
ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020



ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

PHOENIX, ARIZONA

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Issued by:
Business Services Department

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	6
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Principal Officials	9
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	13
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	17
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	40
Notes to Financial Statements	41

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	66
Classroom Site Fund	67
Other Federal Projects Fund	68
Pension Schedules	70
Notes to Required Supplementary Information	73
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	79
Special Revenue Funds:	
Combining Balance Sheet	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	88
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	94

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	116
Capital Projects Funds:	
Combining Balance Sheet	118
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	120
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	122
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	128
Expenses, Program Revenues, and Net (Expense)/Revenue	129
General Revenues and Total Changes in Net Position	131
Fund Balances – Governmental Funds	133
Governmental Funds Revenues	135
Governmental Funds Expenditures and Debt Service Ratio	137
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	139

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	140
Net Full Cash Assessed Value of Taxable Property by Class	141
Property Tax Assessment Ratios	142
Direct and Overlapping Property Tax Rates	143
Principal Property Taxpayers	144
Property Tax Levies and Collections	145
Debt Capacity:	
Outstanding Debt by Type	146
Direct and Overlapping Governmental Activities Debt	147
Direct and Overlapping General Bonded Debt Ratios	147
Legal Debt Margin Information	148
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	149
Principal Employers	150
Operating Information:	
Full-Time Equivalent District Employees by Type	151
Operating Statistics	153
Capital Assets Information	154

(This page intentionally left blank)

INTRODUCTORY SECTION

(This page intentionally left blank)



January 14, 2021

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, 2020.

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, 2020, 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, 2020, 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.

"Everyone Matters"

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 11,173.

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 10% at June 30, 2020 as compared to 11.1% 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 coronavirus pandemic; however the overall impact of this economic downturn remains to be seen. On the other hand, the Phoenix housing market is strong and real estate prices continue to show signs of growth driven by low mortgage rates. The District's assessed valuations have continued to grow over the past two years.

Maricopa County is located in the south-central portion of Arizona. Its 2019 population is 4.5 million; one of the fastest growing metropolitan areas in the United States. Maricopa County also 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. 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 2020-21 of 11,010. District enrollment has declined over 16 percent in the last five years. The challenges of the coronavirus and declining enrollment have produced unique times across the United States and the World. In order to meet these challenges, District administration meets with various stakeholder groups throughout the year to provide input and help District administration as continued change occurs. The District looks forward to making continued progress to provide the best education possible for our students.

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, 2019. 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, 2019. 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, 2020 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



Mandi Bilyou
Associate Superintendent for Operations



**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, 2019.**

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



A handwritten signature in black ink that reads 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink that reads '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**

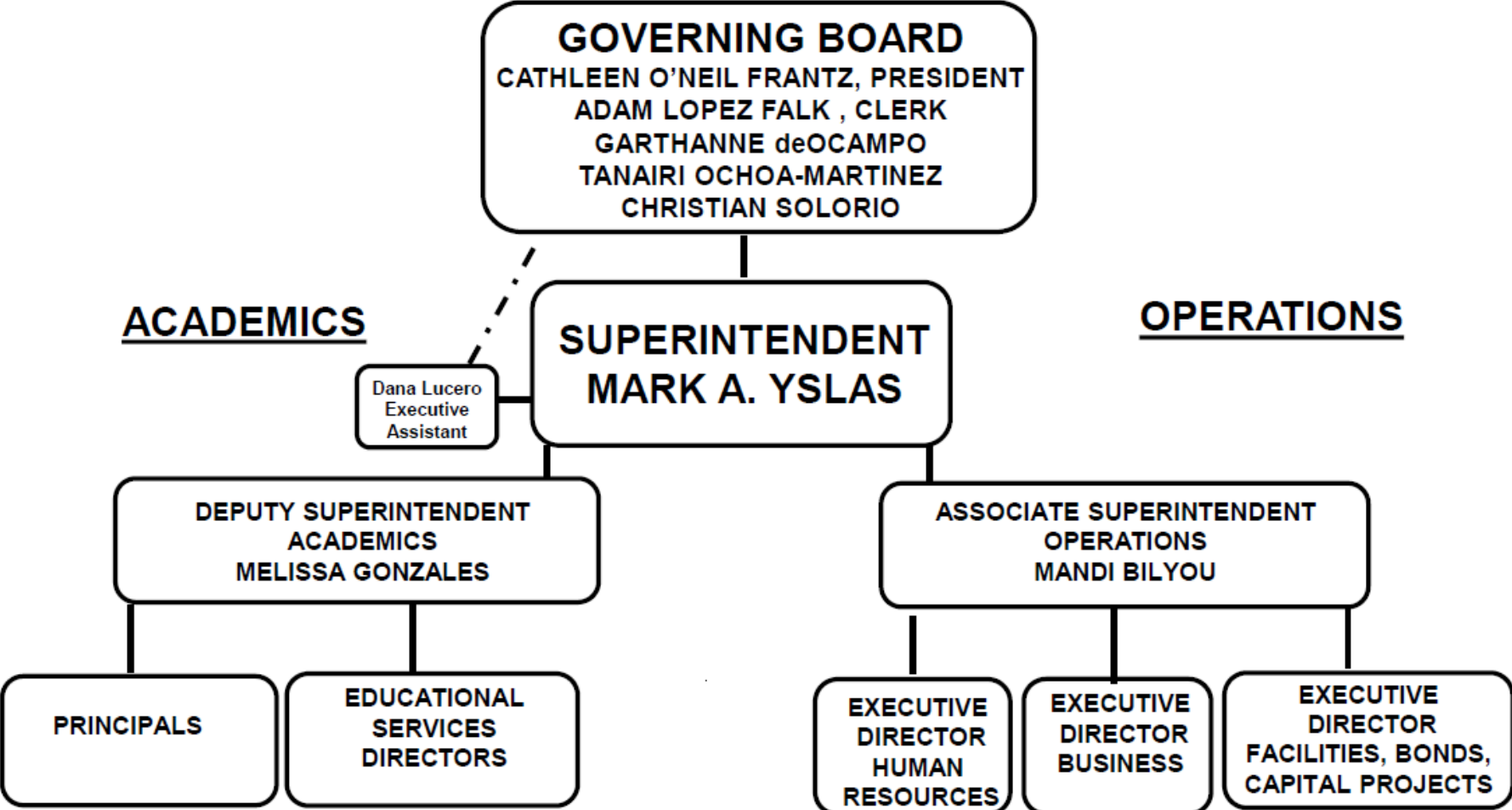
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

Alhambra School District Executive Organizational Chart 2019-2020



ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Cathleen O'Neil Frantz, President

Adam Lopez Falk, Clerk

Garthanne de Ocampo, Member

Tanairi Ochoa-Martinez, Member

Christian Solorio, Member

ADMINISTRATIVE STAFF

Mark A. Yslas, Superintendent

Melissa Gonzales, Deputy Superintendent for Academics

Mandi Bilyou, Associate Superintendent for Operations

Jeffrey E. Stratman, District Legal Counsel
(Contracted as of March 2019)

(This page intentionally left blank)

FINANCIAL SECTION

(This page intentionally left blank)

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, 2020, 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, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2020, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information and net pension liability 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 January 14, 2021 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
January 14, 2021

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

(This page intentionally left blank)

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

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, 2020. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities decreased \$629,010 which represents an nine percent decrease from the prior fiscal year as a result of increased benefit costs.
- General revenues accounted for \$91.4 million in revenue, or 76 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$29.2 million or 24 percent of total current fiscal year revenues.
- The District had approximately \$121.2 million in expenses related to governmental activities, an increase of seven percent from the prior fiscal year primarily due to finalized litigation against the District, increased special education costs, and increased grant expenditures related to the COVID-19 pandemic.
- Among major funds, the General Fund had \$75.3 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$78.6 million in expenditures. The General Fund's fund balance decreased from \$22.0 million at the prior fiscal year end, to \$19.8 million at the end of the current fiscal year primarily due to the planned use of District contingency funds.

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, 2020**

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 are reported as governmental 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, 2020**

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, Other Federal Projects, Debt Service, Unrestricted Capital Outlay Funds, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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 \$6.5 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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Current and other assets	\$ 52,440,716	\$ 56,400,332
Capital assets, net	101,318,281	81,874,010
Total assets	<u>153,758,997</u>	<u>138,274,342</u>
Deferred outflows	<u>9,666,476</u>	<u>13,600,323</u>
Current liabilities	10,533,618	7,507,213
Long-term liabilities	138,699,622	123,900,678
Total liabilities	<u>149,233,240</u>	<u>131,407,891</u>
Deferred inflows	<u>7,711,016</u>	<u>13,536,422</u>
Net position:		
Net investment in capital assets	61,401,540	59,669,706
Restricted	21,971,492	21,646,983
Unrestricted	(76,891,815)	(74,386,337)
Total net position	<u>\$ 6,481,217</u>	<u>\$ 6,930,352</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 \$5.6 million.
- The principal retirement of \$2.8 million of capital lease obligations.
- The addition of \$25.1 million in capital assets through the construction of school improvements and purchases of vehicles, furniture and equipment.
- The increase of \$2.7 million in pension obligations.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

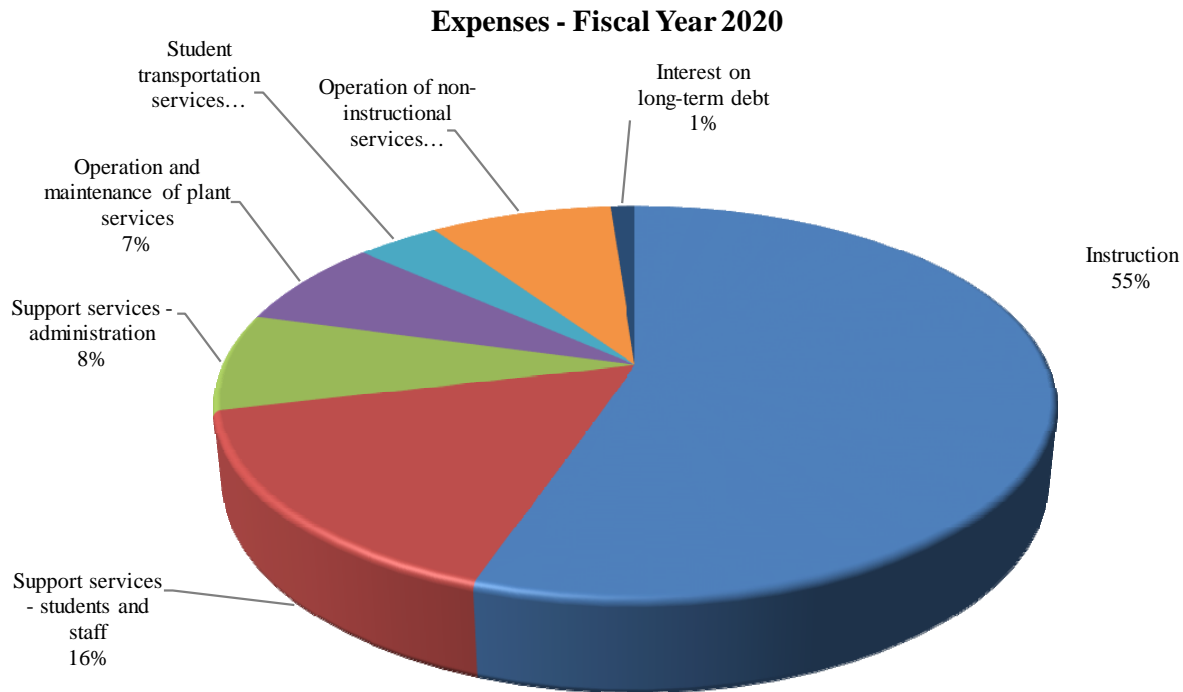
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$120.6 million. The total cost of all programs and services was \$121.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Revenues:		
Program revenues:		
Charges for services	\$ 2,091,305	\$ 1,183,324
Operating grants and contributions	23,359,402	27,814,047
Capital grants and contributions	3,788,595	3,176,544
General revenues:		
Property taxes	22,398,035	20,593,821
Investment income	788,915	913,700
Unrestricted county aid	5,349,053	5,292,940
Unrestricted state aid	61,903,482	57,501,636
Unrestricted federal aid	922,457	612,667
Total revenues	120,601,244	117,088,679
Expenses:		
Instruction	66,961,235	61,860,908
Support services - students and staff	19,495,028	19,059,139
Support services - administration	9,657,302	8,585,628
Operation and maintenance of plant services	8,905,180	9,020,371
Student transportation services	4,693,715	3,805,853
Operation of non-instructional services	10,138,508	9,993,494
Interest on long-term debt	1,379,286	1,082,737
Total expenses	121,230,254	113,408,130
Changes in net position	(629,010)	3,680,549
Net position, beginning, as restated	7,110,227	3,249,803
Net position, ending	\$ 6,481,217	\$ 6,930,352

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- Increase in instructional expenses of \$5.1 million due to increased compensation and employee benefit costs.
- Increase in unrestricted state aid of \$4.4 million due to increases in base support level funding.
- Decrease in operating grants and contributions of \$4.5 million due to COVID-19 reduction and modifications of grant programs.

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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 66,961,235	\$ (55,846,681)	\$ 61,860,908	\$ (50,967,182)
Support services - students and staff	19,495,028	(12,175,657)	19,059,139	(10,148,982)
Support services - administration	9,657,302	(8,330,510)	8,585,628	(7,647,265)
Operation and maintenance of plant services	8,905,180	(8,582,835)	9,020,371	(8,269,368)
Student transportation services	4,693,715	(4,649,674)	3,805,853	(3,526,905)
Operation of non-instructional services	10,138,508	(1,518,530)	9,993,494	(83,997)
Interest on long-term debt	1,379,286	(887,065)	1,082,737	(590,516)
Total	\$ 121,230,254	\$ (91,990,952)	\$ 113,408,130	\$ (81,234,215)

- The cost of all governmental activities this year was \$121.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$29.2 million.
- Net cost of governmental activities of \$92.0 million was financed by general revenues, which are made up of primarily property taxes of \$22.4 million and state and county aid of \$67.3 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 \$39.4 million, a decrease of \$5.8 million due primarily to capital spending on the continued construction on gymnasiums and other projects across the District.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 50 percent of the total fund balance. Approximately \$18.5 million, or 94 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$2.2 million to \$19.8 million as of fiscal year end was a result of increased benefit expenditures.

The fund balance of the Classroom Site Fund increased \$361,142 to \$7.5 million as of fiscal year end.

The fund balance of the Other Federal Projects fund decreased \$2.1 million to a deficit balance of \$2.5 million due primarily to pending Enrollment Stabilization Grant award approval.

The fund balance of the Debt Service fund increased \$92,956 to \$273,596 as of fiscal year end.

The fund balance of the Bond Building fund decreased \$3.2 million to \$1.0 million as of fiscal year end due primarily to capital spending on the continued construction on gymnasiums and other projects across the District.

The fund balance of the Unrestricted Capital Outlay Fund increased from \$1.4 million to \$3.0 million due to increases in state aid allocated to the fund.

BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget was a \$6.0 million increase, or 9 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 \$8,114,245 in instruction expenditures was a result of the District's budgetary decision to defer the prepayment of employee insurance benefit premiums to the next fiscal year.
- The unfavorable variance of \$845,408 in student transportation services expenditures was due to an increase in repair costs of transportation vehicles in the current fiscal year.

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$221.8 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 \$24.7 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 \$5.6 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2020 and June 30, 2019.

	As of June 30, 2020	As of June 30, 2019
Capital assets - non-depreciable	\$ 6,088,022	\$ 10,698,202
Capital assets - depreciable, net	95,230,259	71,175,808
Total	\$ 101,318,281	\$ 81,874,010

The estimated cost to complete current construction projects is \$252,184.

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

Debt Administration. At year end, the District had \$43.1 million in long-term debt outstanding, \$4.0 million due within one year. Long-term debt increased by \$12.3 million due to the issuance of school improvement bonds.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$76.7 million and the Class B debt limit is \$51.1 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, 2020**

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 2020-21 budget. Among them:

- Fiscal year 2019-20 budget balance carry forward (estimated \$3.1 million).
- District student population (estimated 11,010).

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 3 percent to \$74.3 million in fiscal year 2020-21 due to estimated declines in average daily membership. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2020-21 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

(This page intentionally left blank)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 30,768,061
Property taxes receivable	776,863
Accounts receivable	1,071,888
Due from governmental entities	19,186,956
Inventory	468,961
Total current assets	52,272,729
Noncurrent assets:	
Cash and investments - restricted	167,987
Capital assets not being depreciated	6,088,022
Capital assets, net of accumulated depreciation	95,230,259
Total noncurrent assets	101,486,268
Total assets	153,758,997
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	9,666,476
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	6,601,429
Construction contracts payable	2,155,231
Accrued payroll and employee benefits	1,097,545
Compensated absences payable	194,334
Accrued interest payable	530,125
Unearned revenues	149,288
Obligations under capital leases	2,725,991
Bonds payable	1,315,000
Total current liabilities	14,768,943
Noncurrent liabilities:	
Non-current portion of long-term obligations	134,464,297
Total noncurrent liabilities	134,464,297
Total liabilities	149,233,240
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	7,711,016
 <u>NET POSITION</u>	
Net investment in capital assets	61,401,540
Restricted	21,971,492
Unrestricted	(76,891,815)
Total net position	\$ 6,481,217

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, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 66,961,235	\$ 1,654,134	\$ 5,870,927	\$ 3,589,493	\$ (55,846,681)
Support services - students and staff	19,495,028	45,724	7,273,647		(12,175,657)
Support services - administration	9,657,302		1,326,792		(8,330,510)
Operation and maintenance of plant services	8,905,180	19,572	103,671	199,102	(8,582,835)
Student transportation services	4,693,715		44,041		(4,649,674)
Operation of non-instructional services	10,138,508	371,875	8,248,103		(1,518,530)
Interest on long-term debt	1,379,286		492,221		(887,065)
Total governmental activities	<u>\$ 121,230,254</u>	<u>\$ 2,091,305</u>	<u>\$ 23,359,402</u>	<u>\$ 3,788,595</u>	<u>(91,990,952)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	15,270,998
Property taxes, levied for debt service	2,197,870
Property taxes, levied for capital outlay	4,929,167
Investment income	788,915
Unrestricted county aid	5,349,053
Unrestricted state aid	61,903,482
Unrestricted federal aid	922,457
Total general revenues	<u>91,361,942</u>

Changes in net position (629,010)

Net position, beginning of year, as restated 7,110,227

Net position, end of year \$ 6,481,217

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

(This page intentionally left blank)

FUND FINANCIAL STATEMENTS

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Classroom Site	Other Federal Projects
<u>ASSETS</u>			
Cash and investments	\$ 3,865,116	\$ 6,994,863	\$
Cash and investments - restricted			
Property taxes receivable	534,482		
Accounts receivable	546,812		
Due from governmental entities	15,352,695	474,393	165,007
Due from other funds	3,030,164		
Inventory	200,235		
Total assets	\$ 23,529,504	\$ 7,469,256	\$ 165,007
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 2,575,644	\$	\$ 1,599,716
Construction contracts payable			
Due to other funds			1,047,631
Accrued payroll and employee benefits	843,299		47,193
Unearned revenues			
Bonds payable			
Bond interest payable			
Total liabilities	3,418,943		2,694,540
Deferred inflows of resources:			
Unavailable revenues - property taxes	316,771		
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	316,771		
Fund balances (deficits):			
Nonspendable	200,235		
Restricted	1,071,892	7,469,256	
Unassigned	18,521,663		(2,529,533)
Total fund balances	19,793,790	7,469,256	(2,529,533)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 23,529,504	 \$ 7,469,256	 \$ 165,007

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

<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,086,750	\$ 4,492,657	\$ 1,984,474	\$ 11,344,201	\$ 30,768,061
			167,987	167,987
74,388	167,993		246,558	776,863
	278,518		3,194,861	1,071,888
				19,186,956
				3,030,164
			268,726	468,961
<u>\$ 2,161,138</u>	<u>\$ 4,939,168</u>	<u>\$ 1,984,474</u>	<u>\$ 15,222,333</u>	<u>\$ 55,470,880</u>
\$	\$ 486,291	\$ 53,117	\$ 1,886,661	\$ 6,601,429
	1,263,453	891,778		2,155,231
			1,982,533	3,030,164
	17,609		189,444	1,097,545
			149,288	149,288
1,315,000				1,315,000
530,125				530,125
<u>1,845,125</u>	<u>1,767,353</u>	<u>944,895</u>	<u>4,207,926</u>	<u>14,878,782</u>
42,417	99,031			458,219
			749,041	749,041
<u>42,417</u>	<u>99,031</u>		<u>749,041</u>	<u>1,207,260</u>
			268,726	468,961
273,596	3,072,784	1,039,579	10,745,682	23,672,789
			(749,042)	15,243,088
<u>273,596</u>	<u>3,072,784</u>	<u>1,039,579</u>	<u>10,265,366</u>	<u>39,384,838</u>
<u>\$ 2,161,138</u>	<u>\$ 4,939,168</u>	<u>\$ 1,984,474</u>	<u>\$ 15,222,333</u>	<u>\$ 55,470,880</u>

(This page intentionally left blank)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total governmental fund balances		\$ 39,384,838
<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	\$ 221,776,384	
Less accumulated depreciation	<u>(120,458,103)</u>	101,318,281
<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	458,219	
Intergovernmental	<u>749,041</u>	1,207,260
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	9,666,476	
Deferred inflows of resources related to pensions	<u>(7,711,016)</u>	1,955,460
<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	(2,060,919)	
Obligations under capital leases	(12,807,634)	
Net pension liability	(93,549,430)	
Bonds payable	<u>(28,966,639)</u>	<u>(137,384,622)</u>
Net position of governmental activities		\$ <u><u>6,481,217</u></u>

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Classroom Site</u>	<u>Other Federal Projects</u>
Revenues:			
Other local	\$ 6,163,386	\$ 111,980	\$
Property taxes	15,659,286		
State aid and grants	52,563,972	5,692,720	
Federal aid, grants and reimbursements	922,457		3,473,518
Total revenues	<u>75,309,101</u>	<u>5,804,700</u>	<u>3,473,518</u>
Expenditures:			
Current -			
Instruction	47,005,002	5,345,875	2,383,063
Support services - students and staff	9,795,524	97,683	321,533
Support services - administration	7,617,132		1,056,675
Operation and maintenance of plant services	8,049,737		128,975
Student transportation services	3,794,658		28,970
Operation of non-instructional services	362,541		747
Capital outlay	1,970,261		1,614,946
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>78,594,855</u>	<u>5,443,558</u>	<u>5,534,909</u>
Excess (deficiency) of revenues over expenditures	<u>(3,285,754)</u>	<u>361,142</u>	<u>(2,061,391)</u>
Other financing sources (uses):			
Transfers in	213,920		
Transfers out	(397,267)		(3,165)
Issuance of school improvement bonds			
Premium on sale of bonds			
Proceeds from disposal of personal property	1,219,304		
Total other financing sources (uses)	<u>1,035,957</u>		<u>(3,165)</u>
Changes in fund balances	<u>(2,249,797)</u>	<u>361,142</u>	<u>(2,064,556)</u>
Fund balances (deficits), beginning of year, as restated	22,027,649	7,108,114	(464,977)
Increase (decrease) in reserve for inventory	15,938		
Fund balances (deficits), end of year	<u>\$ 19,793,790</u>	<u>\$ 7,469,256</u>	<u>\$ (2,529,533)</u>

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

<u>Debt Service</u>	<u>Unrestricted Capital Outlay</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 28,237	\$ 369,971	\$ 221,738	\$ 1,048,573	\$ 7,943,885
2,168,300	4,936,805		5	22,764,396
	3,128,433		2,914,007	64,299,132
			22,467,520	26,863,495
<u>2,196,537</u>	<u>8,435,209</u>	<u>221,738</u>	<u>26,430,105</u>	<u>121,870,908</u>
			4,641,377	59,375,317
			7,698,510	17,913,250
			669,707	9,343,514
			185,906	8,364,618
			32,909	3,856,537
			8,634,767	8,998,055
	4,581,372	18,201,056	4,201,290	30,568,925
1,315,000	2,221,179		593,038	4,129,217
1,008,315			492,221	1,500,536
		227,673		227,673
<u>2,323,315</u>	<u>6,802,551</u>	<u>18,428,729</u>	<u>27,149,725</u>	<u>144,277,642</u>
(126,778)	1,632,658	(18,206,991)	(719,620)	(22,406,734)
219,734			397,267	830,921
		(219,734)	(210,755)	(830,921)
		13,750,000		13,750,000
		1,437,799		1,437,799
<u>219,734</u>	<u></u>	<u>14,968,065</u>	<u>186,512</u>	<u>16,407,103</u>
92,956	1,632,658	(3,238,926)	(533,108)	(5,999,631)
180,640	1,440,126	4,278,505	10,571,786	45,141,843
			226,688	242,626
<u>\$ 273,596</u>	<u>\$ 3,072,784</u>	<u>\$ 1,039,579</u>	<u>\$ 10,265,366</u>	<u>\$ 39,384,838</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, 2020

Changes in fund balances - total governmental funds **\$ (5,999,631)**

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	\$ 25,084,798	
Less current year depreciation	<u>(5,632,828)</u>	19,451,970

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position. (15,187,799)

Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes	(366,361)	
Intergovernmental	<u>(2,122,607)</u>	(2,488,968)

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Capital lease principal retirement	2,814,217	
Bond principal retirement	<u>1,315,000</u>	4,129,217

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	7,565,104	
Pension expense	<u>(8,275,381)</u>	(710,277)

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	242,626	
Loss on disposal of assets	(7,699)	
Amortization of deferred bond items	121,250	
Compensated absences	<u>(179,699)</u>	<u>176,478</u>

Changes in net position in governmental activities **\$ (629,010)**

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, 2020

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.

During the year ended June 30, 2020, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes, and provides guidance as to how those activities should be reported. Student Activities reported in the prior year as fiduciary activities do not meet these new fiduciary activities criteria and have been reclassified as special revenue governmental funds. Beginning balances of the governmental funds and governmental activities have been restated by \$179,875 accordingly.

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, 2020

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 or fiduciary 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.

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, 2020

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.

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, 2020

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.

Other Federal Projects – The Other Federal Projects Fund accounts for financial assistance received for other supplemental federal projects.

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

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

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

D. Cash and Investments

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

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

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

E. Investment Income

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

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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

H. 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.

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

M. Pensions

For purposes of measuring the net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's 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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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.

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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Classroom Site Fund	Other Federal Projects Fund	Debt Service Fund	Unrestricted Capital Outlay Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:							
Nonspendable:							
Inventory	\$ 200,235						268,726
Restricted:							
Debt service				273,596			
Capital projects	1,071,892				3,072,784		637,498
Bond building projects						1,039,579	
Voter approved initiatives		7,469,256					3,823,136
Federal and state projects							843,360
Food service							1,631,060
Civic center							852,385
Community school							1,564,596
Extracurricular activities							559,308
Insurance refund							584,817
Student activities							203,724
Other purposes							45,798
Unassigned	18,521,663		(2,529,533)				(749,042)
Total fund balances	<u>\$19,793,790</u>	<u>\$7,469,256</u>	<u>\$ (2,529,533)</u>	<u>\$ 273,596</u>	<u>\$ 3,072,784</u>	<u>\$ 1,039,579</u>	<u>\$ 10,265,366</u>

NOTE 3 – RESTRICTED NET POSITION

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

	Governmental Activities
Restricted Net Position:	
Debt service	\$ 316,013
Capital projects	3,809,313
Voter approved initiatives	11,292,392
Federal and state projects	843,360
Food service	1,899,786
Civic center	852,385
Community school	1,564,596
Extracurricular activities	559,308
Insurance refund	584,817
Student activities	203,724
Other purposes	45,798
Total	<u>\$ 21,971,492</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 Fund:	
Other Federal Projects	\$ 2,529,533
Non-Major Governmental Funds:	
Title I Grants	277,675
Professional Development and Technology	6,305
Limited English and Immigrant Students Grants	17,901
Special Education Grants	98,168
E-Rate	300,211
Failing Schools Tutoring Grant	17,497
Other State Projects	31,285

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2020-21 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 \$713,537 and the bank balance was \$1,498,161. The District also had \$167,987 of lease proceeds in an escrow account. At year end \$1,248,161 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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – CASH AND INVESTMENTS

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	313 days	\$ 30,054,524

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:

	General Fund	Classroom Site Fund	Other Federal Projects Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$ 36,276	\$	\$ 165,007	\$ 2,647,159
Due from state government	15,316,419	474,393		547,702
Net due from governmental entities	\$15,352,695	\$ 474,393	\$ 165,007	\$ 3,194,861

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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	<u>7,779,887</u>	<u>18,443,587</u>	<u>23,053,767</u>	<u>3,169,707</u>
Total capital assets, not being depreciated	<u>10,698,202</u>	<u>18,443,587</u>	<u>23,053,767</u>	<u>6,088,022</u>
Capital assets, being depreciated:				
Land improvements	18,871,689	1,929,127	36,614	20,764,202
Buildings and improvements	154,145,696	26,052,415	160,359	180,037,752
Vehicles, furniture and equipment	<u>13,353,664</u>	<u>1,713,436</u>	<u>180,692</u>	<u>14,886,408</u>
Total capital assets being depreciated	<u>186,371,049</u>	<u>29,694,978</u>	<u>377,665</u>	<u>215,688,362</u>
Less accumulated depreciation for:				
Land improvements	(13,847,356)	(735,287)	(36,614)	(14,546,029)
Buildings and improvements	(94,424,095)	(4,117,580)	(153,660)	(98,388,015)
Vehicles, furniture and equipment	<u>(6,923,790)</u>	<u>(779,961)</u>	<u>(179,692)</u>	<u>(7,524,059)</u>
Total accumulated depreciation	<u>(115,195,241)</u>	<u>(5,632,828)</u>	<u>(369,966)</u>	<u>(120,458,103)</u>
Total capital assets, being depreciated, net	<u>71,175,808</u>	<u>24,062,150</u>	<u>7,699</u>	<u>95,230,259</u>
Governmental activities capital assets, net	<u>\$ 81,874,010</u>	<u>\$42,505,737</u>	<u>\$23,061,466</u>	<u>\$ 101,318,281</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$2,553,189
Support services – students and staff	1,234,409
Support services – administration	193,973
Operation and maintenance of plant services	161,974
Student transportation services	369,710
Operation of non-instructional services	<u>1,119,573</u>
Total depreciation expense – governmental activities	<u>\$5,632,828</u>

Construction Commitments – At year end, the District had contractual commitments related to Simpson School improvements and installation of an artificial turf field. At year end, the District had spent \$3.2 million on the projects and had estimated remaining contractual commitments of \$252,184. These projects are being funded with bond proceeds and proceeds from the Unrestricted Capital Outlay Fund.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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. Short term debt activity for the current fiscal year was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	\$	\$ 6,261,000	\$ 6,261,000	\$

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	\$ 11,452,542
Less: Accumulated depreciation	(572,829)
Total	\$ 10,879,713

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – OBLIGATIONS UNDER LEASES

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

Year Ending June 30:	Governmental Activities
2021	\$ 2,725,991
2022	593,038
2023	593,038
2024	593,038
2025	593,038
2026-30	2,965,190
2031-35	2,965,190
2036-40	1,779,111
Total minimum lease payments	12,807,634
Present value of minimum lease payments	12,807,634
Due within one year	\$ 2,725,991

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 one year. The future minimum rental payments required under the operating lease at year end were as follows:

Year Ending June 30:	
2021	\$ 63,696
Total minimum payments required	\$ 63,696

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, \$15 million remains unissued. The bonds are callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2020</u>	<u>Due Within One Year</u>
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	\$ 815,000
School Improvements Bonds, Project of 2017, Series B (2019)	13,750,000	2.5%-5%	7/1/20-40	<u>13,750,000</u>	<u>500,000</u>
Total				<u>\$ 28,015,000</u>	<u>\$1,315,000</u>

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

<u>Year ending June 30:</u>	<u>Governmental Activities</u>	
	<u>General Obligation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,315,000	\$ 1,045,062
2022	1,100,000	1,002,375
2023	1,125,000	962,063
2024	950,000	938,125
2025	975,000	913,875
2026-30	5,450,000	4,021,250
2031-35	8,200,000	2,510,000
2036-40	8,900,000	830,375
Total	<u>\$ 28,015,000</u>	<u>\$ 12,223,125</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 14,265,000	\$ 13,750,000	\$	\$ 28,015,000	\$ 1,315,000
Premium	950,090	1,437,799	121,250	2,266,639	
Total bonds payable	<u>15,215,090</u>	<u>15,187,799</u>	<u>121,250</u>	<u>30,281,639</u>	<u>1,315,000</u>
Obligations under capital leases	15,621,851		2,814,217	12,807,634	2,725,991
Net pension liability	90,841,797	2,707,633		93,549,430	
Compensated absences payable	1,881,220	1,131,686	951,987	2,060,919	194,334
Governmental activity long-term liabilities	<u>\$ 123,559,958</u>	<u>\$ 19,027,118</u>	<u>\$ 3,887,454</u>	<u>\$ 138,699,622</u>	<u>\$ 4,235,325</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 \$2,673,253. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. Additionally, interfund balances of \$356,911 between the General Fund and E-Rate Fund represent activity to record E-Rate transactions in accordance with USFR Memorandum No. 161.

Interfund transfers:

	Transfers in			Total
	General Fund	Debt Service Fund	Non-Major Governmental Funds	
Transfers out				
General Fund	\$	\$	\$ 397,267	\$ 397,267
Other Federal Projects Fund	3,165			3,165
Bond Building Fund		219,734		219,734
Non-Major Governmental Funds	210,755			210,755
Total	<u>\$ 213,920</u>	<u>\$ 219,734</u>	<u>\$ 397,267</u>	<u>\$ 830,921</u>

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020

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

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.

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the District's financial statements.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 – PENSIONS

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.

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 12.11 percent (11.94 percent for retirement and 0.17 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 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2020 were \$7,565,104.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 – PENSIONS

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 10.41 percent (10.29 for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2019. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The District’s proportion of the net 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, 2019.

At June 30, 2020, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2019, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2018 was:

<u>Net Liability</u>	<u>District % Proportion</u>	<u>Increase (Decrease)</u>
\$ 93,549,430	0.643	(0.008)

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2020 was \$8,275,381.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 – PENSIONS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,689,995	\$ 17,588
Changes of assumptions or other inputs	395,436	3,725,322
Net difference between projected and actual earnings on pension investments		2,102,668
Changes in proportion and differences between contributions and proportionate share of contributions	15,941	1,865,438
Contributions subsequent to the measurement date	7,565,104	
Total	\$ 9,666,476	\$ 7,711,016

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 liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2021	\$	(2,883,492)
2022		(2,885,503)
2023		(403,801)
2024		563,152

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

Actuarial valuation date	June 30, 2018
Actuarial roll forward date	June 30, 2019
Actuarial cost method	Entry age normal
Investment rate of return	7.5%
Inflation	2.3%
Projected salary increases	2.7-7.2%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 – PENSIONS

The actuarial assumptions used in the June 30, 2018 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 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	6.09%
Credit	20	5.36
Interest rate sensitive bonds	10	1.62
Real estate	20	5.85
Total	100%	

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

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 – PENSIONS

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension 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:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Net liability	\$ 133,142,508	\$ 93,549,430	\$ 60,459,807

Pension Plan Fiduciary Net Position. Detailed information about the pension 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.

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, 2020

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 5,040,221	\$ 5,040,221
Property taxes			15,659,286	15,659,286
State aid and grants			52,563,972	52,563,972
Total revenues			<u>73,263,479</u>	<u>73,263,479</u>
Expenditures:				
Current -				
Instruction	43,335,210	49,377,569	41,263,324	8,114,245
Support services - students and staff	8,524,362	8,524,362	9,240,092	(715,730)
Support services - administration	7,295,490	7,295,490	7,273,203	22,287
Operation and maintenance of plant services	7,936,168	7,936,168	7,949,356	(13,188)
Student transportation services	2,943,701	2,943,701	3,789,109	(845,408)
Operation of non-instructional services	271,634	271,634	266,995	4,639
Total expenditures	<u>70,306,565</u>	<u>76,348,924</u>	<u>69,782,079</u>	<u>6,566,845</u>
Excess (deficiency) of revenues over expenditures	<u>(70,306,565)</u>	<u>(76,348,924)</u>	<u>3,481,400</u>	<u>79,830,324</u>
Other financing sources (uses):				
Transfers out			(397,267)	(397,267)
Total other financing sources (uses)			<u>(397,267)</u>	<u>(397,267)</u>
Changes in fund balances	<u>(70,306,565)</u>	<u>(76,348,924)</u>	<u>3,084,133</u>	<u>79,433,057</u>
Fund balances, beginning of year			2,710,968	2,710,968
Increase (decrease) in reserve for prepaid items			330,999	330,999
Increase (decrease) in reserve for inventory			15,938	15,938
Fund balances (deficits), end of year	<u>\$ (70,306,565)</u>	<u>\$ (76,348,924)</u>	<u>\$ 6,142,038</u>	<u>\$ 82,490,962</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, 2020

	<u>Budgeted Amounts</u>		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local	\$	\$	\$ 111,980	\$ 111,980
State aid and grants			5,692,720	5,692,720
Total revenues			<u>5,804,700</u>	<u>5,804,700</u>
Expenditures:				
Current -				
Instruction	12,498,044	12,654,844	5,347,550	7,307,294
Support services - students and staff	193,018	193,018	97,683	95,335
Total expenditures	<u>12,691,062</u>	<u>12,847,862</u>	<u>5,445,233</u>	<u>7,402,629</u>
Changes in fund balances	<u>(12,691,062)</u>	<u>(12,847,862)</u>	<u>359,467</u>	<u>13,207,329</u>
Fund balances, beginning of year			7,089,711	7,089,711
Increase (decrease) in reserve for prepaid items			20,078	20,078
Fund balances (deficits), end of year	<u>\$ (12,691,062)</u>	<u>\$ (12,847,862)</u>	<u>\$ 7,469,256</u>	<u>\$ 20,317,118</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
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Non-GAAP Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 3,473,518	\$ 3,473,518
Total revenues			<u>3,473,518</u>	<u>3,473,518</u>
Expenditures:				
Current -				
Instruction	3,791,773	7,791,773	2,386,188	5,405,585
Support services - students and staff			321,533	(321,533)
Support services - administration			1,056,675	(1,056,675)
Operation and maintenance of plant services			128,975	(128,975)
Student transportation services			28,970	(28,970)
Operation of non-instructional services			747	(747)
Capital outlay			1,614,946	(1,614,946)
Total expenditures	<u>3,791,773</u>	<u>7,791,773</u>	<u>5,538,034</u>	<u>2,253,739</u>
Excess (deficiency) of revenues over expenditures	<u>(3,791,773)</u>	<u>(7,791,773)</u>	<u>(2,064,516)</u>	<u>5,727,257</u>
Other financing sources (uses):				
Transfers out			(3,165)	(3,165)
Total other financing sources (uses)			<u>(3,165)</u>	<u>(3,165)</u>
Changes in fund balances	<u>(3,791,773)</u>	<u>(7,791,773)</u>	<u>(2,067,681)</u>	<u>5,724,092</u>
Fund balances (deficits), beginning of year			(472,583)	(472,583)
Increase (decrease) in reserve for prepaid items			10,731	10,731
Fund balances (deficits), end of year	<u>\$ (3,791,773)</u>	<u>\$ (7,791,773)</u>	<u>\$ (2,529,533)</u>	<u>\$ 5,262,240</u>

See accompanying notes to this schedule.

(This page intentionally left blank)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO.68
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST SIX FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension (assets) liability	0.64%	0.65%	0.67%	0.67%
District's proportionate share of the net pension (assets) liability	\$ 93,549,430	\$ 90,841,797	\$ 104,534,952	\$ 108,047,885
District's covered payroll	\$ 66,805,420	\$ 63,785,789	\$ 65,341,438	\$ 62,346,488
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	140.03%	142.42%	159.98%	173.30%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 7,565,104	\$ 7,468,846	\$ 6,952,651	\$ 7,043,807
Contributions in relation to the actuarially determined contribution	<u>7,565,104</u>	<u>7,468,846</u>	<u>6,952,651</u>	<u>7,043,807</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 66,070,777	\$ 66,805,420	\$ 63,785,789	\$ 65,341,438
Contributions as a percentage of covered payroll	11.45%	11.18%	10.90%	10.78%

NOTE: The pension 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.

<u>2016</u>	<u>2015</u>
June 30, 2015	June 30, 2014
0.65%	0.65%
\$ 101,549,861	\$ 98,382,802
\$ 59,892,534	\$ 59,833,374
169.55%	164.43%
68.35%	69.49%

<u>2016</u>	<u>2015</u>
\$ 6,764,594	\$ 6,522,297
<u>6,764,594</u>	<u>6,522,297</u>
<u>\$</u>	<u>\$</u>
\$ 62,346,488	\$ 59,892,534
10.85%	10.89%

(This page intentionally left blank)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

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 Expenditures	Other Federal Projects Fund
	Total Expenditures	Fund Balances End of Year		
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 78,594,855	\$ 19,793,790	\$ 5,443,558	\$ 5,534,909
Activity budgeted as special revenue funds	(4,762,231)	(12,841,460)		
Activity budgeted as capital projects funds		(810,292)		
Current-year prepaid items	330,999		20,078	10,731
Prior-year prepaid items	(4,381,544)		(18,403)	(7,606)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 69,782,079	\$ 6,142,038	\$ 5,445,233	\$ 5,538,034

NOTE 2 – PENSION 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, 2018, 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.

(This page intentionally left blank)

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

(This page intentionally left blank)

GOVERNMENTAL FUNDS

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 10,874,690	\$ 469,511	\$ 11,344,201
Cash and investments - restricted		167,987	167,987
Accounts receivable	246,558		246,558
Due from governmental entities	2,995,759	199,102	3,194,861
Inventory	268,726		268,726
Total assets	<u><u>\$ 14,385,733</u></u>	<u><u>\$ 836,600</u></u>	<u><u>\$ 15,222,333</u></u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,886,661	\$	\$ 1,886,661
Due to other funds	1,783,431	199,102	1,982,533
Accrued payroll and employee benefits	189,444		189,444
Unearned revenues	149,288		149,288
Total liabilities	<u><u>4,008,824</u></u>	<u><u>199,102</u></u>	<u><u>4,207,926</u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>749,041</u>	<u></u>	<u>749,041</u>
Fund balances (deficits):			
Nonspendable	268,726		268,726
Restricted	10,108,184	637,498	10,745,682
Unassigned	(749,042)		(749,042)
Total fund balances	<u><u>9,627,868</u></u>	<u><u>637,498</u></u>	<u><u>10,265,366</u></u>
 Total liabilities, deferred inflows of resources and fund balances	 <u><u>\$ 14,385,733</u></u>	 <u><u>\$ 836,600</u></u>	 <u><u>\$ 15,222,333</u></u>

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, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 1,009,357	\$ 39,216	\$ 1,048,573
Property taxes		5	5
State aid and grants	2,714,905	199,102	2,914,007
Federal aid, grants and reimbursements	<u>21,975,299</u>	<u>492,221</u>	<u>22,467,520</u>
Total revenues	<u>25,699,561</u>	<u>730,544</u>	<u>26,430,105</u>
Expenditures:			
Current -			
Instruction	4,641,377		4,641,377
Support services - students and staff	7,698,510		7,698,510
Support services - administration	669,707		669,707
Operation and maintenance of plant services	185,906		185,906
Student transportation services	32,909		32,909
Operation of non-instructional services	8,634,767		8,634,767
Capital outlay	1,495,281	2,706,009	4,201,290
Debt service -			
Principal retirement		593,038	593,038
Interest and fiscal charges		492,221	492,221
Total expenditures	<u>23,358,457</u>	<u>3,791,268</u>	<u>27,149,725</u>
Excess (deficiency) of revenues over expenditures	<u>2,341,104</u>	<u>(3,060,724)</u>	<u>(719,620)</u>
Other financing sources (uses):			
Transfers in		397,267	397,267
Transfers out	<u>(210,755)</u>		<u>(210,755)</u>
Total other financing sources (uses)	<u>(210,755)</u>	<u>397,267</u>	<u>186,512</u>
Changes in fund balances	<u>2,130,349</u>	<u>(2,663,457)</u>	<u>(533,108)</u>
Fund balances, beginning of year, as restated	7,270,831	3,300,955	10,571,786
Increase (decrease) in reserve for inventory	226,688		226,688
Fund balances, end of year	<u>\$ 9,627,868</u>	<u>\$ 637,498</u>	<u>\$ 10,265,366</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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.

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

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.

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.

Failing Schools Tutoring Grant - to account for monies used to assist high school students to pass the AIMS test or to assist students who are underperforming.

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.

Student Activities - to account for monies raised by students to finance student clubs and organizations.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,540,137	\$ 1,157	\$
Accounts receivable			222,430
Due from governmental entities	282,999		801,185
Inventory			
Total assets	<u><u>\$ 3,823,136</u></u>	<u><u>\$ 1,157</u></u>	<u><u>\$ 1,023,615</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 616,601
Due to other funds			361,355
Accrued payroll and employee benefits			45,659
Unearned revenues			
Total liabilities			<u>1,023,615</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>277,675</u>
Fund balances (deficits):			
Nonspendable			
Restricted	3,823,136	1,157	
Unassigned			(277,675)
Total fund balances	<u>3,823,136</u>	<u>1,157</u>	<u>(277,675)</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 3,823,136</u></u>	<u><u>\$ 1,157</u></u>	<u><u>\$ 1,023,615</u></u>

<u>Professional Development and Technology Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>	<u>Homeless Education</u>
\$	\$	\$	\$	\$	\$
79,947	22,340	22,437	973,927	14,406	17,594
<u>\$ 79,947</u>	<u>\$ 22,340</u>	<u>\$ 22,437</u>	<u>\$ 973,927</u>	<u>\$ 14,406</u>	<u>\$ 17,594</u>
\$ 10,251 9,333 60,363	\$ 22,340	\$ 22,437	\$ 973,928	\$ 12,370 2,036	\$ 17,594
<u>79,947</u>	<u>22,340</u>	<u>22,437</u>	<u>973,928</u>	<u>14,406</u>	<u>17,594</u>
<u>6,305</u>	<u>17,901</u>		<u>98,167</u>		
<u>(6,305)</u>	<u>(17,901)</u>		<u>(98,168)</u>		
<u>(6,305)</u>	<u>(17,901)</u>		<u>(98,168)</u>		
<u>\$ 79,947</u>	<u>\$ 22,340</u>	<u>\$ 22,437</u>	<u>\$ 973,927</u>	<u>\$ 14,406</u>	<u>\$ 17,594</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	E-Rate	Results-based Funding	Failing Schools Tutoring Grant
<u>ASSETS</u>			
Cash and investments	\$	\$ 843,360	\$
Accounts receivable			
Due from governmental entities	356,911		17,497
Inventory			
Total assets	\$ 356,911	\$ 843,360	\$ 17,497
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds	356,911		17,497
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	356,911		17,497
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	300,211		17,497
Fund balances (deficits):			
Nonspendable			
Restricted		843,360	
Unassigned	(300,211)		(17,497)
Total fund balances	(300,211)	843,360	(17,497)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 356,911	 \$ 843,360	 \$ 17,497

<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>
\$ 681,663	\$ 1,998,902	\$ 852,385	\$ 1,564,596	\$ 559,308	\$ 294
24,128	358,412				
48,104	268,726				
<u>\$ 753,895</u>	<u>\$ 2,626,040</u>	<u>\$ 852,385</u>	<u>\$ 1,564,596</u>	<u>\$ 559,308</u>	<u>\$ 294</u>
\$ 604,607	\$ 642,832	\$	\$	\$	\$
	83,422				
149,288					
<u>753,895</u>	<u>726,254</u>				
31,285					
	268,726				
	1,631,060	852,385	1,564,596	559,308	294
<u>(31,285)</u>	<u>1,899,786</u>	<u>852,385</u>	<u>1,564,596</u>	<u>559,308</u>	<u>294</u>
\$ 753,895	\$ 2,626,040	\$ 852,385	\$ 1,564,596	\$ 559,308	\$ 294

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Student Activities</u>
<u>ASSETS</u>			
Cash and investments	\$ 44,347	\$ 584,817	\$ 203,724
Accounts receivable			
Due from governmental entities			
Inventory			
Total assets	<u>\$ 44,347</u>	<u>\$ 584,817</u>	<u>\$ 203,724</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	<u></u>	<u></u>	<u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	44,347	584,817	203,724
Unassigned			
Total fund balances	<u>44,347</u>	<u>584,817</u>	<u>203,724</u>
Total liabilities, deferred inflows of resources			
and fund balances	<u>\$ 44,347</u>	<u>\$ 584,817</u>	<u>\$ 203,724</u>

Totals

\$ 10,874,690
246,558
2,995,759
268,726
\$ 14,385,733

\$ 1,886,661
1,783,431
189,444
149,288
4,008,824

749,041

268,726
10,108,184
(749,042)
9,627,868

\$ 14,385,733

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, 2020

	Instructional Improvement	County, City, and Town Grants	Title I Grants
Revenues:			
Other local	\$ 133,304	\$ 131	\$
State aid and grants	518,357		
Federal aid, grants and reimbursements			9,267,462
Total revenues	651,661	131	9,267,462
Expenditures:			
Current -			
Instruction	203,451		1,250,797
Support services - students and staff	143,199		5,716,403
Support services - administration	212,966		400,807
Operation and maintenance of plant services			10
Student transportation services			
Operation of non-instructional services			
Capital outlay			781,687
Total expenditures	559,616		8,149,704
Excess (deficiency) of revenues over expenditures	92,045	131	1,117,758
Other financing sources (uses):			
Transfers out			(95,967)
Total other financing sources (uses)			(95,967)
Changes in fund balances	92,045	131	1,021,791
Fund balances (deficits), beginning of year, as restated	3,731,091	1,026	(1,299,466)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 3,823,136	\$ 1,157	\$ (277,675)

<u>Professional Development and Technology Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>	<u>Homeless Education</u>
\$	\$	\$	\$	\$	\$
<u>537,359</u>	<u>403,112</u>	<u>25,755</u>	<u>2,966,364</u>	<u>37,869</u>	<u>47,590</u>
<u>537,359</u>	<u>403,112</u>	<u>25,755</u>	<u>2,966,364</u>	<u>37,869</u>	<u>47,590</u>
	132,556	24,190	1,669,119	460	
525,325	227,920	605	667,536	35,367	25,373
4,468	1,611		370		
				298	19,126
	480		16,100		
<u>529,793</u>	<u>362,567</u>	<u>24,795</u>	<u>2,353,125</u>	<u>36,125</u>	<u>44,499</u>
<u>7,566</u>	<u>40,545</u>	<u>960</u>	<u>613,239</u>	<u>1,744</u>	<u>3,091</u>
<u>(6,305)</u>	<u>(13,856)</u>	<u>(960)</u>	<u>(90,779)</u>	<u>(1,398)</u>	<u>(1,490)</u>
<u>(6,305)</u>	<u>(13,856)</u>	<u>(960)</u>	<u>(90,779)</u>	<u>(1,398)</u>	<u>(1,490)</u>
<u>1,261</u>	<u>26,689</u>		<u>522,460</u>	<u>346</u>	<u>1,601</u>
<u>(7,566)</u>	<u>(44,590)</u>		<u>(620,628)</u>	<u>(346)</u>	<u>(1,601)</u>
<u>\$ (6,305)</u>	<u>\$ (17,901)</u>	<u>\$</u>	<u>\$ (98,168)</u>	<u>\$</u>	<u>\$</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, 2020

	E-Rate	Gifted	Results-based Funding
Revenues:			
Other local	\$	\$	\$
State aid and grants		10,745	674,033
Federal aid, grants and reimbursements	442,365		
Total revenues	442,365	10,745	674,033
Expenditures:			
Current -			
Instruction	356,904	10,745	
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	356,904	10,745	
Excess (deficiency) of revenues over expenditures	85,461		674,033
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	85,461		674,033
Fund balances (deficits), beginning of year, as restated	(385,672)		169,327
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (300,211)	\$	\$ 843,360

<u>Failing Schools Tutoring Grant</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>
\$	\$	\$	\$	\$	\$
	1,511,770	247,515	35,396	339,949	113,807
		8,247,423			
	<u>1,511,770</u>	<u>8,494,938</u>	<u>35,396</u>	<u>339,949</u>	<u>113,807</u>
	665,875			181,958	81,420
17,497	254,682			67,619	5,028
	21,435	945		25,675	
	7,800	166,682		10,467	
					8,997
		8,412,183		222,584	
	550,248	138,886		6,740	1,140
<u>17,497</u>	<u>1,500,040</u>	<u>8,718,696</u>		<u>515,043</u>	<u>96,585</u>
<u>(17,497)</u>	<u>11,730</u>	<u>(223,758)</u>	<u>35,396</u>	<u>(175,094)</u>	<u>17,222</u>
<u>(17,497)</u>	<u>11,730</u>	<u>(223,758)</u>	<u>35,396</u>	<u>(175,094)</u>	<u>17,222</u>
	(43,015)	1,896,856	816,989	1,739,690	542,086
		226,688			
<u>\$ (17,497)</u>	<u>\$ (31,285)</u>	<u>\$ 1,899,786</u>	<u>\$ 852,385</u>	<u>\$ 1,564,596</u>	<u>\$ 559,308</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, 2020

	Fingerprint	Textbooks	Insurance Refund
Revenues:			
Other local	\$ 733	\$ 1,700	\$ 34,899
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	733	1,700	34,899
Expenditures:			
Current -			
Instruction		287	
Support services - students and staff		2,329	
Support services - administration	1,430		
Operation and maintenance of plant services			
Student transportation services	603		
Operation of non-instructional services			
Capital outlay			
Total expenditures	2,033	2,616	
Excess (deficiency) of revenues over expenditures	(1,300)	(916)	34,899
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(1,300)	(916)	34,899
Fund balances (deficits), beginning of year, as restated	1,594	45,263	549,918
Increase (decrease) in reserve for inventory			
Fund balances, end of year	\$ 294	\$ 44,347	\$ 584,817

<u>Student Activities</u>	<u>Totals</u>
\$ 101,923	\$ 1,009,357
	2,714,905
	21,975,299
<u>101,923</u>	<u>25,699,561</u>
63,615	4,641,377
9,627	7,698,510
	669,707
947	185,906
3,885	32,909
	8,634,767
	1,495,281
<u>78,074</u>	<u>23,358,457</u>
<u>23,849</u>	<u>2,341,104</u>
	(210,755)
	<u>(210,755)</u>
<u>23,849</u>	<u>2,130,349</u>
179,875	7,270,831
	226,688
<u>\$ 203,724</u>	<u>\$ 9,627,868</u>

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, 2020

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 133,304	\$ 133,304
State aid and grants		518,357	518,357
Federal aid, grants and reimbursements			
Total revenues		651,661	651,661
Expenditures:			
Current -			
Instruction	620,000	203,451	416,549
Support services - students and staff		143,199	(143,199)
Support services - administration		212,966	(212,966)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	620,000	559,616	60,384
Excess (deficiency) of revenues over expenditures	(620,000)	92,045	712,045
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from disposal of personal property			
Total other financing sources (uses)			
Changes in fund balances	(620,000)	92,045	712,045
Fund balances (deficits), beginning of year, as restated		3,731,091	3,731,091
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (620,000)	\$ 3,823,136	\$ 4,443,136

County, City, and Town Grants			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 131	\$ 131	\$	\$	\$
	<u>131</u>	<u>131</u>		<u>9,267,462</u>	<u>9,267,462</u>
				<u>9,267,462</u>	<u>9,267,462</u>
5,000		5,000		1,250,280	(1,250,280)
			12,645,065	5,715,468	6,929,597
				401,256	(401,256)
				<u>781,687</u>	<u>(781,687)</u>
<u>5,000</u>		<u>5,000</u>	<u>12,645,065</u>	<u>8,148,691</u>	<u>4,496,374</u>
<u>(5,000)</u>	<u>131</u>	<u>5,131</u>	<u>(12,645,065)</u>	<u>1,118,771</u>	<u>13,763,836</u>
				(95,967)	(95,967)
				<u>(95,967)</u>	<u>(95,967)</u>
<u>(5,000)</u>	<u>131</u>	<u>5,131</u>	<u>(12,645,065)</u>	<u>1,022,804</u>	<u>13,667,869</u>
	1,026	1,026		(1,323,864)	(1,323,864)
				23,385	23,385
<u>\$ (5,000)</u>	<u>\$ 1,157</u>	<u>\$ 6,157</u>	<u>\$ (12,645,065)</u>	<u>\$ (277,675)</u>	<u>\$ 12,367,390</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, 2020

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		537,359	537,359
Total revenues		537,359	537,359
Expenditures:			
Current -			
Instruction			
Support services - students and staff	1,109,446	525,325	584,121
Support services - administration		4,468	(4,468)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,109,446	529,793	579,653
Excess (deficiency) of revenues over expenditures	(1,109,446)	7,566	1,117,012
Other financing sources (uses):			
Transfers in			
Transfers out		(6,305)	(6,305)
Proceeds from disposal of personal property			
Total other financing sources (uses)		(6,305)	(6,305)
Changes in fund balances	(1,109,446)	1,261	1,110,707
Fund balances (deficits), beginning of year, as restated		(7,566)	(7,566)
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,109,446)	\$ (6,305)	\$ 1,103,141

<u>Limited English & Immigrant Students</u>			<u>Indian Education</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
	403,112	403,112		25,755	25,755
	403,112	403,112		25,755	25,755
704,895	132,556	(132,556)	45,000	24,190	20,810
	227,920	476,975		605	(605)
	1,611	(1,611)			
	480	(480)			
704,895	362,567	342,328	45,000	24,795	20,205
(704,895)	40,545	745,440	(45,000)	960	45,960
	(13,856)	(13,856)		(960)	(960)
	(13,856)	(13,856)		(960)	(960)
(704,895)	26,689	731,584	(45,000)		45,000
	(44,590)	(44,590)			
\$ (704,895)	\$ (17,901)	\$ 686,994	\$ (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, 2020

	Special Education Grants		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		2,966,364	2,966,364
Total revenues		2,966,364	2,966,364
Expenditures:			
Current -			
Instruction	3,202,306	1,675,474	1,526,832
Support services - students and staff		669,871	(669,871)
Support services - administration		370	(370)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		16,100	(16,100)
Total expenditures	3,202,306	2,361,815	840,491
Excess (deficiency) of revenues over expenditures	(3,202,306)	604,549	3,806,855
Other financing sources (uses):			
Transfers in			
Transfers out		(90,779)	(90,779)
Proceeds from disposal of personal property			
Total other financing sources (uses)		(90,779)	(90,779)
Changes in fund balances	(3,202,306)	513,770	3,716,076
Fund balances (deficits), beginning of year, as restated		(620,628)	(620,628)
Increase (decrease) in reserve for prepaid items		8,690	8,690
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (3,202,306)	\$ (98,168)	\$ 3,104,138

Johnson O'Malley			Homeless Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	37,869	37,869		47,590	47,590
	37,869	37,869		47,590	47,590
61,394	460	(460)	40,000	25,373	14,627
	35,367	26,027			
	298	(298)		19,126	(19,126)
61,394	36,125	25,269	40,000	44,499	(4,499)
(61,394)	1,744	63,138	(40,000)	3,091	43,091
	(1,398)	(1,398)		(1,490)	(1,490)
	(1,398)	(1,398)		(1,490)	(1,490)
(61,394)	346	61,740	(40,000)	1,601	41,601
	(346)	(346)		(1,601)	(1,601)
\$ (61,394)	\$	\$ 61,394	\$ (40,000)	\$	\$ 40,000

(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, 2020

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 44,956	\$ 44,956
State aid and grants			
Federal aid, grants and reimbursements		922,457	922,457
Total revenues		967,413	967,413
Expenditures:			
Current -			
Instruction	500,000	1,269,646	(769,646)
Support services - students and staff		44,487	(44,487)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	500,000	1,314,133	(814,133)
Excess (deficiency) of revenues over expenditures	(500,000)	(346,720)	153,280
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from disposal of personal property			
Total other financing sources (uses)			
Changes in fund balances	(500,000)	(346,720)	153,280
Fund balances (deficits), beginning of year, as restated		6,306,646	6,306,646
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (500,000)	\$ 5,959,926	\$ 6,459,926

E-Rate			Gifted		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	442,365	442,365		10,745	10,745
	442,365	442,365		10,745	10,745
1,000,000	356,904	643,096		10,745	(10,745)
1,000,000	356,904	643,096		10,745	(10,745)
(1,000,000)	85,461	1,085,461			
(1,000,000)	85,461	1,085,461			
	(385,672)	(385,672)			
\$ (1,000,000)	\$ (300,211)	\$ 699,789	\$	\$	\$

(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, 2020

	Results-based Funding		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		674,033	674,033
Federal aid, grants and reimbursements			
Total revenues		<u>674,033</u>	<u>674,033</u>
Expenditures:			
Current -			
Instruction	250,000		250,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>250,000</u>		<u>250,000</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>674,033</u>	<u>924,033</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from disposal of personal property			
Total other financing sources (uses)			
Changes in fund balances	<u>(250,000)</u>	<u>674,033</u>	<u>924,033</u>
Fund balances (deficits), beginning of year, as restated		169,327	169,327
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (250,000)</u>	<u>\$ 843,360</u>	<u>\$ 1,093,360</u>

Failing Schools Tutoring Grant			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				1,511,770	1,511,770
				1,511,770	1,511,770
	17,497	(17,497)	400,000	665,875	(265,875)
				254,682	(254,682)
				21,435	(21,435)
				7,800	(7,800)
				550,248	(550,248)
	17,497	(17,497)	400,000	1,500,040	(1,100,040)
	(17,497)	(17,497)	(400,000)	11,730	411,730
	(17,497)	(17,497)	(400,000)	11,730	411,730
				(43,015)	(43,015)
\$	\$ (17,497)	\$ (17,497)	\$ (400,000)	\$ (31,285)	\$ 368,715

(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, 2020

	School Plant		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 56,445	\$ 56,445
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		56,445	56,445
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	250,000		250,000
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	250,000		250,000
Excess (deficiency) of revenues over expenditures	(250,000)	56,445	306,445
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from disposal of personal property			
Total other financing sources (uses)			
Changes in fund balances	(250,000)	56,445	306,445
Fund balances (deficits), beginning of year, as restated		1,015,447	1,015,447
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (250,000)	\$ 1,071,892	\$ 1,321,892

Food Service			Civic Center		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 247,515	\$ 247,515	\$	\$ 35,396	\$ 35,396
	8,247,423	8,247,423			
	8,494,938	8,494,938		35,396	35,396
	945	(945)			
	166,682	(166,682)			
11,114,847	8,411,673	2,703,174	600,000		600,000
	138,886	(138,886)			
11,114,847	8,718,186	2,396,661	600,000		600,000
(11,114,847)	(223,248)	10,891,599	(600,000)	35,396	635,396
(11,114,847)	(223,248)	10,891,599	(600,000)	35,396	635,396
	1,828,760	1,828,760		816,989	816,989
	67,586	67,586			
	226,688	226,688			
\$ (11,114,847)	\$ 1,899,786	\$ 13,014,633	\$ (600,000)	\$ 852,385	\$ 1,452,385

(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, 2020

	Community School		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 339,949	\$ 339,949
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	1,200,000	339,949	339,949
Expenditures:			
Current -			
Instruction		181,958	(181,958)
Support services - students and staff		67,619	(67,619)
Support services - administration		25,675	(25,675)
Operation and maintenance of plant services		10,467	(10,467)
Student transportation services			
Operation of non-instructional services	1,200,000	222,584	977,416
Capital outlay		6,740	(6,740)
Total expenditures	1,200,000	515,043	684,957
Excess (deficiency) of revenues over expenditures	(1,200,000)	(175,094)	1,024,906
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from disposal of personal property			
Total other financing sources (uses)	-	-	-
Changes in fund balances	(1,200,000)	(175,094)	1,024,906
Fund balances (deficits), beginning of year, as restated		1,739,690	1,739,690
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (1,200,000)	\$ 1,564,596	\$ 2,764,596

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 57,654	\$ 57,654	\$	\$ 113,807	\$ 113,807
	<u>57,654</u>	<u>57,654</u>		<u>113,807</u>	<u>113,807</u>
50,000	13,218	36,782	200,000	81,420	118,580
	8,084	(8,084)		5,028	(5,028)
	3,562	(3,562)			
	602	(602)		8,997	(8,997)
				1,140	(1,140)
<u>50,000</u>	<u>25,466</u>	<u>24,534</u>	<u>200,000</u>	<u>96,585</u>	<u>103,415</u>
<u>(50,000)</u>	<u>32,188</u>	<u>82,188</u>	<u>(200,000)</u>	<u>17,222</u>	<u>217,222</u>
<u>(50,000)</u>	<u>32,188</u>	<u>82,188</u>	<u>(200,000)</u>	<u>17,222</u>	<u>217,222</u>
	121,555	121,555		542,086	542,086
<u>\$ (50,000)</u>	<u>\$ 153,743</u>	<u>\$ 203,743</u>	<u>\$ (200,000)</u>	<u>\$ 559,308</u>	<u>\$ 759,308</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, 2020

	Gifts and Donations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 842,046	\$ 842,046
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		842,046	842,046
Expenditures:			
Current -			
Instruction		49,386	(49,386)
Support services - students and staff	250,000	241,720	8,280
Support services - administration		59,281	(59,281)
Operation and maintenance of plant services		539	(539)
Student transportation services		5,072	(5,072)
Operation of non-instructional services		433	(433)
Capital outlay		750,955	(750,955)
Total expenditures	250,000	1,107,386	(857,386)
Excess (deficiency) of revenues over expenditures	(250,000)	(265,340)	(15,340)
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from disposal of personal property			
Total other financing sources (uses)			
Changes in fund balances	(250,000)	(265,340)	(15,340)
Fund balances (deficits), beginning of year, as restated		622,006	622,006
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (250,000)	\$ 356,666	\$ 606,666

Fingerprint			Textbooks		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 733	\$ 733	\$	\$ 1,700	\$ 1,700
	<u>733</u>	<u>733</u>		<u>1,700</u>	<u>1,700</u>
10,000	1,430	8,570	70,000	2,329	67,671
	603	(603)		287	(287)
<u>10,000</u>	<u>2,033</u>	<u>7,967</u>	<u>70,000</u>	<u>2,616</u>	<u>67,384</u>
<u>(10,000)</u>	<u>(1,300)</u>	<u>8,700</u>	<u>(70,000)</u>	<u>(916)</u>	<u>69,084</u>
<u>(10,000)</u>	<u>(1,300)</u>	<u>8,700</u>	<u>(70,000)</u>	<u>(916)</u>	<u>69,084</u>
	1,594	1,594		45,263	45,263
<u>\$ (10,000)</u>	<u>\$ 294</u>	<u>\$ 10,294</u>	<u>\$ (70,000)</u>	<u>\$ 44,347</u>	<u>\$ 114,347</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, 2020

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 955	\$ 955
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	_____	955	955
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	25,000	284,165	(259,165)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	25,000	284,165	(259,165)
Excess (deficiency) of revenues over expenditures	(25,000)	(283,210)	(258,210)
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from disposal of personal property			
Total other financing sources (uses)	_____	_____	_____
Changes in fund balances	(25,000)	(283,210)	(258,210)
Fund balances (deficits), beginning of year, as restated		286,262	286,262
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (25,000)	\$ 3,052	\$ 28,052

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 78,651	\$ 78,651	\$	\$ 34,899	\$ 34,899
	<u>78,651</u>	<u>78,651</u>		<u>34,899</u>	<u>34,899</u>
2,500,000	368,616	2,131,384	1,500,000		1,500,000
	265,741	(265,741)			
	80,856	(80,856)			
	673	(673)			
	95,889	(95,889)			
	<u>1,219,306</u>	<u>(1,219,306)</u>			
<u>2,500,000</u>	<u>2,031,081</u>	<u>468,919</u>	<u>1,500,000</u>		<u>1,500,000</u>
<u>(2,500,000)</u>	<u>(1,952,430)</u>	<u>547,570</u>	<u>(1,500,000)</u>	<u>34,899</u>	<u>1,534,899</u>
	213,920	213,920			
	<u>1,219,304</u>	<u>1,219,304</u>			
	<u>1,433,224</u>	<u>1,433,224</u>			
<u>(2,500,000)</u>	<u>(519,206)</u>	<u>1,980,794</u>	<u>(1,500,000)</u>	<u>34,899</u>	<u>1,534,899</u>
	5,815,387	5,815,387		549,918	549,918
<u>\$ (2,500,000)</u>	<u>\$ 5,296,181</u>	<u>\$ 7,796,181</u>	<u>\$ (1,500,000)</u>	<u>\$ 584,817</u>	<u>\$ 2,084,817</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, 2020

	Student Activities		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 101,923	\$ 101,923
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		101,923	101,923
Expenditures:			
Current -			
Instruction		63,615	(63,615)
Support services - students and staff		9,627	(9,627)
Support services - administration			
Operation and maintenance of plant services		947	(947)
Student transportation services		3,885	(3,885)
Operation of non-instructional services			
Capital outlay			
Total expenditures		78,074	(78,074)
Excess (deficiency) of revenues over expenditures		23,849	23,849
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from disposal of personal property			
Total other financing sources (uses)			
Changes in fund balances		23,849	23,849
Fund balances (deficits), beginning of year, as restated		179,875	179,875
Increase (decrease) in reserve for prepaid items			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$ 203,724	\$ 203,724

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 2,090,064	\$ 2,090,064
	2,714,905	2,714,905
	<u>22,897,756</u>	<u>22,897,756</u>
	<u>27,702,725</u>	<u>27,702,725</u>
10,272,306	6,348,081	3,924,225
14,880,800	8,259,942	6,620,858
35,000	1,017,164	(982,164)
250,000	267,291	(17,291)
	39,256	(39,256)
12,914,847	8,730,579	4,184,268
	<u>3,465,542</u>	<u>(3,465,542)</u>
<u>38,352,953</u>	<u>28,127,855</u>	<u>10,225,098</u>
<u>(38,352,953)</u>	<u>(425,130)</u>	<u>37,927,823</u>
	213,920	213,920
	(210,755)	(210,755)
	<u>1,219,304</u>	<u>1,219,304</u>
	<u>1,222,469</u>	<u>1,222,469</u>
<u>(38,352,953)</u>	<u>797,339</u>	<u>39,150,292</u>
	21,345,640	21,345,640
	99,661	99,661
	226,688	226,688
<u>\$ (38,352,953)</u>	<u>\$ 22,469,328</u>	<u>\$ 60,822,281</u>

(This page intentionally left blank)

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
DEBT SERVICE
YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original & Final</u>	<u>Actual</u>	
Revenues:			
Other local	\$	\$ 28,237	\$ 28,237
Property taxes		2,168,300	2,168,300
Total revenues		<u>2,196,537</u>	<u>2,196,537</u>
Expenditures:			
Debt service -			
Principal retirement	1,315,000	1,315,000	
Interest and fiscal charges	1,171,250	1,008,315	162,935
Total expenditures	<u>2,486,250</u>	<u>2,323,315</u>	<u>162,935</u>
Excess (deficiency) of revenues over expenditures	<u>(2,486,250)</u>	<u>(126,778)</u>	<u>2,359,472</u>
Other financing sources (uses):			
Transfers in		219,734	219,734
Total other financing sources (uses)		<u>219,734</u>	<u>219,734</u>
Changes in fund balances	<u>(2,486,250)</u>	<u>92,956</u>	<u>2,579,206</u>
Fund balances, beginning of year		180,640	180,640
Fund balances (deficits), end of year	<u>\$ (2,486,250)</u>	<u>\$ 273,596</u>	<u>\$ 2,759,846</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, 2020

	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>
<u>ASSETS</u>			
Cash and investments	\$ 466,865	\$ 2,646	\$
Cash and investments - restricted		167,987	
Due from governmental entities			199,102
Total assets	\$ 466,865	\$ 170,633	\$ 199,102
 <u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$	\$	\$ 199,102
Total liabilities	\$	\$	\$ 199,102
Fund balances:			
Restricted	466,865	170,633	
Total fund balances	466,865	170,633	
Total liabilities and fund balances	\$ 466,865	\$ 170,633	\$ 199,102

Totals

\$ 469,511
167,987
199,102
\$ 836,600

\$ 199,102
199,102

637,498
637,498

\$ 836,600

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, 2020

	Adjacent Ways	Energy and Water Savings	Building Renewal Grant
Revenues:			
Other local	\$ 18,874	\$ 20,342	\$
Property taxes	5		
State aid and grants			199,102
Federal aid, grants and reimbursements		492,221	
Total revenues	18,879	512,563	199,102
Expenditures:			
Capital outlay	497,969	2,008,938	199,102
Debt service -			
Principal retirement		593,038	
Interest and fiscal charges		492,221	
Total expenditures	497,969	3,094,197	199,102
Excess (deficiency) of revenues over expenditures	(479,090)	(2,581,634)	
Other financing sources (uses):			
Transfers in		397,267	
Total other financing sources (uses)		397,267	
Changes in fund balances	(479,090)	(2,184,367)	
Fund balances, beginning of year	945,955	2,355,000	
Fund balances, end of year	\$ 466,865	\$ 170,633	\$

Totals

\$ 39,216
5
199,102
492,221
730,544

2,706,009

593,038
492,221
3,791,268

(3,060,724)

397,267
397,267

(2,663,457)

3,300,955

\$ 637,498

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, 2020

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 42,458	\$ 42,458
Property taxes			
State aid and grants			
Total revenues		42,458	42,458
Expenditures:			
Current -			
Instruction	800,000		800,000
Capital outlay			
Debt service -			
Principal retirement			
Bond issuance costs			
Total expenditures	800,000		800,000
Excess (deficiency) of revenues over expenditures	(800,000)	42,458	842,458
Other financing sources (uses):			
Transfers in			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	(800,000)	42,458	842,458
Fund balances, beginning of year		767,834	767,834
Fund balances (deficits), end of year	\$ (800,000)	\$ 810,292	\$ 1,610,292

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 369,971	\$ 369,971	\$	\$ 18,874	\$ 18,874
	4,936,805	4,936,805		5	5
	3,128,433	3,128,433			
	8,435,209	8,435,209		18,879	18,879
7,679,603	4,581,372	3,098,231	1,333,906	497,969	835,937
2,300,000	2,221,179	78,821			
9,979,603	6,802,551	3,177,052	1,333,906	497,969	835,937
(9,979,603)	1,632,658	11,612,261	(1,333,906)	(479,090)	854,816
(9,979,603)	1,632,658	11,612,261	(1,333,906)	(479,090)	854,816
	1,440,126	1,440,126		945,955	945,955
\$ (9,979,603)	\$ 3,072,784	\$ 13,052,387	\$ (1,333,906)	\$ 466,865	\$ 1,800,771

(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, 2020

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 221,738	\$ 221,738
Property taxes			
State aid and grants			
Total revenues		221,738	221,738
Expenditures:			
Current -			
Instruction			
Capital outlay	18,500,000	18,201,056	298,944
Debt service -			
Principal retirement			
Bond issuance costs		227,673	(227,673)
Total expenditures	18,500,000	18,428,729	71,271
Excess (deficiency) of revenues over expenditures	(18,500,000)	(18,206,991)	293,009
Other financing sources (uses):			
Transfers in			
Transfers out		(219,734)	(219,734)
Issuance of school improvement bonds		13,750,000	13,750,000
Premium on sale of bonds		1,437,799	1,437,799
Total other financing sources (uses)		14,968,065	14,968,065
Changes in fund balances	(18,500,000)	(3,238,926)	15,261,074
Fund balances, beginning of year		4,278,505	4,278,505
Fund balances (deficits), end of year	\$ (18,500,000)	\$ 1,039,579	\$ 19,539,579

Energy and Water Savings			Building Renewal Grant		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 20,342	\$ 20,342	\$	\$	\$
				199,102	199,102
	<u>20,342</u>	<u>20,342</u>		<u>199,102</u>	<u>199,102</u>
			300,000	199,102	100,898
593,038	593,038				
<u>593,038</u>	<u>593,038</u>		<u>300,000</u>	<u>199,102</u>	<u>100,898</u>
<u>(593,038)</u>	<u>(572,696)</u>	<u>20,342</u>	<u>(300,000)</u>		<u>300,000</u>
	397,267	397,267			
	<u>397,267</u>	<u>397,267</u>			
<u>(593,038)</u>	<u>(175,429)</u>	<u>417,609</u>	<u>(300,000)</u>		<u>300,000</u>
	178,075	178,075			
<u>\$ (593,038)</u>	<u>\$ 2,646</u>	<u>\$ 595,684</u>	<u>\$ (300,000)</u>	<u>\$</u>	<u>\$ 300,000</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, 2020

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 673,383	\$ 673,383
Property taxes		4,936,810	4,936,810
State aid and grants		3,327,535	3,327,535
Total revenues		<u>8,937,728</u>	<u>8,937,728</u>
Expenditures:			
Current -			
Instruction	800,000		800,000
Capital outlay	27,813,509	23,479,499	4,334,010
Debt service -			
Principal retirement	2,893,038	2,814,217	78,821
Bond issuance costs		227,673	(227,673)
Total expenditures	<u>31,506,547</u>	<u>26,521,389</u>	<u>4,985,158</u>
Excess (deficiency) of revenues over expenditures	<u>(31,506,547)</u>	<u>(17,583,661)</u>	<u>13,922,886</u>
Other financing sources (uses):			
Transfers in		397,267	397,267
Transfers out		(219,734)	(219,734)
Issuance of school improvement bonds		13,750,000	13,750,000
Premium on sale of bonds		1,437,799	1,437,799
Total other financing sources (uses)		<u>15,365,332</u>	<u>15,365,332</u>
Changes in fund balances	<u>(31,506,547)</u>	<u>(2,218,329)</u>	<u>29,288,218</u>
Fund balances, beginning of year		7,610,495	7,610,495
Fund balances (deficits), end of year	<u>\$ (31,506,547)</u>	<u>\$ 5,392,166</u>	<u>\$ 36,898,713</u>

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.

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Net investment in capital assets	\$ 61,401,540	\$ 59,669,706	\$ 55,604,986	\$ 66,264,970	\$ 69,019,182
Restricted	21,971,492	21,646,983	32,087,310	24,396,055	29,077,343
Unrestricted	(76,891,815)	(74,386,337)	(84,442,493)	(84,864,994)	(88,029,888)
Total net position	\$ 6,481,217	\$ 6,930,352	\$ 3,249,803	\$ 5,796,031	\$ 10,066,637
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 71,246,617	\$ 68,110,421	\$ 68,443,160	\$ 69,172,678	\$ 69,127,641
Restricted	29,067,052	33,118,561	26,618,978	40,750,306	25,970,063
Unrestricted	(94,977,996)	23,490,468	26,167,951	11,921,522	29,431,577
Total net position	\$ 5,335,673	\$ 124,719,450	\$ 121,230,089	\$ 121,844,506	\$ 124,529,281

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Instruction	\$ 66,961,235	\$ 61,860,908	\$ 64,974,105	\$ 65,042,422	\$ 56,795,603
Support services - students and staff	19,495,028	19,059,139	19,045,706	17,731,025	16,153,313
Support services - administration	9,657,302	8,585,628	10,003,648	9,807,357	9,893,187
Operation and maintenance of plant services	8,905,180	9,020,371	9,431,495	9,615,816	9,567,792
Student transportation services	4,693,715	3,805,853	4,234,275	3,819,857	3,866,193
Operation of non-instructional services	10,138,508	9,993,494	10,158,820	10,132,475	10,409,248
Interest on long-term debt	1,379,286	1,082,737	439,572		3,727
Total expenses	<u>121,230,254</u>	<u>113,408,130</u>	<u>118,287,621</u>	<u>116,148,952</u>	<u>106,689,063</u>
Program Revenues					
Charges for services:					
Instruction	1,654,134	485,950	3,345,952	466,653	324,288
Operation of non-instructional services	371,875	416,563	583,542	682,194	672,992
Other activities	65,296	280,811	221,461	211,183	188,149
Operating grants and contributions	23,359,402	27,814,047	26,206,645	25,071,366	24,741,733
Capital grants and contributions	3,788,595	3,176,544	1,324,836	1,182,831	130,742
Total program revenues	<u>29,239,302</u>	<u>32,173,915</u>	<u>31,682,436</u>	<u>27,614,227</u>	<u>26,057,904</u>
Net (Expense)/Revenue	<u>\$ (91,990,952)</u>	<u>\$ (81,234,215)</u>	<u>\$ (86,605,185)</u>	<u>\$ (88,534,725)</u>	<u>\$ (80,631,159)</u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Instruction	\$ 66,305,387	\$ 56,388,306	\$ 55,838,719	\$ 57,728,257	\$ 59,770,047
Support services - students and staff	16,429,631	16,039,741	15,599,266	15,901,896	16,123,720
Support services - administration	9,762,229	9,158,080	8,677,485	8,922,019	9,223,168
Operation and maintenance of plant services	9,737,441	8,772,806	8,407,300	9,017,361	10,423,233
Student transportation services	4,258,036	4,221,296	4,213,456	4,107,584	3,936,965
Operation of non-instructional services	12,517,944	11,889,769	12,078,864	11,635,553	11,631,022
Interest on long-term debt	1,458,218	308,166	583,618	843,442	1,054,391
Total expenses	<u>120,468,886</u>	<u>106,778,164</u>	<u>105,398,708</u>	<u>108,156,112</u>	<u>112,162,546</u>
Program Revenues					
Charges for services:					
Instruction	347,343	340,446	448,815	935,581	831,119
Operation of non-instructional services	777,375	1,017,057	1,056,948	435,955	464,213
Other activities	182,733	189,793	44,117	95,215	261,716
Operating grants and contributions	24,661,052	25,021,834	22,344,156	23,225,042	28,484,483
Capital grants and contributions	612,375	297,047	251,229	1,167,725	2,842,543
Total program revenues	<u>26,580,878</u>	<u>26,866,177</u>	<u>24,145,265</u>	<u>25,859,518</u>	<u>32,884,074</u>
Net (Expense)/Revenue	<u>\$ (93,888,008)</u>	<u>\$ (79,911,987)</u>	<u>\$ (81,253,443)</u>	<u>\$ (82,296,594)</u>	<u>\$ (79,278,472)</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				
	2020	2019	2018	2017	2016
Net (Expense)/Revenue	\$ (91,990,952)	\$ (81,234,215)	\$ (86,605,185)	\$ (88,534,725)	\$ (80,631,159)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	15,270,998	17,370,835	16,662,449	15,445,997	14,860,556
Property taxes, levied for debt service	2,197,870	616,682			
Property taxes, levied for capital outlay	4,929,167	2,606,304	6,408,816	4,902,616	4,987,960
Investment income	788,915	913,700	282,697	188,434	166,050
Unrestricted county aid	5,349,053	5,292,940	5,564,594	5,795,451	5,841,181
Unrestricted state aid	61,903,482	57,501,636	54,711,119	57,655,932	59,173,248
Unrestricted federal aid	922,457	612,667	411,777	275,689	333,128
Total general revenues	91,361,942	84,914,764	84,041,452	84,264,119	85,362,123
Changes in Net Position	\$ (629,010)	\$ 3,680,549	\$ (2,563,733)	\$ (4,270,606)	\$ 4,730,964

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (93,888,008)	\$ (79,911,987)	\$ (81,253,443)	\$ (82,296,594)	\$ (79,278,472)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	13,865,907	14,623,869	13,838,782	16,223,235	9,259,739
Property taxes, levied for debt service	132,819	5,383,310	5,862,436	5,710,089	6,263,935
Property taxes, levied for capital outlay	4,765,368	217,411	46,864		
Investment income	152,330	175,771	181,251	236,309	483,214
Unrestricted county aid	5,681,066	5,387,731	5,392,072	5,455,256	5,482,348
Unrestricted state aid	56,905,111	57,449,841	55,205,601	51,793,089	51,227,310
Unrestricted federal aid	189,953	163,415	112,020	193,841	900,614
Total general revenues	<u>81,692,554</u>	<u>83,401,348</u>	<u>80,639,026</u>	<u>79,611,819</u>	<u>73,617,160</u>
Changes in Net Position	<u>\$ (12,195,454)</u>	<u>\$ 3,489,361</u>	<u>\$ (614,417)</u>	<u>\$ (2,684,775)</u>	<u>\$ (5,661,312)</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Nonspendable	\$ 200,235	\$ 184,297	\$ 156,893	\$ 219,538	\$ 6,137,689
Restricted	1,071,892	1,015,447	870,612	681,467	1,125,682
Unassigned	18,521,663	20,827,905	19,080,581	19,240,161	14,537,300
Total General Fund	\$ 19,793,790	\$ 22,027,649	\$ 20,108,086	\$ 20,141,166	\$ 21,800,671
All Other Governmental Funds:					
Nonspendable	\$ 268,726	\$ 42,038	\$ 56,708	\$ 12,063	\$ 29,060
Restricted	22,600,897	25,760,142	46,911,669	23,561,988	27,805,794
Unassigned	(3,278,575)	(2,867,861)	(1,718,464)	(486,311)	(908,354)
Total all other governmental funds	\$ 19,591,048	\$ 22,934,319	\$ 45,249,913	\$ 23,087,740	\$ 26,926,500

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nonspendable	\$ 6,064,385	\$ 5,556,387	\$ 175,994	\$ 323,096	\$ 537,524
Restricted	450,070	106,997	650,049	600,832	951,474
Unassigned	13,127,836	13,610,093	21,610,269	22,089,487	24,605,787
Total General Fund	<u>\$ 19,642,291</u>	<u>\$ 19,273,477</u>	<u>\$ 22,436,312</u>	<u>\$ 23,013,415</u>	<u>\$ 26,094,785</u>
All Other Governmental Funds:					
Nonspendable	\$ 52,778	\$ 37,807	\$	\$ 64,795	\$ 66,510
Restricted	28,616,982	32,947,476	25,877,063	24,505,471	24,024,620
Unassigned	(564,026)	(844,810)	(332,710)		(1,415,531)
Total all other governmental funds	<u>\$ 28,105,734</u>	<u>\$ 32,140,473</u>	<u>\$ 25,544,353</u>	<u>\$ 24,570,266</u>	<u>\$ 22,675,599</u>

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

(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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Federal sources:					
Federal grants	\$ 18,924,414	\$ 18,261,114	\$ 16,958,596	\$ 16,953,833	\$ 15,589,143
National School Lunch Program	7,939,081	9,492,934	8,911,205	9,204,459	8,907,544
Total federal sources	<u>26,863,495</u>	<u>27,754,048</u>	<u>25,869,801</u>	<u>26,158,292</u>	<u>24,496,687</u>
State sources:					
State equalization assistance	55,208,963	50,686,801	48,644,079	52,259,937	53,688,006
State grants	2,196,548	1,737,753	719,030	280,371	292,984
School Facilities Board	199,102	426,353	39,147		
Other revenues	6,694,519	6,814,835	6,067,040	5,395,995	5,485,242
Total state sources	<u>64,299,132</u>	<u>59,665,742</u>	<u>55,469,296</u>	<u>57,936,303</u>	<u>59,466,232</u>
Local sources:					
Property taxes	22,764,396	20,705,672	23,122,925	20,406,885	18,891,789
County aid	5,349,053	5,292,940	5,564,594	5,795,451	5,841,181
Food service sales	221,365	256,434	317,676	348,890	330,282
Investment income	788,915	913,700	282,697	188,434	166,050
Other revenues	1,584,552	1,407,016	1,746,935	1,235,321	1,123,844
Total local sources	<u>30,708,281</u>	<u>28,575,762</u>	<u>31,034,827</u>	<u>27,974,981</u>	<u>26,353,146</u>
Total revenues	<u><u>\$ 121,870,908</u></u>	<u><u>\$ 115,995,552</u></u>	<u><u>\$ 112,373,924</u></u>	<u><u>\$ 112,069,576</u></u>	<u><u>\$ 110,316,065</u></u>

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 16,946,082	\$ 15,826,796	\$ 13,212,295	\$ 16,355,067	\$ 19,071,453
State Fiscal Stabilization (ARRA)					610,111
Education Jobs				1,213,608	1,226,948
National School Lunch Program	8,197,951	8,444,382	8,076,620	7,891,936	7,759,474
Total federal sources	<u>25,144,033</u>	<u>24,271,178</u>	<u>21,288,915</u>	<u>25,460,611</u>	<u>28,667,986</u>
State sources:					
State equalization assistance	51,664,830	52,183,004	50,764,114	47,936,614	47,989,669
State grants	238,353	599,679	227,691	427,363	74,427
Other revenues	5,240,281	5,334,943	4,373,381	3,856,475	3,528,502
Total state sources	<u>57,143,464</u>	<u>58,117,626</u>	<u>55,365,186</u>	<u>52,220,452</u>	<u>51,592,598</u>
Local sources:					
Property taxes	19,086,780	20,525,594	20,641,039	22,018,609	16,693,378
County aid	5,681,066	5,387,731	5,392,072	5,455,256	5,482,348
Food service sales	383,533	376,453	405,986	425,485	447,857
Investment income	152,330	175,771	181,251	236,309	483,214
Other revenues	1,108,320	1,460,019	2,000,997	1,344,328	2,699,129
Total local sources	<u>26,412,029</u>	<u>27,925,568</u>	<u>28,621,345</u>	<u>29,479,987</u>	<u>25,805,926</u>
Total revenues	<u>\$ 108,699,526</u>	<u>\$ 110,314,372</u>	<u>\$ 105,275,446</u>	<u>\$ 107,161,050</u>	<u>\$ 106,066,510</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures:					
Current -					
Instruction	\$ 59,375,317	\$ 58,992,981	\$ 53,854,178	\$ 53,524,737	\$ 55,204,045
Support services - students and staff	17,913,250	18,697,165	18,261,310	16,110,668	15,216,888
Support services - administration	9,343,514	8,799,503	10,090,697	9,245,914	9,739,697
Operation and maintenance of plant services	8,364,618	8,526,698	8,949,845	9,137,815	8,713,010
Student transportation services	3,856,537	3,633,334	4,040,262	2,998,789	3,487,044
Operation of non-instructional services	8,998,055	9,586,083	9,620,897	9,479,526	9,899,294
Capital outlay	30,568,925	24,428,639	18,160,854	8,918,438	4,846,257
Debt service -					
Interest and fiscal charges	1,500,536	1,135,520	439,572		3,727
Principal retirement	4,129,217	2,814,216	4,409,494	2,276,542	2,276,543
Bond issuance costs	227,673		268,837		
Total expenditures	<u><u>\$ 144,277,642</u></u>	<u><u>\$ 136,614,139</u></u>	<u><u>\$ 128,095,946</u></u>	<u><u>\$ 111,692,429</u></u>	<u><u>\$ 109,386,505</u></u>
Expenditures for capitalized assets	\$ 25,084,798	\$ 19,505,964	\$ 6,817,736	\$ 2,835,937	\$ 3,477,337
Debt service as a percentage of noncapital expenditures	5%	3%	4%	2%	2%

(Continued)

ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 52,991,571	\$ 56,685,611	\$ 51,552,558	\$ 53,321,750	\$ 55,922,784
Support services - students and staff	14,892,002	14,648,511	14,188,032	14,527,821	14,742,103
Support services - administration	9,168,371	8,686,971	8,205,230	8,433,331	8,693,644
Operation and maintenance of plant services	9,513,387	9,257,050	8,161,022	8,824,730	10,145,316
Student transportation services	3,670,920	3,832,326	3,748,922	3,652,467	3,420,345
Operation of non-instructional services	11,941,646	11,364,010	11,317,593	10,987,135	11,033,153
Capital outlay	15,645,173	1,921,642	1,589,590	2,046,940	9,256,949
Debt service -					
Interest and fiscal charges	1,458,218	308,166	583,618	843,442	1,054,391
Principal retirement	2,547,477	5,595,000	5,320,000	5,493,994	5,293,994
Bond issuance costs					
Total expenditures	<u>\$ 121,828,765</u>	<u>\$ 112,299,287</u>	<u>\$ 104,666,565</u>	<u>\$ 108,131,610</u>	<u>\$ 119,562,679</u>
Expenditures for capitalized assets	\$ 3,347,957	\$ 523,801	\$ 706,958	\$ 1,433,135	\$ 7,925,680
Debt service as a percentage of noncapital expenditures	3%	5%	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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ (22,406,734)	\$ (20,618,587)	\$ (15,722,022)	\$ 377,147	\$ 929,560
Other financing sources (uses):					
Issuance of school improvement bonds	13,750,000		14,265,000		
Proceeds from disposal of personal property	1,219,304		2,163,064		
Premium on sale of bonds	1,437,799		1,002,873		
Capital lease agreements		176,452	20,392,566		
Transfers in	830,921	1,178,549	441,270	541,070	837,777
Transfers out	(830,921)	(1,178,549)	(441,270)	(541,070)	(837,777)
Insurance recoveries		33,370	45,612	59,736	
Total other financing sources (uses)	16,407,103	209,822	37,869,115	59,736	
Changes in fund balances	\$ (5,999,631)	\$ (20,408,765)	\$ 22,147,093	\$ 436,883	\$ 929,560
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (13,129,239)	\$ (1,984,915)	\$ 608,881	\$ (970,560)	\$ (13,496,169)
Other financing sources (uses):					
Transfers in	950,617	5,007,052	452,753	484,350	1,116,858
Transfers out	(950,617)	(5,007,052)	(452,753)	(484,350)	(1,116,858)
Total other financing sources (uses)	8,940,345				
Changes in fund balances	\$ (4,188,894)	\$ (1,984,915)	\$ 608,881	\$ (970,560)	\$ (13,496,169)

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 197,944,249	\$ 209,836,712	\$ 189,661,649	\$ 174,046,737	\$ 164,700,217
Agricultural and Vacant	4,703,499	4,686,813	5,134,710	4,625,694	5,729,170
Residential (Owner Occupied)	57,664,715	51,815,373	48,727,013	41,169,397	39,512,637
Residential (Rental)	54,836,429	77,457,011	73,630,988	64,623,812	50,125,652
Railroad, Private Cars and Airlines	4,020,709	3,966,892	3,700,445	3,508,716	3,774,722
Historical Property	-	-	-	-	109,430
Certain Government Property Improvements	65,522	62,447	33,787	32,178	30,645
Total	\$ 319,235,123	\$ 347,825,248	\$ 320,888,592	\$ 288,006,534	\$ 263,982,473
Gross Full Cash Value	\$ 5,157,840,018	\$ 4,556,602,145	\$ 3,987,864,486	\$ 3,474,961,667	\$ 2,852,557,761
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6%	8%	8%	8%	9%
Total Direct Rate	7.23	6.42	7.18	7.15	7.52

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 169,321,294	\$ 167,359,202	\$ 197,455,138	\$ 237,296,828	\$ 286,587,265
Agricultural and Vacant	5,004,736	5,224,600	6,506,720	9,803,580	9,297,970
Residential (Owner Occupied)	38,437,898	36,635,529	45,405,337	51,496,293	93,768,764
Residential (Rental)	40,423,107	35,891,751	35,834,435	43,191,208	57,329,796
Railroad, Private Cars and Airlines	4,054,360	3,742,249	4,485,648	4,098,203	4,146,658
Historical Property	162,185	233,585	205,834	194,359	244,902
Certain Government Property Improvements	36,356	34,729	36,165	38,848	-
Total	\$ 257,439,936	\$ 249,121,645	\$ 289,929,277	\$ 346,119,319	\$ 451,375,355
Gross Full Cash Value	\$ 2,299,465,664	\$ 2,089,133,974	\$ 2,309,680,503	\$ 2,682,638,363	\$ 3,675,520,197
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	12%	13%	13%	12%
Total Direct Rate	7.00	8.02	7.02	6.43	3.21

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 264,242,652	\$ 277,356,147	\$ 246,357,874	\$ 211,179,172	\$ 179,152,550
Agricultural and Vacant	6,809,912	6,702,586	7,315,605	5,657,900	6,363,562
Residential (Owner Occupied)	122,206,835	111,118,276	90,127,495	77,954,566	66,224,825
Residential (Rental)	112,809,724	131,312,920	114,820,424	98,756,981	71,039,079
Railroad, Private Cars and Airlines	4,890,915	4,712,297	4,275,248	3,743,761	3,844,570
Historical Property	-	-	-	-	437,720
Certain Government Property Improvements	96,767	92,213	48,649	45,211	34,939
Total	\$ 511,056,805	\$ 531,294,439	\$ 462,945,295	\$ 397,337,591	\$ 327,097,245
Gross Full Cash Value	5,157,840,018	4,556,602,145	3,987,864,486	3,474,961,667	2,852,557,761
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	12%	12%	11%	11%
Estimated Net Full Cash Value	3,830,908,066	3,979,495,489	3,439,081,204	2,951,496,523	2,345,752,414
Total Direct Rate	7.23	6.42	7.18	7.15	7.52

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 171,996,491	\$ 168,365,982	\$ 198,652,109	\$ 240,373,348	\$ 321,357,251
Agricultural and Vacant	5,113,576	5,245,366	6,528,715	9,958,953	12,108,750
Residential (Owner Occupied)	44,482,896	36,685,594	45,426,648	51,534,370	93,910,439
Residential (Rental)	46,570,742	36,194,807	35,868,994	43,225,286	59,191,815
Railroad, Private Cars and Airlines	4,092,465	3,777,587	4,572,465	4,577,572	4,958,069
Historical Property	616,303	910,974	651,596	681,367	1,028,590
Certain Government Property Improvements	36,368	34,729	36,684	38,848	-
Total	\$ 272,908,841	\$ 251,215,039	\$ 291,737,211	\$ 350,389,744	\$ 492,554,914
Gross Full Cash Value	2,299,465,664	2,089,133,974	2,309,680,503	2,682,638,363	3,675,520,197
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	13%	13%	13%
Estimated Net Full Cash Value	1,843,418,743	1,634,484,422	1,867,032,662	2,231,189,024	3,149,518,308
Total Direct Rate	7.00	8.02	7.02	6.43	3.21

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	19 %
Agricultural and Vacant	15	15	15	15	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	14	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
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	16	15	15	15	17

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								
2020	0.46	1.40	4.99	1.33	2.13	1.86	2.07	5.16	7.23
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

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**

<u>Taxpayer</u>	<u>2020</u>		<u>2011</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Grand Canyon Education, Inc.	\$ 9,178,265	2.74 %		
Shamrock Foods Company	6,052,888	1.81		
BNSF Railway Company	3,859,150	1.15		
Luke Camelback LLC	3,310,441	0.99		%
GSI Family Investments Of Arizona LLC	3,048,515	0.91		
Qwest Corporation	2,755,098	0.82	7,833,593	1.59
Broadstone HBC Arizona LLC	2,350,041	0.70		
1128 Valencia Associates LLC/ETAL	2,291,564	0.68		
Plaza Del Sol 557 LLC	2,013,449	0.60		
United Parcel Service INC	1,910,099	0.57		
McClelland Family Partnership			11,082,486	2.25
Corning Gilbert, Inc.			5,163,453	1.05
ICG-ORE			4,532,983	0.92
Koll Bren Schreiber Realty Advisors			4,363,051	0.89
Hensley and Co.			3,925,663	0.80
Presson Equity Partners LLP			3,883,303	0.79
Burlington Nothern Santa Fe			3,357,254	0.68
Oak Park Medical Building LTD			3,041,034	0.62
RGR Family Limited Partnership			2,813,966	0.57
Total	<u><u>\$ 36,769,510</u></u>	<u><u>10.97 %</u></u>	<u><u>\$ 49,996,786</u></u>	<u><u>10.16 %</u></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
2020	\$ 23,018,421	\$ 22,048,827	95.79 %	\$	\$ 22,048,827	95.79 %
2019	20,970,492	20,166,933	96.17	788,959	20,955,892	99.93
2018	23,508,864	22,463,899	95.56	1,035,228	23,499,127	99.96
2017	20,561,658	19,815,816	96.37	738,865	20,554,681	99.97
2016	20,006,688	19,308,576	96.51	690,944	19,999,520	99.96
2015	18,883,916	17,974,861	95.19	902,447	18,877,308	99.97
2014	20,201,848	19,097,637	94.53	1,097,952	20,195,589	99.97
2013	20,514,235	19,038,323	92.81	1,469,305	20,507,628	99.97
2012	22,355,659	20,750,187	92.82	1,596,164	22,346,351	99.96
2011	15,856,850	14,614,022	92.16	1,238,003	15,852,025	99.97

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	
2020	\$ 30,281,639	\$ 316,013	\$ 29,965,626	1.05 %	\$ 328	\$ 12,807,634	\$ 43,089,273	0.84 %	\$ 471	0.02 %	
2019	15,215,090	193,487	15,021,603	0.53	180	15,621,851	30,836,941	0.68	370	0.01	
2018	15,267,873		15,267,873	0.54	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	

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, 2020

<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	\$ 312,450,000	0.86 %	\$ 2,687,070
Maricopa County Special Health Care District	429,125,000	0.86	3,690,475
City of Glendale	116,100,000	4.26	4,945,860
City of Phoenix	1,085,050,000	2.18	23,654,090
Phoenix Union High School District No. 210	389,120,000	7.00	27,238,400
Subtotal, Overlapping Debt			<u>62,215,895</u>
Direct:			
Alhambra Elementary School District No. 68			<u>43,089,273</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 105,305,168</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		9.39 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,008	
As a Percentage of Net Limited Assessed Valuation		18.04 %
As a Percentage of Estimated Gross Full Cash Value		1.79 %

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, 2019 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 2020:

Net full cash assessed valuation	\$ 511,056,805
Debt limit (10% of assessed value)	51,105,681
Debt applicable to limit	<u>30,000,000</u>
Legal debt margin	<u>\$ 21,105,681</u>

Total Legal Debt Margin Calculation for Fiscal Year 2020:

Net full cash assessed valuation	\$ 511,056,805
Debt limit (15% of assessed value)	76,658,521
Debt applicable to limit	<u>30,000,000</u>
Legal debt margin	<u>\$ 46,658,521</u>

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 76,658,521	\$ 79,694,166	\$ 69,441,794	\$ 59,600,639	\$ 49,064,587
Total net debt applicable to limit	<u>30,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u> </u>	<u> </u>
Legal debt margin	<u>\$ 46,658,521</u>	<u>\$ 64,694,166</u>	<u>\$ 54,441,794</u>	<u>\$ 59,600,639</u>	<u>\$ 49,064,587</u>
Total net debt applicable to the limit as a percentage of debt limit	39%	19%	22%	0%	0%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 40,936,326	\$ 37,682,256	\$ 43,910,582	\$ 52,558,462	\$ 73,883,237
Total net debt applicable to limit	<u>40,000</u>	<u>3,443,682</u>	<u>10,557,800</u>	<u>15,793,343</u>	<u>16,396,760</u>
Legal debt margin	<u>\$ 40,896,326</u>	<u>\$ 34,238,574</u>	<u>\$ 33,352,782</u>	<u>\$ 36,765,119</u>	<u>\$ 57,486,477</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	9%	24%	30%	22%

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 premium 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>
2019	4,367,835	\$ 222,943,072	\$ 49,704	4.0 %	91,430
2018	4,294,460	210,370,180	47,694	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

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 for 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019, 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>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health	45,894	1.61 %	27,431	1.62 %
State of Arizona	37,040	1.30	52,420	3.10
Walmart Stores	33,619	1.18	31,280	1.85
Fry's Food Stores	20,165	0.71		
Wells Fargo	16,700	0.59	14,000	0.83
Amazon.com	15,000	0.53		
Arizona State University	14,889	0.52	12,043	
City of Phoenix	14,821	0.52	16,375	0.97
Maricopa County	13,595	0.48	12,996	0.77
Honor Health	12,163	0.43		
Apollo Group Inc.			12,299	0.73
Honeywell			10,145	0.60
Bank of America			10,000	0.59
Total	<u>223,886</u>	<u>7.87</u> %	<u>198,989</u>	<u>11.04</u> %
Total employment	<u>2,850,559</u>		<u>1,693,272</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Supervisory					
Principals	15	13	20	14	15
Assistant principals				2	4
Other	27	25	40	13	12
Total supervisory	<u>42</u>	<u>38</u>	<u>60</u>	<u>29</u>	<u>31</u>
Instruction					
Teachers	584	562	597	640	621
Other professionals (instructional)	37	40	52		
Aides	152	191	229	195	114
Total instruction	<u>773</u>	<u>793</u>	<u>878</u>	<u>835</u>	<u>735</u>
Student Services					
Nurses	14	11	16		
Guidance Counselors	12	11	10	9	1
Librarians					
Other student services	36	33	39	32	15
Total student services	<u>62</u>	<u>55</u>	<u>65</u>	<u>41</u>	<u>16</u>
Support and Administration					
Food Service workers	93	97	137	100	115
Custodial/maintenance workers	88	86		82	101
Other classified	119	89	246	219	349
Transportation	45	49	68		
Office	56	32	32		
Total support and administration	<u>401</u>	<u>353</u>	<u>483</u>	<u>401</u>	<u>565</u>
Total	<u>1,278</u>	<u>1,239</u>	<u>1,486</u>	<u>1,306</u>	<u>1,347</u>

(Continued)

**ALHAMBRA ELEMENTARY SCHOOL DISTRICT NO. 68
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Principals	15	15	15	15	15
Assistant principals	4	4	4	4	4
Other	13	12	11	11	10
Total supervisory	<u>32</u>	<u>31</u>	<u>30</u>	<u>30</u>	<u>29</u>
Instruction					
Teachers	614	622	658	666	716
Other professionals (instructional)					
Aides	112	112	121	100	109
Total instruction	<u>726</u>	<u>734</u>	<u>779</u>	<u>766</u>	<u>825</u>
Student Services					
Nurses					
Guidance Counselors	1	1	1	1	1
Librarians					
Other student services	15	16	16	15	17
Total student services	<u>16</u>	<u>17</u>	<u>17</u>	<u>16</u>	<u>18</u>
Support and Administration					
Food Service workers	113	113	130	116	126
Custodial/maintenance workers	100	101	111	90	95
Other classified	331	320	378	314	342
Transportation					
Office					
Total support and administration	<u>544</u>	<u>534</u>	<u>619</u>	<u>520</u>	<u>563</u>
Total	<u><u>1,318</u></u>	<u><u>1,316</u></u>	<u><u>1,445</u></u>	<u><u>1,332</u></u>	<u><u>1,435</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
2020	11,273	\$ 107,851,291	\$ 9,567	0.43 %	\$ 121,230,254	\$ 10,754	7.74 %	773	14.6	92.0 %
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	(1.63)	112,162,546	8,555	(7.44)	825	15.9	92.7

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>2020</u>	<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>Schools</u>										
Elementary										
Buildings	178	178	210	210	210	210	210	210	210	210
Square feet	1,250,721	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
Other										
Buildings	36	31	7	7	7	7	7	7	7	7
Square feet	219,215	169,215	21,156	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
Playgrounds	15	15	15	15	15	15	15	15	15	15

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