
ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

TUCSON, ARIZONA

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

Issued by:
Business and Finance Department

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

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INTRODUCTORY SECTION

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December 23, 2019

Citizens and Governing Board
Altar Valley Elementary School District No. 51
10105 South Sasabe Road
Tucson, AZ 85736

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Altar Valley Elementary School District No. 51 (District) for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

The District is one of 18 public school districts located in Pima County, Arizona. It provides a program of public education from preschool through grade eight with average daily membership of 565. Estimated enrollment for fiscal year 2019-20 is 550 students. The average age of school buildings is 25 years.

The District's 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 five 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.

The District is located 20 miles south of downtown Tucson on Route 86, Ajo Way and spreads over 680 square miles to the west and south. The District is a mixture of residential development, large ranches and farm land. There are large tracts of Bureau of Land Management and State land within the boundaries of the District. Several attractions are near the District including the Saguaro National Monument, the Arizona Sonora Desert Museum, Old Tucson, and the San Xavier del Bac Mission. The internationally known Kitt Peak National Observatory frames the background for the Altar Valley School District. Growth in residential development is anticipated in the next five years. Many large tracts of land were approved for development in prior years and improvements are now being made. The District is located in the one quadrant of metropolitan Tucson that has not seen explosive growth. The rugged natural beauty of the land and affordability of property make the area attractive for future development.

The annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District's Governing Board. The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have overexpenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The economy of the District mirrors that of the Tucson Metropolitan area and Pima County as a whole. Growth in the region has been stimulated by a combination of warm climate, a substantial well-educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment. At the present time the Altar Valley School District is the largest employer within District boundaries with approximately 99 employees.

Long-term Financial Planning. During the 2018-19 school year, the District's average student membership decreased slightly, enrolling approximately 565 students. The high school population has remained steady at approximately 240. The District's teacher turnover rate continues to be sporadic in recent years, however, the District continues to maintain emphasis on professional development, administrative, support, and competitive salaries.

The District is operating under a seven year, 10 percent maintenance and operations override that voters renewed in 2014 and renewed for another seven years by District voters in November 2019. The continuance of the 10 percent override is beneficial to the long term plans of the District. This funding will allow us to continue to support the advancement and growth of the educational initiatives that include, full-day kindergarten, athletic programs, maintaining class sizes, attracting and retaining the highest quality teaching staff, and maintaining special programs. District administrators will continue to be active in the Pima County Collaborative which is composed of school board members and administrators from each district in Pima County. Active participation in the Southern Arizona School Business Officials, Arizona Association of School Business Officials, and Arizona School Administrators organizations will allow District to meet with their respective professional groups to share training, interests, and concerns.

Major initiatives of the District. The District's financial plan is to support the Altar Valley School District in fulfilling our promise that we are make to decisions in the best interest of kids. In addition to advancing initiatives that include free full-day kindergarten, free athletic programs, maintain small class sizes, and competitive teacher and staff salaries. The AVSD is engaged in continuing its system-wide approach to providing teachers professional development on teaching reading effectively. This is being accomplished through on-site coaching and professional development in partnership with Pima County and the Arizona Department of Education.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the thirteenth year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2019 certificates.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Dr. David Dumon', followed by a long, horizontal, wavy line extending to the right.

Dr. David Dumon
Superintendent



**The Certificate of Excellence in Financial Reporting
is presented to**

**Altar Valley Elementary School
District No. 51**

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2018.**

The CAFR meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, appearing to read 'Tom Wohlleber'.

Tom Wohlleber, CSRM
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Altar Valley Elementary School
District No. 51, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

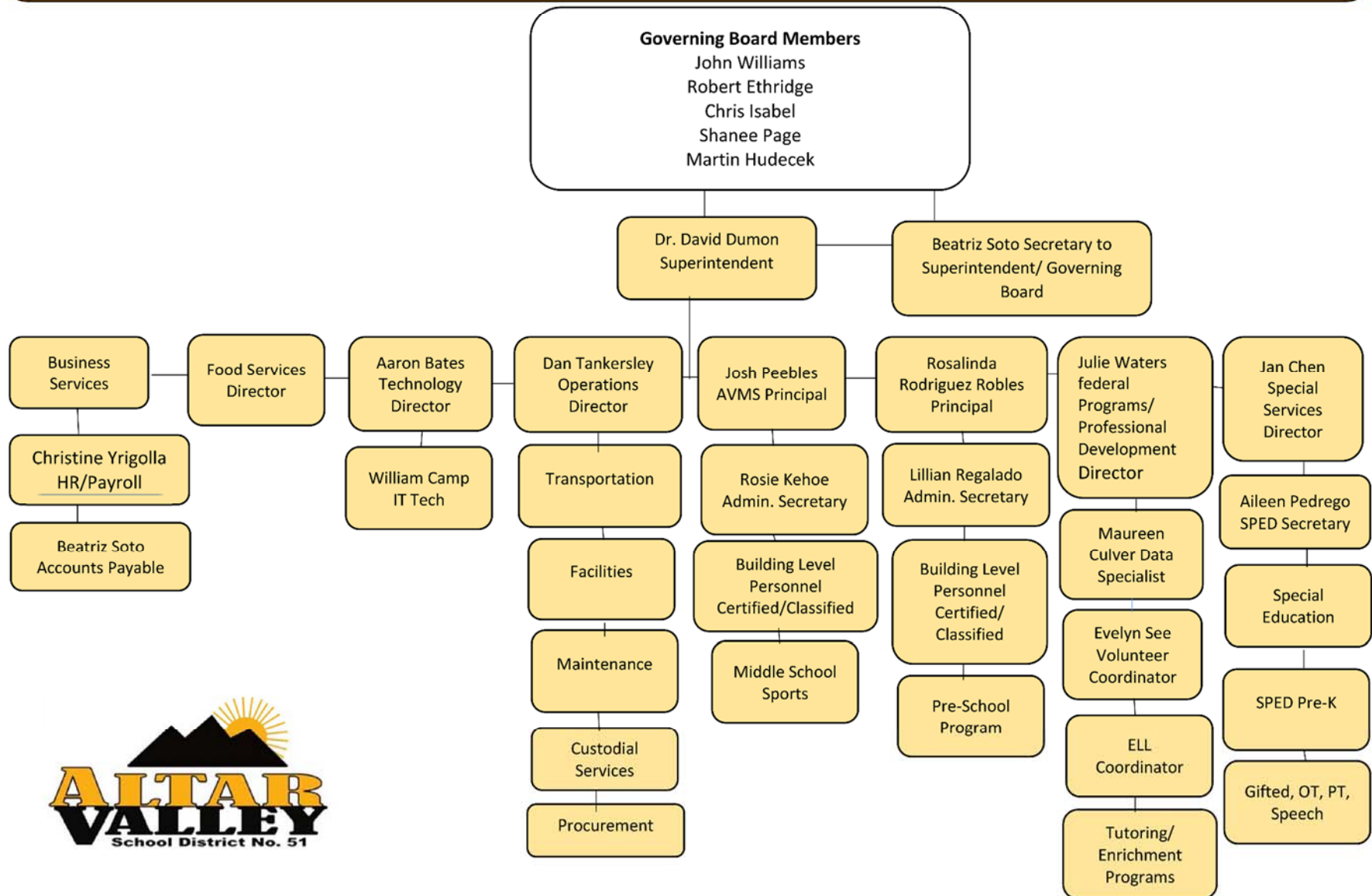
June 30, 2018

Christopher P. Morill

Executive Director/CEO

ALTAR VALLEY SCHOOL DISTRICT

2018-2019



ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

W. John Williams, President

Robert Etheridge, Vice President

Chris Isabel, Member

Martin Hudecek, Member

Shanee Page, Member

ADMINISTRATIVE STAFF

Dr. David Dumon, Superintendent

L. LeAnn Burns CPA, Business Manager

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Altar Valley Elementary School District No. 51

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 Altar Valley Elementary School District No. 51 (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Altar Valley Elementary School District No. 51, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Introductory Section, 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 Introductory Section and Statistical Section have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2019, on our consideration of Altar Valley Elementary School District No. 51'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 solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Altar Valley Elementary School District No. 51's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Altar Valley Elementary School District No. 51's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 23, 2019

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

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**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

As management of the Altar Valley Elementary School District No. 51 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$582,881 which represents a 10 percent decrease from the prior fiscal year primarily as a result of increased tuition paid to other Arizona school districts and salary and wage increases.
- General revenues accounted for \$7.2 million in revenue, or 81 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$1.7 million or 19 percent of total current fiscal year revenues.
- The District had approximately \$9.5 million in expenses related to governmental activities, an increase of seven percent from the prior fiscal year primarily due to increased tuition paid to other Arizona school districts and salary and wage increases.
- Among major funds, the General Fund had \$6.7 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$7.2 million in expenditures. The General Fund's fund balance decrease from \$1.3 million at the prior fiscal year end to \$809,879 at the end of the current fiscal year was primarily due to increased tuition paid to other Arizona school districts and salary and wage increases.

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.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

OVERVIEW OF 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.

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.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

OVERVIEW OF FINANCIAL STATEMENTS

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, Classroom Site, and Other State Projects 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.

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 and major Special Revenue Funds 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 \$5.4 million at the current fiscal year end.

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

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	As of June 30, 2019	As of June 30, 2018
Current and other assets	\$ 2,824,190	\$ 3,431,298
Capital assets, net	8,689,434	8,928,283
Total assets	<u>11,513,624</u>	<u>12,359,581</u>
Deferred outflows	<u>933,703</u>	<u>1,077,311</u>
Current liabilities	277,217	322,615
Long-term liabilities	6,133,896	6,717,371
Total liabilities	<u>6,411,113</u>	<u>7,039,986</u>
Deferred inflows	<u>632,762</u>	<u>410,573</u>
Net position:		
Net investment in capital assets	7,535,037	7,773,967
Restricted	1,173,945	1,271,058
Unrestricted	<u>(3,305,530)</u>	<u>(3,058,692)</u>
Total net position	<u>\$ 5,403,452</u>	<u>\$ 5,986,333</u>

At the end of the current fiscal year, the District reported a negative unrestricted net position of \$3.3 million as a result of an unfunded pension liability. Positive net position was reported in the other two categories.

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 \$376,293 in new capital lease obligations, and the retirement of \$376,212 of capital lease obligations.
- The addition of \$376,295 in capital assets through lease-purchase of new buses.
- The decrease of \$594,475 in pension liabilities.
- The depreciation of existing assets resulting in the addition of \$475,902 in accumulated depreciation.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

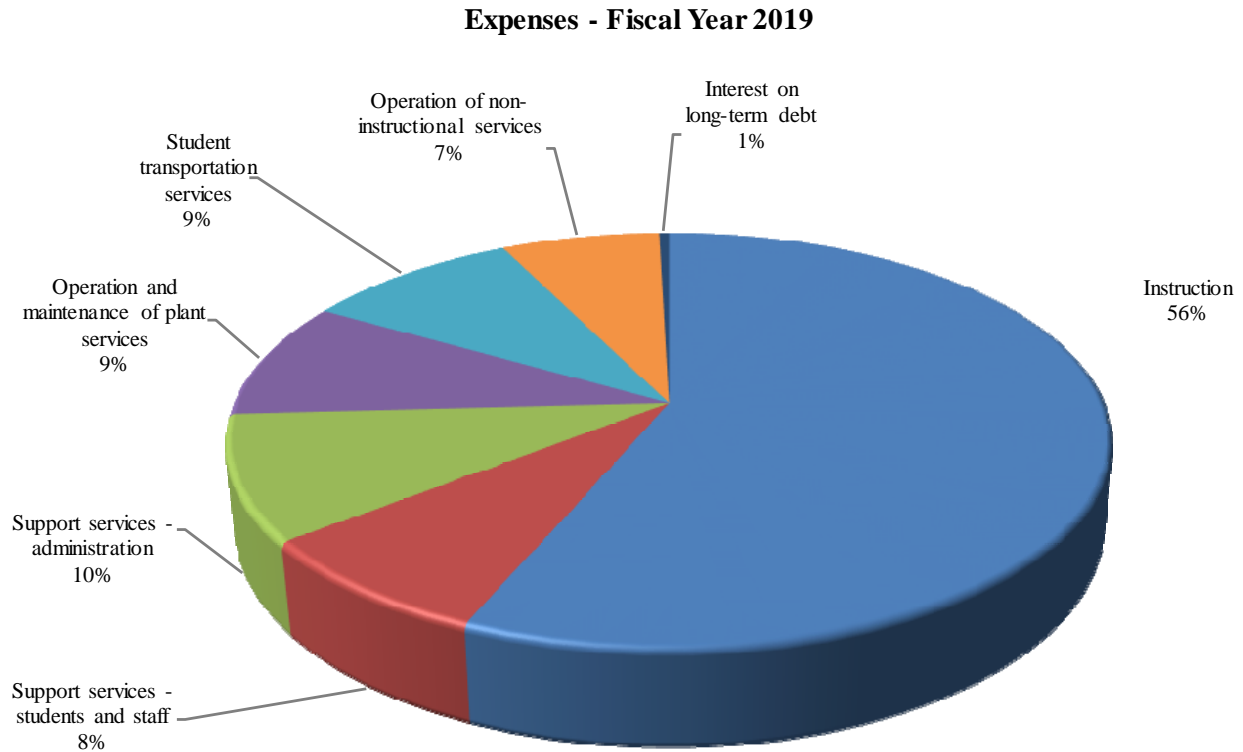
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$8.9 million. The total cost of all programs and services was \$9.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
Revenues:		
Program revenues:		
Charges for services	\$ 28,810	\$ 19,702
Operating grants and contributions	1,612,365	1,595,369
Capital grants and contributions	59,169	4,329
General revenues:		
Property taxes	2,467,655	2,428,902
Investment income	37,120	25,062
Unrestricted county aid	432,704	441,011
Unrestricted state aid	4,279,906	4,011,525
Unrestricted federal aid		13,606
Total revenues	<u>8,917,729</u>	<u>8,539,506</u>
Expenses:		
Instruction	5,359,639	4,929,245
Support services - students and staff	767,871	719,221
Support services - administration	917,845	861,104
Operation and maintenance of plant services	871,681	835,284
Student transportation services	888,513	844,271
Operation of non-instructional services	654,786	641,302
Interest on long-term debt	40,275	40,857
Total expenses	<u>9,500,610</u>	<u>8,871,284</u>
Changes in net position	<u>(582,881)</u>	<u>(331,778)</u>
Net position, beginning	<u>5,986,333</u>	<u>6,318,111</u>
Net position, ending	<u><u>\$ 5,403,452</u></u>	<u><u>\$ 5,986,333</u></u>

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- State aid revenues increased \$268,381 primarily due to an increase in state equalization funding due to an increase in the funding formula adopted by the state legislature.
- The increase in instructional expenses of \$430,394 was primarily due to increased tuition paid to other Arizona school districts and salary and wage increases.

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.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2019		Year Ended June 30, 2018	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 5,359,639	\$ (4,715,772)	\$ 4,929,245	\$ (4,314,894)
Support services - students and staff	767,871	(423,932)	719,221	(404,738)
Support services - administration	917,845	(899,610)	861,104	(837,756)
Operation and maintenance of plant services	871,681	(807,436)	835,284	(795,818)
Student transportation services	888,513	(884,762)	844,271	(841,636)
Operation of non-instructional services	654,786	(28,479)	641,302	(16,185)
Interest on long-term debt	40,275	(40,275)	40,857	(40,857)
Total	<u>\$ 9,500,610</u>	<u>\$ (7,800,266)</u>	<u>\$ 8,871,284</u>	<u>\$ (7,251,884)</u>

- The cost of all governmental activities this year was \$9.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$1.7 million.
- Net cost of governmental activities of \$7.8 million was financed by general revenues, which are made up of primarily property taxes of \$2.5 million and state and county aid of \$4.7 million.

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 \$1.8 million, a decrease of \$595,171 due primarily to the use of available fund balances.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 44 percent of the total fund balance. Approximately \$488,695, or 60 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$519,847 to \$809,879 as of fiscal year end was primarily a result of increased tuition to other Arizona school districts and salary and wage increases. General Fund revenues increased \$254,631 as a result of an increase in state equalization funding due to an increase in the funding formula adopted by the state legislature. General Fund expenditures increased \$729,835 as a result of increased tuition to other Arizona school districts and salary and wage increases.

The Classroom Site Fund's fund balance increased \$24,907. Classroom Site Fund revenues increased \$29,531 and expenditures decreased \$27,315.

The Other State Projects Fund's fund balance increased \$38,142. Other State Projects Fund revenues decreased \$2,697 and expenditures decreased \$41,295.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$221,156 increase, or three 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. The significant favorable variance of \$167,131 in instruction was a result of efforts by the District to maximize carryforward for future years' expenditures.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$14.2 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 \$57,794 from the prior fiscal year. Total depreciation expense for the current fiscal year was \$475,902.

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

	As of June 30, 2019	As of June 30, 2018
Capital assets - non-depreciable	\$ 9,000	\$ 9,000
Capital assets - depreciable, net	8,680,434	8,919,283
Total	<u>\$ 8,689,434</u>	<u>\$ 8,928,283</u>

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

Debt Administration. At year end, the District had \$1.2 million in long-term debt outstanding, \$299,628 due within one year. Long-term debt increased by \$81.

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 \$7.0 million and the Class B debt limit is \$4.7 million. At fiscal year end, the District had no outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Notes 8 and 9.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Fiscal year 2018-19 budget balance carry forward (estimated \$272,717).
- District student population (estimated 580).
- Increase in fuel and utility costs.
- Increase in employee benefits.

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 three percent to \$7.6 million in fiscal year 2019-20. Increased payroll and employee benefit costs is the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2019-20 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Altar Valley Elementary School District No. 51, 10105 South Sasabe Road, Tucson, Arizona 85736.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 1,407,351
Property taxes receivable	659,455
Accounts receivable	66,317
Due from governmental entities	252,151
Prepaid items	426,540
Total current assets	<u>2,811,814</u>
Noncurrent assets:	
Net other postemployment benefit assets	12,376
Capital assets not being depreciated	9,000
Capital assets, net of accumulated depreciation	<u>8,680,434</u>
Total noncurrent assets	<u>8,701,810</u>
Total assets	<u><u>11,513,624</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>933,703</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	58,851
Accrued payroll and employee benefits	78,322
Compensated absences payable	9,500
Unearned revenues	140,044
Obligations under capital leases	<u>299,628</u>
Total current liabilities	<u>586,345</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>5,824,768</u>
Total noncurrent liabilities	<u>5,824,768</u>
Total liabilities	<u><u>6,411,113</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>632,762</u>
<u>NET POSITION</u>	
Net investment in capital assets	7,535,037
Restricted	1,173,945
Unrestricted	<u>(3,305,530)</u>
Total net position	<u><u>\$ 5,403,452</u></u>

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 5,359,639	\$ 2,039	\$ 582,659	\$ 59,169	\$ (4,715,772)
Support services - students and staff	767,871		343,939		(423,932)
Support services - administration	917,845		18,235		(899,610)
Operation and maintenance of plant services	871,681	5,197	59,048		(807,436)
Student transportation services	888,513		3,751		(884,762)
Operation of non-instructional services	654,786	21,574	604,733		(28,479)
Interest on long-term debt	40,275				(40,275)
Total governmental activities	<u>\$ 9,500,610</u>	<u>\$ 28,810</u>	<u>\$ 1,612,365</u>	<u>\$ 59,169</u>	<u>\$ (7,800,266)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	2,382,658
Property taxes, levied for capital outlay	84,997
Investment income	37,120
Unrestricted county aid	432,704
Unrestricted state aid	4,279,906
Total general revenues	<u>7,217,385</u>

Changes in net position (582,881)

Net position, beginning of year 5,986,333

Net position, end of year \$ 5,403,452

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

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FUND FINANCIAL STATEMENTS

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>Classroom Site</u>	<u>Other State Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 353,728	\$ 278,532	\$ 178,642
Property taxes receivable	598,401		
Accounts receivable			
Due from governmental entities	8,300	48,777	
Due from other funds	148,489		
Prepaid items	321,184		30,000
Total assets	<u><u>\$ 1,430,102</u></u>	<u><u>\$ 327,309</u></u>	<u><u>\$ 208,642</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 29,807	\$	\$
Due to other funds			
Accrued payroll and employee benefits	39,643		
Unearned revenues			140,044
Total liabilities	<u>69,450</u>		<u>140,044</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	550,773		
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u>550,773</u>		
Fund balances (deficits):			
Nonspendable	321,184		30,000
Restricted		327,309	38,598
Unassigned	488,695		
Total fund balances	<u>809,879</u>	<u>327,309</u>	<u>68,598</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 1,430,102</u></u>	<u><u>\$ 327,309</u></u>	<u><u>\$ 208,642</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 596,449	\$ 1,407,351
61,054	659,455
66,317	66,317
195,074	252,151
	148,489
75,356	426,540
<u>\$ 994,250</u>	<u>\$ 2,960,303</u>

\$ 29,044	\$ 58,851
148,489	148,489
38,679	78,322
	140,044
<u>216,212</u>	<u>425,706</u>

59,262	610,035
<u>84,640</u>	<u>84,640</u>
<u>143,902</u>	<u>694,675</u>

75,356	426,540
643,420	1,009,327
(84,640)	404,055
<u>634,136</u>	<u>1,839,922</u>

<u>\$ 994,250</u>	<u>\$ 2,960,303</u>
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ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total governmental fund balances	\$	1,839,922
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Amounts reported for *governmental activities* in the Statement of Net Position are different because:

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

Governmental capital assets	\$ 14,227,766	
Less accumulated depreciation	<u>(5,538,332)</u>	8,689,434

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

Property taxes	610,035	
Intergovernmental	<u>84,640</u>	694,675

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

Deferred outflows of resources related to pensions/OPEB	933,703	
Deferred inflows of resources related to pensions/OPEB	<u>(632,762)</u>	300,941

The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.	12,376
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(39,362)	
Obligations under capital leases	(1,154,397)	
Net OPEB liability	(18,424)	
Net pension liability	<u>(4,921,713)</u>	<u>(6,133,896)</u>

Net position of governmental activities	\$	<u>5,403,452</u>
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The notes to the basic financial statements are an integral part of this statement.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>General</u>	<u>Classroom Site</u>	<u>Other State Projects</u>
Revenues:			
Other local	\$ 470,610	\$ 7,981	\$
Property taxes	2,373,777		
State aid and grants	3,826,457	292,662	196,418
Federal aid, grants and reimbursements			
Total revenues	<u>6,670,844</u>	<u>300,643</u>	<u>196,418</u>
Expenditures:			
Current -			
Instruction	4,337,487	275,736	119,964
Support services - students and staff	469,919		24,553
Support services - administration	917,211		1,469
Operation and maintenance of plant services	819,766		2,171
Student transportation services	671,617		
Operation of non-instructional services	13,164		9,663
Capital outlay	1,393		
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>7,230,557</u>	<u>275,736</u>	<u>157,820</u>
Excess (deficiency) of revenues over expenditures	<u>(559,713)</u>	<u>24,907</u>	<u>38,598</u>
Other financing sources (uses):			
Transfers in	52,263		
Transfers out	(36,828)		
Capital lease agreements			
Total other financing sources (uses)	<u>15,435</u>		
Changes in fund balances	<u>(544,278)</u>	<u>24,907</u>	<u>38,598</u>
Fund balances, beginning of year	1,329,726	302,402	30,456
Increase (decrease) in reserve for prepaid items	24,431		(456)
Fund balances, end of year	<u>\$ 809,879</u>	<u>\$ 327,309</u>	<u>\$ 68,598</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 131,976	\$ 610,567
85,986	2,459,763
160,787	4,476,324
1,331,263	1,331,263
<u>1,710,012</u>	<u>8,877,917</u>
409,782	5,142,969
298,637	793,109
15,559	934,239
18,921	840,858
8,981	680,598
613,280	636,107
446,996	448,389
376,212	376,212
40,275	40,275
<u>2,228,643</u>	<u>9,892,756</u>
<u>(518,631)</u>	<u>(1,014,839)</u>
36,828	89,091
(52,263)	(89,091)
376,293	376,293
<u>360,858</u>	<u>376,293</u>
<u>(157,773)</u>	<u>(638,546)</u>
772,509	2,435,093
19,400	43,375
<u>\$ 634,136</u>	<u>\$ 1,839,922</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Changes in fund balances - total governmental funds **\$ (638,546)**

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

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 376,295	
Less current year depreciation	<u>(475,902)</u>	(99,607)

Issuance of obligations under capital leases provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(376,293)
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Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	7,892	
Intergovernmental	<u>31,920</u>	39,812

Repayments of capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		376,212
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Governmental funds report pension/OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension/OPEB liability, adjusted for deferred items, is reported as pension/OPEB expense in the Statement of Activities.

Current year pension/OPEB contributions	424,265	
Pension/OPEB expense	<u>(207,708)</u>	216,557

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.

Prepaid items	43,375	
Loss on disposal of assets	(139,242)	
Compensated absences	<u>(5,149)</u>	<u>(101,016)</u>

Changes in net position in governmental activities **\$ (582,881)**

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 155,625
Total assets	<u>\$ 155,625</u>
<u>LIABILITIES</u>	
Deposits held for others	\$ 143,118
Due to student groups	12,507
Total liabilities	<u>\$ 155,625</u>

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Altar Valley Elementary School District No. 51 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the District's accounting policies are described below.

A. Reporting Entity

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The District reports the following major governmental funds:

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

Classroom Site Fund – The Classroom Site Fund accounts 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.

Other State Projects Fund – The Other State Projects Funds account for financial assistance received for other State projects.

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Cash and Investments

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

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

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

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

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 governmental fund financial statements.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

H. Prepaid Items

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Land improvements	10 - 25 years
Buildings and improvements	5 - 80 years
Vehicles, furniture and equipment	4 - 20 years

J. Deferred Outflows/Inflows of Resources

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

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

K. Compensated Absences

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

L. Pensions 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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Long-term Obligations

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

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

At year end, the District's legal debt limit is \$7.0 million, and the available margin is also \$7.0 million as the District has no general obligation bonds outstanding.

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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 legally or contractually required to be maintained intact.

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

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

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy 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 be 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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – FUND BALANCE CLASSIFICATIONS

The table below provides detail of the major components of the District's fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds.

	General Fund	Classroom Site Fund	Other State Projects Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Prepaid items	\$ 321,184	\$	\$ 30,000	\$ 75,356
Restricted:				
Capital projects				143,536
Voter approved initiatives		327,309		200,295
Federal and state projects			38,598	67,827
Food service				160,659
Extracurricular activities				38,045
Other purposes				33,058
Unassigned	488,695			(84,640)
Total fund balances	<u>\$ 809,879</u>	<u>\$ 327,309</u>	<u>\$ 68,598</u>	<u>\$ 634,136</u>

NOTE 3 – RESTRICTED NET POSITION

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

	Governmental Activities
Restricted Net Position:	
Capital projects	\$ 202,798
Voter approved initiatives	527,604
Federal and state projects	211,781
Food service	160,659
Other purposes	71,103
Total	<u>\$ 1,173,945</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	<u>Deficit</u>
Non-Major Governmental Funds:	
Professional Development and Technology Grants Fund	\$ (6,086)
Title IV Grants Fund	(51,308)
Limited English and Immigrant Students Fund	(5,405)
Other Federal Projects Fund	(614)

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

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

NOTE 5 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$160,668 and the bank balance was \$174,829.

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – CASH AND INVESTMENTS

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	312 days	<u>\$ 1,402,308</u>

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.

NOTE 6 – RECEIVABLES

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

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from federal government	\$	\$	\$ 183,603
Due from state government		48,777	11,471
Due from county government	8,300		
Net due from governmental entities	<u>\$ 8,300</u>	<u>\$ 48,777</u>	<u>\$ 195,074</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 9,000	\$	\$	\$ 9,000
Total capital assets, not being depreciated	<u>9,000</u>	<u></u>	<u></u>	<u>9,000</u>
Capital assets, being depreciated:				
Land improvements	1,141,240			1,141,240
Buildings and improvements	11,164,336			11,164,336
Vehicles, furniture and equipment	1,855,396	376,295	318,501	1,913,190
Total capital assets being depreciated	<u>14,160,972</u>	<u>376,295</u>	<u>318,501</u>	<u>14,218,766</u>
Less accumulated depreciation for:				
Land improvements	(613,403)	(39,783)		(653,186)
Buildings and improvements	(3,952,486)	(201,847)		(4,154,333)
Vehicles, furniture and equipment	(675,800)	(234,272)	(179,259)	(730,813)
Total accumulated depreciation	<u>(5,241,689)</u>	<u>(475,902)</u>	<u>(179,259)</u>	<u>(5,538,332)</u>
Total capital assets, being depreciated, net	<u>8,919,283</u>	<u>(99,607)</u>	<u>139,242</u>	<u>8,680,434</u>
Governmental activities capital assets, net	<u>\$ 8,928,283</u>	<u>\$ (99,607)</u>	<u>\$ 139,242</u>	<u>\$ 8,689,434</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 194,377
Support services – administration	10,680
Operation and maintenance of plant services	33,263
Student transportation services	219,771
Operation of non-instructional services	17,811
Total depreciation expense – governmental activities	<u>\$ 475,902</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8 – OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired buses and energy efficient upgrades under the provisions of long-term lease agreements classified as capital leases. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the Unrestricted Capital Outlay Fund are used to pay the capital lease obligations on the buses. Revenues from the General Fund are transferred to the Energy and Water Savings Fund to pay the capital lease obligations on the energy efficiency upgrades when due. Amortization of assets recorded under capital leases is included with depreciation expense.

The assets acquired through capital leases that meet the District's capitalization threshold are as follows:

	<u>Governmental Activities</u>
Asset:	
Land improvements	\$ 256,835
Building improvements	176,134
Vehicles, furniture and equipment	1,505,884
Less: Accumulated depreciation	<u>(573,311)</u>
Total	<u><u>\$ 1,365,542</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows:

Year Ending June 30:	<u>Governmental Activities</u>
2020	\$ 344,758
2021	344,066
2022	175,188
2023	100,188
2024	149,715
2025-29	<u>184,140</u>
Total minimum lease payments	1,298,055
Less: amount representing interest	<u>143,658</u>
Present value of minimum lease payments	<u><u>\$ 1,154,397</u></u>
Due within one year	<u><u>\$ 299,628</u></u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Obligations under capital leases	\$ 1,154,316	\$ 376,293	\$ 376,212	\$ 1,154,397	\$ 299,628
Net OPEB liability	12,654	5,770		18,424	
Net pension liability	5,516,188		594,475	4,921,713	
Compensated absences payable	34,213	41,306	36,157	39,362	9,500
Governmental activity long-term liabilities	<u>\$ 6,717,371</u>	<u>\$ 423,369</u>	<u>\$ 1,006,844</u>	<u>\$ 6,133,896</u>	<u>\$ 309,128</u>

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, several non-major governmental funds had negative cash balances of \$148,489 in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers – Transfers between funds were used primarily to (1) move federal grant funds of \$52,263 restricted for indirect costs to the General Fund and (2) move resources of \$36,828 to the Energy and Water Savings Fund, a non-major governmental fund, for capital lease payments.

NOTE 11 – CONTINGENT LIABILITIES

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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.

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 all other risks of loss, including employee dental and vision insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

	Pension	OPEB
Net assets	\$	\$ (12,376)
Net liability	4,921,713	18,424
Deferred outflows of resources	882,964	50,739
Deferred inflows of resources	594,801	37,961
Expense	188,051	19,657
Contributions	401,973	22,292

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	

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.80 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 11.80 percent (11.18 percent for retirement, 0.46 percent for health insurance premium benefit, and 0.16 percent for long-term disability) of the active members' annual covered payroll. The District's contributions for the year ended June 30, 2019 were as follows:

	<u>Contributions</u>
Pension	401,973
Health Insurance Premium	16,539
Long-Term Disability	5,753

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 4,921,713	0.035	0.000
Health Insurance Premium	(12,376)	0.034	0.000
Long-Term Disability	18,424	0.035	0.000

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	<u>Expense</u>
Pension	\$ 188,051
Health Insurance Premium	12,970
Long-Term Disability	6,687

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

	<u>Deferred Outflows of Resources</u>		
	<u>Pension</u>	<u>Health Insurance Premium</u>	<u>Long-Term Disability</u>
Differences between expected and actual experience	\$ 135,589	\$	\$ 471
Changes of assumptions or other inputs	130,238	23,868	3,990
Changes in proportion and differences between contributions and proportionate share of contributions	215,164		118
Contributions subsequent to the measurement date	401,973	16,539	5,753
Total	<u>\$ 882,964</u>	<u>\$ 40,407</u>	<u>\$ 10,332</u>

	<u>Deferred Inflows of Resources</u>		
	<u>Pension</u>	<u>Health Insurance Premium</u>	<u>Long-Term Disability</u>
Differences between expected and actual experience	\$ 27,133	\$ 11,423	\$
Changes of assumptions or other inputs	436,377		
Net difference between projected and actual earnings on pension investments	118,356	24,724	1,784
Changes in proportion and differences between contributions and proportionate share of contributions	12,935	30	
Total	<u>\$ 594,801</u>	<u>\$ 36,177</u>	<u>\$ 1,784</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Pension	Health Insurance Premium	Long-Term Disability
2020	\$ 211,850	\$ (4,802)	\$ 71
2021	(93,045)	(4,801)	71
2022	(179,537)	(4,801)	71
2023	(53,078)	472	549
2024		1,623	637
Thereafter			1,396

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

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

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

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

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

Discount Rate. The discount rate used to measure the ASRS total pension and OPEB liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension and OPEB liability.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Pension	\$ 7,016,015	\$ 4,921,713	\$ 3,171,957
Health Insurance Premium	43,852	(12,376)	(60,272)
Long-Term Disability	20,879	18,424	16,041

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.

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REQUIRED SUPPLEMENTARY INFORMATION

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 428,671	\$ 428,671
Property taxes			2,373,777	2,373,777
State aid and grants			3,826,457	3,826,457
Total revenues			<u>6,628,905</u>	<u>6,628,905</u>
Expenditures:				
Current -				
Instruction	4,164,529	4,462,428	4,295,297	167,131
Support services - students and staff	524,949	474,658	423,600	51,058
Support services - administration	854,851	886,850	841,486	45,364
Operation and maintenance of plant services	887,381	832,380	819,766	12,614
Student transportation services	708,000	708,000	671,617	36,383
Operation of non-instructional services	19,400	15,950	13,036	2,914
Total expenditures	<u>7,159,110</u>	<u>7,380,266</u>	<u>7,064,802</u>	<u>315,464</u>
Excess (deficiency) of revenues over expenditures	<u>(7,159,110)</u>	<u>(7,380,266)</u>	<u>(435,897)</u>	<u>6,944,369</u>
Other financing sources (uses):				
Transfers out			(36,828)	(36,828)
Total other financing sources (uses)			<u>(36,828)</u>	<u>(36,828)</u>
Changes in fund balances	<u>(7,159,110)</u>	<u>(7,380,266)</u>	<u>(472,725)</u>	<u>6,907,541</u>
Fund balances, beginning of year			893,635	893,635
Increase (decrease) in reserve for prepaid items			24,431	24,431
Fund balances (deficits), end of year	<u>\$ (7,159,110)</u>	<u>\$ (7,380,266)</u>	<u>\$ 445,341</u>	<u>\$ 7,825,607</u>

See accompanying notes to this schedule.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLASSROOM SITE
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local	\$	\$	\$ 7,981	\$ 7,981
State aid and grants			292,662	292,662
Total revenues			300,643	300,643
Expenditures:				
Current -				
Instruction	567,487	596,683	275,736	320,947
Total expenditures	567,487	596,683	275,736	320,947
Changes in fund balances	(567,487)	(596,683)	24,907	621,590
Fund balances, beginning of year			302,402	302,402
Fund balances (deficits), end of year	\$ (567,487)	\$ (596,683)	\$ 327,309	\$ 923,992

See accompanying notes to this schedule.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER STATE PROJECTS
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
State aid and grants	\$	\$	\$ 196,418	\$ 196,418
Total revenues			196,418	196,418
Expenditures:				
Current -				
Instruction	186,233	247,043	119,964	127,079
Support services - students and staff	38,116	50,562	24,553	26,009
Support services - administration	2,280	3,025	1,469	1,556
Operation and maintenance of plant services	3,370	4,471	2,171	2,300
Operation of non-instructional services	15,001	19,899	9,663	10,236
Total expenditures	245,000	325,000	157,820	167,180
Changes in fund balances	(245,000)	(325,000)	38,598	363,598
Fund balances, beginning of year			30,456	30,456
Increase (decrease) in reserve for prepaid items			(456)	(456)
Fund balances (deficits), end of year	\$ (245,000)	\$ (325,000)	\$ 68,598	\$ 393,598

See accompanying notes to this schedule.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	0.04%	0.04%	0.03%	0.03%	0.04%
District's proportionate share of the net pension (assets) liability	\$ 4,921,713	\$ 5,516,188	\$ 5,145,752	\$ 4,963,110	\$ 5,528,692
District's covered payroll	\$ 3,503,624	\$ 3,451,113	\$ 2,979,088	\$ 2,938,760	\$ 2,990,944
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	140.47%	159.84%	172.73%	168.88%	184.85%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 401,973	\$ 381,895	\$ 372,030	\$ 323,231	\$ 320,031
Contributions in relation to the actuarially determined contribution	<u>401,973</u>	<u>381,895</u>	<u>372,030</u>	<u>323,231</u>	<u>320,031</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 3,595,465	\$ 3,503,624	\$ 3,451,113	\$ 2,979,088	\$ 2,938,760
Contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.03%	0.03%
District's proportionate share of the net OPEB (assets) liability	\$ (12,376)	\$ (18,727)
District's covered payroll	\$ 3,503,624	\$ 3,451,113
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	(0.35)%	(0.54)%
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%

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

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 16,539	\$ 15,416
Contributions in relation to the actuarially determined contribution	<u>16,539</u>	<u>15,416</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 3,595,465	\$ 3,503,624
Contributions as a percentage of covered payroll	0.46%	0.44%

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

See accompanying notes to this schedule.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.04%	0.04%
District's proportionate share of the net OPEB (assets) liability	\$ 18,424	\$ 12,654
District's covered payroll	\$ 3,503,624	\$ 3,451,113
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.53%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

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

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 5,753	\$ 5,606
Contributions in relation to the actuarially determined contribution	<u>5,753</u>	<u>5,606</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$ 3,595,465	\$ 3,503,624
Contributions as a percentage of covered payroll	0.16%	0.16%

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

See accompanying notes to this schedule.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

- 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:

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 7,230,557	\$ 809,879
Activity budgeted as special revenue funds	<u>(165,755)</u>	<u>(364,538)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 7,064,802</u>	<u>\$ 445,341</u>

NOTE 2 – PENSION AND OPEB PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

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

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GOVERNMENTAL FUNDS

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 454,705	\$ 141,744	\$ 596,449
Property taxes receivable		61,054	61,054
Accounts receivable	66,317		66,317
Due from governmental entities	195,074		195,074
Prepaid items	75,356		75,356
Total assets	<u><u>\$ 791,452</u></u>	<u><u>\$ 202,798</u></u>	<u><u>\$ 994,250</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 29,044	\$	\$ 29,044
Due to other funds	148,489		148,489
Accrued payroll and employee benefits	38,679		38,679
Total liabilities	<u>216,212</u>		<u>216,212</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		59,262	59,262
Unavailable revenues - intergovernmental	84,640		84,640
Total deferred inflows of resources	<u>84,640</u>	<u>59,262</u>	<u>143,902</u>
Fund balances (deficits):			
Nonspendable	75,356		75,356
Restricted	499,884	143,536	643,420
Unassigned	(84,640)		(84,640)
Total fund balances	<u>490,600</u>	<u>143,536</u>	<u>634,136</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 791,452</u></u>	<u><u>\$ 202,798</u></u>	<u><u>\$ 994,250</u></u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 113,436	\$ 18,540	\$ 131,976
Property taxes		85,986	85,986
State aid and grants	25,783	135,004	160,787
Federal aid, grants and reimbursements	<u>1,331,263</u>		<u>1,331,263</u>
Total revenues	<u>1,470,482</u>	<u>239,530</u>	<u>1,710,012</u>
Expenditures:			
Current -			
Instruction	409,782		409,782
Support services - students and staff	298,637		298,637
Support services - administration	15,559		15,559
Operation and maintenance of plant services	18,921		18,921
Student transportation services	8,981		8,981
Operation of non-instructional services	613,280		613,280
Capital outlay	60,893	386,103	446,996
Debt service -			
Principal retirement		376,212	376,212
Interest and fiscal charges		40,275	40,275
Total expenditures	<u>1,426,053</u>	<u>802,590</u>	<u>2,228,643</u>
Excess (deficiency) of revenues over expenditures	<u>44,429</u>	<u>(563,060)</u>	<u>(518,631)</u>
Other financing sources (uses):			
Transfers in		36,828	36,828
Transfers out	(52,263)		(52,263)
Capital lease agreements		376,293	376,293
Total other financing sources (uses)	<u>(52,263)</u>	<u>413,121</u>	<u>360,858</u>
Changes in fund balances	<u>(7,834)</u>	<u>(149,939)</u>	<u>(157,773)</u>
Fund balances, beginning of year	479,034	293,475	772,509
Increase (decrease) in reserve for prepaid items	19,400		19,400
Fund balances, end of year	<u>\$ 490,600</u>	<u>\$ 143,536</u>	<u>\$ 634,136</u>

SPECIAL REVENUE FUNDS

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

County, City, and Town Grants - to account for monies received from county, city and town grants.

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 monies received to reimburse the District for broadband internet and telecommunications costs.

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

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

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.

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.

Advertisement - to account for monies received from the sale of advertising.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 188,824	\$	\$
Accounts receivable		66,317	
Due from governmental entities	11,471		17,509
Prepaid items			28,356
Total assets	<u>\$ 200,295</u>	<u>\$ 66,317</u>	<u>\$ 45,865</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds		41,507	13,889
Accrued payroll and employee benefits		24,708	3,620
Total liabilities		<u>66,215</u>	<u>17,509</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>17,509</u>
Fund balances (deficits):			
Nonspendable			28,356
Restricted	200,295	102	
Unassigned			(17,509)
Total fund balances	<u>200,295</u>	<u>102</u>	<u>10,847</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 200,295</u>	<u>\$ 66,317</u>	<u>\$ 45,865</u>

Professional Development and Technology Grants	Title IV Grants	Limited English and Immigrant Students	Special Education Grants	E-Rate	Other Federal Projects
\$	\$	\$	\$	\$ 31,367	\$
6,086	51,308	5,405	56,774	36,460	614
			47,000		
<u>\$ 6,086</u>	<u>\$ 51,308</u>	<u>\$ 5,405</u>	<u>\$ 103,774</u>	<u>\$ 67,827</u>	<u>\$ 614</u>
\$ 5,160	\$ 11,583	\$	\$	\$	\$
926	29,374	5,405	56,774		614
	10,351				
<u>6,086</u>	<u>51,308</u>	<u>5,405</u>	<u>56,774</u>		<u>614</u>
<u>6,086</u>	<u>51,308</u>	<u>5,405</u>	<u>3,718</u>		<u>614</u>
			47,000		
(6,086)	(51,308)	(5,405)	(3,718)	67,827	(614)
<u>(6,086)</u>	<u>(51,308)</u>	<u>(5,405)</u>	<u>43,282</u>	<u>67,827</u>	<u>(614)</u>
<u>\$ 6,086</u>	<u>\$ 51,308</u>	<u>\$ 5,405</u>	<u>\$ 103,774</u>	<u>\$ 67,827</u>	<u>\$ 614</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
<u>ASSETS</u>			
Cash and investments	\$ 163,513	\$ 29,503	\$ 2,119
Accounts receivable			
Due from governmental entities	9,447		
Prepaid items			
Total assets	<u><u>\$ 172,960</u></u>	<u><u>\$ 29,503</u></u>	<u><u>\$ 2,119</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 12,301	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Total liabilities	<u>12,301</u>		
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	160,659	29,503	2,119
Unassigned			
Total fund balances	<u>160,659</u>	<u>29,503</u>	<u>2,119</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 172,960</u></u>	<u><u>\$ 29,503</u></u>	<u><u>\$ 2,119</u></u>

Extracurricular Activities Fees Tax Credit	Textbooks	Totals
\$ 38,045	\$ 1,334	\$ 454,705
		66,317
		195,074
		75,356
<u>\$ 38,045</u>	<u>\$ 1,334</u>	<u>\$ 791,452</u>
\$	\$	\$ 29,044
		148,489
		38,679
		<u>216,212</u>
		<u>84,640</u>
38,045	1,334	75,356
		499,884
		(84,640)
<u>38,045</u>	<u>1,334</u>	<u>490,600</u>
<u>\$ 38,045</u>	<u>\$ 1,334</u>	<u>\$ 791,452</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Instructional Improvement	County, City, and Town Grants	Title I Grants
Revenues:			
Other local	\$ 3,842	\$ 66,420	\$
State aid and grants	25,783		
Federal aid, grants and reimbursements			410,952
Total revenues	<u>29,625</u>	<u>66,420</u>	<u>410,952</u>
Expenditures:			
Current -			
Instruction			132,234
Support services - students and staff			206,459
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		5,478	
Operation of non-instructional services		60,840	
Capital outlay			48,587
Total expenditures		<u>66,318</u>	<u>387,280</u>
Excess (deficiency) of revenues over expenditures	<u>29,625</u>	<u>102</u>	<u>23,672</u>
Other financing sources (uses):			
Transfers out			(21,085)
Total other financing sources (uses)			<u>(21,085)</u>
Changes in fund balances	<u>29,625</u>	<u>102</u>	<u>2,587</u>
Fund balances (deficits), beginning of year	170,670		15,496
Increase (decrease) in reserve for prepaid items			(7,236)
Fund balances (deficits), end of year	<u>\$ 200,295</u>	<u>\$ 102</u>	<u>\$ 10,847</u>

Professional Development and Technology Grants	Title IV Grants	Limited English and Immigrant Students	Special Education Grants	E-Rate	Other Federal Projects
\$	\$	\$	\$	\$ 389	\$
21,439	123,981		198,804	36,461	11,558
21,439	123,981		198,804	36,850	11,558
	90,134	350	158,819	17,539	
24,526	31,694	4,575	29,369		
1,569	60	480	1,858		11,592
	3,503			18,921	
	10,582				
26,095	135,973	5,405	190,046	36,460	11,592
(4,656)	(11,992)	(5,405)	8,758	390	(34)
(1,430)	(7,329)		(11,839)		(580)
(1,430)	(7,329)		(11,839)		(580)
(6,086)	(19,321)	(5,405)	(3,081)	390	(614)
	(31,987)		19,727	67,437	
			26,636		
\$ (6,086)	\$ (51,308)	\$ (5,405)	\$ 43,282	\$ 67,827	\$ (614)

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Food Service	Civic Center	Community School
Revenues:			
Other local	\$ 24,816	\$ 3,522	\$ 46
State aid and grants			
Federal aid, grants and reimbursements	528,068		
Total revenues	<u>552,884</u>	<u>3,522</u>	<u>46</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	552,440		
Capital outlay	1,724		
Total expenditures	<u>554,164</u>		
Excess (deficiency) of revenues over expenditures	<u>(1,280)</u>	<u>3,522</u>	<u>46</u>
Other financing sources (uses):			
Transfers out	(10,000)		
Total other financing sources (uses)	<u>(10,000)</u>		
Changes in fund balances	<u>(11,280)</u>	<u>3,522</u>	<u>46</u>
Fund balances (deficits), beginning of year	171,939	25,981	2,073
Increase (decrease) in reserve for prepaid items			
Fund balances, end of year	<u>\$ 160,659</u>	<u>\$ 29,503</u>	<u>\$ 2,119</u>

Extracurricular Activities Fees Tax Credit	Textbooks	Totals
\$ 14,364	\$ 37	\$ 113,436
		25,783
		1,331,263
<u>14,364</u>	<u>37</u>	<u>1,470,482</u>
10,706		409,782
2,014		298,637
		15,559
		18,921
		8,981
		613,280
		60,893
<u>12,720</u>		<u>1,426,053</u>
<u>1,644</u>	<u>37</u>	<u>44,429</u>
		(52,263)
		<u>(52,263)</u>
<u>1,644</u>	<u>37</u>	<u>(7,834)</u>
36,401	1,297	479,034
		19,400
<u>\$ 38,045</u>	<u>\$ 1,334</u>	<u>\$ 490,600</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 3,842	\$ 3,842
State aid and grants		25,783	25,783
Federal aid, grants and reimbursements			
Total revenues		<u>29,625</u>	<u>29,625</u>
Expenditures:			
Current -			
Instruction	200,000		200,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>200,000</u>		<u>200,000</u>
Excess (deficiency) of revenues over expenditures	<u>(200,000)</u>	<u>29,625</u>	<u>229,625</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(200,000)</u>	<u>29,625</u>	<u>229,625</u>
Fund balances (deficits), beginning of year		170,670	170,670
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (200,000)</u>	<u>\$ 200,295</u>	<u>\$ 400,295</u>

County, City, and Town Grants			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 66,420	\$ 66,420	\$	\$	\$
				410,952	410,952
	66,420	66,420		410,952	410,952
				132,234	(132,234)
			447,364	206,459	240,905
	5,478	(5,478)			
67,500	60,840	6,660			
				48,587	(48,587)
67,500	66,318	1,182	447,364	387,280	60,084
(67,500)	102	67,602	(447,364)	23,672	471,036
				(21,085)	(21,085)
				(21,085)	(21,085)
(67,500)	102	67,602	(447,364)	2,587	449,951
				15,496	15,496
				(7,236)	(7,236)
\$ (67,500)	\$ 102	\$ 67,602	\$ (447,364)	\$ 10,847	\$ 458,211

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		21,439	21,439
Total revenues		<u>21,439</u>	<u>21,439</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	36,523	24,526	11,997
Support services - administration		1,569	(1,569)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>36,523</u>	<u>26,095</u>	<u>10,428</u>
Excess (deficiency) of revenues over expenditures	<u>(36,523)</u>	<u>(4,656)</u>	<u>31,867</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(1,430)	(1,430)
Total other financing sources (uses)		<u>(1,430)</u>	<u>(1,430)</u>
Changes in fund balances	<u>(36,523)</u>	<u>(6,086)</u>	<u>30,437</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (36,523)</u>	<u>\$ (6,086)</u>	<u>\$ 30,437</u>

Title IV Grants			Limited English and Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	123,981	123,981			
	123,981	123,981			
197,174	90,134	107,040		350	(350)
	31,694	(31,694)		4,575	(4,575)
	60	(60)		480	(480)
	3,503	(3,503)			
	10,582	(10,582)			
197,174	135,973	61,201		5,405	(5,405)
(197,174)	(11,992)	185,182		(5,405)	(5,405)
	(7,329)	(7,329)			
	(7,329)	(7,329)			
(197,174)	(19,321)	177,853		(5,405)	(5,405)
	(31,987)	(31,987)			
\$ (197,174)	\$ (51,308)	\$ 145,866	\$	\$ (5,405)	\$ (5,405)

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		198,804	198,804
Total revenues		<u>198,804</u>	<u>198,804</u>
Expenditures:			
Current -			
Instruction	233,471	158,819	74,652
Support services - students and staff		29,369	(29,369)
Support services - administration		1,858	(1,858)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>233,471</u>	<u>190,046</u>	<u>43,425</u>
Excess (deficiency) of revenues over expenditures	<u>(233,471)</u>	<u>8,758</u>	<u>242,229</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(11,839)	(11,839)
Total other financing sources (uses)		<u>(11,839)</u>	<u>(11,839)</u>
Changes in fund balances	<u>(233,471)</u>	<u>(3,081)</u>	<u>230,390</u>
Fund balances (deficits), beginning of year		19,727	19,727
Increase (decrease) in reserve for prepaid items		26,636	26,636
Fund balances (deficits), end of year	<u>\$ (233,471)</u>	<u>\$ 43,282</u>	<u>\$ 276,753</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 653	\$ 653	\$	\$ 389	\$ 389
				36,461	36,461
	653	653		36,850	36,850
125,000	7,436	(7,436)		17,539	(17,539)
	44,333	80,667			
	1,200	(1,200)	125,000	18,921	106,079
	1,393	(1,393)			
125,000	54,362	70,638	125,000	36,460	88,540
(125,000)	(53,709)	71,291	(125,000)	390	125,390
(125,000)	(53,709)	71,291	(125,000)	390	125,390
	120,353	120,353		67,437	67,437
\$ (125,000)	\$ 66,644	\$ 191,644	\$ (125,000)	\$ 67,827	\$ 192,827

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Other Federal Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		11,558	11,558
Total revenues		<u>11,558</u>	<u>11,558</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	16,910	11,592	5,318
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>16,910</u>	<u>11,592</u>	<u>5,318</u>
Excess (deficiency) of revenues over expenditures	<u>(16,910)</u>	<u>(34)</u>	<u>16,876</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(580)	(580)
Total other financing sources (uses)		<u>(580)</u>	<u>(580)</u>
Changes in fund balances	<u>(16,910)</u>	<u>(614)</u>	<u>16,296</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (16,910)</u>	<u>\$ (614)</u>	<u>\$ 16,296</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,474	\$ 2,474	\$	\$ 24,816	\$ 24,816
				528,068	528,068
	2,474	2,474		552,884	552,884
10,000		10,000			
			580,000	552,440	27,560
				1,724	(1,724)
10,000		10,000	580,000	554,164	25,836
(10,000)	2,474	12,474	(580,000)	(1,280)	578,720
				(10,000)	(10,000)
				(10,000)	(10,000)
(10,000)	2,474	12,474	(580,000)	(11,280)	568,720
	6,898	6,898		171,939	171,939
\$ (10,000)	\$ 9,372	\$ 19,372	\$ (580,000)	\$ 160,659	\$ 740,659

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3,522	\$ 3,522
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>3,522</u>	<u>3,522</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	30,000		30,000
Capital outlay			
Total expenditures	<u>30,000</u>		<u>30,000</u>
Excess (deficiency) of revenues over expenditures	<u>(30,000)</u>	<u>3,522</u>	<u>33,522</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(30,000)</u>	<u>3,522</u>	<u>33,522</u>
Fund balances (deficits), beginning of year		25,981	25,981
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (30,000)</u>	<u>\$ 29,503</u>	<u>\$ 59,503</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 46	\$ 46	\$	\$ 20	\$ 20
	46	46		20	20
2,100		2,100	1,250		1,250
2,100		2,100	1,250		1,250
(2,100)	46	2,146	(1,250)	20	1,270
(2,100)	46	2,146	(1,250)	20	1,270
	2,073	2,073		917	917
\$ (2,100)	\$ 2,119	\$ 4,219	\$ (1,250)	\$ 937	\$ 2,187

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 14,364	\$ 14,364
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>14,364</u>	<u>14,364</u>
Expenditures:			
Current -			
Instruction	52,500	10,706	41,794
Support services - students and staff		2,014	(2,014)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>52,500</u>	<u>12,720</u>	<u>39,780</u>
Excess (deficiency) of revenues over expenditures	<u>(52,500)</u>	<u>1,644</u>	<u>54,144</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(52,500)</u>	<u>1,644</u>	<u>54,144</u>
Fund balances (deficits), beginning of year		36,401	36,401
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (52,500)</u>	<u>\$ 38,045</u>	<u>\$ 90,545</u>

Gifts and Donations			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 33,121	\$ 33,121	\$	\$ 37	\$ 37
	33,121	33,121		37	37
66,500	33,300	33,200	1,500		1,500
	1,652	(1,652)			
	2,461	(2,461)			
66,500	37,413	29,087	1,500		1,500
(66,500)	(4,292)	62,208	(1,500)	37	1,537
(66,500)	(4,292)	62,208	(1,500)	37	1,537
	59,325	59,325		1,297	1,297
\$ (66,500)	\$ 55,033	\$ 121,533	\$ (1,500)	\$ 1,334	\$ 2,834

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 368	\$ 368
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>368</u>	<u>368</u>
Expenditures:			
Current -			
Instruction	7,000		7,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>7,000</u>		<u>7,000</u>
Excess (deficiency) of revenues over expenditures	<u>(7,000)</u>	<u>368</u>	<u>7,368</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(7,000)</u>	<u>368</u>	<u>7,368</u>
Fund balances (deficits), beginning of year		6,688	6,688
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (7,000)</u>	<u>\$ 7,056</u>	<u>\$ 14,056</u>

Indirect Costs			Advertisement		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 5,302	\$ 5,302	\$	\$ 1	\$ 1
	5,302	5,302		1	1
	1,454	(1,454)	37		37
	334	(334)			
275,000	72,064	202,936			
	128	(128)			
275,000	73,980	201,020	37		37
(275,000)	(68,678)	206,322	(37)	1	38
	52,263	52,263			
	52,263	52,263			
(275,000)	(16,415)	258,585	(37)	1	38
	241,873	241,873		37	37
\$ (275,000)	\$ 225,458	\$ 500,458	\$ (37)	\$ 38	\$ 75

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 155,375	\$ 155,375
State aid and grants		25,783	25,783
Federal aid, grants and reimbursements		1,331,263	1,331,263
Total revenues		<u>1,512,421</u>	<u>1,512,421</u>
Expenditures:			
Current -			
Instruction	761,532	451,972	309,560
Support services - students and staff	608,887	344,956	263,931
Support services - administration	291,910	91,284	200,626
Operation and maintenance of plant services	135,000	18,921	116,079
Student transportation services		8,981	(8,981)
Operation of non-instructional services	677,500	613,408	64,092
Capital outlay		62,286	(62,286)
Total expenditures	<u>2,474,829</u>	<u>1,591,808</u>	<u>883,021</u>
Excess (deficiency) of revenues over expenditures	<u>(2,474,829)</u>	<u>(79,387)</u>	<u>2,395,442</u>
Other financing sources (uses):			
Transfers in		52,263	52,263
Transfers out		(52,263)	(52,263)
Total other financing sources (uses)			
Changes in fund balances	<u>(2,474,829)</u>	<u>(79,387)</u>	<u>2,395,442</u>
Fund balances (deficits), beginning of year		915,125	915,125
Increase (decrease) in reserve for prepaid items		19,400	19,400
Fund balances (deficits), end of year	<u>\$ (2,474,829)</u>	<u>\$ 855,138</u>	<u>\$ 3,329,967</u>

CAPITAL PROJECTS FUNDS

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

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.

Energy and Water Savings - to account for capital investment monies, energy related rebate, or grant monies, and monies from other funding sources to fund energy or water savings projects in school facilities in accordance with A.R.S. §15-910.02.

Building Renewal Grant - to account for building renewal grant monies requested from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovations to areas, systems, or buildings that will maintain or extend their useful life.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	<u>Insurance Proceeds</u>	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>
<u>ASSETS</u>			
Cash and investments	\$ 9,111	\$ 73,191	\$ 59,266
Property taxes receivable		61,054	
Total assets	<u>\$ 9,111</u>	<u>\$ 134,245</u>	<u>\$ 59,266</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>\$</u>	<u>\$ 59,262</u>	<u>\$</u>
Fund balances:			
Restricted	<u>9,111</u>	<u>74,983</u>	<u>59,266</u>
Total fund balances	<u>9,111</u>	<u>74,983</u>	<u>59,266</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,111</u>	<u>\$ 134,245</u>	<u>\$ 59,266</u>

Energy and Water Savings	Totals
\$ 176	\$ 141,744
	61,054
<u>\$ 176</u>	<u>\$ 202,798</u>

<u>\$</u>	<u>\$ 59,262</u>
-----------	------------------

<u>176</u>	<u>143,536</u>
<u>176</u>	<u>143,536</u>

<u>\$ 176</u>	<u>\$ 202,798</u>
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ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Insurance Proceeds	Unrestricted Capital Outlay	Adjacent Ways
Revenues:			
Other local	\$ 1,214	\$ 15,877	\$ 1,273
Property taxes		85,958	28
State aid and grants		135,004	
Total revenues	<u>1,214</u>	<u>236,839</u>	<u>1,301</u>
Expenditures:			
Capital outlay		386,103	
Debt service -			
Principal retirement		350,306	
Interest and fiscal charges		29,353	
Total expenditures		<u>765,762</u>	
Excess (deficiency) of revenues over expenditures	<u>1,214</u>	<u>(528,923)</u>	<u>1,301</u>
Other financing sources (uses):			
Transfers in			
Capital lease agreements		376,293	
Total other financing sources (uses)		<u>376,293</u>	
Changes in fund balances	<u>1,214</u>	<u>(152,630)</u>	<u>1,301</u>
Fund balances, beginning of year	7,897	227,613	57,965
Fund balances, end of year	<u>\$ 9,111</u>	<u>\$ 74,983</u>	<u>\$ 59,266</u>

Energy and Water Savings	Totals
\$ 176	\$ 18,540
	85,986
	135,004
<u>176</u>	<u>239,530</u>
	386,103
25,906	376,212
<u>10,922</u>	<u>40,275</u>
<u>36,828</u>	<u>802,590</u>
<u>(36,652)</u>	<u>(563,060)</u>
36,828	36,828
	376,293
<u>36,828</u>	<u>413,121</u>
<u>176</u>	<u>(149,939)</u>
	293,475
<u>\$ 176</u>	<u>\$ 143,536</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Insurance Proceeds		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,214	\$ 1,214
Property taxes			
State aid and grants			
Total revenues		1,214	1,214
Expenditures:			
Capital outlay	50,000		50,000
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	50,000		50,000
Excess (deficiency) of revenues over expenditures	(50,000)	1,214	51,214
Other financing sources (uses):			
Transfers in			
Total other financing sources (uses)			
Changes in fund balances	(50,000)	1,214	51,214
Fund balances, beginning of year		7,897	7,897
Fund balances (deficits), end of year	\$ (50,000)	\$ 9,111	\$ 59,111

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 15,877	\$ 15,877	\$	\$ 1,273	\$ 1,273
	85,958	85,958		28	28
	135,004	135,004			
	236,839	236,839		1,301	1,301
83,576	9,810	73,766	60,000		60,000
350,306	350,306				
29,353	29,353				
463,235	389,469	73,766	60,000		60,000
(463,235)	(152,630)	310,605	(60,000)	1,301	61,301
(463,235)	(152,630)	310,605	(60,000)	1,301	61,301
	227,613	227,613		57,965	57,965
\$ (463,235)	\$ 74,983	\$ 538,218	\$ (60,000)	\$ 59,266	\$ 119,266

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ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Energy and Water Savings		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 176	\$ 176
Property taxes			
State aid and grants			
Total revenues		176	176
Expenditures:			
Capital outlay			
Debt service -			
Principal retirement	25,906	25,906	
Interest and fiscal charges	10,922	10,922	
Total expenditures	36,828	36,828	
Excess (deficiency) of revenues over expenditures	(36,828)	(36,652)	176
Other financing sources (uses):			
Transfers in		36,828	36,828
Total other financing sources (uses)		36,828	36,828
Changes in fund balances	(36,828)	176	37,004
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (36,828)	\$ 176	\$ 37,004

Building Renewal Grant			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 18,540	\$ 18,540
				85,986	85,986
				135,004	135,004
				239,530	239,530
200,000		200,000	393,576	9,810	383,766
			376,212	376,212	
			40,275	40,275	
200,000		200,000	810,063	426,297	383,766
(200,000)		200,000	(810,063)	(186,767)	623,296
				36,828	36,828
				36,828	36,828
(200,000)		200,000	(810,063)	(149,939)	660,124
				293,475	293,475
\$ (200,000)	\$	\$ 200,000	\$ (810,063)	\$ 143,536	\$ 953,599

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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 Withholding - to account for voluntary insurance deductions temporarily held by the District as an agent.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019

	<u>Student Activities</u>	<u>Employee Withholding</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 12,507	\$ 143,118	\$ 155,625
Total assets	<u>\$ 12,507</u>	<u>\$ 143,118</u>	<u>\$ 155,625</u>
<u>LIABILITIES</u>			
Deposits held for others	\$	\$ 143,118	\$ 143,118
Due to student groups	12,507		12,507
Total liabilities	<u>\$ 12,507</u>	<u>\$ 143,118</u>	<u>\$ 155,625</u>

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES</u>				
<u>Assets</u>				
Cash and investments	\$ 16,569	\$ 44,154	\$ 48,216	\$ 12,507
Total assets	<u>\$ 16,569</u>	<u>\$ 44,154</u>	<u>\$ 48,216</u>	<u>\$ 12,507</u>
<u>Liabilities</u>				
Due to student groups	\$ 16,569	\$ 44,154	\$ 48,216	\$ 12,507
Total liabilities	<u>\$ 16,569</u>	<u>\$ 44,154</u>	<u>\$ 48,216</u>	<u>\$ 12,507</u>
 <u>EMPLOYEE WITHHOLDING</u>				
<u>Assets</u>				
Cash and investments	\$ 270,331	\$ 613,671	\$ 740,884	\$ 143,118
Total assets	<u>\$ 270,331</u>	<u>\$ 613,671</u>	<u>\$ 740,884</u>	<u>\$ 143,118</u>
<u>Liabilities</u>				
Deposits held for others	\$ 270,331	\$ 613,671	\$ 740,884	\$ 143,118
Total liabilities	<u>\$ 270,331</u>	<u>\$ 613,671</u>	<u>\$ 740,884</u>	<u>\$ 143,118</u>
 <u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ 286,900	\$ 657,825	\$ 789,100	\$ 155,625
Total assets	<u>\$ 286,900</u>	<u>\$ 657,825</u>	<u>\$ 789,100</u>	<u>\$ 155,625</u>
<u>Liabilities</u>				
Due to student groups	\$ 16,569	\$ 44,154	\$ 48,216	\$ 12,507
Deposits held for others	<u>270,331</u>	<u>613,671</u>	<u>740,884</u>	<u>143,118</u>
Total liabilities	<u>\$ 286,900</u>	<u>\$ 657,825</u>	<u>\$ 789,100</u>	<u>\$ 155,625</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. The District does not have any outstanding debt.

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.

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.

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ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:					
Net investment in capital assets	\$ 7,535,037	\$ 7,773,967	\$ 7,971,981	\$ 8,166,436	\$ 8,159,709
Restricted	1,173,945	1,271,058	1,469,835	1,451,599	1,035,904
Unrestricted	(3,305,530)	(3,058,692)	(3,124,482)	(3,207,404)	(3,765,427)
Total net position	<u>\$ 5,403,452</u>	<u>\$ 5,986,333</u>	<u>\$ 6,317,334</u>	<u>\$ 6,410,631</u>	<u>\$ 5,430,186</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position:					
Net investment in capital assets	\$ 8,334,043	\$ 8,491,990	\$ 8,586,230	\$ 8,779,174	\$ 8,993,968
Restricted	1,034,557	733,758	838,062	494,753	286,974
Unrestricted	1,899,552	2,216,551	1,943,895	1,277,377	1,079,417
Total net position	<u>\$ 11,268,152</u>	<u>\$ 11,442,299</u>	<u>\$ 11,368,187</u>	<u>\$ 10,551,304</u>	<u>\$ 10,360,359</u>

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

Note: The decrease in unrestricted net position during fiscal year 2015 is due to the implementation of the pension reporting standards.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Instruction	\$ 5,359,639	\$ 4,929,245	\$ 5,022,444	\$ 4,617,871	\$ 5,118,827
Support services - students and staff	767,871	719,221	696,842	664,224	871,129
Support services - administration	917,845	861,104	799,751	815,047	911,283
Operation and maintenance of plant services	871,681	835,284	825,618	770,648	941,641
Student transportation services	888,513	844,271	717,068	724,422	649,294
Operation of non-instructional services	654,786	641,302	808,456	633,973	512,258
Interest on long-term debt	40,275	40,857	28,745	34,989	14,086
Total expenses	<u>9,500,610</u>	<u>8,871,284</u>	<u>8,898,924</u>	<u>8,261,174</u>	<u>9,018,518</u>
Program Revenues					
Charges for services:					
Instruction	2,039	934	4,200	11,540	8,660
Operation of non-instructional services	21,574	15,918	12,121	34,259	36,884
Other activities	5,197	2,850	4,195	9,976	3,000
Operating grants and contributions	1,612,365	1,595,369	1,755,824	1,629,866	1,715,969
Capital grants and contributions	59,169	4,329	35,611	155,652	175,056
Total program revenues	<u>1,700,344</u>	<u>1,619,400</u>	<u>1,811,951</u>	<u>1,841,293</u>	<u>1,939,569</u>
Net (Expense)/Revenue	<u>\$ (7,800,266)</u>	<u>\$ (7,251,884)</u>	<u>\$ (7,086,973)</u>	<u>\$ (6,419,881)</u>	<u>\$ (7,078,949)</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
Instruction	\$ 5,233,349	\$ 4,787,739	\$ 4,910,353	\$ 5,183,400	\$ 5,694,804
Support services - students and staff	743,570	676,033	705,684	889,720	816,181
Support services - administration	941,777	874,091	1,045,304	834,587	830,356
Operation and maintenance of plant services	794,173	974,015	728,500	888,166	839,153
Student transportation services	651,389	727,866	603,929	1,031,291	711,239
Operation of non-instructional services	528,648	530,410	519,620	474,728	457,600
Interest on long-term debt					
Total expenses	<u>8,892,906</u>	<u>8,570,154</u>	<u>8,513,390</u>	<u>9,301,892</u>	<u>9,349,333</u>
Program Revenues					
Charges for services:					
Instruction	16,576	4,380	77,554	74,342	757
Operation of non-instructional services	39,645	28,052	46,114	19,442	55,667
Other activities	3,957	4,177	3,600	2,950	5,981
Operating grants and contributions	1,742,447	1,711,427	1,575,524	1,935,945	1,900,668
Capital grants and contributions	55,780	92,700	136,640	417	117,906
Total program revenues	<u>1,858,405</u>	<u>1,840,736</u>	<u>1,839,432</u>	<u>2,033,096</u>	<u>2,080,979</u>
Net (Expense)/Revenue	<u>\$ (7,034,501)</u>	<u>\$ (6,729,418)</u>	<u>\$ (6,673,958)</u>	<u>\$ (7,268,796)</u>	<u>\$ (7,268,354)</u>

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

(Concluded)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense)/Revenue	\$ (7,800,266)	\$ (7,251,884)	\$ (7,086,973)	\$ (6,419,881)	\$ (7,078,949)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	2,382,658	2,362,307	2,558,297	1,506,832	1,393,888
Property taxes, levied for capital outlay	84,997	66,595		439,908	378,034
Investment income	37,120	25,062	19,150	9,589	8,669
Unrestricted county aid	432,704	441,011	443,920	529,420	484,473
Unrestricted state aid	4,279,906	4,011,525	3,967,558	4,793,849	4,476,255
Unrestricted federal aid		13,606	4,751	17,521	29,359
Total general revenues	<u>7,217,385</u>	<u>6,920,106</u>	<u>6,993,676</u>	<u>7,297,119</u>	<u>6,770,678</u>
Changes in Net Position	<u>\$ (582,881)</u>	<u>\$ (331,778)</u>	<u>\$ (93,297)</u>	<u>\$ 877,238</u>	<u>\$ (308,271)</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net (Expense)/Revenue	\$ (7,034,501)	\$ (6,729,418)	\$ (6,673,958)	\$ (7,268,796)	\$ (7,268,354)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	1,697,436	1,485,762	2,066,132	1,628,108	1,750,181
Property taxes, levied for capital outlay		450,626	69,929	359,690	112,448
Investment income	6,804	13,256	2,980	847	8,494
Unrestricted county aid	479,432	405,031	429,507	265,905	340,565
Unrestricted state aid	4,663,217	4,422,243	4,885,210	5,152,539	4,662,562
Unrestricted federal aid	13,465	26,612	37,083	52,652	824,658
Total general revenues	<u>6,860,354</u>	<u>6,803,530</u>	<u>7,490,841</u>	<u>7,459,741</u>	<u>7,698,908</u>
Changes in Net Position	<u>\$ (174,147)</u>	<u>\$ 74,112</u>	<u>\$ 816,883</u>	<u>\$ 190,945</u>	<u>\$ 430,554</u>

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

(Concluded)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Nondisposable	\$ 321,184	\$ 296,753	\$ 369,459	\$ 279,254	\$ 283,499
Unassigned	488,695	1,032,973	1,124,120	1,316,150	1,109,573
Total General Fund	<u>\$ 809,879</u>	<u>\$ 1,329,726</u>	<u>\$ 1,493,579</u>	<u>\$ 1,595,404</u>	<u>\$ 1,393,072</u>
All Other Governmental Funds:					
Nondisposable	\$ 105,356	\$ 86,412	\$ 91,322	\$ 118,497	\$ 74,353
Restricted	1,009,327	1,071,675	1,315,486	1,346,510	944,720
Unassigned	(84,640)	(52,720)	(15)		
Total all other governmental funds	<u>\$ 1,030,043</u>	<u>\$ 1,105,367</u>	<u>\$ 1,406,793</u>	<u>\$ 1,465,007</u>	<u>\$ 1,019,073</u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nondspendable	\$ 416,515	\$ 445,270	\$ 421,690	\$ 232,012	\$
Unassigned	1,013,002	1,390,208	1,102,904	371,493	
Reserved					8,731
Unreserved					527,679
Total General Fund	<u>\$ 1,429,517</u>	<u>\$ 1,835,478</u>	<u>\$ 1,524,594</u>	<u>\$ 603,505</u>	<u>\$ 536,410</u>
All Other Governmental Funds:					
Nondspendable	\$ 86,745	\$ 18,944	\$ 40,909	\$ 32,997	\$
Restricted	886,669	620,465	759,324	388,741	
Assigned				304,739	
Unassigned			(10,796)		
Reserved					16,922
Unreserved, reported in:					
Special revenue funds					259,364
Capital projects funds					252,357
Debt service fund					
Total all other governmental funds	<u>\$ 973,414</u>	<u>\$ 639,409</u>	<u>\$ 789,437</u>	<u>\$ 726,477</u>	<u>\$ 528,643</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: nondspendable, restricted, committed, assigned, and unassigned fund balance.

(Concluded)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal sources:					
Federal grants	\$ 803,195	\$ 699,097	\$ 958,901	\$ 1,006,523	\$ 1,201,551
National School Lunch Program	528,068	530,096	531,368	504,588	369,039
Total federal sources	<u>1,331,263</u>	<u>1,229,193</u>	<u>1,490,269</u>	<u>1,511,111</u>	<u>1,570,590</u>
State sources:					
State equalization assistance	3,961,461	3,719,627	3,711,980	4,523,877	4,235,538
State grants	196,418	198,024	190,112	109,428	130,420
Other revenues	318,445	292,989	256,769	269,972	240,717
Total state sources	<u>4,476,324</u>	<u>4,210,640</u>	<u>4,158,861</u>	<u>4,903,277</u>	<u>4,606,675</u>
Local sources:					
Property taxes	2,459,763	2,430,130	2,594,924	1,873,793	1,781,392
County aid	499,021	505,139	506,163	624,207	564,568
Food service sales	21,574	15,918	11,739	14,854	36,884
Investment income	37,120	25,062	19,150	9,589	8,669
Other revenues	52,852	71,932	61,148	137,928	141,645
Total local sources	<u>3,070,330</u>	<u>3,048,181</u>	<u>3,193,124</u>	<u>2,660,371</u>	<u>2,533,158</u>
Total revenues	<u><u>\$ 8,877,917</u></u>	<u><u>\$ 8,488,014</u></u>	<u><u>\$ 8,842,254</u></u>	<u><u>\$ 9,074,759</u></u>	<u><u>\$ 8,710,423</u></u>

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Federal sources:					
Federal grants	\$ 1,053,789	\$ 1,098,251	\$ 1,088,151	\$ 1,207,076	\$ 1,435,177
State Fiscal Stabilization (ARRA)				52,652	824,658
Education Jobs			3,620	235,880	
National School Lunch Program	415,267	387,048	375,669	325,355	347,259
Total federal sources	<u>1,469,056</u>	<u>1,485,299</u>	<u>1,467,440</u>	<u>1,820,963</u>	<u>2,607,094</u>
State sources:					
State equalization assistance	4,401,749	4,207,004	4,699,533	4,995,490	4,793,666
State grants	150,188	171,164	126,351	24,031	19,766
School Facilities Board					
Other revenues	261,568	215,356	185,677	170,000	188,030
Total state sources	<u>4,813,505</u>	<u>4,593,524</u>	<u>5,011,561</u>	<u>5,189,521</u>	<u>5,001,462</u>
Local sources:					
Property taxes	1,685,589	1,912,617	2,104,018	1,823,577	1,796,241
County aid	557,022	452,233	529,737	265,905	340,565
Food service sales	34,447	28,052	32,714	19,442	55,667
Investment income	6,804	13,256	2,980	847	8,494
Other revenues	120,694	135,514	149,780	221,312	223,110
Total local sources	<u>2,404,556</u>	<u>2,541,672</u>	<u>2,819,229</u>	<u>2,331,083</u>	<u>2,424,077</u>
Total revenues	<u><u>\$ 8,687,117</u></u>	<u><u>\$ 8,620,495</u></u>	<u><u>\$ 9,298,230</u></u>	<u><u>\$ 9,341,567</u></u>	<u><u>\$ 10,032,633</u></u>

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

(Concluded)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenditures:					
Current -					
Instruction	\$ 5,142,969	\$ 4,737,703	\$ 4,835,787	\$ 4,382,099	\$ 4,443,167
Support services - students and staff	793,109	753,515	724,571	705,918	755,677
Support services - administration	934,239	831,402	837,236	843,469	824,661
Operation and maintenance of plant services	840,858	734,881	812,854	828,897	802,876
Student transportation services	680,598	655,173	593,085	525,559	562,142
Operation of non-instructional services	636,107	602,692	803,255	620,354	459,506
Capital outlay	448,389	429,120	629,653	428,176	1,103,928
Debt service -					
Interest and fiscal charges	40,275	40,857	28,745	34,989	14,086
Principal retirement	376,212	277,567	294,039	330,937	22,726
Total expenditures	<u>\$ 9,892,756</u>	<u>\$ 9,062,910</u>	<u>\$ 9,559,225</u>	<u>\$ 8,700,398</u>	<u>\$ 8,988,769</u>
Expenditures for capitalized assets	\$ 376,295	\$ 251,623	\$ 663,926	\$ 383,917	\$ 496,868
Debt service as a percentage of noncapital expenditures	4%	4%	4%	4%	0%

(Continued)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenditures:					
Current -					
Instruction	\$ 4,721,828	\$ 4,451,118	\$ 4,608,163	\$ 4,933,500	\$ 5,269,196
Support services - students and staff	701,545	638,287	706,259	887,045	781,616
Support services - administration	856,244	881,338	891,921	977,121	797,950
Operation and maintenance of plant services	832,676	883,888	713,643	921,566	814,972
Student transportation services	588,128	703,188	634,984	784,081	670,821
Operation of non-instructional services	516,488	485,244	502,231	472,992	441,096
Capital outlay	581,210	418,191	454,570	339,689	378,993
Total expenditures	<u><u>\$ 8,798,119</u></u>	<u><u>\$ 8,461,254</u></u>	<u><u>\$ 8,511,771</u></u>	<u><u>\$ 9,315,994</u></u>	<u><u>\$ 9,154,644</u></u>
Expenditures for capitalized assets	\$ 86,213	\$ 148,694	\$ 80,077	\$ 23,475	\$ 25,331
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%

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

(Concluded)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ (1,014,839)	\$ (574,896)	\$ (716,971)	\$ 374,361	\$ (278,346)
Other financing sources (uses):					
Capital lease agreements	376,293	187,233	493,902	234,006	432,968
Transfers in	89,091	67,048	97,950	93,371	90,591
Transfers out	(89,091)	(67,048)	(97,950)	(93,371)	(90,591)
Total other financing sources (uses)	<u>376,293</u>	<u>187,233</u>	<u>493,902</u>	<u>234,006</u>	<u>432,968</u>
Changes in fund balances	<u>\$ (638,546)</u>	<u>\$ (387,663)</u>	<u>\$ (223,069)</u>	<u>\$ 608,367</u>	<u>\$ 154,622</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ (111,002)	\$ 159,241	\$ 786,459	\$ 25,573	\$ 877,989
Other financing sources (uses):					
Transfers in	499,952	30,243	52,250	8,449	43,387
Transfers out	(499,952)	(30,243)	(52,250)	(8,449)	(43,387)
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>\$ (111,002)</u>	<u>\$ 159,241</u>	<u>\$ 786,459</u>	<u>\$ 25,573</u>	<u>\$ 877,989</u>

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 23,004,781	\$ 23,874,828	\$ 24,578,235	\$ 3,615,752	\$ 4,116,079
Agricultural and Vacant	6,007,460	6,162,621	6,804,812	8,063,721	8,405,992
Residential (Owner Occupied)	12,415,961	12,283,079	12,370,114	12,398,247	13,807,705
Residential (Rental)	<u>3,985,815</u>	<u>4,304,969</u>	<u>4,491,244</u>	<u>4,789,641</u>	<u>3,848,256</u>
Total	<u>\$ 45,414,017</u>	<u>\$ 46,625,497</u>	<u>\$ 48,244,405</u>	<u>\$ 28,867,361</u>	<u>\$ 30,178,032</u>
Gross Full Cash Value	\$ 566,814,590	\$ 559,461,991	\$ 568,498,883	\$ 487,670,802	\$ 493,633,075
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	8%	6%	6%
Total Direct Rate	5.98	5.77	5.98	7.63	6.73

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 4,113,391	\$ 4,218,479	\$ 4,293,660	\$ 6,658,689	\$ 4,597,814
Agricultural and Vacant	9,496,473	10,975,815	11,565,319	11,546,550	10,854,541
Residential (Owner Occupied)	15,461,323	17,671,867	19,398,998	21,049,230	20,138,554
Residential (Rental)	<u>2,206,880</u>	<u>2,060,304</u>	<u>1,266,800</u>	<u>1,187,948</u>	<u>1,110,490</u>
Total	<u>\$ 31,278,067</u>	<u>\$ 34,926,465</u>	<u>\$ 36,524,777</u>	<u>\$ 40,442,417</u>	<u>\$ 36,701,399</u>
Gross Full Cash Value	\$ 493,775,756	\$ 528,626,147	\$ 548,635,237	\$ 583,577,646	\$ 577,578,708
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6%	7%	7%	7%	6%
Total Direct Rate	6.27	6.44	6.57	6.04	6.05

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 23,170,342	\$ 23,934,939	\$ 24,610,588	\$ 3,633,306	\$ 4,258,744
Agricultural and Vacant	6,292,902	6,459,436	7,009,775	8,436,359	8,493,925
Residential (Owner Occupied)	13,003,354	12,617,343	12,635,378	12,547,590	13,860,846
Residential (Rental)	<u>4,125,973</u>	<u>4,394,711</u>	<u>4,583,170</u>	<u>4,865,722</u>	<u>3,889,070</u>
Total	<u>\$ 46,592,571</u>	<u>\$ 47,406,429</u>	<u>\$ 48,838,911</u>	<u>\$ 29,482,977</u>	<u>\$ 30,502,585</u>
Gross Full Cash Value	\$ 566,814,590	\$ 559,461,991	\$ 568,498,883	\$ 487,670,802	\$ 493,633,075
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	8%	8%	9%	6%	6%
Estimated Net Full Cash Value	329,756,666	335,317,562	345,196,763	212,495,831	219,346,545
Total Direct Rate	5.98	5.77	5.98	7.63	6.73

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 4,113,392	\$ 4,226,101	\$ 4,311,058	\$ 7,171,375	\$ 4,707,182
Agricultural and Vacant	9,586,223	11,251,064	12,676,137	14,043,970	16,045,044
Residential (Owner Occupied)	15,485,408	17,722,981	19,546,847	21,505,972	21,114,078
Residential (Rental)	<u>2,217,108</u>	<u>2,080,934</u>	<u>1,279,732</u>	<u>1,231,712</u>	<u>1,195,616</u>
Total	<u>\$ 31,402,131</u>	<u>\$ 35,281,080</u>	<u>\$ 37,813,774</u>	<u>\$ 43,953,029</u>	<u>\$ 43,061,920</u>
Gross Full Cash Value	\$ 493,775,756	\$ 528,626,147	\$ 548,635,237	\$ 583,577,646	\$ 577,578,708
Ratio of Net Full Cash Assessed Value to Gross Full Cash	6%	7%	7%	8%	7%
Estimated Net Full Cash Value	225,440,042	254,709,568	273,537,575	316,046,460	310,619,911
Total Direct Rate	6.27	6.44	6.57	6.04	6.05

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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS

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

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

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State	County	County	Flood	Community	Fire	Central			
	Equalization		Free	Control	College	District	Arizona	Primary	Secondary	Total
			Library	District	District	Assistance	Water			
2019	0.47	4.76	0.52	0.33	1.40	0.04	0.14	5.06	0.92	5.98
2018	0.49	4.46	0.51	0.31	1.39	0.05	0.14	4.86	0.91	5.77
2017	0.50	4.99	0.52	0.33	1.37	0.05	0.14	5.05	0.93	5.98
2016	0.51	5.09	0.52	0.31	1.37	0.05	0.14	6.12	1.51	7.63
2015	0.51	4.98	0.44	0.30	1.33	4.75	0.14	5.82	0.91	6.73
2014	0.51	4.45	0.38	0.26	1.29	4.75	0.10	4.86	1.41	6.27
2013	0.47	4.20	0.35	0.26	1.17	4.75	0.10	5.18	1.26	6.44
2012	0.43	4.20	0.35	0.26	1.11	4.75	0.10	5.40	1.17	6.57
2011	0.36	4.06	0.31	0.26	1.08	4.63	0.10	5.06	0.98	6.04
2010	0.33	4.02	0.26	0.26	1.08	4.44	0.10	5.09	0.96	6.05

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Taxpayer	2019			2010	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation		Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Sierrita Gas Pipeline LLC	\$ 19,040,294	41.93 %		\$	%
Trico Electric Co-Op Inc (T&D)	1,419,557	3.13			
Unisource Energy Corporation	415,326	0.91		8,521,164	19.79
Arizona Electric Power Co-Op Inc	312,885	0.69			
Southwest Gas Corporation	296,442	0.65			
SBH Sendero LP	213,400	0.47			
Sadlier Living TR/Salatich Living TR	207,046	0.46			
Monselle Gary M Living TR	191,286	0.42			
Qwest Corporation	163,742	0.36			
Verizon Wireless	159,917	0.35			
Sunrise Campbell Investors LLC/River Center Pads LLC				2,686,019	6.24
Marana Ina Road				2,125,935	4.94
North Pima Center LLC				1,681,495	3.90
Marana Marketplace Partners LLC				1,606,904	3.73
Orange Grove Properties LLC				1,520,000	3.53
Caldor Investments of Arizona LLC				1,470,000	3.41
GRH Marana LLC et al				1,665,906	3.87
Target Corporation				1,395,240	3.24
Arizona MSA #77				2,039,879	4.74
Total	<u>\$ 22,419,895</u>	<u>49.37 %</u>		<u>\$ 24,712,542</u>	<u>57.39 %</u>

Source: The source of this information is the Pima County Finance & Risk Management'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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 2,412,261	\$ 2,261,470	93.75 %	\$	\$ 2,261,470	93.75 %
2018	2,455,316	2,273,184	92.58	138,186	2,411,370	98.21
2017	2,542,098	2,364,553	93.02	119,661	2,484,214	97.72
2016	1,804,646	1,505,874	83.44	235,820	1,741,694	96.51
2015	1,777,607	1,498,225	84.28	243,938	1,742,163	98.01
2014	1,703,013	1,413,005	82.97	240,328	1,653,333	97.08
2013	1,885,522	1,560,572	82.77	277,972	1,838,544	97.51
2012	2,041,116	1,791,504	87.77	184,592	1,976,096	96.81
2011	1,919,599	1,540,337	80.24	320,380	1,860,717	96.93
2010	1,878,044	1,554,450	82.77	279,416	1,833,866	97.65

Source: The source of this information is the 2019 Pima 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.

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
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
2019	\$	\$	\$	%	\$	\$ 1,154,397	\$ 1,154,397	0.20 %	\$ 152	N/A %
2018						1,154,316	1,154,316	0.21	161	0.00
2017						1,244,650	1,244,650	0.22	175	0.00
2016						1,044,787	1,044,787	0.21	148	0.00
2015						410,242	410,242	0.08	46	0.00
2014										
2013										
2012										
2011										
2010										

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

Note: N/A indicates that the information is not available.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Pima County	275,990,000	0.43 %	<u>\$ 1,186,757</u>
Direct:			
Altar Valley Elementary School District No. 51	1,154,397	100.00	<u>1,154,397</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 2,341,154</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	-	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	157
As a Percentage of Net Limited Assessed Valuation	2.61	%
As a Percentage of Gross Full cash Value	0.21	%

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

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

Net full cash assessed valuation	\$ 46,592,571
Debt limit (10% of assessed value)	4,659,257
Debt applicable to limit	
Legal debt margin	<u><u>\$ 4,659,257</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2019:

Net full cash assessed valuation	\$ 46,592,571
Debt limit (15% of assessed value)	6,988,886
Debt applicable to limit	
Legal debt margin	<u><u>\$ 6,988,886</u></u>

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 6,988,886	\$ 7,110,964	\$ 7,325,837	\$ 4,422,447	\$ 4,575,388
Total net debt applicable to limit	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Legal debt margin	<u><u>\$ 6,988,886</u></u>	<u><u>\$ 7,110,964</u></u>	<u><u>\$ 7,325,837</u></u>	<u><u>\$ 4,422,447</u></u>	<u><u>\$ 4,575,388</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 4,710,320	\$ 5,292,162	\$ 5,672,066	\$ 6,592,954	\$ 6,459,288
Total net debt applicable to limit	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Legal debt margin	<u><u>\$ 4,710,320</u></u>	<u><u>\$ 5,292,162</u></u>	<u><u>\$ 5,672,066</u></u>	<u><u>\$ 6,592,954</u></u>	<u><u>\$ 6,459,288</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

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.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated District Population
2018	1,034,201	\$ N/A	\$ N/A	4.5 %	7,581
2017	1,026,099	42,585,356	41,637	4.5	7,181
2016	1,013,103	40,182,115	39,541	4.9	7,125
2015	1,009,371	38,603,900	38,697	5.6	7,069
2014	1,007,162	37,198,714	37,031	6.2	8,905
2013	996,046	36,935,363	37,063	7.0	8,895
2012	990,380	36,058,871	36,335	7.3	8,872
2011	986,081	34,931,620	35,371	9.1	8,872
2010	980,263	34,360,759	34,987	9.0	8,450
2009	1,018,012	34,516,424	33,833	8.3	8,450

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2009 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2018, the source of the information is the Arizona Office of Employment and Population Statistics.

Note: N/A indicates that the information is not available.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Employer	2019			2010		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
United States Department of the Air Force	13,830	3.65	%	7,255	2.07	%
Raytheon	11,260	2.97		12,140	3.47	
Banner University Medical Center Tucson Campus	4,480	1.18				
Tucson Medical Center	3,990	1.05				
State of Arizona	3,020	0.80		8,708	2.49	
Veterans Health Administration	2,550	0.67				
Pima County	2,290	0.60		6,511		
University of Arizona	1,990	0.53		10,363		
Northwest Medical Center	1,890	0.50				
Wal-Mart Stores, Inc.	1,770	0.47		7,192		
Tucson Unified School District				7,012	2.00	
Fort Huachuca				6,232	1.78	
City of Tucson				5,399		
Phelps Dodge				3,997		
Total	47,070	12.42	%	74,809	11.81	%
Total employment	378,900			350,283		

Source: The source of this information is the Maricopa Association of Governments Employer Database, the U.S. Department of Labor, Bureau of Labor Statistics, the Arizona Office of Economic Opportunity and the Business Journal Book of Lists.

Note: The information presented above is County-wide.

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Supervisory					
Principals	2	2	2	2	2
NCLB Coordinator	1	1	1	1	1
SPED Director	1	1	1	1	1
Total supervisory	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Instruction					
Teachers	36	35	36	33	35
Other professionals (instructional)					
Aides	19	19	19	17	17
Total instruction	<u>55</u>	<u>54</u>	<u>55</u>	<u>50</u>	<u>52</u>
Student Services					
Nurses	1	1	1	1	1
Counselors/Advisors	1	1	1	1	1
Librarians					
Library Technician	2	2	2	2	2
Total student services	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Support and Administration					
Superintendent	1	1	1	1	1
District Office	2	2	2	3	4
Transportation	18	18	18	18	18
Health Office	2	2	2	2	2
School Secretaries	2	2	2	2	2
NCLB Secretary					1
SPED Secretaries	1	1	1	1	1
Other professionals	2	2	2	2	2
Other classified	8	8	8	8	8
Total support and administration	<u>36</u>	<u>36</u>	<u>36</u>	<u>37</u>	<u>39</u>
Total	<u>99</u>	<u>98</u>	<u>99</u>	<u>95</u>	<u>99</u>

(Continued)

**ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Supervisory					
Principals	2	2	1	2	2
NCLB Coordinator	1	1	1	1	1
SPED Director	1	1	1	1	1
Total supervisory	<u>4</u>	<u>4</u>	<u>3</u>	<u>4</u>	<u>4</u>
Instruction					
Teachers	42	41	39	44	44
Other professionals (instructional)		3	3	3	3
Aides	17	20	22	24	24
Total instruction	<u>59</u>	<u>64</u>	<u>64</u>	<u>71</u>	<u>71</u>
Student Services					
Nurses	1	1	1		
Counselors/Advisors	1	1	1		
Librarians					1
Library Technician	2	2	2	2	1
Total student services	<u>4</u>	<u>4</u>	<u>4</u>	<u>2</u>	<u>2</u>
Support and Administration					
Superintendent	1	1	1	1	1
District Office	5	4	5	5	6
Transportation	16	21	22	22	23
Health Office	2	2	2	3	3
School Secretaries	2	4	4	4	4
NCLB Secretary	1	1	1	1	1
SPED Secretaries	1	1	1	1	2
Other professionals	2	2	2	2	2
Other classified	8	1	1	1	1
Total support and administration	<u>38</u>	<u>37</u>	<u>39</u>	<u>40</u>	<u>43</u>
Total	<u>105</u>	<u>109</u>	<u>110</u>	<u>117</u>	<u>120</u>

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

(Concluded)

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2019	565	\$ 9,027,880	\$ 15,979	12.80 %	\$ 9,500,610	\$ 16,815	11.26 %	55	10.3	85.0 %
2018	587	8,315,366	14,166	(4.70)	8,871,284	15,113	(1.67)	54	10.9	85.0
2017	579	8,606,788	14,865	13.00	8,898,924	15,369	11.81	55	10.5	85.0
2016	601	7,906,296	13,155	6.61	8,261,174	13,746	(3.06)	50	12.0	58.5
2015	636	7,848,029	12,340	(10.50)	9,018,518	14,180	(4.97)	52	12.2	74.5
2014	596	8,216,909	13,787	11.59	8,892,906	14,921	13.34	59	10.1	84.0
2013	651	8,043,063	12,355	3.20	8,570,154	13,165	4.07	64	10.2	88.2
2012	673	8,057,201	11,972	(15.97)	8,513,390	12,650	(14.32)	64	10.5	86.9
2011	630	8,976,305	14,248	8.29	9,301,892	14,765	5.34	71	8.9	85.9
2010	667	8,775,651	13,157	(0.45)	9,349,333	14,017	(2.08)	71	9.4	77.3

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

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

ALTAR VALLEY ELEMENTARY SCHOOL DISTRICT NO. 51
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Schools</u>										
Elementary										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	46,597	46,597	46,597	46,597	46,597	46,597	46,597	46,597	46,597	46,597
Capacity	620	620	620	620	620	620	620	620	620	620
Enrollment	266	300	282	315	420	431	410	373	369	408
Middle										
Buildings	9	9	9	9	9	9	9	9	9	9
Square feet	60,074	60,074	60,074	60,074	60,074	59,575	59,575	59,575	59,575	59,575
Capacity	428	428	428	428	428	428	428	428	428	428
Enrollment	297	286	297	306	297	307	301	314	301	312
<u>Administrative</u>										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330	3,330
<u>Transportation</u>										
Buses	13	13	13	14	14	14	17	17	16	17
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Baseball/softball	1	1	1	1	1	1	1	1	1	1

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

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