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**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
PHOENIX, ARIZONA**

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**ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2023**



**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
PHOENIX, ARIZONA**

**ANNUAL FINANCIAL REPORT**

**YEAR ENDED JUNE 30, 2023**

Issued by:  
Business and Finance Department

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
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**YEAR ENDED JUNE 30, 2023**

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Governing Board  
Riverside Elementary School District No. 2  
Phoenix, Arizona

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside Elementary School District No.2 (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside Elementary School District No. 2, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

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

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

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### **Other Information**

Management is responsible for the other information included in the annual financial report. The other information includes the statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Mesa, Arizona  
January 31, 2024



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**REQUIRED SUPPLEMENTARY INFORMATION**

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## **RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2 MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023**

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As management of the Riverside Elementary School District No. 2 (District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$51.8 million (net position). The District's total net position increased by \$6.9 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$36.6 million, an increase of \$25.3 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6.2 million, or 68% of total General Fund expenditures.
- The District's net capital assets increased \$2.4 million from ongoing construction projects at the school's facilities.
- The District's long-term liabilities increased \$20.8 million or 49% due to the issuance of School Improvement Bonds, Project 2020 for \$24.9 million in the current fiscal year.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector business.

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

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

The government-wide financial statements distinguish functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District are for public education.

The government-wide financial statements can be found immediately following this MD&A.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District are classified as governmental funds.

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

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

The District maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Bond Building Fund, and Debt Service Fund the three of which are considered to be major funds. Data from the other six governmental funds are combined into a single aggregated presentation.

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds. Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. The expenditure budget can be revised annually, per Arizona Revised Statutes. The District also maintains an encumbrance accounting system as one technique of maintaining budgetary control. Encumbered amounts lapse at year-end. An annual budget of revenue from all sources is not prepared.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The basic governmental fund financial statements can be found on pages 14 - 17 of this report.

**Notes to Basic Financial Statements**

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 18 - 35 of this report.

**Required Supplementary Information Other than MD&A**

The District reports a multi-year schedule of the District's proportionate share of net pension liability and contributions to its cost-sharing pension plan on page 36.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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**Required Supplementary Information Other than MD&A (Continued)**

Governments have the option of presenting the General Fund and major special revenue budgetary statements as part of the basic financial statements or as required supplementary information (RSI) other than the MD&A. The District has elected to present the General Fund budgetary comparison schedule as RSI other than the MD&A which can be found on page 37 of this report. Notes to the RSI are presented after the budgetary comparison schedules on page 38.

**Supplementary information**

The combining statements in connection with nonmajor governmental funds are presented immediately following the required supplementary information other than the MD&A. Combining and individual fund statements and schedules can be found on pages 39 - 49 of this report.

**Other Information**

The statistical section includes selected financial, revenue, debt, and demographic information, generally presented on a multi-year basis. The statistical section can be found on pages 50 - 72 of this report.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$51.8 million at the close of the most recent fiscal year.

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

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>ASSETS</b>			
Current and other assets	\$ 46,544,349	\$ 20,185,731	\$ 26,358,618
Capital assets	78,139,040	75,735,877	2,403,163
<b>Total Assets</b>	<b>124,683,389</b>	<b>95,921,608</b>	<b>28,761,781</b>
<b>DEFERRED OUTFLOWS</b>			
<b>Total Assets and Deferred Outflows</b>	<b>1,368,349</b>	<b>2,444,868</b>	<b>(1,076,519)</b>
<b>LIABILITIES</b>			
Current liabilities	9,606,599	8,841,434	765,165
Long-term liabilities	63,351,643	42,505,109	20,846,534
<b>Total Liabilities</b>	<b>72,958,242</b>	<b>51,346,543</b>	<b>21,611,699</b>
<b>DEFERRED INFLOWS</b>			
<b>Total Liabilities and Deferred Inflows</b>	<b>1,340,294</b>	<b>2,208,094</b>	<b>(867,800)</b>
<b>NET POSITION</b>			
Net investment in capital assets	15,150,009	43,980,872	(28,830,863)
Restricted	30,540,397	5,896,879	24,643,518
Unrestricted	6,062,796	(5,065,912)	11,128,708
<b>Total Net Position</b>	<b>\$ 51,753,202</b>	<b>\$ 44,811,839</b>	<b>\$ 6,941,363</b>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**Government-Wide Financial Analysis (Continued)**

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, improvements, vehicles, equipment and furniture), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the District was able to report positive balances in all three categories of net position.

Overall, net position increased \$6.9 million or 15%. Key elements of this increase are indicated as follows:

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>REVENUES</b>			
Program revenues:			
Charges for services	\$ 574,415	\$ 434,103	\$ 140,312
Operating grants and contributions	3,629,666	4,270,438	(640,772)
General revenues:			
Property taxes	16,003,413	14,535,335	1,468,078
Additional state aid	139,171	112,933	26,238
Interest and other	2,735,430	641,678	2,093,752
<b>Total Revenues</b>	<b>23,082,095</b>	<b>19,994,487</b>	<b>3,087,608</b>
<b>EXPENSES</b>			
Instruction	6,056,715	5,697,539	359,176
Support Services:			
Students and instructional staff	1,548,638	1,655,937	(107,299)
General and school administration	1,106,752	1,066,847	39,905
Business and other support services	2,223,798	1,827,789	396,009
Operation and maintenance of plant	1,642,914	1,686,961	(44,047)
Operation of noninstructional services	1,123,552	837,481	286,071
Student transportation	581,181	731,092	(149,911)
Interest on long-term debt	1,857,182	1,061,192	795,990
<b>Total Expenses</b>	<b>16,140,732</b>	<b>14,564,838</b>	<b>1,575,894</b>
<b>Change in net position</b>	<b>6,941,363</b>	<b>5,429,649</b>	<b>1,511,714</b>
<b>Net Position - Beginning</b>	<b>44,811,839</b>	<b>39,382,190</b>	<b>5,429,649</b>
<b>Net Position - Ending</b>	<b>\$ 51,753,202</b>	<b>\$ 44,811,839</b>	<b>\$ 6,941,363</b>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANGEMENT’S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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The District reported an increase in charges for services of \$0.1 million (32%). This increase was mainly due to increases in civic center revenue and food sales.

Operating grants and contributions decreased \$0.6 million (19%) due to decreases in federal funding related to COVID-19 initiatives.

The District experienced an increase in property tax revenue of \$1.5 million (10%) as a result of increases in property tax rates and assessed values.

The increase in additional state aid was not considered significant.

Interest and other revenue increased \$2.1 million mainly due to settlement revenue received related to litigation from construction of the Maricopa Institute of Technology (MIT) site improvements. In addition, interest earnings increased from increases in interest rates and the cash balance held with the county treasurer.

The District incurred an 11% increase in expenses in the current year. The District’s mission is to provide an appropriate and outstanding educational experience for every student served within budget constraints. The increase was mainly due to increases in professional services related to the bond projects, utilities, repairs, maintenance, and professional development.

**FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

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

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

As of the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$36.6 million, an increase of \$25.3 million in comparison with the prior year. Approximately 17% of this total amount (\$6.2 million) constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remaining fund balance is restricted to indicate that it is not available for new spending.

Fund balances as of June 30, 2023, and the changes in fund balances from prior year are summarized below:

	<b>Balance</b>	<b>Increase (Decrease) From 2021-22</b>
<b>GOVERNMENTAL FUND</b>		
General Fund	\$ 6,260,612	\$ 931,542
Bond Building Fund	26,145,284	23,569,623
Debt Service Fund	907,058	463,684
Nonmajor Governmental Funds	3,242,994	365,150
<b>Total Governmental Fund Balance</b>	<b>\$ 36,555,948</b>	<b>\$ 25,329,999</b>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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The General Fund continues to experience a positive net change in fund balance. For the fiscal year ended June 30, 2023 the General Fund had an increase in fund balance of \$0.9 million. This increase was mainly due to an increase in property tax revenue and state funding. More information on what individuals funds are grouped into the General Fund can be found in Note 1.

The \$23.6 million increase in the Bond Building Fund was due to the issuance of \$24.9 million in school improvement bonds during the current year, offset by current year spending.

The \$0.5 million increase in the Debt Service Fund was due to increases in property tax revenue from increases in the tax rate and assessed values.

The increase of \$0.4 million in the Nonmajor Governmental Funds was mainly due to increase state and federal funding that will be expended in future periods.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget totaled \$99,077. In Arizona, school districts build their original "adopted" budget based on a projection of the coming fiscal year's 100th day average daily attendance. In May, the District is allowed to increase or decrease its budget for differences between expected and actual student growth. The increase was allocated among various line items, mostly out of regular education – instruction and into support services – central services, operations and maintenance of plant, student transportation services, and special education - instruction. Budgetary basis General Fund expenditures were \$2,039,891 less than budget during the fiscal year. Budgetary basis expenditures were 25% under budget.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$78.1 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, vehicles, furniture, and equipment. The net increase in the District's investment in capital assets for the current year is due to the issuance of school improvement bonds and the continued MIT expansion phases and other construction projects.

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

- MIT site improvements.
- MIT athletic fields.
- Surveillance equipment.
- RTS site improvements.
- District vehicles.

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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Capital asset activity as of June 30, 2023 is summarized below:

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>CAPITAL ASSETS</b>			
Land	\$ 6,200,114	\$ 6,200,114	\$ -
Construction in progress	20,371,815	16,017,230	4,354,585
Land improvements	5,942,125	5,833,262	108,863
Buildings & improvements	43,194,083	44,913,124	(1,719,041)
Vehicles, equipment, and furniture	2,430,903	2,772,147	(341,244)
<b>Total Capital Assets</b>	<b>\$ 78,139,040</b>	<b>\$ 75,735,877</b>	<b>\$ 2,403,163</b>

**Long-Term Debt**

At end of the current fiscal year, the District's debt included bonds payable, compensated absences, and the net pension/OPEB liabilities. Compensated absences increased \$110,942 during the current year due to increases in salaries. Bonds payable increased due to the issuance of the School Improvement Bonds, Project of 2020, Tax-Exempt Series A-1 (2022) and the Taxable Series A-2 (2022). A total of \$24.9 million was issued during the current year. The net pension liability increased \$80,347 due to factors as explained in Note 10 of this report.

	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>Net Change</b>
<b>LONG-TERM LIABILITIES</b>			
General obligation bonds	\$ 49,440,000	\$ 30,855,000	\$ 18,585,000
Unamortized premium	6,061,680	3,995,505	2,066,175
Compensated absences	796,328	685,384	110,944
Net pension liability	7,049,567	6,969,220	80,347
Net OPEB liability	4,068	-	4,068
<b>Total Long-term Liabilities</b>	<b>\$ 63,351,643</b>	<b>\$ 42,505,109</b>	<b>\$ 20,846,534</b>

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15% of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10% of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$92.4 million and the Class B debt limit is \$61.6 million, which are more than the District's total outstanding general obligation and Class B debt, respectively. Further information on the District's outstanding bonds can be found in Note 9.



**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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

- Economic inflation increases continue to impact our budget.
- Even though new housing developments are in their final stages, we have not seen a significant increase in student enrollment as predicted. As a matter of fact, we are in a declining status. Comparing Group A FY2022, FY2023 and FY2024, ADM counts are:
  - FY2022 - 775.5014 (Final)
  - FY2023 - 777.4638 (Final)
  - FY2024 - 749.6096 (Estimated)
- The ESSER grants (Specifically ESSER III) have played a significant role in retaining our maintenance and operations as it has been significantly used for this purpose.
- Teacher retention/recruitment stipends, sign-in bonuses and salary increases continue to be a factor in retaining, recruiting, and attracting existing and new teachers.

The above factors were considered in preparing the District's budget for the 2023-24 fiscal year.

**REQUEST FOR INFORMATION**

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

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## **BASIC FINANCIAL STATEMENTS**

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**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and investments	\$ 44,415,444
Property taxes receivable	177,015
Intergovernmental receivable	954,992
Accounts receivable	709,435
Deposits	23,783
Inventory	18,619
Net OPEB asset	245,061
Capital assets, not depreciated	26,571,929
Capital assets, net of accumulated depreciation	51,567,111
<b>Total Assets</b>	<u>124,683,389</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	1,330,409
Deferred outflows related to OPEB - cost sharing	37,940
<b>Total Deferred Outflows of Resources</b>	<u>1,368,349</u>
<b>LIABILITIES</b>	
Accounts payable	1,423,484
Accrued wages and benefits	565,521
Matured principal payable	6,310,000
Interest payable	1,307,594
Long-term liabilities:	
Due within one year	6,423,543
Due in more than one year	56,928,100
<b>Total Liabilities</b>	<u>72,958,242</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	1,179,589
Deferred inflows related to OPEB - cost sharing plan	160,705
<b>Total Deferred Inflows of Resources</b>	<u>1,340,294</u>
<b>NET POSITION</b>	
Investment in capital assets	15,150,009
Restricted:	
Net OPEB asset	245,061
Teacher compensation and other qualified programs (A.R.S 15-977)	322,754
Instructional improvement programs	82,946
Federal and state instructional programs	484,992
Food service	387,817
Civic center	972,093
Community programs	3,220
Extracurricular activities	46,952
Student activities	12,350
Capital projects	27,075,154
Debt service	907,058
Unrestricted	6,062,796
<b>Total Net Position</b>	<u>\$ 51,753,202</u>

See accompanying Notes to the Basic Financial Statements

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

Function/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
Instruction	\$ 6,056,715	\$ 487,126	\$ 1,624,787	\$ -	\$ (3,944,802)
Support services:					
Students	645,179	257	212,166	-	(432,756)
Instructional staff	903,459	245	369,407	-	(533,807)
General administration	690,395	168	108,966	-	(581,261)
School administration	416,357	247	2,932	-	(413,178)
Business and other support services	2,223,798	841	170,959	-	(2,051,998)
Operation and maintenance of plant	1,642,914	11,567	19,144	-	(1,612,203)
Student transportation	581,181	153	197,559	-	(383,469)
Operation of noninstructional services	1,123,552	73,811	923,746	-	(125,995)
Interest on long-term debt	1,857,182	-	-	-	(1,857,182)
<b>Total</b>	<b>\$ 16,140,732</b>	<b>\$ 574,415</b>	<b>\$ 3,629,666</b>	<b>\$ -</b>	<b>\$ (11,936,651)</b>
<b>General revenues:</b>					
Property taxes					16,003,413
Grants and contributions not restricted to specific programs:					
State equalization and additional state aid					139,171
Investment earnings					626,621
Other					2,108,809
Total general revenues					18,878,014
Change in net position					6,941,363
Net position - beginning					44,811,839
Net position - ending					\$ 51,753,202

See accompanying Notes to the Basic Financial Statements

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	<b>General Fund</b>	<b>Bond Building Fund</b>	<b>Debt Service Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ 6,236,873	\$ 26,780,286	\$ 8,502,709	\$ 2,895,576	\$ 44,415,444
Receivables:					
Property taxes	102,890	-	74,125	-	177,015
Intergovernmental	-	-	-	954,992	954,992
Accounts receivable	634,615	-	-	74,820	709,435
Deposits	-	-	-	23,783	23,783
Due from other funds	390,201	564,279	-	-	954,480
Inventory	18,619	-	-	-	18,619
<b>Total Assets</b>	<b>\$ 7,383,198</b>	<b>\$ 27,344,565</b>	<b>\$ 8,576,834</b>	<b>\$ 3,949,171</b>	<b>\$ 47,253,768</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 242,734	\$ 1,177,351	\$ -	\$ 3,399	\$ 1,423,484
Accrued wages	231,014	21,930	-	312,577	565,521
Due to other funds	564,279	-	-	390,201	954,480
Bonds payable	-	-	6,310,000	-	6,310,000
Interest payable	-	-	1,307,594	-	1,307,594
<b>Total Liabilities</b>	<b>1,038,027</b>	<b>1,199,281</b>	<b>7,617,594</b>	<b>706,177</b>	<b>10,561,079</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	84,559	-	52,182	-	136,741
<b>FUND BALANCES</b>					
Nonspendable	18,619	-	-	-	18,619
Restricted	-	26,145,284	907,058	3,242,994	30,295,336
Unassigned	6,241,993	-	-	-	6,241,993
<b>Total Fund Balances</b>	<b>6,260,612</b>	<b>26,145,284</b>	<b>907,058</b>	<b>3,242,994</b>	<b>36,555,948</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 7,383,198</b>	<b>\$ 27,344,565</b>	<b>\$ 8,576,834</b>	<b>\$ 3,949,171</b>	<b>\$ 47,253,768</b>

See accompanying Notes to the Basic Financial Statements

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

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**Total Fund Balance - Governmental Funds** \$ 36,555,948

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 115,337,549	
Accumulated depreciation	<u>(37,198,509)</u>	78,139,040

Property tax revenue not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources in the governmental funds:	136,741
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Net OPEB asset:

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

245,061

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds	(49,440,000)	
Unamortized premiums	(6,061,680)	
Net pension liability	(7,049,567)	
Net OPEB liability	(4,068)	
Compensated absences	<u>(796,328)</u>	(63,351,643)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows of resources relating to pensions:	1,330,409	
Deferred inflows of resources relating to pensions:	(1,179,589)	
Deferred outflows of resources relating to cost sharing OPEB	37,940	
Deferred inflows of resources relating to cost sharing OPEB	<u>(160,705)</u>	28,055

**Total Net Position - Governmental Activities** \$ 51,753,202

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	General Fund	Bond Building Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 7,317,746	\$ -	\$ 8,667,273	\$ 1	\$ 15,985,020
Intergovernmental	139,171	-	-	3,598,157	3,737,328
Tuition	2,342	-	-	-	2,342
Food Services Sales	-	-	-	73,420	73,420
Auxiliary operations	3,145	-	-	6,150	9,295
Student activities	-	-	-	25,489	25,489
Contributions and donations	31,509	-	-	-	31,509
Investment earnings	96,475	-	472,894	57,252	626,621
Other	2,102,679	-	-	469,999	2,572,678
<b>Total Revenues</b>	<b>9,693,067</b>	<b>-</b>	<b>9,140,167</b>	<b>4,230,468</b>	<b>23,063,702</b>
<b>EXPENDITURES</b>					
Current					
Instruction	2,532,515	131,780	-	1,610,692	4,274,987
Support services:					
Students	428,531	-	-	180,499	609,030
Instructional staff	409,098	173,996	-	316,343	899,437
General administration	280,151	15,144	-	92,931	388,226
School administration	412,420	-	-	1,303	413,723
Business and other support services	1,404,507	669,549	-	142,946	2,217,002
Operations and maintenance of plant	1,229,964	565,682	-	18,931	1,814,577
Student transportation	255,283	17,710	-	169,234	442,227
Operations of noninstructional services	26,071	114,468	-	901,206	1,041,745
Debt service:					
Principal	-	-	6,310,000	-	6,310,000
Interest and fiscal charges	-	-	2,364,633	-	2,364,633
Other debt-related costs	-	355,654	1,850	-	357,504
Capital outlay:					
Facilities acquisition	2,184,029	2,212,524	-	33,300	4,429,853
<b>Total Expenditures</b>	<b>9,162,569</b>	<b>4,256,507</b>	<b>8,676,483</b>	<b>3,467,385</b>	<b>25,562,944</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	<b>530,498</b>	<b>(4,256,507)</b>	<b>463,684</b>	<b>763,083</b>	<b>(2,499,242)</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in	397,933	-	-	-	397,933
Transfers out	-	-	-	(397,933)	(397,933)
General obligation bonds issued	-	24,895,000	-	-	24,895,000
Premium on general obligation bonds	-	2,931,130	-	-	2,931,130
<b>Net Financing Sources (Uses)</b>	<b>397,933</b>	<b>27,826,130</b>	<b>-</b>	<b>(397,933)</b>	<b>27,826,130</b>
<b>NET CHANGE IN FUND BALANCE</b>					
<b>Fund Balance - Beginning</b>	<b>5,329,070</b>	<b>2,575,661</b>	<b>443,374</b>	<b>2,877,844</b>	<b>11,225,949</b>
<b>Increase/(decrease) in inventories</b>	<b>3,111</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,111</b>
<b>Fund Balance - Ending</b>	<b>\$ 6,260,612</b>	<b>\$ 26,145,284</b>	<b>\$ 907,058</b>	<b>\$ 3,242,994</b>	<b>\$ 36,555,948</b>

See accompanying Notes to the Basic Financial Statements

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

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**Net Change in Fund Balances - Governmental Funds** \$ 25,326,888

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capital outlay:	\$ 5,805,358	
Depreciation expense:	<u>(3,309,781)</u>	2,495,577

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. (92,414)

Some revenues reported in the governmental funds that did not provide current financial resources in prior years have been recognized previously in the statement of activities and therefore are not reported as revenues in the statement of activities.

Property taxes	18,393
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Governmental funds report pension contributions as expenditures when made. However, in the statement of activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions.

Pension contributions	663,890
Pension expense	(758,705)
OPEB ASRS contributions	14,107
OPEB ASRS expense	32,635

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position.

Issuance of long-term debt	(24,895,000)
Premium on issuance of long-term debt	(2,931,130)
Principal payment on school improvement bonds	6,310,000
Amortization of deferred bond items	864,955

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

Net decrease (increase) in compensated absences	(110,944)
Change in inventories balances	<u>3,111</u>

**Change in Net Position of Governmental Activities** **\$ 6,941,363**



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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

The accompanying financial statements of the Riverside Elementary School District No. 2 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

**Reporting Entity**

The District is a special-purpose government that a separately elected governing body governs. It is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements present only the funds of those organizational entities for which its elected governing board is financially accountable.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District had no business-type activities during the fiscal year.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of long-term principal and interest due early in the following year (within one month), the expenditures and related liabilities have been recognized in the Debt Service Fund.

Property taxes, intergovernmental grants and aid, tuition, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

*Major Governmental Funds*

The *General Fund* is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. For budget purposes, it is described as the Maintenance and Operation Fund by Arizona Revised Statutes (A.R.S.) and is budgeted within four subsections titled regular education programs, special education programs, pupil transportation, and K-3 reading program.

Within the governmental fund financial statements, the General Fund includes the following individual funds: Maintenance and Operations (001), Medicaid (290), School Plant (506), Gifts and Donations (530), Insurance Proceeds (550), Indirect Cost (570), Unemployment Insurance (575), Unrestricted Capital Outlay (610), and Enterprise Funds (900's).

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

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**Assets, Deferred Outflows of resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

**Deposits and Investments**

Arizona Revised Statutes (A.R.S.) requires the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash in the Debt Service and Bond Building Funds, which are invested separately. As required by statute, interest earned by the Bond Building Fund is recorded in the Debt Service Fund.

A.R.S. authorize the District to invest public monies in the State and County Treasurer's investment pools; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories. Statute authorizes the District to deposit monies of Auxiliary Operations and Student Activities in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholding accounts for taxes, employee insurance programs, and federal savings bonds. Some of these bank accounts may be interest bearing.

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of monies at 102% of all deposits not covered by federal depository insurance.

The State Board of Investments provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

**Property Taxes Receivables**

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

The District does not report a reserve for uncollectible property taxes as they are considered 100 percent collectible due to the County attaching a lien against all amounts past due as noted above.

**Intergovernmental Receivable**

Intergovernmental receivables are comprised of federal grants (\$914,845) and state grants (\$40,147).

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**Inventories**

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed and inventories of governmental activities are recorded as expense when consumed.

**Short-Term Interfund Receivables and Payables**

During the course of operations, individual funds within the District’s pooled cash accounts may borrow money from other funds within the pool on a short-term basis. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements.

**Deposits**

Deposits in the amount of \$23,783 represents cash deposits with Mohave Educational Services in the food service cooperative.

**Capital Assets**

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Property, plant and equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

<b>Asset Class</b>	<b>Years</b>
Land improvements	5-50 years
Building and improvements	5-50 years
Vehicles, equipment, furniture	5-15 years

**Deferred Outflows of Resources**

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**Compensated Absences**

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

**Pensions Plans and Other Postemployment Benefits (OPEB)**

For purposes of measuring the net pension/OPEB (asset) liability, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and pension/OPEB expense, information about the fiduciary net position of the Arizona State Retirement System (ASRS) and additions to/deductions from ASRS's fiduciary net position have been determined on the same basis as they are reported by ASRS or by actuaries for the District single employer OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Deferred Inflows of Resources**

The deferred inflows of resources reported in the governmental fund financial statements represent resources that are not available to the District as of June 30, 2023 or within 60 days of fiscal year end. The deferred inflows of resources represent a reconciling item between the governmental fund and the government-wide financial statements. Deferred inflows related to the pension and OPEB represent an acquisition of net assets that applies to future periods.

**Net Position**

In the government-wide financial statements, net position is reported in three categories: investment in capital assets; restricted net position; and unrestricted net position. The investment in capital assets is separately reported because the District's capital assets make up a significant portion of total net position. Restricted net position account for the portion of net position restricted by parties outside the District. Unrestricted net position is the remaining net position not included in the previous two categories.

**Fund Balance**

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

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**Fund Balance (Continued)**

Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations. The committed fund balances are self-imposed limitations approved by the District’s Governing Board, which is the highest level of decision- making authority within the District. Only the District Governing Board can remove or change the constraints placed on committed fund balances through formal board action at a public meeting. Fund balances must be committed prior to fiscal year-end. Assigned fund balances are resources constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed. The District’s Governing Board has not authorized any management officials to make assignments of resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

The District has not adopted a spending priority policy. When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, in accordance with GASB 54, the District uses restricted fund balance first. For the disbursement of unrestricted fund balances, the District follows the spending policy described in GASB 54 to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

The District has classified its fund balances as follows:

	<b>General Fund</b>	<b>Bond Building Fund</b>	<b>Debt Service Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Activities</b>
<b>Nonspendable</b>					
Inventory	\$ 18,619	\$ -	\$ -	\$ -	\$ 18,619
<b>Restricted</b>					
Teacher compensation and other qualified programs (A.R.S. 15-977)	-	-	-	322,754	322,754
Instructional improvement programs	-	-	-	82,946	82,946
Federal and state instructional programs	-	-	-	484,992	484,992
Food service	-	-	-	387,817	387,817
Civic center	-	-	-	972,093	972,093
Community programs	-	-	-	3,220	3,220
Extracurricular activities	-	-	-	46,952	46,952
Student activities	-	-	-	12,350	12,350
Capital projects	-	26,145,284	-	929,870	27,075,154
Debt service	-	-	907,058	-	907,058
Total restricted	-	26,145,284	907,058	3,242,994	30,295,336
<b>Unassigned</b>	6,241,993	-	-	-	6,241,993
<b>Total</b>	<b>\$ 6,260,612</b>	<b>\$ 26,145,284</b>	<b>\$ 907,058</b>	<b>\$ 3,242,994</b>	<b>\$ 36,555,948</b>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The District adopts an annual operating budget for expenditures for all governmental fund types on essentially the same modified accrual basis of accounting used to record actual expenditures (See Notes to Required Supplementary Information for exceptions). The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted the budget can be increased or decreased only for specific reasons set forth in the A.R.S. All appropriations lapse at year-end.

Budgetary control over expenditures is exercised at the fund level. However, the General Fund is budgeted within four subsections (see preceding description of General Fund), any of which may be over-expended with the prior approval of the Governing Board at a public meeting, providing the expenditures for all subsections do not exceed the General Fund's total budget.

An annual budget of revenue from all sources for the fiscal year is not prepared.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Deposits and investments at June 30, 2023 consist of the following:

Deposits:		
Cash in bank		\$ 194,047
Investments:		
Cash on deposit with county treasurer		44,221,272
Total deposits and investments		<u>\$ 44,415,444</u>

**Deposits**

*Custodial Credit Risk* – This is the risk that, in the event of a failure by a counterparty, the District will not be able to recover its deposits or collateralized securities that are in the possession of an outside party. The District had a carrying value of \$194,047 of cash on deposit with a local financial institution and a bank balance of \$203,612 at June 30, 2023. The District does not have a formal policy regarding custodial credit risk. However, the entire bank balance was insured by federal depository insurance.

**Investments**

At June 30, 2023, the District's investments were reported at fair value. The District's investments consisted of only cash on deposit with the County Treasurer.

*Custodial Credit Risk* – The District's investment in the County Treasurer's investment pools represents a proportionate interest in those pools' portfolios; however, the District's portion is not identified with any specific investment and is not subject to custodial credit risk.



**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

**Investments (Continued)**

*Interest Rate Risk* – The District does not have a formal investment policy regarding interest rate risk; however, the District manages its exposure to declines in fair values by limiting the average maturity of its investment portfolio to one year or less.

*Credit Risk* – The District does not have a formal investment policy regarding credit risk. However, the District is prohibited by state law from investing in investments other than State and County Treasurer’s investment pools, U.S. Treasury obligations, specified state and local government bonds and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements. The District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

**NOTE 4 – UNAVAILABLE REVENUES**

Property taxes are recognized as revenues in the fiscal year levied in the government-wide financial statements and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as deferred inflows of resources.

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	<u><b>Unavailable</b></u>
Delinquent property taxes receivable:	
General Fund	\$ 84,559
Debt Service Fund	52,182
<b>Total</b>	<u>\$ 136,741</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023
Capital assets not being depreciated				
Land	\$ 6,200,114	\$ -	\$ -	\$ 6,200,114
Construction in progress	16,017,230	4,354,585	-	20,371,815
Total capital assets not being depreciated	<u>22,217,344</u>	<u>4,354,585</u>	<u>-</u>	<u>26,571,929</u>
Capital assets being depreciated				
Land improvements	10,405,223	576,990	-	10,982,213
Buildings and improvements	66,388,361	437,384	-	66,825,745
Vehicles, equipment, and furniture	10,831,641	436,399	(310,378)	10,957,662
Total capital assets being depreciated	<u>87,625,225</u>	<u>1,450,773</u>	<u>(310,378)</u>	<u>88,765,620</u>
Less accumulated depreciation				
Land improvements	(4,571,961)	(468,127)	-	(5,040,088)
Buildings and improvements	(21,475,237)	(2,156,425)	-	(23,631,662)
Vehicles, equipment, and furniture	(8,059,494)	(685,229)	217,964	(8,526,759)
Total accumulated depreciation	<u>(34,106,692)</u>	<u>(3,309,781)</u>	<u>217,964</u>	<u>(37,198,509)</u>
Total capital assets, being depreciated, net	<u>53,518,533</u>	<u>(1,859,008)</u>	<u>(92,414)</u>	<u>51,567,111</u>
Governmental activities capital assets, net	<u>\$ 75,735,877</u>	<u>\$ 2,495,577</u>	<u>\$ (92,414)</u>	<u>\$ 78,139,040</u>

Depreciation expenses was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 1,680,044
Support Services:	
Students	34,552
General Administration	452,188
Operations and Maintenance of Plant	871,739
Student Transportation	136,998
Operation of Noninstructional Services	134,260
	<u>\$ 3,309,781</u>

As of June 30, 2023, the District reported the following construction commitments:

Project	Governmental activities	
	Spent-to-date	Estimated remaining
MIT improvements	\$ 20,213,317	\$ 853,234
RTS improvements	103,498	106,165
Miscellaneous	55,000	-
Total	<u>\$ 20,371,815</u>	<u>\$ 959,399</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

As of June 30, 2023, interfund receivables and payables were as follows:

<u>Due to other funds</u>	<u>Due from other funds</u>		
	Nonmajor Governmental		Total
	Funds	General Fund	
General Fund	\$ 390,201	-	\$ 390,201
Bond Building Fund	-	564,279	564,279
Total	\$ 390,201	\$ 564,279	\$ 954,480

The interfund receivable and payable between the General Fund and the Nonmajor Governmental Funds are due to cash shortfalls at June 30, 2023. Cash will be received subsequent to June 30, 2023 to repay the short-term borrowings. The interfund receivable and payable between the General Fund and Bond Building Fund is related to settlement revenue that will be paid when the monies are received.

Interfund transfers for the year ended June 30, 2023 consisted of the following:

<u>Transfer to</u>	<u>Transfer from</u>
	Nonmajor Governmental Funds
General fund	\$ 397,933

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

**NOTE 7 – LONG-TERM OBLIGATIONS**

**Compensated Absences**

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year ended June 30, 2023, the District paid for compensated absences from the General Fund.

**General Obligation Bonds Payable**

Bonds payable at year end consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$89.4 million, and the available margin is \$59.6 million.

During the current year, the District issued \$24.9 million of School Improvement Bonds, Project of 2020, which include \$22.4 million in tax-exempt series A-1 bonds and \$2.5 million in taxable series A-2 bonds. The series A-1 bonds have an interest rate of 5.0% and will be paid through July 1, 2035. The series A-2 bonds have an interest rate of 4.50% - 4.75% and will be paid through July 1, 2024.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 7 – LONG-TERM OBLIGATIONS**

**General Obligation Bonds Payable (Continued)**

As of June 30, 2023, the current outstanding bonds are as follows:

Purpose	Interest Rate	Maturity	Original Issue	Balance
<b>Governmental Activities:</b>				
School Improvement Bonds Project of 2011, Series C (2013)	2.5% - 4.5%	7/1/23 - 27	\$ 14,465,000	\$ 4,535,000
Refunding Bonds, Series 2011	5.75%	7/1/30	3,820,000	520,000
School Improvement Bonds Project of 2014, Series C (2017)	4.0% - 5.0%	7/1/23 - 25	10,235,000	4,440,000
Refunding Bonds, Series 2017 (2020 Crossover)	4.0% - 5.0%	7/1/23 - 29	4,510,000	3,200,000
School Improvement Bonds Project of 2014, Series D (2018)	5.00%	7/1/23 - 25	8,035,000	2,150,000
School Improvement Bonds Project of 2014, Series E (2020)	3.00% - 4.00%	7/1/23 - 32	12,315,000	11,045,000
School Improvement Bonds Project of 2020 Series E (2022)	5.00%	7/1/23 - 35	24,895,000	23,550,000
			<u>\$ 78,275,000</u>	<u>\$ 49,440,000</u>

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

Year ended, June 30,	General Obligation Bonds	
	Principal	Interest
2024	6,230,000	2,313,850
2025	5,910,000	2,021,625
2026	4,955,000	1,748,075
2027	4,640,000	1,527,550
2028	4,725,000	1,321,200
2029-2033	19,370,000	3,526,350
2034-2035	3,610,000	204,250
Total	<u>\$ 49,440,000</u>	<u>\$ 12,662,900</u>

Changes in long-term liabilities for the year ended June 30, 2023 are summarized as follows:

	Balance July 01, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
General obligation bonds	\$ 30,855,000	\$ 24,895,000	\$ (6,310,000)	\$ 49,440,000	\$ 6,230,000
Unamortized premium	3,995,505	2,931,130	(864,955)	6,061,680	-
Compensated absences	685,384	389,816	(278,872)	796,328	193,543
Net pension liability	6,969,220	80,347	-	7,049,567	-
Net OPEB liability	-	4,068	-	4,068	-
Total	<u>\$ 42,505,109</u>	<u>\$ 28,300,361</u>	<u>\$ (7,453,827)</u>	<u>\$ 63,351,643</u>	<u>\$ 6,423,543</u>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 8 – RISK MANAGEMENT**

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

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

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

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

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

**NOTE 9 – CONTINGENT LIABILITIES**

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Cost Sharing Pension Plan**

As of June 30, 2023, the District reported the following liabilities/assets related to its cost-sharing pension/OPEB plan to which it contributes:

	Net Pension/OPEB Liability (Asset)
Pension	\$ 7,049,567
Health insurance premium benefit	(245,061)
Long-term disability	4,068

**Arizona State Retirement System**

**Plan Description**

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

**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 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%

*\*With actuarially reduced benefits.*

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Benefits Provided (Continued)**

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

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

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

**Contributions**

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2023, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17% (12.03% for retirement and 0.14% 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 12.17% (11.92% for retirement, 0.11% for health insurance premium benefit, and 0.14% for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.68% (9.62% for retirement and 0.06% for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2023, were \$663,890, \$6,079, and \$8,028, respectively.

During the fiscal year ended June 30, 2023, the District paid for ASRS pension as follows: 59% from the General Fund, 9% from the Bond Building Fund, and 32% from Nonmajor Governmental Funds.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Pension Liability**

As of June 30, 2023, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

The District's proportion of the net asset or net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022, and the change from its proportions measured as of June 30, 2022, were:

	District % Proportion June 30, 2022	Increase (Decrease) from June 30, 2021
Pension	0.04319%	-0.00985%
Health insurance premium benefit	0.04391%	-0.01005%
Long-term disability	0.04405%	-0.00945%

The net asset and net liabilities were measured as of June 30, 2022. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022.

The District's proportion of the net asset or net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022, and the change from its proportions measured as of June 30, 2021, were noted above.

**Pension Expense**

For the year ended June 30, 2023, the District recognized the following pension and OPEB expense.

	Pension/OPEB Expense
Pension	\$ 758,705
Health insurance premium benefit	(33,943)
Long-term disability	1,308
Total Pension/OPEB Expense:	<u>\$ 726,070</u>



**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Deferred Outflows/Inflows of Resources**

As of June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ 60,067	\$ -	\$ 2,118
Changes of assumptions or other inputs	349,884	3,977	2,216
Changes in proportion and differences between contributions and proportionate share of contributions	256,568	11,616	3,906
Contributions subsequent to the measurement date	663,890	6,079	8,028
Total	\$ 1,330,409	\$ 21,672	\$ 16,268

  

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ -	\$ 125,065	\$ 3,791
Changes of assumptions or other inputs	-	6,684	9,930
Net difference between projected and actual earnings on pension plan investments	185,692	8,255	126
Changes in proportion and differences between contributions and proportionate share of contributions	993,897	1,879	4,975
Total	\$ 1,179,589	\$ 141,883	\$ 18,822

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in expenses as noted below.

Year Ending June 30:	Deferred Outflows (Inflows) of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
2024	\$ 67,385	\$ (35,381)	\$ (947)
2025	(555,258)	(38,654)	(1,175)
2026	(322,406)	(42,508)	(2,128)
2027	297,209	(4,222)	(305)
2028	-	(5,525)	(1,872)
Thereafter	-	-	(4,155)
Total	\$ (513,070)	\$ (126,290)	\$ (10,582)

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Actuarial Assumptions**

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

	Pensions	Health Insurance Premium Benefit	Long-Term Disability
Actuarial valuation date	June 30, 2021	June 30, 2021	June 30, 2021
Actuarial roll forward date	June 30, 2022	June 30, 2022	June 30, 2022
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Investment rate of return	7.0%	7.0%	7.0%
Projected salary increases	2.9-8.4%	Not applicable	Not applicable
Inflation rate	2.3%	2.3%	2.3%
Permanent base increases	Included	Not applicable	Not applicable
Mortality rates	2017 SRA Scale U-MP	2017 SRA Scale U-MP	Not applicable
Recovery rates	Not applicable	Not applicable	2012 GLDT

Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.00% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table on the next page.

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	3.90%
Fixed income - credit	20%	5.30%
Fixed income - interest rate sensitive	10%	(0.20%)
Real Estate	20%	6.00%
Total	<u>100%</u>	

**Discount Rate**

On June 30, 2022, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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**NOTE 10 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Sensitivity of the District’s Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate**

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

	Proportionate share of the net liability (asset)		
	Current		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Pension	\$ 10,401,427	\$ 7,049,567	\$ 4,254,640
Health insurance premium benefit	(176,212)	(245,061)	(303,478)
Long-term disability	6,744	4,068	1,475

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

**Contributions payable**

The District’s accrued payroll and employee benefits included \$25,423 of outstanding pension and OPEB contribution amounts payable to ASRS for the year ended June 30, 2023.

**NOTE 11 – SUBSEQUENT EVENTS**

After June 30, 2023, the District entered into a settlement agreement with Ricker, Atkinson, McBee, Morman & Associates, Inc. (RAMM) where the District will receive \$2 million based on disputed conditions relating to phase 2 construction of the Maricopa Institute of Technology campus.

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**REQUIRED SUPPLEMENTARY INFORMATION OTHER  
THAN MD&A**

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**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS**  
**COST SHARING PENSION PLAN**  
**JUNE 30, 2023**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	Reporting Fiscal Year (Measurement Date)								
	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
Proportion of the net pension liability	0.04319%	0.05304%	0.04770%	0.04230%	0.05000%	0.05000%	0.04000%	0.04000%	0.04000%
Proportionate share of the net pension liability	\$ 7,049,567	\$ 6,969,220	\$ 8,264,750	\$ 6,153,687	\$ 6,264,759	\$ 7,240,678	\$ 7,641,154	\$ 6,893,085	\$ 6,190,510
Covered payroll	\$ 5,345,878	\$ 5,899,510	\$ 5,215,135	\$ 4,456,825	\$ 4,607,505	\$ 4,630,204	\$ 4,369,005	\$ 4,087,851	\$ 3,712,140
Proportionate share of the net pension liability as a percentage of its covered payroll	131.87%	118.13%	158.48%	138.07%	135.97%	156.38%	174.89%	168.62%	166.76%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

**SCHEDULE OF CONTRIBUTIONS**

	Reporting Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 663,890	\$ 636,218	\$ 694,643	\$ 597,133	\$ 498,273	\$ 502,218	\$ 499,136	\$ 474,037	\$ 445,167
Contributions in relation to the actuarially determined contribution	663,890	636,218	694,643	597,133	498,273	502,218	499,136	474,037	445,167
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 5,772,125	\$ 5,345,878	\$ 5,899,510	\$ 5,215,135	\$ 4,456,825	\$ 4,607,505	\$ 4,630,204	\$ 4,369,005	\$ 4,087,851
Contributions as a percentage of covered payroll	11.50%	11.90%	11.77%	11.45%	11.18%	10.90%	10.78%	10.85%	10.89%

*See accompanying Notes to Required Supplementary Information*

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL GENERAL FUND – BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Budgetary Basis	Variances - Final to Actual
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 6,774,587	\$ 6,774,587
Intergovernmental	-	-	138,117	138,117
Tuition	-	-	2,342	2,342
Investment earnings	-	-	51,885	51,885
Other	-	-	35	35
<b>Total Revenues</b>	-	-	6,966,966	6,966,966
<b>EXPENDITURES</b>				
Regular education:				
Instruction	2,689,284	2,500,074	1,470,033	1,030,041
Support services - students	252,940	263,131	142,139	120,992
Support services - instructional staff	263,439	273,166	209,891	63,275
Support services - general administration	352,531	344,805	258,551	86,254
Support services - school administration	371,495	388,942	397,920	(8,978)
Support services - central services	1,340,043	1,398,856	1,170,538	228,318
Operations and maintenance of plant	1,028,244	1,090,867	934,345	156,522
School sponsored cocurricular activities	20,163	21,453	-	21,453
School sponsored athletics	-	-	19,682	(19,682)
<b>Total regular education</b>	<b>6,318,139</b>	<b>6,281,294</b>	<b>4,603,099</b>	<b>1,678,195</b>
Special education:				
Instruction	819,724	860,153	794,391	65,762
Support services - students	263,426	277,108	263,445	13,663
Support services - instructional staff	177,966	180,681	156,279	24,402
Support services - general administration	1,475	603	-	603
Support services - central services	-	723	728	(5)
<b>Total special education</b>	<b>1,262,591</b>	<b>1,319,268</b>	<b>1,214,843</b>	<b>104,425</b>
Pupil transportation:				
Student transportation services	417,920	475,855	227,022	248,833
K-3 reading program:				
Instruction	53,435	74,745	49,807	24,938
Support services - instructional staff	-	-	16,500	(16,500)
<b>Total K-3 reading program</b>	<b>53,435</b>	<b>74,745</b>	<b>66,307</b>	<b>8,438</b>
<b>Total Expenditures</b>	<b>8,052,085</b>	<b>8,151,162</b>	<b>6,111,271</b>	<b>2,039,891</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(8,052,085)</b>	<b>(8,151,162)</b>	<b>855,695</b>	<b>9,006,857</b>
<b>Other Financing Sources (Uses):</b>				
Change in Inventories	-	-	3,111	3,111
<b>NET CHANGE IN FUND BALANCE</b>	<b>(8,052,085)</b>	<b>(8,151,162)</b>	<b>858,806</b>	<b>9,009,968</b>
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>-</b>	<b>3,412,842</b>	<b>3,412,842</b>
<b>Fund Balance - Ending</b>	<b>\$ (8,052,085)</b>	<b>\$ (8,151,162)</b>	<b>\$ 4,271,648</b>	<b>\$ 12,422,810</b>

See accompanying Notes to Required Supplementary Information

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NOTES TO THE REQUIRED**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2023**

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**NOTE 1 – AVAILABILITY OF PRIOR YEAR PENSION INFORMATION**

Information prior to the measurement date of June 30, 2014, was not available. GASB Statement No. 68 requires the District to present 10 years of pension information as required supplementary information. However, until a full 10 years of trend data is compiled, the District will present information for only those years for which information is available.

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

**NOTE 2 – BUDGETARY BASIS OF ACCOUNTING**

The District’s adopted budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the following exception:

- 1) The General Fund as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances includes the District’s Maintenance and Operation Fund in addition to several other District funds as required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; however, for budgetary purposes, the District prepares a separate Maintenance and Operation Fund budget.

The following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District’s Maintenance and Operation Fund for budgetary purposes.

	General Fund				
	Total	Total	Other Financing Sources and Uses	Fund balance beginning of year	Fund balance end of year
	Revenues	Expenditures			
Statement of revenues, expenditures and changes in fund balance	\$ 9,693,067	\$ 9,162,569	\$ 401,044	\$ 5,329,070	\$ 6,260,612
Non-maintenance and operation activity included in the General Fund	(2,726,101)	(3,051,298)	(397,933)	(1,916,228)	(1,988,964)
Schedule of revenues, expenditures, and changes in fund balance - budget to actual	\$ 6,966,966	\$ 6,111,271	\$ 3,111	\$ 3,412,842	\$ 4,271,648

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FUND DESCRIPTIONS**  
**JUNE 30, 2023**

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**SPECIAL REVENUE FUNDS**

*Classroom Site Fund* – accounts for the revenues and expenditures of State apportioned educational sales tax monies.

*Instructional Improvement Fund* - accounts for revenues and expenditures for State apportioned Indian Gaming monies.

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

*Other Special Revenue Fund* - accounts for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular activity fee tax credit, fingerprinting, textbooks and grants and gifts to teachers.

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

**CAPITAL PROJECTS FUNDS**

*Adjacent Ways Fund* - accounts for monies received to finance such improvements as public streets or alleys adjacent to school property.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2023**

	Special Revenue Funds					Capital Project Funds	Non-Major Governmental Funds
	Classroom Site Fund	Instructional Improvement Fund	Special Projects Fund	Other Special Revenue Fund	Food Service Fund	Adjacent Ways Fund	
<b>ASSETS</b>							
Cash and investments	\$ 578,956	\$ 42,799	\$ -	\$ 968,202	\$ 375,749	\$ 929,870	\$ 2,895,576
Receivables:							
Intergovernmental	-	40,147	907,788	-	7,057	-	954,992
Accounts receivable	-	-	-	74,820	-	-	74,820
Deposits	-	-	-	-	23,783	-	23,783
<b>Total Assets</b>	<b>\$ 578,956</b>	<b>\$ 82,946</b>	<b>\$ 907,788</b>	<b>\$ 1,043,022</b>	<b>\$ 406,589</b>	<b>\$ 929,870</b>	<b>\$ 3,949,171</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 2,745	\$ -	\$ 654	\$ -	\$ 3,399
Accrued wages	256,202	-	29,850	8,407	18,118	-	312,577
<b>Total Liabilities</b>	<b>256,202</b>	<b>-</b>	<b>422,796</b>	<b>8,407</b>	<b>18,772</b>	<b>-</b>	<b>706,177</b>
<b>FUND BALANCES</b>							
Restricted	322,754	82,946	484,992	1,034,615	387,817	929,870	3,242,994
<b>Total Fund Balances</b>	<b>322,754</b>	<b>82,946</b>	<b>484,992</b>	<b>1,034,615</b>	<b>387,817</b>	<b>929,870</b>	<b>3,242,994</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 578,956</b>	<b>\$ 82,946</b>	<b>\$ 907,788</b>	<b>\$ 1,043,022</b>	<b>\$ 406,589</b>	<b>\$ 929,870</b>	<b>\$ 3,949,171</b>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds					Capital Project	Non-Major Governmental Funds
						Funds	
	Classroom Site Fund	Instructional Improvement Fund	Special Projects Fund	Other Special Revenue Fund	Food Service Fund	Adjacent Ways Fund	
<b>REVENUES</b>							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ 1
Intergovernmental	637,230	69,424	1,966,782	-	924,721	-	3,598,157
Food Services Sales	-	-	-	-	73,420	-	73,420
Auxiliary operations	-	-	-	6,150	-	-	6,150
Student Activities	-	-	-	25,489	-	-	25,489
Investment earnings	8,131	1,132	8,633	15,086	6,966	17,304	57,252
Other	-	-	-	463,919	6,080	-	469,999
<b>Total Revenues</b>	<b>645,361</b>	<b>70,556</b>	<b>1,975,415</b>	<b>510,644</b>	<b>1,011,187</b>	<b>17,305</b>	<b>4,230,468</b>
<b>EXPENDITURES</b>							
Current							
Instruction	536,119	37,696	808,968	227,909	-	-	1,610,692
Support services:							
Students	22,122	2,580	155,797	-	-	-	180,499
Instructional staff	-	660	315,683	-	-	-	316,343
Operations and maintenance of plant	-	-	2,722	4,645	11,564	-	18,931
Operations of noninstructional services	-	-	2,733	-	898,473	-	901,206
Capital outlay:							
Facilities acquisition	-	-	-	-	-	33,300	33,300
<b>Total Expenditures</b>	<b>558,241</b>	<b>40,936</b>	<b>1,692,317</b>	<b>232,554</b>	<b>910,037</b>	<b>33,300</b>	<b>3,467,385</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>87,120</b>	<b>29,620</b>	<b>283,098</b>	<b>278,090</b>	<b>101,150</b>	<b>(15,995)</b>	<b>763,083</b>
<b>Other Financing Sources (Uses)</b>							
Transfers out	-	-	(253,075)	-	(144,858)	-	(397,933)
<b>Net Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(253,075)</b>	<b>-</b>	<b>(144,858)</b>	<b>-</b>	<b>(397,933)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>87,120</b>	<b>29,620</b>	<b>30,023</b>	<b>278,090</b>	<b>(43,708)</b>	<b>(15,995)</b>	<b>365,150</b>
<b>Fund Balance - Beginning, as restated</b>	<b>235,634</b>	<b>53,326</b>	<b>454,969</b>	<b>756,525</b>	<b>431,525</b>	<b>945,865</b>	<b>2,877,844</b>
<b>Fund Balance - Ending</b>	<b>\$ 322,754</b>	<b>\$ 82,946</b>	<b>\$ 484,992</b>	<b>\$ 1,034,615</b>	<b>\$ 387,817</b>	<b>\$ 929,870</b>	<b>\$ 3,242,994</b>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**CLASSROOM SITE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances -</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 637,230	\$ 637,230
Investment earnings	-	-	8,131	8,131
<b>Total Revenues</b>	-	-	645,361	645,361
<b>EXPENDITURES</b>				
Regular education:				
Instruction	926,169	942,296	498,731	443,565
Special education:				
Instruction	69,431	70,640	37,388	33,252
Support services - students	41,082	41,797	22,122	19,675
Total special education	110,513	112,437	59,510	52,927
<b>Total Expenditures</b>	1,036,682	1,054,733	558,241	496,492
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(1,036,682)	(1,054,733)	87,120	1,141,853
<b>Fund Balance - Beginning</b>	-	-	235,634	235,634
<b>Fund Balance - Ending</b>	\$ (1,036,682)	\$ (1,054,733)	\$ 322,754	\$ 1,377,487

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
 INSTRUCTIONAL IMPROVEMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances -</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 69,424	\$ 69,424
Investment earnings	-	-	1,132	1,132
<b>Total Revenues</b>	-	-	70,556	70,556
<b>EXPENDITURES</b>				
Regular education:				
Instruction	87,745	90,544	37,696	52,848
Support services - instructional staff	1,536	1,585	660	925
<b>Total Expenditures</b>	95,287	98,326	40,936	57,390
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(95,287)	(98,326)	29,620	127,946
<b>Fund Balance - Beginning</b>	-	-	53,326	53,326
<b>Fund Balance - Ending</b>	\$ (95,287)	\$ (98,326)	\$ 82,946	\$ 181,272

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**SPECIAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances -</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 1,966,782	\$ 1,966,782
Investment earnings	-	-	8,633	8,633
<b>Total Revenues</b>	-	-	1,975,415	1,975,415
<b>EXPENDITURES</b>				
Regular education:				
Instruction	655,323	767,004	439,924	327,080
Support services - students	228,911	267,922	153,670	114,252
Support services - instructional staff	433,090	506,898	290,737	216,161
Support services - general administration	138,433	162,024	92,931	69,093
Support services - school administration	1,941	2,272	1,303	969
Support services - central services	212,772	249,033	142,836	106,197
Operations and maintenance of plant	4,055	4,746	2,722	2,024
Operation of noninstructional services	4,071	4,765	2,733	2,032
Total regular education	1,678,595	1,964,664	1,126,856	837,808
Special education:				
Instruction	549,738	643,425	369,044	274,381
Support services - students	3,168	3,708	2,127	1,581
Support services - instructional staff	37,160	43,493	24,946	18,547
Total special education	590,230	690,819	396,227	294,592
Pupil transportation:				
Student transportation services	252,096	295,058	169,234	125,824
<b>Total Expenditures</b>	2,520,921	2,950,541	1,692,317	1,258,224
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(2,520,921)	(2,950,541)	283,098	3,233,639
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	-	(253,075)	(253,075)
<b>NET CHANGE IN FUND BALANCE</b>	(2,520,921)	(2,950,541)	30,023	2,980,564
<b>Fund Balance - Beginning</b>	-	-	454,969	454,969
<b>Fund Balance - Ending</b>	\$ (2,520,921)	\$ (2,950,541)	\$ 484,992	\$ 3,435,533

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
OTHER SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances -</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
<b>REVENUES</b>				
Auxiliary operations	\$ -	\$ -	\$ 6,150	\$ 6,150
Student Activities	-	-	25,489	25,489
Investment earnings	-	-	15,086	15,086
Other	-	-	463,919	463,919
<b>Total Revenues</b>	-	-	510,644	510,644
<b>EXPENDITURES</b>				
Regular education:				
Instruction	857,282	879,390	171,371	708,019
Operations and maintenance of plant	23,237	23,836	4,645	19,191
Special education:				
Instruction	243,356	249,632	48,647	200,985
<b>Total Expenditures</b>	<b>1,163,350</b>	<b>1,193,350</b>	<b>232,554</b>	<b>960,796</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(1,163,350)	(1,193,350)	278,090	1,471,440
<b>Fund Balance - Beginning, as restated</b>	-	-	756,525	756,525
<b>Fund Balance - Ending</b>	<b>\$ (1,163,350)</b>	<b>\$ (1,193,350)</b>	<b>\$ 1,034,615</b>	<b>\$ 2,227,965</b>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**FOOD SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances -</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 924,721	\$ 924,721
Food service sales	-	-	73,420	73,420
Investment earnings	-	-	6,966	6,966
<b>Total Revenues</b>	-	-	1,011,187	1,011,187
<b>EXPENDITURES</b>				
Regular education:				
Operation of noninstructional services	928,055	1,235,991	898,473	29,582
<b>Total Expenditures</b>	940,000	1,235,991	910,037	29,963
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(940,000)	(1,235,991)	101,150	1,041,150
<b>Other Financing Sources (Uses):</b>				
Transfers out	-	-	(144,858)	(144,858)
<b>NET CHANGE IN FUND BALANCE</b>	(940,000)	(1,235,991)	(43,708)	1,192,283
<b>Fund Balance - Beginning</b>	-	-	431,525	431,525
<b>Fund Balance - Ending</b>	\$ (940,000)	\$ (1,235,991)	\$ 387,817	\$ 1,623,808



**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**ADJACENT WAYS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2023**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances - Final to Actual</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 1	\$ 1
Investment earnings	-	-	17,304	17,304
<b>Total Revenues</b>	-	-	17,305	17,305
<b>EXPENDITURES</b>				
Capital outlay				
Facilities acquisition	855,848	855,848	33,300	822,548
<b>Total Expenditures</b>	855,848	855,848	33,300	822,548
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(855,848)	(855,848)	(15,995)	839,853
<b>Fund Balance - Beginning</b>	-	945,865	945,865	945,865
<b>Fund Balance - Ending</b>	\$ (855,848)	\$ 90,017	\$ 929,870	\$ 1,785,718

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**BOND BUILDING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances -</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
<b>EXPENDITURES</b>				
Regular education:				
Instruction	\$ 707,957	\$ 879,674	\$ 131,780	\$ 747,894
Support services - instructional staff	934,752	1,161,479	173,996	987,483
Support services - general administration	81,358	101,091	15,144	85,947
Support services - central services	3,596,992	4,469,455	669,549	3,799,906
Operations and maintenance of plant	3,038,991	3,776,110	565,682	3,210,428
Operation of noninstructional services	614,952	764,111	114,468	649,643
Total regular education	8,975,001	11,151,920	1,670,619	9,481,301
Pupil transportation:				
Student transportation services	95,143	118,220	17,710	100,510
Debt service				
Issuance Costs	1,910,666	2,374,105	355,654	2,018,451
Capital outlay				
Facilities acquisition	11,886,256	14,769,310	2,212,524	12,556,786
<b>Total Expenditures</b>	<b>22,867,065</b>	<b>28,413,555</b>	<b>4,256,507</b>	<b>24,157,048</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<b>(22,867,065)</b>	<b>(28,413,555)</b>	<b>(4,256,507)</b>	<b>(24,157,048)</b>
<b>Other Financing Sources (Uses):</b>				
School improvement bonds issued	-	-	24,895,000	24,895,000
Premium on school improvement bonds	-	-	2,931,130	2,931,130
<b>Fund Balance - Beginning</b>	<b>-</b>	<b>-</b>	<b>2,575,661</b>	<b>2,575,661</b>
<b>Fund Balance - Ending</b>	<b>\$ (22,867,065)</b>	<b>\$ (28,413,555)</b>	<b>\$ 26,145,284</b>	<b>\$ 6,244,743</b>

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variances -</b>
	<b>Original</b>	<b>Final</b>		<b>Final to Actual</b>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	8,667,273	\$ 8,667,273
Investment earnings	-	-	472,894	472,894
<b>Total Revenues</b>	-	-	9,140,167	9,140,167
<b>EXPENDITURES</b>				
Debt service:				
Principal retirement	4,616,804	6,311,345	6,310,000	1,345
Interest and fiscal charges	1,730,118	2,365,137	2,364,633	504
Other debt-related costs	1,354	1,850	1,850	0
Total debt service	6,348,276	8,678,333	8,676,483	1,850
<b>Total Expenditures</b>	6,348,276	8,678,333	8,676,483	1,850
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(6,348,276)	(8,678,333)	463,684	9,142,017
<b>Fund Balance - Beginning</b>	-	-	443,374	443,374
<b>Fund Balance - Ending</b>	\$ (6,348,276)	\$ (8,678,333)	\$ 907,058	\$ 9,585,391

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**STATISTICAL SECTION  
(UNAUDITED)**

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## STATISTICAL SECTION

This section of the Riverside Elementary School District No. 2's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

**Financial Trends:** These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

**Revenue Capacity:** These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

**Debt Capacity:** These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

**Demographic and Economic Information:** These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

**Operating Information:** These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

*See the table of contents for page numbers of the schedules that encompass the above sections*

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

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Net Position:	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net investment in capital assets	\$ 15,150,009	\$ 43,980,872	\$ 40,263,576	\$ 32,718,471	\$ 30,512,206	\$ 28,053,174	\$ 26,424,131	\$ 29,792,951	\$ 23,908,182	\$ 7,637,073
Restricted	30,540,397	5,896,879	8,386,105	9,512,906	9,404,562	8,198,728	582,761	1,114,274	17,123,942	17,833,274
Unrestricted	6,062,796	(5,065,912)	(9,267,491)	(3,791,696)	(4,240,138)	(5,270,903)	1,579,870	(3,879,216)	(15,639,760)	4,633,910
Total	\$ 51,753,202	\$ 44,811,839	\$ 39,382,190	\$ 38,439,681	\$ 35,676,630	\$ 30,980,999	\$ 28,586,762	\$ 27,028,009	\$ 25,392,364	\$ 30,104,257

Source: The District's financial records.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
EXPENSES, PROGRAM REVENUES, AND NET POSITION  
LAST TEN FISCAL YEARS  
ACCRAUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenses:</b>										
Instruction	\$ 6,056,715	\$ 5,697,539	\$ 8,222,041	\$ 6,139,507	\$ 5,635,708	\$ 6,534,080	\$ 6,109,450	\$ 5,463,737	\$ 5,653,347	\$ 6,148,377
Support Services - students and staff	1,548,638	1,655,937	1,625,773	1,399,383	1,107,552	1,236,770	1,705,904	1,332,920	1,154,461	992,602
Support Services - administration	3,330,550	2,894,636	4,134,953	2,623,210	2,601,354	2,239,810	2,588,092	2,157,932	2,119,459	2,120,256
Operation and Maintenance of plant services	1,642,914	1,686,961	2,087,316	1,779,567	1,636,937	1,566,523	1,101,478	1,699,121	1,145,606	1,789,702
Student transportation services	581,181	731,092	467,134	739,859	588,074	520,805	473,915	556,751	452,739	593,613
Operation of non-instructional services	1,123,552	837,481	647,401	824,303	755,887	681,242	855,505	606,116	669,211	673,253
Interest on long-term debt	1,857,182	1,061,192	1,406,760	1,496,457	1,503,558	1,459,267	1,556,906	1,248,883	1,230,103	1,165,043
<b>Total expenses</b>	<b>16,140,732</b>	<b>14,564,838</b>	<b>18,591,378</b>	<b>15,002,286</b>	<b>13,829,070</b>	<b>14,238,497</b>	<b>14,391,250</b>	<b>13,065,460</b>	<b>12,424,926</b>	<b>13,482,846</b>
<b>Program revenues:</b>										
Charges for services:										
Instruction	487,126	382,382	915,380	624,209	308,842	374,896	-	-	-	7,116
Operation of non-instructional services	73,811	34,068	25,900	41,137	48,925	82,875	34,582	25,483	121,210	32,878
Other Activities	13,478	17,653	91,256	296,865	460,316	43,429	-	-	-	-
Operating grants and contributions	3,629,666	4,270,438	3,395,323	1,802,872	1,789,381	1,896,229	2,416,853	2,159,654	2,367,964	2,302,199
Capital grants and contributions	-	-	-	-	110,000	-	-	-	-	-
<b>Total program revenues</b>	<b>4,204,081</b>	<b>4,704,541</b>	<b>4,427,859</b>	<b>2,765,083</b>	<b>2,717,464</b>	<b>2,397,429</b>	<b>2,451,435</b>	<b>2,185,137</b>	<b>2,489,174</b>	<b>2,342,193</b>
<b>Net expense</b>	<b>\$ (11,936,651)</b>	<b>\$ (9,860,297)</b>	<b>\$ (14,163,519)</b>	<b>\$ (12,237,203)</b>	<b>\$ (11,111,606)</b>	<b>\$ (11,841,068)</b>	<b>\$ (11,939,815)</b>	<b>\$ (10,880,323)</b>	<b>\$ (9,935,752)</b>	<b>\$ (11,140,653)</b>

Source: The District's financial records.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Net Expense</b>	\$ (11,936,651)	\$ (9,860,297)	\$ (14,163,519)	\$ (12,237,203)	\$ (11,111,606)	\$ (11,841,068)	\$ (11,939,815)	\$ (10,880,323)	\$ (9,935,752)	\$ (11,140,653)
<b>General revenues:</b>										
Property taxes:										
Property taxes, levied for general purposes	6,792,980	6,035,928	6,495,405	5,962,182	5,895,169	5,782,461	5,619,930	5,397,940	5,189,673	3,894,848
Property taxes, levied for debt services	8,667,273	8,002,756	7,380,166	7,499,473	8,407,380	7,406,965	6,262,588	5,725,767	5,912,853	5,839,227
Property taxes, levied for capital outlay	543,160	496,651	516,502	496,943	482,521	477,915	669,941	1,170,402	570,327	1,190,742
Investment Income and Other	2,735,430	641,678	399,207	491,939	472,334	135,081	72,365	118,273	100,612	67,109
Unrestricted State Aid	139,171	112,933	119,538	549,717	549,833	530,353	36,897	47,423	73,796	320,478
Miscellaneous	-	-	-	-	-	-	123,571	56,163	-	128,937
<b>Total general revenues</b>	<b>18,878,014</b>	<b>15,289,946</b>	<b>14,910,818</b>	<b>15,000,254</b>	<b>15,807,237</b>	<b>14,332,775</b>	<b>12,785,292</b>	<b>12,515,968</b>	<b>11,847,261</b>	<b>11,441,341</b>
<b>Changes in net position</b>	<b>\$ 6,941,363</b>	<b>\$ 5,429,649</b>	<b>\$ 747,299</b>	<b>\$ 2,763,051</b>	<b>\$ 4,695,631</b>	<b>\$ 2,491,707</b>	<b>\$ 845,477</b>	<b>\$ 1,635,645</b>	<b>\$ 1,911,509</b>	<b>\$ 300,688</b>

Source: The District's financial records.



**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

General Fund	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Nonspendable	\$ 18,619	\$ 15,508	\$ 44,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	6,241,993	5,313,562	4,215,745	1,854,186	1,514,372	1,089,896	663,705	461,463	359,146	289,854
<b>Total General Fund</b>	<b>6,260,612</b>	<b>5,329,070</b>	<b>4,260,557</b>	<b>1,854,186</b>	<b>1,514,372</b>	<b>1,089,896</b>	<b>663,705</b>	<b>461,463</b>	<b>359,146</b>	<b>289,854</b>
<b>All other governmental funds:</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	4,887
Restricted	30,295,336	5,896,879	8,386,105	18,960,307	22,743,056	15,165,297	6,581,004	9,124,940	17,187,100	2,615,965
Unassigned	-	-	-	(290,741)	(160,118)	(213,602)	(14,007)	(21,231)	(83,283)	(46,844)
<b>Total all other governmental funds</b>	<b>30,295,336</b>	<b>5,896,879</b>	<b>8,386,105</b>	<b>18,669,566</b>	<b>22,582,938</b>	<b>14,951,695</b>	<b>6,566,997</b>	<b>9,103,709</b>	<b>17,103,817</b>	<b>2,574,008</b>
<b>Total all governmental funds</b>	<b>\$ 36,555,948</b>	<b>\$ 11,225,949</b>	<b>\$ 12,646,662</b>	<b>\$ 20,523,752</b>	<b>\$ 24,097,310</b>	<b>\$ 16,041,591</b>	<b>\$ 7,230,702</b>	<b>\$ 9,565,172</b>	<b>\$ 17,462,963</b>	<b>\$ 2,863,862</b>

Source: The District's financial records.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**REVENUES – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Federal sources:</b>										
Federal aid and grants	\$ 1,873,516	\$ 2,353,200	\$ 2,065,901	\$ 876,326	\$ 1,026,148	\$ 823,635	\$ 1,227,532	\$ 819,596	\$ 892,697	\$ 975,378
National school lunch program	924,721	1,092,567	659,101	757,167	770,032	746,686	779,933	702,714	706,478	693,634
<b>Total federal sources:</b>	<b>2,798,237</b>	<b>3,445,767</b>	<b>2,725,002</b>	<b>1,633,493</b>	<b>1,796,180</b>	<b>1,570,321</b>	<b>2,007,465</b>	<b>1,522,310</b>	<b>1,599,175</b>	<b>1,669,012</b>
<b>States sources:</b>										
State equalization	139,171	112,933	119,538	100,315	95,949	95,785	55,112	83,754	41,861	30,626
State grants	93,266	245,527	290,125	125,850	131,335	80,089	13,704	122,274	405,515	684,345
Other revenues	706,654	650,812	430,018	449,402	453,884	434,568	362,633	460,282	339,193	204,473
<b>Total state sources</b>	<b>939,091</b>	<b>1,009,272</b>	<b>839,681</b>	<b>675,567</b>	<b>681,168</b>	<b>610,442</b>	<b>431,449</b>	<b>666,310</b>	<b>786,569</b>	<b>919,444</b>
<b>Local sources</b>										
Property taxes	15,985,020	14,547,061	14,372,652	13,980,391	14,776,839	13,699,075	12,528,073	12,275,288	11,553,894	10,968,804
Food service sales	73,420	21,688	4,350	41,137	48,925	41,927	34,582	25,483	30,498	27,018
Investment income	626,621	131,199	234,239	491,939	472,334	132,081	72,365	118,273	100,612	67,109
Other revenues	2,641,313	860,677	1,110,290	950,837	710,847	494,490	138,407	74,620	270,802	206,760
<b>Total local sources</b>	<b>19,326,374</b>	<b>15,560,625</b>	<b>15,721,531</b>	<b>15,464,304</b>	<b>16,008,945</b>	<b>14,367,573</b>	<b>12,773,427</b>	<b>12,493,664</b>	<b>11,955,806</b>	<b>11,269,691</b>
<b>Total revenues</b>	<b>\$ 23,063,702</b>	<b>\$ 20,015,664</b>	<b>\$ 19,286,214</b>	<b>\$ 17,773,364</b>	<b>\$ 18,486,293</b>	<b>\$ 16,548,336</b>	<b>\$ 15,212,341</b>	<b>\$ 14,682,284</b>	<b>\$ 14,341,550</b>	<b>\$ 13,858,147</b>

Source: The District's financial records.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO  
LAST TEN FISCAL YEARS  
MODIFIED ACCRUAL BASIS OF ACCOUNTING  
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Expenditures:</b>										
Current:										
Instruction	\$ 4,274,987	\$ 3,854,276	\$ 6,423,182	\$ 3,731,600	\$ 3,591,303	\$ 3,504,595	\$ 4,277,304	\$ 4,204,669	\$ 4,445,784	\$ 4,921,302
Support services - students and staff	1,508,467	1,497,809	1,493,704	1,237,705	958,711	994,129	1,582,489	1,211,907	1,083,059	920,359
Support services - administration	3,018,951	3,221,931	3,627,620	1,773,928	1,604,288	1,535,156	2,061,245	1,788,074	1,785,973	1,731,379
Operation and maintenance of plant services	1,814,577	1,202,372	1,384,674	1,039,669	1,005,925	1,049,838	793,027	1,498,510	1,002,795	1,708,217
Student transportation services	442,227	642,098	544,437	324,123	338,972	369,817	330,941	415,868	333,946	464,666
Operation of non-instructional services	1,041,745	892,036	566,087	656,448	667,686	623,291	827,083	595,796	702,163	599,118
Capital outlay	4,429,853	1,591,426	15,146,739	4,140,045	2,979,693	8,950,520	5,731,913	17,372,290	3,774,612	1,167,603
Debt Service:										
Principal retirement	6,310,000	6,895,000	11,100,000	6,500,000	6,320,000	5,880,000	5,485,000	4,515,000	5,250,000	4,665,000
Interest, premium and fiscal charges	2,364,633	1,700,674	1,802,799	1,943,404	1,950,505	1,806,968	1,501,170	1,186,030	1,329,042	1,196,627
Bond Issuance Costs	357,504	-	236,160	-	165,244	293,590	74,024	221,450	-	-
<b>Total expenditures</b>	<b>\$ 25,562,944</b>	<b>\$ 21,497,622</b>	<b>\$ 42,325,402</b>	<b>\$ 21,346,922</b>	<b>\$ 19,582,327</b>	<b>\$ 25,007,904</b>	<b>\$ 22,664,196</b>	<b>\$ 33,009,594</b>	<b>\$ 19,707,374</b>	<b>\$ 17,374,271</b>
Expenditures for Capitalized Assets	5,805,358	3,086,257	15,629,336	2,649,111	1,999,012	7,491,412	5,731,913	17,372,290	3,774,612	1,167,603
Debt service as a percentage of noncapital expenditures	43.9%	46.7%	49.2%	45.2%	48.0%	45.6%	41.7%	37.9%	41.3%	36.2%

Source: The District's financial records.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCE – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (2,499,242)	\$ (1,481,958)	\$ (23,039,188)	\$ (3,573,558)	\$ (1,096,034)	\$ (8,459,568)	\$ (7,451,855)	\$ (18,327,310)	\$ (5,365,824)	\$ (3,516,124)
<b>Over financing sources (uses):</b>										
General obligation bonds issued	24,895,000	-	12,315,000	-	8,035,000	10,235,000	5,075,000	10,200,000	4,565,000	17,425,000
Refunding bonds issued	-	-	-	-	-	4,510,000	2,565,000	-	-	-
Premium on Sale of Bond	2,931,130	-	2,500,150	-	1,033,092	2,387,115	138,775	229,519	202,065	471,161
Insurance recoveries	-	90,549	106,926	-	83,661	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(2,661,390)	-	-	-
Transfers in	397,933	258,050	267,361	452,305	399,942	364,752	191,923	34,285	55,231	239,991
Transfers out	(397,933)	(258,050)	(267,361)	(452,305)	(399,942)	(364,752)	(191,923)	(34,285)	(55,231)	(239,991)
<b>Total other financing sources (uses)</b>	<b>27,826,130</b>	<b>90,549</b>	<b>14,922,076</b>	<b>-</b>	<b>9,151,753</b>	<b>17,132,115</b>	<b>5,117,385</b>	<b>10,429,519</b>	<b>4,767,065</b>	<b>17,896,161</b>
<b>Changes in fund balances</b>	<b>\$ 25,326,888</b>	<b>\$ (1,391,409)</b>	<b>\$ (8,117,112)</b>	<b>\$ (3,573,558)</b>	<b>\$ 8,055,719</b>	<b>\$ 8,672,547</b>	<b>\$ (2,334,470)</b>	<b>\$ (7,897,791)</b>	<b>\$ (598,759)</b>	<b>\$ 14,380,037</b>

Source: The District's financial records.

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

<b>Net Full Cash Value</b>										
<b>Class</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Commercial, Industrial, Utilities and Mining	\$ 551,162,998	\$ 539,639,690	\$ 498,455,141	\$ 449,424,271	\$ 428,943,997	\$ 403,528,761	\$ 368,810,609	\$ 340,331,057	\$ 317,823,003	\$ 302,841,974
Agricultural and Vacant	13,746,408	12,750,990	11,352,525	10,652,064	11,387,327	9,433,869	8,524,917	9,061,286	9,426,233	9,207,770
Residential (Owner Occupied)	26,629,633	22,152,208	19,474,477	17,534,140	16,081,608	13,621,147	12,182,576	10,706,073	8,393,509	7,195,616
Residential (Rental)	18,084,606	15,542,665	12,900,673	11,457,518	10,264,195	9,360,225	8,315,821	7,528,183	5,621,170	4,271,059
Railroad, Private Cars and Airlines	1,356,649	1,028,461	972,590	1,007,838	968,461	1,008,794	907,086	951,393	1,006,900	917,403
Historical Property	4,799,794	4,799,794	4,396,333	3,976,715	6,082,127	5,851,022	6,146,272	5,274,420	3,630,816	907,825
<b>Totals</b>	<b>\$ 615,780,088</b>	<b>\$ 595,913,808</b>	<b>\$ 547,551,739</b>	<b>\$ 494,052,546</b>	<b>\$ 473,727,715</b>	<b>\$ 442,803,818</b>	<b>\$ 404,887,281</b>	<b>\$ 373,852,412</b>	<b>\$ 345,901,631</b>	<b>\$ 325,341,647</b>
Ratio of net full cash assessed values to Gross Total Value	\$3,978,469,322	\$3,761,183,289	\$3,441,782,992	\$2,371,345,401	\$2,983,257,983	\$2,787,618,982	\$2,550,233,189	\$2,283,339,214	\$2,031,282,639	\$1,829,109,783
Ratio of Net Limited Assessed Value to Gross Full Cash Value	15.48%	15.84%	15.91%	20.83%	15.88%	15.88%	15.88%	16.37%	17.03%	17.79%
Total Direct Rate	3.29%	3.46%	3.46%	3.65%	3.91%	3.83%	3.72%	3.62%	3.32%	3.38%

<b>Net Limited Assessed Value</b>										
<b>Class</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Commercial, Industrial, Utilities and Mining	\$ 424,927,383	\$ 402,741,783	\$ 381,194,604	\$ 354,491,201	\$ 342,355,087	\$ 326,829,027	\$ 310,602,700	\$ 309,167,525	\$ 311,011,279	\$ 300,827,888
Agricultural and Vacant	8,310,161	7,539,754	7,297,775	7,563,806	8,465,695	7,356,922	7,306,935	8,086,810	8,706,973	8,951,967
Residential (Owner Occupied)	13,774,006	11,359,121	10,628,424	10,057,599	9,275,986	8,561,394	8,165,665	7,715,635	7,481,218	7,149,307
Residential (Rental)	9,283,559	8,056,156	7,010,187	6,522,807	5,856,612	5,812,113	5,510,554	5,382,919	4,978,594	4,259,912
Railroad, Private Cars and Airlines	1,025,191	788,347	763,946	811,325	799,252	861,988	845,643	933,016	997,238	908,553
Historical Property	3,475,607	3,310,103	3,154,133	3,014,068	4,702,911	4,583,423	4,747,899	4,852,815	2,927,154	576,168
<b>Totals</b>	<b>\$ 460,795,907</b>	<b>\$ 433,795,264</b>	<b>\$ 410,049,069</b>	<b>\$ 382,460,806</b>	<b>\$ 371,455,543</b>	<b>\$ 354,004,867</b>	<b>\$ 337,179,396</b>	<b>\$ 336,138,720</b>	<b>\$ 336,102,456</b>	<b>\$ 322,673,795</b>
Ratio of net full cash assessed values to Gross Total Value	\$2,928,156,664	\$2,689,682,200	\$3,281,414,326	\$2,371,345,401	\$2,983,257,983	\$2,787,618,982	\$2,550,233,189	\$2,283,339,214	\$2,031,282,639	\$1,829,109,783
Ratio of Net Limited Assessed Value to Gross Limited Value	15.74%	16.13%	12.50%	16.13%	12.45%	12.70%	13.22%	14.72%	16.55%	17.64%
Total Direct Rate	3.29%	3.46%	3.46%	3.65%	3.91%	3.83%	3.72%	3.62%	3.32%	3.38%

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

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

<b>Property Classification (a)</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Commercial, Industrial, Utilities and Mining	18%	18%	18%	18%	18%	18%	18%	19%	19%	20%
Agricultural and Vacant	15%	15%	15%	15%	15%	15%	15%	16%	16%	16%
Residential (Owner Occupied)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Residential (Rental)	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Railroad, Private Cars and Airlines	15%	15%	15%	15%	14%	15%	14%	15%	16%	15%

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

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

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

Fiscal Year Ended June 30	District Direct Rates			Overlapping Rates								
	Primary	Secondary	Total	State Equalization	County County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Phoenix	Phoenix Union High School District No. 210
2023	1.30	2.12	3.42	0.00	1.25	0.05	0.16	1.09	0.01	0.14	2.11	4.61
2022	1.22	2.07	3.29	0.43	1.35	0.06	0.18	1.23	0.01	0.14	2.12	4.72
2021	1.38	2.08	3.46	0.46	1.40	0.06	0.18	1.29	0.01	0.14	2.13	4.83
2020	1.39	2.26	3.65	0.46	1.40	0.06	0.18	1.33	0.01	0.14	2.13	4.99
2019	1.38	2.53	3.91	0.47	1.40	0.06	0.18	1.38	0.01	0.14	2.14	5.20
2018	1.43	2.40	3.83	0.49	1.40	0.06	0.18	1.41	0.01	0.14	2.16	5.03
2017	1.53	2.19	3.72	0.50	1.40	0.06	0.18	1.47	0.01	0.14	2.17	5.07
2016	1.62	1.99	3.62	0.51	1.36	0.06	0.16	1.49	0.01	0.14	1.82	4.96
2015	1.38	1.95	3.32	0.51	1.36	0.06	0.14	1.52	0.01	0.14	1.82	4.62
2014	1.33	2.04	3.38	0.51	1.28	0.04	0.14	1.53	0.01	0.14	1.82	4.82

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
 PRINCIPAL PROPERTY TAXPAYERS  
 FISCAL YEAR ENDED JUNE 30, 2022, AND 2013  
 (UNAUDITED)**

Taxpayer	2022		2013	
	Net Assessed Property Value for Secondary Tax Purposes	Percentage of Net Assessed Property Value for Secondary Tax Purposes	Net Assessed Property Value for Secondary Tax Purposes	Percentage of Net Assessed Property Value for Secondary Tax Purposes
Arizona Public Service Company	\$ 76,272,509	16.55%	\$ 65,256,885	20.06%
Southwest Gas Company (T&D)	55,131,731	11.96%	46,908,216	14.42%
TGA Cactus DCL LLC	10,567,852	2.29%	8,886,158	2.73%
CI337 S 59th LLC/Stealth S 59th LLC/SBSS S 59	8,162,123	1.77%		
Prologis LP	6,886,768	1.49%		
Generation 3 Investments I LLC	6,004,615	1.30%	4,215,394	1.30%
Dawson Logistics Assets LLC	5,918,716	1.28%		
Amazon.com Services LLC	4,864,972	1.06%	6,106,876	1.88%
Icon Owner Pool 1 West/Southwest LLC	4,574,599	0.99%		
L/S Five Crescent Drive LP	4,397,704	0.95%		
Roadway Package Systems Inc			2,799,459	0.86%
Kinder Morgan Energy Partners LP			7,084,507	2.18%
BRE/DP AZ LLC			3,235,923	0.99%
Duke Realty Limited Partnership			2,972,425	0.91%
MIREF Riverside LLC			2,694,472	0.83%
Totals	\$ 182,781,589	40.50%	\$ 150,160,315	46.16%

Source: Maricopa County Assessor's Office.

Note: Information related to fiscal year 2022-2023 was not available.



**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

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<b>Fiscal Year Ended June 30</b>	<b>Current Collections</b>			<b>Current Collections</b>		
	<b>Taxes Levied for the Fiscal Year</b>	<b>Amount</b>	<b>Percentage of Levy</b>	<b>Collections in Subsequent Fiscal Years</b>	<b>Amount</b>	<b>Percentage of the Levy</b>
2023	\$ 15,949,562	\$ 15,849,361	99.37%	\$ -	\$ 15,849,361	99.37%
2022	14,255,957	14,193,828	99.56%	59,068	14,193,828	99.56%
2021	14,501,137	14,364,706	99.06%	134,210	14,498,916	99.98%
2020	14,141,862	13,870,900	98.08%	237,583	14,108,483	99.76%
2019	14,605,208	14,442,442	98.89%	156,379	14,598,821	99.96%
2018	13,620,602	13,485,971	99.01%	116,379	13,602,350	99.87%
2017	12,679,907	12,580,600	99.22%	95,511	12,676,111	99.97%
2016	12,212,589	12,137,104	99.38%	74,037	12,211,141	99.99%
2015	11,623,866	11,475,219	98.72%	146,842	11,622,061	99.98%
2014	11,108,878	10,918,695	98.29%	188,560	11,107,255	99.99%

Source: Maricopa County Treasurer's records and District records.

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

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amount Restricted for Principal	Total	As Percentage of Estimated Actual Value of Property	Per Capita	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2023	\$ 55,501,680	\$ 8,502,709	\$ 46,998,971	1.61%	\$ 5,308	\$55,501,680	1.90%	\$ 6,268	0.02%	
2022	34,850,505	417,100	34,433,405	1.28%	3,889	34,850,505	1.30%	3,936	0.01%	
2021	42,384,987	913,944	40,198,512	1.12%	4,160	42,384,987	1.15%	4,263	0.01%	
2020	45,802,036	5,603,524	40,198,512	1.70%	5,453	45,802,036	1.93%	6,213	0.02%	
2019	52,588,896	6,016,201	46,572,695	1.56%	5,259	52,588,896	1.76%	5,939	0.02%	
2018	49,867,663	5,351,343	44,516,320	1.60%	6,384	49,867,663	1.79%	7,152	0.03%	
2017	38,673,809	244,143	38,429,666	1.51%	5,511	38,673,809	1.52%	5,546	0.02%	
2016	38,110,310	667,520	37,442,790	1.64%	5,370	38,110,310	1.67%	5,465	0.02%	
2015	33,139,833	403,263	32,736,570	1.61%	4,695	33,139,833	1.63%	4,753	0.02%	
2014	33,187,152	709,828	32,477,324	1.78%	4,810	33,187,152	1.81%	4,915	0.02%	

Source: The District's financial records.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2023**  
**(UNAUDITED)**

<u>Fiscal Year Ended June 30</u>	<u>Net Assessed Limited Property Value</u>	<u>Net Outstanding Bonded Debt</u>	<u>Approx. Percent</u>	<u>Net Amount</u>	<u>Combined Tax Rate Per \$100 Net Assessed Limited Property Value</u>
Overlapping					
State of Arizona	\$ 78,408,598,978	None	0.59%	None	None
Maricopa County	51,575,018,189	None	0.84%	None	\$ 1.4460
Maricopa County Community College District	51,575,018,189	\$ 184,715,000	0.84%	\$ 1,551,606	1.1894
Maricopa Special Health Care District	51,575,018,189	600,335,000	0.84%	5,042,814	0.2488
Maricopa County Flood Control District	47,553,260,925	None	0.84%	None	0.1592
City of Phoenix	15,490,531,936	815,395,000	2.94%	22,831,060	2.1130
Phoenix Union High School District No. 210	6,194,275,589	335,365,000	7.34%	23,475,550	4.6061
Subtotal, Overlapping Debt				<u>\$ 52,901,030</u>	
Direct:					
Riverside Elementary School District No. 2	\$ 460,795,907		100.00%	<u>55,501,680</u>	3.4176
Total direct and overlapping debt				<u>\$ 108,402,710</u>	

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIO**

Net directed general obligation bonded debt as a percentage of net assessed property value for secondary tax purposes	12.04%
Net direct and overlapping general bonded debt per capita	\$1,751
as a percentage of net assessed property value for secondary tax purposes	23.53%
as a percentage of Gross Full Cash value	2.72%

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

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

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Fiscal Year Ended	Riverside Elementary School District No. 2	Phoenix Union High School District No. 210	City of Phoenix	Maricopa County	State of Arizona
2023	\$ 615,780,088	\$ 9,867,472,940	\$ 23,045,115,141	\$ 72,238,314,892	\$ 103,872,223,919
2022	595,913,808	9,445,418,469	21,780,880,732	67,535,008,138	97,282,221,465
2021	547,551,739	8,528,220,332	19,889,713,798	61,824,712,434	90,007,317,461
2020	494,052,546	7,001,735,308	16,665,875,180	51,944,549,119	76,437,036,352
2019	473,727,715	5,650,995,865	14,008,918,676	44,850,741,762	67,264,430,756
2018	442,803,818	5,088,747,539	10,982,150,871	36,135,494,474	56,589,592,481
2017	404,887,281	4,372,062,126	12,783,575,022	41,124,639,380	54,841,866,009
2016	373,852,412	4,573,470,147	10,818,634,186	35,079,646,593	55,349,948,120
2015	345,901,631	5,325,305,098	10,849,743,656	34,400,455,716	56,271,814,583
2014	325,341,647	7,071,398,209	12,343,773,555	38,760,296,714	61,700,292,915

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

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

<b>Legal Debt Margin Calculation:</b>		<b>Class B Bond Legal Debt Margin Calculation:</b>	
Net full cash assessed value	\$ 615,780,088	Net full cash assessed value	\$ 615,780,088
	15%		10%
Debt limit (15% of assessed value)	<u>92,367,013</u>	Debt limit (10% of assessed value)	<u>61,578,009</u>
Less: Net debt applicable to limit	<u>55,501,680</u>	Less: Net debt applicable to limit	<u>55,501,680</u>
Legal debt margin	<u>\$ 36,865,333</u>	Legal debt margin	<u>\$ 6,076,329</u>

	<u>Fiscal Year Ended June 30</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	<u>\$ 92,367,013</u>	<u>\$ 89,387,071</u>	<u>\$ 82,132,761</u>	<u>\$ 74,107,882</u>	<u>\$ 71,059,157</u>
Less: Net debt applicable to limit	<u>55,501,680</u>	<u>34,850,505</u>	<u>42,384,987</u>	<u>41,051,712</u>	<u>47,371,712</u>
Legal debt margin	<u>\$ 36,865,333</u>	<u>\$ 54,536,566</u>	<u>\$ 39,747,774</u>	<u>\$ 33,056,170</u>	<u>\$ 23,687,445</u>
Total debt applicable to the limit as percentage of debt limit	60.1%	39.0%	51.6%	55.4%	66.7%

	<u>Fiscal Year Ended June 30</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	<u>\$ 66,420,573</u>	<u>\$ 60,733,092</u>	<u>\$ 56,077,862</u>	<u>\$ 51,885,245</u>	<u>\$ 48,801,247</u>
Less: Net debt applicable to limit	<u>44,275,964</u>	<u>37,940,000</u>	<u>37,380,000</u>	<u>32,430,000</u>	<u>32,530,000</u>
Legal debt margin	<u>\$ 22,144,609</u>	<u>\$ 22,793,092</u>	<u>\$ 18,697,862</u>	<u>\$ 19,455,245</u>	<u>\$ 16,271,247</u>
Total debt applicable to the limit as percentage of debt limit	66.7%	62.5%	66.7%	62.5%	66.7%

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

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<b>Maricopa County</b>						
<b>Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita</b>	<b>Unemployment Rate</b>	<b>Estimated District Population</b>	
2023	4,665,020	\$ 288,842,282	61,917	3.4%	8,855	
2022	4,496,588	268,711,602	59,759	3.4%	8,855	
2021	4,420,568	262,362,000	51,851	6.4%	8,855	
2020	4,485,414	238,192,000	53,104	10.3%	7,434	
2019	4,221,684	222,943,072	52,809	3.6%	7,372	
2018	4,294,460	210,370,180	48,986	4.1%	8,855	
2017	4,221,684	196,286,191	46,495	4.3%	6,973	
2016	4,137,076	185,111,698	44,745	4.5%	6,973	
2015	1,067,191	178,169,935	166,952	5.5%	6,973	
2014	4,055,178	167,574,150	41,324	5.9%	6,973	

Source: The U.S. Bureau of Labor Statistics, the U.S. Census Bureau, and the Arizona Office of Employment and Population Statistics.

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
 PRINCIPAL EMPLOYERS – MARICOPA COUNTY  
 FISCAL YEAR ENDING JUNE 30, 2023, AND NINE YEARS PRIOR  
 (UNAUDITED)**

<b>Employer</b>	<b>2023</b>	
	<b>Approximate Number of Employees</b>	<b>Percentage of Total Employment</b>
Banner Health	28,740	1.56%
State of Arizona	25,640	1.39%
Walmart Stores, Inc.	20,080	1.09%
Amazon	18,780	1.02%
Fry's Food Stores	15,620	0.85%
Wells Fargo	13,960	0.76%
Maricopa County	12,730	0.69%
Intel Corporation	11,810	0.64%
Arizona State University	11,360	0.62%
City of Phoenix	10,430	0.57%
	<b>169,150</b>	<b>9.19%</b>

<b>Employer</b>	<b>2014</b>	
	<b>Approximate Number of Employees</b>	<b>Percentage of Total Employment</b>
State of Arizona	49,278	2.59%
Walmart Inc.	32,169	1.69%
Banner Health	25,270	1.33%
City of Phoenix	14,983	0.79%
Wells Fargo Bank	14,713	0.77%
Maricopa County	12,698	0.67%
Arizona State University	12,222	0.64%
Intel Corp	11,900	0.63%
JP Morgan Chase & Co	11,042	0.58%
Bank of America	11,000	0.58%
	<b>195,275</b>	<b>10.27%</b>

Source for the 2023 list: Maricopa Association of Governments

Source for the 2014 list: The Phoenix Business Journal Book of Lists (for Maricopa County)

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

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Supervisory</b>										
Superintendent	1	1	1	1	1	1	1	1	1	1
Assistant superintendents	1	1	1	1	1	1	1	1	1	1
Consultants/supervisors of instruction	5	5	6	6	6	6	6	6	6	6
Principals	2	2	3	3	3	3	3	3	2	2
<b>Total supervisory</b>	<b>9</b>	<b>9</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>10</b>	<b>10</b>
<b>Instruction</b>										
Teachers	41	40	43	46	45	45	48	44	48	43
Other professionals (instructional)	3	3	2	2						
Instructional Aides	14	13	13	14	15	14	14	13	13	12
<b>Total Instruction</b>	<b>58</b>	<b>56</b>	<b>58</b>	<b>62</b>	<b>60</b>	<b>59</b>	<b>62</b>	<b>57</b>	<b>61</b>	<b>55</b>
<b>Student Services</b>										
Nurses	2	2	2	2	2	2	2	2	2	2
Technicians	1	3	3	3	2					
<b>Total Student services</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Support and Administration</b>										
Clerical workers	12	12	12	13	13	13	13	12	11	11
Maintenance workers	9	6	6	6	6	6	6	5	5	4
Bus Drivers	7	6.5	6.5	6	6	4	5	5	5	4
Food Service workers	12	10	10	9	9	8	8	7	7	7
Other classified	2	2	2	2	2	2	2	2	2	2
<b>Total support and administration</b>	<b>42</b>	<b>36.5</b>	<b>36.5</b>	<b>36</b>	<b>36</b>	<b>33</b>	<b>34</b>	<b>31</b>	<b>30</b>	<b>28</b>
<b>Total full-time equivalent employees</b>	<b>112</b>	<b>106.5</b>	<b>110.5</b>	<b>114</b>	<b>111</b>	<b>105</b>	<b>109</b>	<b>101</b>	<b>103</b>	<b>95</b>

Source: The District's personnel records.



**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2**  
**AVERAGE DAILY MEMBERSHIP**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

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<u>Fiscal Year</u>	<u>Average Daily Membership</u>	<u>Percent Change</u>
2022-23	777	0%
2021-22	775	5%
2020-21	736	-9%
2019-20	811	-1%
2018-19	819	-4%
2017-18	849	-5%
2016-17	892	5%
2015-16	846	1%
2014-15	840	4%
2013-14	810	7%

Source: The Arizona Department of Education.

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

<b>Fiscal Year Ended June 30</b>	<b>100 Day Count Average Daily Membership</b>	<b>Governmental Funds Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>% Change Cost per Pupil</b>	<b>District Wide Expenses</b>	<b>Cost per Pupil</b>	<b>% Change</b>	<b>Teaching Staff</b>	<b>Pupil- Teacher Ratio</b>	<b>% of Free &amp; Reduced Students</b>
2023	777	12,100,954	\$15,574	6.71%	25,562,944	\$32,900	18.60%	41	19.0	85.9%
2022	775	11,310,522	14,594	-23.49%	21,497,622	27,739	-51.76%	40	19.4	85.9%
2021	736	14,039,074	19,076	76.58%	42,325,402	57,507	210.95%	43	17.1	85.9%
2020	811	8,763,473	10,803	8.33%	15,002,286	18,494	9.52%	46	17.6	72.0%
2019	819	8,166,885	9,972	4.82%	13,829,070	16,885	0.68%	45	18.2	75.0%
2018	849	8,076,826	9,513	-14.04%	14,238,497	16,771	3.95%	45	18.9	88.0%
2017	892	9,872,089	11,067	-3.62%	14,391,250	16,134	4.47%	48	18.6	89.0%
2016	846	9,714,824	11,483	3.12%	13,065,460	15,444	4.41%	44	19.2	89.0%
2015	840	9,353,720	11,135	-12.81%	12,424,926	14,792	-11.14%	48	17.5	88.0%
2014	810	10,345,041	12,772	8.84%	13,482,846	16,645	26.28%	43	18.8	91.0%

Source: The District's financial records.

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

**RIVERSIDE ELEMENTARY SCHOOL DISTRICT NO. 2  
CAPITAL ASSET INFORMATION  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b><u>Schools:</u></b>										
<b>Elementary:</b>										
Buildings	10	10	10	10	10	10	10	10	10	10
Square feet	90,756	90,756	90,756	90,756	90,756	90,756	90,756	90,756	90,756	90,756
Capacity	660	660	660	660	660	660	660	660	660	660
Enrollment	438	438	406	526	512	483	535	522	518	520
<b>Middle:</b>										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	89,112	89,112	89,112	89,112	89,112	89,112	89,112	89,112	89,112	89,112
Capacity	528	528	528	528	528	528	528	528	528	528
Enrollment	341	341	320	414	400	419	404	384	411	374
<b>Junior High:</b>										
Buildings	1	1	1	1	1	1	1	N/A	N/A	N/A
Square feet	68,361	68,361	61,656	61,656	61,656	61,656	61,656	N/A	N/A	N/A
Capacity	702	702	702	702	702	702	702	N/A	N/A	N/A
Enrollment	66	66	54	33	34	29	29	N/A	N/A	N/A
<b><u>Administrative:</u></b>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	12,541	12,541	12,541	12,541	12,541	12,541	12,541	12,541	12,541	12,541
<b><u>Transportation:</u></b>										
Garages	2	2	2	2	2	2	2	2	2	2
Buses	10	11	10	13	13	14	12	12	11	11
<b><u>Athletics:</u></b>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	2	2	2	2	2	2	2	2	2	2
Playgrounds	2	2	2	3	3	3	3	3	3	3

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