
RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
PHOENIX, ARIZONA

ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024



**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
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YEAR ENDED JUNE 30, 2024

Issued by:
Business and Finance Department

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2

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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, 2024, 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, 2024, 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 and *Government Auditing Standards* 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 27, 2025 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.



Mesa, Arizona
January 27, 2025

REQUIRED SUPPLEMENTARY INFORMATION

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

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, 2024.

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 \$55.0 million (net position). The District's total net position increased by \$3.2 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$30.7 million, a decrease of \$5.9 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7.0 million, or 68% of total General Fund expenditures.
- The District's net capital assets increased \$1.9 million from ongoing construction projects at the school's facilities.
- The District's long-term liabilities decreased \$7.2 million or 11% due to scheduled debt service payments during the fiscal year.

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, 2024

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 nine 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, Bond Building Fund, and Debt Service Fund the three 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 14 - 17 of this report.

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 18 - 35 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 36.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

Required Supplementary Information Other than MD&A (Continued)

Governments have the option of presenting 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 budgetary comparison schedule as RSI other than the MD&A which can be found on page 37 of this report. Notes to the RSI are presented after the budgetary comparison schedules on page 38.

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 39 - 49 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 50 - 72 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 \$55.0 million at the close of the most recent fiscal year.

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

	Governmental Activities		
	2024	2023	Net Change
ASSETS			
Current and other assets	\$ 40,165,049	\$ 46,544,349	\$ (6,379,300)
Capital assets	80,062,470	78,139,040	1,923,430
Total Assets	120,227,519	124,683,389	(4,455,870)
DEFERRED OUTFLOWS	915,153	1,368,349	(453,196)
Total Assets and Deferred Outflows	121,142,672	126,051,738	(4,909,066)
LIABILITIES			
Current liabilities	9,093,465	9,606,599	(513,134)
Long-term liabilities	56,164,281	63,351,643	(7,187,362)
Total Liabilities	65,257,746	72,958,242	(7,700,496)
DEFERRED INFLOWS	888,109	1,340,294	(452,185)
Total Liabilities and Deferred Inflows	66,145,855	74,298,536	(8,152,681)
NET POSITION			
Net investment in capital assets	44,999,813	15,150,009	29,849,804
Restricted	4,424,977	30,540,397	(26,115,420)
Unrestricted	5,572,027	6,062,796	(490,769)
Total Net Position	\$ 54,996,817	\$ 51,753,202	\$ 3,243,615

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

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, construction in progress, land improvements, buildings and 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 all three categories of net position.

Overall, net position increased \$3.2 million or 6%. Key elements of this increase are indicated as follows:

	Governmental Activities		
	2024	2023	Net Change
REVENUES			
Program revenues:			
Charges for services	\$ 607,692	\$ 574,415	\$ 33,277
Operating grants and contributions	2,901,227	3,629,666	(728,439)
General revenues:			
Property taxes	15,139,389	16,003,413	(864,024)
Additional state aid	356,671	139,171	217,500
Interest and other	3,620,863	2,735,430	885,433
Total Revenues	22,625,842	23,082,095	(456,253)
EXPENSES			
Instruction	7,163,416	6,056,715	1,106,701
Support Services:			
Students and instructional staff	3,180,047	1,548,638	1,631,409
General and school administration	1,361,774	1,106,752	255,022
Business and other support services	2,060,925	2,223,798	(162,873)
Operation and maintenance of plant	2,026,686	1,642,914	383,772
Operation of noninstructional services	1,495,521	1,123,552	371,969
Student transportation	610,633	581,181	29,452
Interest on long-term debt	1,483,225	1,857,182	(373,957)
Total Expenses	19,382,227	16,140,732	3,241,495
Change in net position	3,243,615	6,941,363	(3,697,748)
Net Position - Beginning	51,753,202	44,811,839	6,941,363
Net Position - Ending	\$ 54,996,817	\$ 51,753,202	\$ 3,243,615

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

The District reported an increase in charges for services of \$33,277 (6%). This increase was mainly due to increases in civic center revenue and food sales.

Operating grants and contributions decreased \$0.7 million (20%) due to decreases in federal funding related to COVID-19 initiatives.

The District experienced a decrease in property tax revenue of \$0.9 million (5%) as a result of decreases in property tax rates and related tax levies.

The increase in additional state aid due to changes in the State's funding formula.

Interest and other revenue increased \$0.8 million mainly due to interest earnings increasing as a result of interest rates and the cash balance held with the county treasurer.

The District incurred an 20% increase 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 increase was mainly due to increases in professional services related to the bond projects, utilities, textbooks, and professional development.

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 \$30.7 million, a decrease of \$5.9 million in comparison with the prior year. Approximately 23% of this total amount (\$7.0 million) 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, 2024, and the changes in fund balances from prior year are summarized below:

	Balance	Increase (Decrease) From 2022-23
GOVERNMENTAL FUND		
General Fund	\$ 6,969,929	\$ 709,317
Bond Building Fund	19,532,816	(6,612,468)
Debt Service Fund	732,054	(175,004)
Nonmajor Governmental Funds	3,462,423	219,429
Total Governmental Fund Balance	\$ 30,697,222	\$ (5,858,726)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

The General Fund continues to experience a positive net change in fund balance. For the fiscal year ended June 30, 2024 the General Fund had an increase in fund balance of \$0.7 million. This increase was mainly due to an increase in property tax revenue for operations and state funding.

The \$6.6 million decrease in the Bond Building Fund was due to current year spending of previously issued School Improvement Bonds.

The \$0.2 million decrease in the Debt Service Fund was due to decreases in property tax revenue from decreases in the tax rate and related tax levies.

The increase of \$0.2 million in the Nonmajor Governmental Funds was mainly due to increase state and federal funding that will be expended in future periods.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget totaled \$4,255. 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 increase was allocated among various line items, mostly out of regular education – instruction and into support services – central services, and special education - instruction. Budgetary basis General Fund expenditures were \$1,984,233 less than budget during the fiscal year. Budgetary basis expenditures were 21% under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$80.1 million (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 increase in the District's investment in capital assets for the current year is due to the issuance of school improvement bonds and the continued MIT expansion phases and other construction projects.

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

- MIT site improvements.
- MIT athletic fields.
- RTS site improvements.
- District buses.

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

Capital asset activity as of June 30, 2024 is summarized below:

	Governmental Activities		
	2024	2023	Net Change
CAPITAL ASSETS			
Land	\$ 6,200,114	\$ 6,200,114	\$ -
Construction in progress	6,876,571	20,371,815	(13,495,244)
Land improvements	21,190,280	5,942,125	15,248,155
Buildings & improvements	43,502,310	43,194,083	308,227
Vehicles, equipment, and furniture	2,293,195	2,430,903	(137,708)
Total Capital Assets	\$ 80,062,470	\$ 78,139,040	\$ 1,923,430

Long-Term Debt

At end of the current fiscal year, the District's debt included bonds payable, compensated absences, and the net pension/OPEB liabilities. Compensated absences increased \$27,661 during the current year due to increases in salaries. Bonds payable decreased due to scheduled payments on school improvement bonds and amortization of issuance premiums. The net pension liability decreased \$144,944 due to factors as explained in Note 10 of this report.

	Governmental Activities		
	2024	2023	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	\$ 43,210,000	\$ 49,440,000	\$ (6,230,000)
Unamortized premium	5,219,855	6,061,680	(841,825)
Compensated absences	823,989	796,328	27,661
Net pension liability	6,904,623	7,049,567	(144,944)
Net OPEB liability	5,814	4,068	1,746
Total Long-term Liabilities	\$ 56,164,281	\$ 63,351,643	\$ (7,187,362)

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% of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10% of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$114.5 million and the Class B debt limit is \$76.3 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.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Increasing operating costs and inflationary factors continue to affect the District's budget by limiting operational and instructional needs.
- The current fiscal year ended with a slight increase in student enrollment compared to the prior year, from 777 to 782 in Average Daily Membership (ADM), but the District estimates FY2025 to slightly decline, which in turn, may cause a slight decline in funding.
- ESSER grant funding continued this fiscal year, which was a significant factor in maintaining and meeting the District's Maintenance and Operation needs.

The above factors were considered in preparing the District's budget for the 2024-25 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, 2024

	Governmental Activities
ASSETS	
Cash and investments	\$ 39,189,442
Property taxes receivable	237,765
Intergovernmental receivable	305,712
Accounts receivable	159,361
Deposits	23,842
Inventory	14,761
Net OPEB asset	234,166
Capital assets, not depreciated	13,076,685
Capital assets, net of accumulated depreciation	66,985,785
Total Assets	120,227,519
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	869,606
Deferred outflows related to OPEB - cost sharing	45,547
Total Deferred Outflows of Resources	915,153
LIABILITIES	
Accounts payable	929,648
Accrued wages and benefits	510,466
Retainage payable	266,426
Matured principal payable	6,230,000
Interest payable	1,156,925
Long-term liabilities:	
Due within one year	5,910,000
Due in more than one year	50,254,281
Total Liabilities	65,257,746
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	768,152
Deferred inflows related to OPEB - cost sharing plan	119,957
Total Deferred Inflows of Resources	888,109
NET POSITION	
Net investment in capital assets	44,999,813
Restricted:	
Net OPEB asset	234,166
Teacher compensation and other qualified programs (A.R.S 15-977)	422,321
Instructional improvement programs	115,611
Federal and state instructional programs	511,068
Food service	221,823
Civic center	1,202,158
Community programs	3,362
Extracurricular activities	43,072
Student activities	6,727
Capital projects	871,899
Debt service	792,770
Unrestricted	5,572,027
Total Net Position	\$ 54,996,817

See accompanying Notes to the Basic Financial Statements

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

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	\$ 7,163,416	\$ 540,921	\$ 1,262,450	\$ -	\$ (5,360,045)
Support services:					
Students	737,676	2,227	135,472	-	(599,977)
Instructional staff	2,442,371	217	318,357	-	(2,123,797)
General administration	882,892	143	94,571	-	(788,178)
School administration	478,882	9,345	6,380	-	(463,157)
Business and other support services	2,060,925	536	9,816	-	(2,050,573)
Operation and maintenance of plant	2,026,686	1,676	26,446	-	(1,998,564)
Student transportation	610,633	186	5,396	-	(605,051)
Operation of noninstructional services	1,495,521	52,441	1,042,339	-	(400,741)
Interest on long-term debt	1,483,225	-	-	-	(1,483,225)
Total	\$ 19,382,227	\$ 607,692	\$ 2,901,227	\$ -	\$ (15,873,308)
General revenues:					
Property taxes					15,139,389
Grants and contributions not restricted to specific programs:					
State equalization and additional state aid					356,671
Investment earnings					1,041,199
Other					2,579,664
Total general revenues					19,116,923
Change in net position					3,243,615
Net position - beginning					51,753,202
Net position - ending					\$ 54,996,817

See accompanying Notes to the Basic Financial Statements

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Bond Building Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 7,284,439	\$ 20,594,419	\$ 8,078,998	\$ 3,231,586	\$ 39,189,442
Receivables:					
Property taxes	137,068	-	100,697	-	237,765
Intergovernmental	-	-	-	305,712	305,712
Accounts receivable	76,071	-	-	83,290	159,361
Deposits	-	-	-	23,842	23,842
Inventory	14,761	-	-	-	14,761
Total Assets	\$ 7,512,339	\$ 20,594,419	\$ 8,179,695	\$ 3,644,430	\$ 39,930,883
LIABILITIES					
Accounts payable	\$ 194,237	\$ 730,795	\$ -	\$ 4,616	\$ 929,648
Accrued wages	268,693	64,382	-	177,391	510,466
Retainage payable	-	266,426	-	-	266,426
Bonds payable	-	-	6,230,000	-	6,230,000
Interest payable	-	-	1,156,925	-	1,156,925
Total Liabilities	462,930	1,061,603	7,386,925	182,007	9,093,465
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	79,480	-	60,716	-	140,196
FUND BALANCES					
Nonspendable	14,761	-	-	-	14,761
Restricted	-	19,532,816	732,054	3,462,423	23,727,293
Unassigned	6,955,168	-	-	-	6,955,168
Total Fund Balances	6,969,929	19,532,816	732,054	3,462,423	30,697,222
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 7,512,339	\$ 20,594,419	\$ 8,179,695	\$ 3,644,430	\$ 39,930,883

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, 2024

Total Fund Balance - Governmental Funds \$ 30,697,222

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	\$ 121,131,739	
Accumulated depreciation	<u>(41,069,269)</u>	80,062,470

Property tax revenue not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources in the governmental funds:	140,196
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Net OPEB asset:

In governmental funds, postretirement benefits costs are recognized as expenditures in the period they are paid. In the government-wide statements, they are recognized in the period they are incurred. The net OPEB asset at the end of the period was:

234,166

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	(43,210,000)	
Unamortized premiums	(5,219,855)	
Net pension liability	(6,904,623)	
Net OPEB liability	(5,814)	
Compensated absences	<u>(823,989)</u>	(56,164,281)

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:	869,606	
Deferred inflows of resources relating to pensions:	(768,152)	
Deferred outflows of resources relating to cost sharing OPEB:	45,547	
Deferred inflows of resources relating to cost sharing OPEB:	<u>(119,957)</u>	27,044

Total Net Position - Governmental Activities		<u>\$ 54,996,817</u>
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RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Bond Building Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 7,527,996	\$ -	\$ 7,607,938	\$ -	\$ 15,135,934
Intergovernmental	356,671	-	-	2,866,938	3,223,609
Tuition	1,500	-	-	-	1,500
Food Services Sales	-	-	-	52,141	52,141
Auxiliary operations	2,335	-	-	6,650	8,985
Student activities	-	-	-	25,522	25,522
Contributions and donations	33,569	-	-	720	34,289
Investment earnings	178,030	-	772,108	91,061	1,041,199
Other	2,579,664	-	-	519,544	3,099,208
Total Revenues	10,679,765	-	8,380,046	3,562,576	22,622,387
EXPENDITURES					
Current					
Instruction	3,419,219	701,114	-	1,434,221	5,554,554
Support services:					
Students	590,794	8,557	-	119,166	718,517
Instructional staff	577,806	519,368	-	280,895	1,378,069
General administration	382,738	37,456	-	83,047	503,241
School administration	392,882	81,536	-	10,550	484,968
Business and other support services	1,429,687	642,953	-	4,560	2,077,200
Operations and maintenance of plant	1,397,255	266,083	-	20,996	1,684,334
Student transportation	496,899	194,950	-	3,351	695,200
Operations of noninstructional services	13,272	475,000	-	1,061,181	1,549,453
Debt service:					
Principal	-	-	6,230,000	-	6,230,000
Interest and fiscal charges	-	-	2,313,850	-	2,313,850
Other debt-related costs	-	-	11,200	-	11,200
Capital outlay:					
Facilities acquisition	1,529,012	3,685,451	-	62,206	5,276,669
Total Expenditures	10,229,564	6,612,468	8,555,050	3,080,173	28,477,255
Excess (Deficiency) of Revenues Over Expenditures	450,201	(6,612,468)	(175,004)	482,403	(5,854,868)
Other Financing Sources (Uses)					
Transfers in	262,974	-	-	-	262,974
Transfers out	-	-	-	(262,974)	(262,974)
Net Financing Sources (Uses)	262,974	-	-	(262,974)	-
NET CHANGE IN FUND BALANCE	713,175	(6,612,468)	(175,004)	219,429	(5,854,868)
Fund Balance - Beginning	6,260,612	26,145,284	907,058	3,242,994	36,555,948
Increase/(decrease) in inventories	(3,858)	-	-	-	(3,858)
Fund Balance - Ending	\$ 6,969,929	\$ 19,532,816	\$ 732,054	\$ 3,462,423	\$ 30,697,222

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, 2024

Net Change in Fund Balances - Governmental Funds \$ (5,854,868)

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:	\$ 5,906,253	
Depreciation expense:	<u>(3,971,558)</u>	1,934,695

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. (11,265)

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	3,455
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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	713,589
Pension expense	(618,011)
OPEB ASRS contributions	15,505
OPEB ASRS expense	20,209

The issuance of long-term debt (e.g. bonds, leases) 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 school improvement bonds	6,230,000
Amortization of deferred bond items	841,825

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.

Net decrease (increase) in compensated absences	(27,661)
Change in inventories balances	<u>(3,858)</u>

Change in Net Position of Governmental Activities **\$ 3,243,615**

See accompanying Notes to the Basic Financial Statements

NOTES TO BASIC FINANCIAL STATEMENTS

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024

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 *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, 2024

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 (\$279,565) and state grants (\$26,147).

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 \$23,842 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 deferred outflows of resources reported in the government-wide financial statements represent the reacquisition costs related to the refunding of bonded debt. The reacquisition costs are amortized and expensed over the lesser of the maturity of the refunded bonds or the refunding bonds. Deferred outflows related to the pension and OPEB represent a consumption of net assets that applies to future periods.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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.

Pensions Plans and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB 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 or by actuaries for the District single employer OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, 2024, or within 60 days of fiscal year end. The deferred inflows of resources represent a reconciling item between the governmental fund and the government-wide financial statements. Deferred inflows related to the pension and OPEB represent an acquisition of net assets that applies to future periods.

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, 2024

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	Bond Building Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Activities
Nonspendable					
Inventory	\$ 14,761	\$ -	\$ -	\$ -	\$ 14,761
Restricted					
Teacher compensation and other qualified programs (A.R.S. 15-977)	-	-	-	422,321	422,321
Instructional improvement programs	-	-	-	115,611	115,611
Federal and state instructional programs	-	-	-	511,068	511,068
Food service	-	-	-	221,823	221,823
Civic center	-	-	-	1,202,158	1,202,158
Community programs	-	-	-	3,362	3,362
Extracurricular activities	-	-	-	43,072	43,072
Student activities	-	-	-	6,727	6,727
Capital projects	-	19,532,816	-	936,281	20,469,097
Debt service	-	-	732,054	-	732,054
Total restricted	-	19,532,816	732,054	3,462,423	23,727,293
Unassigned	6,955,168	-	-	-	6,955,168
Total	\$ 6,969,929	\$ 19,532,816	\$ 732,054	\$ 3,462,423	\$ 30,697,222

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits and investments at June 30, 2024 consist of the following:

Deposits:	
Cash in bank	\$ 188,433
Investments:	
Cash on deposit with county treasurer	39,000,884
Total deposits and investments	<u>\$ 39,189,442</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 \$188,433 of cash on deposit with a local financial institution and a bank balance of \$ 209,376 at June 30, 2024. The District does not have a formal policy regarding custodial credit risk. However, the entire bank balance was insured by federal depository insurance.

Investments

At June 30, 2024, 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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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 – UNAVAILABLE REVENUES

Property taxes are recognized as revenues in the fiscal year 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. The District did not record any unearned revenue as of June 30, 2024.

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	\$ 79,480
Debt Service Fund	60,716
Total	<u>\$ 140,196</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024
Capital assets not being depreciated				
Land	\$ 6,200,114	\$ -	\$ -	\$ 6,200,114
Construction in progress	20,371,815	4,247,866	(17,743,110)	6,876,571
Total capital assets not being depreciated	26,571,929	4,247,866	(17,743,110)	13,076,685
Capital assets being depreciated				
Land improvements	10,982,213	16,330,510	-	27,312,723
Buildings and improvements	66,825,745	2,578,455	-	69,404,200
Vehicles, equipment, and furniture	10,957,662	492,532	(112,063)	11,338,131
Total capital assets being depreciated	88,765,620	19,401,497	(112,063)	108,055,054
Less accumulated depreciation				
Land improvements	(5,040,088)	(1,082,355)	-	(6,122,443)
Buildings and improvements	(23,631,662)	(2,270,228)	-	(25,901,890)
Vehicles, equipment, and furniture	(8,526,759)	(618,975)	100,798	(9,044,936)
Total accumulated depreciation	(37,198,509)	(3,971,558)	100,798	(41,069,269)
Total capital assets, being depreciated, net	51,567,111	15,429,939	(11,265)	66,985,785
Governmental activities capital assets, net	\$ 78,139,040	\$ 19,677,805	\$ (17,754,375)	\$ 80,062,470

Depreciation expenses was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 1,660,923
Support Services:	
Students	22,394
General Administration	407,749
Operations and Maintenance of Plant	1,585,169
Student Transportation	142,857
Operation of Noninstructional Services	152,466
	<u>\$ 3,971,558</u>

As of June 30, 2024, the District reported the following construction commitments:

	Governmental activities	
Project	Spent-to-date	Estimated remaining
Maricopa Institute of Technology improvements	\$ 5,168,656	\$ 1,476,260
Riverside Traditional School improvements	1,652,915	403,012
Miscellaneous projects	55,000	-
Total	<u>\$ 6,876,571</u>	<u>\$ 1,879,272</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2024 consisted of the following:

Transfer to	Transfer from	
	Nonmajor Governmental Funds	
General fund	\$	262,974

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

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, 2024, 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 \$114.5 million, and the available margin is \$66.1 million.

As of June 30, 2024, the current outstanding bonds are as follows:

Purpose	Interest Rate	Maturity	Original Issue	Balance
Governmental Activities:				
School Improvement Bonds Project of 2011, Series C (2013)	2.5% - 4.5%	7/1/24 - 27	\$ 4,035,000	\$ 4,035,000
Refunding Bonds, Series 2011	5.75%	7/1/30	520,000	520,000
School Improvement Bonds Project of 2014, Series C (2017)	4.0% - 5.0%	7/1/24 - 25	840,000	840,000
Refunding Bonds, Series 2017 (2020 Crossover)	4.0% - 5.0%	7/1/24 - 29	2,720,000	2,720,000
School Improvement Bonds Project of 2014, Series D (2018)	5.00%	7/1/24 - 25	2,150,000	2,150,000
School Improvement Bonds Project of 2014, Series E (2020)	3.00% - 4.00%	7/1/24 - 32	10,550,000	10,550,000
School Improvement Bonds Project of 2020 Series E (2022)	5.00%	7/1/24 - 35	22,395,000	22,395,000
			<u>\$ 43,210,000</u>	<u>\$ 43,210,000</u>

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 7 – LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds Payable (Continued)

Year ended, June 30,	General Obligation Bonds	
	Principal	Interest
2025	\$ 5,910,000	\$ 2,021,625
2026	4,955,000	1,748,075
2027	4,640,000	1,527,550
2028	4,725,000	1,321,200
2029	4,280,000	1,100,900
2030-2034	18,225,000	2,605,950
2035	475,000	23,750
Total	<u>\$ 43,210,000</u>	<u>\$ 10,349,050</u>

Changes in long-term liabilities for the year ended June 30, 2024 are summarized as follows:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
General obligation bonds	\$ 49,440,000	\$ -	\$ (6,230,000)	\$ 43,210,000	\$ 5,910,000
Unamortized premium	6,061,680	-	(841,825)	5,219,855	-
Compensated absences	796,328	346,990	(319,329)	823,989	-
Net pension liability	7,049,567	-	(144,944)	6,904,623	-
Net OPEB liability	4,068	1,746	-	5,814	-
Total	<u>\$ 63,351,643</u>	<u>\$ 348,736</u>	<u>\$ (7,536,098)</u>	<u>\$ 56,164,281</u>	<u>\$ 5,910,000</u>

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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 – RISK MANAGEMENT (CONTINUED)

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.

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Cost Sharing Pension Plan

As of June 30, 2024, the District reported the following liabilities/assets) related to its cost-sharing pension/OPEB plan to which it contributes:

	Cost-sharing pension plan	Cost-sharing OPEB plan	Total
Net (assets)	\$ -	\$ 234,166	\$ 234,166
Net pension liability	6,904,623	5,814	6,910,437
Deferred outflows of resources	869,606	45,547	864,056
Deferred inflows of resources	768,152	119,957	888,109
Pension expense	618,011	(20,209)	597,802

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.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Benefits Provided

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

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80	30 years, age 55
	10 years, age 62	25 years, age 60
	5 years, age 50*	10 years, age 62
	Any years, age 65	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 earning. 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.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

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

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (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, 2024, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29% (12.14% for retirement and 0.15% 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 12.29% (12.03% for retirement, 0.11% for health insurance premium benefit, and 0.15% 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 9.99% (9.94% for retirement and 0.05% 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, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2024, were \$713,589, \$6,525, and \$8,980, respectively.

During the fiscal year ended June 30, 2024, the District paid for ASRS pension as follows: 64% from the General Fund, 10% from the Bond Building Fund, and 26% from Nonmajor Governmental Funds.

Pension Liability

As of June 30, 2024, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

	Net pension/OPEB (asset)/liability
Pension	\$ 6,904,623
Health insurance premium benefit	(234,166)
Long-term disability	5,814
Total Pension/OPEB Liability (asset):	<u>\$ 6,676,271</u>

The net asset and net liabilities were measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023.

The District's proportion of the net asset or net 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, 2023, and the change from its proportions measured as of June 30, 2022, were:

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Pension Liability (Continued)

	District % Proportion June 30, 2023	Increase (Decrease) from June 30, 2022
Pension	0.04267%	-0.00052%
Health insurance premium benefit	0.04337%	-0.00054%
Long-term disability	0.04437%	0.00032%

Pension Expense

For the year ended June 30, 2024, the District recognized the following pension and OPEB expense.

	Pension/OPEB Expense
Pension	\$ 618,011
Health insurance premium benefit	(25,705)
Long-term disability	5,496
Total Pension/OPEB Expense:	<u>\$ 597,802</u>

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Deferred Outflows/Inflows of Resources

As of June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ 156,017	\$ 9,881	\$ 5,249
Changes of assumptions or other inputs	-	-	1,534
Changes in proportion and differences between contributions and proportionate share of contributions	-	10,058	3,320
Contributions subsequent to the measurement date	713,589	6,525	8,980
Total	\$ 869,606	\$ 26,464	\$ 19,083

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ -	\$ 87,326	\$ 3,272
Changes of assumptions or other inputs	-	4,660	8,463
Net difference between projected and actual earnings on pension plan investments	244,292	10,285	465
Changes in proportion and differences between contributions and proportionate share of contributions	523,860	1,279	4,207
Total	\$ 768,152	\$ 103,550	\$ 16,407

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in expenses as noted below.

Year Ending June 30:	Deferred Outflows (Inflows) of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
2025	\$ (535,473)	\$ (36,821)	\$ (767)
2026	(309,579)	(40,628)	(1,727)
2027	263,274	(2,809)	109
2028	(30,357)	(4,113)	(1,470)
2029	-	760	(1,621)
Thereafter	-	-	(828)
Total	\$ (612,135)	\$ (83,611)	\$ (6,304)

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Actuarial Assumptions

The significant actuarial assumptions used to measure the total pension/OPEB liabilities and assets are as follows:

	Pensions	Health Insurance Premium Benefit	Long-Term Disability
Actuarial valuation date	June 30, 2022	June 30, 2022	June 30, 2022
Actuarial roll forward date	June 30, 2023	June 30, 2023	June 30, 2023
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Investment rate of return	7.0%	7.0%	7.0%
Projected salary increases	2.9-8.4%	Not applicable	Not applicable
Inflation rate	2.3%	2.3%	2.3%
Permanent base increases	Included	Not applicable	Not applicable
Mortality rates	2017 SRA Scale U-MP	2017 SRA Scale U-MP	Not applicable
Recovery rates	Not applicable	Not applicable	2012 GLDT

Actuarial assumptions used in the June 30, 2022, 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 plan investments was determined to be 7.00% 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below.

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	3.50%
Credit	23%	5.90%
Real estate	17%	5.90%
Private equity	10%	6.70%
Interest rate sensitive	6%	1.50%
Total	<u>100%</u>	

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Arizona State Retirement System (Continued)

Discount Rate

On June 30, 2023, the discount rate used to measure the ASRS total pension/OPEB 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 statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

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/OPEB (asset) liability calculated using the discount rate of 7.00%, as well as what the District’s proportionate share of the net pension/OPEB (asset)/liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate.

	Proportionate share of the net liability (asset)		
	Current		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Pension	\$ 10,342,111	\$ 6,904,623	\$ 4,038,366
Health insurance premium benefit	(163,672)	(234,166)	(294,071)
Long-term disability	8,502	5,814	3,170

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 \$28,695 of outstanding pension and OPEB contribution amounts payable to ASRS for the year ended June 30, 2024.

NOTE 11 – SUBSEQUENT EVENTS

On August 8, 2024, the District issued School Improvement Bonds, Project of 2020, Series B (2024) bonds in the amount of \$34,030,000. These bonds are due in annual principal installments ranging from \$325,000 to \$5,495,000, plus semi-annual interest ranging from 3 percent to 5 percent through July 1, 2039.

**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, 2024

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Reporting Fiscal Year (Measurement Date)								
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Proportion of the net pension liability	0.04267%	0.04319%	0.05304%	0.04770%	0.04230%	0.05000%	0.05000%	0.04000%	0.04000%
Proportionate share of the net pension liability	\$ 6,904,623	\$ 7,049,567	\$ 6,969,220	\$ 8,264,750	\$ 6,153,687	\$ 6,264,759	\$ 7,240,678	\$ 7,641,154	\$ 6,893,085
Covered payroll	\$ 5,823,923	\$ 5,345,878	\$ 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	129.16%	131.87%	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	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

SCHEDULE OF CONTRIBUTIONS

	Reporting Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 713,589	\$ 663,890	\$ 636,218	\$ 694,643	\$ 597,133	\$ 498,273	\$ 502,218	\$ 499,136	\$ 474,037
Contributions in relation to the actuarially determined contribution	713,589	663,890	636,218	694,643	597,133	498,273	502,218	499,136	474,037
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 6,150,117	\$ 5,823,923	\$ 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	11.60%	11.40%	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, 2024

	Budgeted Amounts		Actual Budgetary Basis	Variances - Final to Actual
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ 6,978,099	\$ 6,978,099
Intergovernmental	-	-	356,671	356,671
Tuition	-	-	1,500	1,500
Investment earnings	-	-	103,766	103,766
Other	-	-	652	652
Total Revenues	-	-	7,440,688	7,440,688
EXPENDITURES				
Regular education:				
Instruction	2,528,539	2,091,035	1,823,827	267,208
Support services - students	324,970	388,262	273,696	114,566
Support services - instructional staff	457,070	514,977	368,792	146,185
Support services - general administration	556,335	553,719	353,509	200,210
Support services - school administration	522,942	539,701	378,503	161,198
Support services - central services	1,522,745	1,702,640	1,241,510	461,130
Operations and maintenance of plant	1,338,847	1,327,577	1,016,943	310,634
School sponsored athletics	26,753	26,893	18,463	8,430
Total regular education	7,278,201	7,144,804	5,475,243	1,669,561
Special education:				
Instruction	898,482	1,044,000	992,350	51,650
Support services - students	277,108	281,903	277,569	4,334
Support services - instructional staff	184,181	190,144	184,654	5,490
Support services - general administration	603	603	-	603
Support services - central services	723	282	-	282
Total special education	1,361,097	1,516,932	1,454,573	62,359
Pupil transportation:				
Student transportation services	686,832	696,017	442,980	253,037
Total pupil transportation	686,832	696,017	442,980	253,037
K-3 reading program:				
Instruction	80,072	52,704	52,428	276
Total K-3 reading program	80,072	52,704	52,428	276
Total Expenditures	9,406,202	9,410,457	7,425,224	1,985,233
Excess (Deficiency) of Revenues Over Expenditures	(9,406,202)	(9,410,457)	15,464	9,425,921
Other Financing Sources (Uses):				
Change in Inventories	-	-	(3,858)	(3,858)
NET CHANGE IN FUND BALANCE	(9,406,202)	(9,410,457)	11,606	9,422,063
Fund Balance - Beginning	-	-	4,271,648	4,271,648
Fund Balance - Ending	\$ (9,406,202)	\$ (9,410,457)	\$ 4,283,254	\$ 13,693,711

See accompanying Notes to Required Supplementary Information

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

NOTE 1 – OPEB INFORMATION

Information related to the OPEB liability and asset were not presented in within the RSI as the amounts were not significant to the financial statements.

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	Total	Other	Fund balance	Fund balance
	Revenues	Expenditures	Financing	beginning of	end of year
			Sources and	year	
			Uses		
Statement of revenues, expenditures and changes in fund balance	\$ 10,679,765	\$ 10,229,564	\$ 259,116	\$ 6,260,612	\$ 6,969,929
Non-maintenance and operation activity included in the General Fund	(3,239,077)	(2,804,340)	(262,974)	(1,988,964)	(2,686,675)
Schedule of revenues, expenditures, and changes in fund balance - budget to actual	\$ 7,440,688	\$ 7,425,224	\$ (3,858)	\$ 4,271,648	\$ 4,283,254

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
NONMAJOR GOVERNMENTAL FUNDS
FUND DESCRIPTIONS
JUNE 30, 2024

SPECIAL REVENUE 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.

Special Projects Fund - accounts for revenues and expenditures of federal and state grants.

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, grants and gifts to teachers, and student activities.

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

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, 2024

	Special Revenue Funds					Capital Project Funds	
	Classroom Site Fund	Instructional Improvement Fund	Special Projects Fund	Other Special Revenue Fund	Food Service Fund	Adjacent Ways Fund	Non-Major Governmental Funds
ASSETS							
Cash and investments	\$ 515,729	\$ 89,464	\$ 293,658	\$ 1,189,231	\$ 207,223	\$ 936,281	\$ 3,231,586
Receivables:							
Intergovernmental	-	26,147	264,211	-	15,354	-	305,712
Accounts receivable	-	-	-	83,290	-	-	83,290
Deposits	-	-	-	-	23,842	-	23,842
Total Assets	\$ 515,729	\$ 115,611	\$ 557,869	\$ 1,272,521	\$ 246,419	\$ 936,281	\$ 3,644,430
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 4,616	\$ -	\$ -	\$ -	\$ 4,616
Accrued wages	93,408	-	42,185	17,202	24,596	-	177,391
Total Liabilities	93,408	-	46,801	17,202	24,596	-	182,007
FUND BALANCES							
Restricted	422,321	115,611	511,068	1,255,319	221,823	936,281	3,462,423
Total Fund Balances	422,321	115,611	511,068	1,255,319	221,823	936,281	3,462,423
Total Liabilities and Fund Balances	\$ 515,729	\$ 115,611	\$ 557,869	\$ 1,272,521	\$ 246,419	\$ 936,281	\$ 3,644,430

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2024

	Special Revenue Funds					Capital Project Funds	
	Classroom Site	Instructional	Special	Other Special	Food Service	Adjacent Ways	Non-Major
	Fund	Improvement Fund	Projects Fund	Revenue Fund	Fund	Fund	Governmental Funds
REVENUES							
Intergovernmental	\$ 681,419	\$ 56,470	\$ 1,088,921	\$ -	\$ 1,040,128	\$ -	\$ 2,866,938
Food Services Sales	-	-	-	-	52,141	-	52,141
Auxiliary operations	-	-	-	6,650	-	-	6,650
Student Activities	-	-	-	25,522	-	-	25,522
Investment earnings	14,419	2,413	12,564	29,963	5,878	25,824	91,061
Other	-	-	-	519,544	-	-	519,544
Total Revenues	695,838	58,883	1,101,485	582,399	1,098,147	25,824	3,562,576
EXPENDITURES							
Current							
Instruction	538,466	25,408	516,570	353,777	-	-	1,434,221
Support services:							
Students	57,805	-	60,046	1,315	-	-	119,166
Instructional staff	-	810	280,085	-	-	-	280,895
Operations and maintenance of plant	-	-	14,522	573	5,901	-	20,996
Operations of noninstructional services	-	-	2,396	-	1,058,785	-	1,061,181
Capital outlay:							
Facilities acquisition	-	-	-	-	42,793	19,413	62,206
Total Expenditures	596,271	26,218	969,097	361,695	1,107,479	19,413	3,080,173
Excess (Deficiency) of Revenues Over Expenditures	99,567	32,665	132,388	220,704	(9,332)	6,411	482,403
Other Financing Sources (Uses)							
Transfers out	-	-	(106,312)	-	(156,662)	-	(262,974)
NET CHANGE IN FUND BALANCE	99,567	32,665	26,076	220,704	(165,994)	6,411	219,429
Fund Balance - Beginning	322,754	82,946	484,992	1,034,615	387,817	929,870	3,242,994
Fund Balance - Ending	\$ 422,321	\$ 115,611	\$ 511,068	\$ 1,255,319	\$ 221,823	\$ 936,281	\$ 3,462,423

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, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 681,419	\$ 681,419
Investment earnings	-	-	14,419	14,419
Total Revenues	-	-	695,838	695,838
EXPENDITURES				
Regular education:				
Instruction	1,030,479	1,032,921	493,840	539,081
Special education:				
Instruction	93,120	93,340	44,626	48,714
Support services - students	120,620	120,905	57,805	63,100
Total special education	213,740	214,245	102,431	111,814
Total Expenditures	1,244,219	1,247,166	596,271	650,895
Excess (Deficiency) of Revenues				
Over Expenditures	(1,244,219)	(1,247,166)	99,567	1,346,733
Fund Balance - Beginning	-	-	322,754	322,754
Fund Balance - Ending	\$ (1,244,219)	\$ (1,247,166)	\$ 422,321	\$ 1,669,487

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, 2024

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 56,470	\$ 56,470
Investment earnings	-	-	2,413	2,413
Total Revenues	-	-	58,883	58,883
EXPENDITURES				
Regular education:				
Instruction	91,066	91,066	25,408	65,658
Support services - instructional staff	2,903	2,903	810	2,093
Total Expenditures	93,969	93,969	26,218	67,751
Excess (Deficiency) of Revenues				
Over Expenditures	(93,969)	(93,969)	32,665	126,634
Fund Balance - Beginning	-	-	82,946	82,946
Fund Balance - Ending	\$ (93,969)	\$ (93,969)	\$ 115,611	\$ 209,580

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,088,921	\$ 1,088,921
Investment earnings	-	-	12,564	12,564
Total Revenues	-	-	1,101,485	1,101,485
EXPENDITURES				
Regular education:				
Instruction	535,495	320,962	222,799	98,163
Support services - students	130,858	78,433	54,445	23,988
Support services - instructional staff	562,558	337,183	234,059	103,124
Support services - general administration	199,603	119,637	83,047	36,590
Support services - school administration	10,864	6,511	4,520	1,991
Support services - central services	9,410	5,640	3,915	1,725
Operations and maintenance of plant	34,903	20,920	14,522	6,398
Operation of noninstructional services	5,759	3,452	2,396	1,056
Total regular education	1,489,450	892,738	619,703	273,035
Special education:				
Instruction	706,076	423,203	293,771	129,432
Support services - students	13,462	8,069	5,601	2,468
Support services - instructional staff	110,623	66,305	46,026	20,279
Support services - central services	1,550	929	645	284
Total special education	831,711	498,506	346,043	152,463
Pupil transportation:				
Student transportation services	8,054	4,827	3,351	1,476
Total Expenditures	2,329,215	1,396,071	969,097	426,974
Excess (Deficiency) of Revenues				
Over Expenditures	(2,329,215)	(1,396,071)	132,388	1,528,459
Other Financing Sources (Uses):				
Transfers out	-	-	(106,312)	(106,312)
NET CHANGE IN FUND BALANCE	(2,329,215)	(1,396,071)	26,076	1,422,147
Fund Balance - Beginning	-	-	484,992	484,992
Fund Balance - Ending	\$ (2,329,215)	\$ (1,396,071)	\$ 511,068	\$ 1,907,139

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, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Auxiliary operations	\$ -	\$ -	\$ 6,650	\$ 6,650
Student Activities	-	-	25,522	25,522
Investment earnings	-	-	29,963	29,963
Other	-	-	520,264	520,264
Total Revenues	-	-	582,399	582,399
EXPENDITURES				
Regular education:				
Instruction	1,042,008	1,252,301	270,635	981,666
Support services - students	5,063	6,085	1,315	4,770
Support services - school administration	23,217	27,902	6,030	21,872
Operations and maintenance of plant	2,206	2,651	573	2,078
Total regular education	1,072,494	1,288,939	278,553	1,010,386
Special education:				
Instruction	274,063	329,374	71,181	258,193
K-3 reading program:				
Instruction	46,053	55,347	11,961	43,386
Total Expenditures	1,392,610	1,673,660	361,695	1,311,965
Excess (Deficiency) of Revenues				
Over Expenditures	(1,392,610)	(1,673,660)	220,704	1,894,364
Fund Balance - Beginning, as restated	-	-	1,034,615	1,034,615
Fund Balance - Ending	\$ (1,392,610)	\$ (1,673,660)	\$ 1,255,319	\$ 2,928,979

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, 2024

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,040,128	\$ 1,040,128
Food service sales	-	-	52,141	52,141
Investment earnings	-	-	5,878	5,878
Total Revenues	-	-	1,098,147	1,098,147
EXPENDITURES				
Regular education:				
Operations and maintenance of plant	5,531	7,358	5,901	(370)
Operation of noninstructional services	992,457	1,320,269	1,058,785	(66,328)
Total regular education	997,988	1,327,627	1,064,686	(66,698)
Capital outlay:				
Facilities acquisition	40,112	53,361	42,793	10,568
Total Expenditures	1,038,100	1,380,988	1,107,479	(56,130)
Excess (Deficiency) of Revenues Over Expenditures	(1,038,100)	(1,380,988)	(9,332)	1,042,017
Other Financing Sources (Uses):				
Transfers out	-	-	(156,662)	(156,662)
NET CHANGE IN FUND BALANCE	(1,038,100)	(1,380,988)	(165,994)	1,214,994
Fund Balance - Beginning	-	-	387,817	387,817
Fund Balance - Ending	\$ (1,038,100)	\$ (1,380,988)	\$ 221,823	\$ 1,602,811

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, 2024

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 25,824	\$ 25,824
EXPENDITURES				
Capital outlay				
Facilities acquisition	964,216	964,216	19,413	944,803
Total Expenditures	964,216	964,216	19,413	944,803
Excess (Deficiency) of Revenues				
Over Expenditures	(964,216)	(964,216)	6,411	970,627
Fund Balance - Beginning	-	-	929,870	929,870
Fund Balance - Ending	\$ (964,216)	\$ (964,216)	\$ 936,281	\$ 1,900,497

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, 2024

	Budgeted Amounts		Actual	Variances - Final to Actual
	Original	Final		
EXPENDITURES				
Regular education:				
Instruction	\$ 2,179,420	\$ 2,577,571	\$ 701,114	\$ 1,876,457
Support services - students	26,600	31,459	8,557	22,902
Support services - instructional staff	1,614,461	1,909,401	519,368	1,390,033
Support services - general administration	116,432	137,703	37,456	100,247
Support services - school administration	253,455	299,758	81,536	218,222
Support services - central services	1,998,626	2,363,749	642,953	1,720,796
Operations and maintenance of plant	827,122	978,226	266,083	712,143
Total regular education	8,492,658	10,044,154	2,732,067	7,312,087
Pupil transportation:				
Student transportation services	606,004	716,713	194,950	521,763
Capital outlay				
Facilities acquisition	11,456,261	13,549,170	3,685,451	9,863,719
Total Expenditures	20,554,923	24,310,037	6,612,468	17,697,569
Excess (Deficiency) of Revenues				
Over Expenditures	(20,554,923)	(24,310,037)	(6,612,468)	(17,697,569)
Fund Balance - Beginning	-	-	26,145,284	26,145,284
Fund Balance - Ending	\$ (20,554,923)	\$ (24,310,037)	\$ 19,532,816	\$ 8,447,715

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, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Property taxes	\$ -	\$ -	7,607,938	\$ 7,607,938
Investment earnings	-	-	772,108	772,108
Total Revenues	-	-	8,380,046	8,380,046
EXPENDITURES				
Debt service:				
Principal retirement	6,231,821	6,231,821	6,230,000	1,821
Interest and fiscal charges	2,314,526	2,314,526	2,313,850	676
Other debt-related costs	11,203	11,203	11,200	3
Total debt service	8,557,550	8,557,550	8,555,050	2,500
Total Expenditures	8,557,550	8,557,550	8,555,050	2,500
Excess (Deficiency) of Revenues				
Over Expenditures	(8,557,550)	(8,557,550)	(175,004)	8,382,546
Fund Balance - Beginning	-	-	907,058	907,058
Fund Balance - Ending	\$ (8,557,550)	\$ (8,557,550)	\$ 732,054	\$ 9,289,604

**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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net investment in capital assets	\$ 44,999,813	\$ 15,150,009	\$ 43,980,872	\$ 40,263,576	\$ 32,718,471	\$ 30,512,206	\$ 28,053,174	\$ 26,424,131	\$ 29,792,951	\$ 23,908,182
Restricted	4,424,977	30,540,397	5,896,879	8,386,105	9,512,906	9,404,562	8,198,728	582,761	1,114,274	17,123,942
Unrestricted	5,572,027	6,062,796	(5,065,912)	(9,267,491)	(3,791,696)	(4,240,138)	(5,270,903)	1,579,870	(3,879,216)	(15,639,760)
Total	\$ 54,996,817	\$ 51,753,202	\$ 44,811,839	\$ 39,382,190	\$ 38,439,681	\$ 35,676,630	\$ 30,980,999	\$ 28,586,762	\$ 27,028,009	\$ 25,392,364

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Instruction	\$ 7,163,416	\$ 6,056,715	\$ 5,697,539	\$ 8,222,041	\$ 6,139,507	\$ 5,635,708	\$ 6,534,080	\$ 6,109,450	\$ 5,463,737	\$ 5,653,347
Support Services - students and staff	3,180,047	1,548,638	1,655,937	1,625,773	1,399,383	1,107,552	1,236,770	1,705,904	1,332,920	1,154,461
Support Services - administration	3,422,699	3,330,550	2,894,636	4,134,953	2,623,210	2,601,354	2,239,810	2,588,092	2,157,932	2,119,459
Operation and Maintenance of plant services	2,026,686	1,642,914	1,686,961	2,087,316	1,779,567	1,636,937	1,566,523	1,101,478	1,699,121	1,145,606
Student transportation services	610,633	581,181	731,092	467,134	739,859	588,074	520,805	473,915	556,751	452,739
Operation of non-instructional services	1,495,521	1,123,552	837,481	647,401	824,303	755,887	681,242	855,505	606,116	669,211
Interest on long-term debt	1,483,225	1,857,182	1,061,192	1,406,760	1,496,457	1,503,558	1,459,267	1,556,906	1,248,883	1,230,103
Total expenses	19,382,227	16,140,732	14,564,838	18,591,378	15,002,286	13,829,070	14,238,497	14,391,250	13,065,460	12,424,926
Program revenues:										
Charges for services:										
Instruction	540,921	487,126	382,382	915,380	624,209	308,842	374,896	-	-	-
Operation of non-instructional services	52,441	73,811	34,068	25,900	41,137	48,925	82,875	34,582	25,483	121,210
Other Activities	14,330	13,478	17,653	91,256	296,865	460,316	43,429	-	-	-
Operating grants and contributions	2,901,227	3,629,666	4,270,438	3,395,323	1,802,872	1,789,381	1,896,229	2,416,853	2,159,654	2,367,964
Capital grants and contributions	-	-	-	-	-	110,000	-	-	-	-
Total program revenues	3,508,919	4,204,081	4,704,541	4,427,859	2,765,083	2,717,464	2,397,429	2,451,435	2,185,137	2,489,174
Net expense	\$ (15,873,308)	\$ (11,936,651)	\$ (9,860,297)	\$ (14,163,519)	\$ (12,237,203)	\$ (11,111,606)	\$ (11,841,068)	\$ (11,939,815)	\$ (10,880,323)	\$ (9,935,752)

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net Expense	\$ (15,873,308)	\$ (11,936,651)	\$ (9,860,297)	\$ (14,163,519)	\$ (12,237,203)	\$ (11,111,606)	\$ (11,841,068)	\$ (11,939,815)	\$ (10,880,323)	\$ (9,935,752)
General revenues:										
Property taxes:										
Property taxes, levied for general purposes	6,981,554	6,792,980	6,035,928	6,495,405	5,962,182	5,895,169	5,782,461	5,619,930	5,397,940	5,189,673
Property taxes, levied for debt services	7,607,938	8,667,273	8,002,756	7,380,166	7,499,473	8,407,380	7,406,965	6,262,588	5,725,767	5,912,853
Property taxes, levied for capital outlay	549,897	543,160	496,651	516,502	496,943	482,521	477,915	669,941	1,170,402	570,327
Investment Income and Other	3,620,863	2,735,430	641,678	399,207	491,939	472,334	135,081	72,365	118,273	100,612
Unrestricted State Aid	356,671	139,171	112,933	119,538	549,717	549,833	530,353	36,897	47,423	73,796
Miscellaneous	-	-	-	-	-	-	-	123,571	56,163	-
Total general revenues	19,116,923	18,878,014	15,289,946	14,910,818	15,000,254	15,807,237	14,332,775	12,785,292	12,515,968	11,847,261
Changes in net position	\$ 3,243,615	\$ 6,941,363	\$ 5,429,649	\$ 747,299	\$ 2,763,051	\$ 4,695,631	\$ 2,491,707	\$ 845,477	\$ 1,635,645	\$ 1,911,509

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Nonspendable	\$ 14,761	\$ 18,619	\$ 15,508	\$ 44,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	6,955,168	6,241,993	5,313,562	4,215,745	1,854,186	1,514,372	1,089,896	663,705	461,463	359,146
Total General Fund	6,969,929	6,260,612	5,329,070	4,260,557	1,854,186	1,514,372	1,089,896	663,705	461,463	359,146
All other governmental funds:										
Restricted	23,727,293	30,295,336	5,896,879	8,386,105	18,960,307	22,743,056	15,165,297	6,581,004	9,124,940	17,187,100
Unassigned	-	-	-	-	(290,741)	(160,118)	(213,602)	(14,007)	(21,231)	(83,283)
Total all other governmental funds	23,727,293	30,295,336	5,896,879	8,386,105	18,669,566	22,582,938	14,951,695	6,566,997	9,103,709	17,103,817
Total all governmental funds	\$ 30,697,222	\$ 36,555,948	\$ 11,225,949	\$ 12,646,662	\$ 20,523,752	\$ 24,097,310	\$ 16,041,591	\$ 7,230,702	\$ 9,565,172	\$ 17,462,963

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Federal sources:										
Federal aid and grants	\$ 1,053,412	\$ 1,873,516	\$ 2,353,200	\$ 2,065,901	\$ 876,326	\$ 1,026,148	\$ 823,635	\$ 1,227,532	\$ 819,596	\$ 892,697
National school lunch program	1,040,128	924,721	1,092,567	659,101	757,167	770,032	746,686	779,933	702,714	706,478
Total federal sources:	2,093,540	2,798,237	3,445,767	2,725,002	1,633,493	1,796,180	1,570,321	2,007,465	1,522,310	1,599,175
States sources:										
State equalization	356,671	139,171	112,933	119,538	100,315	95,949	95,785	55,112	83,754	41,861
State grants	35,509	93,266	245,527	290,125	125,850	131,335	80,089	13,704	122,274	405,515
Other revenues	737,889	706,654	650,812	430,018	449,402	453,884	434,568	362,633	460,282	339,193
Total state sources	1,130,069	939,091	1,009,272	839,681	675,567	681,168	610,442	431,449	666,310	786,569
Local sources										
Property taxes	14,977,199	15,985,020	14,547,061	14,372,652	13,980,391	14,776,839	13,699,075	12,528,073	12,275,288	11,553,894
Food service sales	52,141	73,420	21,688	4,350	41,137	48,925	41,927	34,582	25,483	30,498
Investment income	1,041,199	626,621	131,199	234,239	491,939	472,334	132,081	72,365	118,273	100,612
Other revenues	3,328,239	2,641,313	860,677	1,110,290	950,837	710,847	494,490	138,407	74,620	270,802
Total local sources	19,398,778	19,326,374	15,560,625	15,721,531	15,464,304	16,008,945	14,367,573	12,773,427	12,493,664	11,955,806
Total revenues	\$ 22,622,387	\$ 23,063,702	\$ 20,015,664	\$ 19,286,214	\$ 17,773,364	\$ 18,486,293	\$ 16,548,336	\$ 15,212,341	\$ 14,682,284	\$ 14,341,550

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenditures:										
Current:										
Instruction	\$ 5,554,554	\$ 4,274,987	\$ 3,854,276	\$ 6,423,182	\$ 3,731,600	\$ 3,591,303	\$ 3,504,595	\$ 4,277,304	\$ 4,204,669	\$ 4,445,784
Support services - students and staff	2,096,586	1,508,467	1,497,809	1,493,704	1,237,705	958,711	994,129	1,582,489	1,211,907	1,083,059
Support services - administration	3,065,409	3,018,951	3,221,931	3,627,620	1,773,928	1,604,288	1,535,156	2,061,245	1,788,074	1,785,973
Operation and maintenance of plant services	1,684,334	1,814,577	1,202,372	1,384,674	1,039,669	1,005,925	1,049,838	793,027	1,498,510	1,002,795
Student transportation services	695,200	442,227	642,098	544,437	324,123	338,972	369,817	330,941	415,868	333,946
Operation of non-instructional services	1,549,453	1,041,745	892,036	566,087	656,448	667,686	623,291	827,083	595,796	702,163
Capital outlay	5,276,669	4,429,853	1,591,426	15,146,739	4,140,045	2,979,693	8,950,520	5,731,913	17,372,290	3,774,612
Debt Service:										
Principal retirement	6,230,000	6,310,000	6,895,000	11,100,000	6,500,000	6,320,000	5,880,000	5,485,000	4,515,000	5,250,000
Interest, premium and fiscal charges	2,313,850	2,364,633	1,700,674	1,802,799	1,943,404	1,950,505	1,806,968	1,501,170	1,186,030	1,329,042
Bond Issuance Costs	11,200	357,504	-	236,160	-	165,244	293,590	74,024	221,450	-
Total expenditures	\$ 28,477,255	\$ 25,562,944	\$ 21,497,622	\$ 42,325,402	\$ 21,346,922	\$ 19,582,327	\$ 25,007,904	\$ 22,664,196	\$ 33,009,594	\$ 19,707,374
Expenditures for Capitalized Assets	5,906,253	5,805,358	3,086,257	15,629,336	2,649,111	1,999,012	7,491,412	5,731,913	17,372,290	3,774,612
Debt service as a percentage of noncapital expenditures	37.9%	45.7%	46.7%	49.2%	45.2%	48.0%	45.6%	41.7%	37.9%	41.3%

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Excess (deficiency) of revenues over expenditures	\$ (5,854,868)	\$ (2,499,242)	\$ (1,481,958)	\$ (23,039,188)	\$ (3,573,558)	\$ (1,096,034)	\$ (8,459,568)	\$ (7,451,855)	\$ (18,327,310)	\$ (5,365,824)
Over financing sources (uses):										
General obligation bonds issued	-	24,895,000	-	12,315,000	-	8,035,000	10,235,000	5,075,000	10,200,000	4,565,000
Refunding bonds issued	-	-	-	-	-	-	4,510,000	2,565,000	-	-
Premium on Sale of Bond	-	2,931,130	-	2,500,150	-	1,033,092	2,387,115	138,775	229,519	202,065
Insurance recoveries	-	-	90,549	106,926	-	83,661	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(2,661,390)	-	-
Transfers in	262,974	397,933	258,050	267,361	452,305	399,942	364,752	191,923	34,285	55,231
Transfers out	(262,974)	(397,933)	(258,050)	(267,361)	(452,305)	(399,942)	(364,752)	(191,923)	(34,285)	(55,231)
Total other financing sources (uses)	-	27,826,130	90,549	14,922,076	-	9,151,753	17,132,115	5,117,385	10,429,519	4,767,065
Changes in fund balances	\$ (5,854,868)	\$ 25,326,888	\$ (1,391,409)	\$ (8,117,112)	\$ (3,573,558)	\$ 8,055,719	\$ 8,672,547	\$ (2,334,470)	\$ (7,897,791)	\$ (598,759)

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commercial, Industrial, Utilities and Mining	\$ 676,486,996	\$ 551,162,998	\$ 539,639,690	\$ 498,455,141	\$ 449,424,271	\$ 428,943,997	\$ 403,528,761	\$ 368,810,609	\$ 340,331,057	\$ 317,823,003
Agricultural and Vacant	13,342,742	13,746,408	12,750,990	11,352,525	10,652,064	11,387,327	9,433,869	8,524,917	9,061,286	9,426,233
Residential (Owner Occupied)	38,569,485	26,629,633	22,152,208	19,474,477	17,534,140	16,081,608	13,621,147	12,182,576	10,706,073	8,393,509
Residential (Rental)	27,153,226	18,084,606	15,542,665	12,900,673	11,457,518	10,264,195	9,360,225	8,315,821	7,528,183	5,621,170
Railroad, Private Cars and Airlines	1,415,664	1,356,649	1,028,461	972,590	1,007,838	968,461	1,008,794	907,086	951,393	1,006,900
Historical Property	6,526,587	4,799,794	4,799,794	4,396,333	3,976,715	6,082,127	5,851,022	6,146,272	5,274,420	3,630,816
Totals	\$ 763,494,700	\$ 615,780,088	\$ 595,913,808	\$ 547,551,739	\$ 494,052,546	\$ 473,727,715	\$ 442,803,818	\$ 404,887,281	\$ 373,852,412	\$ 345,901,631
Ratio of net full cash assessed values to Gross Total Value	\$5,070,969,166	\$3,978,469,322	\$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
Ratio of Net Limited Assessed Value to Gross Full Cash Value	15.06%	15.48%	15.84%	15.91%	20.83%	15.88%	15.88%	15.88%	16.37%	17.03%
Total Direct Rate	3.42%	3.29%	3.46%	3.46%	3.65%	3.91%	3.83%	3.72%	3.62%	3.32%
Net Limited Assessed Value										
Class	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commercial, Industrial, Utilities and Mining	\$ 453,733,828	\$ 424,927,383	\$ 402,741,783	\$ 381,194,604	\$ 354,491,201	\$ 342,355,087	\$ 326,829,027	\$ 310,602,700	\$ 309,167,525	\$ 311,011,279
Agricultural and Vacant	7,027,931	8,310,161	7,539,754	7,297,775	7,563,806	8,465,695	7,356,922	7,306,935	8,086,810	8,706,973
Residential (Owner Occupied)	16,116,663	13,774,006	11,359,121	10,628,424	10,057,599	9,275,986	8,561,394	8,165,665	7,715,635	7,481,218
Residential (Rental)	11,109,042	9,283,559	8,056,156	7,010,187	6,522,807	5,856,612	5,812,113	5,510,554	5,382,919	4,978,594
Railroad, Private Cars and Airlines	1,094,665	1,025,191	788,347	763,946	811,325	799,252	861,988	845,643	933,016	997,238
Historical Property	3,662,923	3,475,607	3,310,103	3,154,133	3,014,068	4,702,911	4,583,423	4,747,899	4,852,815	2,927,154
Totals	\$ 492,745,052	\$ 460,795,907	\$ 433,795,264	\$ 410,049,069	\$ 382,460,806	\$ 371,455,543	\$ 354,004,867	\$ 337,179,396	\$ 336,138,720	\$ 336,102,456
Ratio of net full cash assessed values to Gross Total Value	\$3,194,986,373	\$2,928,156,664	\$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
Ratio of Net Limited Assessed Value to Gross Limited Value	15.42%	15.74%	16.13%	12.50%	16.13%	12.45%	12.70%	13.22%	14.72%	16.55%
Total Direct Rate	3.42%	3.29%	3.46%	3.46%	3.65%	3.91%	3.83%	3.72%	3.62%	3.32%

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

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

Property Classification (a)	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commercial, Industrial, Utilities and Mining	18%	18%	18%	18%	18%	18%	18%	18%	19%	19%
Agricultural and Vacant	15%	15%	15%	15%	15%	15%	15%	15%	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%	15%	15%	14%	15%	14%	15%	16%

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
2024	1.29	1.88	3.17	0.00	1.20	0.05	0.15	1.14	0.01	0.14	2.10	4.50
2023	1.30	2.12	3.42	0.00	1.25	0.05	0.16	1.09	0.0082	0.14	2.11	4.61
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

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.

Note: Information related to fiscal year 2023-2024 was not available.

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
2024	\$ 15,422,914	\$ 15,204,588	98.58%	\$ -	\$ 15,204,588	98.58%
2023	15,949,562	15,849,361	99.56%	64,707	15,914,068	99.78%
2022	14,255,957	14,193,828	99.06%	37,429	14,231,257	99.83%
2021	14,501,137	14,364,706	98.08%	121,069	14,485,774	99.89%
2020	14,141,862	13,870,900	98.89%	251,799	14,122,699	99.86%
2019	14,605,208	14,442,442	99.01%	156,379	14,598,821	99.96%
2018	13,620,602	13,485,971	99.22%	116,379	13,602,350	99.87%
2017	12,679,907	12,580,600	99.38%	95,511	12,676,111	99.97%
2016	12,212,589	12,137,104	98.72%	74,037	12,211,141	99.99%
2015	11,623,866	11,475,219	98.29%	146,842	11,622,061	99.98%

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		Total	As Percentage of		Total	Percentage of		Percentage of
		Restricted for	Principal		Estimated Actual	Per Capita		Estimated Actual	Per Capita	
					Value of Property			Value (Full Cash Value)		Personal Income
2024	\$	48,429,855	\$ 8,078,998	\$ 40,350,857	1.26%	\$ 5,136	\$48,429,855	1.52%	\$ 6,164	0.02%
2023		55,501,680	8,502,709	46,998,971	1.61%	5,308	55,501,680	1.90%	6,268	0.02%
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%

Source: The District's financial records.

RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2024
(UNAUDITED)

Fiscal Year Ended June 30	Net Assessed Limited Property Value	Net Outstanding Bonded Debt	Approx. Percent	Net Amount	Combined Tax Rate Per \$100 Net Assessed Limited Property Value
Overlapping					
State of Arizona	\$ 88,425,611,337	None	0.58%	None	None
Maricopa County	58,328,686,360	None	0.88%	None	\$ 1.3541
Maricopa County Community College District	58,328,686,360	\$ 87,320,000	0.88%	\$ 766,369	1.1047
Maricopa Special Health Care District	58,328,686,360	544,135,000	0.88%	4,775,634	0.2665
Maricopa County Flood Control District	50,354,573,089	None	0.84%	None	0.1470
City of Phoenix	17,190,475,852	778,640,000	2.92%	22,736,179	2.0799
Phoenix Union High School District No. 210	6,473,623,351	410,785,000	7.34%	30,151,619	4.3259
Subtotal, Overlapping Debt				<u>\$ 58,429,801</u>	
Direct:					
Riverside Elementary School District No. 2	\$ 492,745,052		100.00%	<u>48,429,855</u>	3.1669
Total direct and overlapping debt				<u>\$ 106,859,656</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	9.83%
Net direct and overlapping general bonded debt	
per capita	\$1,617
as a percentage of net assessed property value for secondary tax purposes	21.69%
as a percentage of Gross Full Cash value	2.11%

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
2024	\$ 763,494,700	\$ 12,320,790,252	\$ 28,939,043,353	\$ 91,557,158,472	\$ 129,473,530,919
2023	615,780,088	9,867,472,940	23,045,115,141	72,238,314,892	103,872,223,919
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

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:

Net full cash assessed value	\$ 763,494,700
	15%
Debt limit (15% of assessed value)	114,524,205
Less: Net debt applicable to limit	48,429,855
Legal debt margin	\$ 66,094,350

Class B Bond Legal Debt Margin Calculation:

Net full cash assessed value	\$ 763,494,700
	10%
Debt limit (10% of assessed value)	76,349,470
Less: Net debt applicable to limit	48,429,855
Legal debt margin	\$ 27,919,615

Fiscal Year Ended June 30

	2024	2023	2022	2021	2020
Debt Limit	\$ 114,524,205	\$ 92,367,013	\$ 89,387,071	\$ 82,132,761	\$ 74,107,882
Less: Net debt applicable to limit	48,429,855	55,501,680	34,850,505	42,384,987	41,051,712
Legal debt margin	\$ 66,094,350	\$ 36,865,333	\$ 54,536,566	\$ 39,747,774	\$ 33,056,170
Total debt applicable to the limit as percentage of debt limit	42.3%	60.1%	39.0%	51.6%	55.4%

Fiscal Year Ended June 30

	2019	2018	2017	2016	2015
Debt Limit	\$ 71,059,157	\$ 66,420,573	\$ 60,733,092	\$ 56,077,862	\$ 51,885,245
Less: Net debt applicable to limit	47,371,712	44,275,964	37,940,000	37,380,000	32,430,000
Legal debt margin	\$ 23,687,445	\$ 22,144,609	\$ 22,793,092	\$ 18,697,862	\$ 19,455,245
Total debt applicable to the limit as percentage of debt limit	66.7%	66.7%	62.5%	66.7%	62.5%

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
2024	4,726,247	\$ 312,350,417	66,088	3.4%	7,857
2023	4,665,020	288,842,282	61,917	3.4%	8,855
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

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, 2024, AND NINE YEARS PRIOR
(UNAUDITED)

2024		
	Approximate Number	Percentage of Total
Employer	of Employees	Employment
Banner Health	46,602	1.92%
State of Arizona	41,531	1.71%
Amazon	40,000	1.65%
Walmart	37,648	1.55%
Arizona State University	37,402	1.54%
University of Arizona	23,439	0.97%
Fry's Food Stores	21,000	0.87%
City of Phoenix	15,415	0.64%
HonorHealth	14,801	0.61%
Wells Fargo	13,000	0.54%
	<u>290,838</u>	<u>12.00%</u>
2015		
	Approximate Number	Percentage of Total
Employer	of Employees	Employment
State of Arizona	50,816	2.67%
Banner Health	35,406	1.86%
Walmart	32,373	1.70%
Fry's Food Stores	17,286	0.91%
City of Phoenix	14,585	0.77%
Wells Fargo & Co.	14,480	0.76%
Maricopa County	13,567	0.71%
Arizona State University	12,676	0.67%
Dignity Health	12,100	0.64%
University of Arizona	11,442	0.60%
	<u>214,731</u>	<u>11.29%</u>

Source: The Phoenix Business Journal, Book of Lists (Arizona's Economy – www.azeconomy.org)

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

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Supervisory										
Superintendent	1	1	1	1	1	1	1	1	1	1
Assistant superintendents	1	1	1	1	1	1	1	1	1	1
Consultants/supervisors of instruction	5	5	5	6	6	6	6	6	6	6
Principals	2	2	2	3	3	3	3	3	3	2
Total supervisory	9	9	9	11	11	11	11	11	11	10
Instruction										
Teachers	41	41	40	43	46	45	45	48	44	48
Other professionals (instructional)	3	3	3	2	2					
Instructional Aides	13	14	13	13	14	15	14	14	13	13
Total Instruction	58	58	56	58	62	60	59	62	57	61
Student Services										
Nurses	2	2	2	2	2	2	2	2	2	2
Technicians	1	1	3	3	3	2				
Total Student services	3	3	5	5	5	4	2	2	2	2
Support and Administration										
Clerical workers	12	12	12	12	13	13	13	13	12	11
Maintenance workers	9	9	6	6	6	6	6	6	5	5
Bus Drivers	7	7	6.5	6.5	6	6	4	5	5	5
Food Service workers	13	12	10	10	9	9	8	8	7	7
Other classified	2	2	2	2	2	2	2	2	2	2
Total support and administration	42	42	36.5	36.5	36	36	33	34	31	30
Total full-time equivalent employees	112	112	106.5	110.5	114	111	105	109	101	103

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>
2023-24	782	1%
2022-23	777	0%
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%

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
2024	782	14,645,536	\$18,728	20.25%	28,477,255	\$36,416	10.69%	41	19.1	83.3%
2023	777	12,100,954	15,574	6.71%	25,562,944	32,900	18.60%	41	19.0	85.9%
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%

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
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Schools:</u>										
Elementary:										
Buildings	10	10	10	10	10	10	10	10	10	10
Square feet	90,756	90,756	90,756	90,756	90,756	90,756	90,756	90,756	90,756	90,756
Capacity	660	660	660	660	660	660	660	660	660	660
Enrollment	411	438	438	406	526	512	483	535	522	518
Middle:										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	89,112	89,112	89,112	89,112	89,112	89,112	89,112	89,112	89,112	89,112
Capacity	528	528	528	528	528	528	528	528	528	528
Enrollment	369	341	341	320	414	400	419	404	384	411
Junior High:										
Buildings	2	1	1	1	1	1	1	1	N/A	N/A
Square feet	72,361	68,361	68,361	61,656	61,656	61,656	61,656	61,656	N/A	N/A
Capacity	702	702	702	702	702	702	702	702	N/A	N/A
Enrollment	57	66	66	54	33	34	29	29	N/A	N/A
Administrative:										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	12,541	12,541	12,541	12,541	12,541	12,541	12,541	12,541	12,541	12,541
Transportation:										
Garages	2	2	2	2	2	2	2	2	2	2
Buses	11	10	11	10	13	13	14	12	12	11
Athletics:										
Football fields	2	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	2	1	1	1	1	1	1	1	1	1
Baseball/softball	4	2	2	2	2	2	2	2	2	2
Playgrounds	2	2	2	2	3	3	3	3	3	3

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