
ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

PHOENIX, ARIZONA

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

Issued by:
Business Services Department

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

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INTRODUCTORY SECTION

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December 5, 2019

Citizens and Governing Board
Alhambra Elementary School District No. 68
4510 North 37th Avenue
Phoenix, Arizona 85019

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 Alhambra Elementary School District No. 68 (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* 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 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade eight, with an average daily membership of 11,362.

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.

Mark A. Yslas began his tenure as Superintendent of the Alhambra Elementary School District No. 68 on July 1, 2015. Mr. Yslas has been in education for 25 years. Prior to becoming superintendent, he served the Tempe Union High School District as principal of Tempe High School for 11 years. Mr. Yslas has worked in the Creighton Elementary School District, Phoenix Elementary School District, and Isaac Elementary School District. In addition, he served as an Assistant Superintendent and Interim Superintendent in the Coolidge Unified School District. Mr. Yslas is committed to continuing the educational excellence for which Alhambra Elementary School District is known.

The District is comprised of mostly single family housing, some apartments and multiple family units, retail shopping centers, and a fairly large amount of light industrial and commercial complexes along the Grand Avenue corridor and the I-17 Freeway in an area of 12.75 square miles. No employment figures are available for the District; however, figures provided by the Bureau of Labor Statistics indicated that the average annual unemployment rate for Arizona was 4.9% at June 30, 2019 as compared to 3.7% on a national level.

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 appropriate 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 is based on the economies of the cities of Phoenix and Glendale, both of which overlap the District. Further, the overall economy of the County impacts the District. The economy of the area is showing signs of improvement after the recent recession of 2007-2009, however the improvement is slower than other areas of the country. The housing market crash hit Maricopa County particularly hard, and resulted in a decrease in assessed valuations. The District's assessed valuations began to increase beginning in 2015 after four consecutive years of decreases.

Maricopa County is located in the south-central portion of Arizona. Its 2018 population is 4.4 million, which had a modest increase from 2017. This ranks fourth among the nation's counties. It is by far Arizona's most populous county, encompassing more than half of the state's residents. The county seat is Phoenix, which is Arizona's largest city and capital. Major employers in Maricopa County include Wal-Mart Stores, Inc., Banner Health Systems and Wells Fargo Company.

Long-Term Financial Planning. The District continues to be challenged to maintain teaching staff and ancillary services to meet student needs in light of the declining student membership figures. The District is also involved in aligning the curriculum with the State standards and to providing staff development for teachers.

Specifically, the District has been challenged by a lack of capital funding over the past decade. Currently, the Arizona Legislature has cut over 30 percent of capital funding. This challenge makes it difficult for the District to keep pace with current needs. Most Alhambra schools were built in the early to mid-1950s and renovated in the early 1990s. Therefore, there are many capital needs due to the age of our school facilities. Thanks to the generous support of our community, the passage of our capital override election in November 2013 has allowed the District to maintain new technology in the classroom, as well as a modern bus fleet and facility upgrades. In addition, our community voted in favor of a \$45 million sale of Class B bonds in November 2017. The District has nearly finished four gymnasiums and is in the process of building an additional five gymnasiums across the District to meet the District vision to educate the whole child.

Finally, the District has a projected average daily membership for fiscal year 2019-20 of 10,230. District enrollment has declined over 13 percent in the last five years. Declining enrollment produces unique challenges for the District to reduce staffing and facility usage to meet current needs. In order to meet these challenges, District administration meets with a Budget Advisory Committee, made up of various staff members from across the District, who review proposed budget reductions to provide input and feedback to District administration. The District has engaged the services of an outside consultant to help estimate enrollment and to maximize the efficient use of District resources.

AWARDS AND ACKNOWLEDGMENTS

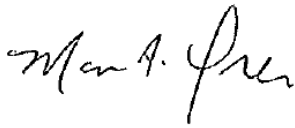
Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2018. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate 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.

These certificates are valid for a period of one year only. 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 services 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,



Mark A. Yslas
Superintendent



Mara Wayland
Assistant Superintendent of Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Alhambra Elementary School District No 68

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

**Alhambra Elementary School
District No. 68, Arizona**

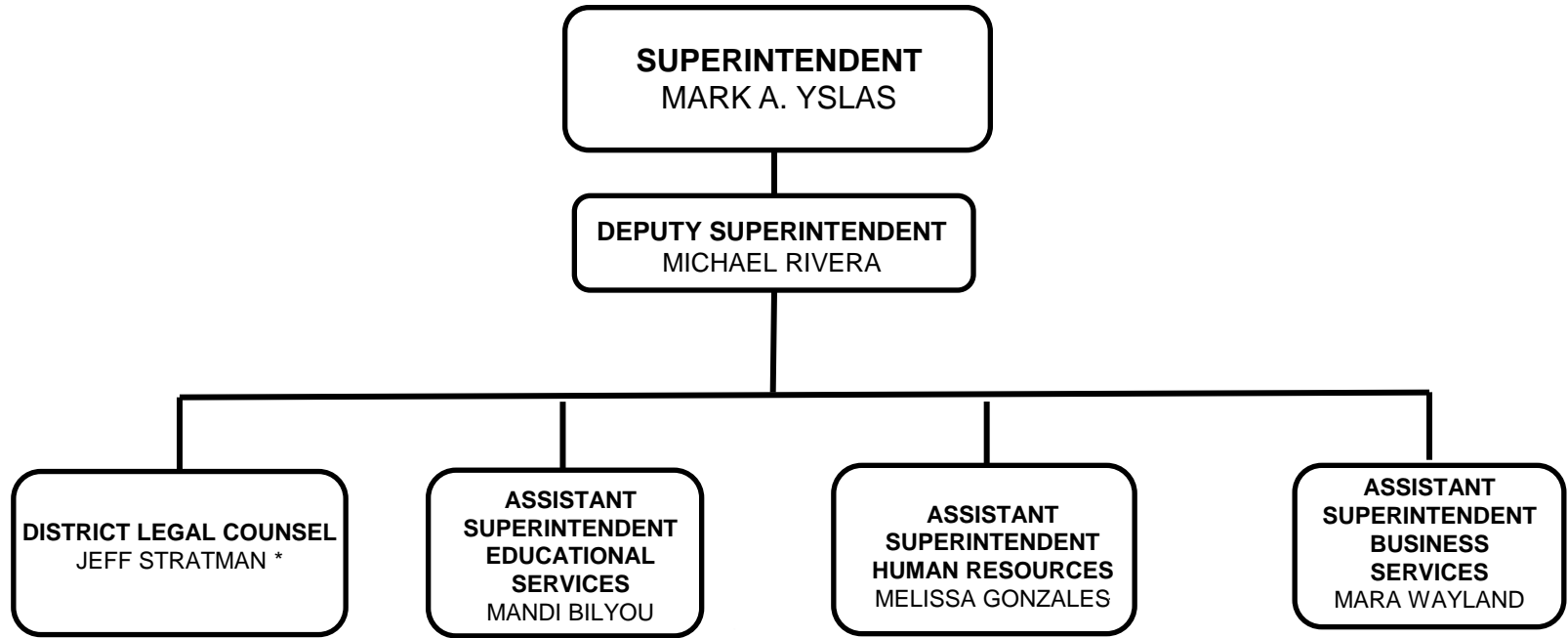
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

ALHAMBRA SCHOOL DISTRICT



* Direct report to Superintendent and to Governing Board (Contracted Services as of March, 2019)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Adam Lopez Falk, President

Cathleen O’Neil Frantz, Clerk

Garthanne de Ocampo, Member

Tanairi Ochoa-Martinez, Member

Christian Solorio, Member

ADMINISTRATIVE STAFF

Mark A. Yslas, Superintendent

Michael Rivera, Deputy Superintendent

Mara Wayland, Assistant Superintendent of Business Services

Mandi Bilyou, Assistant Superintendent for Educational Services

Melissa Gonzales, Assistant Superintendent for Human Resources

Jeffrey E. Stratman, District Legal Counsel/Construction Project Manager
(Contracted as of March 2019)

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Alhambra Elementary School District No. 68

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 Alhambra Elementary School District No. 68 (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 Alhambra Elementary School District No. 68, 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 5, 2019 on our consideration of Alhambra Elementary School District No. 68's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Alhambra Elementary School District No. 68'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 Alhambra Elementary School District No. 68's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 5, 2019

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

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**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

As management of the Alhambra Elementary School District No. 68 (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 increased \$3.7 million which represents an 113 percent increase from the prior fiscal year as a result of a reduction in overall expenses due to conservative spending practices.
- General revenues accounted for \$84.9 million in revenue, or 73 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$32.2 million or 27 percent of total current fiscal year revenues.
- The District had approximately \$113.4 million in expenses related to governmental activities, a decrease of four percent from the prior fiscal year.
- Among major funds, the General Fund had \$74.4 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$72.7 million in expenditures. The General Fund's fund balance increased from \$20.1 million at the prior fiscal year end, to \$22.0 million at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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, and operation of non-instructional services.

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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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, Title I Grants, Special Education Grants, and Unrestricted Capital Outlay 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 \$6.9 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 which is in a deficit position due to the inclusion of the District's proportionate share of the state retirement system's net pension liability in the financial statements.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ 56,400,332	\$ 71,833,981
Capital assets, net	81,874,010	67,734,580
Total assets	<u>138,274,342</u>	<u>139,568,561</u>
Deferred outflows	<u>13,600,323</u>	<u>13,879,089</u>
Current liabilities	7,507,213	3,475,073
Long-term liabilities	123,900,678	139,880,010
Total liabilities	<u>131,407,891</u>	<u>143,355,083</u>
Deferred inflows	<u>13,536,422</u>	<u>6,842,764</u>
Net position:		
Net investment in capital assets	59,669,706	55,604,986
Restricted	21,646,983	32,087,310
Unrestricted	(74,386,337)	(84,442,493)
Total net position	<u>\$ 6,930,352</u>	<u>\$ 3,249,803</u>

At the end of the current fiscal year, the District reported deficit unrestricted net position as a result of the District's proportionate share of the state's pension plan's unfunded liability. Positive net position was reported in the other two categories. The same situation held true in the prior year.

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

- Increase in accumulated depreciation of \$3.1 million.
- The principal retirement of \$2.8 million of capital lease obligations.
- The addition of \$19.5 million in capital assets through the construction of school improvements and purchases of vehicles, furniture and equipment.
- The reduction of \$13.7 million in pension obligations.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

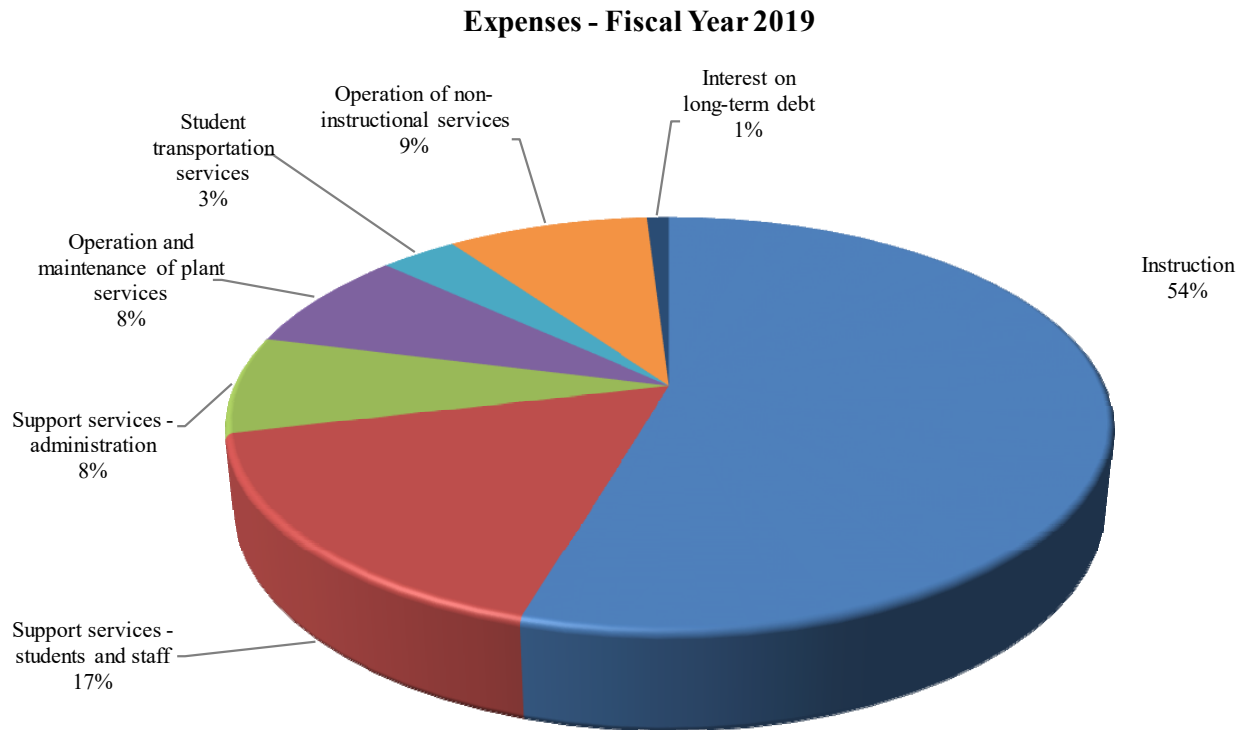
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$117.1 million. The total cost of all programs and services was \$113.4 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.

	<u>Fiscal Year Ended June 30, 2019</u>	<u>Fiscal Year Ended June 30, 2018</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,183,324	\$ 4,150,955
Operating grants and contributions	27,814,047	26,206,645
Capital grants and contributions	3,176,544	1,324,836
General revenues:		
Property taxes	20,593,821	23,071,265
Investment income	913,700	282,697
Unrestricted county aid	5,292,940	5,564,594
Unrestricted state aid	57,501,636	54,711,119
Unrestricted federal aid	612,667	411,777
Total revenues	<u>117,088,679</u>	<u>115,723,888</u>
Expenses:		
Instruction	61,860,908	64,974,105
Support services - students and staff	19,059,139	19,045,706
Support services - administration	8,585,628	10,003,648
Operation and maintenance of plant services	9,020,371	9,431,495
Student transportation services	3,805,853	4,234,275
Operation of non-instructional services	9,993,494	10,158,820
Interest on long-term debt	1,082,737	439,572
Total expenses	<u>113,408,130</u>	<u>118,287,621</u>
Changes in net position	3,680,549	(2,563,733)
Net position, beginning	<u>3,249,803</u>	<u>5,813,536</u>
Net position, ending	<u>\$ 6,930,352</u>	<u>\$ 3,249,803</u>

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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.

- Decrease in instructional expenses of \$3.1 million due to decreased purchases of capital items below the capitalization threshold.
- Increase in unrestricted state aid of \$2.8 million due to increases in the base support level funding.
- Increase in capital grants and contributions of \$1.9 million due to the receipt of E-Rate funding for network upgrades.

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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 61,860,908	\$ (50,967,182)	\$ 64,974,105	\$ (52,899,959)
Support services - students and staff	19,059,139	(10,148,982)	19,045,706	(10,490,675)
Support services - administration	8,585,628	(7,647,265)	10,003,648	(9,264,416)
Operation and maintenance of plant services	9,020,371	(8,269,368)	9,431,495	(9,081,163)
Student transportation services	3,805,853	(3,526,905)	4,234,275	(4,173,308)
Operation of non-instructional services	9,993,494	(83,997)	10,158,820	(664,047)
Interest on long-term debt	1,082,737	(590,516)	439,572	(31,617)
Total	\$ 113,408,130	\$ (81,234,215)	\$ 118,287,621	\$ (86,605,185)

- The cost of all governmental activities this year was \$113.4 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$32.2 million.
- Net cost of governmental activities of \$81.2 million was financed by general revenues, which are made up of primarily property taxes of \$20.6 million and state and county aid of \$62.8 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 \$45.0 million, a decrease of \$20.4 million due primarily to capital spending on the construction of four gymnasiums and the continued energy efficiency upgrades through the District.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 49 percent of the total fund balance. Approximately \$20.8 million, or 95 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance of the General Fund increased \$1.9 million to \$22.0 million as of fiscal year end. General Fund revenues increased \$3.2 million primarily as a result of increases in the base support level that drives state aid funding. General Fund expenditures increased \$946,551.

The fund balance of the Classroom Site Fund increased \$458,540 to \$7.1 million as of fiscal year end.

The fund balances of the Title I Grants and Special Education Grants Funds decreased by \$499,798 and \$316,340, respectively, due to outstanding grant reimbursements.

The fund balance of the Unrestricted Capital Outlay Fund decreased from \$5.0 million to \$1.4 million due to planned utilization of fund balance for the purchase of vehicles and equipment.

BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was a \$2.0 million increase, or three percent, due to actual membership figures exceeding adopted budget estimates.

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 variances are summarized as follows:

- The favorable variance of \$962,728 in operation and maintenance of plant services was a result of the District not prepaying its liability insurance premium as has been historically done in the past.
- The unfavorable variance of \$203,695 in student transportation services was due to the excess cost of utilizing contracted student transportation services as a result of a shortage of bus drivers.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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 \$197.1 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$17.2 million from the prior fiscal year, primarily due to continuation of the energy-efficient upgrades projects and construction of four gymnasiums. Total depreciation expense for the current fiscal year was \$5.3 million.

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	\$ 10,698,202	\$ 3,209,017
Capital assets - depreciable, net	71,175,808	64,525,563
Total	\$ 81,874,010	\$ 67,734,580

The estimated cost to complete current construction projects is \$1.6 million.

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

Debt Administration. At year end, the District had \$30.8 million in long-term debt outstanding, \$2.8 million due within one year. Long-term debt decreased by \$2.7 million due to retirement of capital lease obligations.

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 \$79.7 million and the Class B debt limit is \$53.1 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 9 through 11.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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 \$2.8 million).
- District student population (estimated 10,230).

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

Budgeted expenditures in the General Fund decreased five percent to \$70.3 million in fiscal year 2019-20 due to projected decreases in enrollment. 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, Standard School District, Alhambra Elementary School District No. 68, 4510 North 37th Avenue, Phoenix, Arizona 85019.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 31,444,028
Property taxes receivable	1,029,712
Due from governmental entities	20,685,039
Inventory	226,335
Total current assets	53,385,114
Noncurrent assets:	
Cash and investments - restricted	2,780,295
Net other postemployment benefit assets	234,923
Capital assets not being depreciated	10,698,202
Capital assets, net of accumulated depreciation	71,175,808
Total noncurrent assets	84,889,228
Total assets	138,274,342
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	13,600,323
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	4,310,301
Construction contracts payable	1,401,490
Accrued payroll and employee benefits	885,251
Compensated absences payable	212,689
Accrued interest payable	276,250
Unearned revenues	633,921
Obligations under capital leases	2,814,217
Total current liabilities	10,534,119
Noncurrent liabilities:	
Non-current portion of long-term obligations	120,873,772
Total noncurrent liabilities	120,873,772
Total liabilities	131,407,891
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	13,536,422
 <u>NET POSITION</u>	
Net investment in capital assets	59,669,706
Restricted	21,646,983
Unrestricted	(74,386,337)
Total net position	\$ 6,930,352

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 61,860,908	\$ 485,950	\$ 7,657,585	\$ 2,750,191	\$ (50,967,182)
Support services - students and staff	19,059,139	88,906	8,821,251		(10,148,982)
Support services - administration	8,585,628	34,661	903,702		(7,647,265)
Operation and maintenance of plant services	9,020,371	157,244	167,406	426,353	(8,269,368)
Student transportation services	3,805,853		278,948		(3,526,905)
Operation of non-instructional services	9,993,494	416,563	9,492,934		(83,997)
Interest on long-term debt	1,082,737		492,221		(590,516)
Total governmental activities	<u>\$ 113,408,130</u>	<u>\$ 1,183,324</u>	<u>\$ 27,814,047</u>	<u>\$ 3,176,544</u>	<u>(81,234,215)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	17,370,835
Property taxes, levied for debt service	616,682
Property taxes, levied for capital outlay	2,606,304
Investment income	913,700
Unrestricted county aid	5,292,940
Unrestricted state aid	57,501,636
Unrestricted federal aid	612,667

Total general revenues

84,914,764

Changes in net position

3,680,549

Net position, beginning of year

3,249,803

Net position, end of year

\$ 6,930,352

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

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FUND FINANCIAL STATEMENTS

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	General	Classroom Site	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 5,086,075	\$ 6,146,578	\$
Cash and investments - restricted			
Property taxes receivable	856,977		
Due from governmental entities	14,477,660	965,136	1,393,496
Due from other funds	3,460,903		
Inventory	184,297		
Total assets	\$ 24,065,912	\$ 7,111,714	\$ 1,393,496
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 737,129	\$ 3,600	\$ 392,611
Construction contracts payable			
Due to other funds			935,929
Accrued payroll and employee benefits	596,075		64,956
Unearned revenues			
Bond interest payable			
Total liabilities	1,333,204	3,600	1,393,496
Deferred inflows of resources:			
Unavailable revenues - property taxes	705,059		
Unavailable revenues - intergovernmental			1,299,466
Total deferred inflows of resources	705,059		1,299,466
Fund balances (deficits):			
Nonspendable	184,297		
Restricted	1,015,447	7,108,114	
Unassigned	20,827,905		(1,299,466)
Total fund balances	22,027,649	7,108,114	(1,299,466)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 24,065,912	 \$ 7,111,714	 \$ 1,393,496

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

<u>Special Education Grants</u>	<u>Unrestricted Capital Outlay</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$ 4,223,309	\$ 15,988,066	\$ 31,444,028
		2,780,295	2,780,295
	152,745	19,990	1,029,712
955,824		2,892,923	20,685,039
			3,460,903
		42,038	226,335
<u>\$ 955,824</u>	<u>\$ 4,376,054</u>	<u>\$ 21,723,312</u>	<u>\$ 59,626,312</u>
\$ 6,382	\$ 2,821,484	\$ 349,095	\$ 4,310,301
		1,401,490	1,401,490
949,442		1,575,532	3,460,903
	7,770	216,450	885,251
		633,921	633,921
		276,250	276,250
<u>955,824</u>	<u>2,829,254</u>	<u>4,452,738</u>	<u>10,968,116</u>
	106,674	12,847	824,580
620,628		951,554	2,871,648
<u>620,628</u>	<u>106,674</u>	<u>964,401</u>	<u>3,696,228</u>
		42,038	226,335
	1,440,126	17,211,902	26,775,589
(620,628)		(947,767)	17,960,044
<u>(620,628)</u>	<u>1,440,126</u>	<u>16,306,173</u>	<u>44,961,968</u>
\$ 955,824	\$ 4,376,054	\$ 21,723,312	\$ 59,626,312

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total governmental fund balances	\$	44,961,968
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 197,069,251	
Less accumulated depreciation	<u>(115,195,241)</u>	81,874,010
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	824,580	
Intergovernmental	<u>2,871,648</u>	3,696,228
<p>Deferred items related to the net cost of issuance of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.</p>		
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions/OPEB	13,600,323	
Deferred inflows of resources related to pensions/OPEB	<u>(13,536,422)</u>	63,901
<p>The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.</p>		
		234,923
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(1,881,220)	
Obligations under capital leases	(15,621,851)	
Net OPEB liability	(340,720)	
Net pension liability	(90,841,797)	
Bonds payable	<u>(15,215,090)</u>	<u>(123,900,678)</u>
Net position of governmental activities	\$	<u>6,930,352</u>

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

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ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>General</u>	<u>Classroom Site</u>	<u>Title I Grants</u>
Revenues:			
Other local	\$ 5,154,478	\$ 190,055	\$
Property taxes	17,484,238		
State aid and grants	51,191,219	5,790,817	
Federal aid, grants and reimbursements	612,667		8,544,788
Total revenues	<u>74,442,602</u>	<u>5,980,872</u>	<u>8,544,788</u>
Expenditures:			
Current -			
Instruction	43,312,244	5,363,084	1,753,488
Support services - students and staff	9,499,142	159,248	6,577,076
Support services - administration	7,906,586		325,818
Operation and maintenance of plant services	8,191,336		1,258
Student transportation services	3,372,925		230,579
Operation of non-instructional services	350,713		
Capital outlay	26,598		74,707
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>72,659,544</u>	<u>5,522,332</u>	<u>8,962,926</u>
Excess (deficiency) of revenues over expenditures	<u>1,783,058</u>	<u>458,540</u>	<u>(418,138)</u>
Other financing sources (uses):			
Transfers in	510,542		
Transfers out	(434,811)		(81,660)
Capital lease agreements			
Insurance recoveries	33,370		
Total other financing sources (uses)	<u>109,101</u>		<u>(81,660)</u>
Changes in fund balances	<u>1,892,159</u>	<u>458,540</u>	<u>(499,798)</u>
Fund balances (deficits), beginning of year	20,108,086	6,649,574	(799,668)
Increase (decrease) in reserve for inventory	27,404		
Fund balances (deficits), end of year	<u>\$ 22,027,649</u>	<u>\$ 7,108,114</u>	<u>\$ (1,299,466)</u>

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

<u>Special Education Grants</u>	<u>Unrestricted Capital Outlay</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$ 1,038,347	\$ 1,487,210	\$ 7,870,090
	2,617,598	603,836	20,705,672
		2,683,706	59,665,742
2,499,519		16,097,074	27,754,048
<u>2,499,519</u>	<u>3,655,945</u>	<u>20,871,826</u>	<u>115,995,552</u>
2,149,726		6,414,439	58,992,981
571,464		1,890,235	18,697,165
7,917		559,182	8,799,503
		334,104	8,526,698
		29,830	3,633,334
		9,235,370	9,586,083
14,825	5,177,010	19,135,499	24,428,639
	2,221,178	593,038	2,814,216
		1,135,520	1,135,520
<u>2,743,932</u>	<u>7,398,188</u>	<u>39,327,217</u>	<u>136,614,139</u>
<u>(244,413)</u>	<u>(3,742,243)</u>	<u>(18,455,391)</u>	<u>(20,618,587)</u>
(71,927)		668,007	1,178,549
	176,452	(590,151)	(1,178,549)
			176,452
			33,370
<u>(71,927)</u>	<u>176,452</u>	<u>77,856</u>	<u>209,822</u>
<u>(316,340)</u>	<u>(3,565,791)</u>	<u>(18,377,535)</u>	<u>(20,408,765)</u>
(304,288)	5,005,917	34,698,378	65,357,999
		(14,670)	12,734
<u>\$ (620,628)</u>	<u>\$ 1,440,126</u>	<u>\$ 16,306,173</u>	<u>\$ 44,961,968</u>

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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 **\$ (20,408,765)**

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	\$ 19,505,964	
Less current year depreciation	<u>(5,263,971)</u>	14,241,993

Issuance of capital lease obligations provide current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(176,452)
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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	(111,851)	
Intergovernmental	<u>1,171,608</u>	1,059,757

Repayments of capital lease principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		2,814,216
---	--	-----------

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	7,883,040	
Pension/OPEB expense	<u>(1,390,246)</u>	6,492,794

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.

Inventory	12,734	
Loss on disposal of assets	(102,563)	
Amortization of deferred bond items	52,783	
Compensated absences	<u>(305,948)</u>	<u>(342,994)</u>

Changes in net position in governmental activities **\$ 3,680,549**

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	Agency
<u>ASSETS</u>	
Cash and investments	\$ 179,875
Total assets	\$ 179,875
 <u>LIABILITIES</u>	
Due to student groups	\$ 179,875
Total liabilities	\$ 179,875

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Alhambra Elementary School District No. 68 (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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operation Fund as well as the 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Title I Grants Fund – The Title I Grants Fund accounts 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.

Special Education Grants Fund – The Special Education Grants Fund accounts for supplemental financial assistance received to provide a free, appropriate public education to disabled children.

Unrestricted Capital Outlay Fund – The Unrestricted Capital Outlay Fund accounts for transactions relating to the acquisition of capital items.

Additionally, the District reports the following fund type:

Fiduciary Fund – The Fiduciary Fund is an Agency Fund, which accounts 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.

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

D. Cash and Investments

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101 percent of all deposits not covered by federal depository insurance.

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

E. Investment Income

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

F. Receivables and Payables

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Inventory

All inventories are valued using the average cost method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

I. Prepaid Items

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

J. 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Land improvements	3 - 30 years
Buildings and improvements	5 - 50 years
Vehicles, furniture and equipment	5 - 20 years

K. 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.

L. 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. 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.

N. 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.

O. 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.

P. Net Position Flow Assumption

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Title I Grants Fund</u>	<u>Special Education Grants Fund</u>	<u>Unrestricted Capital Outlay</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:						
Nonspendable:						
Inventory	184,297					42,038
Restricted:						
Debt service						180,640
Capital projects	1,015,447				1,440,126	3,300,955
Bond building projects						4,278,505
Voter approved initiatives		7,108,114				3,731,091
Federal and state projects						169,327
Food service						1,854,818
Civic center						816,989
Community school						1,739,690
Extracurricular activities						542,086
Insurance refund						549,918
Other purposes						47,883
Unassigned	<u>20,827,905</u>		<u>(1,299,466)</u>	<u>(620,628)</u>		<u>(947,767)</u>
Total fund balances	<u><u>22,027,649</u></u>	<u><u>7,108,114</u></u>	<u><u>(1,299,466)</u></u>	<u><u>(620,628)</u></u>	<u><u>1,440,126</u></u>	<u><u>16,306,173</u></u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

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:	
Debt service	193,487
Capital projects	4,847,755
Voter approved initiatives	10,839,205
Federal and state projects	173,114
Food service	1,896,856
Civic center	816,989
Community school	1,739,690
Extracurricular activities	542,086
Insurance refund	549,918
Other purposes	47,883
Total restricted net position	21,646,983

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Funds:	
Title I Grants	(1,299,466)
Special Education Grants	(620,628)
Non-Major Governmental Funds:	
Professional Development and Technology Grants	(7,566)
Limited English & Immigrant Students	(44,590)
Johnson-O'Malley	(346)
Homeless Education	(1,601)
E-Rate	(385,672)
Other Federal Projects	(464,977)
Other State Projects	(43,015)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The deficits arose because of operations during the year and prior years 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 funds 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 \$5,000 and the bank balance was \$318,166. The District also had \$2,780,295 of lease proceeds in an escrow account. At year end \$68,166 of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

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’s investment pool approximates the value of the participant’s shares in the pool and the participants’ shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

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

	Average Maturities	Fair Value
County Treasurer’s investment pool	318 days	31,618,903
Total		31,618,903

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – CASH AND INVESTMENTS

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

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

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

NOTE 6 – RECEIVABLES

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

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Title I Grants Fund</u>	<u>Special Education Grants Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:					
Due from federal government	70,652		1,393,496	955,824	1,556,235
Due from state government	<u>14,407,008</u>	<u>965,136</u>			<u>1,336,688</u>
Net due from governmental entities	<u><u>14,477,660</u></u>	<u><u>965,136</u></u>	<u><u>1,393,496</u></u>	<u><u>955,824</u></u>	<u><u>2,892,923</u></u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	2,918,315			2,918,315
Construction in progress	290,702	11,117,397	3,628,212	7,779,887
Total capital assets, not being depreciated	<u>3,209,017</u>	<u>11,117,397</u>	<u>3,628,212</u>	<u>10,698,202</u>
Capital assets, being depreciated:				
Land improvements	18,016,431	926,179	70,921	18,871,689
Buildings and improvements	148,015,283	7,797,099	1,666,686	154,145,696
Vehicles, furniture and equipment	10,607,256	3,293,501	547,093	13,353,664
Total capital assets being depreciated	<u>176,638,970</u>	<u>12,016,779</u>	<u>2,284,700</u>	<u>186,371,049</u>
Less accumulated depreciation for:				
Land improvements	(13,145,111)	(770,205)	(67,960)	(13,847,356)
Buildings and improvements	(92,070,645)	(3,920,534)	(1,567,084)	(94,424,095)
Vehicles, furniture and equipment	(6,897,651)	(573,232)	(547,093)	(6,923,790)
Total accumulated depreciation	<u>(112,113,407)</u>	<u>(5,263,971)</u>	<u>(2,182,137)</u>	<u>(115,195,241)</u>
Total capital assets, being depreciated, net	<u>64,525,563</u>	<u>6,752,808</u>	<u>102,563</u>	<u>71,175,808</u>
Governmental activities capital assets, net	<u>67,734,580</u>	<u>17,870,205</u>	<u>3,730,775</u>	<u>81,874,010</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	2,842,031
Support services – students and staff	1,181,019
Support services – administration	198,674
Operation and maintenance of plant services	215,014
Student transportation services	326,139
Operation of non-instructional services	501,094
Total depreciation expense – governmental activities	<u>5,263,971</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of four gymnasiums. At year end, the District had spent \$7.8 million on the projects and had estimated remaining contractual commitments of \$1.6 million. These projects are being funded with bond proceeds.

NOTE 8 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a \$4.0 million revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$4.0 million in unused line of credit. General Fund revenues are used to repay the line of credit.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 – OBLIGATIONS UNDER LEASES

Capital Leases – The District has acquired technology and related equipment under the District’s capitalization threshold and made energy efficient upgrades under the provisions of long-term lease agreements classified as capital leases. These 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 related to the technology and related equipment. Revenues from the General Fund are transferred to the Energy and Water Savings Fund to pay the energy efficiency capital lease obligations when due. The District receives a federal interest subsidy to fund the interest payments for the District-wide energy project. 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:

	Governmental Activities
Asset:	
Building improvements	9,553,623
Less: Accumulated depreciation	(237,591)
Total	9,316,032

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

	Governmental Activities
Year Ending June 30:	
2020	3,306,438
2021	3,218,212
2022	1,085,259
2023	1,085,259
2024	1,085,259
2025-29	5,426,295
2030-34	5,426,295
2035-38	3,933,078
Total minimum lease payments	24,566,095
Less: amount representing interest	8,944,244
Present value of minimum lease payments	15,621,851
Due within one year	2,814,217

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 – OBLIGATIONS UNDER LEASES

Operating Leases – The District leases copiers under the provisions of a long-term lease agreement classified as an operating lease for accounting purposes. Rental expenditures under the terms of the operating lease totaled \$63,696 for the current fiscal year. The operating lease has a remaining noncancelable lease term of two years. The future minimum rental payments required under the operating lease at year end were as follows:

Year Ending June 30:		
	2020	63,696
	2021	63,696
Total minimum payments required		127,392

NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$30 million remains unissued. The bonds are callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2019	Due Within One Year
Governmental activities:					
General obligation bonds:					
School Improvements Bonds,					
Project of 2017, Series A (2018)	14,265,000	2.5-5%	7/1/20-36	14,265,000	
Total				14,265,000	

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

Year ending June 30:	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2020		552,500
2021	815,000	542,312
2022	1,100,000	504,625
2023	625,000	469,313
2024	650,000	453,375
2025-29	3,575,000	1,935,375
2030-34	4,400,000	1,079,000
2035-37	3,100,000	189,000
Total	14,265,000	5,725,500

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	14,265,000			14,265,000	
Premium	<u>1,002,873</u>		<u>52,783</u>	<u>950,090</u>	
Total bonds payable	<u>15,267,873</u>		<u>52,783</u>	<u>15,215,090</u>	
Obligations under capital leases	18,259,615	176,452	2,814,216	15,621,851	2,814,217
Net OPEB liability	242,298	98,422		340,720	
Net pension liability	104,534,952		13,693,155	90,841,797	
Compensated absences payable	<u>1,575,272</u>	<u>1,429,186</u>	<u>1,123,238</u>	<u>1,881,220</u>	<u>212,689</u>
Governmental activity long-term liabilities	<u>139,880,010</u>	<u>1,704,060</u>	<u>17,683,392</u>	<u>123,900,678</u>	<u>3,026,906</u>

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds - At year end, several funds had negative cash balances in the Treasurer's pooled cash accounts of \$3,075,231. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. Additionally, interfund balances of \$385,672 between the General Fund and E-Rate Fund represent activity to record E-Rate transactions in accordance with USFR Memorandum No. 161.

Interfund transfers:

<u>Transfers out</u>	<u>General Fund</u>	<u>Transfers in Non-Major Governmental Funds</u>	<u>Total</u>
General Fund		434,811	434,811
Title I Grants Fund	81,660		81,660
Special Education Grants Fund	71,927		71,927
Non-Major Governmental Funds	<u>356,955</u>	<u>233,196</u>	<u>590,151</u>
Total	<u>510,542</u>	<u>668,007</u>	<u>1,178,549</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund, a non-major governmental fund, that is required by statute to be expended in the Debt Service Fund, a non-major governmental fund (2) to move federal grant funds restricted for indirect costs, and (3) to move energy savings between the General Fund and the Energy and Water Savings fund, a non-major governmental fund, for the repayment of the energy efficient upgrades capital lease.

NOTE 13 – CONTINGENT LIABILITIES

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

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

NOTE 14 – 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – RISK MANAGEMENT

The District joined the Valley Schools Employee Benefit Trust (VSEBT) for risks of loss related to employee health and accident claims. VSEBT 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 VSEBT for employees' health and accident insurance coverage. The agreement provides that VSEBT 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 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 carries commercial insurance for all other risks of loss, including dental and vision insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 15 – 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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		(234,923)
Net liability	90,841,797	340,720
Deferred outflows of resources	12,650,566	949,757
Deferred inflows of resources	12,809,467	726,955
Expense	1,035,270	354,976
Contributions	7,468,846	414,194

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

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

*With actuarially reduced benefits

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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:

	Contributions
Pension	7,468,846
Health Insurance Premium	307,305
Long-Term Disability	106,889

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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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 <u>(Assets) Liability</u>	District <u>% Proportion</u>	Increase <u>(Decrease)</u>
Pension	90,841,797	0.651	(0.020)
Health Insurance Premium	(234,923)	0.652	(0.017)
Long-Term Disability	340,720	0.652	(0.016)

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	1,035,270
Health Insurance Premium	234,072
Long-Term Disability	120,904

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	2,502,618		8,713
Changes of assumptions or other inputs	2,403,840	453,051	73,799
Net difference between projected and actual earnings on pension investments			
Changes in proportion and differences between contributions and proportionate share of contributions	275,262		
Contributions subsequent to the measurement date	7,468,846	307,305	106,889
Total	12,650,566	760,356	189,401

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	500,796	216,825	
Changes of assumptions or other inputs	8,054,373		
Net difference between projected and actual earnings on pension investments	2,184,530	469,295	33,002
Changes in proportion and differences between contributions and proportionate share of contributions	2,069,768	1,618	6,215
Total	12,809,467	687,738	39,217

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:

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2020	(56,005)	(91,333)	134
2021	(3,278,294)	(91,332)	135
2022	(3,313,771)	(91,332)	135
2023	(979,677)	8,659	8,974
2024		30,651	10,595
Thereafter			23,322

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	<u>Pension</u>	<u>OPEB</u>
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.

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>	

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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.

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	129,497,072	90,841,797	58,545,940
Health Insurance Premium	832,388	(234,923)	(1,144,059)
Long-Term Disability	386,130	340,720	296,659

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.

NOTE 16 – SUBSEQUENT EVENTS

On July 24, 2019, the District issued School Improvement Bonds, Series B in the amount of \$13.75 million, maturing between July 1, 2020 and July 1, 2039, with an average interest rate of 2.8 percent. The purpose of the bonds is to construct and renovate school facilities, buildings, and grounds.

REQUIRED SUPPLEMENTARY INFORMATION

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues:				
Other local	\$	\$	\$ 4,374,044	\$ 4,374,044
Property taxes			17,484,238	17,484,238
State aid and grants			51,191,219	51,191,219
Total revenues			<u>73,049,501</u>	<u>73,049,501</u>
Expenditures:				
Current -				
Instruction	42,848,303	44,818,214	42,799,284	2,018,930
Support services - students and staff	8,762,619	8,762,619	9,116,772	(354,153)
Support services - administration	8,396,471	8,396,471	7,708,063	688,408
Operation and maintenance of plant services	8,343,420	8,343,420	7,380,692	962,728
Student transportation services	3,148,899	3,148,899	3,352,594	(203,695)
Operation of non-instructional services	298,200	298,200	225,323	72,877
Total expenditures	<u>71,797,912</u>	<u>73,767,823</u>	<u>70,582,728</u>	<u>3,185,095</u>
Excess (deficiency) of revenues over expenditures	<u>(71,797,912)</u>	<u>(73,767,823)</u>	<u>2,466,773</u>	<u>76,234,596</u>
Other financing sources (uses):				
Transfers out			(434,811)	(434,811)
Total other financing sources (uses)			<u>(434,811)</u>	<u>(434,811)</u>
Changes in fund balances	<u>(71,797,912)</u>	<u>(73,767,823)</u>	<u>2,031,962</u>	<u>75,799,785</u>
Fund balances, beginning of year			651,602	651,602
Increase (decrease) in reserve for prepaid items			4,381,544	4,381,544
Increase (decrease) in reserve for inventory			27,404	27,404
Fund balances (deficits), end of year	<u>\$ (71,797,912)</u>	<u>\$ (73,767,823)</u>	<u>\$ 7,092,512</u>	<u>\$ 80,860,335</u>

See accompanying notes to this schedule.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLASSROOM SITE
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 190,055	\$ 190,055
State aid and grants			5,790,817	5,790,817
Total revenues			<u>5,980,872</u>	<u>5,980,872</u>
Expenditures:				
Current -				
Instruction	12,529,529	12,267,658	5,365,679	6,901,979
Support services - students and staff	201,443	201,443	159,248	42,195
Total expenditures	<u>12,730,972</u>	<u>12,469,101</u>	<u>5,524,927</u>	<u>6,944,174</u>
Changes in fund balances	<u>(12,730,972)</u>	<u>(12,469,101)</u>	<u>455,945</u>	<u>12,925,046</u>
Fund balances, beginning of year			6,633,766	6,633,766
Increase (decrease) in reserve for prepaid items			18,403	18,403
Fund balances (deficits), end of year	<u>\$ (12,730,972)</u>	<u>\$ (12,469,101)</u>	<u>\$ 7,108,114</u>	<u>\$ 19,577,215</u>

See accompanying notes to this schedule.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
TITLE I GRANTS
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts	Non-GAAP	Variance with Final Budget
	Original & Final	Actual	Positive (Negative)
Revenues:			
Federal aid, grants and reimbursements	\$	\$ 8,544,788	\$ 8,544,788
Total revenues	8,544,788	8,544,788	8,544,788
Expenditures:			
Current -			
Instruction	2,914,970	1,753,961	1,161,009
Support services - students and staff	10,933,623	6,581,402	4,352,221
Support services - administration	541,635	325,948	215,687
Operation and maintenance of plant services	2,091	1,253	838
Student transportation services	383,311	230,579	152,732
Capital outlay	124,192	74,707	49,485
Total expenditures	14,899,822	8,967,850	5,931,972
Excess (deficiency) of revenues over expenditures	(14,899,822)	(423,062)	14,476,760
Other financing sources (uses):			
Transfers out		(81,660)	(81,660)
Total other financing sources (uses)		(81,660)	(81,660)
Changes in fund balances	(14,899,822)	(504,722)	14,395,100
Fund balances (deficits), beginning of year		(819,142)	(819,142)
Increase (decrease) in reserve for prepaid items		24,398	24,398
Fund balances (deficits), end of year	\$ (14,899,822)	\$ (1,299,466)	\$ 13,600,356

See accompanying notes to this schedule.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL EDUCATION GRANTS
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Federal aid, grants and reimbursements	\$	\$ 2,499,519	\$ 2,499,519
Total revenues		<u>2,499,519</u>	<u>2,499,519</u>
Expenditures:			
Current -			
Instruction	2,118,538	2,149,726	(31,188)
Support services - students and staff	571,464	571,464	
Support services - administration	7,917	7,917	
Capital outlay	14,825	14,825	
Total expenditures	<u>2,712,744</u>	<u>2,743,932</u>	<u>(31,188)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,712,744)</u>	<u>(244,413)</u>	<u>2,468,331</u>
Other financing sources (uses):			
Transfers out		(71,927)	(71,927)
Total other financing sources (uses)		<u>(71,927)</u>	<u>(71,927)</u>
Changes in fund balances	<u>(2,712,744)</u>	<u>(316,340)</u>	<u>2,396,404</u>
Fund balances (deficits), beginning of year		(304,288)	(304,288)
Fund balances (deficits), end of year	<u>\$ (2,712,744)</u>	<u>\$ (620,628)</u>	<u>\$ 2,092,116</u>

See accompanying notes to this schedule.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	0.65%	0.67%	0.67%	0.65%	0.66%
District's proportionate share of the net pension (assets) liability	\$ 90,841,797	\$ 104,534,952	\$ 108,047,885	\$ 101,549,861	\$ 98,382,802
District's covered payroll	\$ 63,785,789	\$ 65,341,438	\$ 62,346,488	\$ 59,892,534	\$ 59,833,374
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	142.42%	159.98%	173.30%	169.55%	164.43%
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	\$ 7,468,846	\$ 6,952,651	\$ 7,043,807	\$ 6,764,594	\$ 6,522,297
Contributions in relation to the actuarially determined contribution	<u>7,468,846</u>	<u>6,952,651</u>	<u>7,043,807</u>	<u>6,764,594</u>	<u>6,522,297</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 66,805,420	\$ 63,785,789	\$ 65,341,438	\$ 62,346,488	\$ 59,892,534
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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	0.65%	0.67%
District's proportionate share of the net OPEB (assets) liability	\$ (234,923)	\$ (364,438)
District's covered payroll	\$ 63,785,789	\$ 65,341,438
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	(0.37)%	(0.56)%
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	\$ 307,305	\$ 280,657
Contributions in relation to the actuarially determined contribution	<u>307,305</u>	<u>280,657</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 66,805,420	\$ 63,785,789
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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	0.65%	0.67%
District's proportionate share of the net OPEB (assets) liability	\$ 340,720	\$ 242,298
District's covered payroll	\$ 63,785,789	\$ 65,341,438
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	\$ 106,889	\$ 102,057
Contributions in relation to the actuarially determined contribution	<u>106,889</u>	<u>102,057</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 66,805,420	\$ 63,785,789
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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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.
- Prepaid items are budgeted in the year prepaid.

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

	General Fund		Classroom Site Fund Total Expenditures	Title I Grants Fund Total Expenditures
	Total Expenditures	Fund Balances End of Year		
Statement of Revenues, Expenditures and Changes in				
Fund Balances - Governmental Funds	72,659,544	22,027,649	5,522,332	8,962,926
Activity budgeted as special revenue funds	(1,577,684)	(14,167,303)		
Activity budgeted as capital projects funds	(5,388)	(767,834)		
Current-year prepaid items	4,381,544		18,403	24,398
Prior-year prepaid items	(4,875,288)		(15,808)	(19,474)
Schedule of Revenue, Expenditures and Changes in				
Fund Balances – Budget and Actual - General Fund	70,582,728	7,092,512	5,524,927	8,967,850

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.

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

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GOVERNMENTAL FUNDS

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2019

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 9,140,632	\$ 449,747	\$ 6,397,687
Cash and investments - restricted			2,780,295
Property taxes receivable		19,990	
Due from governmental entities	2,490,429		402,494
Inventory	42,038		
Total assets	\$ 11,673,099	\$ 469,737	\$ 9,580,476
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 152,063	\$	\$ 197,032
Construction contracts payable			1,401,490
Due to other funds	1,173,038		402,494
Accrued payroll and employee benefits	216,450		
Unearned revenues	633,921		
Bond interest payable		276,250	
Total liabilities	2,175,472	276,250	2,001,016
Deferred inflows of resources:			
Unavailable revenues - property taxes		12,847	
Unavailable revenues - intergovernmental	951,554		
Total deferred inflows of resources	951,554	12,847	
Fund balances (deficits):			
Nonspendable	42,038		
Restricted	9,451,802	180,640	7,579,460
Unassigned	(947,767)		
Total fund balances	8,546,073	180,640	7,579,460
 Total liabilities, deferred inflows of resources and fund balances	 \$ 11,673,099	 \$ 469,737	 \$ 9,580,476

Total Non-Major
Governmental
Funds

\$ 15,988,066
2,780,295
19,990
2,892,923
42,038
\$ 21,723,312

\$ 349,095
1,401,490
1,575,532
216,450
633,921
276,250
4,452,738

12,847
951,554
964,401

42,038
17,211,902
(947,767)
16,306,173

\$ 21,723,312

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 1,076,062	\$ 5,332	\$ 405,816
Property taxes		603,835	1
State aid and grants	2,257,353		426,353
Federal aid, grants and reimbursements	15,604,853		492,221
Total revenues	<u>18,938,268</u>	<u>609,167</u>	<u>1,324,391</u>
Expenditures:			
Current -			
Instruction	6,414,439		
Support services - students and staff	1,890,235		
Support services - administration	559,182		
Operation and maintenance of plant services	334,104		
Student transportation services	29,830		
Operation of non-instructional services	9,235,370		
Capital outlay	2,792,725		16,342,774
Debt service -			
Principal retirement			593,038
Interest and fiscal charges		643,299	492,221
Total expenditures	<u>21,255,885</u>	<u>643,299</u>	<u>17,428,033</u>
Excess (deficiency) of revenues over expenditures	<u>(2,317,617)</u>	<u>(34,132)</u>	<u>(16,103,642)</u>
Other financing sources (uses):			
Transfers in		233,196	434,811
Transfers out	(356,955)		(233,196)
Total other financing sources (uses)	<u>(356,955)</u>	<u>233,196</u>	<u>201,615</u>
Changes in fund balances	<u>(2,674,572)</u>	<u>199,064</u>	<u>(15,902,027)</u>
Fund balances (deficits), beginning of year	11,235,315	(18,424)	23,481,487
Increase (decrease) in reserve for inventory	(14,670)		
Fund balances, end of year	<u>\$ 8,546,073</u>	<u>\$ 180,640</u>	<u>\$ 7,579,460</u>

Total Non-Major
Governmental
Funds

\$ 1,487,210
603,836
2,683,706
16,097,074
20,871,826

6,414,439
1,890,235
559,182
334,104
29,830
9,235,370
19,135,499

593,038
1,135,520
39,327,217

(18,455,391)

668,007
(590,151)
77,856

(18,377,535)

34,698,378

(14,670)

\$ 16,306,173

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.

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

Indian Education - to account for financial assistance received for Indian education at preschool, elementary, secondary and adult levels.

Johnson-O'Malley - to account for financial assistance received to meet the unique educational needs of eligible Indian children.

Homeless Education - to account for financial assistance received for the education of homeless students.

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

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

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

Gifted - to account for financial assistance received for programs for gifted students.

Results-based Funding - to account for financial assistance received for academic performance results in accordance with A.R.S. §15-249.08.

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

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

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

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

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

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.

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

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.

Insurance Refund - to account for insurance premium payments that are refunded to the District.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	Instructional Improvement	County, City, and Town Grants	Professional Development and Technology Grants
<u>ASSETS</u>			
Cash and investments	\$ 3,529,498	\$ 1,026	\$
Due from governmental entities	231,179		171,453
Inventory			
Total assets	\$ 3,760,677	\$ 1,026	\$ 171,453
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 16,581
Due to other funds			81,843
Accrued payroll and employee benefits	29,586		73,029
Unearned revenues			
Total liabilities	29,586		171,453
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			7,566
Fund balances (deficits):			
Nonspendable			
Restricted	3,731,091	1,026	
Unassigned			(7,566)
Total fund balances	3,731,091	1,026	(7,566)
 Total liabilities, deferred inflows of resources and fund balances	\$ 3,760,677	\$ 1,026	\$ 171,453

<u>Limited English & Immigrant Students</u>	<u>Johnson O'Malley</u>	<u>Homeless Education</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>	<u>Results-based Funding</u>
\$ 96,681	\$ 346	\$ 1,601	\$ 385,672	\$ 719,006	\$ 169,327
<u>\$ 96,681</u>	<u>\$ 346</u>	<u>\$ 1,601</u>	<u>\$ 385,672</u>	<u>\$ 719,006</u>	<u>\$ 169,327</u>
\$ 84,903 11,778	\$ 346	\$ 1,601	\$ 385,672	\$ 95,502 549,579 70,138	\$
<u>96,681</u>	<u>346</u>	<u>1,601</u>	<u>385,672</u>	<u>715,219</u>	
<u>44,590</u>	<u>346</u>	<u>1,601</u>	<u>385,672</u>	<u>468,764</u>	
(44,590)	(346)	(1,601)	(385,672)	(464,977)	169,327
<u>(44,590)</u>	<u>(346)</u>	<u>(1,601)</u>	<u>(385,672)</u>	<u>(464,977)</u>	<u>169,327</u>
<u>\$ 96,681</u>	<u>\$ 346</u>	<u>\$ 1,601</u>	<u>\$ 385,672</u>	<u>\$ 719,006</u>	<u>\$ 169,327</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 1,745,241	\$ 816,989
Due from governmental entities	703,015	181,476	
Inventory		42,038	
Total assets	<u>\$ 703,015</u>	<u>\$ 1,968,755</u>	<u>\$ 816,989</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 39,980	\$
Due to other funds	69,094		
Accrued payroll and employee benefits		31,919	
Unearned revenues	633,921		
Total liabilities	<u>703,015</u>	<u>71,899</u>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>43,015</u>		
Fund balances (deficits):			
Nonspendable		42,038	
Restricted		1,854,818	816,989
Unassigned	(43,015)		
Total fund balances	<u>(43,015)</u>	<u>1,896,856</u>	<u>816,989</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 703,015</u>	<u>\$ 1,968,755</u>	<u>\$ 816,989</u>

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Totals</u>
\$ 1,739,690	\$ 542,086	\$ 1,594	\$ 45,263	\$ 549,918	\$ 9,140,632
					2,490,429
					42,038
<u>\$ 1,739,690</u>	<u>\$ 542,086</u>	<u>\$ 1,594</u>	<u>\$ 45,263</u>	<u>\$ 549,918</u>	<u>\$ 11,673,099</u>
\$	\$	\$	\$	\$	\$ 152,063
					1,173,038
					216,450
					633,921
					<u>2,175,472</u>
					<u>951,554</u>
1,739,690	542,086	1,594	45,263	549,918	42,038
					9,451,802
<u>1,739,690</u>	<u>542,086</u>	<u>1,594</u>	<u>45,263</u>	<u>549,918</u>	<u>(947,767)</u>
					<u>8,546,073</u>
<u>\$ 1,739,690</u>	<u>\$ 542,086</u>	<u>\$ 1,594</u>	<u>\$ 45,263</u>	<u>\$ 549,918</u>	<u>\$ 11,673,099</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	Professional Development and Technology Grants
Revenues:			
Other local	\$ 72,753	\$	\$
State aid and grants	519,600		
Federal aid, grants and reimbursements			805,759
Total revenues	592,353		805,759
Expenditures:			
Current -			
Instruction	342,421		
Support services - students and staff	283,408		654,421
Support services - administration	145,292		19,058
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	771,121		673,479
Excess (deficiency) of revenues over expenditures	(178,768)		132,280
Other financing sources (uses):			
Transfers out			(7,405)
Total other financing sources (uses)			(7,405)
Changes in fund balances	(178,768)		124,875
Fund balances (deficits), beginning of year	3,909,859	1,026	(132,441)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 3,731,091	\$ 1,026	\$ (7,566)

Limited English & Immigrant Students	Indian Education	Johnson O'Malley	Homeless Education	E-Rate	Other Federal Projects
\$	\$	\$	\$	\$	\$
670,382	41,802	22,699	42,328	1,238,311	3,290,638
<u>670,382</u>	<u>41,802</u>	<u>22,699</u>	<u>42,328</u>	<u>1,238,311</u>	<u>3,290,638</u>
165,042	22,384	1,944		375,273	2,623,180
272,012	3,333	18,170	28,499		291,542
3,939	760			10,399	313,203
			9,900		120,184
31,595	14,221			1,238,311	166,790
<u>472,588</u>	<u>40,698</u>	<u>20,114</u>	<u>38,399</u>	<u>1,623,983</u>	<u>3,514,899</u>
197,794	1,104	2,585	3,929	(385,672)	(224,261)
(16,303)	(1,104)	(662)	(1,601)		(29,880)
<u>(16,303)</u>	<u>(1,104)</u>	<u>(662)</u>	<u>(1,601)</u>		<u>(29,880)</u>
181,491		1,923	2,328	(385,672)	(254,141)
(226,081)		(2,269)	(3,929)		(210,836)
<u>\$ (44,590)</u>	<u>\$</u>	<u>\$ (346)</u>	<u>\$ (1,601)</u>	<u>\$ (385,672)</u>	<u>\$ (464,977)</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Gifted	Results-based Funding	Other State Projects
Revenues:			
Other local	\$	\$	\$
State aid and grants	13,285	150,719	1,573,749
Federal aid, grants and reimbursements			
Total revenues	13,285	150,719	1,573,749
Expenditures:			
Current -			
Instruction	13,285	64,050	89,286
Support services - students and staff		5,224	253,884
Support services - administration		5,373	18,650
Operation and maintenance of plant services			45,202
Student transportation services			
Operation of non-instructional services			
Capital outlay			1,209,742
Total expenditures	13,285	74,647	1,616,764
Excess (deficiency) of revenues over expenditures		76,072	(43,015)
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		76,072	(43,015)
Fund balances (deficits), beginning of year		93,255	
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ 169,327	\$ (43,015)

<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 268,324	\$ 46,630	\$ 404,946	\$ 132,744	\$ 1,032	\$ 4,619
9,492,934					
<u>9,761,258</u>	<u>46,630</u>	<u>404,946</u>	<u>132,744</u>	<u>1,032</u>	<u>4,619</u>
		173,004	40,454		1,062
		73,982			5,760
1,663		49,205	125	1,914	
157,623		696			
			19,059	871	
9,008,093		227,277			
127,609		3,994	463		
<u>9,294,988</u>		<u>528,158</u>	<u>60,101</u>	<u>2,785</u>	<u>6,822</u>
<u>466,270</u>	<u>46,630</u>	<u>(123,212)</u>	<u>72,643</u>	<u>(1,753)</u>	<u>(2,203)</u>
<u>(300,000)</u>					
<u>(300,000)</u>					
<u>166,270</u>	<u>46,630</u>	<u>(123,212)</u>	<u>72,643</u>	<u>(1,753)</u>	<u>(2,203)</u>
1,745,256	770,359	1,862,902	469,443	3,347	47,466
(14,670)					
<u>\$ 1,896,856</u>	<u>\$ 816,989</u>	<u>\$ 1,739,690</u>	<u>\$ 542,086</u>	<u>\$ 1,594</u>	<u>\$ 45,263</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Insurance Refund</u>	<u>Totals</u>
Revenues:		
Other local	\$ 145,014	\$ 1,076,062
State aid and grants		2,257,353
Federal aid, grants and reimbursements		15,604,853
Total revenues	<u>145,014</u>	<u>18,938,268</u>
Expenditures:		
Current -		
Instruction	2,503,054	6,414,439
Support services - students and staff		1,890,235
Support services - administration		559,182
Operation and maintenance of plant services		334,104
Student transportation services		29,830
Operation of non-instructional services		9,235,370
Capital outlay		2,792,725
Total expenditures	<u>2,503,054</u>	<u>21,255,885</u>
Excess (deficiency) of revenues over expenditures	<u>(2,358,040)</u>	<u>(2,317,617)</u>
Other financing sources (uses):		
Transfers out		(356,955)
Total other financing sources (uses)		<u>(356,955)</u>
Changes in fund balances	<u>(2,358,040)</u>	<u>(2,674,572)</u>
Fund balances (deficits), beginning of year	2,907,958	11,235,315
Increase (decrease) in reserve for inventory		(14,670)
Fund balances, end of year	<u>\$ 549,918</u>	<u>\$ 8,546,073</u>

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ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$	\$ 72,753	\$ 72,753
State aid and grants		519,600	519,600
Federal aid, grants and reimbursements			
Total revenues	(620,000)	771,121	(151,121)
Expenditures:			
Current -			
Instruction	275,316	342,421	(67,105)
Support services - students and staff	227,866	283,408	(55,542)
Support services - administration	116,818	145,292	(28,474)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	620,000	771,121	(151,121)
Excess (deficiency) of revenues over expenditures	(620,000)	(178,768)	441,232
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)	(620,000)	(178,768)	441,232
Changes in fund balances	(620,000)	(178,768)	441,232
Fund balances (deficits), beginning of year		3,909,859	3,909,859
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (620,000)	\$ 3,731,091	\$ 4,351,091

<u>County, City, and Town Grants</u>			<u>Professional Development and Technology Grants</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
				805,759	805,759
				805,759	805,759
50,000		50,000	1,228,124	654,421	573,703
			35,765	19,058	16,707
<u>50,000</u>		<u>50,000</u>	<u>1,263,889</u>	<u>673,479</u>	<u>590,410</u>
<u>(50,000)</u>		<u>50,000</u>	<u>(1,263,889)</u>	<u>132,280</u>	<u>1,396,169</u>
				(7,405)	(7,405)
				(7,405)	(7,405)
<u>(50,000)</u>		<u>50,000</u>	<u>(1,263,889)</u>	<u>124,875</u>	<u>1,388,764</u>
	1,026	1,026		(132,441)	(132,441)
<u>\$ (50,000)</u>	<u>\$ 1,026</u>	<u>\$ 51,026</u>	<u>\$ (1,263,889)</u>	<u>\$ (7,566)</u>	<u>\$ 1,256,323</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Title IV Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	150,000		150,000
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	150,000		150,000
Excess (deficiency) of revenues over expenditures	(150,000)		150,000
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(150,000)		150,000
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (150,000)	\$	\$ 150,000

Limited English & Immigrant Students			Indian Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	670,382	670,382		41,802	41,802
	670,382	670,382		41,802	41,802
421,911	165,042	256,869	24,750	22,384	2,366
695,368	272,012	423,356	3,685	3,333	352
10,070	3,939	6,131	840	760	80
80,769	31,595	49,174	15,725	14,221	1,504
1,208,118	472,588	735,530	45,000	40,698	4,302
(1,208,118)	197,794	1,405,912	(45,000)	1,104	46,104
	(16,303)	(16,303)		(1,104)	(1,104)
	(16,303)	(16,303)		(1,104)	(1,104)
(1,208,118)	181,491	1,389,609	(45,000)		45,000
	(226,081)	(226,081)			
\$ (1,208,118)	\$ (44,590)	\$ 1,163,528	\$ (45,000)	\$	\$ 45,000

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Johnson O'Malley		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		22,699	22,699
Total revenues		22,699	22,699
Expenditures:			
Current -			
Instruction	2,416	1,944	472
Support services - students and staff	22,584	18,170	4,414
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	25,000	20,114	4,886
Excess (deficiency) of revenues over expenditures	(25,000)	2,585	27,585
Other financing sources (uses):			
Transfers in			
Transfers out		(662)	(662)
Total other financing sources (uses)		(662)	(662)
Changes in fund balances	(25,000)	1,923	26,923
Fund balances (deficits), beginning of year		(2,269)	(2,269)
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (25,000)	\$ (346)	\$ 24,654

Homeless Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 41,639	\$ 41,639
	42,328	42,328		612,667	612,667
	42,328	42,328		654,306	654,306
33,398	28,499	4,899		237,778	(237,778)
				3,354	(3,354)
11,602	9,900	1,702			
45,000	38,399	6,601		241,132	(241,132)
(45,000)	3,929	48,929		413,174	413,174
	(1,601)	(1,601)			
	(1,601)	(1,601)			
(45,000)	2,328	47,328		413,174	413,174
	(3,929)	(3,929)		5,893,472	5,893,472
\$ (45,000)	\$ (1,601)	\$ 43,399	\$	\$ 6,306,646	\$ 6,306,646

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	E-Rate		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,238,311	1,238,311
Total revenues		<u>1,238,311</u>	<u>1,238,311</u>
Expenditures:			
Current -			
Instruction	231,082	375,273	(144,191)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	6,403	10,399	(3,996)
Student transportation services			
Operation of non-instructional services			
Capital outlay	762,515	1,238,311	(475,796)
Total expenditures	<u>1,000,000</u>	<u>1,623,983</u>	<u>(623,983)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,000,000)</u>	<u>(385,672)</u>	<u>614,328</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,000,000)</u>	<u>(385,672)</u>	<u>614,328</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,000,000)</u>	<u>\$ (385,672)</u>	<u>\$ 614,328</u>

Other Federal Projects			Gifted		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	3,290,638	3,290,638		13,285	13,285
	<u>3,290,638</u>	<u>3,290,638</u>		<u>13,285</u>	<u>13,285</u>
3,168,225	2,630,786	537,439		13,285	(13,285)
352,118	291,542	60,576			
378,280	313,203	65,077			
145,156	120,184	24,972			
201,446	166,790	34,656			
<u>4,245,225</u>	<u>3,522,505</u>	<u>722,720</u>		<u>13,285</u>	<u>(13,285)</u>
<u>(4,245,225)</u>	<u>(231,867)</u>	<u>4,013,358</u>			
	(29,880)	(29,880)			
	<u>(29,880)</u>	<u>(29,880)</u>			
<u>(4,245,225)</u>	<u>(261,747)</u>	<u>3,983,478</u>			
	(210,836)	(210,836)			
	7,606	7,606			
<u>\$ (4,245,225)</u>	<u>\$ (464,977)</u>	<u>\$ 3,780,248</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Results-based Funding		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		150,719	150,719
Federal aid, grants and reimbursements			
Total revenues	250,000	74,647	175,353
Expenditures:			
Current -			
Instruction	214,510	64,050	150,460
Support services - students and staff	17,495	5,224	12,271
Support services - administration	17,995	5,373	12,622
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	250,000	74,647	175,353
Excess (deficiency) of revenues over expenditures	(250,000)	76,072	326,072
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)	(250,000)	76,072	326,072
Changes in fund balances	(250,000)	76,072	326,072
Fund balances (deficits), beginning of year		93,255	93,255
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (250,000)	\$ 169,327	\$ 419,327

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,573,749	1,573,749		144,835	144,835
	<u>1,573,749</u>	<u>1,573,749</u>		<u>144,835</u>	<u>144,835</u>
22,090	89,286	(67,196)			
62,813	253,884	(191,071)			
4,614	18,650	(14,036)			
11,183	45,202	(34,019)	250,000		250,000
<u>299,300</u>	<u>1,209,742</u>	<u>(910,442)</u>	<u>250,000</u>		<u>250,000</u>
<u>400,000</u>	<u>1,616,764</u>	<u>(1,216,764)</u>	<u>(250,000)</u>	<u>144,835</u>	<u>394,835</u>
<u>(400,000)</u>	<u>(43,015)</u>	<u>356,985</u>			
<u>(400,000)</u>	<u>(43,015)</u>	<u>356,985</u>	<u>(250,000)</u>	<u>144,835</u>	<u>394,835</u>
				870,612	870,612
<u>\$ (400,000)</u>	<u>\$ (43,015)</u>	<u>\$ 356,985</u>	<u>\$ (250,000)</u>	<u>\$ 1,015,447</u>	<u>\$ 1,265,447</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Food Service		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 268,324	\$ 268,324
State aid and grants			
Federal aid, grants and reimbursements		9,492,934	9,492,934
Total revenues		9,761,258	9,761,258
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	1,948	1,663	285
Operation and maintenance of plant services	184,625	157,623	27,002
Student transportation services			
Operation of non-instructional services	10,551,226	9,009,307	1,541,919
Capital outlay	149,469	127,609	21,860
Total expenditures	10,887,268	9,296,202	1,591,066
Excess (deficiency) of revenues over expenditures	(10,887,268)	465,056	11,352,324
Other financing sources (uses):			
Transfers in			
Transfers out		(300,000)	(300,000)
Total other financing sources (uses)		(300,000)	(300,000)
Changes in fund balances	(10,887,268)	165,056	11,052,324
Fund balances (deficits), beginning of year		1,678,374	1,678,374
Increase (decrease) in reserve for prepaid items		68,096	68,096
Increase (decrease) in reserve for inventory		(14,670)	(14,670)
Fund balances (deficits), end of year	\$ (10,887,268)	\$ 1,896,856	\$ 12,784,124

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 46,630	\$ 46,630	\$	\$ 404,946	\$ 404,946
	<u>46,630</u>	<u>46,630</u>		<u>404,946</u>	<u>404,946</u>
			393,073	173,004	220,069
			168,090	73,982	94,108
			111,796	49,205	62,591
			1,581	696	885
600,000		600,000	516,385	227,277	289,108
			9,075	3,994	5,081
<u>600,000</u>		<u>600,000</u>	<u>1,200,000</u>	<u>528,158</u>	<u>671,842</u>
(600,000)	46,630	646,630	(1,200,000)	(123,212)	1,076,788
<u>(600,000)</u>	<u>46,630</u>	<u>646,630</u>	<u>(1,200,000)</u>	<u>(123,212)</u>	<u>1,076,788</u>
	770,359	770,359		1,862,902	1,862,902
<u>\$ (600,000)</u>	<u>\$ 816,989</u>	<u>\$ 1,416,989</u>	<u>\$ (1,200,000)</u>	<u>\$ 1,739,690</u>	<u>\$ 2,939,690</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 51,989	\$ 51,989
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		51,989	51,989
Expenditures:			
Current -			
Instruction	7,662	5,132	2,530
Support services - students and staff	30,197	20,225	9,972
Support services - administration	4,526	3,031	1,495
Operation and maintenance of plant services			
Student transportation services	7,615	5,100	2,515
Operation of non-instructional services			
Capital outlay			
Total expenditures	50,000	33,488	16,512
Excess (deficiency) of revenues over expenditures	(50,000)	18,501	68,501
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(50,000)	18,501	68,501
Fund balances (deficits), beginning of year		103,054	103,054
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (50,000)	\$ 121,555	\$ 171,555

<u>Extracurricular Activities Fees Tax Credit</u>			<u>Gifts and Donations</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$ 132,744	\$ 132,744	\$	\$ 402,184	\$ 402,184
	<u>132,744</u>	<u>132,744</u>		<u>402,184</u>	<u>402,184</u>
134,620	40,454	94,166	60,133	56,829	3,304
416	125	291	54,305	51,321	2,984
63,423	19,059	44,364	97,446	92,091	5,355
			6,280	5,935	345
			10,968	10,365	603
			51	48	3
<u>1,541</u>	<u>463</u>	<u>1,078</u>	<u>20,817</u>	<u>19,673</u>	<u>1,144</u>
<u>200,000</u>	<u>60,101</u>	<u>139,899</u>	<u>250,000</u>	<u>236,262</u>	<u>13,738</u>
<u>(200,000)</u>	<u>72,643</u>	<u>272,643</u>	<u>(250,000)</u>	<u>165,922</u>	<u>415,922</u>
<u>(200,000)</u>	<u>72,643</u>	<u>272,643</u>	<u>(250,000)</u>	<u>165,922</u>	<u>415,922</u>
	469,443	469,443		456,084	456,084
<u>\$ (200,000)</u>	<u>\$ 542,086</u>	<u>\$ 742,086</u>	<u>\$ (250,000)</u>	<u>\$ 622,006</u>	<u>\$ 872,006</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Fingerprint		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,032	\$ 1,032
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	10,000	2,785	7,215
Expenditures:			
Current -			
Instruction			
Support services - students and staff	6,873	1,914	4,959
Support services - administration			
Operation and maintenance of plant services			
Student transportation services	3,127	871	2,256
Operation of non-instructional services			
Capital outlay			
Total expenditures	10,000	2,785	7,215
Excess (deficiency) of revenues over expenditures	(10,000)	(1,753)	8,247
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(10,000)	(1,753)	8,247
Fund balances (deficits), beginning of year		3,347	3,347
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (10,000)	\$ 1,594	\$ 11,594

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 4,619	\$ 4,619	\$	\$ 5,964	\$ 5,964
	<u>4,619</u>	<u>4,619</u>		<u>5,964</u>	<u>5,964</u>
10,897	1,062	9,835	25,000		25,000
59,103	5,760	53,343			
<u>70,000</u>	<u>6,822</u>	<u>63,178</u>	<u>25,000</u>		<u>25,000</u>
<u>(70,000)</u>	<u>(2,203)</u>	<u>67,797</u>	<u>(25,000)</u>	<u>5,964</u>	<u>30,964</u>
<u>(70,000)</u>	<u>(2,203)</u>	<u>67,797</u>	<u>(25,000)</u>	<u>5,964</u>	<u>30,964</u>
	47,466	47,466		280,298	280,298
<u>\$ (70,000)</u>	<u>\$ 45,263</u>	<u>\$ 115,263</u>	<u>\$ (25,000)</u>	<u>\$ 286,262</u>	<u>\$ 311,262</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 117,827	\$ 117,827
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>117,827</u>	<u>117,827</u>
Expenditures:			
Current -			
Instruction	1,038,084	442,972	595,112
Support services - students and staff	730,984	311,926	419,058
Support services - administration	237,928	101,529	136,399
Operation and maintenance of plant services	196,749	83,957	112,792
Student transportation services			
Operation of non-instructional services	292,653	124,881	167,772
Capital outlay	3,602	1,537	2,065
Total expenditures	<u>2,500,000</u>	<u>1,066,802</u>	<u>1,433,198</u>
Excess (deficiency) of revenues over expenditures	<u>(2,500,000)</u>	<u>(948,975)</u>	<u>1,551,025</u>
Other financing sources (uses):			
Transfers in		510,542	510,542
Transfers out			
Total other financing sources (uses)		<u>510,542</u>	<u>510,542</u>
Changes in fund balances	<u>(2,500,000)</u>	<u>(438,433)</u>	<u>2,061,567</u>
Fund balances (deficits), beginning of year		6,253,820	6,253,820
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (2,500,000)</u>	<u>\$ 5,815,387</u>	<u>\$ 8,315,387</u>

Insurance Refund			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 145,014	\$ 145,014	\$	\$ 1,840,500	\$ 1,840,500
				2,257,353	2,257,353
				16,217,520	16,217,520
	<u>145,014</u>	<u>145,014</u>		<u>20,315,373</u>	<u>20,315,373</u>
1,500,000	2,503,054	(1,003,054)	7,729,769	7,164,756	565,013
			3,686,130	2,277,061	1,409,069
			1,025,315	755,833	269,482
			801,977	423,996	377,981
			96,735	45,295	51,440
			11,960,315	9,361,513	2,598,802
			1,544,259	2,813,935	(1,269,676)
<u>1,500,000</u>	<u>2,503,054</u>	<u>(1,003,054)</u>	<u>26,844,500</u>	<u>22,842,389</u>	<u>4,002,111</u>
<u>(1,500,000)</u>	<u>(2,358,040)</u>	<u>(858,040)</u>	<u>(26,844,500)</u>	<u>(2,527,016)</u>	<u>24,317,484</u>
				510,542	510,542
				(356,955)	(356,955)
				<u>153,587</u>	<u>153,587</u>
<u>(1,500,000)</u>	<u>(2,358,040)</u>	<u>(858,040)</u>	<u>(26,844,500)</u>	<u>(2,373,429)</u>	<u>24,471,071</u>
	2,907,958	2,907,958		25,025,773	25,025,773
				75,702	75,702
				(14,670)	(14,670)
<u>\$ (1,500,000)</u>	<u>\$ 549,918</u>	<u>\$ 2,049,918</u>	<u>\$ (26,844,500)</u>	<u>\$ 22,713,376</u>	<u>\$ 49,557,876</u>

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DEBT SERVICE FUND

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 5,332	\$ 5,332
Property taxes		603,835	603,835
Total revenues		<u>609,167</u>	<u>609,167</u>
Expenditures:			
Debt service -			
Interest and fiscal charges	1,000,000	643,299	356,701
Total expenditures	<u>1,000,000</u>	<u>643,299</u>	<u>356,701</u>
Excess (deficiency) of revenues over expenditures	<u>(1,000,000)</u>	<u>(34,132)</u>	<u>965,868</u>
Other financing sources (uses):			
Transfers in		233,196	233,196
Total other financing sources (uses)		<u>233,196</u>	<u>233,196</u>
Changes in fund balances	<u>(1,000,000)</u>	<u>199,064</u>	<u>1,199,064</u>
Fund balances (deficits), beginning of year		(18,424)	(18,424)
Fund balances (deficits), end of year	<u>\$ (1,000,000)</u>	<u>\$ 180,640</u>	<u>\$ 1,180,640</u>

CAPITAL PROJECTS FUNDS

Insurance Proceeds - to account for 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.

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

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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Energy and Water Savings</u>
<u>ASSETS</u>			
Cash and investments	\$ 974,455	\$ 5,245,157	\$ 178,075
Cash and investments - restricted			2,780,295
Due from governmental entities			
Total assets	<u>\$ 974,455</u>	<u>\$ 5,245,157</u>	<u>\$ 2,958,370</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 28,500	\$ 168,532	\$
Construction contracts payable		798,120	603,370
Due to other funds			
Total liabilities	<u>28,500</u>	<u>966,652</u>	<u>603,370</u>
Fund balances:			
Restricted	<u>945,955</u>	<u>4,278,505</u>	<u>2,355,000</u>
Total fund balances	<u>945,955</u>	<u>4,278,505</u>	<u>2,355,000</u>
Total liabilities and fund balances	<u>\$ 974,455</u>	<u>\$ 5,245,157</u>	<u>\$ 2,958,370</u>

<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$ 6,397,687
	2,780,295
402,494	402,494
<u>\$ 402,494</u>	<u>\$ 9,580,476</u>

\$	\$ 197,032
	1,401,490
402,494	402,494
<u>402,494</u>	<u>2,001,016</u>

	<u>7,579,460</u>
	<u>7,579,460</u>
<u>\$ 402,494</u>	<u>\$ 9,580,476</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Adjacent Ways</u>	<u>Bond Building</u>	<u>Energy and Water Savings</u>
Revenues:			
Other local	\$ 19,517	\$ 233,196	\$ 153,103
Property taxes	1		
State aid and grants			
Federal aid, grants and reimbursements			492,221
Total revenues	<u>19,518</u>	<u>233,196</u>	<u>645,324</u>
Expenditures:			
Capital outlay	470,633	10,720,531	4,745,785
Debt service -			
Principal retirement			593,038
Interest and fiscal charges			492,221
Total expenditures	<u>470,633</u>	<u>10,720,531</u>	<u>5,831,044</u>
Excess (deficiency) of revenues over expenditures	<u>(451,115)</u>	<u>(10,487,335)</u>	<u>(5,185,720)</u>
Other financing sources (uses):			
Transfers in			434,811
Transfers out		(233,196)	
Total other financing sources (uses)		<u>(233,196)</u>	<u>434,811</u>
Changes in fund balances	<u>(451,115)</u>	<u>(10,720,531)</u>	<u>(4,750,909)</u>
Fund balances (deficits), beginning of year	1,397,070	14,999,036	7,105,909
Fund balances, end of year	<u>\$ 945,955</u>	<u>\$ 4,278,505</u>	<u>\$ 2,355,000</u>

<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$ 405,816
	1
426,353	426,353
	492,221
<u>426,353</u>	<u>1,324,391</u>
405,825	16,342,774
	593,038
	492,221
<u>405,825</u>	<u>17,428,033</u>
<u>20,528</u>	<u>(16,103,642)</u>
	434,811
	<u>(233,196)</u>
	<u>201,615</u>
<u>20,528</u>	<u>(15,902,027)</u>
(20,528)	23,481,487
<u>\$</u>	<u>\$ 7,579,460</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 15,996	\$ 15,996
Property taxes			
State aid and grants			
Total revenues		15,996	15,996
Expenditures:			
Capital outlay	800,000	5,388	794,612
Debt service - Principal retirement			
Total expenditures	800,000	5,388	794,612
Excess (deficiency) of revenues over expenditures	(800,000)	10,608	810,608
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance recoveries		33,370	33,370
Total other financing sources (uses)		33,370	33,370
Changes in fund balances	(800,000)	43,978	843,978
Fund balances (deficits), beginning of year		723,856	723,856
Fund balances (deficits), end of year	\$ (800,000)	\$ 767,834	\$ 1,567,834

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 1,038,347 2,617,598	\$ 1,038,347 2,617,598	\$	\$ 19,517 1	\$ 19,517 1
	<u>3,655,945</u>	<u>3,655,945</u>		<u>19,518</u>	<u>19,518</u>
6,341,892	5,000,558	1,341,334	1,380,000	470,633	909,367
2,300,000	2,221,178	78,822			
<u>8,641,892</u>	<u>7,221,736</u>	<u>1,420,156</u>	<u>1,380,000</u>	<u>470,633</u>	<u>909,367</u>
<u>(8,641,892)</u>	<u>(3,565,791)</u>	<u>5,076,101</u>	<u>(1,380,000)</u>	<u>(451,115)</u>	<u>928,885</u>
<u>(8,641,892)</u>	<u>(3,565,791)</u>	<u>5,076,101</u>	<u>(1,380,000)</u>	<u>(451,115)</u>	<u>928,885</u>
	5,005,917	5,005,917		1,397,070	1,397,070
<u>\$ (8,641,892)</u>	<u>\$ 1,440,126</u>	<u>\$ 10,082,018</u>	<u>\$ (1,380,000)</u>	<u>\$ 945,955</u>	<u>\$ 2,325,955</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 233,196	\$ 233,196
Property taxes			
State aid and grants			
Total revenues		233,196	233,196
Expenditures:			
Capital outlay	14,967,458	10,720,531	4,246,927
Debt service -			
Principal retirement			
Total expenditures	14,967,458	10,720,531	4,246,927
Excess (deficiency) of revenues over expenditures	(14,967,458)	(10,487,335)	4,480,123
Other financing sources (uses):			
Transfers in			
Transfers out		(233,196)	(233,196)
Insurance recoveries			
Total other financing sources (uses)		(233,196)	(233,196)
Changes in fund balances	(14,967,458)	(10,720,531)	4,246,927
Fund balances (deficits), beginning of year		14,999,036	14,999,036
Fund balances (deficits), end of year	\$ (14,967,458)	\$ 4,278,505	\$ 19,245,963

Energy and Water Savings			Building Renewal Grant		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 153,103	\$ 153,103	\$	\$	\$
	<u>153,103</u>	<u>153,103</u>		<u>426,353</u>	<u>426,353</u>
				<u>426,353</u>	<u>426,353</u>
			300,000	405,825	(105,825)
<u>593,038</u>	<u>593,038</u>		<u>300,000</u>	<u>405,825</u>	<u>(105,825)</u>
<u>593,038</u>	<u>593,038</u>		<u>300,000</u>	<u>405,825</u>	<u>(105,825)</u>
<u>(593,038)</u>	<u>(439,935)</u>	<u>153,103</u>	<u>(300,000)</u>	<u>20,528</u>	<u>320,528</u>
	434,811	434,811			
	<u>434,811</u>	<u>434,811</u>			
<u>(593,038)</u>	<u>(5,124)</u>	<u>587,914</u>	<u>(300,000)</u>	<u>20,528</u>	<u>320,528</u>
	183,199	183,199		(20,528)	(20,528)
<u>\$ (593,038)</u>	<u>\$ 178,075</u>	<u>\$ 771,113</u>	<u>\$ (300,000)</u>	<u>\$</u>	<u>\$ 300,000</u>

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ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,460,159	\$ 1,460,159
Property taxes		2,617,599	2,617,599
State aid and grants		426,353	426,353
Total revenues		<u>4,504,111</u>	<u>4,504,111</u>
Expenditures:			
Capital outlay	23,789,350	16,602,935	7,186,415
Debt service - Principal retirement	2,893,038	2,814,216	78,822
Total expenditures	<u>26,682,388</u>	<u>19,417,151</u>	<u>7,265,237</u>
Excess (deficiency) of revenues over expenditures	<u>(26,682,388)</u>	<u>(14,913,040)</u>	<u>11,769,348</u>
Other financing sources (uses):			
Transfers in		434,811	434,811
Transfers out		(233,196)	(233,196)
Insurance recoveries		33,370	33,370
Total other financing sources (uses)		<u>234,985</u>	<u>234,985</u>
Changes in fund balances	<u>(26,682,388)</u>	<u>(14,678,055)</u>	<u>12,004,333</u>
Fund balances (deficits), beginning of year		22,288,550	22,288,550
Fund balances (deficits), end of year	<u>\$ (26,682,388)</u>	<u>\$ 7,610,495</u>	<u>\$ 34,292,883</u>

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AGENCY FUND

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES - AGENCY FUND
YEAR ENDED JUNE 30, 2019

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u> <u>Balance</u>
<u>STUDENT ACTIVITIES</u>				
<u>Assets</u>				
Cash and investments	\$ <u>143,071</u>	\$ <u>172,930</u>	\$ <u>136,126</u>	\$ <u>179,875</u>
Total assets	\$ <u><u>143,071</u></u>	\$ <u><u>172,930</u></u>	\$ <u><u>136,126</u></u>	\$ <u><u>179,875</u></u>
<u>Liabilities</u>				
Due to student groups	<u>143,071</u>	<u>172,930</u>	<u>136,126</u>	<u>179,875</u>
Total liabilities	\$ <u><u>143,071</u></u>	\$ <u><u>172,930</u></u>	\$ <u><u>136,126</u></u>	\$ <u><u>179,875</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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 5 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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ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ 59,669,706	\$ 55,604,986	\$ 66,264,970	\$ 69,019,182	\$ 71,246,617
Restricted	21,646,983	32,087,310	24,396,055	29,077,343	29,067,052
Unrestricted	(74,386,337)	(84,442,493)	(84,864,994)	(88,029,888)	(94,977,996)
Total net position	\$ 6,930,352	\$ 3,249,803	\$ 5,796,031	\$ 10,066,637	\$ 5,335,673
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position:					
Net investment in capital assets	\$ 68,110,421	\$ 68,443,160	\$ 69,172,678	\$ 69,127,641	\$ 64,053,898
Restricted	33,118,561	26,618,978	40,750,306	25,970,063	19,068,335
Unrestricted	23,490,468	26,167,951	11,921,522	29,431,577	47,068,360
Total net position	\$ 124,719,450	\$ 121,230,089	\$ 121,844,506	\$ 124,529,281	\$ 130,190,593

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ 61,860,908	\$ 64,974,105	\$ 65,042,422	\$ 56,795,603	\$ 66,305,387
Support services - students and staff	19,059,139	19,045,706	17,731,025	16,153,313	16,429,631
Support services - administration	8,585,628	10,003,648	9,807,357	9,893,187	9,762,229
Operation and maintenance of plant services	9,020,371	9,431,495	9,615,816	9,567,792	9,737,441
Student transportation services	3,805,853	4,234,275	3,819,857	3,866,193	4,258,036
Operation of non-instructional services	9,993,494	10,158,820	10,132,475	10,409,248	12,517,944
Interest on long-term debt	1,082,737	439,572		3,727	1,458,218
Total expenses	<u>113,408,130</u>	<u>118,287,621</u>	<u>116,148,952</u>	<u>106,689,063</u>	<u>120,468,886</u>
Program Revenues					
Charges for services:					
Instruction	485,950	3,345,952	466,653	324,288	347,343
Operation of non-instructional services	416,563	583,542	682,194	672,992	777,375
Other activities	280,811	221,461	211,183	188,149	182,733
Operating grants and contributions	27,814,047	26,206,645	25,071,366	24,741,733	24,661,052
Capital grants and contributions	3,176,544	1,324,836	1,182,831	130,742	612,375
Total program revenues	<u>32,173,915</u>	<u>31,682,436</u>	<u>27,614,227</u>	<u>26,057,904</u>	<u>26,580,878</u>
Net (Expense)/Revenue	<u>\$ (81,234,215)</u>	<u>\$ (86,605,185)</u>	<u>\$ (88,534,725)</u>	<u>\$ (80,631,159)</u>	<u>\$ (93,888,008)</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ 56,388,306	\$ 55,838,719	\$ 57,728,257	\$ 59,770,047	\$ 57,572,163
Support services - students and staff	16,039,741	15,599,266	15,901,896	16,123,720	17,269,272
Support services - administration	9,158,080	8,677,485	8,922,019	9,223,168	8,329,826
Operation and maintenance of plant services	8,772,806	8,407,300	9,017,361	10,423,233	9,795,560
Student transportation services	4,221,296	4,213,456	4,107,584	3,936,965	3,889,127
Operation of non-instructional services	11,889,769	12,078,864	11,635,553	11,631,022	12,137,390
Interest on long-term debt	308,166	583,618	843,442	1,054,391	2,036,621
Total expenses	<u>106,778,164</u>	<u>105,398,708</u>	<u>108,156,112</u>	<u>112,162,546</u>	<u>111,029,959</u>
Program Revenues					
Charges for services:					
Instruction	340,446	448,815	935,581	831,119	482,629
Operation of non-instructional services	1,017,057	1,056,948	435,955	464,213	1,426,648
Other activities	189,793	44,117	95,215	261,716	210,003
Operating grants and contributions	25,021,834	22,344,156	23,225,042	28,484,483	25,400,926
Capital grants and contributions	297,047	251,229	1,167,725	2,842,543	728,488
Total program revenues	<u>26,866,177</u>	<u>24,145,265</u>	<u>25,859,518</u>	<u>32,884,074</u>	<u>28,248,694</u>
Net (Expense)/Revenue	<u>\$ (79,911,987)</u>	<u>\$ (81,253,443)</u>	<u>\$ (82,296,594)</u>	<u>\$ (79,278,472)</u>	<u>\$ (82,781,265)</u>

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

(Concluded)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2019	2018	2017	2016	2015
Net (Expense)/Revenue	\$ (81,234,215)	\$ (86,605,185)	\$ (88,534,725)	\$ (80,631,159)	\$ (93,888,008)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	17,370,835	16,662,449	15,445,997	14,860,556	13,865,907
Property taxes, levied for debt service	616,682				132,819
Property taxes, levied for capital outlay	2,606,304	6,408,816	4,902,616	4,987,960	4,765,368
Investment income	913,700	282,697	188,434	166,050	152,330
Unrestricted county aid	5,292,940	5,564,594	5,795,451	5,841,181	5,681,066
Unrestricted state aid	57,501,636	54,711,119	57,655,932	59,173,248	56,905,111
Unrestricted federal aid	612,667	411,777	275,689	333,128	189,953
Total general revenues	84,914,764	84,041,452	84,264,119	85,362,123	81,692,554
Changes in Net Position	\$ 3,680,549	\$ (2,563,733)	\$ (4,270,606)	\$ 4,730,964	\$ (12,195,454)

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ (79,911,987)	\$ (81,253,443)	\$ (82,296,594)	\$ (79,278,472)	\$ (82,781,265)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	14,623,869	13,838,782	16,223,235	9,259,739	22,508,183
Property taxes, levied for debt service	5,383,310	5,862,436	5,710,089	6,263,935	6,000,777
Property taxes, levied for capital outlay	217,411	46,864			
Investment income	175,771	181,251	236,309	483,214	533,505
Unrestricted county aid	5,387,731	5,392,072	5,455,256	5,482,348	5,337,574
Unrestricted state aid	57,449,841	55,205,601	51,793,089	51,227,310	53,786,204
Unrestricted federal aid	163,415	112,020	193,841	900,614	7,283,853
Total general revenues	<u>83,401,348</u>	<u>80,639,026</u>	<u>79,611,819</u>	<u>73,617,160</u>	<u>95,450,096</u>
Changes in Net Position	<u>\$ 3,489,361</u>	<u>\$ (614,417)</u>	<u>\$ (2,684,775)</u>	<u>\$ (5,661,312)</u>	<u>\$ 12,668,831</u>

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

(Concluded)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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:					
Nonspendable	\$ 184,297	\$ 156,893	\$ 219,538	\$ 6,137,689	\$ 6,064,385
Restricted	1,015,447	870,612	681,467	1,125,682	450,070
Unassigned	20,827,905	19,080,581	19,240,161	14,537,300	13,127,836
Total General Fund	\$ 22,027,649	\$ 20,108,086	\$ 20,141,166	\$ 21,800,671	\$ 19,642,291
All Other Governmental Funds:					
Nonspendable	\$ 42,038	\$ 56,708	\$ 12,063	\$ 29,060	\$ 52,778
Restricted	25,760,142	46,911,669	23,561,988	27,805,794	28,616,982
Unassigned	(2,867,861)	(1,718,464)	(486,311)	(908,354)	(564,026)
Total all other governmental funds	\$ 22,934,319	\$ 45,249,913	\$ 23,087,740	\$ 26,926,500	\$ 28,105,734

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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:					
Nonspendable	\$ 5,556,387	\$ 175,994	\$ 323,096	\$ 537,524	\$
Restricted	106,997	650,049	600,832	951,474	
Unassigned	13,610,093	21,610,269	22,089,487	24,605,787	
Reserved					258,249
Unreserved					12,828,757
Total General Fund	<u>\$ 19,273,477</u>	<u>\$ 22,436,312</u>	<u>\$ 23,013,415</u>	<u>\$ 26,094,785</u>	<u>\$ 13,087,006</u>
All Other Governmental Funds:					
Nonspendable	\$ 37,807	\$	\$ 64,795	\$ 66,510	\$
Restricted	32,947,476	25,877,063	24,505,471	24,024,620	
Unassigned	(844,810)	(332,710)		(1,415,531)	
Reserved					56,206
Unreserved, reported in:					
Special revenue funds					29,590,312
Capital projects funds					18,425,792
Debt service fund					195,497
Total all other governmental funds	<u>\$ 32,140,473</u>	<u>\$ 25,544,353</u>	<u>\$ 24,570,266</u>	<u>\$ 22,675,599</u>	<u>\$ 48,267,807</u>

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

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

(Concluded)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ 18,261,114	\$ 16,958,596	\$ 16,953,833	\$ 15,589,143	\$ 16,946,082
National School Lunch Program	9,492,934	8,911,205	9,204,459	8,907,544	8,197,951
Total federal sources	<u>27,754,048</u>	<u>25,869,801</u>	<u>26,158,292</u>	<u>24,496,687</u>	<u>25,144,033</u>
State sources:					
State equalization assistance	50,686,801	48,644,079	52,259,937	53,688,006	51,664,830
State grants	1,737,753	719,030	280,371	292,984	238,353
School Facilities Board	426,353	39,147			
Other revenues	6,814,835	6,067,040	5,395,995	5,485,242	5,240,281
Total state sources	<u>59,665,742</u>	<u>55,469,296</u>	<u>57,936,303</u>	<u>59,466,232</u>	<u>57,143,464</u>
Local sources:					
Property taxes	20,705,672	23,122,925	20,406,885	18,891,789	19,086,780
County aid	5,292,940	5,564,594	5,795,451	5,841,181	5,681,066
Food service sales	256,434	317,676	348,890	330,282	383,533
Investment income	913,700	282,697	188,434	166,050	152,330
Other revenues	1,407,016	1,746,935	1,235,321	1,123,844	1,108,320
Total local sources	<u>28,575,762</u>	<u>31,034,827</u>	<u>27,974,981</u>	<u>26,353,146</u>	<u>26,412,029</u>
Total revenues	<u>\$ 115,995,552</u>	<u>\$ 112,373,924</u>	<u>\$ 112,069,576</u>	<u>\$ 110,316,065</u>	<u>\$ 108,699,526</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ 15,826,796	\$ 13,212,295	\$ 16,355,067	\$ 19,071,453	\$ 25,423,332
State Fiscal Stabilization (ARRA)				610,111	
Education Jobs			1,213,608	1,226,948	
National School Lunch Program	8,444,382	8,076,620	7,891,936	7,759,474	7,813,343
Total federal sources	<u>24,271,178</u>	<u>21,288,915</u>	<u>25,460,611</u>	<u>28,667,986</u>	<u>33,236,675</u>
State sources:					
State equalization assistance	52,183,004	50,764,114	47,936,614	47,989,669	54,246,997
State grants	599,679	227,691	427,363	74,427	681,054
Other revenues	5,334,943	4,373,381	3,856,475	3,528,502	3,851,724
Total state sources	<u>58,117,626</u>	<u>55,365,186</u>	<u>52,220,452</u>	<u>51,592,598</u>	<u>58,779,775</u>
Local sources:					
Property taxes	20,525,594	20,641,039	22,018,609	16,693,378	27,174,243
County aid	5,387,731	5,392,072	5,455,256	5,482,348	5,337,574
Food service sales	376,453	405,986	425,485	447,857	537,300
Investment income	175,771	181,251	236,309	483,214	531,356
Other revenues	1,460,019	2,000,997	1,344,328	2,699,129	1,833,061
Total local sources	<u>27,925,568</u>	<u>28,621,345</u>	<u>29,479,987</u>	<u>25,805,926</u>	<u>35,413,534</u>
Total revenues	<u>\$ 110,314,372</u>	<u>\$ 105,275,446</u>	<u>\$ 107,161,050</u>	<u>\$ 106,066,510</u>	<u>\$ 127,429,984</u>

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

(Concluded)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ 58,992,981	\$ 53,854,178	\$ 53,524,737	\$ 55,204,045	\$ 52,991,571
Support services - students and staff	18,697,165	18,261,310	16,110,668	15,216,888	14,892,002
Support services - administration	8,799,503	10,090,697	9,245,914	9,739,697	9,168,371
Operation and maintenance of plant services	8,526,698	8,949,845	9,137,815	8,713,010	9,513,387
Student transportation services	3,633,334	4,040,262	2,998,789	3,487,044	3,670,920
Operation of non-instructional services	9,586,083	9,620,897	9,479,526	9,899,294	11,941,646
Capital outlay	24,428,639	18,160,854	8,918,438	4,846,257	15,645,173
Debt service -					
Interest and fiscal charges	1,135,520	439,572		3,727	1,458,218
Principal retirement	2,814,216	4,409,494	2,276,542	2,276,543	2,547,477
Bond issuance costs		268,837			
Total expenditures	<u>\$ 136,614,139</u>	<u>\$ 128,095,946</u>	<u>\$ 111,692,429</u>	<u>\$ 109,386,505</u>	<u>\$ 121,828,765</u>
Expenditures for capitalized assets	\$ 19,505,964	\$ 6,817,736	\$ 2,835,937	\$ 3,477,337	\$ 3,347,957
Debt service as a percentage of noncapital expenditures	3%	4%	2%	2%	3%

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ 56,685,611	\$ 51,552,558	\$ 53,321,750	\$ 55,922,784	\$ 53,166,515
Support services - students and staff	14,648,511	14,188,032	14,527,821	14,742,103	15,648,436
Support services - administration	8,686,971	8,205,230	8,433,331	8,693,644	7,824,513
Operation and maintenance of plant services	9,257,050	8,161,022	8,824,730	10,145,316	9,543,416
Student transportation services	3,832,326	3,748,922	3,652,467	3,420,345	3,496,521
Operation of non-instructional services	11,364,010	11,317,593	10,987,135	11,033,153	11,157,454
Capital outlay	1,921,642	1,589,590	2,046,940	9,256,949	3,235,880
Debt service -					
Interest and fiscal charges	308,166	583,618	843,442	1,054,391	2,036,621
Principal retirement	5,595,000	5,320,000	5,493,994	5,293,994	4,307,410
Bond issuance costs					
Total expenditures	<u>\$ 112,299,287</u>	<u>\$ 104,666,565</u>	<u>\$ 108,131,610</u>	<u>\$ 119,562,679</u>	<u>\$ 110,416,766</u>
Expenditures for capitalized assets	\$ 523,801	\$ 706,958	\$ 1,433,135	\$ 7,925,680	\$ 685,484
Debt service as a percentage of noncapital expenditures	5%	6%	6%	6%	6%

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

(Concluded)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ (20,618,587)	\$ (15,722,022)	\$ 377,147	\$ 929,560	\$ (13,129,239)
Other financing sources (uses):					
Issuance of school improvement bonds		14,265,000			
Proceeds from disposal of personal property		2,163,064			
Premium on sale of bonds		1,002,873			
Capital lease agreements	176,452	20,392,566			8,940,345
Transfers in	1,178,549	441,270	541,070	837,777	950,617
Transfers out	(1,178,549)	(441,270)	(541,070)	(837,777)	(950,617)
Insurance recoveries	33,370	45,612	59,736		
Total other financing sources (uses)	209,822	37,869,115	59,736		8,940,345
Changes in fund balances	\$ (20,408,765)	\$ 22,147,093	\$ 436,883	\$ 929,560	\$ (4,188,894)
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ (1,984,915)	\$ 608,881	\$ (970,560)	\$ (13,496,169)	\$ 17,013,218
Other financing sources (uses):					
Transfers in	5,007,052	452,753	484,350	1,116,858	611,971
Transfers out	(5,007,052)	(452,753)	(484,350)	(1,116,858)	(611,971)
Total other financing sources (uses)					
Changes in fund balances	\$ (1,984,915)	\$ 608,881	\$ (970,560)	\$ (13,496,169)	\$ 17,013,218

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ 209,836,712	\$ 189,661,649	\$ 174,046,737	\$ 164,700,217	\$ 169,321,294
Agricultural and Vacant	4,686,813	5,134,710	4,625,694	5,729,170	5,004,736
Residential (Owner Occupied)	51,815,373	48,727,013	41,169,397	39,512,637	38,437,898
Residential (Rental)	77,457,011	73,630,988	64,623,812	50,125,652	40,423,107
Railroad, Private Cars and Airlines	3,966,892	3,700,445	3,508,716	3,774,722	4,054,360
Historical Property	-	-	-	109,430	162,185
Certain Government Property Improvements	62,447	33,787	32,178	30,645	36,356
Total	\$ 347,825,248	\$ 320,888,592	\$ 288,006,534	\$ 263,982,473	\$ 257,439,936
Gross Full Cash Value	\$ 4,556,602,145	\$ 3,987,864,486	\$ 3,474,961,667	\$ 2,852,557,761	\$ 2,299,465,664
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	8%	9%	11%
Total Direct Rate	6.42	7.18	7.15	7.52	7.00

<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	\$ 167,359,202	\$ 197,455,138	\$ 237,296,828	\$ 286,587,265	\$ 281,198,706
Agricultural and Vacant	5,224,600	6,506,720	9,803,580	9,297,970	8,877,133
Residential (Owner Occupied)	36,635,529	45,405,337	51,496,293	93,768,764	159,458,839
Residential (Rental)	35,891,751	35,834,435	43,191,208	57,329,796	66,594,348
Railroad, Private Cars and Airlines	3,742,249	4,485,648	4,098,203	4,146,658	4,344,155
Historical Property	233,585	205,834	194,359	244,902	124,695
Certain Government Property Improvements	34,729	36,165	38,848	-	-
Total	\$ 249,121,645	\$ 289,929,277	\$ 346,119,319	\$ 451,375,355	\$ 520,597,876
Gross Full Cash Value	\$ 2,089,133,974	\$ 2,309,680,503	\$ 2,682,638,363	\$ 3,675,520,197	\$ 4,786,823,386
Ratio of Net Limited Assessed Value to Gross Full Cash Value	12%	13%	13%	12%	11%
Total Direct Rate	8.02	7.02	6.43	3.21	5.19

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 requirement and other voter-approved overrides.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ 277,356,147	\$ 246,357,874	\$ 211,179,172	\$ 179,152,550	\$ 171,996,491
Agricultural and Vacant	6,702,586	7,315,605	5,657,900	6,363,562	5,113,576
Residential (Owner Occupied)	111,118,276	90,127,495	77,954,566	66,224,825	44,482,896
Residential (Rental)	131,312,920	114,820,424	98,756,981	71,039,079	46,570,742
Railroad, Private Cars and Airlines	4,712,297	4,275,248	3,743,761	3,844,570	4,092,465
Historical Property	-	-	-	437,720	616,303
Certain Government Property Improvements	92,213	48,649	45,211	34,939	36,368
Total	\$ 531,294,439	\$ 462,945,295	\$ 397,337,591	\$ 327,097,245	\$ 272,908,841
Gross Full Cash Value	4,556,602,145	3,987,864,486	3,474,961,667	2,852,557,761	2,299,465,664
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	11%	11%	12%
Estimated Net Full Cash Value	3,979,495,489	3,439,081,204	2,951,496,523	2,345,752,414	1,843,418,743
Total Direct Rate	6.42	7.18	7.15	7.52	7.00

<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	\$ 168,365,982	\$ 198,652,109	\$ 240,373,348	\$ 321,357,251	\$ 334,493,625
Agricultural and Vacant	5,245,366	6,528,715	9,958,953	12,108,750	12,425,761
Residential (Owner Occupied)	36,685,594	45,426,648	51,534,370	93,910,439	185,977,493
Residential (Rental)	36,194,807	35,868,994	43,225,286	59,191,815	81,627,436
Railroad, Private Cars and Airlines	3,777,587	4,572,465	4,577,572	4,958,069	5,132,988
Historical Property	910,974	651,596	681,367	1,028,590	548,655
Certain Government Property Improvements	34,729	36,684	38,848	-	-
Total	\$ 251,215,039	\$ 291,737,211	\$ 350,389,744	\$ 492,554,914	\$ 620,205,958
Gross Full Cash Value	2,089,133,974	2,309,680,503	2,682,638,363	3,675,520,197	4,786,823,386
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	13%	13%	13%	13%
Estimated Net Full Cash Value	1,634,484,422	1,867,032,662	2,231,189,024	3,149,518,308	4,239,969,973
Total Direct Rate	8.02	7.02	6.43	3.21	5.19

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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates		
	State	County	Phoenix Union High School District No. 210	Maricopa Community College	City of Phoenix	City of Glendale	Primary	Secondary	Total
	Equalization								
2019	0.47	1.40	5.20	1.38	2.14	1.98	2.10	4.32	6.42
2018	0.49	1.40	5.03	1.41	2.16	2.08	2.85	4.33	7.18
2017	0.50	1.40	5.07	1.47	2.17	2.15	2.25	4.90	7.15
2016	0.51	1.36	4.96	1.49	1.82	2.20	2.26	5.26	7.52
2015	0.51	1.32	4.62	1.52	1.82	2.15	1.96	5.04	7.00
2014	0.51	1.28	4.82	1.53	1.82	2.29	2.31	5.71	8.02
2013	0.47	1.24	4.27	1.38	1.82	1.90	1.83	5.19	7.02
2012	0.43	1.24	3.76	1.21	1.82	1.60	2.23	4.20	6.43
2011	0.36	1.05	3.25	0.97	1.82	1.59	0.07	3.14	3.21
2010	0.33	0.99	2.95	0.88	1.82	1.59	2.61	2.58	5.19

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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
Grand Canyon Education, Inc.	\$ 11,596,236	3.33 %		
Shamrock Foods Company	4,116,385	1.18		
BNSF Railway Company	3,966,892	1.14		
Qwest Corporation	3,110,160	0.89	\$ 9,863,756	1.60 %
Luke Camelback LLC	3,002,668	0.86		
GSI Family Investments Of Arizona LLC	2,765,093	0.79		
1128 Valencia Associates LLC	2,078,516	0.60		
AGNL Hops LLC	2,131,556	0.61		
United Parcel Service, Inc.	2,457,192	0.71		
Plaza Del Sol 557 LLC	1,826,257	0.53		
McClelland Family Partnership			13,954,634	2.30
Corning Gilbert, Inc.			6,501,619	1.00
ICG-ORE			5,707,755	0.90
Koll Bren Schreiber Realty Advisors			5,493,784	0.90
Hensley and Co.			4,943,041	0.80
Presson Equity Partners LLP			4,765,663	0.80
Burlington Nothern Santa Fe			4,227,324	0.70
Oak Park Medical Building LTD			3,705,110	0.60
RGR Family Limited Partnership			3,530,833	0.60
Total	<u>\$ 37,050,955</u>	<u>10.64 %</u>	<u>\$ 62,693,519</u>	<u>10.20 %</u>

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	\$ 20,970,492	\$ 20,166,933	96.17 %	\$	\$ 20,166,933	96.17 %
2018	23,508,864	22,463,899	95.56	986,425	23,450,324	99.75
2017	20,561,658	19,815,816	96.37	728,310	20,544,126	99.91
2016	20,006,688	19,308,576	96.51	684,947	19,993,523	99.93
2015	18,883,916	17,974,861	95.19	901,079	18,875,940	99.96
2014	20,201,848	19,097,637	94.53	1,097,680	20,195,317	99.97
2013	20,514,235	19,038,323	92.81	1,469,121	20,507,444	99.97
2012	22,355,659	20,750,187	92.82	1,595,656	22,345,843	99.96
2011	15,856,850	14,614,022	92.16	1,237,533	15,851,555	99.97
2010	29,755,973	26,656,530	89.58	2,743,667	29,400,197	98.80

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

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

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds and Premium	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	\$ 15,215,090	\$ 193,487	\$ 15,021,603	0.65 %	\$ 180	\$ 15,621,851	\$ 30,836,941	0.68 %	\$ 370	N/A %	
2018	15,267,873		15,267,873	0.66	183	18,259,615	33,527,488	0.84	402	0.02	
2017						2,276,543	2,276,543	0.07	27	0.00	
2016						4,553,085	4,553,085	0.16	55	0.00	
2015	40,000	40,000				6,829,628	6,869,628	0.30	82	0.00	
2014	5,675,000	2,231,318	3,443,682	0.16	41		5,675,000	0.27	68	0.00	
2013	11,351,760	793,960	10,557,800	0.46	127		11,351,760	0.49	136	0.01	
2012	16,396,760	603,417	15,793,343	0.59	190		16,396,760	0.61	197	0.01	
2011	21,241,760	4,845,000	16,396,760	0.45	197	448,994	21,690,754	0.59	260	0.02	
2010	24,884,751	3,642,991	21,241,760	0.44	274	897,988	25,782,739	0.54	332	0.02	

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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:			
Maricopa Community College District	\$ 482,323,000	0.86 %	\$ 4,147,978
Maricopa County Special Health Care District	\$ 429,125,000	0.86	3,690,475
City of Glendale	146,985,000	4.26	6,261,561
City of Phoenix	1,129,145,000	2.18	24,615,361
Phoenix Union High School District No. 210	459,236,251	7.00	32,146,538
Subtotal, Overlapping Debt			<u>70,861,913</u>
Direct:			
Alhambra Elementary School District No. 68			<u>30,836,941</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 101,698,854</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		4.32 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,031	
As a Percentage of Net Limited Assessed Valuation		16.17 %
As a Percentage of Estimated Gross Full Cash Value		1.89 %

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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

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

Net full cash assessed valuation	\$ 531,294,439
Debt limit (10% of assessed value)	53,129,444
Debt applicable to limit	<u>15,000,000</u>
Legal debt margin	<u><u>\$ 38,129,444</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2019:

Net full cash assessed valuation	\$ 531,294,439
Debt limit (15% of assessed value)	79,694,166
Debt applicable to limit	<u>15,000,000</u>
Legal debt margin	<u><u>\$ 64,694,166</u></u>

Fiscal Year Ended June 30

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 79,694,166	\$ 69,441,794	\$ 59,600,639	\$ 49,064,587	\$ 40,936,326
Total net debt applicable to limit	<u>15,000,000</u>	<u>15,000,000</u>	<u> </u>	<u> </u>	<u>40,000</u>
Legal debt margin	<u><u>\$ 64,694,166</u></u>	<u><u>\$ 54,441,794</u></u>	<u><u>\$ 59,600,639</u></u>	<u><u>\$ 49,064,587</u></u>	<u><u>\$ 40,896,326</u></u>
Total net debt applicable to the limit as a percentage of debt limit	19%	22%	0%	0%	0%

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 37,682,256	\$ 43,910,582	\$ 52,558,462	\$ 73,883,237	\$ 93,030,894
Total net debt applicable to limit	<u>3,443,682</u>	<u>10,557,800</u>	<u>15,793,343</u>	<u>16,396,760</u>	<u>21,241,760</u>
Legal debt margin	<u><u>\$ 34,238,574</u></u>	<u><u>\$ 33,352,782</u></u>	<u><u>\$ 36,765,119</u></u>	<u><u>\$ 57,486,477</u></u>	<u><u>\$ 71,789,134</u></u>
Total net debt applicable to the limit as a percentage of debt limit	9%	24%	30%	22%	23%

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

- Notes:** 1) The District's general obligation bonds are subject to three limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limits 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 premim deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2018	4,294,460	\$ N/A	\$ N/A	4.1 %	83,303
2017	4,221,684	196,286,191	45,573	4.2	83,303
2016	4,137,076	185,111,698	43,628	4.5	83,303
2015	4,076,438	168,483,421	41,222	5.5	83,303
2014	4,008,651	168,483,421	41,222	5.9	83,303
2013	4,009,412	147,700,000	27,552	6.2	83,303
2012	3,824,058	147,374,500	38,238	9.1	83,303
2011	3,843,370	142,864,275	37,352	8.4	83,303
2010	3,817,117	142,091,618	35,319	8.5	83,303
2009	4,023,331	147,122,078	37,168	10.3	77,648

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.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health	45,894	2.23 %	27,431	1.43 %
State of Arizona	37,040	1.80	52,420	2.73
Walmart Stores	33,619	1.63	31,280	1.63
Fry's Food Stores	20,165	0.98		
Wells Fargo	16,300	0.79	14,000	0.73
University of Arizona	15,967	0.78		
Amazon.com	15,000	0.73		
Arizona State University	14,889	0.72	12,043	0.63
City of Phoenix	14,821	0.72	16,375	0.85
Maricopa County	13,595	0.66	12,996	0.68
Apollo Group Inc.			12,299	0.64
Raytheon Co.			11,500	0.60
Honeywell			10,145	0.53
Total	<u>227,290</u>	<u>11.04 %</u>	<u>200,489</u>	<u>10.41 %</u>
Total employment	<u>2,060,000</u>		<u>1,923,600</u>	

Source: The source of this information is the 2018 Maricopa Association of Governments Employer Database and the 2010 Business Journal Book of Lists.

Note: The principal employer data is presented for the Phoenix metropolitan area.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	13	20	14	15	15
Assistant principals			2	4	4
Other	25	40	13	12	13
Total supervisory	<u>38</u>	<u>60</u>	<u>29</u>	<u>31</u>	<u>32</u>
Instruction					
Teachers	562	597	640	621	614
Other professionals (instructional)	40	52			
Aides	191	229	195	114	112
Total instruction	<u>793</u>	<u>878</u>	<u>835</u>	<u>735</u>	<u>726</u>
Student Services					
Nurses	11	16			
Guidance Counselors	11	10	9	1	1
Librarians					
Other student services	33	39	32	15	15
Total student services	<u>55</u>	<u>65</u>	<u>41</u>	<u>16</u>	<u>16</u>
Support and Administration					
Food Service workers	97	137	100	115	113
Custodial/maintenance workers	86		82	101	100
Other classified	89	246	219	349	331
Transportation	49	68			
Office	32	32			
Total support and administration	<u>353</u>	<u>483</u>	<u>401</u>	<u>565</u>	<u>544</u>
Total	<u>1,239</u>	<u>1,486</u>	<u>1,306</u>	<u>1,347</u>	<u>1,318</u>

(Continued)

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	15	15	15	15	15
Assistant principals	4	4	4	4	4
Other	12	11	11	10	10
Total supervisory	<u>31</u>	<u>30</u>	<u>30</u>	<u>29</u>	<u>29</u>
Instruction					
Teachers	622	658	666	716	716
Other professionals (instructional)					
Aides	112	121	100	109	124
Total instruction	<u>734</u>	<u>779</u>	<u>766</u>	<u>825</u>	<u>840</u>
Student Services					
Nurses					
Guidance Counselors	1	1	1	1	1
Librarians					
Other student services	16	16	15	17	15
Total student services	<u>17</u>	<u>17</u>	<u>16</u>	<u>18</u>	<u>16</u>
Support and Administration					
Food Service workers	113	130	116	126	132
Custodial/maintenance workers	101	111	90	95	97
Other classified	320	378	314	342	372
Transportation					
Office					
Total support and administration	<u>534</u>	<u>619</u>	<u>520</u>	<u>563</u>	<u>601</u>
Total	<u><u>1,316</u></u>	<u><u>1,445</u></u>	<u><u>1,332</u></u>	<u><u>1,435</u></u>	<u><u>1,486</u></u>

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

(Concluded)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	11,362	\$ 108,235,764	\$ 9,526	7.33 %	\$ 113,408,130	\$ 9,981	(0.34) %	793	14.3	93.0 %
2018	11,810	104,817,189	8,875	9.98	118,287,621	10,016	7.39	878	13.5	93.0
2017	12,453	100,497,449	8,070	2.75	116,148,952	9,327	13.82	835	14.9	89.0
2016	13,020	102,259,978	7,854	0.28	106,689,063	8,194	(11.26)	735	17.7	92.0
2015	13,046	102,177,897	7,832	(1.19)	120,468,886	9,234	13.98	726	18.0	94.5
2014	13,180	104,474,479	7,927	8.94	106,778,164	8,102	2.65	734	18.0	94.3
2013	13,355	97,173,357	7,276	(2.62)	105,398,708	7,892	(2.59)	779	17.1	93.9
2012	13,350	99,747,234	7,472	(5.77)	108,156,112	8,102	(5.30)	766	17.4	93.4
2011	13,111	103,957,345	7,929	6.31	112,162,546	8,555	4.17	825	15.9	92.7
2010	13,520	100,836,855	7,458	(7.46)	111,029,959	8,212	(9.01)	840	16.1	92.1

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

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

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
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	178	210	210	210	210	210	210	210	210	210
Square feet	1,250,721	1,363,309	1,363,309	1,363,309	1,363,309	1,363,309	1,363,309	1,363,309	1,363,309	1,363,309
Other										
Buildings	31	7	7	7	7	7	7	7	7	7
Square feet	169,215	21,156	29,156	29,156	29,156	29,156	29,156	29,156	29,156	29,156
<u>Administrative</u>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	56	54	59	57	57	57	57	57	57	57
Playgrounds	15	15	15	15	15	15	15	15	15	15

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

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