
**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
PHOENIX, ARIZONA**

**ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30,2022**



**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
PHOENIX, ARIZONA**

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

Issued by:
Business and Finance Department

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Governing Board
Riverside Elementary School District No. 2
Phoenix, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside Elementary School District No.2 (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside Elementary School District No.2, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, and budgetary comparison information, as listed within the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor 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 nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information includes the statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2023 on our consideration of the District'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 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 the District's internal control over financial reporting and compliance.

Scottsdale, Arizona
January 16, 2023

REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2 MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2022

As management of the Riverside Elementary School District No. 2 (District), we offer the 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, 2022.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,811,839 (net position). The District's total net position increased by \$5,429,649.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$11,225,949, a decrease of \$1,391,409 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,313,562, or 84% of total General Fund expenditures.
- The District's net capital assets decreased \$357,918 as depreciation exceeded new capital acquisitions during the current year.
- The District's long-term liabilities decreased \$7,768,378 or 18% due to current year principal payments on the District's bonds.

OVERVIEW OF THE 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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic 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 statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes to 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 vacation leave).

The government-wide financial statements distinguish functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District are for public education.

The government-wide financial statements can be found immediately following this MD&A.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District are classified as governmental funds.

Governmental Funds – Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government'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 government'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.

The District maintains ten individual governmental funds. 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 Fund, Special Projects Fund, Bond Building Fund, and Debt Service Fund the four of which are considered to be major funds. Data from the other six governmental funds are combined into a single aggregated presentation.

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds. Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. The expenditure budget can be revised annually, per Arizona Revised Statutes. The District also maintains an encumbrance accounting system as one technique of maintaining budgetary control. Encumbered amounts lapse at year-end. An annual budget of revenue from all sources is not prepared.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The basic governmental fund financial statements can be found on pages 13 - 16 of this report.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Notes to Basic Financial Statements

The notes to basic financial statements 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 basic financial statements can be found on pages 17 - 33 of this report.

Required Supplementary Information Other than MD&A

The District reports a multi-year schedule of the District's proportionate share of net pension liability and contributions to its cost-sharing pension plan on page 34.

Governments have the option of reporting the General Fund and major special revenue budgetary statements as part of the basic financial statements or as required supplementary information (RSI) other than the MD&A. The District has elected to present the General Fund and Special Projects Fund budgetary comparison schedules as RSI other than the MD&A which can be found starting on page 35 of this report. Notes to the RSI are presented after the budgetary comparison schedules on page 37.

Supplementary information

The combining statements in connection with nonmajor governmental funds are presented immediately following the required supplementary information other than the MD&A. Combining and individual fund statements and schedules can be found on pages 38 - 48 of this report.

Other Information

The statistical section includes selected financial, revenue, debt, and demographic information, generally presented on a multi-year basis. The statistical section can be found on pages 49 - 71 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,811,839 at the close of the most recent fiscal year.

A summary of the District's statement of net position is presented below:

	Governmental Activities		
	2022	2021	Net Change
ASSETS AND DEFERRED OUTFLOWS			
Current and other assets	\$ 20,185,731	\$ 21,687,078	\$ (1,501,347)
Capital assets	75,735,877	76,093,795	(357,918)
Deferred outflows	2,444,868	2,102,072	342,796
Total Assets and Deferred Outflows	98,366,476	99,882,945	(1,516,469)
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities	8,841,434	8,810,342	31,092
Long-term liabilities	42,505,109	51,569,017	(9,063,908)
Deferred inflows	2,208,094	121,396	2,086,698
Total Liabilities and Deferred Inflows	53,554,637	60,500,755	(6,946,118)
NET POSITION			
Net investment in capital assets	43,980,872	40,263,576	3,717,296
Restricted	5,896,879	8,386,105	(2,489,226)
Unrestricted	(5,065,912)	(9,267,491)	4,201,579
Total Net Position	\$ 44,811,839	\$ 39,382,190	\$ 5,429,649

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Government-Wide Financial Analysis (Continued)

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, improvements, vehicles, equipment and furniture), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related 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. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District was able to report positive balances in the net investment in capital assets and restricted net position. The District reported a negative balance in unrestricted net position due to the District's reporting of its proportionate share of the net pension liability for its cost-sharing pension plan required under Governmental Accounting Standards Board (GASB) Statement No. 68. Additional information on the District's net pension liability can be found in Note 10 of this report.

Overall, net position increased \$5,429,649 or 14%. Key elements of this increase are indicated as follows:

	Governmental Activities		
	2022	2021	Net Change
REVENUES			
Program revenues:			
Charges for services	\$ 434,103	\$ 320,258	\$ 113,845
Operating grants and contributions	4,270,438	3,395,323	875,115
General revenues:			
Property taxes	14,535,335	14,392,073	143,262
Additional state aid	112,933	119,538	(6,605)
Interest and other	641,678	1,111,485	(469,807)
Total Revenues	19,994,487	19,338,677	655,810
EXPENSES			
Instruction	5,697,539	8,222,041	(2,524,502)
Support Services:			
Students and instructional staff	1,655,937	1,625,773	30,164
General and school administration	1,066,847	1,487,869	(421,022)
Business and other support services	1,827,789	2,647,084	(819,295)
Operation and maintenance of plant	1,686,961	2,087,316	(400,355)
Operation of noninstructional services	837,481	647,401	190,080
Student transportation	731,092	467,134	263,958
Interest on long-term debt	1,061,192	1,406,760	(345,568)
Total Expenses	14,564,838	18,591,378	(4,026,540)
Change in net position	5,429,649	747,299	4,682,350
Net Position - Beginning	39,382,190	38,634,891	747,299
Net Position - Ending	\$ 44,811,839	\$ 39,382,190	\$ 5,429,649

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

The District reported an increase in charges for services of \$113,845 (36%). This increase was mainly due to increases in Civic Center revenue from rental revenue.

Operating grants and contributions increased \$875,115 (26%) due to increases in federal funding for COVID-19 related grants and funds granted through the department of education.

The District experienced an increase in property tax revenue of \$143,262 as a result of an increase in property values.

Additional state aid decreased \$6,605 (6%) due to decreases in the state's budget formula.

Interest and other revenue decreased \$345,568 due to decreased interest revenue received and other miscellaneous revenues received from the Maricopa Institute of Technology charter school.

The District incurred a 22% decrease in expenses in the current year. The District's mission is to provide an appropriate and outstanding educational experience for every student served within budget constraints. The decrease was mainly due to decrease in salaries and related benefits, technology purchases, textbooks, personal protective equipment (PPE), and other technical services received.

FINANCIAL ANALYSIS OF THE GOVERNMENTAL 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 a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$11,225,949, a decrease of \$1,391,409 in comparison with the prior year. Approximately 47% of this total amount (\$5,313,562) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance is restricted to indicate that it is not available for new spending.

Fund balances as of June 30, 2022, and the changes in fund balances from prior year are summarized below:

	Balance	Increase (Decrease) From 2020-21
GOVERNMENTAL FUND		
General Fund	\$ 5,329,070	\$ 1,097,817
Special Projects Fund	454,969	288,987
Bond Building Fund	2,575,661	(2,916,248)
Debt Service Fund	443,374	(508,926)
Nonmajor Governmental Funds	2,422,875	646,961

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

The General Fund continues to experience a positive net change in fund balance. For the fiscal year ended June 30, 2022 the General Fund had an increase in fund balance of \$1,097,817. This increase is due to continued conservative spending practices, decreases in salaries and related benefits, technology expenditures, textbook, and other supplies. More information on what individual funds are grouped into the General Fund can be found in Note 1.

The \$288,987 increase in the Special Projects Fund was due to current year grant funding that will be used for subsequent year expenditures.

The \$2,916,248 decrease in the Bond Building Fund was due to the District continuing to spend its bond proceeds on capital projects.

The \$508,926 decrease in the Debt Service Fund was due to regularly scheduled principal and interest payments exceeding revenues.

The increase of \$646,961 in the Nonmajor Governmental Funds was mainly due to increase in food service reimbursement, classroom site funding, and food sales.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget totaled \$641,269. In Arizona, school districts build their original "adopted" budget based on a projection of the coming fiscal year's 100th day average daily attendance. In May, the District is allowed to increase or decrease its budget for differences between expected and actual student growth. The \$641,269 increase was allocated among various line items, mostly support services – central services, operations and maintenance of plant, and support services – instructional staff. Budgetary basis General Fund expenditures were \$1,283,426 less than budget during the fiscal year. Budgetary basis expenditures were within 19% of budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$75,735,877 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, vehicles, furniture, and equipment. The net decrease in the District's investment in capital assets for the current year is due to depreciation expense exceeding capital acquisitions.

Major capital asset events during the current fiscal year included the following projects:

- Construction of the athletic fields
- Landscaping improvements
- Buses and other district vehicles
- New phone and intercom systems

Additional information on the District's capital assets can be found in Note 5 of this report.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Capital asset activity as of June 30, 2022 is summarized below:

	Governmental Activities		
	2022	2021	Net Change
CAPITAL ASSETS			
Land	\$ 6,200,114	\$ 6,200,114	\$ -
Construction in progress	16,017,230	14,407,955	1,609,275
Land improvements	5,833,262	5,934,225	(100,963)
Buildings & improvements	44,913,124	46,429,462	(1,516,338)
Vehicles, equipment, and furniture	2,772,147	3,122,039	(349,892)
Total Capital Assets	\$ 75,735,877	\$ 76,093,795	\$ (357,918)

Long-Term Debt

At end of the current fiscal year, the District’s debt included compensated absences, bonds payable and the net pension liability. Compensated absences decreased \$233,896 during the current year due to paid and consulting leave payouts. Bonds payable decreased due to scheduled principal payments. The net pension liability decreased \$1,295,530 due to factors as explained in Note 10 of this report.

	Governmental Activities		
	2022	2021	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	\$ 30,855,000	\$ 37,750,000	\$ (6,895,000)
Unamortized premium	3,995,505	4,634,987	(639,482)
Compensated absences	685,384	919,280	(233,896)
Total Long-term Liabilities	\$ 35,535,889	\$ 43,304,267	\$ (7,768,378)

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 \$89.4 million and the Class B debt limit is \$59.6 million, which are more than the District’s total outstanding general obligation and Class B debt, respectively. Further information on the District’s outstanding bonds can be found in Note 9.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

- Economy inflation increases and supply chain shortages.
- Student enrollment increases due to new residential developments located within the vicinities of Kings Ridge Preparatory Academy and Maricopa Institute of Technology.
- Certified and classified staff salaries and benefits increase for retention and staff shortages.

The above factors were considered in preparing the District’s budget for the 2022-23 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, 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. More information on the District can be found at resdonline.org.

BASIC FINANCIAL STATEMENTS

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS	
Cash and investments	\$ 18,850,729
Property taxes receivable	166,203
Intergovernmental receivable	969,681
Accounts receivable	159,864
Deposits	23,746
Inventory	15,508
Capital assets, not depreciated	22,217,344
Capital assets, net of accumulated depreciation	53,518,533
Total Assets	<u>95,921,608</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>2,444,868</u>
LIABILITIES	
Accounts payable	623,266
Accrued wages and benefits	473,755
Matured principal payable	6,895,000
Interest payable	849,413
Long-term liabilities:	
Due within one year	5,131,579
Due in more than one year	30,404,310
Net pension liability	6,969,220
Total Liabilities	<u>51,346,543</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>2,208,094</u>
NET POSITION	
Investment in capital assets	43,980,872
Restricted:	
Teacher compensation and other qualified programs (A.R.S 15-977)	235,634
Instructional improvement programs	53,326
Federal and state instructional programs	454,969
Food service	431,525
Civic center	704,879
Community programs	3,135
Extracurricular activities	41,628
Student activities	6,883
Capital projects	3,521,526
Debt service	443,374
Unrestricted	(5,065,912)
Total Net Position	<u>\$ 44,811,839</u>

See accompanying Notes to the Basic Financial Statements

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Function/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Primary Government:					
Governmental Activities:					
Instruction	\$ 5,697,539	\$ 382,382	\$ 1,891,984	\$ -	\$ (3,423,173)
Support services:					
Students	683,453	2,587	183,499	-	(497,367)
Instructional staff	972,484	-	339,000	-	(633,484)
General administration	654,882	-	115,181	-	(539,701)
School administration	411,965	-	23,234	-	(388,731)
Business and other support services	1,827,789	2,798	172,086	-	(1,652,905)
Operation and maintenance of plant	1,686,961	12,268	174,569	-	(1,500,124)
Student transportation	731,092	-	224,932	-	(506,160)
Operation of noninstructional services	837,481	34,068	1,145,953	-	342,540
Interest on long-term debt	1,061,192	-	-	-	(1,061,192)
Total	\$ 14,564,838	\$ 434,103	\$ 4,270,438	\$ -	\$ (9,860,297)
General revenues:					
Property taxes					14,535,335
Grants and contributions not restricted to specific programs:					
State equalization and additional state aid					112,933
Investment earnings					131,199
Other					510,479
Total general revenues					15,289,946
Change in net position					5,429,649
Net position - beginning					39,382,190
Net position - ending					\$ 44,811,839

See accompanying Notes to the Basic Financial Statements

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Special Projects Fund	Bond Building Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 5,049,166	\$ -	\$ 3,095,500	\$ 417,100	\$ 2,544,550	\$ 11,106,316
Restricted cash	-	-	-	7,744,413	-	7,744,413
Receivables:						
Property taxes	106,477	-	-	59,726	-	166,203
Intergovernmental	-	962,621	-	-	7,060	969,681
Accounts receivable	39,330	-	55,555	-	64,979	159,864
Deposits	-	-	-	-	23,746	23,746
Due from other funds	487,490	-	-	-	-	487,490
Inventory	15,508	-	-	-	-	15,508
Total Assets	\$ 5,697,971	\$ 962,621	\$ 3,151,055	\$ 8,221,239	\$ 2,640,335	\$ 20,673,221
LIABILITIES						
Accounts payable	\$ 67,345	\$ 391	\$ 555,423	\$ -	\$ 107	\$ 623,266
Accrued wages	216,660	19,771	19,971	-	217,353	473,755
Due to other funds	-	487,490	-	-	-	487,490
Bonds payable	-	-	-	6,895,000	-	6,895,000
Interest payable	-	-	-	849,413	-	849,413
Total Liabilities	284,005	507,652	575,394	7,744,413	217,460	9,328,924
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	84,896	-	-	33,452	-	118,348
FUND BALANCES						
Nonspendable	15,508	-	-	-	-	15,508
Restricted	-	454,969	2,575,661	443,374	2,422,875	5,896,879
Unassigned	5,313,562	-	-	-	-	5,313,562
Total Fund Balances	5,329,070	454,969	2,575,661	443,374	2,422,875	11,225,949
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 5,697,971	\$ 962,621	\$ 3,151,055	\$ 8,221,239	\$ 2,640,335	\$ 20,673,221

See accompanying Notes to the Basic Financial Statements

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Total Fund Balance - Governmental Funds \$ 11,225,949

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	109,842,569	
Accumulated depreciation	<u>(34,106,692)</u>	75,735,877

Property tax revenue not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources in the governmental funds: 118,348

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported.

Long-term liabilities relating to governmental activities consist of:

General obligation bonds payable	(30,855,000)	
Premium on general obligation bonds	(3,995,505)	
Net pension liability	(6,969,220)	
Compensated absences	<u>(685,384)</u>	(42,505,109)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows of resources relating to pensions:	2,444,868	
Deferred inflows of resources relating to pensions:	<u>(2,208,094)</u>	236,774

Total Net Position - Governmental Activities \$ 44,811,839

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	Special Projects Fund	Bond Building Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 6,544,301	\$ -	\$ -	\$ 8,002,756	\$ 4	\$ 14,547,061
Intergovernmental	112,933	2,598,727	-	-	1,743,379	4,455,039
Tuition	5,817	-	-	-	-	5,817
Food Services Sales	-	-	-	-	21,688	21,688
Auxiliary operations	150	-	-	-	6,950	7,100
Student activities	-	-	-	-	5,280	5,280
Contributions and donations	28,332	-	-	-	-	28,332
Investment earnings	25,263	2,644	-	83,992	19,300	131,199
Other	364,325	-	55,555	-	394,268	814,148
Total Revenues	7,081,121	2,601,371	55,555	8,086,748	2,190,869	20,015,664
EXPENDITURES						
Current						
Instruction	2,013,459	1,114,536	132,514	-	593,767	3,854,276
Support services:						
Students	413,216	150,882	-	-	795	564,893
Instructional staff	460,285	277,836	190,120	-	4,675	932,916
General administration	350,664	96,062	-	-	-	446,726
School administration	368,529	19,377	-	-	-	387,906
Business and other support services	1,343,620	141,188	901,631	-	860	2,387,299
Operations and maintenance of plant	1,033,881	135,360	29,361	-	3,770	1,202,372
Student transportation	236,594	187,595	217,909	-	-	642,098
Operations of noninstructional services	24,149	44,524	-	-	823,363	892,036
Debt service:						
Principal	-	-	-	6,895,000	-	6,895,000
Interest and fiscal charges	-	-	-	1,698,825	-	1,698,825
Other debt-related costs	-	-	-	1,849	-	1,849
Capital outlay:						
Facilities acquisition	87,506	-	1,500,268	-	3,652	1,591,426
Total Expenditures	6,331,903	2,167,360	2,971,803	8,595,674	1,430,882	21,497,622
Excess (Deficiency) of Revenues						
Over Expenditures	749,218	434,011	(2,916,248)	(508,926)	759,987	(1,481,958)
Other Financing Sources (Uses)						
Transfers in	258,050	-	-	-	-	258,050
Transfers out	-	(145,024)	-	-	(113,026)	(258,050)
Insurance recoveries	90,549	-	-	-	-	90,549
Net Financing Sources (Uses)	348,599	(145,024)	-	-	(113,026)	90,549
NET CHANGE IN FUND BALANCE	1,097,817	288,987	(2,916,248)	(508,926)	646,961	(1,391,409)
Fund Balance - Beginning	4,260,557	165,982	5,491,909	952,300	1,775,914	12,646,662
Increase/(decrease) in inventories	(29,304)	-	-	-	-	(29,304)
Fund Balance - Ending	\$ 5,329,070	\$ 454,969	\$ 2,575,661	\$ 443,374	\$ 2,422,875	\$ 11,225,949

See accompanying Notes to the Basic Financial Statements

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Net Change in Fund Balances - Governmental Funds \$ (1,391,409)

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense.

	Expenditures for capital outlay: \$	3,086,257		
	Depreciation expense:	<u>(3,407,132)</u>		(320,875)

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. (37,043)

Some revenues reported in the governmental funds that did not provide current financial resources in prior years have been recognized previously in the statement of activities and therefore are not reported as revenues in the statement of activities.

	Property taxes			(11,726)
	Intergovernmental revenues			(100,000)

Governmental funds report pension contributions as expenditures when made. However, in the statement of activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions.

	Pension contributions			636,218
	Pension expense			(1,084,590)

The issuance of long-term debt (e.g. bonds, financed purchases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position.

	Principal payment on general obligation bonds			6,895,000
	Amortization of deferred bond items			639,482

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 the governmental funds.

	Net decrease (increase) in compensated absences			233,896
	Change in inventories balances			(29,304)

Change in Net Position of Governmental Activities \$ 5,429,649

NOTES TO BASIC FINANCIAL STATEMENTS

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying 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 applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

Reporting Entity

The District is a special-purpose government that a separately elected governing body governs. It is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements present only the funds of those organizational entities for which its elected governing board is financially accountable.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District had no business-type activities during the fiscal year.

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 and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 provider have been met.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of long-term principal and interest due early in the following year (within one month), the expenditures and related liabilities have been recognized in the Debt Service Fund.

Property taxes, intergovernmental grants and aid, tuition, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

Major Governmental Funds

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. For budget purposes, it is described as the Maintenance and Operation Fund by Arizona Revised Statutes (A.R.S.) and is budgeted within four subsections titled regular education programs, special education programs, pupil transportation, and K-3 reading program.

Within the governmental fund financial statements, the General Fund includes the following individual funds: Maintenance and Operations (001), Medicaid (290), School Plant (506), Gifts and Donations (530), Insurance Proceeds (550), Indirect Cost (570), Unemployment Insurance (575), Unrestricted Capital Outlay (610), and Enterprise Funds (900's).

The *Special Projects Fund* accounts for the revenues and expenditures of state and federally funded projects.

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.

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

Assets, Deferred Outflows of resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

Arizona Revised Statutes (A.R.S.) requires the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash in the Debt Service and Bond Building Funds, which are invested separately. As required by statute, interest earned by the Bond Building Fund is recorded in the Debt Service Fund.

A.R.S. authorize the District to invest public monies in the State and County Treasurer's investment pools; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories. Statute authorizes the District to deposit monies of Auxiliary Operations and Student Activities 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 withholding accounts for taxes, employee insurance programs, and federal savings bonds. Some of these bank accounts may be interest bearing.

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of monies at 102% of all deposits not covered by federal depository insurance.

The State Board of Investments provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

Property Taxes Receivables

The Maricopa 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. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

The District does not report a reserve for uncollectible property taxes as they are considered 100 percent collectible due to the County attaching a lien against all amounts past due as noted above.

Intergovernmental Receivable

Intergovernmental receivables are comprised of federal grants (\$969,681).

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

Inventories

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed and inventories of governmental activities are recorded as expense when consumed.

Short-Term Interfund Receivables and Payables

During the course of operations, individual funds within the District's pooled cash accounts may borrow money from other funds within the pool on a short-term basis. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements.

Deposits

Deposits in the amount of \$23,746 represents cash deposits with Mohave Educational Services in the food service cooperative.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Asset Class	Years
Land improvements	5-50 years
Building and improvements	5-50 years
Vehicles, equipment, furniture	5-15 years

Deferred Outflows of Resources

The District recognizes the liquidation of net position that is applicable to a future reporting period in the government-wide financial statements as deferred outflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for pensions under GASB 68.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Pension Plans

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

Deferred Inflows of Resources

The deferred inflows of resources reported in the governmental fund financial statements represent resources that are not available to the District as of June 30, 2022 or within 60 days of fiscal year-end. These deferred inflows of resources represent a reconciling item between the governmental fund financial statements and the government-wide financial statements.

The District also recognizes the acquisition of net position that is applicable to a future reporting period as deferred inflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for pensions/OPEB under GASB 68 and GASB 75.

Net Position

In the government-wide financial statements, net position is reported in three categories: investment in capital assets; restricted net position; and unrestricted net position. The investment in capital assets is separately reported because the District's capital assets make up a significant portion of total net position. Restricted net position account for the portion of net position restricted by parties outside the District. Unrestricted net position is the remaining net position not included in the previous two categories.

Fund Balance

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, committed, assigned, and unassigned fund balance classifications.

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

Fund Balance (Continued)

Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations. The committed fund balances are self-imposed limitations approved by the District’s Governing Board, which is the highest level of decision-making authority within the District. Only the District Governing Board can remove or change the constraints placed on committed fund balances through formal board action at a public meeting. Fund balances must be committed prior to fiscal year-end. Assigned fund balances are resources constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed. The District’s Governing Board has not authorized any management officials to make assignments of resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

The District has not adopted a spending priority policy. When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, in accordance with GASB 54, the District uses restricted fund balance first. For the disbursement of unrestricted fund balances, the District follows the spending policy described in GASB 54 to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

The District has classified its fund balances as follows:

	General Fund	Special Projects Fund	Bond Building Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Activities
Nonspendable						
Inventory	\$ 15,508	\$ -	\$ -	\$ -	\$ -	\$ 15,508
Total nonspendable	15,508	-	-	-	-	15,508
Restricted						
Teacher compensation and other qualified programs (A.R.S. 15-977)	-	-	-	-	235,634	235,634
Instructional improvement programs	-	-	-	-	53,326	53,326
Federal and state instructional programs	-	454,969	-	-	-	454,969
Food service	-	-	-	-	431,525	431,525
Civic center	-	-	-	-	704,879	704,879
Community programs	-	-	-	-	3,135	3,135
Extracurricular activities	-	-	-	-	41,628	41,628
Student activities	-	-	-	-	6,883	6,883
Capital projects	-	-	2,575,661	-	945,865	3,521,526
Debt service	-	-	-	443,374	-	443,374
Total restricted	-	454,969	2,575,661	443,374	2,422,875	5,896,879
Unassigned	5,313,562	-	-	-	-	5,313,562
Total	\$ 5,329,070	\$ 454,969	\$ 2,575,661	\$ 443,374	\$ 2,422,875	\$ 11,225,949

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The District adopts an annual operating budget for expenditures for all governmental fund types on essentially the same modified accrual basis of accounting used to record actual expenditures (See Notes to Required Supplementary Information for exceptions). The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted the budget can be increased or decreased only for specific reasons set forth in the A.R.S. All appropriations lapse at year-end.

Budgetary control over expenditures is exercised at the fund level. However, the General Fund is budgeted within four subsections (see preceding description of General Fund), any of which may be over-expended with the prior approval of the Governing Board at a public meeting, providing the expenditures for all subsections do not exceed the General Fund’s total budget.

An annual budget of revenue from all sources for the fiscal year is not prepared.

The following funds exceeded the final revised budget:

	Expenditures and Other Uses		
	Budget	Actual	Excess
Debt Service Fund			
Debt service	8,498,786	8,595,674	96,888

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits and investments at June 30, 2022 consist of the following:

Deposits:	
Cash in bank	\$ 216,784
Investments:	
Cash on deposit with county treasurer	18,633,920
Total deposits and investments	<u>\$ 18,850,729</u>

Deposits

Custodial Credit Risk – This is the risk that, in the event of a failure by a counterparty, the District will not be able to recover its deposits or collateralized securities that are in the possession of an outside party. The District had a carrying value of \$216,784 for cash on deposit with a local financial institution and a bank balance of \$220,838 at June 30, 2022. The District does not have a formal policy regarding custodial credit risk. However, of the entire bank balance was insured by federal depository insurance.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

At June 30, 2022, the District’s investments were reported at fair value. The District’s investments consisted of only cash on deposit with the County Treasurer.

Custodial Credit Risk – The District’s investment in the County Treasurer’s investment pools represents a proportionate interest in those pools’ portfolios; however, the District’s portion is not identified with any specific investment and is not subject to custodial credit risk.

Interest Rate Risk – The District does not have a formal investment policy regarding interest rate risk; however, the District manages its exposure to declines in fair values by limiting the average maturity of its investment portfolio to one year or less.

Credit Risk – The District does not have a formal investment policy regarding credit risk. However, the District is prohibited by state law from investing in investments other than State and County Treasurer’s investment pools, U.S. Treasury obligations, specified state and local government bonds and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements. The District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

NOTE 4 – RECEIVABLES

Property taxes are recognized as revenues in the fiscal year they are levied in the government-wide financial statements and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as deferred inflows of resources.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable:	
General Fund	\$ 84,896
Debt Service Fund	33,452
Total	<u>\$ 118,348</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	Balance			Balance
	July 01, 2021	Additions	Deductions	June 30, 2022
Capital assets not being depreciated				
Land	\$ 6,200,114	\$ -	\$ -	\$ 6,200,114
Construction in progress	14,407,955	1,895,884	(286,609)	16,017,230
Total capital assets not being depreciated	<u>20,608,069</u>	<u>1,895,884</u>	<u>(286,609)</u>	<u>22,217,344</u>
Capital assets being depreciated				
Land improvements	10,061,587	343,636	-	10,405,223
Buildings and improvements	65,762,798	625,563	-	66,388,361
Vehicles, equipment, and furniture	10,401,813	507,783	(77,955)	10,831,641
Total capital assets being depreciated	<u>86,226,198</u>	<u>1,476,982</u>	<u>(77,955)</u>	<u>87,625,225</u>
Less accumulated depreciation				
Land improvements	(4,127,362)	(444,599)	-	(4,571,961)
Buildings and improvements	(19,333,336)	(2,141,901)	-	(21,475,237)
Vehicles, equipment, and furniture	(7,279,774)	(820,632)	40,912	(8,059,494)
Total accumulated depreciation	<u>(30,740,472)</u>	<u>(3,407,132)</u>	<u>40,912</u>	<u>(34,106,692)</u>
Total capital assets, being depreciated, net	<u>55,485,726</u>	<u>(1,930,150)</u>	<u>(37,043)</u>	<u>53,518,533</u>
Governmental activities capital assets, net	<u>\$ 76,093,795</u>	<u>\$ (34,266)</u>	<u>\$ (323,652)</u>	<u>\$ 75,735,877</u>

Depreciation expenses was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 1,686,977
Support Services:	
Students	101,913
General Administration	515,845
Operations and Maintenance of Plant	840,636
Student Transportation	143,586
Operation of Noninstructional Services	118,175
	<u>\$ 3,407,132</u>

As of June 30, 2022, the District reported the following construction commitments:

Project	Governmental activities	
	Spent-to-date	Estimated remaining
Maricopa Insitutie of Technology Expansion	\$ 14,575,954	\$ 117,174
Maricopa Insitutie of Technology Clinic	16,787	-
Maricopa Insitutie of Technology Track	828,916	417,827
Total	<u>\$ 15,421,657</u>	<u>\$ 535,001</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2022, interfund receivables and payables were as follows:

Due to other funds	Due from other funds
General Fund	Special Projects Fund
	\$ 487,490

The above interfund receivable and payable are due to cash shortfalls at June 30, 2022. Cash will be received subsequent to June 30, 2022 to repay the short-term borrowings.

Interfund transfers for the year ended June 30, 2022 consisted of the following:

Transfer to	Transfer from		Total
	Special Projects Fund	Nonmajor Governmental Funds	
General fund	\$ 145,024	\$ 113,026	\$ 258,050

Transfers were made to record indirect costs transferred to the indirect cost pool for various federal grants.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – LONG-TERM OBLIGATIONS

Compensated Absences

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year ended June 30, 2022, the District paid for compensated absences from the General Fund.

General Obligation Bonds Payable

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$89.4 million, and the available margin is \$59.6 million.

Purpose	Interest Rate	Maturity	Original Issue	Balance
Governmental Activities:				
School Improvement Bonds Project of 2011, Series C (2013) Refunding Bonds, Series 2011	2.5% - 4.5%	7/1/23 - 27	\$ 14,465,000	\$ 4,535,000
School Improvement Bonds Project of 2014, Series C (2017) Refunding Bonds, Series 2017 (2020 Crossover)	5.75%	7/1/30	3,820,000	520,000
School Improvement Bonds Project of 2014, Series D (2018)	4.0% - 5.0%	7/1/23 - 25	10,235,000	4,845,000
School Improvement Bonds Project of 2014, Series E (2020)	4.0% - 5.0%	7/1/23 - 29	4,510,000	3,660,000
	5.00%	7/1/23 - 25	8,035,000	6,035,000
	3.00% - 4.00%	7/1/23 - 32	12,315,000	11,260,000
			<u>\$ 53,380,000</u>	<u>\$ 30,855,000</u>

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

Year ended, June 30,	General Obligation Bonds	
	Principal	Interest
2023	4,965,000	1,379,575
2024	5,075,000	1,142,125
2025	5,195,000	901,875
2026	2,870,000	664,075
2027	2,565,000	547,800
2028-2032	10,185,000	1,274,550
Total	<u>\$ 30,855,000</u>	<u>\$ 5,910,000</u>

Changes in long-term liabilities for the year ended June 30, 2022 are summarized as follows:

	Balance July 01, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
General obligation bonds	\$ 37,750,000	\$ -	\$ (6,895,000)	\$ 30,855,000	\$ 4,965,000
Unamortized premium	4,634,987	-	(639,482)	3,995,505	-
Compensated absences	919,280	380,911	(614,807)	685,384	166,579
Total	<u>\$ 43,304,267</u>	<u>\$ 380,911</u>	<u>\$ (8,149,289)</u>	<u>\$ 35,535,889</u>	<u>\$ 5,131,579</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – 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.

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 9 – 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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – PENSION PLANS

Cost Sharing Pension Plan

At June 30, 2022, the District reported the following related to pensions to which it contributes:

	Deferred Outflows		Deferred Inflows	
	Liability	of Resources	of Resources	Expense
Pension plan	\$ 6,969,220	\$ 2,444,868	\$ 2,208,094	\$ 1,084,590

Arizona State Retirement System

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); 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. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at www.azasrs.gov.

Benefits Provided

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

	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 consecutive months of last 120 months	Highest 60 consecutive 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 retirement benefit option chosen determines the survivor benefit. 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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – PENSION PLANS (CONTINUED)

Arizona State Retirement System (Continued)

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 year ended June 30, 2022, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.41% (12.22% for retirement and 0.19% 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 12.41% (12.01% for retirement, 0.21% for health insurance premium benefit, and 0.19% for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 10.22 percent (10.13 percent for retirement and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension plan for the year ended June 30, 2022, was \$636,218.

During the fiscal year ended June 30, 2022, the District paid for ASRS pension as follows: 54% from the General Fund, 23% from the Special Projects Fund, 12% from the Bond Building Fund and 11% from nonmajor governmental funds.

Pension Liability

At June 30, 2022, the District reported a liability of \$6,969,220 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2021. The net asset and net liabilities were measured as of June 30, 2021. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7–7.2 percent to 2.9–8.4 percent.

The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year-ended June 30, 2021 and the change from its proportions measured as of June 30, 2020. The District's proportion measured as of June 30, 2021, was 0.05304%, which was an increase of 0.00534% from its proportion measured as of June 30, 2020.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – PENSION PLANS (CONTINUED)

Arizona State Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2022 the District recognized pension expense for ASRS of \$1,084,590.

At June 30, 2022, 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	\$ 106,239	\$ -
Changes of assumptions or other inputs	907,100	-
Net difference between projected and actual earnings on pension plan investments	-	2,208,094
Changes in proportion and differences between contributions and proportionate share of contributions	795,311	-
Contributions subsequent to the measurement date	636,218	-
Total	\$ 2,444,868	\$ 2,208,094

The \$636,218 reported as deferred outflows of resources related to ASRS pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as described below.

Year Ending June 30:	Deferred Outflows (Inflows) of Resources
2023	\$ 566,660
2024	281,594
2025	(486,772)
2026	(760,926)
2027	-
Thereafter	-
Total	\$ (399,444)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – PENSION PLANS (CONTINUED)

Arizona State Retirement System (Continued)

Actuarial Assumptions

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

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Projected salary increases	2.9-8.4%
Inflation rate	2.3%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term expected geometric real rate of return
Equity	50%	4.90%
Fixed income - credit	20%	5.20%
Fixed income - interest rate sensitive	10%	0.70%
Real Estate	20%	5.70%
Total	100%	

Discount Rate

The discount rate used to measure the ASRS total pension liability was 7.0%. 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 statutes. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – PENSION PLANS (CONTINUED)

Arizona State Retirement System (Continued)

Sensitivity of the District’s Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate – The following table presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Proportionate share of the net pension liability	\$ 11,301,934	\$ 8,264,750	\$ 5,725,821

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

Contributions payable—The District’s accrued payroll and employee benefits included \$58,793 of outstanding pension and OPEB contribution amounts payable to ASRS for the year ended June 30, 2022.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER
THAN MD&A**

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
COST SHARING PENSION PLAN
JUNE 30, 2022

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Reporting Fiscal Year (Measurement Date)						
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Proportion of the net pension liability	0.0530%	0.0477%	0.0423%	0.0500%	0.0500%	0.0400%	0.0400%
Proportionate share of the net pension liability	\$ 6,969,220	\$ 8,264,750	\$ 6,153,687	\$ 6,264,759	\$ 7,240,678	\$ 7,641,154	\$ 6,893,085
Covered payroll	\$ 5,899,510	\$ 5,215,135	\$ 4,456,825	\$ 4,607,505	\$ 4,630,204	\$ 4,369,005	\$ 4,087,851
Proportionate share of the net pension liability as a percentage of its covered payroll	118.13%	158.48%	138.07%	135.97%	156.38%	174.89%	168.62%
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

SCHEDULE OF CONTRIBUTIONS

	Reporting Fiscal Year						
	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 636,218	\$ 694,643	\$ 597,133	\$ 498,273	\$ 502,218	\$ 499,136	\$ 474,037
Contributions in relation to the actuarially determined contribution	636,218	694,643	597,133	498,273	502,218	499,136	474,037
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 5,345,878	\$ 5,899,510	\$ 5,215,135	\$ 4,456,825	\$ 4,607,505	\$ 4,630,204	\$ 4,369,005
Contributions as a percentage of covered payroll	11.90%	11.77%	11.45%	11.18%	10.90%	10.78%	10.85%

See accompanying Notes to Required Supplementary Information

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ 6,047,654	\$ 6,047,654
Intergovernmental	-	-	112,933	112,933
Tuition	-	-	5,817	5,817
Investment earnings	-	-	11,377	11,377
Other	-	-	10	10
Total Revenues	-	-	6,177,791	6,177,791
EXPENDITURES				
Regular education:				
Instruction	1,787,730	1,732,193	1,306,508	425,685
Support services - students	240,300	252,131	139,500	112,631
Support services - instructional staff	147,298	263,439	256,006	7,433
Support services - general administration	241,520	352,531	327,639	24,892
Support services - school administration	365,193	361,495	351,676	9,819
Support services - central services	1,068,566	1,268,530	1,159,492	109,038
Operations and maintenance of plant	818,555	922,952	810,107	112,845
School sponsored athletics	17,570	20,163	14,738	5,425
Total regular education	4,686,732	5,173,434	4,365,666	807,768
Special education:				
Instruction	701,127	816,059	541,359	274,700
Support services - students	258,950	263,426	254,368	9,058
Support services - instructional staff	176,254	177,966	173,928	4,038
Support services - general administration	603	603	-	603
Support services - central services	439	872	710	162
Total special education	1,137,373	1,258,926	970,365	288,561
Pupil transportation:				
Student transportation services	324,234	357,670	193,448	164,222
Total pupil transportation	324,234	357,670	193,448	164,222
K-3 reading program:				
Instruction	50,087	49,665	26,790	22,875
Total Expenditures	6,198,426	6,839,695	5,556,269	1,283,426
Excess (Deficiency) of Revenues Over Expenditures	(6,198,426)	(6,839,695)	621,522	7,461,217
Other Financing Sources (Uses):				
Change in Inventories	-	-	(29,304)	(29,304)
NET CHANGE IN FUND BALANCE	(6,198,426)	(6,839,695)	592,218	7,431,913
Fund Balance - Beginning	-	-	2,820,628	2,820,628
Fund Balance - Ending	\$ (6,198,426)	\$ (6,839,695)	\$ 3,412,846	\$ 10,252,541

See accompanying Notes to Required Supplementary Information

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 2,598,727	\$ 2,598,727
Investment earnings	-	-	2,644	2,644
Total Revenues	-	-	2,601,371	2,601,371
EXPENDITURES				
Regular education:				
Instruction	1,877,743	1,628,987	752,169	876,818
Support services - students	340,896	295,736	136,553	159,183
Support services - instructional staff	617,317	535,537	247,279	288,258
Support services - general administration	239,813	208,043	96,062	111,981
Support services - school administration	48,373	41,965	19,377	22,588
Support services - central services	352,467	305,774	141,188	164,586
Operations and maintenance of plant	337,918	293,152	135,360	157,792
Operation of noninstructional services	111,151	96,427	44,524	51,903
Total regular education	3,925,679	3,405,621	1,572,512	1,833,109
Special education:				
Instruction	904,627	784,785	362,367	422,418
Support services - students	35,771	31,033	14,329	16,704
Support services - instructional staff	76,284	66,178	30,557	35,621
Total special education	1,016,682	881,996	407,253	474,743
Pupil transportation:				
Student transportation services	468,319	406,278	187,595	218,683
Total Expenditures	5,410,680	4,693,895	2,167,360	2,526,535
Excess (Deficiency) of Revenues				
Over Expenditures	(5,410,680)	(4,693,895)	434,011	5,127,906
Other Financing Sources (Uses):				
Transfers out	-	-	(145,024)	(145,024)
NET CHANGE IN FUND BALANCE	(5,410,680)	(4,693,895)	288,987	4,982,882
Fund Balance - Beginning, As Restated	-	-	165,982	165,982
Fund Balance - Ending	\$ (5,410,680)	\$ (4,693,895)	\$ 454,969	\$ 5,148,864

See accompanying Notes to Required Supplementary Information

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022

NOTE 1 – AVAILABILITY OF PRIOR YEAR PENSION INFORMATION

Information prior to the measurement date of June 30, 2014 was not available. GASB Statement No. 68 requires the District to present 10 years of pension information as required supplementary information. However, until a full 10 years of trend data is compiled, the District will present information for only those years for which information is available.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

The District’s adopted budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the following exception:

- 1) The General Fund as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances includes the District’s Maintenance and Operation Fund in addition to several other District funds as required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; however, for budgetary purposes, the District prepares a separate Maintenance and Operation Fund budget.

The following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District’s Maintenance and Operation Fund for budgetary purposes.

	General Fund				
	Total Revenues	Total Expenditures	Other Financing Sources and Uses	Fund balance beginning of year	Fund balance end of year
Statement of revenues, expenditures and changes in fund balance	\$ 7,081,121	\$ 6,331,903	\$ 319,295	\$ 4,260,557	\$ 5,329,070
Non-maintenance and operation activity included in the General Fund	(903,330)	(775,634)	(348,599)	(1,439,929)	(1,916,224)
Schedule of revenues, expenditures, and changes in fund balance - budget to actual	\$ 6,177,791	\$ 5,556,269	\$ (29,304)	\$ 2,820,628	\$ 3,412,846

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NONMAJOR GOVERNMENTAL FUNDS
FUND DESCRIPTIONS
JUNE 30, 2022

SPECIAL PROJECTS FUNDS

Classroom Site Fund – accounts for the revenues and expenditures of State apportioned educational sales tax monies.

Instructional Improvement Fund - accounts for revenues and expenditures for State apportioned Indian Gaming monies.

Other Special Revenue Fund - accounts for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular activity fee tax credit, fingerprinting, textbooks and grants and gifts to teachers.

Food Service Fund - accounts for the financial operations of preparing and serving regular and incidental meals and snacks in connection with school functions.

Student Activities Fund – accounts for monies raised by students to finance student clubs and organizations.

CAPITAL PROJECTS FUNDS

Adjacent Ways Fund - accounts for monies received to finance such improvements as public streets or alleys adjacent to school property.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds					Capital Project Funds	Non-Major Governmental Funds
	Classroom Site Fund	Instructional Improvement Fund	Other Special Revenue Fund	Food Service Fund	Student Activities Fund	Adjacent Ways Fund	
ASSETS							
Cash and investments	\$ 430,980	\$ 55,338	\$ 691,453	\$ 414,031	\$ 6,883	\$ 945,865	\$ 2,544,550
Receivables:							
Intergovernmental	-	-	-	7,060	-	-	7,060
Accounts receivable	-	-	64,979	-	-	-	64,979
Deposits	-	-	-	23,746	-	-	23,746
Total Assets	\$ 430,980	\$ 55,338	\$ 756,432	\$ 444,837	\$ 6,883	\$ 945,865	\$ 2,640,335
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 107	\$ -	\$ -	\$ -	\$ 107
Accrued wages	195,346	2,012	6,683	13,312	-	-	217,353
Total Liabilities	195,346	2,012	6,790	13,312	-	-	217,460
FUND BALANCES							
Restricted	235,634	53,326	749,642	431,525	6,883	945,865	2,422,875
Total Fund Balances	235,634	53,326	749,642	431,525	6,883	945,865	2,422,875
Total Liabilities and Fund Balances	\$ 430,980	\$ 55,338	\$ 756,432	\$ 444,837	\$ 6,883	\$ 945,865	\$ 2,640,335

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds					Capital Project	Non-Major Governmental Funds
	Classroom Site Fund	Instructional Improvement Fund	Other Special Revenue Fund	Food Service Fund	Student Activities Fund	Adjacent Ways	
						Fund	
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -		\$ 4	\$ 4
Intergovernmental	621,957	28,855	-	1,092,567	-	-	1,743,379
Food Services Sales	-	-	-	21,688	-	-	21,688
Auxiliary operations	-	-	6,950	-	-	-	6,950
Student Activities	-	-	-	-	5,280	-	5,280
Investment earnings	1,546	282	3,944	2,197	-	11,331	19,300
Other	-	-	394,268	-	-	-	394,268
Total Revenues	623,503	29,137	405,162	1,116,452	5,280	11,335	2,190,869
EXPENDITURES							
Current							
Instruction	455,217	18,316	115,724	-	4,510	-	593,767
Support services:							
Students	-	-	795	-	-	-	795
Instructional staff	-	4,675	-	-	-	-	4,675
Operations and maintenance of plant	-	-	3,770	-	-	-	3,770
Operations of noninstructional services	-	-	-	823,363	-	-	823,363
Capital outlay:							
Facilities acquisition	-	-	-	-	-	3,652	3,652
Total Expenditures	455,217	22,991	121,149	823,363	4,510	3,652	1,430,882
Excess (Deficiency) of Revenues Over Expenditures	168,286	6,146	284,013	293,089	770	7,683	759,987
Other Financing Sources (Uses)							
Transfers out	-	-	-	(113,026)	-	-	(113,026)
Net Financing Sources (Uses)	-	-	-	(113,026)	-	-	(113,026)
NET CHANGE IN FUND BALANCE	168,286	6,146	284,013	180,063	770	7,683	646,961
Fund Balance - Beginning	67,348	47,180	465,629	251,462	6,113	938,182	1,775,914
Increase/(decrease) in inventories	-	-	-	-	-	-	-
Fund Balance - Ending	\$ 235,634	\$ 53,326	\$ 749,642	\$ 431,525	\$ 6,883	\$ 945,865	\$ 2,422,875

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
CLASSROOM SITE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 621,957	\$ 621,957
Investment earnings	-	-	1,546	1,546
Total Revenues	-	-	623,503	623,503
EXPENDITURES				
Regular education:				
Instruction	622,493	622,268	421,838	200,430
Special education:				
Instruction	49,256	49,239	33,379	15,860
Total Expenditures	671,749	671,507	455,217	216,290
Excess (Deficiency) of Revenues Over Expenditures	(671,749)	(671,507)	168,286	839,793
Fund Balance - Beginning	-	-	67,348	67,348
Fund Balance - Ending	\$ (671,749)	\$ (671,507)	\$ 235,634	\$ 907,141

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
INSTRUCTIONAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 28,855	\$ 28,855
Investment earnings	-	-	282	282
Total Revenues	-	-	29,137	29,137
EXPENDITURES				
Regular education:				
Instruction	61,970	61,970	18,316	43,654
Support services - instructional staff	15,817	15,817	4,675	11,142
Total Expenditures	77,787	77,787	22,991	54,796
Excess (Deficiency) of Revenues				
Over Expenditures	(77,787)	(77,787)	6,146	83,933
Fund Balance - Beginning	-	-	47,180	47,180
Fund Balance - Ending	\$ (77,787)	\$ (77,787)	\$ 53,326	\$ 131,113

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
OTHER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Auxiliary operations	\$ -	\$ -	\$ 6,950	\$ 6,950
Investment earnings	-	-	3,944	3,944
Other	-	-	394,268	394,268
Total Revenues	-	-	405,162	405,162
EXPENDITURES				
Regular education:				
Instruction	571,379	715,178	105,041	610,137
Support services - students	4,324	5,413	795	4,618
Support services - central services	4,678	5,855	860	4,995
Operations and maintenance of plant	20,507	25,668	3,770	21,898
Special education:				
Instruction	58,111	72,736	10,683	62,053
Total Expenditures	659,000	824,850	121,149	703,701
Excess (Deficiency) of Revenues Over Expenditures	(659,000)	(824,850)	284,013	1,108,863
Fund Balance - Beginning	-	-	465,629	465,629
Fund Balance - Ending	\$ (659,000)	\$ (824,850)	\$ 749,642	\$ 1,574,492

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,092,567	\$ 1,092,567
Food service sales	-	-	21,688	21,688
Investment earnings	-	-	2,197	2,197
Total Revenues	-	-	1,116,452	1,116,452
EXPENDITURES				
Regular education:				
Operation of noninstructional services	842,000	842,000	823,363	18,637
Total Expenditures	842,000	842,000	823,363	18,637
Excess (Deficiency) of Revenues				
Over Expenditures	(842,000)	(842,000)	293,089	1,135,089
Other Financing Sources (Uses):				
Transfers out	-	-	(113,026)	(113,026)
Net Financing Sources (Uses)	-	-	(113,026)	(113,026)
NET CHANGE IN FUND BALANCE	(842,000)	(842,000)	180,063	1,022,063
Fund Balance - Beginning	-	-	251,462	251,462
Fund Balance - Ending	\$ (842,000)	\$ (842,000)	\$ 431,525	\$ 1,273,525

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
STUDENT ACITIVITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances -</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
REVENUES				
Student activities	\$ -	\$ -	\$ 5,280	\$ 5,280
EXPENDITURES				
Regular education:				
Instruction	10,000	10,000	4,510	5,490
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>4,510</u>	<u>5,490</u>
Excess (Deficiency) of Revenues				
Over Expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>770</u>	<u>10,770</u>
Fund Balance - Beginning	-	-	6,113	6,113
Fund Balance - Ending	<u>\$ (10,000)</u>	<u>\$ (10,000)</u>	<u>\$ 6,883</u>	<u>\$ 16,883</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
ADJACENT WAYS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ 4	\$ 4
Investment earnings	-	-	11,331	11,331
Total Revenues	-	-	11,335	11,335
EXPENDITURES				
Regular education:				
Capital outlay				
Facilities acquisition	1,095,848	845,848	3,652	842,196
Total Expenditures	1,095,848	845,848	3,652	842,196
Excess (Deficiency) of Revenues				
Over Expenditures	(1,095,848)	(845,848)	7,683	853,531
Fund Balance - Beginning	-	938,182	938,182	938,182
Fund Balance - Ending	\$ (1,095,848)	\$ 92,334	\$ 945,865	\$ 1,791,713

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
BOND BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	1,886,993	\$ 1,886,993
EXPENDITURES				
Operations and maintenance of plant	401,877	884,129	736,481	147,648
Capital outlay				
Facilities acquisition	598,123	1,315,871	1,096,123	219,748
Total Expenditures	1,000,000	2,200,000	1,832,604	219,748
Excess (Deficiency) of Revenues				
Over Expenditures	(1,000,000)	(2,200,000)	54,389	2,106,741
Fund Balance - Beginning	-	-	(76,017)	(76,017)
Fund Balance - Ending	\$ (1,000,000)	\$ (2,200,000)	\$ (21,628)	\$ 2,030,724

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Property taxes	\$ -	\$ -	8,002,756	\$ 8,002,756
Investment earnings	-	-	83,992	83,992
Total Revenues	-	-	8,086,748	8,086,748
EXPENDITURES				
Debt service:				
Principal retirement	6,817,282	6,817,282	6,895,000	(77,718)
Interest and fiscal charges	1,679,676	1,679,676	1,698,825	(19,149)
Other debt-related costs	1,828	1,828	1,849	(21)
Total debt service	8,498,786	8,498,786	8,595,674	(96,888)
Total Expenditures	8,498,786	8,498,786	8,595,674	(96,888)
Excess (Deficiency) of Revenues				
Over Expenditures	(8,498,786)	(8,498,786)	(508,926)	7,989,860
Other Financing Sources (Uses):				
Fund Balance - Beginning	-	-	952,300	952,300
Fund Balance - Ending	\$ (8,498,786)	\$ (8,498,786)	\$ 443,374	\$ 8,942,160

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION

This section of the Riverside Elementary School District No. 2's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends: These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity: These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity: These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

See the table of contents for page numbers of the schedules that encompass the above sections

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

Net Position:	Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
Net investment in capital assets	\$ 43,980,872	\$ 40,263,576	\$ 32,718,471	\$ 30,512,206	\$ 28,053,174
Restricted	5,896,879	8,386,105	9,512,906	9,404,562	8,198,728
Unrestricted	(5,065,912)	(9,267,491)	(3,791,696)	(4,240,138)	(5,270,903)
Total	\$ 44,811,839	\$ 39,382,190	\$ 38,439,681	\$ 35,676,630	\$ 30,980,999

Net Position:	Fiscal Year Ended June 30				
	2017	2016	2015	2014	2013
Net investment in capital assets	\$ 26,424,131	\$ 29,792,951	\$ 23,908,182	\$ 7,637,073	\$ 26,542,911
Restricted	582,761	1,114,274	17,123,942	17,833,274	2,169,671
Unrestricted	1,579,870	(3,879,216)	(15,639,760)	4,633,910	1,090,987
Total	\$ 28,586,762	\$ 27,028,009	\$ 25,392,364	\$ 30,104,257	\$ 29,803,569

Source: The District's financial records.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
EXPENSES, PROGRAM REVENUES, AND NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Instruction	\$ 5,697,539	\$ 8,222,041	\$ 6,139,507	\$ 5,635,708	\$ 6,534,080	\$ 6,109,450	\$ 5,463,737	\$ 5,653,347	\$ 6,148,377	\$ 4,499,263
Support Services - students and staff	1,655,937	1,625,773	1,399,383	1,107,552	1,236,770	1,705,904	1,332,920	1,154,461	992,602	954,514
Support Services - administration	2,894,636	4,134,953	2,623,210	2,601,354	2,239,810	2,588,092	2,157,932	2,119,459	2,120,256	1,719,265
Operation and Maintenance of plant services	1,686,961	2,087,316	1,779,567	1,636,937	1,566,523	1,101,478	1,699,121	1,145,606	1,789,702	934,106
Student transportation services	731,092	467,134	739,859	588,074	520,805	473,915	556,751	452,739	593,613	428,555
Operation of non-instructional services	837,481	647,401	824,303	755,887	681,242	855,505	606,116	669,211	673,253	534,053
Interest on long-term debt	1,061,192	1,406,760	1,496,457	1,503,558	1,459,267	1,556,906	1,248,883	1,230,103	1,165,043	908,858
Total expenses	14,564,838	18,591,378	15,002,286	13,829,070	14,238,497	14,391,250	13,065,460	12,424,926	13,482,846	9,978,614
Program revenues:										
Charges for services:										
Instruction	382,382	915,380	624,209	308,842	374,896	-	-	-	7,116	7,017
Operation of non-instructional services	34,068	25,900	41,137	48,925	82,875	34,582	25,483	121,210	32,878	23,492
Other Activities	17,653	91,256	296,865	460,316	43,429	-	-	-	-	-
Operating grants and contributions	4,270,438	3,395,323	1,802,872	1,789,381	1,896,229	2,416,853	2,159,654	2,367,964	2,302,199	3,203,873
Capital grants and contributions	-	-	-	110,000	-	-	-	-	-	161,166
Total program revenues	4,704,541	4,427,859	2,765,083	2,717,464	2,397,429	2,451,435	2,185,137	2,489,174	2,342,193	3,395,548
Net expense	\$ (9,860,297)	\$ (14,163,519)	\$ (12,237,203)	\$ (11,111,606)	\$ (11,841,068)	\$ (11,939,815)	\$ (10,880,323)	\$ (9,935,752)	\$ (11,140,653)	\$ (6,583,066)

Source: The District's financial records.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Net Expense	\$ (9,860,297)	\$ (14,163,519)	\$ (12,237,203)	\$ (11,111,606)	\$ (11,841,068)	\$ (11,939,815)	\$ (10,880,323)	\$ (9,935,752)	\$ (11,140,653)	\$ (6,583,066)
General revenues:										
Property taxes:										
Property taxes, levied for general purposes	6,035,928	6,495,405	5,962,182	5,895,169	5,782,461	5,619,930	5,397,940	5,189,673	3,894,848	4,597,544
Property taxes, levied for debt services	8,002,756	7,380,166	7,499,473	8,407,380	7,406,965	6,262,588	5,725,767	5,912,853	5,839,227	6,171,122
Property taxes, levied for capital outlay	496,651	516,502	496,943	482,521	477,915	669,941	1,170,402	570,327	1,190,742	803,975
Investment Income and Other	641,678	399,207	491,939	472,334	135,081	72,365	118,273	100,612	67,109	29,025
Unrestricted State Aid	112,933	119,538	549,717	549,833	530,353	36,897	47,423	73,796	320,478	38,004
Miscellaneous	-	-	-	-	-	123,571	56,163	-	128,937	202,402
Total general revenues	15,289,946	14,910,818	15,000,254	15,807,237	14,332,775	12,785,292	12,515,968	11,847,261	11,441,341	11,842,072
Changes in net position	\$ 5,429,649	\$ 747,299	\$ 2,763,051	\$ 4,695,631	\$ 2,491,707	\$ 845,477	\$ 1,635,645	\$ 1,911,509	\$ 300,688	\$ 5,259,006

Source: The District's financial records.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
 FUND BALANCES – GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 MODIFIED ACCRUAL BASIS OF ACCOUNTING
 (UNAUDITED)**

General Fund	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Nonspendable	\$ 15,508	\$ 44,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,516
Unassigned	5,313,562	4,215,745	1,854,186	1,514,372	1,089,896	663,705	461,463	359,146	289,854	1,143,190
Total General Fund	5,329,070	4,260,557	1,854,186	1,514,372	1,089,896	663,705	461,463	359,146	289,854	1,182,706
All other governmental funds:										
Nonspendable	-	-	-	-	-	-	-	-	4,887	5,543
Restricted	5,896,879	8,386,105	18,960,307	22,743,056	15,165,297	6,581,004	9,124,940	17,187,100	2,615,965	5,421,967
Unassigned	-	-	(290,741)	(160,118)	(213,602)	(14,007)	(21,231)	(83,283)	(46,844)	(77,936)
Total all other governmental funds	5,896,879	8,386,105	18,669,566	22,582,938	14,951,695	6,566,997	9,103,709	17,103,817	2,574,008	5,349,574
Total all governmental funds	\$ 11,225,949	\$ 12,646,662	\$ 20,523,752	\$ 24,097,310	\$ 16,041,591	\$ 7,230,702	\$ 9,565,172	\$ 17,462,963	\$ 2,863,862	\$ 6,532,280

Source: The District's financial records.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
REVENUES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Federal sources:										
Federal aid and grants	\$ 2,353,200	\$ 2,065,901	\$ 876,326	\$ 1,026,148	\$ 823,635	\$ 1,227,532	\$ 819,596	\$ 892,697	\$ 975,378	\$ 1,949,621
National school lunch program	1,092,567	659,101	757,167	770,032	746,686	779,933	702,714	706,478	693,634	648,573
Total federal sources:	3,445,767	2,725,002	1,633,493	1,796,180	1,570,321	2,007,465	1,522,310	1,599,175	1,669,012	2,598,194
States sources:										
State equalization	112,933	119,538	100,315	95,949	95,785	55,112	83,754	41,861	30,626	38,004
State grants	245,527	290,125	125,850	131,335	80,089	13,704	122,274	405,515	684,345	324,770
Other revenues	650,812	430,018	449,402	453,884	434,568	362,633	460,282	339,193	204,473	280,909
Total state sources	1,009,272	839,681	675,567	681,168	610,442	431,449	666,310	786,569	919,444	643,683
Local sources										
Property taxes	14,547,061	14,372,652	13,980,391	14,776,839	13,699,075	12,528,073	12,275,288	11,553,894	10,968,804	11,583,789
Food service sales	21,688	4,350	41,137	48,925	41,927	34,582	25,483	30,498	27,018	23,492
Investment income	131,199	234,239	491,939	472,334	132,081	72,365	118,273	100,612	67,109	29,022
Other revenues	860,677	1,110,290	950,837	710,847	494,490	138,407	74,620	270,802	206,760	370,588
Total local sources	15,560,625	15,721,531	15,464,304	16,008,945	14,367,573	12,773,427	12,493,664	11,955,806	11,269,691	12,006,891
Total revenues	\$ 20,015,664	\$ 19,286,214	\$ 17,773,364	\$ 18,486,293	\$ 16,548,336	\$ 15,212,341	\$ 14,682,284	\$ 14,341,550	\$ 13,858,147	\$ 15,248,768

Source: The District's financial records.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenditures:										
Current:										
Instruction	\$ 3,854,276	\$ 6,423,182	\$ 3,731,600	\$ 3,591,303	\$ 3,504,595	\$ 4,277,304	\$ 4,204,669	\$ 4,445,784	\$ 4,921,302	\$ 3,383,221
Support services - students and staff	1,497,809	1,493,704	1,237,705	958,711	994,129	1,582,489	1,211,907	1,083,059	920,359	807,961
Support services - administration	3,221,931	3,627,620	1,773,928	1,604,288	1,535,156	2,061,245	1,788,074	1,785,973	1,731,379	2,593,818
Operation and maintenance of plant services	1,202,372	1,384,674	1,039,669	1,005,925	1,049,838	793,027	1,498,510	1,002,795	1,708,217	905,867
Student transportation services	642,098	544,437	324,123	338,972	369,817	330,941	415,868	333,946	464,666	599,895
Operation of non-instructional services	892,036	566,087	656,448	667,686	623,291	827,083	595,796	702,163	599,118	592,197
Capital outlay	1,591,426	15,146,739	4,140,045	2,979,693	8,950,520	5,731,913	17,372,290	3,774,612	1,167,603	2,630,323
Debt Service:										
Principal retirement	6,895,000	11,100,000	6,500,000	6,320,000	5,880,000	5,485,000	4,515,000	5,250,000	4,665,000	5,065,000
Interest, premium and fiscal charges	1,700,674	1,802,799	1,943,404	1,950,505	1,806,968	1,501,170	1,186,030	1,329,042	1,196,627	971,619
Bond Issuance Costs	-	236,160	-	165,244	293,590	74,024	221,450	-	-	-
Total expenditures	\$ 21,497,622	\$ 42,325,402	\$ 21,346,922	\$ 19,582,327	\$ 25,007,904	\$ 22,664,196	\$ 33,009,594	\$ 19,707,374	\$ 17,374,271	\$ 17,549,901
Expenditures for Capitalized Assets	3,086,257	15,629,336	2,649,111	1,999,012	7,491,412	5,731,913	17,372,290	3,774,612	1,167,603	4,197,324
Debt service as a percentage of noncapital expenditures	46.7%	49.2%	45.2%	48.0%	45.6%	41.7%	37.9%	41.3%	36.2%	45.2%

Source: The District's financial records.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Excess (deficiency) of revenues over expenditures	\$ (1,481,958)	\$ (23,039,188)	\$ (3,573,558)	\$ (1,096,034)	\$ (8,459,568)	\$ (7,451,855)	\$ (18,327,310)	\$ (5,365,824)	\$ (3,516,124)	\$ (2,301,133)
Over financing sources (uses):										
General obligation bonds issued	-	12,315,000	-	8,035,000	10,235,000	5,075,000	10,200,000	4,565,000	17,425,000	-
Refunding bonds issued	-	-	-	-	4,510,000	2,565,000	-	-	-	-
Premium on Sale of Bond	-	2,500,150	-	1,033,092	2,387,115	138,775	229,519	202,065	471,161	-
Insurance recoveries	90,549	106,926	-	83,661	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(2,661,390)	-	-	-	-
Transfers in	258,050	267,361	452,305	399,942	364,752	191,923	34,285	55,231	239,991	162,989
Transfers out	(258,050)	(267,361)	(452,305)	(399,942)	(364,752)	(191,923)	(34,285)	(55,231)	(239,991)	(162,989)
Total other financing sources (uses)	90,549	14,922,076	-	9,151,753	17,132,115	5,117,385	10,429,519	4,767,065	17,896,161	-
Changes in fund balances	\$ (1,391,409)	\$ (8,117,112)	\$ (3,573,558)	\$ 8,055,719	\$ 8,672,547	\$ (2,334,470)	\$ (7,897,791)	\$ (598,759)	\$ 14,380,037	\$ (2,301,133)

Source: 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
(UNAUDITED)

Net Full Cash Value										
Class	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Commercial, Industrial, Utilities and Mining	\$ 539,639,690	\$ 498,455,141	\$ 449,424,271	\$ 428,943,997	\$ 403,528,761	\$ 368,810,609	\$ 340,331,057	\$ 317,823,003	\$ 302,841,974	\$ 336,951,854
Agricultural and Vacant	12,750,990	11,352,525	10,652,064	11,387,327	9,433,869	8,524,917	9,061,286	9,426,233	9,207,770	10,417,085
Residential (Owner Occupied)	22,152,208	19,474,477	17,534,140	16,081,608	13,621,147	12,182,576	10,706,073	8,393,509	7,195,616	9,456,223
Residential (Rental)	15,542,665	12,900,673	11,457,518	10,264,195	9,360,225	8,315,821	7,528,183	5,621,170	4,271,059	3,245,453
Railroad, Private Cars and Airlines	1,028,461	972,590	1,007,838	968,461	1,008,794	907,086	951,393	1,006,900	917,403	892,153
Historical Property	4,799,794	4,396,333	3,976,715	6,082,127	5,851,022	6,146,272	5,274,420	3,630,816	907,825	434,136
Totals	\$ 595,913,808	\$ 547,551,739	\$ 494,052,546	\$ 473,727,715	\$ 442,803,818	\$ 404,887,281	\$ 373,852,412	\$ 345,901,631	\$ 325,341,647	\$ 361,396,904
Ratio of net full cash assessed values to Gross Total Value	\$3,761,183,289	\$3,441,782,992	\$2,371,345,401	\$2,983,257,983	\$2,787,618,982	\$2,550,233,189	\$2,283,339,214	\$2,031,282,639	\$1,829,109,783	\$1,970,815,454
Ratio of Net Limited Assessed Value to Gross Full Cash Value	15.84%	15.91%	20.83%	15.88%	15.88%	15.88%	16.37%	17.03%	17.79%	18.34%
Total Direct Rate	3.46%	3.46%	3.65%	3.91%	3.83%	3.72%	3.62%	3.32%	3.38%	3.20%

Net Limited Assessed Value										
Class	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Commercial, Industrial, Utilities and Mining	\$ 402,741,783	\$ 381,194,604	\$ 354,491,201	\$ 342,355,087	\$ 326,829,027	\$ 310,602,700	\$ 309,167,525	\$ 311,011,279	\$ 300,827,888	\$ 336,021,643
Agricultural and Vacant	7,539,754	7,297,775	7,563,806	8,465,695	7,356,922	7,306,935	8,086,810	8,706,973	8,951,967	9,970,084
Residential (Owner Occupied)	11,359,121	10,628,424	10,057,599	9,275,986	8,561,394	8,165,665	7,715,635	7,481,218	7,149,307	9,405,745
Residential (Rental)	8,056,156	7,010,187	6,522,807	5,856,612	5,812,113	5,510,554	5,382,919	4,978,594	4,259,912	3,235,479
Railroad, Private Cars and Airlines	788,347	763,946	811,325	799,252	861,988	845,643	933,016	997,238	908,553	874,989
Historical Property	3,310,103	3,154,133	3,014,068	4,702,911	4,583,423	4,747,899	4,852,815	2,927,154	576,168	108,534
Totals	\$ 433,795,264	\$ 410,049,069	\$ 382,460,806	\$ 371,455,543	\$ 354,004,867	\$ 337,179,396	\$ 336,138,720	\$ 336,102,456	\$ 322,673,795	\$ 359,616,474
Ratio of net full cash assessed values to Gross Total Value	\$2,689,682,200	\$3,281,414,326	\$2,371,345,401	\$2,983,257,983	\$2,787,618,982	\$2,550,233,189	\$2,283,339,214	\$2,031,282,639	\$1,829,109,783	\$1,970,815,454
Ratio of Net Limited Assessed Value to Gross Limited Value	16.13%	12.50%	16.13%	12.45%	12.70%	13.22%	14.72%	16.55%	17.64%	18.25%
Total Direct Rate	3.46%	3.46%	3.65%	3.91%	3.83%	3.72%	3.62%	3.32%	3.38%	3.20%

Source: The State and County Abstract of the Assessment Roll from the Arizona Department of Revenue.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS
(UNAUDITED)

Property Classification (a)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Commercial, Industrial, Utilities and Mining	18%	18%	18%	18%	18%	18%	19%	19%	20%	20%
Agricultural and Vacant	15%	15%	15%	15%	15%	15%	16%	16%	16%	16%
Residential (Owner Occupied)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Residential (Rental)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Railroad, Private Cars and Airlines	15%	15%	15%	14%	15%	14%	15%	16%	15%	15%

Source: The State and County Abstract of the Assessment Roll from the Arizona Department of Revenue.

Note: Additional classes of property tax 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
 (UNAUDITED)**

Fiscal Year Ended June 30	District Direct Rates			Overlapping Rates								
	Primary	Secondary	Total	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
2022	1.22	2.07	3.29	0.43	1.35	0.06	0.18	1.23	0.01	0.14	2.12	4.72
2021	1.38	2.08	3.46	0.46	1.40	0.06	0.18	1.29	0.01	0.14	2.13	4.83
2020	1.39	2.26	3.65	0.46	1.40	0.06	0.18	1.33	0.01	0.14	2.13	4.99
2019	1.38	2.53	3.91	0.47	1.40	0.06	0.18	1.38	0.01	0.14	2.14	5.20
2018	1.43	2.40	3.83	0.49	1.40	0.06	0.18	1.41	0.01	0.14	2.16	5.03
2017	1.53	2.19	3.72	0.50	1.40	0.06	0.18	1.47	0.01	0.14	2.17	5.07
2016	1.62	1.99	3.62	0.51	1.36	0.06	0.16	1.49	0.01	0.14	1.82	4.96
2015	1.38	1.95	3.32	0.51	1.36	0.06	0.14	1.52	0.01	0.14	1.82	4.62
2014	1.33	2.04	3.38	0.51	1.28	0.04	0.14	1.53	0.01	0.14	1.82	4.82
2013	1.39	1.81	3.20	0.47	1.24	0.05	0.18	1.38	0.01	0.10	1.82	4.27

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
 FISCAL YEAR ENDED JUNE 30, 2022 AND 2013
 (UNAUDITED)**

Taxpayer	2022		2013	
	Net Assessed Property Value for Secondary Tax Purposes	Percentage of Net Assessed Property Value for Secondary Tax Purposes	Net Assessed Property Value for Secondary Tax Purposes	Percentage of Net Assessed Property Value for Secondary Tax Purposes
Arizona Public Service Company	\$ 76,272,509	16.55%	\$ 65,256,885	20.06%
Southwest Gas Company (T&D)	55,131,731	11.96%	46,908,216	14.42%
TGA Cactus DCL LLC	10,567,852	2.29%	8,886,158	2.73%
CI337 S 59th LLC/Stealth S 59th LLC/SBSS S 59	8,162,123	1.77%		
Prologis LP	6,886,768	1.49%		
Generation 3 Investments I LLC	6,004,615	1.30%	4,215,394	1.30%
Dawson Logistics Assets LLC	5,918,716	1.28%		
Amazon.com Services LLC	4,864,972	1.06%	6,106,876	1.88%
Icon Owner Pool 1 West/Southwest LLC	4,574,599	0.99%		
L/S Five Crescent Drive LP	4,397,704	0.95%		
Roadway Package Systems Inc			2,799,459	0.86%
Kinder Morgan Energy Partners LP			7,084,507	2.18%
BRE/DP AZ LLC			3,235,923	0.99%
Duke Realty Limited Partnership			2,972,425	0.91%
MIREF Riverside LLC			2,694,472	0.83%
Totals	\$ 182,781,589	40.50%	\$ 150,160,315	46.16%

Source: Maricopa County Assessor's Office.

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

Fiscal Year Ended June 30	Current Collections					
	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Fiscal Years	Amount	Percentage of the Levy
2022	\$ 14,255,957	\$ 14,193,828	99.56%	\$ -	\$ 14,193,828	99.56%
2021	14,501,137	14,364,706	99.06%	134,210	14,498,916	99.98%
2020	14,141,862	13,870,900	98.08%	237,583	14,108,483	99.76%
2019	14,605,208	14,442,442	98.89%	156,379	14,598,821	99.96%
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%

Source: Maricopa County Treasurer's records and District records.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amount Restricted for Principal	Total	As Percentage of Estimated Actual Value of Property	Per Capita	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2022	\$ 34,850,505	\$ 417,100	\$ 34,433,405	1.28%	\$ 3,889	\$34,850,505	1.30%	\$ 3,936	0.01%	
2021	42,384,987	913,944	40,198,512	1.12%	4,160	42,384,987	1.15%	4,263	0.01%	
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%	

Source: The District's financial records.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022
(UNAUDITED)

<u>Fiscal Year Ended June 30</u>	<u>Net Assessed Limited Property Value</u>	<u>Net Outstanding Bonded Debt</u>	<u>Approx. Percent</u>	<u>Net Amount</u>	<u>Combined Tax Rate Per \$100 Net Assessed Limited Property Value</u>
Overlapping					
State of Arizona	\$ 78,408,598,978	None	0.59%	None	None
Maricopa County	51,575,018,189	None	0.84%	None	\$ 1.4460
Maricopa County Community College District	1,575,018,189	\$ 184,715,000	0.84%	\$ 1,551,606	1.1894
Maricopa Special Health Care District	51,575,018,189	600,335,000	0.84%	5,042,814	0.2488
Maricopa County Flood Control District	47,553,260,925	None	0.84%	None	0.1592
City of Phoenix	15,490,531,936	815,395,000	2.94%	22,831,060	2.1130
Phoenix Union High School District No. 210	6,194,275,589	335,365,000	7.34%	23,475,550	4.6061
Subtotal, Overlapping Debt				<u>\$ 52,901,030</u>	
Direct:					
Riverside Elementary School District No. 2	\$ 433,795,264		100.00%	<u>34,850,505</u>	3.2881
Total direct and overlapping debt				<u>\$ 87,751,535</u>	

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIO

Net directed general obligation bonded debt as a percentage of net assessed property value for secondary tax purposes	8.03%
Net direct and overlapping general bonded debt per capita	\$1,468
as a percentage of net assessed property value for secondary tax purposes	20.23%
as a percentage of Gross Full Cash value	2.33%

Source: District records and the State and County Abstract of the Assessment Roll from the Arizona Department of Revenue.

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

Fiscal Year Ended	Riverside Elementary School District No. 2	Phoenix Union High School District No. 210	City of Phoenix	Maricopa County	State of Arizona
2022	\$ 595,913,808	\$ 9,445,418,469	\$ 21,780,880,732	\$ 67,535,008,138	\$ 97,282,221,465
2021	547,551,739	8,528,220,332	19,889,713,798	61,824,712,434	90,007,317,461
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

Source: The State and County Abstract of the Assessment Roll from the Arizona Department of Revenue.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Legal Debt Margin Calculation:		Class B Bond Legal Debt Margin Calculation:	
Net full cash assessed value	\$ 595,913,808	Net full cash assessed value	\$ 595,913,808
	15%		10%
Debt limit (15% of assessed value)	<u>89,387,071</u>	Debt limit (10% of assessed value)	<u>59,591,381</u>
Less: Net debt applicable to limit	<u>34,850,505</u>	Less: Net debt applicable to limit	<u>34,850,505</u>
Legal debt margin	<u>\$ 54,536,566</u>	Legal debt margin	<u>\$ 24,740,876</u>

	<u>Fiscal Year Ended June 30</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt Limit	<u>\$ 89,387,071</u>	<u>\$ 82,132,761</u>	<u>\$ 74,107,882</u>	<u>\$ 71,059,157</u>	<u>\$ 66,420,573</u>
Less: Net debt applicable to limit	<u>34,850,505</u>	<u>42,384,987</u>	<u>41,051,712</u>	<u>47,371,712</u>	<u>44,275,964</u>
Legal debt margin	<u>\$ 54,536,566</u>	<u>\$ 39,747,774</u>	<u>\$ 33,056,170</u>	<u>\$ 23,687,445</u>	<u>\$ 22,144,609</u>
Total debt applicable to the limit as percentage of debt limit	39.0%	51.6%	55.4%	66.7%	66.7%

	<u>Fiscal Year Ended June 30</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	<u>\$ 60,733,092</u>	<u>\$ 56,077,862</u>	<u>\$ 51,885,245</u>	<u>\$ 48,801,247</u>	<u>\$ 54,209,536</u>
Less: Net debt applicable to limit	<u>37,940,000</u>	<u>37,380,000</u>	<u>32,430,000</u>	<u>32,530,000</u>	<u>15,105,000</u>
Legal debt margin	<u>\$ 22,793,092</u>	<u>\$ 18,697,862</u>	<u>\$ 19,455,245</u>	<u>\$ 16,271,247</u>	<u>\$ 39,104,536</u>
Total debt applicable to the limit as percentage of debt limit	62.5%	66.7%	62.5%	66.7%	27.9%

Source: District records and the State and County Abstract of the Assessment Roll from the Arizona Department of Revenue.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Maricopa County						
Year	Population	Personal Income	Per Capita	Unemployment Rate	Estimated District Population	
2022	4,496,588	\$ 268,711,602	59,759	3.4%	8,855	
2021	4,420,568	262,362,000	51,851	6.4%	8,855	
2020	4,485,414	238,192,000	53,104	10.3%	7,434	
2019	4,221,684	222,943,072	52,809	3.6%	7,372	
2018	4,294,460	210,370,180	48,986	4.1%	8,855	
2017	4,221,684	196,286,191	46,495	4.3%	6,973	
2016	4,137,076	185,111,698	44,745	4.5%	6,973	
2015	1,067,191	178,169,935	166,952	5.5%	6,973	
2014	4,055,178	167,574,150	41,324	5.9%	6,973	
2013	4,013,164	157,805,072	39,322	6.7%	6,752	

Source: The U.S. Bureau of Labor Statistics, the U.S. Census Bureau, and the Arizona Office of Employment and Population Statistics.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
 PRINCIPAL EMPLOYERS – MARICOPA COUNTY
 FISCAL YEAR ENDING JUNE 30, 2022 AND NINE YEARS PRIOR
 (UNAUDITED)**

Employer	2022			2013		
	Approximate Number of Employees	Rank	Percentage of Total Employment	Approximate Number of Employees	Rank	Percentage of Total Employment
Banner Health Systems	45,918	1	2.08%	25,126	3	1.45%
State of Arizona	41,606	2	1.88%	52,076	1	2.91%
Wal-Mart Stores Inc.	36,995	3	1.67%	31,837	2	1.79%
Arizona State University	35,474	4	1.60%	12,222	8	0.65%
Fry's Food Services	20,235	5	0.92%	-		
City of Phoenix	16,432	6	0.74%	14,983	4	0.88%
University of Arizona	16,021	7	0.74%	-		
Wells Fargo & Co.	16,000	8	0.72%	13,679	5	0.80%
Dignity Health Arizona	15,403	9	0.70%	-		
Maricopa County	13,648	10	0.62%	13,308	6	0.78%
Bank of America	-			12,500	7	0.73%
JPMorgan/Chase	-			11,407	9	0.67%
Intel Corporation	-			11,000	10	0.64%
Total	257,732		11.67%	198,138		11.30%
 Total Employment	 1,731,840			 1,710,000		

Source: Phoenix Business Journal Book of Lists and the Greater Phoenix Economic Council.

Note: Top employers in Maricopa County. Employee counts noted above include total Arizona employees.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEE BY TYPE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Supervisory										
Superintendent	1	1	1	1	1	1	1	1	1	1
Assistant superintedents	1	1	1	1	1	1	1	1	1	1
Consultants/supervisors of instruction	5	6	6	6	6	6	6	6	6	6
Principals	2	3	3	3	3	3	3	2	2	2
Total supervisory	9	11	11	11	11	11	11	10	10	10
Instruction										
Teachers	40	43	46	45	45	48	44	48	43	43
Other professionals (instructional)	3	2	2							
Instructional Aides	13	13	14	15	14	14	13	13	12	12
Total Instruction	56	58	62	60	59	62	57	61	55	55
Student Services										
Nurses	2	2	2	2	2	2	2	2	2	2
Technicians	3	3	3	2						
Total Student services	5	5	5	4	2	2	2	2	2	2
Support and Administration										
Clerical workers	12	12	13	13	13	13	12	11	11	10
Maintenance workers	6	6	6	6	6	6	5	5	4	4
Bus Drivers	6.5	6.5	6	6	4	5	5	5	4	4
Food Service workers	10	10	9	9	8	8	7	7	7	7
Other classified	2	2	2	2	2	2	2	2	2	2
Total support and administration	36.5	36.5	36	36	33	34	31	30	28	27
Total full-time equivalent employees	106.5	110.5	114	111	105	109	101	103	95	94

Source: The District's personnel records.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
AVERAGE DAILY MEMBERSHIP
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Percent Change</u>
2021-22	775	5%
2020-21	736	-9%
2019-20	811	-1%
2018-19	819	-4%
2017-18	849	-5%
2016-17	892	5%
2015-16	846	1%
2014-15	840	4%
2013-14	810	7%
2012-13	757	2%

Source: The Arizona Department of Education.

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

Fiscal Year Ended June 30	100 Day Count Average Daily Membership	Governmental Funds Operating Expenditures	Cost per Pupil	% Change Cost per Pupil	District Wide Expenses	Cost per Pupil	% Change	Teaching Staff	Pupil- Teacher Ratio	% of Free & Reduced Students
2022	775	11,310,522	\$14,594	-23.49%	21,497,622	\$27,739	-51.76%	40	19.4	85.9%
2021	736	14,039,074	19,076	76.58%	42,325,402	57,507	210.95%	43	17.1	85.9%
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%

Source: The District's financial records.

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

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

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Schools:</u>										
Elementary:										
Buildings	10	10	10	10	10	10	10	10	10	7
Square feet	90,756	90,756	90,756	90,756	90,756	90,756	90,756	90,756	90,756	71,856
Capacity	660	660	660	660	660	660	660	660	660	660
Enrollment	438	406	526	512	483	535	522	518	520	480
Middle:										
Buildings	2	2	2	2	2	2	2	2	2	1
Square feet	89,112	89,112	89,112	89,112	89,112	89,112	89,112	89,112	89,112	76,260
Capacity	528	528	528	528	528	528	528	528	528	528
Enrollment	341	320	414	400	419	404	384	411	374	352
Junior High:										
Buildings	1	1	1	1	1	1	N/A	N/A	N/A	N/A
Square feet	68,361	61,656	61,656	61,656	61,656	61,656	N/A	N/A	N/A	N/A
Capacity	702	702	702	702	702	702	N/A	N/A	N/A	N/A
Enrollment	66	54	33	34	29	29	N/A	N/A	N/A	N/A
<u>Administrative:</u>										
Buildings	3	3	3	3	3	3	3	3	3	2
Square feet	12,541	12,541	12,541	12,541	12,541	12,541	12,541	12,541	12,541	8,221
<u>Transportation:</u>										
Garages	2	2	2	2	2	2	2	2	2	2
Buses	11	10	13	13	14	12	12	11	11	9
<u>Athletics:</u>										
Football fields	1	1	1	1	1	1	1	1		
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1		
Baseball/softball	2	2	2	2	2	2	2	2	2	1
Playgrounds	2	2	3	3	3	3	3	3	3	3

Source: The District's records and the School Facilities Board.