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# RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2

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## Annual Financial Report

Fiscal Year Ended June 30, 2018



**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**

**PHOENIX, ARIZONA**

**ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Issued by:  
Business and Finance Department

## RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2

### TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	5
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet – Governmental Funds	22
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	25
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	28
Statement of Assets and Liabilities – Fiduciary Funds	29
Notes to Financial Statements	30
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	56
Pension Schedules	57
OPEB Schedules	58
Notes to Required Supplementary Information	60

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**

**TABLE OF CONTENTS**

<b><u>FINANCIAL SECTION</u></b>	<b><u>Page</u></b>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	64
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	65
Special Revenue Funds:	
Combining Balance Sheet	68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	72
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	76
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	94
Capital Projects Funds:	
Combining Balance Sheet	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	97
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	98
Agency Funds:	
Combining Statement of Assets and Liabilities	104
Combining Statement of Changes in Assets and Liabilities	105

## RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2

### TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Financial Trends:	
Net Position by Component	108
Expenses, Program Revenues, and Net (Expense)/Revenue	109
General Revenues and Total Changes in Net Position	111
Fund Balances – Governmental Funds	113
Governmental Funds Revenues	115
Governmental Funds Expenditures and Debt Service Ratio	117
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	119
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	120
Net Full Cash Assessed Value of Taxable Property by Class	121
Property Tax Assessment Ratios	122
Direct and Overlapping Property Tax Rates	123
Principal Property Taxpayers	124
Property Tax Levies and Collections	125
Debt Capacity:	
Outstanding Debt by Type	126
Direct and Overlapping Governmental Activities Debt	127
Direct and Overlapping General Bonded Debt Ratios	127
Comparative Net Full Cash Assessed Valuations	128
Legal Debt Margin Information	129

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**

**TABLE OF CONTENTS**

<b><u>STATISTICAL SECTION</u></b>	<b><u>Page</u></b>
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	130
Principal Employers	131
Operating Information:	
Full-Time Equivalent District Employees by Type	132
Operating Statistics	134
Capital Assets Information	135

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Riverside Elementary School District No. 2

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside Elementary School District No. 2 (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Riverside Elementary School District No. 2, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Statistical Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2019, on our consideration of Riverside Elementary School District No. 2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Riverside Elementary School District No. 2's internal control over financial reporting and compliance.

*Heinfeld, Meech & Co., P.C.*

Heinfeld, Meech & Co., P.C.  
Phoenix, Arizona  
January 23, 2019

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

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**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2018**

As management of the Riverside Elementary School District No. 2 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements.

### **FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities increased \$2.5 million which represents a nine percent increase from the prior fiscal year as a result of the addition of \$4.7 million in capital assets net of depreciation through purchasing of land for future school sites and various school improvement projects.
- General revenues accounted for \$14.3 million in revenue, or 86 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$2.4 million or 14 percent of total current fiscal year revenues.
- The District had approximately \$14.2 million in expenses related to governmental activities, a decrease of one percent from the prior fiscal year.
- Among major funds, the General Fund had \$6.3 million in current fiscal year revenues, which primarily consisted of property taxes, and \$6.1 million in expenditures. The General Fund's fund balance increased from \$707,488 at the prior fiscal year end, to \$1.1 million at the end of the current fiscal year.

### **OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The accrual basis of accounting is used for the government-wide financial statements.

The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2018**

**OVERVIEW OF FINANCIAL STATEMENTS**

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services and interest on long-term debt.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements use the modified accrual basis of accounting and focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Debt Service and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2018**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund as required supplementary information. Schedules for the pension and other postemployment benefit plans have been provided as required supplementary information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$31.0 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2018 and June 30, 2017.

	As of June 30, 2018	As of June 30, 2017
Current and other assets	\$ 24,012,572	\$ 14,113,744
Capital assets, net	65,723,146	61,071,909
Total assets	<u>89,735,718</u>	<u>75,185,653</u>
Deferred outflows	<u>1,151,797</u>	<u>2,314,808</u>
Current and other liabilities	1,727,594	1,271,983
Long-term liabilities	57,617,236	46,705,206
Total liabilities	<u>59,344,830</u>	<u>47,977,189</u>
Deferred inflows	<u>561,686</u>	<u>936,510</u>
Net position:		
Net investment in capital assets	28,053,174	26,424,131
Restricted	8,198,728	582,761
Unrestricted	(5,270,903)	1,579,870
Total net position	<u>\$ 30,980,999</u>	<u>\$ 28,586,762</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission reported a deficit of \$5.3 million due to the District's proportionate share of the state pension plan's unfunded liability.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

- The issuance of \$10.2 million in school improvement bonds, \$4.5 million in crossover refunding bonds and the associated premium of \$2.4 million.
- The principal retirement of \$5.5 million of bonds and \$342,502 of bond premium.
- The addition of \$7.5 million in capital assets through the purchase of land for future school site; school improvement projects; and purchases of vehicles, furniture and equipment.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

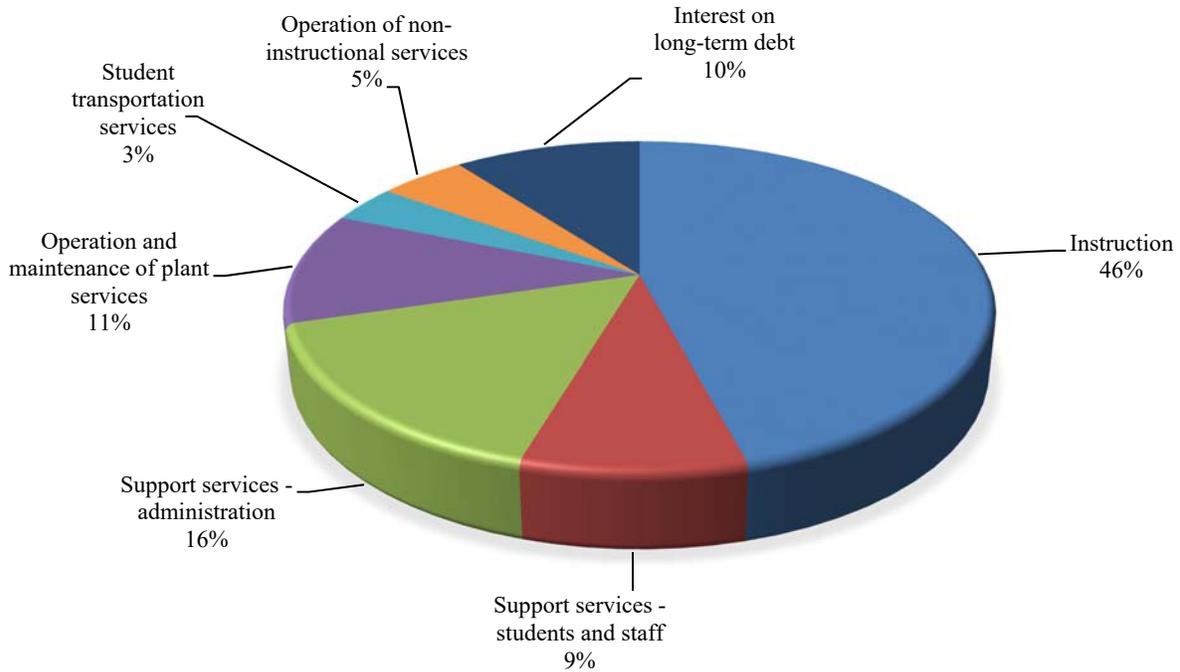
**Changes in net position.** The District's total revenues for the current fiscal year were \$16.7 million. The total cost of all programs and services was \$14.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2018 and June 30, 2017.

	Fiscal Year Ended <u>June 30, 2018</u>	Fiscal Year Ended <u>June 30, 2017</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 501,200	\$ 34,582
Operating grants and contributions	1,896,229	2,416,853
General revenues:		
Property taxes	13,667,341	12,552,459
Investment income	135,081	72,365
Unrestricted state aid	530,353	36,897
Miscellaneous		123,571
<b>Total revenues</b>	<u>16,730,204</u>	<u>15,236,727</u>
<b>Expenses:</b>		
Instruction	6,534,080	6,109,450
Support services – students and staff	1,236,770	1,705,904
Support services – administration	2,239,810	2,588,092
Operation and maintenance of plant services	1,566,523	1,101,478
Student transportation services	520,805	473,915
Operation of non-instructional services	681,242	855,505
Interest on long-term debt	1,459,267	1,556,906
<b>Total expenses</b>	<u>14,238,497</u>	<u>14,391,250</u>
<b>Changes in net position</b>	2,491,707	845,477
<b>Net position, beginning</b>	28,586,762	27,028,009
<b>Net effect of prior period adjustments</b>	<u>(97,470)</u>	<u>713,276</u>
<b>Net position, beginning, as restated</b>	28,489,292	27,741,285
<b>Net position, ending</b>	<u>\$ 30,980,999</u>	<u>\$ 28,586,762</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Expenses - Fiscal Year 2018**



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

- The increase of \$343,047 in charges for services was primarily due to an increase in income from renting facility and providing services to Maricopa Institution of Technology High School.
- The increase in property tax revenues of \$1.1 million was due to an increase in the net secondary assessed valuation of taxable property within the District.
- The decrease of \$529,707 in operating grants and contributions was due in part to decreased grant funding for the IDEA High Cost Child Grant.

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	Year Ended June 30, 2018		Year Ended June 30, 2017	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 6,534,080	\$ (5,443,477)	\$ 6,109,450	\$ (4,609,997)
Support services – students and staff	1,236,770	(1,125,308)	1,705,904	(1,663,329)
Support services – administration	2,239,810	(2,062,490)	2,588,092	(2,523,500)
Operation and maintenance of plant services	1,566,523	(1,515,154)	1,101,478	(1,073,988)
Student transportation services	520,805	(519,095)	473,915	(473,915)
Operation of non-instructional services	681,242	148,319	855,505	(38,180)
Interest on long-term debt	1,459,267	(1,323,863)	1,556,906	(1,556,906)
<b>Total</b>	<b>\$ 14,238,497</b>	<b>\$ (11,841,068)</b>	<b>\$ 14,391,250</b>	<b>\$ (11,939,815)</b>

- The cost of all governmental activities this year was \$14.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$2.4 million.
- Net cost of governmental activities of \$11.8 million was financed by general revenues, which are made up of primarily property taxes of \$13.7 million and state aid of \$530,353.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$16.0 million, an increase of \$8.7 million due primarily to unexpended bond proceeds in the Bond Building Fund from the issuance of \$10.2 million in school improvement bonds and \$4.5 million in crossover refunding bonds to be used in school improvement projects.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2018**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

The General Fund is the principal operating fund of the District. The fund balance increased \$382,408 in the General Fund to \$1.0 million as of fiscal year end.

The fund balance of the Debt Service Fund increased \$5.0 million to \$5.3 million, due primarily to the issuance of \$4.5 million in crossover refunding bonds.

The Bond Building Fund's fund balance increased \$3.4 million to \$7.0 million as of fiscal year end primarily due to the funding received from the issuance of school improvement bonds offset by capital expenditures in several school improvements projects and purchasing land for future school site.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget to increase the budget limit for the budget carry forward to provide capacity for future years. The difference between the original budget and the final amended budget was a \$314,559 increase, or six percent.

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$87.1 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$7.5 million from the prior fiscal year, primarily due to technology improvements at all school sites and kitchen renovation project at Riverside Traditional School. Total depreciation expense for the current fiscal year was \$2.8 million.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2018**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2018 and June 30, 2017.

	As of June 30, 2018	As of June 30, 2017
Capital assets – non-depreciable	\$ 6,698,142	\$ 2,931,444
Capital assets – depreciable, net	59,025,004	58,140,465
Total	\$ 65,723,146	\$ 61,071,909

The estimated cost to complete current construction projects is \$255,941.

Additional information on the District’s capital assets can be found in Note 6.

**Debt Administration.** At year end, the District had \$49.9 million in long-term debt outstanding, \$5.9 million due within one year. Long-term debt increased by \$11.3 million due primarily to the issuance of \$10.2 million in school improvement bonds and \$4.5 million in crossover refunding bonds.

The District’s general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$66.4 million and the Class B debt limit is \$44.3 million, which are more than the District’s total outstanding general obligation and Class B debt, respectively.

Additional information on the District’s long-term debt can be found in Notes 7 and 8.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES**

Many factors were considered by the District’s administration during the process of developing the fiscal year 2018-19 budget. Among them:

- Fiscal year 2017-18 budget balance carry forward (estimated \$7.7 million).
- District student population (estimated 875).
- Employee salaries.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2018**

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Also considered in the development of the budget is the local economy and inflation of the surrounding area.

Budgeted expenditures in the General Fund increased six percent to \$6.2 million in fiscal year 2018-19. The increase is primarily due to increased funding from the legislature. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2018-19 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Riverside Elementary School District No. 2, 1414 South 51<sup>st</sup> Avenue, Phoenix, Arizona 85043.

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 18,475,753
Cash and investments - restricted	4,970,171
Property taxes receivable	141,221
Accounts receivable	92,482
Deposits	23,615
Due from governmental entities	283,760
Total current assets	23,987,002
Noncurrent assets:	
Net other postemployment benefit assets	25,570
Capital assets not being depreciated	6,698,142
Capital assets, net of accumulated depreciation	59,025,004
Total noncurrent assets	65,748,716
<b>Total assets</b>	<b>89,735,718</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Deferred charge on refunding	39,825
Pension and other postemployment benefit plan items	1,111,972
<b>Total deferred outflows of resources</b>	<b>1,151,797</b>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	96,935
Construction contracts payable	554,558
Accrued payroll and employee benefits	122,666
Compensated absences payable	144,001
Accrued interest payable	942,687
Unearned revenues	10,748
Bonds payable	5,880,000
Total current liabilities	7,751,595
Noncurrent liabilities:	
Non-current portion of long-term obligations	51,593,235
Total noncurrent liabilities	51,593,235
<b>Total liabilities</b>	<b>59,344,830</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension and other postemployment benefit plan items	561,686
<b><u>NET POSITION</u></b>	
Net investment in capital assets	28,053,174
Restricted for:	
Voter approved initiatives	246,502
Federal and state projects	5,996
Food service	128,653
Civic center	108,315
Other local initiatives	37,496
Debt service	5,351,343
Capital outlay	2,320,423
Unrestricted	(5,270,903)
<b>Total net position</b>	<b>\$ 30,980,999</b>

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

<b>Functions/Programs</b>	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>				
Instruction	\$ 6,534,080	\$ 374,896	\$ 715,707	\$ (5,443,477)
Support services - students and staff	1,236,770	2,480	108,982	(1,125,308)
Support services - administration	2,239,810		177,320	(2,062,490)
Operation and maintenance of plant services	1,566,523	40,949	10,420	(1,515,154)
Student transportation services	520,805		1,710	(519,095)
Operation of non-instructional services	681,242	82,875	746,686	148,319
Interest on long-term debt	1,459,267		135,404	(1,323,863)
<b>Total governmental activities</b>	<u>\$ 14,238,497</u>	<u>\$ 501,200</u>	<u>\$ 1,896,229</u>	<u>(11,841,068)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	5,782,461
Property taxes, levied for debt service	7,406,965
Property taxes, levied for capital outlay	477,915
Investment income	135,081
Unrestricted state aid	530,353
<b>Total general revenues</b>	<u>14,332,775</u>

**Changes in net position** 2,491,707

**Net position, beginning of year, as restated** 28,489,292

**Net position, end of year** \$ 30,980,999

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

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**FUND FINANCIAL STATEMENTS**

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

	General	Debt Service	Bond Building
<b><u>ASSETS</u></b>			
Cash and investments	\$ 917,531	\$ 7,152,808	\$ 7,614,206
Cash and investments - restricted		4,970,171	
Property taxes receivable	86,879	51,051	
Accounts receivable	80,919		
Deposits			
Due from governmental entities	18,250		
Due from other funds	203,926		
<b>Total assets</b>	<b>\$ 1,307,505</b>	<b>\$ 12,174,030</b>	<b>\$ 7,614,206</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u></b>			
<b><u>AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 41,150	\$	\$ 43,357
Construction contracts payable			554,558
Due to other funds			
Accrued payroll and employee benefits	96,534		5,432
Unearned revenues			
Bonds payable		5,880,000	
Bond interest payable		942,687	
<b>Total liabilities</b>	<b>137,684</b>	<b>6,822,687</b>	<b>603,347</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	79,925	41,581	
Unavailable revenues - intergovernmental			
<b>Total deferred inflows of resources</b>	<b>79,925</b>	<b>41,581</b>	
Fund balances (deficits):			
Restricted		5,309,762	7,010,859
Unassigned	1,089,896		
<b>Total fund balances</b>	<b>1,089,896</b>	<b>5,309,762</b>	<b>7,010,859</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 1,307,505</b>	 <b>\$ 12,174,030</b>	 <b>\$ 7,614,206</b>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 2,791,208	\$ 18,475,753
	4,970,171
3,291	141,221
11,563	92,482
23,615	23,615
265,510	283,760
	203,926
<u>\$ 3,095,187</u>	<u>\$ 24,190,928</u>

\$ 12,428	\$ 96,935
	554,558
203,926	203,926
20,700	122,666
10,748	10,748
	5,880,000
	942,687
<u>247,802</u>	<u>7,811,520</u>

2,709	124,215
213,602	213,602
<u>216,311</u>	<u>337,817</u>

2,844,676	15,165,297
(213,602)	876,294
<u>2,631,074</u>	<u>16,041,591</u>

<u>\$ 3,095,187</u>	<u>\$ 24,190,928</u>
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**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

<b>Total governmental fund balances</b>	<b>\$</b>	<b>16,041,591</b>
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 87,128,634	
Less accumulated depreciation	<u>(21,405,488)</u>	65,723,146
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	124,215	
Intergovernmental	<u>213,602</u>	337,817
<p>Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.</p>		
		39,825
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions/OPEB	1,111,972	
Deferred inflows of resources related to pensions/OPEB	<u>(561,686)</u>	550,286
<p>The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.</p>		
		25,570
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(492,007)	
Net OPEB liability	(16,888)	
Net pension liability	(7,240,678)	
Bonds payable	<u>(43,987,663)</u>	<u>(51,737,236)</u>
<b>Net position of governmental activities</b>	<b>\$</b>	<b><u>30,980,999</u></b>

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	General	Debt Service	Bond Building
<b>Revenues:</b>			
Other local	\$ 369,064	\$ (36,401)	\$ 170,660
Property taxes	5,808,076	7,411,474	
State aid and grants	95,785		
Federal aid, grants and reimbursements		135,404	
<b>Total revenues</b>	<b>6,272,925</b>	<b>7,510,477</b>	<b>170,660</b>
<b>Expenditures:</b>			
Current -			
Instruction	2,475,445		
Support services - students and staff	881,478		
Support services - administration	1,391,964		
Operation and maintenance of plant services	989,727		
Student transportation services	362,122		
Operation of non-instructional services	4,093		
Capital outlay	12,067		8,417,264
Debt service -			
Principal retirement		5,880,000	
Interest and fiscal charges		1,806,968	
Bond issuance costs		120,454	173,136
<b>Total expenditures</b>	<b>6,116,896</b>	<b>7,807,422</b>	<b>8,590,400</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>156,029</b>	<b>(296,945)</b>	<b>(8,419,740)</b>
<b>Other financing sources (uses):</b>			
Transfers in	226,379	138,373	
Transfers out			(138,373)
Issuance of school improvement bonds			10,235,000
Issuance of refunding bonds		4,510,000	
Premium on sale of bonds		690,091	1,697,024
<b>Total other financing sources (uses)</b>	<b>226,379</b>	<b>5,338,464</b>	<b>11,793,651</b>
<b>Changes in fund balances</b>	<b>382,408</b>	<b>5,041,519</b>	<b>3,373,911</b>
<b>Fund balances, beginning of year, as restated</b>	<b>707,488</b>	<b>268,243</b>	<b>3,636,948</b>
<b>Fund balances, end of year</b>	<b>\$ 1,089,896</b>	<b>\$ 5,309,762</b>	<b>\$ 7,010,859</b>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 165,175	\$ 668,498
479,525	13,699,075
514,657	610,442
1,434,917	1,570,321
<u>2,594,274</u>	<u>16,548,336</u>
1,029,150	3,504,595
112,651	994,129
143,192	1,535,156
60,111	1,049,838
7,695	369,817
619,198	623,291
521,189	8,950,520
	5,880,000
	1,806,968
	293,590
<u>2,493,186</u>	<u>25,007,904</u>
<u>101,088</u>	<u>(8,459,568)</u>
	364,752
(226,379)	(364,752)
	10,235,000
	4,510,000
	2,387,115
<u>(226,379)</u>	<u>17,132,115</u>
<u>(125,291)</u>	<u>8,672,547</u>
2,756,365	7,369,044
<u>\$ 2,631,074</u>	<u>\$ 16,041,591</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**

<b>Changes in fund balances - total governmental funds</b>	<b>\$</b>	<b>8,672,547</b>
<p>Amounts reported for <i>governmental activities</i> in the Statement of Activities are different because:</p> <p>Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.</p>		
Expenditures for capitalized assets	\$ 7,491,412	
Less current year depreciation	<u>(2,838,707)</u>	4,652,705
<p>Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.</p>		
		(17,132,115)
<p>Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes	(31,734)	
Intergovernmental	<u>213,602</u>	181,868
<p>Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>		
		5,880,000
<p>Governmental funds report pension/OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension/OPEB liability, adjusted for deferred items, is reported as pension/OPEB expense in the Statement of Activities.</p>		
Current year pension/OPEB contributions	529,863	
Pension/OPEB expense	<u>(537,630)</u>	(7,767)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Deferred charges on issuance of debt	(19,912)	
Loss on disposal of assets	(1,468)	
Amortization of deferred bond items	337,723	
Accrued interest payable	29,890	
Compensated absences	<u>(101,764)</u>	<u>244,469</u>
<b>Changes in net position in governmental activities</b>	<b>\$</b>	<b><u><u>2,491,707</u></u></b>

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2018**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 154,384
<b>Total assets</b>	<b>\$ 154,384</b>
<b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 145,863
Due to student groups	8,521
<b>Total liabilities</b>	<b>\$ 154,384</b>

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

During the year ended June 30, 2018, the District implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement requires governments providing defined benefit postemployment benefits other than pensions to recognize the long-term obligation for those benefits as a liability, and to more comprehensively and comparably measure the annual costs of those benefits. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

The Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of three members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, and food services.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. Government-Wide and Fund Financial Statements**

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, unrestricted state aid, and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

**Government-Wide Financial Statements** – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. As a general rule, the effect of internal activity has been eliminated from the government-wide financial statements; however, the effects of interfund services provided and used between functions are reported as expenses and program revenues at amounts approximating their external exchange value.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fund Financial Statements** – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period.

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

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

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

The District reports the following major governmental funds:

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Bond Building Fund – The Bond Building Fund accounts for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

Additionally, the District reports the following fund type:

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

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

**D. Cash and Investments**

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

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

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101 percent of all deposits not covered by federal depository insurance.

Arizona statute requires a pooled collateral program for public deposits and a Statewide Collateral Pool Administrator (Administrator) in the State Treasurer's Office. The purpose of the pooled collateral program is to ensure that governmental entities' public deposits placed in participating depositories are secured with collateral of 102 percent of the public deposits, less any applicable deposit insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

**E. Investment Income**

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

**F. Receivables and Payables**

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

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

**G. Property Tax Calendar**

The County Treasurer is responsible for collecting property taxes for all governmental entities within the county. The county levies real and personal property taxes on or before the third Monday in August that become due and payable in two equal installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March of the next year and becomes delinquent after the first business day of May.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Pursuant to A.R.S., a lien against assessed real and personal property attaches on the first day of January preceding assessment and levy; however according to case law, an enforceable legal claim to the asset does not arise.

**H. Prepaid Items**

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

**I. Capital Assets**

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

Capital assets are defined by the District as assets with an initial, individual cost in excess of \$5,000 and an estimated useful life of more than one year. Capital assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	5 - 50 years
Buildings and improvements	5 - 50 years
Vehicles, furniture and equipment	5 - 15 years

**J. Deferred Outflows/Inflows of Resources**

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**K. Compensated Absences**

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

**L. Pensions and Other Postemployment Benefits**

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

**M. Long-term Obligations**

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

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**N. Interfund Activity**

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

**O. Net Position Flow Assumption**

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

**P. Estimates**

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

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Bond Building Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Restricted:				
Debt service	\$	\$ 5,309,762	\$	\$
Capital projects				2,317,714
Bond building projects			7,010,859	
Voter approved initiatives				246,502
Federal and state projects				5,996
Food service				128,653
Civic center				108,315
Other purposes				37,496
Unassigned	1,089,896			(213,602)
Total fund balances	<u>\$ 1,089,896</u>	<u>\$ 5,309,762</u>	<u>\$ 7,010,859</u>	<u>\$ 2,631,074</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

	Deficit
Non-Major Governmental Funds:	
Professional Development and Technology Grants	\$ 13,763
Special Education Grants	186,177
Other Federal Projects	6,110
Other State Projects	7,552

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2018-19 are expected to eliminate the deficits.

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

**NOTE 4 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$154,384 and the bank balance was \$183,517.

*Fair Value Measurements.* The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 inputs are quoted prices in active markets for identical assets
- Level 2 inputs are significant other observable inputs
- Level 3 inputs are significant unobservable inputs

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

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

	Average Maturities	Fair Value
County Treasurer’s investment pool	502 days	\$ 18,475,753
Total		\$ 18,475,753

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 4 – CASH AND INVESTMENTS**

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

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

*Custodial Credit Risk - Investments.* The District’s investment in the County Treasurer’s investment pool represents a proportionate interest in the pool’s portfolio; however, the District’s portion is not identified with specific investments and is not subject to custodial credit risk. The District is invested in a treasury money market account through the trust department of Zions Bank. The money market account has a value of \$4,970,171 at June 30, 2018.

**NOTE 5 – RECEIVABLES**

Receivable balances, net of allowance for uncollectibles, have been disaggregated by type and presented separately in the financial statements with the exception of due from governmental entities. Due from governmental entities, net of allowance for uncollectibles, as of year end for the District’s individual major funds and non-major governmental funds in the aggregate were as follows:

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$	\$ 208,358
Due from state government	18,250	57,152
Net due from governmental entities	\$ 18,250	\$ 265,510

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 6 – CAPITAL ASSETS**

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 2,855,758	\$ 3,344,356	\$	\$ 6,200,114
Construction in progress	75,686	2,851,214	2,428,872	498,028
Total capital assets, not being depreciated	<u>2,931,444</u>	<u>6,195,570</u>	<u>2,428,872</u>	<u>6,698,142</u>
Capital assets, being depreciated:				
Land improvements	7,938,238	131,366		8,069,604
Buildings and improvements	60,771,840	2,415,658		63,187,498
Vehicles, furniture and equipment	8,016,490	1,177,690	20,790	9,173,390
Total capital assets being depreciated	<u>76,726,568</u>	<u>3,724,714</u>	<u>20,790</u>	<u>80,430,492</u>
Less accumulated depreciation for:				
Land improvements	(2,737,775)	(327,233)		(3,065,008)
Buildings and improvements	(11,539,265)	(1,740,229)		(13,279,494)
Vehicles, furniture and equipment	(4,309,063)	(771,245)	(19,322)	(5,060,986)
Total accumulated depreciation	<u>(18,586,103)</u>	<u>(2,838,707)</u>	<u>(19,322)</u>	<u>(21,405,488)</u>
Total capital assets, being depreciated, net	58,140,465	886,007	1,468	59,025,004
Governmental activities capital assets, net	<u>\$ 61,071,909</u>	<u>7,081,577</u>	<u>2,430,340</u>	<u>\$ 65,723,146</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,764,868
Support services – students and staff	123,910
Support services – administration	368,606
Operation and maintenance of plant services	424,640
Student transportation services	131,872
Operation of non-instructional services	24,811
Total depreciation expense – governmental activities	<u>\$ 2,838,707</u>

**Construction Commitments** – At year end, the District had contractual commitments related to various capital projects including technology upgrades at all school sites and kitchen renovation at Riverside Traditional School. At year end, the District had spent \$498,028 on the projects and had estimated remaining contractual commitments of \$255,941. These projects are being funded with bond proceeds.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE**

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$22,904,036 remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. In addition, a portion of the District's school improvements bonds are Qualified Build America Bonds (BABS). The District receives a direct subsidy payment from the United States of America for a portion of the interest payment due on the bonds.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2018	Due Within One Year
<b>Governmental activities:</b>					
School Improvement Bonds Project of 2006, Series B-2 (2010)	\$ 7,545,000	6.375-7.5%	7/1/18-29	\$ 5,785,000	\$ 350,000
School Improvement Bonds Project of 2011, Series C (2013)	14,465,000	2.5-4.5%	7/1/18-27	9,985,000	1,650,000
School Improvement Bonds Project of 2014, Series A (2015)	10,200,000	3.10%	7/1/18-21	8,525,000	2,630,000
School Improvement Bonds Project of 2014, Series B (2016)	5,075,000	1.03-1.42%	7/1/18-21	5,075,000	1,040,000
Refunding Bonds, Series 2011	3,820,000	5.75%	7/1/30	520,000	
Refunding Bonds, Series 2016	2,565,000	1.42-4.5%	7/1/18-21	2,565,000	210,000
School Improvement Bonds Project of 2014, Series C (2017)	10,235,000	4.0-5.0%	7/1/20-25	10,235,000	
Refunding Bonds, Series 2017 (2020 Crossover)	4,510,000	4.0-5.0%	7/1/21-29	4,510,000	
<b>Total</b>				<u>\$ 47,200,000</u>	<u>\$ 5,880,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2019	\$ 5,880,000	\$ 1,800,197
2020	6,320,000	1,627,038
2021	6,500,000	1,432,810
2022	6,780,000	1,220,658
2023	4,290,000	1,005,202
2024-28	14,510,000	2,679,919
2029-31	2,920,000	226,813
<b>Total</b>	<u>\$ 47,200,000</u>	<u>\$ 9,992,637</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE**

During the year ended June 30, 2018, the District issued \$4,510,000 in crossover refunding bonds with an effective interest rate of 4.2 percent, to advance refund \$4,735,000 of outstanding general obligation bonds, with an average interest rate of 7.28 percent. The net proceeds of \$5,079,637, which includes \$690,091 of bond premium, (after payment of \$120,454 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent, to provide for all future debt service payments of the refunded general obligation bonds. As a result, the refunded general obligation bonds are considered to be defeased at the crossover date at July 1, 2020, and the liability for those bonds will be removed from the government-wide financial statements. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$504,258 and resulted in an economic gain of \$504,258.

**NOTE 8 – CHANGES IN LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 37,940,000	\$ 14,745,000	\$ 5,485,000	\$ 47,200,000	\$ 5,880,000
Premium	680,396	2,387,115	342,502	2,725,009	
Discount	(62,125)		(4,779)	(57,346)	
Total bonds payable	<u>38,558,271</u>	<u>17,132,115</u>	<u>5,822,723</u>	<u>49,867,663</u>	<u>5,880,000</u>
Net OPEB liability	10,407	6,481		16,888	
Net pension liability	7,641,154		400,476	7,240,678	
Compensated absences payable	<u>390,243</u>	<u>245,765</u>	<u>144,001</u>	<u>492,007</u>	<u>144,001</u>
Governmental activity long-term liabilities	<u>\$ 46,600,075</u>	<u>\$ 17,384,361</u>	<u>\$ 6,367,200</u>	<u>\$ 57,617,236</u>	<u>\$ 6,024,001</u>

**NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows:

**Due to/from other funds** – At year end, several non-major governmental funds had negative cash balances in the Treasurer’s pooled cash accounts of \$203,926. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 9 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfund transfers:**

	Transfers in		
	General Fund	Debt Service Fund	Total
Transfers out			
Bond Building Fund	\$	\$ 138,373	\$ 138,373
Non-Major Governmental Funds	226,379		226,379
Total	\$ 226,379	\$ 138,373	\$ 364,752

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

**NOTE 10 – 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.

**Lawsuits** – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 11 – PRIOR PERIOD ADJUSTMENTS**

The July 1, 2017 government wide net position and the fund balance of the General Fund, Bond Building Fund, and Non-Major Governmental Funds do not agree to the prior year financial statements due to the correction of errors, reclassification of fund balance in according with GASB Statement No. 54 – *Fund Balance Reporting and Governmental Fund Type Definitions*, and for the change in accounting principle for the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

	Governmental Funds			
	Statement of Activities	General Fund	Bond Building Fund	Non-Major Governmental Funds
Net position/fund balance, June 30, 2017, as previously reported	\$ 28,586,762	\$ 663,705	\$ 3,627,487	\$ 2,671,267
Correction of errors	101,938	69,569	9,461	22,908
Revenue accrual errors	36,404	36,404		
Fund reclassification		(62,190)		62,190
Errors in premium amortization	78,251			
Errors in discount amortization	37,287			
Errors in deferred charges amortization	(352,648)			
Net OPEB asset	11,705			
Net OPEB liability	(10,407)			
Net position/fund balance, July 1, 2017, as restated	<u>\$ 28,489,292</u>	<u>\$ 707,488</u>	<u>\$ 3,636,948</u>	<u>\$ 2,756,365</u>

**NOTE 12 – RISK MANAGEMENT**

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

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

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 12 – RISK MANAGEMENT**

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

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

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

**Aggregate Amounts.** At June 30, 2018, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	<u>Pension</u>	<u>OPEB</u>
Net assets	\$	\$ (25,570)
Net liability	7,240,678	16,888
Deferred outflows of resources	1,084,327	27,645
Deferred inflows of resources	530,337	31,349
Expense	513,665	23,965
Contributions	502,218	27,645

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

\*With actuarially reduced benefits

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

Retired and disabled members, with at least five years of credited service, are eligible to receive health insurance premium benefits. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$150 per month to \$260 per month depending on the age of the member and dependents. For members with five to nine years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.50 percent (11.34 percent for retirement and 0.16 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.50 percent (10.90 percent for retirement, 0.44 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions for the year ended June 30, 2018 were as follows:

	<u>Contributions</u>
Pension	\$ 502,218
Health Insurance Premium	20,273
Long-Term Disability	7,372

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.49 percent (9.26 for retirement, 0.10 percent for health insurance premium benefit, and 0.13 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Pension and OPEB Assets/Liability.** The net pension and OPEB assets/liability were measured as of June 30, 2017. 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, 2016, to the measurement date of June 30, 2017. The District's proportion of the net assets/liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2017.

At June 30, 2018, the District reported the following amounts for its proportionate share of the ASRS plans net assets/liability. In addition, at June 30, 2017, the District's percentage proportion for each plan and the related change from its proportion measured as of June 30, 2016 was:

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 7,240,678	0.046	(0.001)
Health Insurance Premium	(25,570)	0.047	
Long-Term Disability	16,888	0.047	

**Pension/OPEB Expense and Deferred Outflows/Inflows of Resources.** The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2018, the District recognized pension and OPEB expense as follows:

	Expense
Pension	\$ 513,665
Health Insurance Premium	14,956
Long-Term Disability	9,009

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Changes of assumptions or other inputs	\$ 314,479	\$	\$
Net difference between projected and actual earnings on pension investments	51,983		
Changes in proportion and differences between contributions and proportionate share of contributions	215,647		
Contributions subsequent to the measurement date	502,218	20,273	7,372
Total	\$ 1,084,327	\$ 20,273	\$ 7,372
	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 217,116		
Changes of assumptions or other inputs	216,509		
Net difference between projected and actual earnings on pension investments		28,791	2,526
Changes in proportion and differences between contributions and proportionate share of contributions	96,712	30	2
Total	\$ 530,337	\$ 28,821	\$ 2,528

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2019	\$ (150,699)	\$ (7,205)	\$ (633)
2020	289,097	(7,205)	(633)
2021	79,932	(7,205)	(632)
2022	(166,557)	(7,205)	(632)
2023		(2)	

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

	Pension	OPEB
Actuarial valuation date	June 30, 2016	June 30, 2016
Actuarial roll forward date	June 30, 2017	June 30, 2017
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	8.0%	8.0%
Salary increases	3.0-6.75%	Not applicable
Inflation	3.0%	3.0%
Permanent base increases	Included	Not applicable
Mortality rates	1994 GAM Scale BB	1994 GAM Scale BB
Healthcare cost trend rate	Not applicable	Not applicable

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS plan investments was determined to be 8.70 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The target allocation and best estimates of arithmetic real rates of return for each major asset class for all ASRS plans are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity	58%	6.73%
Fixed income	25	3.70
Real estate	10	4.25
Multi-asset	5	3.41
Commodities	2	3.84
Total	<u>100%</u>	

**Discount Rate.** The discount rate used to measure the ASRS total pension and OPEB liability was 8.0 percent, which is less than the long-term expected rate of return of 8.70 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

**Sensitivity of the Proportionate Share of the Net Pension and OPEB Asset/Liability to Changes in the Discount Rate.** The following presents the District’s proportionate share of the net pension and OPEB assets/liability calculated using the discount rate of 8.0 percent, as well as what the proportionate share of the net pension and OPEB asset/liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	7.0%	8.0%	9.0%
Pension	\$ 9,293,536	\$ 7,240,678	\$ 5,525,339
Health Insurance Premium	42,465	(25,570)	(83,389)
Long-Term Disability	20,194	16,888	14,085

**Pension and OPEB Plan Fiduciary Net Position.** Detailed information about the pension and OPEB plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 14 - AGREEMENTS**

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

**NOTE 15 – SUBSEQUENT EVENT**

In September 2018, the District issued \$8.04 million in School Improvement Bonds.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL**  
**YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other local	\$	\$	\$ 10,505	\$ 10,505
Property taxes			5,808,076	5,808,076
State aid and grants			95,785	95,785
<b>Total revenues</b>			<u>5,914,366</u>	<u>5,914,366</u>
<b>Expenditures:</b>				
Current -				
Instruction	2,547,393	2,473,839	2,358,412	115,427
Support services - students and staff	721,741	852,510	846,325	6,185
Support services - administration	1,207,823	1,346,399	1,316,058	30,341
Operation and maintenance of plant services	660,249	779,379	735,053	44,326
Student transportation services	359,428	359,066	333,955	25,111
<b>Total expenditures</b>	<u>5,496,634</u>	<u>5,811,193</u>	<u>5,589,803</u>	<u>221,390</u>
<b>Changes in fund balances</b>	<u>(5,496,634)</u>	<u>(5,811,193)</u>	<u>324,563</u>	<u>6,135,756</u>
<b>Fund balances, beginning of year, as restated</b>			494,247	494,247
<b>Fund balances (deficits), end of year</b>	<u>\$ (5,496,634)</u>	<u>\$ (5,811,193)</u>	<u>\$ 818,810</u>	<u>\$ 6,630,003</u>

See accompanying notes to this schedule.

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

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

**SCHEDULE OF PENSION CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST FOUR FISCAL YEARS**

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

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

See accompanying notes to this schedule.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM**  
**JUNE 30, 2018**

**2018**

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.05%
District's proportionate share of the net OPEB (assets) liability	\$ (25,570)
District's covered payroll	\$ 4,630,204
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-0.55%
Plan fiduciary net position as a percentage of the total OPEB liability	103.57%

**SCHEDULE OF OPEB CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM**  
**JUNE 30, 2018**

**2018**

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

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

See accompanying notes to this schedule.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY**  
**JUNE 30, 2018**

**2018**

Measurement date	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.05%
District's proportionate share of the net OPEB (assets) liability	\$ 16,888
District's covered payroll	\$ 4,630,204
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.36%
Plan fiduciary net position as a percentage of the total OPEB liability	84.44%

**SCHEDULE OF OPEB CONTRIBUTIONS**  
**ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY**  
**JUNE 30, 2018**

**2018**

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

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

**See accompanying notes to this schedule.**

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2018**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 6,116,896	\$ 1,089,896
Activity budgeted as special revenue funds	(527,093)	(271,086)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 5,589,803	\$ 818,810

**NOTE 2 – PENSION AND OPEB PLAN SCHEDULES**

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

**Factors that Affect Trends.** The actuarial assumptions used in the June 30, 2016, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

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

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**GOVERNMENTAL FUNDS**

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2018**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 461,648	\$ 2,329,560	\$ 2,791,208
Property taxes receivable		3,291	3,291
Accounts receivable	11,563		11,563
Deposits	23,615		23,615
Due from governmental entities	265,510		265,510
<b>Total assets</b>	<b><u>\$ 762,336</u></b>	<b><u>\$ 2,332,851</u></b>	<b><u>\$ 3,095,187</u></b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 12,428	\$ 12,428
Due to other funds	203,926		203,926
Accrued payroll and employee benefits	20,700		20,700
Unearned revenues	10,748		10,748
<b>Total liabilities</b>	<b><u>235,374</u></b>	<b><u>12,428</u></b>	<b><u>247,802</u></b>
Deferred inflows of resources:			
Unavailable revenues - property taxes		2,709	2,709
Unavailable revenues - intergovernmental	213,602		213,602
<b>Total deferred inflows of resources</b>	<b><u>213,602</u></b>	<b><u>2,709</u></b>	<b><u>216,311</u></b>
Fund balances (deficits):			
Restricted	526,962	2,317,714	2,844,676
Unassigned	(213,602)		(213,602)
<b>Total fund balances</b>	<b><u>313,360</u></b>	<b><u>2,317,714</u></b>	<b><u>2,631,074</u></b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b><u>\$ 762,336</u></b>	 <b><u>\$ 2,332,851</u></b>	 <b><u>\$ 3,095,187</u></b>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2018**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 140,916	\$ 24,259	\$ 165,175
Property taxes		479,525	479,525
State aid and grants	514,657		514,657
Federal aid, grants and reimbursements	1,434,917		1,434,917
<b>Total revenues</b>	<u>2,090,490</u>	<u>503,784</u>	<u>2,594,274</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,029,150		1,029,150
Support services - students and staff	112,651		112,651
Support services - administration	143,192		143,192
Operation and maintenance of plant services	60,111		60,111
Student transportation services	7,695		7,695
Operation of non-instructional services	619,198		619,198
Capital outlay	9,083	512,106	521,189
<b>Total expenditures</b>	<u>1,981,080</u>	<u>512,106</u>	<u>2,493,186</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>109,410</u>	<u>(8,322)</u>	<u>101,088</u>
<b>Other financing sources (uses):</b>			
Transfers out	(226,379)		(226,379)
<b>Total other financing sources (uses)</b>	<u>(226,379)</u>		<u>(226,379)</u>
<b>Changes in fund balances</b>	<u>(116,969)</u>	<u>(8,322)</u>	<u>(125,291)</u>
<b>Fund balances, beginning of year, as restated</b>	430,329	2,326,036	2,756,365
<b>Fund balances, end of year</b>	<u>\$ 313,360</u>	<u>\$ 2,317,714</u>	<u>\$ 2,631,074</u>

## SPECIAL REVENUE FUNDS

**Classroom Site** - to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

**Instructional Improvement** - to account for the activity of monies received from gaming revenue.

**Structured English Immersion** - to account for monies received to provide for the incremental cost of instruction to English language learners.

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

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

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

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

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

**Medicaid Reimbursement** - to account for reimbursements related to specific health services provided to eligible students.

**E-Rate** - to account for financial assistance received for broadband internet and telecommunication costs.

**Other Federal Projects** - to account for financial assistance received for other supplemental federal projects.

**Other State Projects** - to account for financial assistance received for other State projects.

**School Plant** - to account for proceeds from the sale or lease of school property.

**Food Service** - to account for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

**Civic Center** - to account for monies received from the rental of school facilities for civic activities.

**Community School** - to account for activity related to academic and skill development for all citizens.

**Extracurricular Activities Fees Tax Credit** - to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

**Gifts and Donations** - to account for activity related to gifts, donations, bequests and private grants made to the District.

**Fingerprint** - to account for activity of fingerprinting employees as mandated by the State.

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

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

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

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

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2018**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Title I Grants</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 178,386	\$ 21,904	\$ 16,698
Accounts receivable			
Deposits			
Due from governmental entities	33,000	16,600	
<b>Total assets</b>	<b>\$ 211,386</b>	<b>\$ 38,504</b>	<b>\$ 16,698</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Due to other funds	\$	\$	\$
Accrued payroll and employee benefits	3,388		5,950
Unearned revenues			10,748
<b>Total liabilities</b>	<b>3,388</b>		<b>16,698</b>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	207,998	38,504	
Unassigned			
<b>Total fund balances</b>	<b>207,998</b>	<b>38,504</b>	
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 211,386</b>	 <b>\$ 38,504</b>	 <b>\$ 16,698</b>

<u>Professional Development and Technology Grants</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>Other State Projects</u>	<u>Food Service</u>
\$	\$	\$ 5,996	\$	\$	\$ 104,416
13,763	186,177		6,110	7,552	23,615
<u>\$ 13,763</u>	<u>\$ 186,177</u>	<u>\$ 5,996</u>	<u>\$ 6,110</u>	<u>\$ 7,552</u>	<u>\$ 130,339</u>
\$ 13,763	\$ 182,285 3,892		\$ 326 5,784	\$ 7,552	\$ 1,686
<u>13,763</u>	<u>186,177</u>		<u>6,110</u>	<u>7,552</u>	<u>1,686</u>
<u>13,763</u>	<u>186,177</u>		<u>6,110</u>	<u>7,552</u>	
(13,763)	(186,177)	5,996	(6,110)	(7,552)	128,653
<u>(13,763)</u>	<u>(186,177)</u>	<u>5,996</u>	<u>(6,110)</u>	<u>(7,552)</u>	<u>128,653</u>
<u>\$ 13,763</u>	<u>\$ 186,177</u>	<u>\$ 5,996</u>	<u>\$ 6,110</u>	<u>\$ 7,552</u>	<u>\$ 130,339</u>

(Continued)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2018**

	Civic Center	Community School	Extracurricular Activities Fees Tax Credit
<b><u>ASSETS</u></b>			
Cash and investments	\$ 96,752	\$ 4,874	\$ 30,402
Accounts receivable	11,563		
Deposits			
Due from governmental entities			
<b>Total assets</b>	<b>\$ 108,315</b>	<b>\$ 4,874</b>	<b>\$ 30,402</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Due to other funds	\$	\$	\$
Accrued payroll and employee benefits			
Unearned revenues			
<b>Total liabilities</b>			
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	108,315	4,874	30,402
Unassigned			
<b>Total fund balances</b>	<b>108,315</b>	<b>4,874</b>	<b>30,402</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 108,315</b>	<b>\$ 4,874</b>	<b>\$ 30,402</b>

<u>Fingerprint</u>	<u>Textbooks</u>	<u>Totals</u>
\$ 1,190	\$ 1,030	\$ 461,648
		11,563
		23,615
		265,510
<u>\$ 1,190</u>	<u>\$ 1,030</u>	<u>\$ 762,336</u>
\$	\$	\$ 203,926
		20,700
		10,748
		<u>235,374</u>
		<u>213,602</u>
1,190	1,030	526,962
		(213,602)
<u>1,190</u>	<u>1,030</u>	<u>313,360</u>
<u>\$ 1,190</u>	<u>\$ 1,030</u>	<u>\$ 762,336</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	Classroom Site	Instructional Improvement	Structured English Immersion
<b>Revenues:</b>			
Other local	\$ 1,250	\$	\$
State aid and grants	396,000	38,568	80,089
Federal aid, grants and reimbursements			
<b>Total revenues</b>	397,250	38,568	80,089
<b>Expenditures:</b>			
Current -			
Instruction	345,931	28,498	80,089
Support services - students and staff		8,058	
Support services - administration		1,028	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		9,083	
<b>Total expenditures</b>	345,931	46,667	80,089
<b>Excess (deficiency) of revenues over expenditures</b>	51,319	(8,099)	
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	51,319	(8,099)	
<b>Fund balances (deficits), beginning of year, as restated</b>	156,679	46,603	
<b>Fund balances (deficits), end of year</b>	\$ 207,998	\$ 38,504	\$

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>
\$	\$	\$	\$	\$	\$
333,960	10,650	18,926	122,674	10,420	191,601
<u>333,960</u>	<u>10,650</u>	<u>18,926</u>	<u>122,674</u>	<u>10,420</u>	<u>191,601</u>
100,369	24,144	18,426	276,191		146,311
96,374	2,364	500			780
99,989	2,235				37,908
1,575				48,088	
<u>298,307</u>	<u>28,743</u>	<u>18,926</u>	<u>276,191</u>	<u>48,088</u>	<u>184,999</u>
<u>35,653</u>	<u>(18,093)</u>		<u>(153,517)</u>	<u>(37,668)</u>	<u>6,602</u>
<u>(35,653)</u>	<u>(2,415)</u>		<u>(32,660)</u>		
<u>(35,653)</u>	<u>(2,415)</u>		<u>(32,660)</u>		
	<u>(20,508)</u>		<u>(186,177)</u>	<u>(37,668)</u>	<u>6,602</u>
	6,745			43,664	(12,712)
<u>\$</u>	<u>\$ (13,763)</u>	<u>\$</u>	<u>\$ (186,177)</u>	<u>\$ 5,996</u>	<u>\$ (6,110)</u>

(Continued)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	Other State Projects	Food Service	Civic Center
<b>Revenues:</b>			
Other local	\$	\$ 41,950	\$ 84,826
State aid and grants			
Federal aid, grants and reimbursements		746,686	
<b>Total revenues</b>	7,552	788,636	84,826
<b>Expenditures:</b>			
Current -			
Instruction	7,192		646
Support services - students and staff	360		1,500
Support services - administration		105	1,190
Operation and maintenance of plant services		3,303	8,720
Student transportation services			6,000
Operation of non-instructional services		619,198	
Capital outlay			
<b>Total expenditures</b>	7,552	622,606	18,056
<b>Excess (deficiency) of revenues over expenditures</b>	(7,552)	166,030	66,770
<b>Other financing sources (uses):</b>			
Transfers out		(155,651)	
<b>Total other financing sources (uses)</b>		(155,651)	
<b>Changes in fund balances</b>	(7,552)	10,379	66,770
<b>Fund balances (deficits), beginning of year, as restated</b>		118,274	41,545
<b>Fund balances (deficits), end of year</b>	\$ (7,552)	\$ 128,653	\$ 108,315

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Totals</u>
\$ 4,226	\$ 7,041	\$ 670	\$ 953	\$ 140,916
				514,657
				1,434,917
<u>4,226</u>	<u>7,041</u>	<u>670</u>	<u>953</u>	<u>2,090,490</u>
900	453			1,029,150
1,332	1,383			112,651
		737		143,192
				60,111
	120			7,695
				619,198
				9,083
<u>2,232</u>	<u>1,956</u>	<u>737</u>		<u>1,981,080</u>
<u>1,994</u>	<u>5,085</u>	<u>(67)</u>	<u>953</u>	<u>109,410</u>
				(226,379)
				(226,379)
<u>1,994</u>	<u>5,085</u>	<u>(67)</u>	<u>953</u>	<u>(116,969)</u>
2,880	25,317	1,257	77	430,329
<u>\$ 4,874</u>	<u>\$ 30,402</u>	<u>\$ 1,190</u>	<u>\$ 1,030</u>	<u>\$ 313,360</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 1,250	\$ 1,250
State aid and grants		396,000	396,000
Federal aid, grants and reimbursements			
<b>Total revenues</b>		397,250	397,250
<b>Expenditures:</b>			
Current -			
Instruction	552,689	345,931	206,758
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	552,689	345,931	206,758
<b>Excess (deficiency) of revenues over expenditures</b>	(552,689)	51,319	604,008
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(552,689)	51,319	604,008
<b>Fund balances (deficits), beginning of year, as restated</b>		156,679	156,679
<b>Fund balances (deficits), end of year</b>	\$ (552,689)	\$ 207,998	\$ 760,687

Instructional Improvement			Structured English Immersion		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 38,568	\$ 38,568	\$	\$ 80,089	\$ 80,089
	<u>38,568</u>	<u>38,568</u>		<u>80,089</u>	<u>80,089</u>
41,794	28,498	13,296	80,089	80,089	
15,000	8,058	6,942			
5,000	1,028	3,972			
<u>15,000</u>	<u>9,083</u>	<u>5,917</u>	<u>80,089</u>	<u>80,089</u>	
<u>76,794</u>	<u>46,667</u>	<u>30,127</u>			
<u>(76,794)</u>	<u>(8,099)</u>	<u>68,695</u>	<u>(80,089)</u>		<u>80,089</u>
<u>(76,794)</u>	<u>(8,099)</u>	<u>68,695</u>	<u>(80,089)</u>		<u>80,089</u>
	46,603	46,603			
<u>\$ (76,794)</u>	<u>\$ 38,504</u>	<u>\$ 115,298</u>	<u>\$ (80,089)</u>	<u>\$</u>	<u>\$ 80,089</u>

(Continued)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	Title I Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		333,960	333,960
<b>Total revenues</b>		<u>333,960</u>	<u>333,960</u>
<b>Expenditures:</b>			
Current -			
Instruction	240,000	100,369	139,631
Support services - students and staff	120,000	96,374	23,626
Support services - administration	125,000	99,989	25,011
Operation and maintenance of plant services			
Student transportation services	5,000	1,575	3,425
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>490,000</u>	<u>298,307</u>	<u>191,693</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(490,000)</u>	<u>35,653</u>	<u>525,653</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out	(54,033)	(35,653)	18,380
<b>Total other financing sources (uses)</b>	<u>(54,033)</u>	<u>(35,653)</u>	<u>18,380</u>
<b>Changes in fund balances</b>	<u>(544,033)</u>		<u>544,033</u>
<b>Fund balances (deficits), beginning of year, as restated</b>			
<b>Fund balances (deficits), end of year</b>	<u>\$ (544,033)</u>	<u>\$</u>	<u>\$ 544,033</u>

<u>Professional Development and Technology Grants</u>			<u>Title IV Grants</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
	10,650	10,650			
	10,650	10,650			
33,164	24,144	9,020	10,025		10,025
5,000	2,364	2,636			
5,000	2,235	2,765			
<u>43,164</u>	<u>28,743</u>	<u>14,421</u>	<u>10,025</u>		<u>10,025</u>
<u>(43,164)</u>	<u>(18,093)</u>	<u>25,071</u>	<u>(10,025)</u>		<u>10,025</u>
<u>(5,000)</u>	<u>(2,415)</u>	<u>2,585</u>			
<u>(5,000)</u>	<u>(2,415)</u>	<u>2,585</u>			
<u>(48,164)</u>	<u>(20,508)</u>	<u>27,656</u>	<u>(10,025)</u>		<u>10,025</u>
	6,745	6,745			
<u>\$ (48,164)</u>	<u>\$ (13,763)</u>	<u>\$ 34,401</u>	<u>\$ (10,025)</u>	<u>\$</u>	<u>\$ 10,025</u>

(Continued)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	Limited English & Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		18,926	18,926
<b>Total revenues</b>		18,926	18,926
<b>Expenditures:</b>			
Current -			
Instruction	18,500	18,426	74
Support services - students and staff	676	500	176
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	19,176	18,926	250
<b>Excess (deficiency) of revenues over expenditures</b>	(19,176)		19,176
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(19,176)		19,176
<b>Fund balances (deficits), beginning of year, as restated</b>			
<b>Fund balances (deficits), end of year</b>	\$ (19,176)	\$	\$ 19,176

Special Education Grants			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 113	\$ 113
	122,674	122,674		113	113
	122,674	122,674			
301,386	276,191	25,195	8,000		8,000
301,386	276,191	25,195	8,000		8,000
(301,386)	(153,517)	147,869	(8,000)	113	8,113
(50,000)	(32,660)	17,340			
(50,000)	(32,660)	17,340			
(351,386)	(186,177)	165,209	(8,000)	113	8,113
				7,248	7,248
\$ (351,386)	\$ (186,177)	\$ 165,209	\$ (8,000)	\$ 7,361	\$ 15,361

(Continued)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		10,420	10,420
<b>Total revenues</b>		<u>10,420</u>	<u>10,420</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	6,100	48,088	(41,988)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>6,100</u>	<u>48,088</u>	<u>(41,988)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(6,100)</u>	<u>(37,668)</u>	<u>(31,568)</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	<u>(6,100)</u>	<u>(37,668)</u>	<u>(31,568)</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		43,664	43,664
<b>Fund balances (deficits), end of year</b>	<u>\$ (6,100)</u>	<u>\$ 5,996</u>	<u>\$ 12,096</u>

Other Federal Projects			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	191,601	191,601			
	191,601	191,601			
148,520	146,311	2,209	9,000	7,192	1,808
1,000	780	220	1,000	360	640
40,000	37,908	2,092			
<u>189,520</u>	<u>184,999</u>	<u>4,521</u>	<u>10,000</u>	<u>7,552</u>	<u>2,448</u>
<u>(189,520)</u>	<u>6,602</u>	<u>196,122</u>	<u>(10,000)</u>	<u>(7,552)</u>	<u>2,448</u>
<u>(189,520)</u>	<u>6,602</u>	<u>196,122</u>	<u>(10,000)</u>	<u>(7,552)</u>	<u>2,448</u>
	(12,712)	(12,712)			
<u>\$ (189,520)</u>	<u>\$ (6,110)</u>	<u>\$ 183,410</u>	<u>\$ (10,000)</u>	<u>\$ (7,552)</u>	<u>\$ 2,448</u>

(Continued)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	School Plant		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	5,100		5,100
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	5,100		5,100
<b>Excess (deficiency) of revenues over expenditures</b>	(5,100)		5,100
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(5,100)		5,100
<b>Fund balances (deficits), beginning of year, as restated</b>		5,036	5,036
<b>Fund balances (deficits), end of year</b>	\$ (5,100)	\$ 5,036	\$ 10,136

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 41,950	\$ 41,950	\$	\$ 84,826	\$ 84,826
	746,686	746,686		84,826	84,826
	788,636	788,636			
			1,000	646	354
			2,000	1,500	500
1,000	105	895	2,000	1,190	810
5,000	3,303	1,697	10,000	8,720	1,280
			6,000	6,000	
662,000	619,198	42,802	109,000		109,000
668,000	622,606	45,394	130,000	18,056	111,944
(668,000)	166,030	834,030	(130,000)	66,770	196,770
(200,000)	(155,651)	44,349			
(200,000)	(155,651)	44,349			
(868,000)	10,379	878,379	(130,000)	66,770	196,770
	118,274	118,274		41,545	41,545
\$ (868,000)	\$ 128,653	\$ 996,653	\$ (130,000)	\$ 108,315	\$ 238,315

(Continued)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	Community School		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 4,226	\$ 4,226
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	2,232	4,226	4,226
<b>Expenditures:</b>			
Current -			
Instruction	900	900	
Support services - students and staff	1,332	1,332	
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	2,232	2,232	
<b>Excess (deficiency) of revenues over expenditures</b>	(2,232)	1,994	4,226
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(2,232)	1,994	4,226
<b>Fund balances (deficits), beginning of year</b>		2,880	2,880
<b>Fund balances (deficits), end of year</b>	\$ (2,232)	\$ 4,874	\$ 7,106

<u>Extracurricular Activities Fees Tax Credit</u>			<u>Gifts and Donations</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 7,041	\$ 7,041	\$	\$ 25,177	\$ 25,177
	<u>7,041</u>	<u>7,041</u>		<u>25,177</u>	<u>25,177</u>
32,000	453	31,547	20,000	3,937	16,063
2,000	1,383	617	5,000	4,848	152
			13,000	11,603	1,397
1,000	120	880	8,000	7,438	562
			4,000	3,133	867
<u>35,000</u>	<u>1,956</u>	<u>33,044</u>	<u>50,000</u>	<u>30,959</u>	<u>19,041</u>
<u>(35,000)</u>	<u>5,085</u>	<u>40,085</u>	<u>(50,000)</u>	<u>(5,782)</u>	<u>44,218</u>
<u>(35,000)</u>	<u>5,085</u>	<u>40,085</u>	<u>(50,000)</u>	<u>(5,782)</u>	<u>44,218</u>
	25,317	25,317		24,795	24,795
<u>\$ (35,000)</u>	<u>\$ 30,402</u>	<u>\$ 65,402</u>	<u>\$ (50,000)</u>	<u>\$ 19,013</u>	<u>\$ 69,013</u>

(Continued)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 670	\$ 670
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		670	670
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	2,500	737	1,763
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	2,500	737	1,763
<b>Excess (deficiency) of revenues over expenditures</b>	(2,500)	(67)	2,433
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(2,500)	(67)	2,433
<b>Fund balances (deficits), beginning of year, as restated</b>		1,257	1,257
<b>Fund balances (deficits), end of year</b>	\$ (2,500)	\$ 1,190	\$ 3,690

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 6,267	\$ 6,267	\$	\$ 953	\$ 953
	<u>6,267</u>	<u>6,267</u>		<u>953</u>	<u>953</u>
			600		600
<u>30,000</u>	<u>7,061</u>	<u>22,939</u>	<u>600</u>	<u>953</u>	<u>600</u>
<u>30,000</u>	<u>7,061</u>	<u>22,939</u>	<u>600</u>	<u>953</u>	<u>600</u>
<u>(30,000)</u>	<u>(794)</u>	<u>29,206</u>	<u>(600)</u>	<u>953</u>	<u>1,553</u>
<u>(30,000)</u>	<u>(794)</u>	<u>29,206</u>	<u>(600)</u>	<u>953</u>	<u>1,553</u>
	9,120	9,120		77	77
<u>\$ (30,000)</u>	<u>\$ 8,326</u>	<u>\$ 38,326</u>	<u>\$ (600)</u>	<u>\$ 1,030</u>	<u>\$ 1,630</u>

(Continued)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction	360		360
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	360		360
<b>Excess (deficiency) of revenues over expenditures</b>	(360)		360
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(360)		360
<b>Fund balances (deficits), beginning of year, as restated</b>		358	358
<b>Fund balances (deficits), end of year</b>	\$ (360)	\$ 358	\$ 718

Indirect Costs			Intergovernmental Agreements		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 1	\$ 1	\$	\$ 327,001	\$ 327,001
	<u>1</u>	<u>1</u>		<u>327,001</u>	<u>327,001</u>
31,000	30,299	701	78,359	113,096	(34,737)
59,000	48,537	10,463	6	6	
230,000	171,732	58,268	15,766	15,766	
			82,942	82,942	
			20,729	20,729	
			960	960	
			5,006	5,006	
<u>320,000</u>	<u>250,568</u>	<u>69,432</u>	<u>203,768</u>	<u>238,505</u>	<u>(34,737)</u>
<u>(320,000)</u>	<u>(250,567)</u>	<u>69,433</u>	<u>(203,768)</u>	<u>88,496</u>	<u>292,264</u>
	226,379	226,379			
	<u>226,379</u>	<u>226,379</u>			
<u>(320,000)</u>	<u>(24,188)</u>	<u>295,812</u>	<u>(203,768)</u>	<u>88,496</u>	<u>292,264</u>
	166,581	166,581		103	103
<u>\$ (320,000)</u>	<u>\$ 142,393</u>	<u>\$ 462,393</u>	<u>\$ (203,768)</u>	<u>\$ 88,599</u>	<u>\$ 292,367</u>

(Continued)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 499,475	\$ 499,475
State aid and grants		514,657	514,657
Federal aid, grants and reimbursements		1,434,917	1,434,917
<b>Total revenues</b>		<u>2,449,049</u>	<u>2,449,049</u>
<b>Expenditures:</b>			
Current -			
Instruction	1,576,386	1,146,183	430,203
Support services - students and staff	184,014	147,804	36,210
Support services - administration	268,266	219,098	49,168
Operation and maintenance of plant services	339,142	314,785	24,357
Student transportation services	40,729	35,862	4,867
Operation of non-instructional services	775,960	623,291	152,669
Capital outlay	50,006	21,150	28,856
<b>Total expenditures</b>	<u>3,234,503</u>	<u>2,508,173</u>	<u>726,330</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(3,234,503)</u>	<u>(59,124)</u>	<u>3,175,379</u>
<b>Other financing sources (uses):</b>			
Transfers in		226,379	226,379
Transfers out	(309,033)	(226,379)	82,654
<b>Total other financing sources (uses)</b>	<u>(309,033)</u>		<u>309,033</u>
<b>Changes in fund balances</b>	<u>(3,543,536)</u>	<u>(59,124)</u>	<u>3,484,412</u>
<b>Fund balances (deficits), beginning of year, as restated</b>		643,570	643,570
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,543,536)</u>	<u>\$ 584,446</u>	<u>\$ 4,127,982</u>

## **DEBT SERVICE FUND**

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2018**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ (36,401)	\$ (36,401)
Property taxes		7,411,474	7,411,474
Federal aid, grants and reimbursements		135,404	135,404
<b>Total revenues</b>		<u>7,510,477</u>	<u>7,510,477</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	5,880,000	5,880,000	
Interest and fiscal charges	1,121,977	1,806,968	(684,991)
Bond issuance costs	120,000	120,454	(454)
<b>Total expenditures</b>	<u>7,121,977</u>	<u>7,807,422</u>	<u>(685,445)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(7,121,977)</u>	<u>(296,945)</u>	<u>6,825,032</u>
<b>Other financing sources (uses):</b>			
Transfers in		138,373	138,373
Issuance of refunding bonds		4,510,000	4,510,000
Premium on sale of bonds		690,091	690,091
<b>Total other financing sources (uses)</b>		<u>5,338,464</u>	<u>5,338,464</u>
<b>Changes in fund balances</b>	<u>(7,121,977)</u>	<u>5,041,519</u>	<u>12,163,496</u>
<b>Fund balances, beginning of year</b>		268,243	268,243
<b>Fund balances (deficits), end of year</b>	<u>\$ (7,121,977)</u>	<u>\$ 5,309,762</u>	<u>\$ 12,431,739</u>

## CAPITAL PROJECTS FUNDS

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

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

**Bond Building** - to account for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2018**

	Unrestricted Capital Outlay	Adjacent Ways	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 234,966	\$ 2,094,594	\$ 2,329,560
Property taxes receivable	3,291		3,291
<b>Total assets</b>	<b>\$ 238,257</b>	<b>\$ 2,094,594</b>	<b>\$ 2,332,851</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u></b>			
<b><u>AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 12,428	\$	\$ 12,428
<b>Total liabilities</b>	<b>12,428</b>		<b>12,428</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	2,709		2,709
Fund balances:			
Restricted	223,120	2,094,594	2,317,714
<b>Total fund balances</b>	<b>223,120</b>	<b>2,094,594</b>	<b>2,317,714</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 238,257</b>	 <b>\$ 2,094,594</b>	 <b>\$ 2,332,851</b>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Totals</u>
<b>Revenues:</b>			
Other local	\$ 2,195	\$ 22,064	\$ 24,259
Property taxes	478,212	1,313	479,525
<b>Total revenues</b>	<u>480,407</u>	<u>23,377</u>	<u>503,784</u>
<b>Expenditures:</b>			
Capital outlay	490,824	21,282	512,106
<b>Total expenditures</b>	<u>490,824</u>	<u>21,282</u>	<u>512,106</u>
<b>Changes in fund balances</b>	<u>(10,417)</u>	<u>2,095</u>	<u>(8,322)</u>
<b>Fund balances, beginning of year, as restated</b>	233,537	2,092,499	2,326,036
<b>Fund balances, end of year</b>	<u>\$ 223,120</u>	<u>\$ 2,094,594</u>	<u>\$ 2,317,714</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 2,195	\$ 2,195
Property taxes		478,212	478,212
<b>Total revenues</b>		480,407	480,407
<b>Expenditures:</b>			
Capital outlay	654,484	490,824	163,660
Debt service - Bond issuance costs			
<b>Total expenditures</b>	654,484	490,824	163,660
<b>Excess (deficiency) of revenues over expenditures</b>	(654,484)	(10,417)	644,067
<b>Other financing sources (uses):</b>			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(654,484)	(10,417)	644,067
<b>Fund balances, beginning of year, as restated</b>		233,537	233,537
<b>Fund balances (deficits), end of year</b>	\$ (654,484)	\$ 223,120	\$ 877,604

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 22,064	\$ 22,064	\$	\$ 170,660	\$ 170,660
	1,313	1,313			
	<u>23,377</u>	<u>23,377</u>		<u>170,660</u>	<u>170,660</u>
2,100,000	21,282	2,078,718	15,861,443	8,417,264	7,444,179
			380,000	173,136	206,864
<u>2,100,000</u>	<u>21,282</u>	<u>2,078,718</u>	<u>16,241,443</u>	<u>8,590,400</u>	<u>7,651,043</u>
<u>(2,100,000)</u>	<u>2,095</u>	<u>2,102,095</u>	<u>(16,241,443)</u>	<u>(8,419,740)</u>	<u>7,821,703</u>
				(138,373)	(138,373)
				10,235,000	10,235,000
				1,697,024	1,697,024
				<u>11,793,651</u>	<u>11,793,651</u>
<u>(2,100,000)</u>	<u>2,095</u>	<u>2,102,095</u>	<u>(16,241,443)</u>	<u>3,373,911</u>	<u>19,615,354</u>
	2,092,499	2,092,499		3,636,948	3,636,948
<u>\$ (2,100,000)</u>	<u>\$ 2,094,594</u>	<u>\$ 4,194,594</u>	<u>\$ (16,241,443)</u>	<u>\$ 7,010,859</u>	<u>\$ 23,252,302</u>

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**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2018**

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

Totals		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 194,919	\$ 194,919
	479,525	479,525
	<u>674,444</u>	<u>674,444</u>
18,625,927	8,929,370	9,696,557
380,000	173,136	206,864
<u>19,005,927</u>	<u>9,102,506</u>	<u>9,903,421</u>
<u>(19,005,927)</u>	<u>(8,428,062)</u>	<u>10,577,865</u>
	(138,373)	(138,373)
	10,235,000	10,235,000
	1,697,024	1,697,024
	<u>11,793,651</u>	<u>11,793,651</u>
<u>(19,005,927)</u>	<u>3,365,589</u>	<u>22,371,516</u>
	5,962,984	5,962,984
<u>\$ (19,005,927)</u>	<u>\$ 9,328,573</u>	<u>\$ 28,334,500</u>

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## **AGENCY FUNDS**

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

**Employee Insurance** – to account for voluntary deductions temporarily held by the District as an agent.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 JUNE 30, 2018**

	<u>Student Activities</u>	<u>Employee Insurance</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 8,521	\$ 145,863	\$ 154,384
<b>Total assets</b>	<u>\$ 8,521</u>	<u>\$ 145,863</u>	<u>\$ 154,384</u>
<b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 145,863	\$ 145,863
Due to student groups	8,521		8,521
<b>Total liabilities</b>	<u>\$ 8,521</u>	<u>\$ 145,863</u>	<u>\$ 154,384</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2018**

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balance</u>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 9,090	\$ 12,425	\$ 12,994	\$ 8,521
Total assets	<u>\$ 9,090</u>	<u>\$ 12,425</u>	<u>\$ 12,994</u>	<u>\$ 8,521</u>
<u>Liabilities</u>				
Due to student groups	\$ 9,090	\$ 12,425	\$ 12,994	\$ 8,521
Total liabilities	<u>\$ 9,090</u>	<u>\$ 12,425</u>	<u>\$ 12,994</u>	<u>\$ 8,521</u>
<b><u>EMPLOYEE INSURANCE FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ 245,681	\$ 651,074	\$ 750,892	\$ 145,863
Total assets	<u>\$ 245,681</u>	<u>\$ 651,074</u>	<u>\$ 750,892</u>	<u>\$ 145,863</u>
<u>Liabilities</u>				
Deposits held for others	\$ 245,681	\$ 651,074	\$ 750,892	\$ 145,863
Total liabilities	<u>\$ 245,681</u>	<u>\$ 651,074</u>	<u>\$ 750,892</u>	<u>\$ 145,863</u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ 254,771	\$ 663,499	\$ 763,886	\$ 154,384
Total assets	<u>\$ 254,771</u>	<u>\$ 663,499</u>	<u>\$ 763,886</u>	<u>\$ 154,384</u>
<u>Liabilities</u>				
Deposits held for others	\$ 245,681	\$ 651,074	\$ 750,892	\$ 145,863
Due to student groups	9,090	12,425	12,994	8,521
Total liabilities	<u>\$ 254,771</u>	<u>\$ 663,499</u>	<u>\$ 763,886</u>	<u>\$ 154,384</u>

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## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

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

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 28,053,174	\$ 26,424,131	\$ 29,792,951	\$ 23,908,182	\$ 7,637,073
Restricted	8,198,728	582,761	1,114,274	17,123,942	17,833,274
Unrestricted	(5,270,903)	1,579,870	(3,879,216)	(15,639,760)	4,633,910
Total net position	\$ 30,980,999	\$ 28,586,762	\$ 27,028,009	\$ 25,392,364	\$ 30,104,257
	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 26,542,911	\$ 16,771,279	\$ 17,748,653	\$ 15,866,464	\$ 16,175,718
Restricted	2,169,671	1,917,189	2,901,709	2,319,594	3,471,885
Unrestricted	1,090,987	6,472,957	1,238,101	1,777,341	1,260,103
Total net position	\$ 29,803,569	\$ 25,161,425	\$ 21,888,463	\$ 19,963,399	\$ 20,907,706

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

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Expenses</b>					
Instruction	\$ 6,534,080	\$ 6,109,450	\$ 5,463,737	\$ 5,653,347	\$ 6,148,377
Support services - students and staff	1,236,770	1,705,904	1,332,920	1,154,461	992,602
Support services - administration	2,239,810	2,588,092	2,157,932	2,119,459	2,120,256
Operation and maintenance of plant services	1,566,523	1,101,478	1,699,121	1,145,606	1,789,702
Student transportation services	520,805	473,915	556,751	452,739	593,613
Operation of non-instructional services	681,242	855,505	606,116	669,211	673,253
Interest on long-term debt	1,459,267	1,556,906	1,248,883	1,230,103	1,165,043
Total expenses	<u>14,238,497</u>	<u>14,391,250</u>	<u>13,065,460</u>	<u>12,424,926</u>	<u>13,482,846</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	374,896				7,116
Operation of non-instructional services	82,875	34,582	25,483	121,210	32,878
Other activities	43,429				
Operating grants and contributions	1,896,229	2,416,853	2,159,654	2,367,964	2,302,199
Capital grants and contributions					
Total program revenues	<u>2,397,429</u>	<u>2,451,435</u>	<u>2,185,137</u>	<u>2,489,174</u>	<u>2,342,193</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (11,841,068)</u>	<u>\$ (11,939,815)</u>	<u>\$ (10,880,323)</u>	<u>\$ (9,935,752)</u>	<u>\$ (11,140,653)</u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Expenses</b>					
Instruction	\$ 4,499,263	\$ 4,165,498	\$ 3,861,321	\$ 4,374,991	\$ 4,031,202
Support services - students and staff	954,514	759,752	871,057	872,725	805,876
Support services - administration	1,719,265	1,521,044	1,478,077	1,752,806	801,710
Operation and maintenance of plant services	934,106	2,471,532	815,980	768,703	871,865
Student transportation services	428,555	1,162,238	374,258	389,213	165,301
Operation of non-instructional services	534,053	596,343	508,214	416,424	404,695
Interest on long-term debt	908,858	1,162,539	1,180,267	619,941	671,046
Total expenses	<u>9,978,614</u>	<u>11,838,946</u>	<u>9,089,174</u>	<u>9,194,803</u>	<u>7,751,695</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	7,017	2,301	890	1,075	150
Operation of non-instructional services	23,492	56,446	46,453	53,839	52,528
Other activities					14,426
Operating grants and contributions	3,203,873	3,495,188	2,250,320	1,673,271	1,023,142
Capital grants and contributions	161,166	67,832			
Total program revenues	<u>3,395,548</u>	<u>3,621,767</u>	<u>2,297,663</u>	<u>1,728,185</u>	<u>1,090,246</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (6,583,066)</u>	<u>\$ (8,217,179)</u>	<u>\$ (6,791,511)</u>	<u>\$ (7,466,618)</u>	<u>\$ (6,661,449)</u>

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

**(Concluded)**

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Net (Expense)/Revenue</b>	\$ (11,841,068)	\$ (11,939,815)	\$ (10,880,323)	\$ (9,935,752)	\$ (11,140,653)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	5,782,461	5,619,930	5,397,940	5,189,673	3,894,848
Property taxes, levied for debt service	7,406,965	6,262,588	5,725,767	5,912,853	5,839,227
Property taxes, levied for capital outlay	477,915	669,941	1,170,402	570,327	1,190,742
Investment income	135,081	72,365	118,273	100,612	67,109
Unrestricted state aid	530,353	36,897	47,423	73,796	320,478
Miscellaneous		123,571	56,163		128,937
<b>Total general revenues</b>	14,332,775	12,785,292	12,515,968	11,847,261	11,441,341
<b>Changes in Net Position</b>	\$ 2,491,707	\$ 845,477	\$ 1,635,645	\$ 1,911,509	\$ 300,688

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Net (Expense)/Revenue</b>	\$ (6,583,066)	\$ (8,217,179)	\$ (6,791,511)	\$ (7,466,618)	\$ (6,661,449)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	4,597,544	4,403,375	3,548,219	3,644,250	4,402,494
Property taxes, levied for debt service	6,171,122	5,438,744	3,745,326	1,551,087	1,283,676
Property taxes, levied for capital outlay	803,975	1,287,167	1,133,556	1,067,094	542,919
Investment income	29,025	37,652	56,403	72,061	177,303
Unrestricted state aid	38,004	43,207	45,653	83,091	96,234
Miscellaneous	202,402	279,996	187,418	104,728	22,149
<b>Total general revenues</b>	<u>11,842,072</u>	<u>11,490,141</u>	<u>8,716,575</u>	<u>6,522,311</u>	<u>6,524,775</u>
<b>Changes in Net Position</b>	<u>\$ 5,259,006</u>	<u>\$ 3,272,962</u>	<u>\$ 1,925,064</u>	<u>\$ (944,307)</u>	<u>\$ (136,674)</u>

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

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
General Fund:					
Unassigned	\$ 1,089,896	\$ 663,705	\$ 461,463	\$ 359,146	\$ 289,854
Total General Fund	\$ 1,089,896	\$ 663,705	\$ 461,463	\$ 359,146	\$ 289,854
All Other Governmental Funds:					
Restricted	\$ 15,165,297	\$ 6,581,004	\$ 9,124,940	\$ 17,187,100	\$ 17,833,274
Assigned					21,898
Unassigned	(213,602)	(14,007)	(21,231)	(83,283)	(83,304)
Total all other governmental funds	\$ 14,951,695	\$ 6,566,997	\$ 9,103,709	\$ 17,103,817	\$ 17,771,868

**(Continued)**

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
General Fund:					
Nonspendable	\$ 39,516	\$ 36,446	\$ 13,192	\$	\$
Unassigned	1,143,190	669,413	107,679		
Reserved				8,717	
Unreserved				321,313	(107,309)
Total General Fund	<u>\$ 1,182,706</u>	<u>\$ 705,859</u>	<u>\$ 120,871</u>	<u>\$ 330,030</u>	<u>\$ (107,309)</u>
All Other Governmental Funds:					
Nonspendable	\$ 4,887	\$ 5,543	\$ 5,513	\$	\$
Restricted	2,615,965	5,421,967	3,633,047		
Unassigned	(46,844)	(77,936)	(81,475)		
Reserved				5,600	
Unreserved, reported in:					
Special revenue funds				529,827	781,488
Capital projects funds				5,886,940	4,766,252
Debt service fund				120,633	139,216
Total all other governmental funds	<u>\$ 2,574,008</u>	<u>\$ 5,349,574</u>	<u>\$ 3,557,085</u>	<u>\$ 6,543,000</u>	<u>\$ 5,686,956</u>

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

**Note:** The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 823,635	\$ 1,227,532	\$ 819,596	\$ 892,697	\$ 975,378
National School Lunch Program	746,686	779,933	702,714	706,478	693,634
Total federal sources	<u>1,570,321</u>	<u>2,007,465</u>	<u>1,522,310</u>	<u>1,599,175</u>	<u>1,669,012</u>
<b>State sources:</b>					
State equalization assistance	95,785	55,112	83,754	41,861	30,626
State grants	80,089	13,704	122,274	405,515	684,345
Other revenues	434,568	362,633	460,282	339,193	204,473
Total state sources	<u>610,442</u>	<u>431,449</u>	<u>666,310</u>	<u>786,569</u>	<u>919,444</u>
<b>Local sources:</b>					
Property taxes	13,699,075	12,528,073	12,275,288	11,553,894	10,968,804
Food service sales	41,927	34,582	25,483	30,498	27,018
Investment income	132,081	72,365	118,273	100,612	67,109
Other revenues	494,490	138,407	74,620	270,802	206,760
Total local sources	<u>14,367,573</u>	<u>12,773,427</u>	<u>12,493,664</u>	<u>11,955,806</u>	<u>11,269,691</u>
<b>Total revenues</b>	<u><u>\$ 16,548,336</u></u>	<u><u>\$ 15,212,341</u></u>	<u><u>\$ 14,682,284</u></u>	<u><u>\$ 14,341,550</u></u>	<u><u>\$ 13,858,147</u></u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Federal sources:</b>					
Federal grants	\$ 1,949,621	\$ 2,258,551	\$ 1,052,703	\$ 523,391	\$ 257,746
National School Lunch Program	648,573	655,685	577,863	461,459	342,692
Total federal sources	<u>2,598,194</u>	<u>2,914,236</u>	<u>1,630,566</u>	<u>984,850</u>	<u>600,438</u>
<b>State sources:</b>					
State equalization assistance	38,004	43,207	52,717	80,126	96,234
State grants	324,770	393,257	449,601	483,171	180,261
Other revenues	280,909	187,695	166,054	205,250	242,443
Total state sources	<u>643,683</u>	<u>624,159</u>	<u>668,372</u>	<u>768,547</u>	<u>518,938</u>
<b>Local sources:</b>					
Property taxes	11,583,789	11,177,511	8,345,803	6,248,619	6,187,737
Food service sales	23,492	31,545	30,309	32,611	39,214
Investment income	29,022	37,661	56,406	72,067	177,303
Other revenues	370,588	375,021	204,449	127,025	50,039
Total local sources	<u>12,006,891</u>	<u>11,621,738</u>	<u>8,636,967</u>	<u>6,480,322</u>	<u>6,454,293</u>
<b>Total revenues</b>	<u>\$ 15,248,768</u>	<u>\$ 15,160,133</u>	<u>\$ 10,935,905</u>	<u>\$ 8,233,719</u>	<u>\$ 7,573,669</u>

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

**Note:** The Arizona State Legislature suspended county equalization payments to school districts for fiscal year 2008-09.

**(Concluded)**

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

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>	<u><b>2014</b></u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 3,504,595	\$ 4,277,304	\$ 4,204,669	\$ 4,445,784	\$ 4,921,302
Support services - students and staff	994,129	1,582,489	1,211,907	1,083,059	920,359
Support services - administration	1,535,156	2,061,245	1,788,074	1,785,973	1,731,379
Operation and maintenance of plant services	1,049,838	793,027	1,498,510	1,002,795	1,708,217
Student transportation services	369,817	330,941	415,868	333,946	464,666
Operation of non-instructional services	623,291	827,083	595,796	702,163	599,118
Capital outlay	8,950,520	5,731,913	17,372,290	3,774,612	1,167,603
Debt service -					
Interest and fiscal charges	1,806,968	1,501,170	1,186,030	1,329,042	1,196,627
Principal retirement	5,880,000	5,485,000	4,515,000	5,250,000	4,665,000
Bond issuance costs	293,590	74,024	221,450		
<b>Total expenditures</b>	<u><u>\$ 25,007,904</u></u>	<u><u>\$ 22,664,196</u></u>	<u><u>\$ 33,009,594</u></u>	<u><u>\$ 19,707,374</u></u>	<u><u>\$ 17,374,271</u></u>
Expenditures for capitalized assets	\$ 7,491,412	\$ 5,731,913	\$ 17,372,290	\$ 3,774,612	\$ 1,167,603
Debt service as a percentage of noncapital expenditures	44%	41%	36%	41%	36%

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 3,383,221	\$ 2,817,477	\$ 3,022,649	\$ 3,548,932	\$ 3,437,001
Support services - students and staff	807,961	604,072	759,910	685,775	1,005,635
Support services - administration	2,593,818	1,395,812	1,515,046	1,580,045	750,790
Operation and maintenance of plant services	905,867	2,315,550	747,373	755,888	880,263
Student transportation services	599,895	314,637	355,853	428,302	154,499
Operation of non-instructional services	592,197	584,223	503,090	403,911	385,461
Capital outlay	2,630,323	1,442,779	5,069,194	7,578,459	174,131
Debt service -					
Interest and fiscal charges	971,619	1,104,392	1,123,421	615,449	666,554
Principal retirement	5,065,000	5,230,000	681,666	1,431,494	1,244,279
Bond issuance costs		55,850	275,290	248,735	
<b>Total expenditures</b>	<u>\$ 17,549,901</u>	<u>\$ 15,864,792</u>	<u>\$ 14,053,492</u>	<u>\$ 17,276,990</u>	<u>\$ 8,698,613</u>
Expenditures for capitalized assets	\$ 4,197,324	\$ 563,586	\$ 5,114,353	\$ 7,630,488	\$ 612,950
Debt service as a percentage of noncapital expenditures	45%	41%	20%	21%	24%

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

**(Concluded)**

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

	Fiscal Year Ended June 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (8,459,568)	\$ (7,451,855)	\$ (18,327,310)	\$ (5,365,824)	\$ (3,516,124)
<b>Other financing sources (uses):</b>					
General obligation bonds issued	10,235,000	5,075,000	10,200,000	4,565,000	17,425,000
Refunding bonds issued	4,510,000	2,565,000			
Premium on sale of bonds	2,387,115	138,775	229,519	202,065	471,161
Transfers in	364,752	191,923	34,285	55,231	239,991
Transfers out	(364,752)	(191,923)	(34,285)	(55,231)	(239,991)
Payment to refunded bond escrow agent		(2,661,390)			
Total other financing sources (uses)	<u>17,132,115</u>	<u>5,117,385</u>	<u>10,429,519</u>	<u>4,767,065</u>	<u>17,896,161</u>
<b>Changes in fund balances</b>	<u>\$ 8,672,547</u>	<u>\$ (2,334,470)</u>	<u>\$ (7,897,791)</u>	<u>\$ (598,759)</u>	<u>\$ 14,380,037</u>
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (2,301,133)	\$ (704,659)	\$ (3,117,587)	\$ (9,043,271)	\$ (1,124,944)
<b>Other financing sources (uses):</b>					
General obligation bonds issued		3,010,000		10,361,666	
Refunding bonds issued			8,670,000		
Premium on sale of bonds		48,852	351,860		
Discount on sale of bonds				(39,329)	
Transfers in	162,989	175,527	142,929	1,000,911	9,746
Transfers out	(162,989)	(175,527)	(142,929)	(1,000,911)	(9,746)
Payment to refunded bond escrow agent			(9,103,735)		
Total other financing sources (uses)		<u>3,058,852</u>	<u>(81,875)</u>	<u>10,322,337</u>	
<b>Changes in fund balances</b>	<u>\$ (2,301,133)</u>	<u>\$ 2,354,193</u>	<u>\$ (3,199,462)</u>	<u>\$ 1,279,066</u>	<u>\$ (1,124,944)</u>

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 326,829,027	\$ 310,602,700	\$ 309,167,525	\$ 311,011,279	\$ 300,827,888
Agricultural and Vacant	7,356,922	7,306,935	8,086,810	8,706,973	8,951,967
Residential (Owner Occupied)	8,561,394	8,165,665	7,715,635	7,481,218	7,149,307
Residential (Rental)	5,812,113	5,510,554	5,382,919	4,978,594	4,259,912
Railroad, Private Cars and Airlines	861,988	845,643	933,016	997,238	908,553
Historical Property	<u>4,583,423</u>	<u>4,747,899</u>	<u>4,852,815</u>	<u>2,927,154</u>	<u>576,168</u>
Total	<u>\$ 354,004,867</u>	<u>\$ 337,179,396</u>	<u>\$ 336,138,720</u>	<u>\$ 336,102,456</u>	<u>\$ 322,673,795</u>
Gross Full Cash Value	\$ 2,787,618,982	\$ 2,550,233,189	\$ 2,283,339,214	\$ 2,031,282,639	\$ 1,829,109,783
Ratio of Net Limited Assessed Value to Gross Full Cash Value	13%	13%	15%	17%	18%
Total Direct Rate	3.83	3.72	3.61	3.32	3.37

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 336,021,643	\$ 367,351,094	\$ 403,709,724	\$ 348,359,060	\$ 314,983,586
Agricultural and Vacant	9,970,084	10,827,794	12,127,139	11,796,873	13,193,424
Residential (Owner Occupied)	9,405,745	11,603,673	17,553,052	27,376,553	25,079,960
Residential (Rental)	3,235,479	2,631,871	2,788,370	3,390,622	2,597,974
Railroad, Private Cars and Airlines	874,989	523,839	528,850	383,155	440,465
Historical Property	<u>108,534</u>	<u>266,479</u>	<u>351,633</u>	<u>353,930</u>	<u>470,685</u>
Total	<u>\$ 359,616,474</u>	<u>\$ 393,204,750</u>	<u>\$ 437,058,768</u>	<u>\$ 391,660,193</u>	<u>\$ 356,766,094</u>
Gross Full Cash Value	\$ 1,970,815,454	\$ 2,192,386,115	\$ 2,572,414,825	\$ 2,416,358,181	\$ 2,117,824,528
Ratio of Net Limited Assessed Value to Gross Full Cash Value	18%	18%	17%	16%	17%
Total Direct Rate	3.19	2.76	1.83	1.51	1.68

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

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

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 403,528,761	\$ 368,810,609	\$ 340,331,057	\$ 317,823,003	\$ 302,841,974
Agricultural and Vacant	9,433,869	8,524,917	9,061,286	9,426,233	9,207,770
Residential (Owner Occupied)	13,621,147	12,182,576	10,706,073	8,393,509	7,195,616
Residential (Rental)	9,360,225	8,315,821	7,528,183	5,621,170	4,271,059
Railroad, Private Cars and Airlines	1,008,794	907,086	951,393	1,006,900	917,403
Historical Property	<u>5,851,022</u>	<u>6,146,272</u>	<u>5,274,420</u>	<u>3,630,816</u>	<u>907,825</u>
Total	<u>\$ 442,803,818</u>	<u>\$ 404,887,281</u>	<u>\$ 373,852,412</u>	<u>\$ 345,901,631</u>	<u>\$ 325,341,647</u>
Gross Full Cash Value	\$ 2,787,618,982	\$ 2,550,233,189	\$ 2,283,339,214	\$ 2,031,282,639	\$ 1,829,109,783
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	16%	16%	16%	17%	18%
Estimated Net Full Cash Value	2,662,416,476	2,442,423,671	2,182,387,020	1,940,119,629	1,742,148,912
Total Direct Rate	3.83	3.72	3.61	3.32	3.37

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	\$ 336,951,854	\$ 375,143,771	\$ 451,912,932	\$ 405,374,930	\$ 347,250,519
Agricultural and Vacant	10,417,085	12,379,375	17,467,141	17,795,231	20,932,662
Residential (Owner Occupied)	9,456,223	11,664,032	17,605,803	30,193,826	33,934,438
Residential (Rental)	3,245,453	2,652,563	2,831,299	3,905,553	3,715,159
Railroad, Private Cars and Airlines	892,153	585,280	632,505	451,441	496,244
Historical Property	<u>434,136</u>	<u>1,065,915</u>	<u>1,476,857</u>	<u>1,557,295</u>	<u>1,979,090</u>
Total	<u>\$ 361,396,904</u>	<u>\$ 403,490,936</u>	<u>\$ 491,926,537</u>	<u>\$ 459,278,276</u>	<u>\$ 408,308,112</u>
Gross Full Cash Value	\$ 1,970,815,454	\$ 2,192,386,115	\$ 2,572,414,825	\$ 2,416,358,181	\$ 2,117,824,528
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	18%	18%	19%	19%	19%
Estimated Net Full Cash Value	1,890,909,461	2,111,362,101	2,484,004,819	2,312,488,196	2,034,785,893
Total Direct Rate	3.19	2.76	1.83	1.51	1.68

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

**Note:** On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	19 %	19 %	20 %
Agricultural and Vacant	15	15	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	16	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	21 %	22 %	23 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	17	18	20

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

**Note:** Additional classes of property exist, but do not amount to a significant portion of the District's total valuation, therefore they are not included on this schedule.

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

Fiscal Year Ended June 30	Overlapping Rates									District Direct Rates		
	State Equalization	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Phoenix	Phoenix Union High School District No. 210	Primary	Secondary	Total
	2018	0.49	1.40	0.06	0.18	1.41	0.01	0.14	2.16	5.03	1.43	2.40
2017	0.50	1.40	0.06	0.18	1.47	0.01	0.14	2.17	5.07	1.53	2.19	3.72
2016	0.51	1.36	0.06	0.16	1.49	0.01	0.14	1.82	4.96	1.62	1.99	3.61
2015	0.51	1.32	0.06	0.14	1.52	0.01	0.14	1.82	4.62	1.38	1.95	3.32
2014	0.51	1.28	0.04	0.14	1.53	0.01	0.14	1.82	4.82	1.33	2.04	3.37
2013	0.47	1.24	0.05	0.18	1.38	0.01	0.10	1.82	4.27	1.39	1.81	3.19
2012	0.43	1.24	0.05	0.18	1.21	0.01	0.10	1.82	3.76	1.21	1.56	2.76
2011	0.36	1.05	0.04	0.15	0.97	0.01	0.10	1.82	3.25	0.88	0.95	1.83
2010	0.33	0.99	0.04	0.14	0.88	0.01	0.10	1.82	2.95	0.96	0.54	1.51
2009		1.03	0.04	0.14	0.94	0.01	0.10	1.82	3.06	1.14	0.54	1.68

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

**Note:** There was no state equalization tax rate overlap prior to 2010.

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

<u>Taxpayer</u>	<u>2018</u>		<u>2009</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Arizona Public Service Company	\$ 67,682,835	19.12 %	\$ 61,654,525	15.10 %
Southwest Gas Company	44,540,629	12.58	17,761,403	4.35
Western C Reit AZ LLC	8,516,802	2.41		
Generation 3 Investments I LLC	4,839,361	1.37	6,859,576	1.68
Icon Owner Pool 1 West/Southwest LLC	3,695,629	1.04		
Exeter 4570 W Lower Buckeye LLC	3,493,890	0.99		
Roadway Package Systems Inc.	3,257,675	0.92		
Miref Riverside LLC	3,167,175	0.89	5,920,468	1.45
Exeter 5555 W Lower Buckeye LLC	2,989,537	0.84		
Marshalls of MA Inc.	2,903,493	0.82		
K T Riverside 1 LLC			8,288,655	2.03
Lincoln National Life Insurance Company			6,492,099	1.59
Phoenix Property Partners LLC			5,471,329	1.34
Burlingame Industries Inc.			4,818,036	1.18
Smith Food & Drug Centers			4,654,712	1.14
USF PropCo I LLC			4,450,558	1.09
Total	<u>\$ 145,087,026</u>	<u>40.98 %</u>	<u>\$ 126,371,361</u>	<u>30.95 %</u>

**Source:** The source of this information is the Maricopa County Assessor's records.

**Note:** On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

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

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2018	\$ 13,620,602	\$ 13,485,971	99.01 %	\$	\$ 13,485,971	99.01 %
2017	12,679,907	12,580,600	99.22	95,511	12,676,111	99.97
2016	12,212,589	12,137,104	99.38	72,470	12,209,574	99.98
2015	11,623,866	11,475,219	98.72	145,449	11,620,668	99.97
2014	11,108,878	10,918,695	98.29	187,790	11,106,485	99.98
2013	11,551,355	11,444,729	99.08	104,972	11,549,701	99.99
2012	11,150,072	11,025,413	98.88	117,750	11,143,163	99.94
2011	8,435,411	8,297,856	98.37	137,555	8,435,411	100.00
2010	6,278,998	6,093,901	97.05	150,615	6,244,516	99.45

**Source:** The source of this information is the Maricopa County Treasurer's records.

**Notes:** 1) Amounts collected are on a cash basis.

2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

3) Information prior to 2010 is not available.

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

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2018	\$ 49,867,663	\$ 5,351,343	\$ 44,516,320	1.60 %	\$ 6,384	\$	\$ 49,867,663	1.79 %	\$ 7,152	0.03 %
2017	38,673,809	244,143	38,429,666	1.51	5,511		38,673,809	1.52	5,546	0.02
2016	38,110,310	667,520	37,442,790	1.64	5,370		38,110,310	1.67	5,465	0.02
2015	33,139,833	403,263	32,736,570	1.61	4,695		33,139,833	1.63	4,753	0.02
2014	33,187,152	709,828	32,477,324	1.78	4,810		33,187,152	1.81	4,915	0.02
2013	15,373,020	321,957	15,051,063	0.76	2,229		15,373,020	0.78	2,277	0.01
2012	19,946,353	473,870	19,472,483	0.89	3,067		19,946,353	0.91	3,141	0.01
2011	22,131,410	1,072,735	21,058,675	0.82	3,316		22,131,410	0.86	3,485	0.02
2010	22,956,859	145,558	22,811,301	0.94	3,592		22,956,859	0.95	3,615	0.02
2009	13,670,833	165,972	13,504,861	0.64	2,147	416,494	14,087,327	0.67	2,240	0.01

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2018**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Net Full Cash Assessed Value</u>	<u>Net Limited Assessed Value</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:					
State of Arizona	None	\$ 71,673,967,461	\$ 59,406,279,473	0.60 %	\$ None
Maricopa County	None	48,351,864,363	38,251,891,249	0.93	None
Maricopa Community College District	445,570,000	48,351,864,363	38,251,891,249	0.93	4,143,801
Maricopa County Fire District Assistance Tax	N/A	48,351,864,363	38,251,891,249	N/A	N/A
Maricopa County Special Healthcare District	37,000,000	48,351,864,363	38,251,891,249	0.93	344,100
Maricopa County Library District	N/A	48,351,864,363	38,251,891,249	N/A	N/A
Maricopa County Flood Control District	None	N/A	34,709,158,781	1.03	None
Central Arizona Water Conservation District	N/A	48,351,864,363	38,251,891,249	N/A	N/A
Laveen Meadows Fire District	N/A	58,531,238	41,497,877	N/A	N/A
City of Phoenix	1,201,405,000	15,366,353,843	11,721,385,399	3.07	36,883,134
Phoenix Union High School District No. 210	263,185,000	6,357,545,024	4,671,186,110	7.79	20,502,112
Subtotal, Overlapping Debt					<u>61,873,147</u>
Direct:					
Riverside Elementary School District No. 2					<u>49,867,663</u>
Total Direct and Overlapping Governmental Activities Debt					<u>\$ 111,740,810</u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	12.58	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 15,257	
As a Percentage of Net Limited Assessed Valuation	30.05	%
As a Percentage of Gross Full Cash Value	3.82	%

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.  
2) Outstanding debt as of June 30, 2017 is presented for the overlapping governments as this is the most recent available information.

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

<b>Fiscal Year Ended June 30</b>	<b>Riverside Elementary School District No. 2</b>	<b>Phoenix Union High School District No. 210</b>	<b>City of Phoenix</b>	<b>Maricopa County</b>	<b>State of Arizona</b>
2018	442,803,818	6,357,545,024	15,366,353,843	48,351,864,363	71,673,967,461
2017	404,887,281	5,650,995,865	14,008,918,676	44,850,741,762	67,264,430,756
2016	373,852,412	5,088,747,539	10,982,150,871	36,135,494,474	56,589,592,481
2015	345,901,631	4,372,062,126	12,783,575,022	41,124,639,380	54,841,866,009
2014	325,341,647	4,573,470,147	10,818,634,186	35,079,646,593	55,349,948,120
2013	361,396,904	5,325,305,098	10,849,743,656	34,400,455,716	56,271,814,583
2012	403,490,936	7,071,398,209	12,343,773,555	38,760,296,714	61,700,292,915
2011	491,926,537	8,292,780,584	16,092,308,323	49,707,952,123	75,643,290,656
2010	459,278,276	8,147,303,545	18,861,238,355	57,984,051,718	86,538,111,171
2009	408,308,112	6,844,050,898	18,856,072,373	58,303,635,287	86,183,351,753

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

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

**Class B Bond Legal Debt Margin Calculation for Fiscal Year 2018:**

Net full cash assessed valuation	\$ 442,803,818
Debt limit (10% of assessed value)	44,280,382
Debt applicable to limit	<u>44,275,964</u>
Legal debt margin	<u>\$ 4,418</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2018:**

Net full cash assessed valuation	\$ 442,803,818
Debt limit (15% of assessed value)	66,420,573
Debt applicable to limit	<u>44,275,964</u>
Legal debt margin	<u>\$ 22,144,609</u>

**Fiscal Year Ended June 30**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 66,420,573	\$ 60,733,092	\$ 56,077,862	\$ 51,885,245	\$ 48,801,247
Total net debt applicable to limit	<u>44,275,964</u>	<u>37,940,000</u>	<u>37,380,000</u>	<u>32,430,000</u>	<u>32,530,000</u>
Legal debt margin	<u>\$ 22,144,609</u>	<u>\$ 22,793,092</u>	<u>\$ 18,697,862</u>	<u>\$ 19,455,245</u>	<u>\$ 16,271,247</u>
Total net debt applicable to the limit as a percentage of debt limit	67%	62%	67%	63%	67%

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Debt Limit	\$ 54,209,536	\$ 60,523,640	\$ 73,788,981	\$ 68,891,741	\$ 61,246,217
Total net debt applicable to limit	<u>15,105,000</u>	<u>20,170,000</u>	<u>22,390,000</u>	<u>22,806,666</u>	<u>13,460,000</u>
Legal debt margin	<u>\$ 39,104,536</u>	<u>\$ 40,353,640</u>	<u>\$ 51,398,981</u>	<u>\$ 46,085,075</u>	<u>\$ 47,786,217</u>
Total net debt applicable to the limit as a percentage of debt limit	28%	33%	30%	33%	22%

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

- Notes:**
- 1) The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
  - 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.
  - 3) Debt applicable to the 2018 limit does not include \$4,735,000 of refunded bonds that will be considered defeased at the crossover date of July 1, 2020.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2017	4,221,684	\$ 196,286,191	\$ 45,573	4.3 %	6,973
2016	4,137,076	185,111,698	43,628	4.5	6,973
2015	4,076,438	178,169,935	42,092	5.5	6,973
2014	4,008,651	167,574,150	41,222	5.9	6,973
2013	3,944,859	157,805,072	40,003	6.7	6,752
2012	3,824,058	153,930,729	40,424	9.1	6,752
2011	3,843,370	145,400,772	39,024	8.4	6,350
2010	3,817,117	137,837,071	37,318	9.1	6,350
2009	4,023,331	137,102,771	36,966	8.1	6,350
2008	3,987,942	145,662,900	39,406	5.1	6,290

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2008 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2017, the source of the information is the Arizona Office of Employment and Population Statistics.

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

<u>Employer</u>	<u>2018</u>		<u>2009</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	36,310	1.54 %	50,936	2.43 %
Banner Health Systems	34,776	1.47	23,100	1.10
Wal-Mart Stores Inc.	34,090	1.45	32,814	1.57
Wells Fargo Company	14,818	0.63	14,000	0.67
City of Phoenix	13,776	0.58	17,068	0.82
Maricopa County	12,939	0.55	14,014	0.67
Arizona State University	12,715	0.54	13,005	0.62
Honor Health	11,296	0.48		
Dignity Health	11,182	0.47		
Intel Corp	11,000	0.47		
Honeywell Aerospace			12,600	0.60
U.S. Postal Service			10,545	0.50
Bashas' Inc.			10,460	0.50
Total	<u>192,902</u>	<u>8.18 %</u>	<u>198,542</u>	<u>9.48 %</u>
Total employment	<u>2,358,909</u>		<u>2,093,054</u>	

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

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

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

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Supervisory</b>					
Superintendent	1	1	1	1	1
Assistant superintendents	1	1	1	1	1
Consultants/supervisors of instruction	6	6	6	6	6
Principals	3	3	3	2	2
Assistant principals					
Total supervisory	<u>11</u>	<u>11</u>	<u>11</u>	<u>10</u>	<u>10</u>
<b>Instruction</b>					
Teachers	45	48	44	48	43
Other professionals (instructional)					
Aides	14	14	13	13	12
Total instruction	<u>59</u>	<u>62</u>	<u>57</u>	<u>61</u>	<u>55</u>
<b>Student Services</b>					
Nurses	2	2	2	2	2
Total student services	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Support and Administration</b>					
Clerical workers	13	13	12	11	11
Maintenance workers	6	6	5	5	4
Bus Drivers	4	5	5	5	4
Food Service workers	8	8	7	7	7
Other classified	2	2	2	2	2
Total support and administration	<u>33</u>	<u>34</u>	<u>31</u>	<u>30</u>	<u>28</u>
<b>Total</b>	<u><u>105</u></u>	<u><u>109</u></u>	<u><u>101</u></u>	<u><u>103</u></u>	<u><u>95</u></u>

(Continued)

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Supervisory</b>					
Superintendent	1	1	1	1	1
Assistant superintendents	1	1	1	1	
Consultants/supervisors of instruction	6	5	6	5	5
Principals	2	2	2	2	2
Assistant principals					2
Total supervisory	<u>10</u>	<u>9</u>	<u>10</u>	<u>9</u>	<u>10</u>
<b>Instruction</b>					
Teachers	43	39	41	43	41
Other professionals (instructional)		1	1	1	
Aides	12	10	12	12	12
Total instruction	<u>55</u>	<u>50</u>	<u>54</u>	<u>56</u>	<u>53</u>
<b>Student Services</b>					
Nurses	2	2	2	2	2
Total student services	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
<b>Support and Administration</b>					
Clerical workers	10	8	9	8	7
Maintenance workers	4	4	4	4	4
Bus Drivers	4	4	5	4	4
Food Service workers	7	6	6	5	5
Other classified	2	2	2	2	
Total support and administration	<u>27</u>	<u>24</u>	<u>26</u>	<u>23</u>	<u>20</u>
<b>Total</b>	<u><u>94</u></u>	<u><u>85</u></u>	<u><u>92</u></u>	<u><u>90</u></u>	<u><u>85</u></u>

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

(Concluded)

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

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2018	849	\$ 8,076,826	\$ 9,513	(14.04) %	\$ 14,238,497	\$ 16,771	3.95 %	45	18.9	88.0 %
2017	892	9,872,089	11,067	(3.62)	14,391,250	16,134	4.47	48	18.6	89.0
2016	846	9,714,824	11,483	3.12	13,065,460	15,444	4.41	44	19.2	89.0
2015	840	9,353,720	11,135	(12.81)	12,424,926	14,792	(11.14)	48	17.5	88.0
2014	810	10,345,041	12,772	8.84	13,482,846	16,645	26.28	43	18.8	91.0
2013	757	8,882,959	11,734	8.84	9,978,614	13,182	(17.05)	43	17.6	94.4
2012	745	8,031,771	10,781	5.56	11,838,946	15,891	18.19	39	19.1	88.4
2011	676	6,903,921	10,213	(12.81)	9,089,174	13,446	(7.58)	41	16.5	89.5
2010	632	7,402,853	11,713	26.99	9,194,803	14,549	34.57	43	14.7	92.5
2009	717	6,613,649	9,224	N/A	7,751,695	10,811	N/A	41	17.5	86.7

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

**Notes:** 1) Operating expenditures are total expenditures less debt service and capital outlay.

2) N/A indicates that the information is not available.

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

	<b>Fiscal Year Ended June 30</b>									
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b><u>Schools</u></b>										
<b>Elementary</b>										
Buildings	10	10	10	10	10	7	7	7	7	7
Square feet	90,756	90,756	90,756	90,756	90,756	71,856	71,856	71,856	71,856	71,856
Capacity	660	660	660	660	660	660	660	660	660	660
Enrollment	483	535	522	518	520	480	441	408	422	231
<b>Middle</b>										
Buildings	2	2	2	2	2	1	1	1	1	1
Square feet	89,112	89,112	89,112	89,112	89,112	76,260	76,260	76,260	76,260	76,260
Capacity	528	528	528	528	528	528	528	528	528	528
Enrollment	419	404	384	411	374	352	360	342	291	233
<b>Junior High</b>										
Buildings	1	1								
Square feet	61,656	61,656								
Capacity	702	702								
Enrollment	29	29								
<b><u>Administrative</u></b>										
Buildings	3	3	3	3	3	2	2	2	2	2
Square feet	12,541	12,541	12,541	12,541	12,541	8,221	8,221	8,221	8,221	8,221
<b><u>Transportation</u></b>										
Garages	2	2	2	2	2	2	2	1	1	1
Buses	14	12	12	11	11	9	8	7	7	7
<b><u>Athletics</u></b>										
Football fields	1	1	1	1						
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1						
Baseball/softball	2	2	2	2	2	1	1	1	1	1
Playgrounds	3	3	3	3	3	3	3	3	3	3

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

**Note:** Junior High building was built in 2017.

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