314,637	355,853
Operation of non-instructional services	702,163	599,118	592,197	584,223	503,090
Capital outlay	3,774,612	1,167,603	2,630,323	1,442,779	5,069,194
Debt service -					
Interest and fiscal charges	1,329,042	1,196,627	971,619	1,104,392	1,123,421
Principal retirement	5,250,000	4,665,000	5,065,000	5,230,000	681,666
Bond issuance costs				55,850	275,290
Total expenditures	<u>\$ 19,707,374</u>	<u>\$ 17,374,271</u>	<u>\$ 17,549,901</u>	<u>\$ 15,864,792</u>	<u>\$ 14,053,492</u>
Expenditures for capitalized assets	\$ 3,774,612	\$ 1,167,603	\$ 4,197,324	\$ 563,586	\$ 5,114,353
Debt service as a percentage of noncapital expenditures	41%	36%	45%	41%	20%

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ (3,573,558)	\$ (1,096,034)	\$ (8,459,568)	\$ (7,451,855)	\$ (18,327,310)
Other financing sources (uses):					
General obligation bonds issued		8,035,000	10,235,000	5,075,000	10,200,000
Refunding bonds issued			4,510,000	2,565,000	
Premium on sale of bonds		1,033,092	2,387,115	138,775	229,519
Transfers in	452,305	399,942	364,752	191,923	34,285
Transfers out	(452,305)	(399,942)	(364,752)	(191,923)	(34,285)
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>
Changes in fund balances	<u>\$ (3,573,558)</u>	<u>\$ 8,055,719</u>	<u>\$ 8,672,547</u>	<u>\$ (2,334,470)</u>	<u>\$ (7,897,791)</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (5,365,824)	\$ (3,516,124)	\$ (2,301,133)	\$ (704,659)	\$ (3,117,587)
Other financing sources (uses):					
General obligation bonds issued	4,565,000	17,425,000		3,010,000	
Refunding bonds issued					8,670,000
Premium on sale of bonds	202,065	471,161		48,852	351,860
Discount on sale of bonds					
Transfers in	55,231	239,991	162,989	175,527	142,929
Transfers out	(55,231)	(239,991)	(162,989)	(175,527)	(142,929)
Payment to refunded bond escrow agent					(9,103,735)
Total other financing sources (uses)	<u>4,767,065</u>	<u>17,896,161</u>	<u></u>	<u>3,058,852</u>	<u>(81,875)</u>
Changes in fund balances	<u>\$ (598,759)</u>	<u>\$ 14,380,037</u>	<u>\$ (2,301,133)</u>	<u>\$ 2,354,193</u>	<u>\$ (3,199,462)</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 354,491,201	\$ 342,355,087	\$ 326,829,027	\$ 310,602,700	\$ 309,167,525
Agricultural and Vacant	7,563,806	8,465,695	7,356,922	7,306,935	8,086,810
Residential (Owner Occupied)	10,057,599	9,275,986	8,561,394	8,165,665	7,715,635
Residential (Rental)	6,522,807	5,856,612	5,812,113	5,510,554	5,382,919
Railroad, Private Cars and Airlines	811,325	799,252	861,988	845,643	933,016
Historical Property	<u>3,014,068</u>	<u>4,702,911</u>	<u>4,583,423</u>	<u>4,747,899</u>	<u>4,852,815</u>
Total	<u>\$ 382,460,806</u>	<u>\$ 371,455,543</u>	<u>\$ 354,004,867</u>	<u>\$ 337,179,396</u>	<u>\$ 336,138,720</u>
Gross Full Cash Value	\$ 2,371,345,401	\$ 2,983,257,983	\$ 2,787,618,982	\$ 2,550,233,189	\$ 2,283,339,214
Ratio of Net Limited Assessed Value to Gross Full Cash Value	16%	12%	13%	13%	15%
Total Direct Rate	3.65	3.91	3.83	3.72	3.62

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 311,011,279	\$ 300,827,888	\$ 336,021,643	\$ 367,351,094	\$ 403,709,724
Agricultural and Vacant	8,706,973	8,951,967	9,970,084	10,827,794	12,127,139
Residential (Owner Occupied)	7,481,218	7,149,307	9,405,745	11,603,673	17,553,052
Residential (Rental)	4,978,594	4,259,912	3,235,479	2,631,871	2,788,370
Railroad, Private Cars and Airlines	997,238	908,553	874,989	523,839	528,850
Historical Property	<u>2,927,154</u>	<u>576,168</u>	<u>108,534</u>	<u>266,479</u>	<u>351,633</u>
Total	<u>\$ 336,102,456</u>	<u>\$ 322,673,795</u>	<u>\$ 359,616,474</u>	<u>\$ 393,204,750</u>	<u>\$ 437,058,768</u>
Gross Full Cash Value	\$ 2,031,282,639	\$ 1,829,109,783	\$ 1,970,815,454	\$ 2,192,386,115	\$ 2,572,414,825
Ratio of Net Limited Assessed Value to Gross Full Cash Value	17%	18%	18%	18%	17%
Total Direct Rate	3.32	3.38	3.20	2.76	1.82

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 449,424,271	\$ 428,943,997	\$ 403,528,761	\$ 368,810,609	\$ 340,331,057
Agricultural and Vacant	10,652,064	11,387,327	9,433,869	8,524,917	9,061,286
Residential (Owner Occupied)	17,534,140	16,081,608	13,621,147	12,182,576	10,706,073
Residential (Rental)	11,457,518	10,264,195	9,360,225	8,315,821	7,528,183
Railroad, Private Cars and Airlines	1,007,838	968,461	1,008,794	907,086	951,393
Historical Property	<u>3,976,715</u>	<u>6,082,127</u>	<u>5,851,022</u>	<u>6,146,272</u>	<u>5,274,420</u>
Total	<u>\$ 494,052,546</u>	<u>\$ 473,727,715</u>	<u>\$ 442,803,818</u>	<u>\$ 404,887,281</u>	<u>\$ 373,852,412</u>
Gross Full Cash Value	\$ 2,371,345,401	\$ 2,983,257,983	\$ 2,787,618,982	\$ 2,550,233,189	\$ 2,283,339,214
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	21%	16%	16%	16%	16%
Estimated Net Full Cash Value	2,265,501,207	2,855,203,083	2,662,416,476	2,442,423,671	2,182,387,020
Total Direct Rate	3.65	3.91	3.83	3.72	3.62

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 317,823,003	\$ 302,841,974	\$ 336,951,854	\$ 375,143,771	\$ 451,912,932
Agricultural and Vacant	9,426,233	9,207,770	10,417,085	12,379,375	17,467,141
Residential (Owner Occupied)	8,393,509	7,195,616	9,456,223	11,664,032	17,605,803
Residential (Rental)	5,621,170	4,271,059	3,245,453	2,652,563	2,831,299
Railroad, Private Cars and Airlines	1,006,900	917,403	892,153	585,280	632,505
Historical Property	<u>3,630,816</u>	<u>907,825</u>	<u>434,136</u>	<u>1,065,915</u>	<u>1,476,857</u>
Total	<u>\$ 345,901,631</u>	<u>\$ 325,341,647</u>	<u>\$ 361,396,904</u>	<u>\$ 403,490,936</u>	<u>\$ 491,926,537</u>
Gross Full Cash Value	\$ 2,031,282,639	\$ 1,829,109,783	\$ 1,970,815,454	\$ 2,192,386,115	\$ 2,572,414,825
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	17%	18%	18%	18%	19%
Estimated Net Full Cash Value	1,940,119,629	1,742,148,912	1,890,909,461	2,111,362,101	2,484,004,819
Total Direct Rate	3.32	3.38	3.20	2.76	1.82

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	19 %
Agricultural and Vacant	15	15	15	15	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	14	15

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

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
	2020	0.46	1.40	0.06	0.18	1.33	0.01	0.14	2.13	4.99	1.39	2.26
2019	0.47	1.40	0.06	0.18	1.38	0.01	0.14	2.14	5.20	1.38	2.53	3.91
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	3.62
2015	0.51	1.32	0.06	0.14	1.52	0.01	0.14	1.82	4.62	1.38	1.95	3.32
2014	0.51	1.28	0.04	0.14	1.53	0.01	0.14	1.82	4.82	1.33	2.04	3.38
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	2.76
2011	0.36	1.05	0.04	0.15	0.97	0.01	0.10	1.82	3.25	0.88	0.95	1.82

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**

Taxpayer	2019		2011	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Arizona Public Service Company	\$ 69,584,891	18.19 %	\$ 67,256,321	15.39 %
Southwest Gas Company	43,449,329	11.36	61,172,079	14.00
Western C Reit AZ LLC	8,942,634	2.34		
Prologis LP	5,827,640	1.52		
Amazon.com.AZDC KKC	5,744,191	1.50		
Kinder Morgan Energy Partners LP	5,339,749	1.40		
Generation 3 Investments I LLC	5,081,154	1.33	7,307,406	1.67
Dawson Logistics Assets LLC	5,008,466	1.31		
Le Clerc Foods Nutrition Arizona LLC	4,153,960	1.09		
Icon Owner Pool 1 West/Southwest LLC	3,874,519	1.01		
KT Riverside 1 LLC			9,017,130	2.06
Lincoln National Life Insurance Company			6,972,966	1.60
Miref Riverside LLC			6,300,000	1.44
Phoenix Property Partners LLC			6,123,841	1.40
Smith Food & Drug Centers			5,397,161	1.23
USF PropCo I LLC			5,071,397	1.16
KT Riverside LLC			4,956,000	1.13
Total	<u>\$ 157,006,533</u>	<u>41.05 %</u>	<u>\$ 179,574,301</u>	<u>41.08 %</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.

Note: The most recent available principal property taxpayer information is 2019.

**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
2020	\$ 14,141,862	\$ 13,870,900	98.08 %	\$	\$ 13,870,900	98.08 %
2019	14,605,208	14,442,442	98.89	156,379	14,447,906	98.92
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

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	
2020	\$ 45,802,036	\$ 5,603,524	\$ 40,198,512	1.70 %	\$ 5,453	\$ 45,802,036	1.93 %	\$ 6,213	0.02 %	
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	

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, 2020**

Governmental Unit	Debt Outstanding	Net Full Cash Assessed Value	Net Limited Assessed Value	Estimated Percentage Applicable to School District	Estimated Amount Applicable to School District
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	337,656,000	51,944,549,119	40,423,232,423	0.92	3,106,435
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	459,125,000	51,944,549,119	40,423,232,423	0.92	4,223,950
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	1,071,685,000	16,665,875,180	12,399,776,105	3.01	32,257,719
Phoenix Union High School District No. 210	470,310,260	7,001,735,308	4,965,898,777	7.51	35,320,301
Subtotal, Overlapping Debt					<u>74,908,405</u>
Direct:					
Riverside Elementary School District No. 2					<u>45,802,036</u>
Total Direct and Overlapping Governmental Activities Debt					<u>\$ 120,710,441</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	10.51	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 15,614	
As a Percentage of Net Limited Assessed Valuation	30.10	%
As a Percentage of Gross Full Cash Value	4.85	%

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, 2019 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
2020	\$ 494,052,546	\$ 7,001,735,308	\$16,665,875,180	\$ 51,944,549,119	\$ 76,437,036,352
2019	473,727,715	5,650,995,865	14,008,918,676	44,850,741,762	67,264,430,756
2018	442,803,818	5,088,747,539	10,982,150,871	36,135,494,474	56,589,592,481
2017	404,887,281	4,372,062,126	12,783,575,022	41,124,639,380	54,841,866,009
2016	373,852,412	4,573,470,147	10,818,634,186	35,079,646,593	55,349,948,120
2015	345,901,631	5,325,305,098	10,849,743,656	34,400,455,716	56,271,814,583
2014	325,341,647	7,071,398,209	12,343,773,555	38,760,296,714	61,700,292,915
2013	361,396,904	8,292,780,584	16,092,308,323	49,707,952,123	75,643,290,656
2012	403,490,936	8,147,303,545	18,861,238,355	57,984,051,718	86,538,111,171
2011	491,926,537	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 2020:

Net full cash assessed valuation	\$ 494,052,546
Debt limit (10% of assessed value)	49,405,255
Debt applicable to limit	<u>41,051,712</u>
Legal debt margin	<u>\$ 8,353,543</u>

Total Legal Debt Margin Calculation for Fiscal Year 2020:

Net full cash assessed valuation	\$ 494,052,546
Debt limit (15% of assessed value)	74,107,882
Debt applicable to limit	<u>41,051,712</u>
Legal debt margin	<u>\$ 33,056,170</u>

Fiscal Year Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 74,107,882	\$ 71,059,157	\$ 66,420,573	\$ 60,733,092	\$ 56,077,862
Total net debt applicable to limit	<u>41,051,712</u>	<u>47,371,712</u>	<u>44,275,964</u>	<u>37,940,000</u>	<u>37,380,000</u>
Legal debt margin	<u>\$ 33,056,170</u>	<u>\$ 23,687,445</u>	<u>\$ 22,144,609</u>	<u>\$ 22,793,092</u>	<u>\$ 18,697,862</u>
Total net debt applicable to the limit as a percentage of debt limit	55%	67%	67%	62%	67%

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 51,885,245	\$ 48,801,247	\$ 54,209,536	\$ 60,523,640	\$ 73,788,981
Total net debt applicable to limit	<u>32,430,000</u>	<u>32,530,000</u>	<u>15,105,000</u>	<u>20,170,000</u>	<u>22,390,000</u>
Legal debt margin	<u>\$ 19,455,245</u>	<u>\$ 16,271,247</u>	<u>\$ 39,104,536</u>	<u>\$ 40,353,640</u>	<u>\$ 51,398,981</u>
Total net debt applicable to the limit as a percentage of debt limit	63%	67%	28%	33%	30%

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

- Notes:**
- 1) The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds 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 and 2020 limits 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>
2019	4,367,835	\$ 222,943,072	\$ 49,704	3.6 %	7,372
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

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 for 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019, 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>2020</u>		<u>2011</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</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	3
Total supervisory	<u>12</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>11</u>
Instruction					
Teachers	46	45	45	48	44
Other professionals (instructional)	2				
Aides	14	15	14	14	13
Total instruction	<u>62</u>	<u>60</u>	<u>59</u>	<u>62</u>	<u>57</u>
Student Services					
Nurses	2	2	2	2	2
Technicians	3	2			
Total student services	<u>7</u>	<u>4</u>	<u>2</u>	<u>2</u>	<u>2</u>
Support and Administration					
Clerical workers	13	13	13	13	12
Maintenance workers	6	6	6	6	5
Bus Drivers	6	6	4	5	5
Food Service workers	9	9	8	8	7
Other classified	2	2	2	2	2
Total support and administration	<u>36</u>	<u>36</u>	<u>33</u>	<u>34</u>	<u>31</u>
Total	<u><u>117</u></u>	<u><u>111</u></u>	<u><u>105</u></u>	<u><u>109</u></u>	<u><u>101</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	1	1	1	1	1
Consultants/supervisors of instruction	6	6	6	5	6
Principals	2	2	2	2	2
Total supervisory	<u>10</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>10</u>
Instruction					
Teachers	48	43	43	39	41
Other professionals (instructional)				1	1
Aides	13	12	12	10	12
Total instruction	<u>61</u>	<u>55</u>	<u>55</u>	<u>50</u>	<u>54</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	11	10	8	9
Maintenance workers	5	4	4	4	4
Bus Drivers	5	4	4	4	5
Food Service workers	7	7	7	6	6
Other classified	2	2	2	2	2
Total support and administration	<u>30</u>	<u>28</u>	<u>27</u>	<u>24</u>	<u>26</u>
Total	<u><u>103</u></u>	<u><u>95</u></u>	<u><u>94</u></u>	<u><u>85</u></u>	<u><u>92</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
2020	811	\$ 8,763,473	\$ 10,803	8.33 %	\$ 15,002,286	\$ 18,494	9.52 %	46	17.6	72.0 %
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

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>2020</u>	<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>Schools</u>										
Elementary										
Buildings	10	10	10	10	10	10	10	7	7	7
Square feet	90,756	90,756	90,756	90,756	90,756	90,756	90,756	71,856	71,856	71,856
Capacity	660	660	660	660	660	660	660	660	660	660
Enrollment	526	512	483	535	522	518	520	480	441	408
Middle										
Buildings	2	2	2	2	2	2	2	1	1	1
Square feet	89,112	89,112	89,112	89,112	89,112	89,112	89,112	76,260	76,260	76,260
Capacity	528	528	528	528	528	528	528	528	528	528
Enrollment	414	400	419	404	384	411	374	352	360	342
Junior High										
Buildings	1	1	1	1						
Square feet	61,656	61,656	61,656	61,656						
Capacity	702	702	702	702						
Enrollment	33	34	29	29						
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	2	2	2
Square feet	12,541	12,541	12,541	12,541	12,541	12,541	12,541	8,221	8,221	8,221
<u>Transportation</u>										
Garages	2	2	2	2	2	2	2	2	2	1
Buses	13	13	14	12	12	11	11	9	8	7
<u>Athletics</u>										
Football fields	1	1	1	1	1	1				
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1				
Baseball/softball	2	2	2	2	2	2	2	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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