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# **GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**

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## **Comprehensive Annual Financial Report**

Fiscal Year Ended June 30, 2019



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**

**GLENDALE, ARIZONA**

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

Issued by:  
Business and Finance Department

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**

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## **INTRODUCTORY SECTION**



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# GLENDALE ELEMENTARY SCHOOL DISTRICT No. 40

7301 N. 58<sup>TH</sup> AVENUE, GLENDALE, ARIZONA 85301 • (623) 237-7100 • [www.gesd40.org](http://www.gesd40.org)



December 13, 2019

Citizens and Governing Board  
Glendale Elementary School District No. 40  
7301 North 58<sup>th</sup> Avenue  
Glendale, Arizona 85301

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Glendale Elementary School District No. 40 (District) for the fiscal year ended June 30, 2019.

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

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

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

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

## **PROFILE OF THE DISTRICT**

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade eight, with an average daily membership of 11,331 students. The District encompasses approximately 16 square miles and is located primarily in the City of Glendale, Arizona ("Glendale"), which lies within the greater Phoenix metropolitan area and about 16 miles northwest of Downtown Phoenix. The estimated population within the District is 245,895. The District's enrollment continues to decrease. The District's buildings range in age from 13-77 years.

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

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, the component unit combined with the District for financial statement purposes and the District are not included in any other governmental entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, and food services.

Blended Component Units – The Glendale Elementary School District No. 40 Employee Benefit Trust (Trust) is governed by a five-member board appointed by the District’s Governing Board. Although legally separate from the District, the Trust is reported as an Internal Service Fund as if it were part of the District because its sole purpose is to provide self-insurance for losses up to certain limits and to purchase insurance for losses above the limits. Complete financial statements of the Trust may be obtained at the District’s administrative offices.

Glendale is the fifth largest city in the State according to the U.S. Census Bureau’s 2010 Census. The city is located in the northwest portion of the greater Phoenix metropolitan area. Glendale consists of approximately 56.8 square miles and is one of the six major cities comprising the greater Phoenix metropolitan area, which is Arizona’s economic, political, and population center.

Glendale’s demographics evidence the growth of the area. Established in 1892 and incorporated in 1910, Glendale had a 2016 population of 245,849.

Glendale has begun to diversify its economic base. Aerospace, communications, sports, entertainment, chemicals, warehousing, electronics, and precision metal working and casting are some examples of industries that are replacing Glendale’s former agricultural base.

As mentioned above, Glendale’s employer base includes both government, non-manufacturing, and manufacturing employers. Glendale’s economy is supplemented by Luke Air Force Base.

The annual expenditure budget serves as the foundation for the District’s financial planning and control. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual expenditure budget approved by the District’s Governing Board.

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

**Local Economy.** The Phoenix metropolitan area and the rest of Maricopa County have enjoyed booming growth fueled by the housing market for a number of years. The housing decline and the recent nationwide economic recession have created some unique challenges for the local economy. Economists have indicated the bottom of the recession had been realized, however, it appears the Phoenix metropolitan area may take a longer period of time to recover primarily due to the housing issue.

A few of the major firms represented in the Phoenix metropolitan area include Honeywell International, Inc., Banner Health Systems, Wal-Mart Stores, Inc., Wells Fargo Company and Bashas'. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, a medical school, and one state university, which recently added a downtown campus.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14<sup>th</sup> in land area. Population growth is expected to be between 1% and 3% over the next two years.

Service is the largest employment sector in the County, partly fueled by the \$2.5 billion per year tourist industry. The County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category, employing over a quarter million people.

Manufacturing consisting primarily of high technology companies is the third largest employer. Other factors aiding economic growth include major expansions of the international airport serving the area, a favorable business climate and the presence of a well developed and expanding transportation infrastructure.

**Long-term Financial Planning.** GESD is developing a long-term financial plan that will be sustainable and meet the various stakeholders' needs in its Maintenance and Operation (M&O) Fund as well as developing a comprehensive capital plan. GESD continues to maintain a carry forward in M&O and allocates a portion of the revenue control limit and/or District's additional assistance into unrestricted capital.

GESD continues to develop a budget process that fosters collaboration, transparency while being fiscally responsible and sustainable.

The District continues to strive for excellence in educational achievements and the quality opportunities certified, classified and administrative staff provide. The District Assessment Plan, in coordination with State requirements, includes the administration of the AIMS (Arizona Instrument to Measure Standards) Science (4<sup>th</sup> and 8<sup>th</sup> Grade) and AzMERIT Language Arts and Mathematics assessments.

Additionally, the District utilizes formative and summative assessments in math and reading throughout all grade levels. District benchmark assessments measuring how well students learned reading, writing, science, and mathematics curriculum scheduled to be taught during each instructional period are administered throughout the year. Progress on all of these assessments is reported for the entire student population, as well as for ethnicity gender, language proficiency, and special program populations. Prior to the first benchmark all students are given a universal screener that identifies their greatest area of need. Finally, students in K-3 are assessed for reading proficiency by the use of the DIBELS (Dynamic Indicators of Basic Early Literacy Skills) system and students in 4-8 are assessed for reading by the use of the SRI (Scholastic Reading Inventory).

The Curriculum and Instruction Department provides support to the following curricular areas: Reading, Writing, Social Studies, Math, Science, English Language Development, Health, Art, Music, Physical Education, and Media Literacy. The Department also provides support to staff in increasing instructional capacity to deliver high quality instruction that promotes student learning. Through data driven decision making, facilitative leadership, Professional Learning Communities, home-school partnerships and communication, and after-school intervention programs, the District promotes meeting the individual needs of learners. Continued training in these areas will occur to develop administrative and grade-level team capacity. The District uses two Achievement Advisors at every school to coach and mentor classroom teachers in a routine and systematic manner to improve classroom instruction. Customized professional development is provided to teachers to ensure quality in all areas.

## **AWARDS AND ACKNOWLEDGMENTS**

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

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

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

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

Respectfully submitted,



Cindy Segotta-Jones  
Superintendent



Mike Barragan  
Assistant Superintendent  
of Finance and Auxiliary Services



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

## **Glendale Elementary School District No. 40**

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

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



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

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**Tom Wohlleber, CSR**  
President

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

---

**David J. Lewis**  
Executive Director



Government Finance Officers Association

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

Presented to

**Gadsden Elementary School  
District No. 32, Arizona**

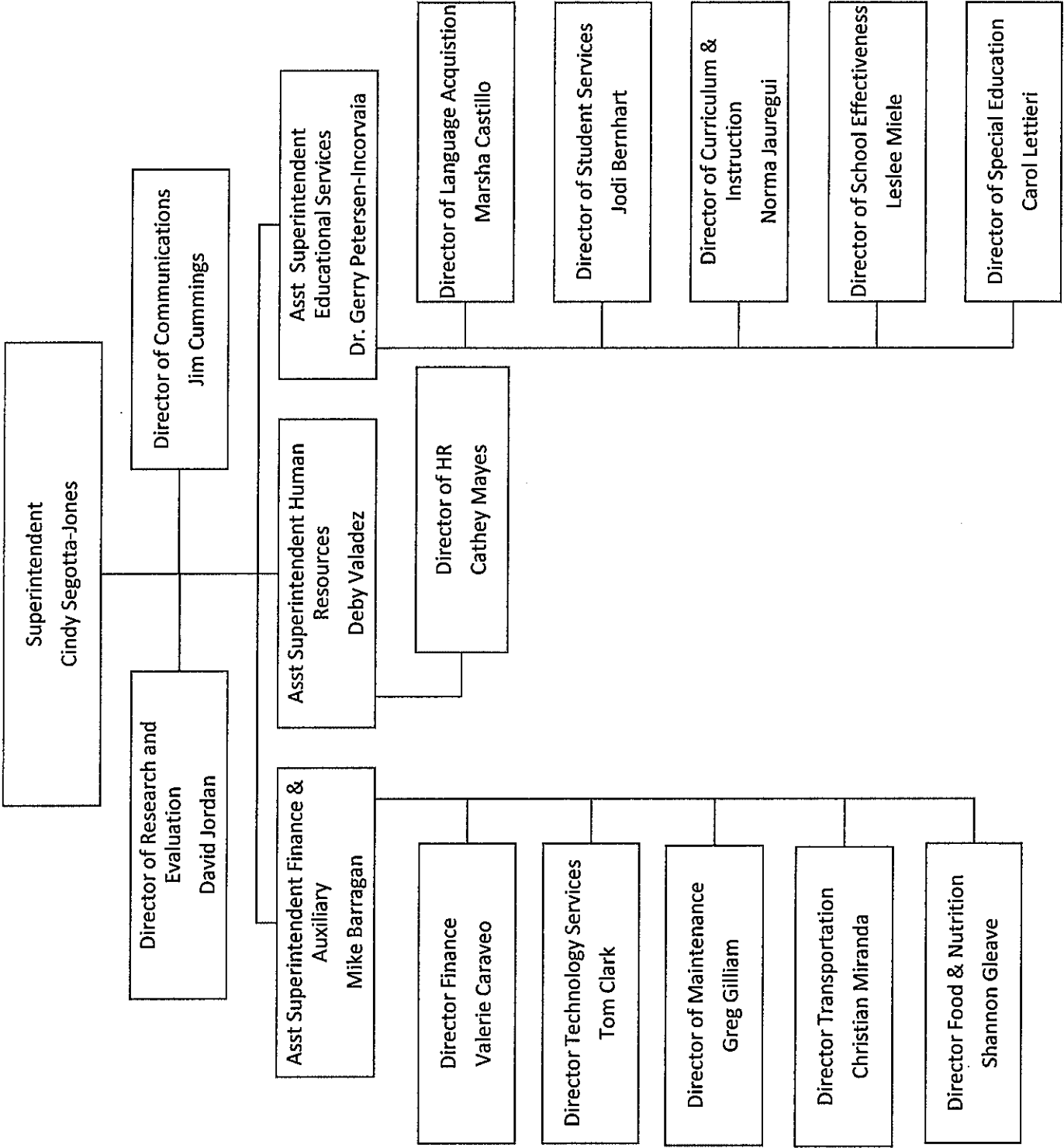
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO





**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**

**LIST OF PRINCIPAL OFFICIALS**

**GOVERNING BOARD**

Sara Smith, President

Brenda Bartels, Clerk

Jamie Aldama, Member

Monica Pimentel, Member

Mary Ann Wilson, Member

**ADMINISTRATIVE STAFF**

Cindy Segotta-Jones, Superintendent

Mike Barragan, Assistant Superintendent of Finance and Auxiliary Services

Gerry Petersen-Incorvaia, Assistant Superintendent of Educational Services

Deby Valadez, Assistant Superintendent of Human Resources

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Glendale Elementary School District No. 40

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Glendale Elementary School District No. 40 (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Glendale Elementary School District No. 40, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

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

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019, on our consideration of Glendale Elementary School District No. 40'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 the Glendale Elementary School District No. 40's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Glendale Elementary School District No. 40's internal control over financial reporting and compliance.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Phoenix, Arizona  
December 13, 2019

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



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**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

As management of the Glendale Elementary School District No. 40 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### **FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities increased \$5.2 million which represents an 26 percent increase from the prior fiscal year as a result of the net effect of pension items and related deferred outflows of resources and an increase in state aid.
- General revenues accounted for \$83.5 million in revenue, or 77 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$24.9 million or 23 percent of total current fiscal year revenues.
- The District had approximately \$103.2 million in expenses related to governmental activities, an increase of four percent from the prior fiscal year.
- Among major funds, the General Fund had \$68.9 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$71.5 million in expenditures. The General Fund's fund balance decrease from \$15.4 million at the prior fiscal year end to \$13.3 million at the end of the current fiscal year was primarily due to an increase in teacher and other employees' pay due to recent legislation.
- Net position for the Internal Service Funds decreased \$766,577 from the prior fiscal year. Operating expenses of \$11.6 million exceeded operating revenues of \$10.8 million at the end of the current fiscal year.

### **OVERVIEW OF FINANCIAL STATEMENTS**

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

## **OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

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

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

**Proprietary funds.** The District maintains one type of proprietary fund. The internal service funds are accounting devices used to accumulate and allocate costs internally among the District's various functions. The District uses one of its internal service funds to account for its employee benefit trust. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements. The employee benefit trust functions for all employees of the District, and therefore has been included as an internal service fund. Other internal service funds include (1) the Workers' Compensation Fund, which accounts for transactions relating to self-insurance for work-related injuries and (2) the Property and Casualty Insurance Fund, which accounts for transactions relating to the purchase of property and casualty insurance and payment of deductibles. Because these activities predominately benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$25.1 million at the current fiscal year end.

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

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

	As of June 30, 2019	As of June 30, 2018
Current and other assets	\$ 61,677,033	\$ 49,512,077
Capital assets, net	101,911,034	105,073,760
Total assets	<u>163,588,067</u>	<u>154,585,837</u>
 Deferred outflows	 <u>11,203,722</u>	 <u>10,809,061</u>
 Current and other liabilities	 15,138,064	 9,816,063
Long-term liabilities	119,346,233	124,865,953
Total liabilities	<u>134,484,297</u>	<u>134,682,016</u>
 Deferred inflows	 <u>15,200,657</u>	 <u>10,817,098</u>
 Net position:		
Net investment in capital assets	72,971,409	76,747,583
Restricted	19,139,413	17,732,618
Unrestricted	(67,003,987)	(74,584,417)
Total net position	<u>\$ 25,106,835</u>	<u>\$ 19,895,784</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$67.0 million. The deficit is due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

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

- The issuance of \$8.3 million of school improvement bonds and related premium of \$799,625.
- The principal retirement of \$1.3 million of bonds.
- The addition of \$4.0 million in capital assets through various school improvements and purchases of vehicles, furniture and equipment.
- The depreciation of existing assets resulting in the addition of \$7.2 million in accumulated depreciation.
- The decrease of \$12.2 million in pension liabilities due to current year changes in estimates and payments.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

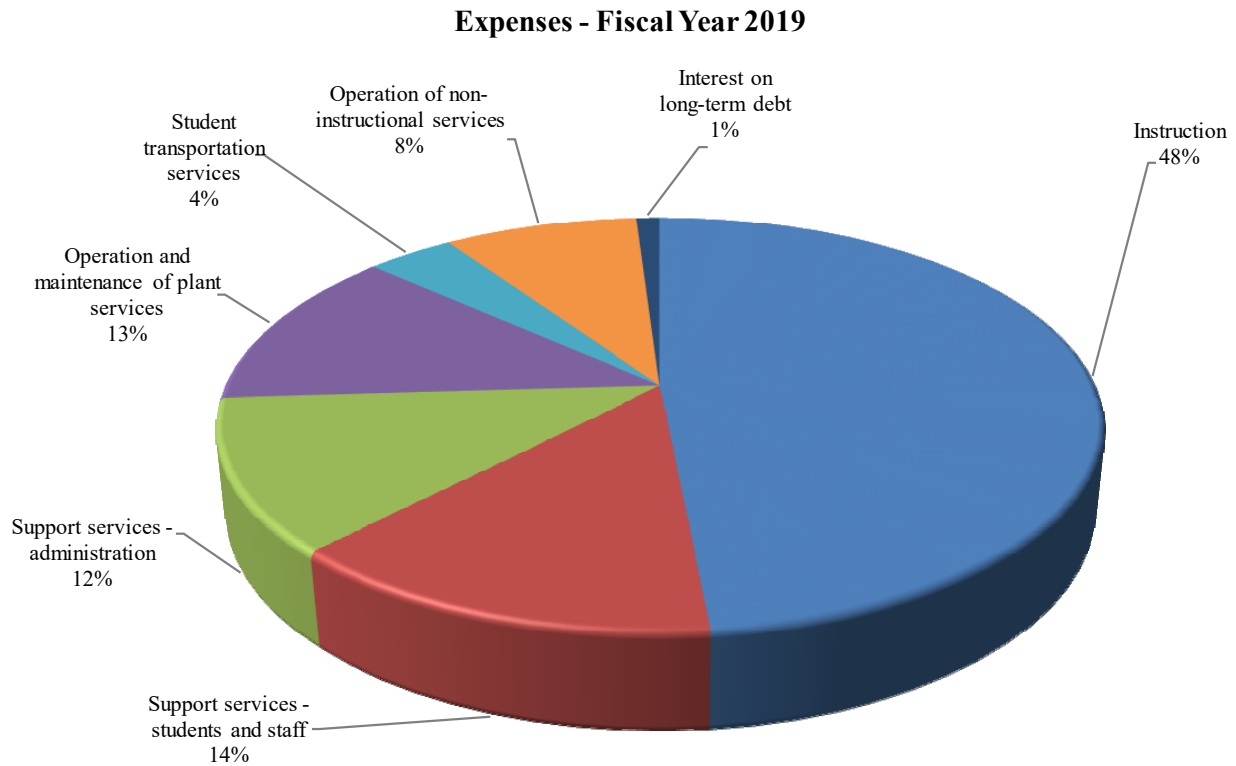
**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Changes in net position.** The District's total revenues for the current fiscal year were \$108.4 million. The total cost of all programs and services was \$103.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 983,420	\$ 1,111,946
Operating grants and contributions	21,315,245	19,579,768
Capital grants and contributions	2,639,967	1,937,614
General revenues:		
Property taxes	16,593,523	16,575,616
Investment income	404,976	264,906
Unrestricted county aid	5,529,727	5,698,182
Unrestricted state aid	60,231,028	57,195,603
Unrestricted federal aid	745,711	653,418
<b>Total revenues</b>	108,443,597	103,017,053
<b>Expenses:</b>		
Instruction	50,035,469	48,165,529
Support services - students and staff	14,210,632	13,410,721
Support services - administration	12,202,848	11,913,674
Operation and maintenance of plant services	13,025,084	12,026,393
Student transportation services	3,941,114	3,575,652
Operation of non-instructional services	8,776,749	8,672,064
Interest on long-term debt	1,040,650	1,103,878
<b>Total expenses</b>	103,232,546	98,867,911
<b>Changes in net position</b>	5,211,051	4,149,142
<b>Net position, beginning</b>	19,895,784	15,746,642
<b>Net position, ending</b>	\$ 25,106,835	\$ 19,895,784

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**



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

- Operating grants and contributions increased \$1.7 million due to the completion of several federally funded E-Rate projects.
- Unrestricted state aid increased \$3.0 million due to legislation that was passed to fund an increase for teachers' pay.
- Instructional expenses increased \$1.9 million due to legislation that was passed to fund an increase for teachers' pay.

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



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

	Year Ended June 30, 2019		Year Ended June 30, 2018	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 50,035,469	\$ (43,132,644)	\$ 48,165,529	\$ (42,927,347)
Support services - students and staff	14,210,632	(7,460,429)	13,410,721	(7,220,888)
Support services - administration	12,202,848	(11,789,007)	11,913,674	(11,503,565)
Operation and maintenance of plant services	13,025,084	(12,722,769)	12,026,393	(11,649,711)
Student transportation services	3,941,114	(3,658,686)	3,575,652	(3,523,252)
Operation of non-instructional services	8,776,749	1,510,271	8,672,064	1,690,058
Interest on long-term debt	1,040,650	(1,040,650)	1,103,878	(1,103,878)
<b>Total</b>	<u>\$ 103,232,546</u>	<u>\$ (78,293,914)</u>	<u>\$ 98,867,911</u>	<u>\$ (76,238,583)</u>

- The cost of all governmental activities this year was \$103.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$24.9 million.
- Net cost of governmental activities of \$78.3 million was financed by general revenues, which are made up of primarily property taxes of \$16.6 million and state and county aid of \$65.8 million. Investment earnings accounted for \$404,976 of funding.

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

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$40.3 million, an increase of \$8.8 million due primarily to the issuance of \$8.3 million of school improvement bonds and related premium of \$799,625.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

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

The General Fund comprises 33 percent of the total fund balance. Approximately \$13.1 million, or 99 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance decreased from \$15.4 million to \$13.3 million as of fiscal year end. General Fund revenues decreased \$2.6 million due to a decrease in enrollment. Expenditures increased \$4.9 million primarily due to recently passed legislation that lead to increase teachers and other employee pay.

The fund balance in the Classroom Site fund increased \$1.6 million due to an increase in state funding.

The fund balance in the Food Service Fund increased \$47,256 or less than one percent.

The fund balance in the Unrestricted Capital Outlay Fund increased \$2.1 million primarily due to an increase in property tax and state aid revenues.

The fund balance in the Bond Building Fund increased \$6.8 million primarily due to the issuance of \$8.3 million of school improvement bonds.

**Proprietary Funds.** Unrestricted net position of the Internal Service Funds at the end of the fiscal year amounted to \$2.2 million, a decrease of \$766,577 from the prior fiscal year primarily due to an increase in claims expense.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in student enrollment, anticipated costs, and budget capacity. The difference between the original budget and the final amended budget was a \$1.5 million decrease due primarily to a decrease in enrollment.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant variance is summarized as follows:

- The favorable variance of \$1.4 million in support services – administration expenditures was primarily a result of a decrease in enrollment and therefore less expenditures incurred.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$210.4 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$3.8 million from the prior fiscal year, primarily due to the completion of several renovations to school sites and the purchase of new busses. Total depreciation expense for the current fiscal year was \$7.2 million.

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

	As of June 30, 2019	As of June 30, 2018
Capital assets - non-depreciable	\$ 8,749,255	\$ 8,974,342
Capital assets - depreciable, net	93,161,779	96,099,418
Total	\$ 101,911,034	\$ 105,073,760

The estimated cost to complete current construction projects is \$408,505.

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

**Debt Administration.** At year-end, the District had \$38.7 million in long-term debt outstanding, \$1.7 million due within one year. Long-term debt increased by \$7.4 million, primarily due to the issuance of \$8.3 million of school improvement bonds.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$67.9 million and the Class B debt limit is \$45.3 million, both of which are greater than the District's outstanding bonded debt.

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2019**

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

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

- Fiscal year 2018-19 budget balance carry forward (estimated \$1.8 million).
- District student population (estimated 11,123).

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

Budgeted expenditures in the General Fund increased less than one percent to \$72.1 million in fiscal year 2019-20. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2019-20 budget.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Glendale Elementary School District No. 40, 7301 North 58<sup>th</sup> Avenue, Glendale, Arizona 85301.

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 38,660,390
Property taxes receivable	1,193,697
Accounts receivable	30,729
Due from governmental entities	19,895,394
Prepaid items	1,255,704
Deposits	161,457
Inventory	291,169
Total current assets	61,488,540
Noncurrent assets:	
Net other postemployment benefit assets	188,493
Capital asset not being depreciated	8,749,255
Capital assets, net of accumulated depreciation	93,161,779
Total noncurrent assets	102,099,527
<b>Total assets</b>	<b>163,588,067</b>
 <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension and other postemployment benefit plan items	11,203,722
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	1,714,958
Construction contracts payable	429,667
Credit line payable	7,034,000
Claims payable	2,411,199
Accrued payroll and employee benefits	3,093,458
Compensated absences payable	313,527
Accrued interest payable	454,776
Unearned revenues	6
Obligations under capital leases	339,138
Bonds payable	1,375,000
Total current liabilities	17,165,729
Noncurrent liabilities:	
Non-current portion of long-term obligations	117,318,568
Total noncurrent liabilities	117,318,568
<b>Total liabilities</b>	<b>134,484,297</b>
 <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension and other postemployment benefit plan items	15,200,657
 <b><u>NET POSITION</u></b>	
Net investment in capital assets	72,971,409
Restricted	19,139,413
Unrestricted	(67,003,987)
<b>Total net position</b>	<b>\$ 25,106,835</b>

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2019**

<b>Functions/Programs</b>	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Governmental activities:</b>						
Instruction	\$ 50,035,469	\$ 463,163	\$ 4,810,271	\$ 1,629,391		\$ (43,132,644)
Support services - students and staff	14,210,632		6,750,203			(7,460,429)
Support services - administration	12,202,848		413,841			(11,789,007)
Operation and maintenance of plant services	13,025,084	127,315	175,000			(12,722,769)
Student transportation services	3,941,114		62,428	220,000		(3,658,686)
Operation of non-instructional services	8,776,749	392,942	9,103,502	790,576		1,510,271
Interest on long-term debt	1,040,650					(1,040,650)
<b>Total governmental activities</b>	<u>\$ 103,232,546</u>	<u>\$ 983,420</u>	<u>\$ 21,315,245</u>	<u>\$ 2,639,967</u>		<u>(78,293,914)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	13,098,372
Property taxes, levied for debt service	2,253,998
Property taxes, levied for capital outlay	1,241,153
Investment income	404,976
Unrestricted county aid	5,529,727
Unrestricted state aid	60,231,028
Unrestricted federal aid	745,711

**Total general revenues** 83,504,965

**Changes in net position** 5,211,051

**Net position, beginning of year** 19,895,784

**Net position, end of year** \$ 25,106,835

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

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**FUND FINANCIAL STATEMENTS**

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	General	Classroom Site	Food Service
<b><u>ASSETS</u></b>			
Cash and investments	\$ 14,555,684	\$ 6,621,388	\$ 280,355
Property taxes receivable	962,269		
Due from governmental entities	11,016,566	970,311	79,559
Due from other funds		272,179	6,612,296
Deposits			161,457
Inventory	167,314		123,855
<b>Total assets</b>	<b>\$ 26,701,833</b>	<b>\$ 7,863,878</b>	<b>\$ 7,257,522</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u></b>			
<b><u>AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 644,523	\$	\$ 20,532
Construction contracts payable			
Credit line payable	7,034,000		
Due to other funds	2,427,785		
Accrued payroll and employee benefits	2,565,174	127,823	66,494
Unearned revenues			
Bonds payable			
Bond interest payable			
<b>Total liabilities</b>	<b>12,671,482</b>	<b>127,823</b>	<b>87,026</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	758,319		
Unavailable revenues - intergovernmental			
<b>Total deferred inflows of resources</b>	<b>758,319</b>		
Fund balances (deficits):			
Nonspendable	167,314		123,855
Restricted		7,736,055	7,046,641
Unassigned	13,104,718		
<b>Total fund balances</b>	<b>13,272,032</b>	<b>7,736,055</b>	<b>7,170,496</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 26,701,833</b>	 <b>\$ 7,863,878</b>	 <b>\$ 7,257,522</b>

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

<u>Unrestricted Capital Outlay</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,728	\$ 10,195,960	\$ 3,490,365	\$ 35,146,480
151,476		79,952	1,193,697
4,153,485		3,675,473	19,895,394
		2,672,552	9,557,027
			161,457
			291,169
<u>\$ 4,307,689</u>	<u>\$ 10,195,960</u>	<u>\$ 9,918,342</u>	<u>\$ 66,245,224</u>
\$ 621,876	\$ 429,667	\$ 262,419	\$ 1,549,350
			429,667
			7,034,000
3,438,072		3,691,170	9,557,027
		333,967	3,093,458
		6	6
		1,375,000	1,375,000
		454,776	454,776
<u>4,059,948</u>	<u>429,667</u>	<u>6,117,338</u>	<u>23,493,284</u>
150,197		61,222	969,738
		1,526,483	1,526,483
<u>150,197</u>		<u>1,587,705</u>	<u>2,496,221</u>
97,544	9,766,293	3,923,899	291,169
		(1,710,600)	28,570,432
<u>97,544</u>	<u>9,766,293</u>	<u>2,213,299</u>	<u>11,394,118</u>
			40,255,719
<u>\$ 4,307,689</u>	<u>\$ 10,195,960</u>	<u>\$ 9,918,342</u>	<u>\$ 66,245,224</u>

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**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2019**

<b>Total governmental fund balances</b>		40,255,719
Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	\$ 210,387,896	
Less accumulated depreciation	<u>(108,476,862)</u>	101,911,034
Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
Property taxes	969,738	
Intergovernmental	<u>1,526,483</u>	2,496,221
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions/OPEB	11,203,722	
Deferred inflows of resources related to pensions/OPEB	<u>(15,200,657)</u>	(3,996,935)
The Net OPEB asset is not a current financial resource and, therefore, is not reported in the funds.		188,493
The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.		2,223,536
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Other postemployment benefits payable	(3,979,722)	
Compensated absences payable	(2,410,924)	
Obligations under capital leases	(4,531,573)	
Net pension liability	(74,249,669)	
Bonds payable	<u>(32,799,345)</u>	<u>(117,971,233)</u>
<b>Net position of governmental activities</b>		<b><u>\$ 25,106,835</u></b>

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



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	<u>General</u>	<u>Classroom Site</u>	<u>Food Service</u>
<b>Revenues:</b>			
Other local	\$ 5,311,566	\$ 138,538	\$ 328,817
Property taxes	13,519,139		
State aid and grants	49,362,351	5,821,864	
Federal aid, grants and reimbursements	745,711		9,671,827
<b>Total revenues</b>	<u>68,938,767</u>	<u>5,960,402</u>	<u>10,000,644</u>
<b>Expenditures:</b>			
Current -			
Instruction	39,002,763	4,099,501	
Support services - students and staff	8,153,767	301,361	
Support services - administration	11,160,944		9,613
Operation and maintenance of plant services	10,017,375		139,062
Student transportation services	2,767,828		
Operation of non-instructional services	337,387		8,022,595
Capital outlay	16,403		790,576
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
<b>Total expenditures</b>	<u>71,456,467</u>	<u>4,400,862</u>	<u>8,961,846</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,517,700)</u>	<u>1,559,540</u>	<u>1,038,798</u>
<b>Other financing sources (uses):</b>			
Transfer in	1,040,568		
Transfer out	(481,780)		(991,542)
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses)</b>	<u>558,788</u>		<u>(991,542)</u>
<b>Changes in fund balances</b>	<u>(1,958,912)</u>	<u>1,559,540</u>	<u>47,256</u>
<b>Fund balances (deficits), beginning of year</b>	15,377,030	6,176,515	7,139,723
Increase (decrease) in reserve for inventory	(146,086)		(16,483)
<b>Fund balances (deficits), end of year</b>	<u>\$ 13,272,032</u>	<u>\$ 7,736,055</u>	<u>\$ 7,170,496</u>

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

<u>Unrestricted Capital Outlay</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 529,578	\$ 60,826	\$ 706,230	\$ 7,075,555
1,080,172		2,250,040	16,849,351
4,153,485		2,215,965	61,553,665
		13,602,588	24,020,126
<u>5,763,235</u>	<u>60,826</u>	<u>18,774,823</u>	<u>109,498,697</u>
		5,972,022	49,074,286
		6,736,450	15,191,578
		464,079	11,634,636
		32,354	10,188,791
		64,367	2,832,195
		371,309	8,731,291
3,683,445	2,185,577	2,492,679	9,168,680
		1,695,079	1,695,079
		1,072,325	1,072,325
	58,245		58,245
<u>3,683,445</u>	<u>2,243,822</u>	<u>18,900,664</u>	<u>109,647,106</u>
<u>2,079,790</u>	<u>(2,182,996)</u>	<u>(125,841)</u>	<u>(148,409)</u>
		588,986	1,629,554
	(107,206)	(49,026)	(1,629,554)
	8,305,000		8,305,000
	799,625		799,625
	<u>8,997,419</u>	<u>539,960</u>	<u>9,104,625</u>
<u>2,079,790</u>	<u>6,814,423</u>	<u>414,119</u>	<u>8,956,216</u>
(1,982,246)	2,951,870	1,799,180	31,462,072
			(162,569)
<u>\$ 97,544</u>	<u>\$ 9,766,293</u>	<u>\$ 2,213,299</u>	<u>\$ 40,255,719</u>

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2019**

**Changes in fund balances - total governmental funds** **\$ 8,956,216**

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

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

Expenditures for capitalized assets	\$ 4,028,398	
Less current year depreciation	<u>(7,163,604)</u>	(3,135,206)

Issuance of school improvement bonds provide current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(9,104,625)
--	--	-------------

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

Property taxes	(255,828)	
Intergovernmental	<u>(868,264)</u>	(1,124,092)

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

Capital lease principal retirement	320,079	
Bond principal retirement	<u>1,375,000</u>	1,695,079

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

Current year pension/OPEB contributions	7,012,431	
Pension/OPEB expense	<u>1,917,967</u>	8,930,398

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

Inventory	(162,569)	
Loss on disposal of assets	(27,520)	
Amortization of deferred bond items	31,675	
Compensated absences	<u>(81,728)</u>	(240,142)

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.

(766,577)

**Changes in net position in governmental activities** **\$ 5,211,051**

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2019**

	Governmental Activities: Internal Service Funds
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 3,513,910
Accounts receivable	30,729
Prepaid items	1,255,704
Total current assets	4,800,343
<b>Total assets</b>	4,800,343
 <b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	165,608
Claims payable	2,411,199
Total current liabilities	2,576,807
<b>Total liabilities</b>	2,576,807
 <b><u>NET POSITION</u></b>	
Unrestricted	2,223,536
<b>Total net position</b>	\$ 2,223,536

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Governmental Activities: Internal Service Funds
<b>Operating revenues:</b>	
Contributions	\$ 10,807,102
<b>Total operating revenues</b>	10,807,102
<b>Operating expenses:</b>	
Claims	1,227,659
Premiums	10,082,101
Administrative fees	332,911
<b>Total operating expenses</b>	11,642,671
<b>Operating income (loss)</b>	(835,569)
<b>Nonoperating revenues (expenses):</b>	
Investment income	68,992
<b>Total nonoperating revenues (expenses)</b>	68,992
<b>Changes in net position</b>	(766,577)
<b>Total net position, beginning of year</b>	2,990,113
<b>Total net position, end of year</b>	\$ 2,223,536

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2019**

	<b>Governmental Activities: Internal Service Funds</b>
<b><u>Increase/Decrease in Cash and Cash Equivalents</u></b>	
<b>Cash flows from operating activities:</b>	
Cash received from contributions	\$ 10,804,890
Cash payments to suppliers for goods and services	(11,579,091)
Cash payments for claims	(863,191)
<b>Net cash provided by/used for operating activities</b>	<b>(1,637,392)</b>
 <b>Cash flows from investing activities:</b>	
Investment income	68,992
<b>Net cash provided by/used for investing activities</b>	<b>68,992</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>(1,568,400)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>5,082,310</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 3,513,910</b>
 <b><u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u></b>	
<b>Operating income/loss</b>	<b>\$ (835,569)</b>
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in accounts receivable	(2,212)
Increase/decrease in prepaid items	(1,255,704)
Increase/decrease in accounts payable	91,625
Increase/decrease in claims payable	364,468
<b>Total adjustments</b>	<b>(801,823)</b>
<b>Net cash provided by/used for operating activities</b>	<b>\$ (1,637,392)</b>

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2019**

	<u>Agency</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 62,995
<b>Total assets</b>	<u>\$ 62,995</u>
<b><u>LIABILITIES</u></b>	
Due to student groups	\$ 62,995
<b>Total liabilities</b>	<u>\$ 62,995</u>

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

The financial statements of the Glendale Elementary School District No. 40 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

**A. Reporting Entity**

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

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

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

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



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

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

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

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

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

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

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

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

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

The District reports the following major governmental funds:

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

Classroom Site Fund – The Classroom Site Fund accounts for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

Food Service Fund – The Food Service Fund accounts for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

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

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

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

Additionally, the District reports the following fund types:

Proprietary Funds – The Proprietary Funds are Internal Service Funds that account for activities related to the District’s self-insurance programs.

Fiduciary Fund – The Fiduciary Fund is an Agency Fund which accounts for resources held by the District on behalf of others. This fund type includes the Student Activities Fund which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent.

The proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for health and welfare benefits and charges to District departments for goods and services. Operating expenses for internal service funds include the cost of goods and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**D. Cash and Investments**

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year-end consisted of cash in bank and cash on deposit with the county treasurer.

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

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

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

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

**E. Investment Income**

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

**F. Receivables and Payables**

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

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

**G. Property Tax Calendar**

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

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

**H. Inventory**

General Fund inventories are valued at cost using the average cost method, while food service inventories are valued using the FIFO method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

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

**I. Prepaid Items**

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

**J. Capital Assets**

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

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

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

Land improvements	20 years
Buildings and improvements	7 - 40 years
Vehicles, furniture and equipment	5 - 20 years

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

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

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

**L. Compensated Absences**

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

**M. Pensions and Other Postemployment Benefits**

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

**N. Long-term Obligations**

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

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

**O. Interfund Activity**

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

**P. Net Position Flow Assumption**

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

**Q. Estimates**

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



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

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

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

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

***Assigned.*** Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or the Deputy Superintendent for Business Services who has been delegated that authority by the formal Governing Board action. At year end, no assignments of fund balance existed.

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Food Service Fund</u>	<u>Unrestricted Capital Outlay Fund</u>	<u>Bond Building Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:						
Nonspendable:						
Inventory	167,314		123,855			
Restricted:						
Debt service						174,836
Capital projects				97,544		707,383
Bond building projects					9,766,293	
Voter approved initiatives		7,736,055				1,429,322
Federal and state projects						775,837
Food service			7,046,641			
Civic center						131,225
Community school						361,339
Extracurricular activities						278,951
Other purposes						65,006
Unassigned	<u>13,104,718</u>					<u>(1,710,600)</u>
Total fund balances	<u>13,272,032</u>	<u>7,736,055</u>	<u>7,170,496</u>	<u>97,544</u>	<u>9,766,293</u>	<u>2,213,299</u>

**NOTE 3 – RESTRICTED NET POSITION**

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

	<u>Governmental Activities</u>
Restricted Net Position:	
Debt service	225,274
Capital projects	965,908
Voter approved initiatives	9,165,377
Federal and state projects	775,837
Food service	7,170,496
Civic center	131,225
Community school	361,339
Extracurricular activities	278,951
Other local initiatives	65,006
Total restricted net position	<u>19,139,413</u>

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

	Deficit
Non-Major Governmental Funds:	
Title I Grants	128,569
Title IV Grants	110,255
Limited English & Immigrant Students	79,343
Special Education Grants	617,449
Other Federal Projects	67,570
Other State Projects	523,297
Building Renewal Grant	184,117

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2019-20 are expected to eliminate the deficit.

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

**NOTE 5 – CASH AND INVESTMENTS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$17,896,513 and the bank balance was \$17,941,205. At year end, \$17,679,884 of the District’s deposits were covered by collateral held by the pledging financial institution in the District’s name.

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

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

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**NOTE 5 – CASH AND INVESTMENTS**

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	318 days	20,122,640
Arizona School Risk Retention Trust investment	262 days	704,232
Total		20,826,872

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

*Credit Risk.* The District has no investment policy that would further limit its investment choices. As of year end, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency. Investments held in the Trust Pool were rated between A- to AA+ by Standard and Poor’s and between Aaa to A3 by Moody’s Investors Service.

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

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**NOTE 6 – RECEIVABLES**

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

	<u>General Fund</u>	<u>Classroom Site</u>	<u>Food Service</u>	<u>Unrestricted Capital Outlay</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:					
Due from federal government	91,954		79,559		2,880,517
Due from state government	<u>10,924,612</u>	<u>970,311</u>		<u>4,153,485</u>	<u>794,956</u>
Net due from governmental entities	<u>11,016,566</u>	<u>970,311</u>	<u>79,559</u>	<u>4,153,485</u>	<u>3,675,473</u>

**NOTE 7 – CAPITAL ASSETS**

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	8,707,919			8,707,919
Construction in progress	266,423	497,967	723,054	41,336
Total capital assets, not being depreciated	<u>8,974,342</u>	<u>497,967</u>	<u>723,054</u>	<u>8,749,255</u>
Capital assets, being depreciated:				
Land improvements	10,120,826	1,104,249		11,225,075
Buildings and improvements	166,199,423	1,776,812		167,976,235
Vehicles, furniture and equipment	<u>21,308,545</u>	<u>1,372,424</u>	<u>243,638</u>	<u>22,437,331</u>
Total capital assets being depreciated	<u>197,628,794</u>	<u>4,253,485</u>	<u>243,638</u>	<u>201,638,641</u>
Less accumulated depreciation for:				
Land improvements	(5,594,636)	(426,267)		(6,020,903)
Buildings and improvements	(80,243,717)	(5,416,666)		(85,660,383)
Vehicles, furniture and equipment	<u>(15,691,023)</u>	<u>(1,320,671)</u>	<u>(216,118)</u>	<u>(16,795,576)</u>
Total accumulated depreciation	<u>(101,529,376)</u>	<u>(7,163,604)</u>	<u>(216,118)</u>	<u>(108,476,862)</u>
Total capital assets, being depreciated, net	<u>96,099,418</u>	<u>(2,910,119)</u>	<u>27,520</u>	<u>93,161,779</u>
Governmental activities capital assets, net	<u>105,073,760</u>	<u>(2,412,152)</u>	<u>750,574</u>	<u>101,911,034</u>

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
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**NOTE 7 – CAPITAL ASSETS**

Depreciation expense was charged to governmental functions as follows:

Instruction	3,079,280
Support services – students and staff	78,663
Support services – administration	435,210
Operation and maintenance of plant services	3,007,639
Student transportation services	367,885
Operation of non-instructional services	194,927
Total depreciation expense – governmental activities	7,163,604

**Construction Commitments** – At year end, the District had contractual commitments related to various improvement projects. At year end the District had spent \$41,336 on the projects and had estimated remaining contractual commitments of \$408,505. These projects are being funded with proceeds from the Building Renewal Grant and Unrestricted Capital Outlay Funds.

**NOTE 8 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT**

The District has a revolving line of credit of \$13,000,000 to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$5,966,000 in unused line of credit. General Fund revenues will be used to repay the line of credit throughout the year. Short-term debt activity for the current fiscal year was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Revolving line of credit	2,617,000	42,208,000	37,791,000	7,034,000

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
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**NOTE 9 – OBLIGATIONS UNDER CAPITAL LEASES**

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

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

	Governmental Activities
Asset:	
Building improvements	10,705,040
Less: Accumulated depreciation	(2,409,144)
Total	8,295,896

Only a portion of the buildings and improvements project listed above was financed through a capital lease.

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

	Governmental Activities
Year Ending June 30:	
2020	489,963
2021	498,395
2022	507,084
2023	516,038
2024	525,262
2025-29	2,774,807
2030	116,058
Total minimum lease payments	5,427,607
Less: amount representing interest	896,034
Present value of minimum lease payments	4,531,573
Due within one year	339,138

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
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**NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE**

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$26.0 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2019</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
General obligation bonds:					
School Improvement Bonds, Project of 2003, Series B (2006)	6,335,000	4.0%	7/1/19	1,375,000	1,375,000
School Improvement Bonds, Project of 2011, Series A (2012)	5,220,000	3.4-5.0%	7/1/27-31	5,220,000	
School Improvement Bonds, Project of 2011, Series C (2014)	9,485,000	3.0-5.0%	7/1/23-33	8,985,000	
School Improvement Bonds, Project of 2011, Series D (2015)	9,200,000	3.0-5.0%	7/1/20-35	9,000,000	
School Improvement Bonds, Project of 2018, Series A (2019)	8,305,000	5.0%	7/1/20-29	8,305,000	
Total				<u>32,885,000</u>	<u>1,375,000</u>

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

		<u>Governmental Activities</u>	
		<u>General Obligation Bonds</u>	
Year ending June 30:		<u>Principal</u>	<u>Interest</u>
	2020	1,375,000	1,143,890
	2021	2,390,000	1,211,051
	2022	2,540,000	1,088,801
	2023	1,860,000	978,801
	2024	1,900,000	887,301
	2025-29	9,535,000	3,220,261
	2030-34	9,210,000	1,499,208
	2035-39	4,075,000	135,213
Total		<u>32,885,000</u>	<u>10,164,526</u>



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
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**NOTE 11 – CHANGES IN LONG-TERM LIABILITIES**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	25,905,000	8,305,000	1,325,000	32,885,000	1,375,000
Premium	521,395	799,625	31,675	1,289,345	
Total bonds payable	<u>26,426,395</u>	<u>9,104,625</u>	<u>1,356,675</u>	<u>34,174,345</u>	<u>1,375,000</u>
Obligations under capital leases	4,851,652		320,079	4,531,573	339,138
Net OPEB liability	4,856,609		876,887	3,979,722	
Net pension liability	86,402,101		12,152,432	74,249,669	
Compensated absences payable	<u>2,329,196</u>	<u>932,232</u>	<u>850,504</u>	<u>2,410,924</u>	<u>313,527</u>
Governmental activity long-term liabilities	<u><u>124,865,953</u></u>	<u><u>10,036,857</u></u>	<u><u>15,556,577</u></u>	<u><u>119,346,233</u></u>	<u><u>2,027,665</u></u>

**NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

At year end, interfund balances were as follows:

**Due to/from other funds:**

	<u>Classroom Site Fund</u>	<u>Food Service Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Due to Other Funds</u>
General Fund		2,427,785		2,427,785
Unrestricted Capital Outlay Fund		3,438,072		3,438,072
Non-Major Governmental Funds	<u>272,179</u>	<u>746,439</u>	<u>2,672,552</u>	<u>3,691,170</u>
Total Due from Other Funds	<u><u>272,179</u></u>	<u><u>6,612,296</u></u>	<u><u>2,672,552</u></u>	<u><u>9,557,027</u></u>

At year end, several funds had negative cash balances in the Treasurer's pooled cash accounts. Negative cash on deposit with County Treasurer was reduced by interfund borrowing with other funds. All internal balances are expected to be paid within one year.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

**Interfund transfers:**

	General Fund	Transfers in Non-Major Governmental Funds	Total
Transfers out			
General Fund		481,780	481,780
Food Service Fund	991,542		991,542
Bond Building Fund		107,206	107,206
Non-Major Governmental Funds	49,026		49,026
Total	1,040,568	588,986	1,629,554

Transfers between funds are used to (1) move investment income and premium earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, (2) move federal grant funds restricted for indirect costs, and (3) move energy and water savings repayments from the General Fund.

**NOTE 13 – CONTINGENT LIABILITIES**

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

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

**Arbitrage** – Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditure prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
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**NOTE 14 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain insurance at a cost it considered to be economically justifiable. Therefore, the District established the following self-insurance funds.

The District has established a Property and Casualty Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to property and liability claims. Under this program, the Property and Casualty Insurance Fund purchases insurance from 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 for claims exceeding \$1,000. 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 has established a Workers' Compensation Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to claims for on-the-job injuries to employees. Under this program, the Workers' Compensation Fund provides coverage for up to a maximum of \$350,000 for each claim, not to exceed an annual aggregate of \$1 million. The Fund purchases commercial insurance for claims in excess of this coverage.

The District has established an Employee Benefit Trust Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to claims for employee dental. Further, the District joined the Valley Schools Employee Benefit Trust (VSEBT) together with other districts in the state for the risks of loss related to employee health claims. VSEBT is a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District, through the EBT Fund, pays a lump-sum annual premium to VSEBT for health insurance coverage. The agreement provides that VSEBT will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event. Under this program, the Employee Benefit Trust Fund collects contributions and pays premiums on insurance.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 14 – RISK MANAGEMENT**

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for a list of claims provided by the District’s third party administrator that have yet to be incurred in the District’s financial statements. Changes in the balances of claims liabilities during the past two years are as follows:

<u>Workers’ Compensation</u>	<u>Claims Payable Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Payable at End of Year</u>
2018-19	2,046,731	1,217,841	853,373	2,411,199
2017-18	2,084,706	585,136	623,111	2,046,731

**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

	<u>Pension</u>	<u>OPEB</u>
Net assets		(188,493)
Net liability	74,249,669	3,979,722
Deferred outflows of resources	10,329,453	874,269
Deferred inflows of resources	13,838,726	1,361,931
Expense	(2,341,049)	423,082
Contributions	6,261,552	750,879

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
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**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

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

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

	Contributions
Pension	6,261,552
Health Insurance Premium	257,631
Long-Term Disability	89,611

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
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**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

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

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

	Net <u>(Assets) Liability</u>	District <u>% Proportion</u>	Increase <u>(Decrease)</u>
Pension	74,249,669	0.532	(0.022)
Health Insurance Premium	(188,493)	0.523	(0.025)
Long-Term Disability	278,145	0.532	(0.018)

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

	<u>Expense</u>
Pension	(2,341,049)
Health Insurance Premium	195,512
Long-Term Disability	99,880

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
	Differences between expected and actual experience	2,045,518	
Changes of assumptions or other inputs	1,964,782	363,510	60,245
Net difference between projected and actual earnings on pension investments			
Changes in proportion and differences between contributions and proportionate share of contributions	57,601		
Contributions subsequent to the measurement date	6,261,552	257,631	89,611
Total	10,329,453	621,141	156,969
	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	409,326	173,971	
Changes of assumptions or other inputs	6,583,253		
Net difference between projected and actual earnings on pension investments	1,785,529	376,543	26,941
Changes in proportion and differences between contributions and proportionate share of contributions	5,060,618	1,941	6,816
Total	13,838,726	552,455	33,757



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2020	(2,792,166)	(73,420)	(132)
2021	(3,469,402)	(73,421)	(132)
2022	(2,708,516)	(73,421)	(132)
2023	(800,741)	6,809	7,084
2024		24,508	8,407
Thereafter			18,506

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

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

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

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

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

	Proportionate share of the net (assets) liability		
	Current		
	1% Decrease	Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Pension	105,844,611	74,249,669	47,852,605
Health Insurance Premium	667,875	(188,493)	(917,948)
Long-Term Disability	315,215	278,145	242,176

**B. Single-Employer OPEB Plan**

**Plan Description.** Under authority of the Governing Board, the District provides postretirement insurance benefits, for certain retirees and their dependents, in accordance with the District’s Early Retirement Program. The plan is a single-employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. Generally, resources from the General Fund are used to pay for postemployment benefits.

**Benefits Provided.** The plan provides postretirement insurance (health, dental and life) benefits for eligible retirees up to age 65. An employee is eligible if he/she has served 15 consecutive years and the employee qualifies for full retirement under the State of Arizona's retirement plan. In addition to this requirement, beginning March 12, 2015 the employee must be at least 55 years old unless the employee had completed 13 years or more of service as of July 1, 2013 or works 30 or more years of service with the District. Eligible retirees receive a District contribution towards coverage under one of the District’s medical plans, up to the retiree-only PPO premium. The retiree must designate the District as the recipient of the ASRS Retiree Premium Benefit (also called the ASRS “subsidy”).

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Contributions.** The District currently pays for postemployment benefits on a pay-as-you-go basis. For the current fiscal year, the District contributed \$403,637 for these benefits. The District’s regular insurance providers underwrite the retiree policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. A separate financial report is not issued for the plan.

**Employees covered by benefit terms.** The following employees were covered as of the effective date of the OPEB valuation:

Inactive employees or beneficiaries currently receiving benefit payments	68
Active employees	993
Total	<hr style="width: 100%; border: 0.5px solid black;"/> <u>1,061</u>

**Total OPEB Liability.** The District’s total OPEB liability of \$3,701,577 was measured as of June 30, 2019. The total liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019.

**Actuarial Assumptions and Other Inputs.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point. The total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2019
Actuarial valuation date	July 1, 2018
Interest rate	4.00%
Inflation rate	3.00%
Projected salary increases	3.00%
Health care cost trend rate:	
Medical and Prescription Drug	5.50% for 2019; 5.25% for 2020; 5.00% for 2021 and later
Retiree contribution increase	Consistent with medical/drug trends
ASRS subsidy increases	None
Cost of living adjustments	N/A

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The discount rate is based on the estimate of expected long-term plan experience.

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

**Changes in the Total OPEB Liability**

Total OPEB Liability – beginning of year	4,657,084
Changes for the year:	
Service cost	98,008
Interest	129,617
Differences between expected and actual experience	(889,795)
Changes in assumptions or other inputs	110,300
Benefit payments	<u>(403,637)</u>
Total OPEB Liability – end of year	<u><u>3,701,577</u></u>

**Sensitivity of the total OPEB liability to changes in the discount rate.** The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(2.13%)</u>	<u>(3.13%)</u>	<u>(4.13%)</u>
Total OPEB liability	3,909,535	3,701,577	3,507,082

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 15 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

**Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.** The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (5.00% decreasing to 4.00%)	Current Healthcare Cost Trend Rates (6.00% decreasing to 5.00%)	1% Increase (7.00% decreasing to 6.00%)
Total OPEB liability	3,673,420	3,701,577	3,730,642

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.** For the year ended June 30, 2019, the District recognized OPEB expense of \$127,690. At June 30, 2019, the District reported no deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		775,719
Changes of assumptions or other inputs	96,159	
Total	<u>96,159</u>	<u>775,719</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2020	(99,935)
2021	(99,935)
2022	(99,935)
2023	(99,935)
2024	(99,935)
Thereafter	(179,885)

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**REQUIRED SUPPLEMENTARY INFORMATION**



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL**  
**YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other local	\$	\$	\$ 4,999,111	\$ 4,999,111
Property taxes			13,519,139	13,519,139
State aid and grants			49,362,351	49,362,351
<b>Total revenues</b>			<u>67,880,601</u>	<u>67,880,601</u>
<b>Expenditures:</b>				
Current -				
Instruction	39,834,832	38,534,832	38,363,004	171,828
Support services - students and staff	7,788,363	7,788,363	7,681,555	106,808
Support services - administration	11,369,688	11,806,769	10,391,770	1,414,999
Operation and maintenance of plant services	11,451,743	10,905,911	9,925,323	980,588
Student transportation services	2,916,653	2,824,421	2,721,886	102,535
Operation of non-instructional services	162,771	162,771	229,885	(67,114)
<b>Total expenditures</b>	<u>73,524,050</u>	<u>72,023,067</u>	<u>69,313,423</u>	<u>2,709,644</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(73,524,050)</u>	<u>(72,023,067)</u>	<u>(1,432,822)</u>	<u>70,590,245</u>
<b>Other financing sources (uses):</b>				
Transfer out			(481,780)	(481,780)
<b>Total other financing sources (uses)</b>			<u>(481,780)</u>	<u>(481,780)</u>
<b>Changes in fund balances</b>	<u>(73,524,050)</u>	<u>(72,023,067)</u>	<u>(1,914,602)</u>	<u>70,108,465</u>
<b>Fund balances, beginning of year</b>			9,677,532	9,677,532
Increase (decrease) in reserve for prepaid items			787,400	787,400
Increase (decrease) in reserve for inventory			(146,086)	(146,086)
<b>Fund balances (deficits), end of year</b>	<u>\$ (73,524,050)</u>	<u>\$ (72,023,067)</u>	<u>\$ 8,404,244</u>	<u>\$ 80,427,311</u>

See accompanying notes to this schedule.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CLASSROOM SITE  
YEAR ENDED JUNE 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other local	\$	\$	\$ 138,538	\$ 138,538
State aid and grants			5,821,864	5,821,864
<b>Total revenues</b>			<u>5,960,402</u>	<u>5,960,402</u>
<b>Expenditures:</b>				
Current -				
Instruction	12,040,385	12,133,319	4,099,501	8,033,818
Support services - students and staff	449,110	449,110	301,361	147,749
<b>Total expenditures</b>	<u>12,489,495</u>	<u>12,582,429</u>	<u>4,400,862</u>	<u>8,181,567</u>
<b>Changes in fund balances</b>	<u>(12,489,495)</u>	<u>(12,582,429)</u>	<u>1,559,540</u>	<u>14,141,969</u>
<b>Fund balances, beginning of year</b>			6,176,515	6,176,515
<b>Fund balances (deficits), end of year</b>	<u>\$ (12,489,495)</u>	<u>\$ (12,582,429)</u>	<u>\$ 7,736,055</u>	<u>\$ 20,318,484</u>

See accompanying notes to this schedule.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOOD SERVICE  
YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original &amp; Final</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Other local	\$	\$ 328,817	\$ 328,817
Federal aid, grants and reimbursements		9,671,827	9,671,827
<b>Total revenues</b>		<u>10,000,644</u>	<u>10,000,644</u>
<b>Expenditures:</b>			
Current -			
Support services - administration		9,613	(9,613)
Operation and maintenance of plant services		139,062	(139,062)
Operation of non-instructional services	9,500,000	8,022,595	1,477,405
Capital outlay		790,576	(790,576)
<b>Total expenditures</b>	<u>9,500,000</u>	<u>8,961,846</u>	<u>538,154</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(9,500,000)</u>	<u>1,038,798</u>	<u>10,538,798</u>
<b>Other financing sources (uses):</b>			
Transfer out		(991,542)	(991,542)
<b>Total other financing sources (uses)</b>		<u>(991,542)</u>	<u>(991,542)</u>
<b>Changes in fund balances</b>	<u>(9,500,000)</u>	<u>47,256</u>	<u>9,547,256</u>
<b>Fund balances, beginning of year</b>		7,139,723	7,139,723
Increase (decrease) in reserve for inventory		(16,483)	(16,483)
<b>Fund balances (deficits), end of year</b>	<u>\$ (9,500,000)</u>	<u>\$ 7,170,496</u>	<u>\$ 16,670,496</u>

See accompanying notes to this schedule.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**ARIZONA STATE RETIREMENT SYSTEM**  
**LAST FIVE FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	0.53%	0.55%	0.60%	0.59%	0.62%
District's proportionate share of the net pension (assets) liability	\$ 74,249,669	\$ 86,402,101	\$ 96,723,356	\$ 92,468,191	\$ 91,880,675
District's covered payroll	\$ 52,960,862	\$ 53,980,009	\$ 53,293,106	\$ 54,628,310	\$ 55,888,206
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	140.20%	160.06%	181.49%	169.27%	164.40%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 6,261,552	\$ 5,772,734	\$ 5,819,045	\$ 5,782,302	\$ 5,949,023
Contributions in relation to the actuarially determined contribution	<u>6,261,552</u>	<u>5,772,734</u>	<u>5,819,045</u>	<u>5,782,302</u>	<u>5,949,023</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 56,006,726	\$ 52,960,862	\$ 53,980,009	\$ 53,293,106	\$ 54,628,310
Contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM  
LAST TWO FISCAL YEARS**

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.52%	0.55%
District's proportionate share of the net OPEB (assets) liability	\$ (188,493)	\$ (298,516)
District's covered payroll	\$ 52,960,862	\$ 53,980,009
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	-0.36%	-0.55%
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%

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

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 257,631	\$ 233,028
Contributions in relation to the actuarially determined contribution	<u>257,631</u>	<u>233,028</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 56,006,726	\$ 52,960,862
Contributions as a percentage of covered payroll	0.46%	0.44%

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

See accompanying notes to this schedule.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY  
LAST TWO FISCAL YEARS**

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	0.53%	0.55%
District's proportionate share of the net OPEB (assets) liability	\$ 278,145	\$ 199,525
District's covered payroll	\$ 52,960,862	\$ 53,980,009
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.53%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

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

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 89,611	\$ 84,737
Contributions in relation to the actuarially determined contribution	<u>89,611</u>	<u>84,737</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 56,006,726	\$ 52,960,862
Contributions as a percentage of covered payroll	0.16%	0.16%

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

See accompanying notes to this schedule.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**OTHER POSTEMPLOYMENT BENEFITS PLAN**  
**LAST TWO FISCAL YEARS**

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2019	June 30, 2018
<b>Total OPEB liability</b>		
Service cost	\$ 98,008	\$ 135,524
Interest	129,617	165,233
Differences between expected and actual experience	(889,795)	
Changes of assumptions or other inputs	110,300	
Benefit payments	(403,637)	(412,588)
<b>Net change in total OPEB liability</b>	<u>(955,507)</u>	<u>(111,831)</u>
<b>Total OPEB liability—beginning</b>	<u>4,657,084</u>	<u>4,768,915</u>
<b>Total OPEB liability—ending</b>	<u>\$ 3,701,577</u>	<u>\$ 4,657,084</u>
<b>Covered-employee payroll</b>	\$ 26,971,283	\$ 21,869,145
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	13.72%	21.30%

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

See accompanying notes to this schedule.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2019**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	71,456,467	13,272,032
Activity budgeted as special revenue funds	(2,143,044)	(4,661,977)
Activity budgeted as capital projects funds		(205,811)
Current-year prepaid items	787,400	787,400
Prior-year prepaid items	(787,400)	(787,400)
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	69,313,423	8,404,244

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

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

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



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

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**GOVERNMENTAL FUNDS**

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2019**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 1,489,457	\$ 1,985,882	\$ 15,026
Property taxes receivable		69,168	10,784
Due from governmental entities	3,636,073		39,400
Due from other funds	1,934,842		737,710
<b>Total assets</b>	<b>\$ 7,060,372</b>	<b>\$ 2,055,050</b>	<b>\$ 802,920</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u></b>			
<b><u>AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 173,829	\$	\$ 88,590
Due to other funds	3,510,890		180,280
Accrued payroll and employee benefits	333,967		
Unearned revenues	6		
Bonds payable		1,375,000	
Bond interest payable		454,776	
<b>Total liabilities</b>	<b>4,018,692</b>	<b>1,829,776</b>	<b>268,870</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes		50,438	10,784
Unavailable revenues - intergovernmental	1,526,483		
<b>Total deferred inflows of resources</b>	<b>1,526,483</b>	<b>50,438</b>	<b>10,784</b>
Fund balances (deficits):			
Restricted	3,041,680	174,836	707,383
Unassigned	(1,526,483)		(184,117)
<b>Total fund balances</b>	<b>1,515,197</b>	<b>174,836</b>	<b>523,266</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 7,060,372</b>	 <b>\$ 2,055,050</b>	 <b>\$ 802,920</b>

Total Non-Major  
Governmental  
Funds

\$ 3,490,365  
79,952  
3,675,473  
2,672,552  
\$ 9,918,342

\$ 262,419  
3,691,170  
333,967  
6  
1,375,000  
454,776  
6,117,338

61,222  
1,526,483  
1,587,705

3,923,899  
(1,710,600)  
2,213,299

\$ 9,918,342

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2019**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<b>Revenues:</b>			
Other local	\$ 677,036	\$ 18,604	\$ 10,590
Property taxes		2,250,040	
State aid and grants	1,844,665		371,300
Federal aid, grants and reimbursements	13,602,588		
<b>Total revenues</b>	<u>16,124,289</u>	<u>2,268,644</u>	<u>381,890</u>
<b>Expenditures:</b>			
Current -			
Instruction	5,972,022		
Support services - students and staff	6,736,450		
Support services - administration	464,079		
Operation and maintenance of plant services	32,354		
Student transportation services	64,367		
Operation of non-instructional services	371,309		
Capital outlay	2,055,277		437,402
Debt service -			
Principal retirement		1,375,000	320,079
Interest and fiscal charges		910,625	161,700
<b>Total expenditures</b>	<u>15,695,858</u>	<u>2,285,625</u>	<u>919,181</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>428,431</u>	<u>(16,981)</u>	<u>(537,291)</u>
<b>Other financing sources (uses):</b>			
Transfer in		107,206	481,780
Transfer out	(49,026)		
<b>Total other financing sources (uses)</b>	<u>(49,026)</u>	<u>107,206</u>	<u>481,780</u>
<b>Changes in fund balances</b>	<u>379,405</u>	<u>90,225</u>	<u>(55,511)</u>
<b>Fund balances, beginning of year</b>	1,135,792	84,611	578,777
<b>Fund balances, end of year</b>	<u>\$ 1,515,197</u>	<u>\$ 174,836</u>	<u>\$ 523,266</u>

Total Non-Major  
Governmental  
Funds

\$ 706,230  
2,250,040  
2,215,965  
13,602,588  
18,774,823

5,972,022  
6,736,450  
464,079  
32,354  
64,367  
371,309  
2,492,679

1,695,079  
1,072,325  
18,900,664

(125,841)

588,986  
(49,026)  
539,960

414,119

1,799,180

\$ 2,213,299



## SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2019**

	Instructional Improvement	County, City, and Town Grants	Title I Grants
<b><u>ASSETS</u></b>			
Cash and investments	\$ 93	\$ 14,095	\$ 27,363
Due from governmental entities	232,259		1,852,265
Due from other funds	1,198,932		
<b>Total assets</b>	<b>\$ 1,431,284</b>	<b>\$ 14,095</b>	<b>\$ 1,879,628</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$ 47,637
Due to other funds			1,657,980
Accrued payroll and employee benefits	1,962		174,011
Unearned revenues			
<b>Total liabilities</b>	1,962		1,879,628
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			128,569
Fund balances (deficits):			
Restricted	1,429,322	14,095	
Unassigned			(128,569)
<b>Total fund balances</b>	1,429,322	14,095	(128,569)
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 1,431,284</b>	 <b>\$ 14,095</b>	 <b>\$ 1,879,628</b>

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Other Federal Projects</u>
\$ 764	\$	\$	\$	\$ 308,210	\$ 39,568
78,365	130,556	79,343	617,449	54,969	67,570
				412,658	
<u>\$ 79,129</u>	<u>\$ 130,556</u>	<u>\$ 79,343</u>	<u>\$ 617,449</u>	<u>\$ 775,837</u>	<u>\$ 107,138</u>
\$ 7,731	\$ 13,381	\$	\$ 84,758	\$	\$
54,897	91,640	72,719	461,288		94,486
16,501	25,535	6,624	71,403		12,652
<u>79,129</u>	<u>130,556</u>	<u>79,343</u>	<u>617,449</u>		<u>107,138</u>
	<u>110,255</u>	<u>79,343</u>	<u>617,449</u>		<u>67,570</u>
	<u>(110,255)</u>	<u>(79,343)</u>	<u>(617,449)</u>	775,837	<u>(67,570)</u>
	<u>(110,255)</u>	<u>(79,343)</u>	<u>(617,449)</u>	<u>775,837</u>	<u>(67,570)</u>
<u>\$ 79,129</u>	<u>\$ 130,556</u>	<u>\$ 79,343</u>	<u>\$ 617,449</u>	<u>\$ 775,837</u>	<u>\$ 107,138</u>

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2019**

	Gifted	Other State Projects	Civic Center
<b><u>ASSETS</u></b>			
Cash and investments	\$ 6	\$ 288,573	\$ 55,513
Due from governmental entities		523,297	
Due from other funds			75,712
<b>Total assets</b>	<b>\$ 6</b>	<b>\$ 811,870</b>	<b>\$ 131,225</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 20,322	\$
Due to other funds		791,548	
Accrued payroll and employee benefits			
Unearned revenues	6		
<b>Total liabilities</b>	<b>6</b>	<b>811,870</b>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental		523,297	
Fund balances (deficits):			
Restricted			131,225
Unassigned		(523,297)	
<b>Total fund balances</b>		<b>(523,297)</b>	<b>131,225</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 6</b>	 <b>\$ 811,870</b>	 <b>\$ 131,225</b>

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Litigation Recovery</u>	<u>Totals</u>
\$ 672,950	\$ 69,210	\$ 5,457	\$ 7,575	\$ 80	\$ 1,489,457
	209,741	13,221	9,660	14,918	3,636,073
<u>\$ 672,950</u>	<u>\$ 278,951</u>	<u>\$ 18,678</u>	<u>\$ 17,235</u>	<u>\$ 14,998</u>	<u>\$ 7,060,372</u>
\$ 286,332					\$ 173,829
25,279					3,510,890
<u>311,611</u>					333,967
					6
					<u>4,018,692</u>
					1,526,483
361,339	278,951	18,678	17,235	14,998	3,041,680
<u>361,339</u>	<u>278,951</u>	<u>18,678</u>	<u>17,235</u>	<u>14,998</u>	<u>(1,526,483)</u>
<u>\$ 672,950</u>	<u>\$ 278,951</u>	<u>\$ 18,678</u>	<u>\$ 17,235</u>	<u>\$ 14,998</u>	<u>\$ 7,060,372</u>

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Instructional Improvement	County, City, and Town Grants	Title I Grants
<b>Revenues:</b>			
Other local	\$ 31,058	\$	\$
State aid and grants	522,028		
Federal aid, grants and reimbursements			7,718,282
<b>Total revenues</b>	553,086		7,718,282
<b>Expenditures:</b>			
Current -			
Instruction	896,845		1,980,404
Support services - students and staff	15,707		4,065,455
Support services - administration	603		318,438
Operation and maintenance of plant services			11,651
Student transportation services			31,802
Operation of non-instructional services			
Capital outlay			438,477
<b>Total expenditures</b>	913,155		6,846,227
<b>Excess (deficiency) of revenues over expenditures</b>	(360,069)		872,055
<b>Other financing sources (uses):</b>			
Transfer out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(360,069)		872,055
<b>Fund balances (deficits), beginning of year</b>	1,789,391	14,095	(1,000,624)
<b>Fund balances (deficits), end of year</b>	\$ 1,429,322	\$ 14,095	\$ (128,569)

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Special Education Grants	E-Rate	Other Federal Projects
\$	\$	\$	\$	\$	\$
479,510	631,329	498,487	2,751,605	1,164,105	359,270
<u>479,510</u>	<u>631,329</u>	<u>498,487</u>	<u>2,751,605</u>	<u>1,164,105</u>	<u>359,270</u>
380,178	384,183	53,551	1,312,896		260,874
63,241	154,346	342,363	1,262,585		20,453
	695	6,957	15,284	15,300	255
	3,853	4,126	1,862		
	15,176	24,377			
	19,184		6,525	1,000,803	3,302
<u>443,419</u>	<u>577,437</u>	<u>431,374</u>	<u>2,599,152</u>	<u>1,016,103</u>	<u>284,884</u>
<u>36,091</u>	<u>53,892</u>	<u>67,113</u>	<u>152,453</u>	<u>148,002</u>	<u>74,386</u>
	(18,050)	(13,939)	(8,596)		(8,441)
	<u>(18,050)</u>	<u>(13,939)</u>	<u>(8,596)</u>		<u>(8,441)</u>
<u>36,091</u>	<u>35,842</u>	<u>53,174</u>	<u>143,857</u>	<u>148,002</u>	<u>65,945</u>
(36,091)	(146,097)	(132,517)	(761,306)	627,835	(133,515)
<u>\$</u>	<u>\$ (110,255)</u>	<u>\$ (79,343)</u>	<u>\$ (617,449)</u>	<u>\$ 775,837</u>	<u>\$ (67,570)</u>

(Continued)



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Gifted	Other State Projects	Civic Center
<b>Revenues:</b>			
Other local	\$	\$	\$ 41,923
State aid and grants	4,962	1,317,675	
Federal aid, grants and reimbursements			
<b>Total revenues</b>	4,962	1,317,675	41,923
<b>Expenditures:</b>			
Current -			
Instruction	2,904	677,972	3,628
Support services - students and staff	2,058	408,222	4,682
Support services - administration		7,287	13,715
Operation and maintenance of plant services			20,703
Student transportation services			7,465
Operation of non-instructional services		181,794	
Capital outlay		565,697	
<b>Total expenditures</b>	4,962	1,840,972	50,193
<b>Excess (deficiency) of revenues over expenditures</b>		(523,297)	(8,270)
<b>Other financing sources (uses):</b>			
Transfer out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>		(523,297)	(8,270)
<b>Fund balances (deficits), beginning of year</b>			139,495
<b>Fund balances (deficits), end of year</b>	\$	\$ (523,297)	\$ 131,225

Community School	Extracurricular Activities Fees Tax Credit	Fingerprint	Textbooks	Litigation Recovery	Totals
\$ 536,836	\$ 56,707	\$ 4,983	\$ 5,126	\$ 403	\$ 677,036
<u>536,836</u>	<u>56,707</u>	<u>4,983</u>	<u>5,126</u>	<u>403</u>	<u>16,124,289</u>
375,843	22,922				5,972,022
73,755			6,646		6,736,450
582		21,722			464,079
	15,259				32,354
149,962					64,367
13,317	7,972				371,309
<u>613,459</u>	<u>46,153</u>	<u>21,722</u>	<u>6,646</u>		<u>2,055,277</u>
<u>(76,623)</u>	<u>10,554</u>	<u>(16,739)</u>	<u>(1,520)</u>	<u>403</u>	<u>15,695,858</u>
					428,431
					(49,026)
					(49,026)
<u>(76,623)</u>	<u>10,554</u>	<u>(16,739)</u>	<u>(1,520)</u>	<u>403</u>	<u>379,405</u>
437,962	268,397	35,417	18,755	14,595	1,135,792
<u>\$ 361,339</u>	<u>\$ 278,951</u>	<u>\$ 18,678</u>	<u>\$ 17,235</u>	<u>\$ 14,998</u>	<u>\$ 1,515,197</u>

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 31,058	\$ 31,058
State aid and grants		522,028	522,028
Federal aid, grants and reimbursements			
<b>Total revenues</b>		553,086	553,086
<b>Expenditures:</b>			
Current -			
Instruction	925,760	896,845	28,915
Support services - students and staff		15,707	(15,707)
Support services - administration		603	(603)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	925,760	913,155	12,605
<b>Excess (deficiency) of revenues over expenditures</b>	(925,760)	(360,069)	565,691
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(925,760)	(360,069)	565,691
<b>Fund balances (deficits), beginning of year</b>		1,789,391	1,789,391
<b>Fund balances (deficits), end of year</b>	\$ (925,760)	\$ 1,429,322	\$ 2,355,082

County, City, and Town Grants			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				7,718,282	7,718,282
				7,718,282	7,718,282
			3,686,858	1,980,404	1,706,454
			4,101,555	4,065,455	36,100
				318,438	(318,438)
				11,651	(11,651)
				31,802	(31,802)
				438,477	(438,477)
			7,788,413	6,846,227	942,186
			(7,788,413)	872,055	8,660,468
			(7,788,413)	872,055	8,660,468
	14,095	14,095		(1,000,624)	(1,000,624)
\$	\$ 14,095	\$ 14,095	\$ (7,788,413)	\$ (128,569)	\$ 7,659,844

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		479,510	479,510
<b>Total revenues</b>		479,510	479,510
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	520,165	380,178	139,987
Support services - administration	112,844	63,241	49,603
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	633,009	443,419	189,590
<b>Excess (deficiency) of revenues over expenditures</b>	(633,009)	36,091	669,100
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(633,009)	36,091	669,100
<b>Fund balances (deficits), beginning of year</b>		(36,091)	(36,091)
<b>Fund balances (deficits), end of year</b>	\$ (633,009)	\$	\$ 633,009

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	631,329	631,329		498,487	498,487
	631,329	631,329		498,487	498,487
692,370	384,183	308,187	194,003	53,551	140,452
201,956	154,346	47,610	402,664	342,363	60,301
	695	(695)		6,957	(6,957)
	3,853	(3,853)		4,126	(4,126)
	15,176	(15,176)		24,377	(24,377)
	19,184	(19,184)			
894,326	577,437	316,889	596,667	431,374	165,293
(894,326)	53,892	948,218	(596,667)	67,113	663,780
	(18,050)	(18,050)		(13,939)	(13,939)
	(18,050)	(18,050)		(13,939)	(13,939)
(894,326)	35,842	930,168	(596,667)	53,174	649,841
	(146,097)	(146,097)		(132,517)	(132,517)
\$ (894,326)	\$ (110,255)	\$ 784,071	\$ (596,667)	\$ (79,343)	\$ 517,324

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		2,751,605	2,751,605
<b>Total revenues</b>		2,751,605	2,751,605
<b>Expenditures:</b>			
Current -			
Instruction	1,389,925	1,312,896	77,029
Support services - students and staff	1,578,241	1,262,585	315,656
Support services - administration		15,284	(15,284)
Operation and maintenance of plant services			
Student transportation services		1,862	(1,862)
Operation of non-instructional services			
Capital outlay		6,525	(6,525)
<b>Total expenditures</b>	2,968,166	2,599,152	369,014
<b>Excess (deficiency) of revenues over expenditures</b>	(2,968,166)	152,453	3,120,619
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out		(8,596)	(8,596)
<b>Total other financing sources (uses)</b>		(8,596)	(8,596)
<b>Changes in fund balances</b>	(2,968,166)	143,857	3,112,023
<b>Fund balances (deficits), beginning of year</b>		(761,306)	(761,306)
<b>Fund balances (deficits), end of year</b>	\$ (2,968,166)	\$ (617,449)	\$ 2,350,717

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 404	\$ 404	\$	\$	\$
	745,711	745,711		1,164,105	1,164,105
	746,115	746,115		1,164,105	1,164,105
257,333	137,351	119,982			
142,667	65,533	77,134	600,000	15,300	584,700
				1,000,803	(1,000,803)
400,000	202,884	197,116	600,000	1,016,103	(416,103)
(400,000)	543,231	943,231	(600,000)	148,002	748,002
(400,000)	543,231	943,231	(600,000)	148,002	748,002
	1,905,521	1,905,521		627,835	627,835
\$ (400,000)	\$ 2,448,752	\$ 2,848,752	\$ (600,000)	\$ 775,837	\$ 1,375,837

(Continued)



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Other Federal Projects		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		359,270	359,270
<b>Total revenues</b>		359,270	359,270
<b>Expenditures:</b>			
Current -			
Instruction	313,063	260,874	52,189
Support services - students and staff	23,858	20,453	3,405
Support services - administration		255	(255)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		3,302	(3,302)
<b>Total expenditures</b>	336,921	284,884	52,037
<b>Excess (deficiency) of revenues over expenditures</b>	(336,921)	74,386	411,307
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out		(8,441)	(8,441)
<b>Total other financing sources (uses)</b>		(8,441)	(8,441)
<b>Changes in fund balances</b>	(336,921)	65,945	402,866
<b>Fund balances (deficits), beginning of year</b>		(133,515)	(133,515)
<b>Fund balances (deficits), end of year</b>	\$ (336,921)	\$ (67,570)	\$ 269,351

Gifted			Other State Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 4,962	\$ 4,962	\$	\$ 1,317,675	\$ 1,317,675
	<u>4,962</u>	<u>4,962</u>		<u>1,317,675</u>	<u>1,317,675</u>
	2,904	(2,904)	150,000	677,972	(527,972)
	2,058	(2,058)		408,222	(408,222)
				7,287	(7,287)
				181,794	(181,794)
				345,697	(345,697)
	<u>4,962</u>	<u>(4,962)</u>	<u>150,000</u>	<u>1,620,972</u>	<u>(1,470,972)</u>
			<u>(150,000)</u>	<u>(303,297)</u>	<u>(153,297)</u>
			<u>(150,000)</u>	<u>(303,297)</u>	<u>(153,297)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (150,000)</u>	<u>\$ (303,297)</u>	<u>\$ (153,297)</u>

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	School Plant		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 88,025	\$ 88,025
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		88,025	88,025
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	60,000	4,500	55,500
<b>Total expenditures</b>	60,000	4,500	55,500
<b>Excess (deficiency) of revenues over expenditures</b>	(60,000)	83,525	143,525
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(60,000)	83,525	143,525
<b>Fund balances (deficits), beginning of year</b>		271,108	271,108
<b>Fund balances (deficits), end of year</b>	\$ (60,000)	\$ 354,633	\$ 414,633

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 41,923	\$ 41,923	\$	\$ 536,836	\$ 536,836
	<u>41,923</u>	<u>41,923</u>		<u>536,836</u>	<u>536,836</u>
	3,628	(3,628)	317,341	375,843	(58,502)
	4,682	(4,682)		73,755	(73,755)
13,885	13,715	170		582	(582)
21,115	20,703	412			
	7,465	(7,465)			
			132,659	149,962	(17,303)
				13,317	(13,317)
<u>35,000</u>	<u>50,193</u>	<u>(15,193)</u>	<u>450,000</u>	<u>613,459</u>	<u>(163,459)</u>
<u>(35,000)</u>	<u>(8,270)</u>	<u>26,730</u>	<u>(450,000)</u>	<u>(76,623)</u>	<u>373,377</u>
<u>(35,000)</u>	<u>(8,270)</u>	<u>26,730</u>	<u>(450,000)</u>	<u>(76,623)</u>	<u>373,377</u>
	139,495	139,495		437,962	437,962
<u>\$ (35,000)</u>	<u>\$ 131,225</u>	<u>\$ 166,225</u>	<u>\$ (450,000)</u>	<u>\$ 361,339</u>	<u>\$ 811,339</u>

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 45,624	\$ 45,624
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>		45,624	45,624
<b>Expenditures:</b>			
Current -			
Instruction	1,052	8,487	(7,435)
Support services - students and staff		1,090	(1,090)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		4,641	(4,641)
Operation of non-instructional services	23,948	23,843	105
Capital outlay			
<b>Total expenditures</b>	25,000	38,061	(13,061)
<b>Excess (deficiency) of revenues over expenditures</b>	(25,000)	7,563	32,563
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(25,000)	7,563	32,563
<b>Fund balances (deficits), beginning of year</b>		57,118	57,118
<b>Fund balances (deficits), end of year</b>	\$ (25,000)	\$ 64,681	\$ 89,681

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 56,707	\$ 56,707	\$	\$ 174,840	\$ 174,840
	<u>56,707</u>	<u>56,707</u>		<u>174,840</u>	<u>174,840</u>
135,628	22,922	112,706	56,346	31,117	25,229
			38,654	33,053	5,601
				22,146	(22,146)
				2,982	(2,982)
69,372	15,259	54,113		14,187	(14,187)
	<u>7,972</u>	<u>(7,972)</u>		<u>11,903</u>	<u>(11,903)</u>
<u>205,000</u>	<u>46,153</u>	<u>158,847</u>	<u>95,000</u>	<u>115,388</u>	<u>(20,388)</u>
<u>(205,000)</u>	<u>10,554</u>	<u>215,554</u>	<u>(95,000)</u>	<u>59,452</u>	<u>154,452</u>
<u>(205,000)</u>	<u>10,554</u>	<u>215,554</u>	<u>(95,000)</u>	<u>59,452</u>	<u>154,452</u>
	268,397	268,397		412,282	412,282
<u>\$ (205,000)</u>	<u>\$ 278,951</u>	<u>\$ 483,951</u>	<u>\$ (95,000)</u>	<u>\$ 471,734</u>	<u>\$ 566,734</u>

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 4,983	\$ 4,983
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	5,000	4,983	4,983
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	5,000	21,722	(16,722)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	5,000	21,722	(16,722)
<b>Excess (deficiency) of revenues over expenditures</b>	(5,000)	(16,739)	(11,739)
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(5,000)	(16,739)	(11,739)
<b>Fund balances (deficits), beginning of year</b>		35,417	35,417
<b>Fund balances (deficits), end of year</b>	\$ (5,000)	\$ 18,678	\$ 23,678

Textbooks			Litigation Recovery		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 5,126	\$ 5,126	\$	\$ 403	\$ 403
	<u>5,126</u>	<u>5,126</u>		<u>403</u>	<u>403</u>
10,000	6,646	3,354			
<u>10,000</u>	<u>6,646</u>	<u>3,354</u>			
(10,000)	(1,520)	8,480		403	403
<u>(10,000)</u>	<u>(1,520)</u>	<u>8,480</u>		<u>403</u>	<u>403</u>
	18,755	18,755		14,595	14,595
<u>\$ (10,000)</u>	<u>\$ 17,235</u>	<u>\$ 27,235</u>	<u>\$</u>	<u>\$ 14,998</u>	<u>\$ 14,998</u>

(Continued)



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Indirect Costs		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction	744,507	600,155	144,352
Support services - students and staff		300,718	(300,718)
Support services - administration	902,543	681,495	221,048
Operation and maintenance of plant services		89,070	(89,070)
Student transportation services		27,114	(27,114)
Operation of non-instructional services		83,659	(83,659)
Capital outlay			
<b>Total expenditures</b>	<u>1,647,050</u>	<u>1,782,211</u>	<u>(135,161)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,647,050)</u>	<u>(1,782,211)</u>	<u>(135,161)</u>
<b>Other financing sources (uses):</b>			
Transfer in		1,040,568	1,040,568
Transfer out			
<b>Total other financing sources (uses)</b>		<u>1,040,568</u>	<u>1,040,568</u>
<b>Changes in fund balances</b>	<u>(1,647,050)</u>	<u>(741,643)</u>	<u>905,407</u>
<b>Fund balances (deficits), beginning of year</b>		2,058,853	2,058,853
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,647,050)</u>	<u>\$ 1,317,210</u>	<u>\$ 2,964,260</u>

Advertisement			Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 108	\$ 108	\$	\$ 986,037	\$ 986,037
				1,844,665	1,844,665
				14,348,299	14,348,299
	<u>108</u>	<u>108</u>		<u>17,179,001</u>	<u>17,179,001</u>
			8,606,853	6,611,781	1,995,072
			7,134,426	7,208,662	(74,236)
			1,776,939	1,233,253	543,686
			21,115	124,406	(103,291)
			69,372	110,309	(40,937)
			156,607	478,811	(322,204)
			60,000	1,851,680	(1,791,680)
			<u>17,825,312</u>	<u>17,618,902</u>	<u>206,410</u>
	<u>108</u>	<u>108</u>	<u>(17,825,312)</u>	<u>(439,901)</u>	<u>17,385,411</u>
				1,040,568	1,040,568
				(49,026)	(49,026)
				991,542	991,542
	<u>108</u>	<u>108</u>	<u>(17,825,312)</u>	<u>551,641</u>	<u>18,376,953</u>
	4,859	4,859		5,845,533	5,845,533
<u>\$</u>	<u>\$ 4,967</u>	<u>\$ 4,967</u>	<u>\$ (17,825,312)</u>	<u>\$ 6,397,174</u>	<u>\$ 24,222,486</u>

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## **DEBT SERVICE FUND**

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2019**

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 18,604	\$ 18,604
Property taxes		2,250,040	2,250,040
<b>Total revenues</b>		<u>2,268,644</u>	<u>2,268,644</u>
<b>Expenditures:</b>			
Debt service -			
Principal retirement	1,375,000	1,375,000	
Interest and fiscal charges	909,551	910,625	(1,074)
<b>Total expenditures</b>	<u>2,284,551</u>	<u>2,285,625</u>	<u>(1,074)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,284,551)</u>	<u>(16,981)</u>	<u>2,267,570</u>
<b>Other financing sources (uses):</b>			
Transfer in		107,206	107,206
<b>Total other financing sources (uses)</b>		<u>107,206</u>	<u>107,206</u>
<b>Changes in fund balances</b>	<u>(2,284,551)</u>	<u>90,225</u>	<u>2,374,776</u>
<b>Fund balances, beginning of year</b>		84,611	84,611
<b>Fund balances (deficits), end of year</b>	<u>\$ (2,284,551)</u>	<u>\$ 174,836</u>	<u>\$ 2,459,387</u>

## CAPITAL PROJECTS FUNDS

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

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

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

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

**Gifts and Donations - Capital** - to account for gifts and donations to be expended for capital acquisitions.

**Condemnation** - to account for monies received from proceeds from sales by condemnation or right-of-way settlements.

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2019**

	<u>Adjacent Ways</u>	<u>Gifts and Donations - Capital</u>	<u>Condemnation</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$	\$ 128	\$ 14,898
Property taxes receivable	10,784		
Due from governmental entities			
Due from other funds	496,418		
<b>Total assets</b>	<b>\$ 507,202</b>	<b>\$ 128</b>	<b>\$ 14,898</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 45,353	\$	\$
Due to other funds			
<b>Total liabilities</b>	<b>45,353</b>		
Deferred inflows of resources:			
Unavailable revenues - property taxes	10,784		
Fund balances (deficits):			
Restricted	451,065	128	14,898
Unassigned			
<b>Total fund balances</b>	<b>451,065</b>	<b>128</b>	<b>14,898</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 507,202</b>	<b>\$ 128</b>	<b>\$ 14,898</b>

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$	\$ 15,026
		10,784
	39,400	39,400
241,292		737,710
<u>\$ 241,292</u>	<u>\$ 39,400</u>	<u>\$ 802,920</u>
\$	\$ 43,237	\$ 88,590
	180,280	180,280
	<u>223,517</u>	<u>268,870</u>
		<u>10,784</u>
241,292		707,383
	(184,117)	(184,117)
<u>241,292</u>	<u>(184,117)</u>	<u>523,266</u>
<u>\$ 241,292</u>	<u>\$ 39,400</u>	<u>\$ 802,920</u>



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Adjacent Ways	Gifts and Donations - Capital	Condemnation
<b>Revenues:</b>			
Other local	\$ 10,265	\$ 2	\$ 323
State aid and grants			
<b>Total revenues</b>	10,265	2	323
<b>Expenditures:</b>			
Capital outlay	55,598		
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	55,598		
<b>Excess (deficiency) of revenues over expenditures</b>	(45,333)	2	323
<b>Other financing sources (uses):</b>			
Transfer in			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(45,333)	2	323
<b>Fund balances (deficits), beginning of year</b>	496,398	126	14,575
<b>Fund balances (deficits), end of year</b>	\$ 451,065	\$ 128	\$ 14,898

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$	\$	\$
	371,300	10,590
	<u>371,300</u>	<u>371,300</u>
		<u>381,890</u>
2,360	379,444	437,402
320,079		320,079
161,700		161,700
<u>484,139</u>	<u>379,444</u>	<u>919,181</u>
<u>(484,139)</u>	<u>(8,144)</u>	<u>(537,291)</u>
481,780		481,780
<u>481,780</u>		<u>481,780</u>
<u>(2,359)</u>	<u>(8,144)</u>	<u>(55,511)</u>
243,651	(175,973)	578,777
<u>\$ 241,292</u>	<u>\$ (184,117)</u>	<u>\$ 523,266</u>

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
<b>Revenues:</b>			
Other local	\$	\$ 3,454	\$ 3,454
Property taxes			
State aid and grants			
<b>Total revenues</b>		3,454	3,454
<b>Expenditures:</b>			
Current -			
Instruction	50,000		50,000
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
<b>Total expenditures</b>	50,000		50,000
<b>Excess (deficiency) of revenues over expenditures</b>	(50,000)	3,454	53,454
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses)</b>			
<b>Changes in fund balances</b>	(50,000)	3,454	53,454
<b>Fund balances (deficits), beginning of year</b>		202,357	202,357
<b>Fund balances (deficits), end of year</b>	\$ (50,000)	\$ 205,811	\$ 255,811

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 529,578	\$ 529,578	\$	\$ 10,265	\$ 10,265
	1,080,172	1,080,172			
	4,153,485	4,153,485			
	<u>5,763,235</u>	<u>5,763,235</u>		<u>10,265</u>	<u>10,265</u>
6,399,258	3,793,445	2,605,813	548,000	55,598	492,402
<u>6,399,258</u>	<u>3,793,445</u>	<u>2,605,813</u>	<u>548,000</u>	<u>55,598</u>	<u>492,402</u>
<u>(6,399,258)</u>	<u>1,969,790</u>	<u>8,369,048</u>	<u>(548,000)</u>	<u>(45,333)</u>	<u>502,667</u>
<u>(6,399,258)</u>	<u>1,969,790</u>	<u>8,369,048</u>	<u>(548,000)</u>	<u>(45,333)</u>	<u>502,667</u>
	(1,982,246)	(1,982,246)		496,398	496,398
<u>\$ (6,399,258)</u>	<u>\$ (12,456)</u>	<u>\$ 6,386,802</u>	<u>\$ (548,000)</u>	<u>\$ 451,065</u>	<u>\$ 999,065</u>

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Bond Building		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$ 60,826	\$ 60,826
Property taxes			
State aid and grants			
<b>Total revenues</b>		60,826	60,826
<b>Expenditures:</b>			
Current -			
Instruction			
Capital outlay	11,672,322	2,295,577	9,376,745
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs		58,245	(58,245)
<b>Total expenditures</b>	11,672,322	2,353,822	9,318,500
<b>Excess (deficiency) of revenues over expenditures</b>	(11,672,322)	(2,292,996)	9,379,326
<b>Other financing sources (uses):</b>			
Transfer in			
Transfer out		(107,206)	(107,206)
Issuance of school improvement bonds		8,305,000	8,305,000
Premium on sale of bonds		799,625	799,625
<b>Total other financing sources (uses)</b>		8,997,419	8,997,419
<b>Changes in fund balances</b>	(11,672,322)	6,704,423	18,376,745
<b>Fund balances (deficits), beginning of year</b>		2,951,870	2,951,870
<b>Fund balances (deficits), end of year</b>	\$ (11,672,322)	\$ 9,656,293	\$ 21,328,615

Gifts and Donations - Capital			Condemnation		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2	\$ 2	\$	\$ 323	\$ 323
	<u>2</u>	<u>2</u>		<u>323</u>	<u>323</u>
	<u>2</u>	<u>2</u>		<u>323</u>	<u>323</u>
	<u>2</u>	<u>2</u>		<u>323</u>	<u>323</u>
	126	126		14,575	14,575
<u>\$</u>	<u>\$ 128</u>	<u>\$ 128</u>	<u>\$</u>	<u>\$ 14,898</u>	<u>\$ 14,898</u>

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	Energy and Water Savings		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
<b>Total revenues</b>			
<b>Expenditures:</b>			
Current -			
Instruction			
Capital outlay	19	2,360	(2,341)
Debt service -			
Principal retirement	320,079	320,079	
Interest and fiscal charges	161,700	161,700	
Bond issuance costs			
<b>Total expenditures</b>	481,798	484,139	(2,341)
<b>Excess (deficiency) of revenues over expenditures</b>	(481,798)	(484,139)	(2,341)
<b>Other financing sources (uses):</b>			
Transfer in		481,780	481,780
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
<b>Total other financing sources (uses)</b>		481,780	481,780
<b>Changes in fund balances</b>	(481,798)	(2,359)	479,439
<b>Fund balances (deficits), beginning of year</b>		243,651	243,651
<b>Fund balances (deficits), end of year</b>	\$ (481,798)	\$ 241,292	\$ 723,090

Building Renewal Grant			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	371,300	371,300		604,448	604,448
	371,300	371,300		1,080,172	1,080,172
				4,524,785	4,524,785
				6,209,405	6,209,405
280,000	379,444	(99,444)	50,000		50,000
			18,899,599	6,526,424	12,373,175
			320,079	320,079	
			161,700	161,700	
				58,245	(58,245)
280,000	379,444	(99,444)	19,431,378	7,066,448	12,364,930
(280,000)	(8,144)	271,856	(19,431,378)	(857,043)	18,574,335
				481,780	481,780
				(107,206)	(107,206)
				8,305,000	8,305,000
				799,625	799,625
				9,479,199	9,479,199
(280,000)	(8,144)	271,856	(19,431,378)	8,622,156	28,053,534
	(175,973)	(175,973)		1,750,758	1,750,758
\$ (280,000)	\$ (184,117)	\$ 95,883	\$ (19,431,378)	\$ 10,372,914	\$ 29,804,292



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## **INTERNAL SERVICE FUNDS**

**Employee Benefit Trust** - to account for the financial activity associated with the District's self-insurance program for employee health benefits.

**Property and Casualty Insurance** - to account for the financial activity associated with the District's property and casualty losses insurance program.

**Workers' Compensation** - to account for the financial activity associated with the District's self-insurance program for employee workers' compensation.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING STATEMENT OF NET POSITION -**  
**ALL INTERNAL SERVICE FUNDS**  
**JUNE 30, 2019**

	Employee Benefit Trust	Property and Casualty Insurance	Workers' Compensation
<b><u>ASSETS</u></b>			
Current assets:			
Cash and investments	\$ 1,295,930	\$ 1,431,581	\$ 786,399
Accounts receivable			30,729
Prepaid items			1,255,704
Total current assets	1,295,930	1,431,581	2,072,832
<b>Total assets</b>	1,295,930	1,431,581	2,072,832
<b><u>LIABILITIES</u></b>			
Current liabilities:			
Accounts payable	9,127		156,481
Claims payable			2,411,199
Total current liabilities	9,127		2,567,680
<b>Total liabilities</b>	9,127		2,567,680
<b><u>NET POSITION</u></b>			
Unrestricted	1,286,803	1,431,581	(494,848)
<b>Total net position</b>	\$ 1,286,803	\$ 1,431,581	\$ (494,848)

Totals

\$ 3,513,910  
30,729  
1,255,704  
4,800,343  
4,800,343

165,608  
2,411,199  
2,576,807  
2,576,807

2,223,536  
\$ 2,223,536

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -**  
**ALL INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Employee Benefit Trust	Property and Casualty Insurance	Workers' Compensation
<b>Operating revenues:</b>			
Contributions	\$ 10,136,100	\$	\$ 671,002
<b>Total operating revenues</b>	10,136,100		671,002
<b>Operating expenses:</b>			
Claims		9,818	1,217,841
Premiums	9,997,871		84,230
Administrative fees	162,864	22,672	147,375
<b>Total operating expenses</b>	10,160,735	32,490	1,449,446
<b>Operating income (loss)</b>	(24,635)	(32,490)	(778,444)
<b>Nonoperating revenues (expenses):</b>			
Investment income	28,470	13,595	26,927
<b>Total nonoperating revenues (expenses)</b>	28,470	13,595	26,927
<b>Changes in net position</b>	3,835	(18,895)	(751,517)
<b>Total net position, beginning of year</b>	1,282,968	1,450,476	256,669
<b>Total net position, end of year</b>	\$ 1,286,803	\$ 1,431,581	\$ (494,848)

Totals

\$ 10,807,102  
10,807,102

1,227,659  
10,082,101  
332,911  
11,642,671

(835,569)

68,992  
68,992

(766,577)

2,990,113

\$ 2,223,536

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	<b>Employee Benefit Trust</b>	<b>Property and Casualty Insurance</b>	<b>Workers' Compensation</b>	<b>Totals</b>
<b><u>Increase/Decrease in Cash and Cash Equivalents</u></b>				
<b>Cash flows from operating activities:</b>				
Cash received from contributions	\$ 10,136,100	\$	\$ 668,790	\$ 10,804,890
Cash payments to suppliers for goods and services	(10,165,827)	(34,830)	(1,378,434)	(11,579,091)
Cash payments for claims	_____	(9,818)	(853,373)	(863,191)
<b>Net cash provided by/used for operating activities</b>	<b>(29,727)</b>	<b>(44,648)</b>	<b>(1,563,017)</b>	<b>(1,637,392)</b>
<b>Cash flows from investing activities:</b>				
Investment income	28,470	13,595	26,927	68,992
<b>Net cash provided by/used for investing activities</b>	<b>28,470</b>	<b>13,595</b>	<b>26,927</b>	<b>68,992</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>(1,257)</b>	<b>(31,053)</b>	<b>(1,536,090)</b>	<b>(1,568,400)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,297,187</b>	<b>1,462,634</b>	<b>2,322,489</b>	<b>5,082,310</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,295,930</b>	<b>\$ 1,431,581</b>	<b>\$ 786,399</b>	<b>\$ 3,513,910</b>
<b><u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u></b>				
<b>Operating income/(loss)</b>	\$ (24,635)	\$ (32,490)	\$ (778,444)	\$ (835,569)
Adjustments to reconcile operating income/loss to net cash used for operating activities:				
Changes in assets and liabilities:				
Increase/decrease in accounts receivable			(2,212)	(2,212)
Increase/decrease in prepaid items			(1,255,704)	(1,255,704)
Increase/decrease in accounts payable	(5,092)	(12,158)	108,875	91,625
Increase/decrease in claims payable	_____	_____	364,468	364,468
<b>Total adjustments</b>	<b>(5,092)</b>	<b>(12,158)</b>	<b>(784,573)</b>	<b>(801,823)</b>
<b>Net cash provided by/used for operating activities</b>	<b>\$ (29,727)</b>	<b>\$ (44,648)</b>	<b>\$ (1,563,017)</b>	<b>\$ (1,637,392)</b>

## **AGENCY FUND**

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



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUND**  
**YEAR ENDED JUNE 30, 2019**

	<b><u>Beginning</u></b> <b><u>Balance</u></b>	<b><u>Additions</u></b>	<b><u>Deductions</u></b>	<b><u>Ending</u></b> <b><u>Balance</u></b>
<b><u>STUDENT ACTIVITIES</u></b>				
<b><u>Assets</u></b>				
Cash and investments	\$ <u>70,363</u>	\$ <u>94,564</u>	\$ <u>101,932</u>	\$ <u>62,995</u>
Total assets	\$ <u><u>70,363</u></u>	\$ <u><u>94,564</u></u>	\$ <u><u>101,932</u></u>	\$ <u><u>62,995</u></u>
<b><u>Liabilities</u></b>				
Due to student groups	\$ <u>70,363</u>	\$ <u>94,564</u>	\$ <u>101,932</u>	\$ <u>62,995</u>
Total liabilities	\$ <u><u>70,363</u></u>	\$ <u><u>94,564</u></u>	\$ <u><u>101,932</u></u>	\$ <u><u>62,995</u></u>

## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**Note:** For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 72,971,409	\$ 76,747,583	\$ 81,384,752	\$ 83,412,489	\$ 84,170,691
Restricted	19,139,413	17,732,618	17,382,994	17,760,388	18,455,081
Unrestricted	(67,003,987)	(74,584,417)	(80,137,221)	(81,301,820)	(86,766,628)
Total net position	\$ 25,106,835	\$ 19,895,784	\$ 18,630,525	\$ 19,871,057	\$ 15,859,144
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 87,850,548	\$ 89,626,529	\$ 95,822,434	\$ 95,384,578	\$ 93,415,178
Restricted	20,372,245	13,570,969	14,784,172	16,298,487	6,243,781
Unrestricted	8,663,918	15,241,805	11,611,066	11,232,290	26,926,374
Total net position	\$ 116,886,711	\$ 118,439,303	\$ 122,217,672	\$ 122,915,355	\$ 126,585,333

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

**Note:** The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68 were implemented in 2015.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Expenses</b>					
Instruction	\$ 50,035,469	\$ 48,165,529	\$ 53,942,060	\$ 52,243,313	\$ 55,095,759
Support services - students and staff	14,210,632	13,410,721	15,137,877	14,025,208	14,302,169
Support services - administration	12,202,848	11,913,674	11,196,749	10,797,687	9,776,591
Operation and maintenance of plant services	13,025,084	12,026,393	14,627,617	11,346,700	12,637,537
Student transportation services	3,941,114	3,575,652	3,681,787	3,325,446	3,456,430
Operation of non-instructional services	8,776,749	8,672,064	8,816,725	8,678,699	8,119,498
Interest on long-term debt	1,040,650	1,103,878	1,164,485	1,086,361	1,070,476
Total expenses	<u>103,232,546</u>	<u>98,867,911</u>	<u>108,567,300</u>	<u>101,503,414</u>	<u>104,458,460</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	463,163	568,179	571,534	425,730	1,082,402
Operation of non-instructional services	392,942	440,994	597,535	847,132	619,358
Other activities	127,315	102,773	94,123	91,878	39,676
Operating grants and contributions	21,315,245	19,579,768	21,680,168	19,956,640	18,961,403
Capital grants and contributions	2,639,967	1,937,614	3,504,038	1,031,798	712,098
Total program revenues	<u>24,938,632</u>	<u>22,629,328</u>	<u>26,447,398</u>	<u>22,353,178</u>	<u>21,414,937</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (78,293,914)</u>	<u>\$ (76,238,583)</u>	<u>\$ (82,119,902)</u>	<u>\$ (79,150,236)</u>	<u>\$ (83,043,523)</u>

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Expenses</b>					
Instruction	\$ 54,643,170	\$ 54,248,239	\$ 52,497,853	\$ 53,768,778	\$ 51,085,678
Support services - students and staff	13,100,639	12,243,142	11,834,923	12,446,219	11,644,676
Support services - administration	9,796,711	10,088,769	9,778,466	10,154,165	9,860,190
Operation and maintenance of plant services	11,173,402	11,785,046	10,969,615	11,248,879	10,751,253
Student transportation services	3,620,762	3,672,479	3,360,539	3,164,751	2,918,831
Operation of non-instructional services	8,018,795	7,392,236	7,243,818	7,161,374	7,333,841
Interest on long-term debt	599,495	719,177	203,941	529,198	692,885
Total expenses	<u>100,952,974</u>	<u>100,149,088</u>	<u>95,889,155</u>	<u>98,473,364</u>	<u>94,287,354</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	756,394	751,913	472,974	336,213	897,051
Operation of non-instructional services	937,036	993,809	1,119,836	1,084,788	716,569
Other activities	157,470	106,599	99,869	133,894	89,820
Operating grants and contributions	18,626,593	18,851,127	21,081,644	19,154,448	19,409,605
Capital grants and contributions	2,659,579	364,873	254,346	2,032,192	1,664,651
Total program revenues	<u>23,137,072</u>	<u>21,068,321</u>	<u>23,028,669</u>	<u>22,741,535</u>	<u>22,777,696</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (77,815,902)</u>	<u>\$ (79,080,767)</u>	<u>\$ (72,860,486)</u>	<u>\$ (75,731,829)</u>	<u>\$ (71,509,658)</u>

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

**(Concluded)**

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Net (Expense)/Revenue</b>	\$ (78,293,914)	\$ (76,238,583)	\$ (82,119,902)	\$ (79,150,236)	\$ (83,043,523)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	13,098,372	14,334,947	10,203,240	11,395,695	13,264,342
Property taxes, levied for debt service	2,253,998	2,240,669	1,949,047	2,360,840	2,156,103
Property taxes, levied for capital outlay	1,241,153		2,990,313	228,072	450,120
Investment income	404,976	264,906	151,632	153,902	131,780
Unrestricted county aid	5,529,727	5,698,182	5,892,882	5,749,777	5,521,491
Unrestricted state aid	60,231,028	57,195,603	59,015,658	58,805,556	55,933,568
Unrestricted federal aid	745,711	653,418	676,598	643,984	336,991
<b>Total general revenues</b>	<u>83,504,965</u>	<u>80,387,725</u>	<u>80,879,370</u>	<u>79,337,826</u>	<u>77,794,395</u>
<b>Changes in Net Position</b>	<u>\$ 5,211,051</u>	<u>\$ 4,149,142</u>	<u>\$ (1,240,532)</u>	<u>\$ 187,590</u>	<u>\$ (5,249,128)</u>

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Net (Expense)/Revenue</b>	\$ (77,815,902)	\$ (79,080,767)	\$ (72,860,486)	\$ (75,731,829)	\$ (71,509,658)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	13,266,463	15,666,536	14,414,972	12,253,977	13,257,363
Property taxes, levied for debt service	2,484,911	2,015,030	4,187,332	5,302,064	5,554,966
Property taxes, levied for capital outlay	615,441		486,171	1,526,486	2,122,728
Investment income	116,504	121,740	149,095	231,127	227,801
Unrestricted county aid	5,060,611	4,970,420	4,994,144	4,888,635	4,805,714
Unrestricted state aid	54,558,478	52,375,773	47,782,348	47,013,071	48,008,686
Unrestricted federal aid	160,902	152,899	148,741	846,491	6,655,728
<b>Total general revenues</b>	<u>76,263,310</u>	<u>75,302,398</u>	<u>72,162,803</u>	<u>72,061,851</u>	<u>80,632,986</u>
<b>Changes in Net Position</b>	<u>\$ (1,552,592)</u>	<u>\$ (3,778,369)</u>	<u>\$ (697,683)</u>	<u>\$ (3,669,978)</u>	<u>\$ 9,123,328</u>

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

**(Concluded)**

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
General Fund:					
Nonspendable	\$ 167,314	\$ 313,400	\$ 388,427	\$ 1,097,808	\$ 288,876
Unassigned	13,104,718	15,063,630	9,203,292	8,811,449	6,450,866
Total General Fund	<b>\$ 13,272,032</b>	<b>\$ 15,377,030</b>	<b>\$ 9,591,719</b>	<b>\$ 9,909,257</b>	<b>\$ 6,739,742</b>
All Other Governmental Funds:					
Nonspendable	\$ 123,855	\$ 140,338	\$ 128,734	\$ 124,599	\$ 125,264
Restricted	28,570,432	20,313,073	20,796,113	24,789,042	19,651,493
Unassigned	(1,710,600)	(4,368,369)	(448,128)		
Total all other governmental funds	<b>\$ 26,983,687</b>	<b>\$ 16,085,042</b>	<b>\$ 20,476,719</b>	<b>\$ 24,913,641</b>	<b>\$ 19,776,757</b>

**(Continued)**



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nonspendable	\$ 329,801	\$ 364,792	\$ 406,386	\$ 471,958	\$
Unassigned	4,592,433	8,136,432	6,341,838	2,479,155	
Reserved					383,966
Unreserved					5,939,138
Total General Fund	<u>\$ 4,922,234</u>	<u>\$ 8,501,224</u>	<u>\$ 6,748,224</u>	<u>\$ 2,951,113</u>	<u>\$ 6,323,104</u>
All Other Governmental Funds:					
Nonspendable	\$ 111,329	\$ 104,803	\$ 105,403	\$ 99,727	\$
Restricted	27,389,210	16,152,660	23,863,547	11,434,713	
Assigned				3,511,216	
Reserved					141,395
Unreserved, reported in:					
Special revenue funds					8,011,756
Capital projects funds					5,379,353
Debt service fund					164,194
Total all other governmental funds	<u>\$ 27,500,539</u>	<u>\$ 16,257,463</u>	<u>\$ 23,968,950</u>	<u>\$ 15,045,656</u>	<u>\$ 13,696,698</u>

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

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

**(Concluded)**

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 14,348,299	\$ 9,868,715	\$ 14,203,030	\$ 11,823,432	\$ 11,082,383
National School Lunch Program	9,671,827	9,445,144	9,430,946	9,305,604	8,564,709
Total federal sources	<u>24,020,126</u>	<u>19,313,859</u>	<u>23,633,976</u>	<u>21,129,036</u>	<u>19,647,092</u>
<b>State sources:</b>					
State equalization assistance	53,008,736	49,958,830	52,995,226	53,043,485	50,791,316
State grants	1,322,637	166,738	416,775	188,371	856,526
School Facilities Board	371,300	621,333	1,630,457	343,982	
Other revenues	6,850,992	6,615,266	6,020,432	5,534,951	4,920,400
Total state sources	<u>61,553,665</u>	<u>57,362,167</u>	<u>61,062,890</u>	<u>59,110,789</u>	<u>56,568,242</u>
<b>Local sources:</b>					
Property taxes	16,849,351	16,530,280	15,284,860	14,285,963	15,989,622
County aid	5,529,727	5,698,182	5,892,882	5,749,777	5,521,491
Food service sales	179,046	248,098	449,956	543,508	619,358
Investment income	327,540	218,477	119,077	123,644	115,473
Other revenues	1,039,242	1,079,952	997,659	1,019,385	1,122,500
Total local sources	<u>23,924,906</u>	<u>23,774,989</u>	<u>22,744,434</u>	<u>21,722,277</u>	<u>23,368,444</u>
<b>Total revenues</b>	<u><u>\$ 109,498,697</u></u>	<u><u>\$ 100,451,015</u></u>	<u><u>\$ 107,441,300</u></u>	<u><u>\$ 101,962,102</u></u>	<u><u>\$ 99,583,778</u></u>

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Federal sources:</b>					
Federal grants	\$ 12,701,907	\$ 11,008,799	\$ 12,163,741	\$ 13,980,690	\$ 13,301,681
State Fiscal Stabilization (ARRA)				574,080	6,655,728
Education Jobs			2,203,544		
National School Lunch Program	8,454,999	7,938,858	7,310,508	6,835,921	6,889,942
Total federal sources	<u>21,156,906</u>	<u>18,947,657</u>	<u>21,677,793</u>	<u>21,390,691</u>	<u>26,847,351</u>
<b>State sources:</b>					
State equalization assistance	49,513,493	48,095,263	44,464,166	43,871,512	44,460,656
State grants	86,008	354,958	312,000	458,083	549,871
School Facilities Board		29,201			
Other revenues	5,044,985	4,251,309	3,329,205	3,195,210	3,494,379
Total state sources	<u>54,644,486</u>	<u>52,730,731</u>	<u>48,105,371</u>	<u>47,524,805</u>	<u>48,504,906</u>
<b>Local sources:</b>					
Property taxes	16,270,322	17,714,319	19,660,720	18,963,803	20,423,367
County aid	5,066,136	4,983,625	4,994,144	4,888,635	4,805,714
Food service sales	550,311	576,280	622,922	683,223	708,830
Investment income	95,669	99,766	115,582	158,667	199,201
Other revenues	1,301,014	1,325,982	1,120,377	924,190	1,150,269
Total local sources	<u>23,283,452</u>	<u>24,699,972</u>	<u>26,513,745</u>	<u>25,618,518</u>	<u>27,287,381</u>
<b>Total revenues</b>	<u>\$ 99,084,844</u>	<u>\$ 96,378,360</u>	<u>\$ 96,296,909</u>	<u>\$ 94,534,014</u>	<u>\$ 102,639,638</u>

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

**(Concluded)**

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 49,074,286	\$ 44,877,312	\$ 48,061,271	\$ 47,879,507	\$ 48,089,239
Support services - students and staff	15,191,578	13,917,578	14,590,536	13,931,803	13,605,404
Support services - administration	11,634,636	10,978,585	10,473,631	10,496,684	8,925,621
Operation and maintenance of plant services	10,188,791	8,929,724	10,895,579	9,917,218	9,984,870
Student transportation services	2,832,195	2,624,591	2,765,256	2,744,174	2,657,581
Operation of non-instructional services	8,731,291	8,599,952	8,616,078	8,557,004	7,911,364
Capital outlay	9,168,680	6,383,278	13,332,405	7,356,157	14,073,476
Debt service -					
Interest and fiscal charges	1,072,325	1,135,553	1,196,160	1,118,036	1,087,538
Principal retirement	1,695,079	1,626,911	1,559,598	1,766,772	1,920,319
Bond issuance costs	58,245			188,867	
<b>Total expenditures</b>	<u>\$ 109,647,106</u>	<u>\$ 99,073,484</u>	<u>\$ 111,490,514</u>	<u>\$ 103,956,222</u>	<u>\$ 108,255,412</u>
Expenditures for capitalized assets	\$ 4,028,398	\$ 2,821,009	\$ 6,549,172	\$ 4,249,032	\$ 8,801,284
Debt service as a percentage of noncapital expenditures	3%	3%	3%	3%	3%

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 48,124,124	\$ 48,248,493	\$ 47,908,458	\$ 47,019,180	\$ 47,333,380
Support services - students and staff	12,347,215	11,675,846	11,527,929	11,694,235	11,394,582
Support services - administration	8,947,644	9,338,542	9,162,925	9,172,055	9,422,159
Operation and maintenance of plant services	8,749,186	9,719,124	9,018,317	9,117,666	9,008,396
Student transportation services	2,905,384	2,925,043	2,795,894	2,459,300	2,318,368
Operation of non-instructional services	7,856,634	7,240,793	7,151,369	6,776,614	7,297,444
Capital outlay	11,116,074	9,490,543	4,339,814	5,139,856	5,711,924
Debt service -					
Interest and fiscal charges	599,495	719,177	377,273	529,198	692,885
Principal retirement	3,410,588	3,266,704	1,028,668	4,695,267	5,134,047
Bond issuance costs	261,879		91,775		
<b>Total expenditures</b>	<u>\$ 104,318,223</u>	<u>\$ 102,624,265</u>	<u>\$ 93,402,422</u>	<u>\$ 96,603,371</u>	<u>\$ 98,313,185</u>
Expenditures for capitalized assets	\$ 9,076,485	\$ 5,867,933	\$ 2,015,217	\$ 2,922,527	\$ 3,538,575
Debt service as a percentage of noncapital expenditures	4%	4%	2%	6%	6%

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

**(Concluded)**

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (148,409)	\$ 1,377,531	\$ (4,049,214)	\$ (1,994,120)	\$ (8,671,634)
<b>Other financing sources (uses):</b>					
General obligation bonds issued	8,305,000			9,200,000	
Premium on sale of bonds	799,625			292,252	
Capital lease agreements					2,792,350
Transfers in	1,629,554	1,786,071	1,327,592	1,772,938	1,273,122
Transfers out	(1,629,554)	(1,786,071)	(1,327,592)	(1,772,938)	(1,273,122)
Insurance recoveries		79,526			
Total other financing sources (uses)	<u>9,104,625</u>	<u>79,526</u>	<u>                    </u>	<u>9,492,252</u>	<u>2,792,350</u>
<b>Changes in fund balances</b>	<u>\$ 8,956,216</u>	<u>\$ 1,457,057</u>	<u>\$ (4,049,214)</u>	<u>\$ 7,498,132</u>	<u>\$ (5,879,284)</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (5,233,379)	\$ (6,245,905)	\$ 2,894,487	\$ (2,069,357)	\$ 4,326,453
<b>Other financing sources (uses):</b>					
General obligation bonds issued	9,485,000		9,600,000		
Premium on sale of bonds	341,230		265,107		
Capital lease agreements	3,099,700	329,612	20,707		
Proceeds from sale of capital assets					
Transfers in	6,676,435	1,156,628	1,088,537	1,351,717	699,410
Transfers out	(6,676,435)	(1,156,628)	(1,088,537)	(1,351,717)	(699,410)
Total other financing sources (uses)	<u>12,925,930</u>	<u>329,612</u>	<u>9,885,814</u>	<u>                    </u>	<u>                    </u>
<b>Changes in fund balances</b>	<u>\$ 7,692,551</u>	<u>\$ (5,916,293)</u>	<u>\$ 12,780,301</u>	<u>\$ (2,069,357)</u>	<u>\$ 4,326,453</u>

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 86,339,938	\$ 81,755,287	\$ 78,667,253	\$ 76,594,131	\$ 77,090,042
Agricultural and Vacant	5,956,829	5,841,070	6,214,596	6,352,344	6,005,171
Residential (Owner Occupied)	116,338,582	107,011,703	101,472,013	96,817,880	93,267,420
Residential (Rental)	76,936,629	72,638,952	69,492,031	66,312,151	61,734,316
Railroad, Private Cars and Airlines	1,488,597	1,499,704	1,422,687	1,512,721	1,610,083
Historical Property	403,123	373,624	353,029	341,783	316,605
Certain Government Property Improvements		6,467			
<b>Total</b>	<b>\$ 287,463,698</b>	<b>\$ 269,126,807</b>	<b>\$ 257,621,609</b>	<b>\$ 247,931,010</b>	<b>\$ 240,023,637</b>
Gross Full Cash Value	\$ 4,789,441,600	\$ 4,266,907,150	\$ 3,967,564,174	\$ 3,530,094,241	\$ 2,823,219,255
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6%	6%	6%	7%	9%
Total Direct Rate	6.05	6.38	6.07	5.84	6.47

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 78,614,664	\$ 93,847,732	\$ 110,457,990	\$ 135,429,535	\$ 133,094,419
Agricultural and Vacant	6,523,254	7,944,499	12,342,328	17,268,180	14,955,486
Residential (Owner Occupied)	86,428,656	105,709,656	123,907,998	181,738,121	266,895,667
Residential (Rental)	54,686,655	51,014,000	63,263,130	77,938,802	87,225,078
Railroad, Private Cars and Airlines	1,479,206	1,566,518	1,380,945	1,358,047	1,441,019
Historical Property	271,696	271,584	194,170	198,955	237,326
<b>Total</b>	<b>\$ 228,004,131</b>	<b>\$ 260,353,989</b>	<b>\$ 311,546,561</b>	<b>\$ 413,931,640</b>	<b>\$ 503,848,995</b>
Gross Full Cash Value	\$ 2,484,617,655	\$ 2,708,959,264	\$ 3,139,025,381	\$ 4,258,014,849	\$ 5,642,139,613
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	10%	10%	10%	9%
Total Direct Rate	7.30	6.94	6.41	4.78	3.99

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 109,767,134	\$ 101,932,745	\$ 92,263,728	\$ 83,247,435	\$ 78,004,327
Agricultural and Vacant	8,925,425	8,127,519	7,947,611	7,362,908	6,374,412
Residential (Owner Occupied)	200,313,297	171,928,673	161,907,035	145,441,647	104,830,854
Residential (Rental)	131,539,036	115,985,313	103,726,176	92,093,195	69,804,574
Railroad, Private Cars and Airlines	1,754,146	1,726,167	1,514,818	1,539,893	1,624,879
Historical Property	681,724	615,534	573,664	513,804	369,472
Certain Government Property Improvements	-	7,222			
<b>Total</b>	<b>\$ 452,980,762</b>	<b>\$ 400,323,173</b>	<b>\$ 367,933,032</b>	<b>\$ 330,198,882</b>	<b>\$ 261,008,518</b>
Gross Full Cash Value	\$ 4,789,441,600	\$ 4,266,907,150	\$ 3,967,564,174	\$ 3,530,094,241	\$ 2,823,219,255
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	9%	9%	9%	9%	9%
Estimated Net Full Cash Value	\$ 3,803,643,144	\$ 3,348,691,125	\$ 3,073,046,828	\$ 2,708,719,693	\$ 2,065,961,053
Total Direct Rate	6.05	6.38	6.07	5.84	6.47

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 78,993,175	\$ 94,017,472	\$ 111,314,908	\$ 153,504,991	\$ 163,409,579
Agricultural and Vacant	6,586,197	8,105,545	12,460,286	22,156,675	22,944,129
Residential (Owner Occupied)	86,746,516	105,844,638	123,976,619	182,216,745	297,814,840
Residential (Rental)	55,389,682	51,175,139	63,436,996	81,238,979	104,694,753
Railroad, Private Cars and Airlines	1,492,879	1,596,052	1,537,638	1,617,320	1,693,483
Historical Property	299,083	271,682	194,170	201,527	283,454
<b>Total</b>	<b>\$ 229,507,532</b>	<b>\$ 261,010,528</b>	<b>\$ 312,920,617</b>	<b>\$ 440,936,237</b>	<b>\$ 590,840,238</b>
Gross Full Cash Value	\$ 2,484,617,655	\$ 2,708,959,264	\$ 3,139,025,381	\$ 4,258,014,849	\$ 5,642,139,613
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	9%	10%	10%	10%	10%
Estimated Net Full Cash Value	\$ 1,755,543,127	\$ 1,986,566,110	\$ 2,382,298,733	\$ 3,363,993,072	\$ 4,722,195,348
Total Direct Rate	7.30	6.94	6.41	4.78	3.99

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

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



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
PROPERTY TAX ASSESSMENT RATIOS  
LAST TEN FISCAL YEARS**

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

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

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State Equalization	County	Community College District	City of Glendale	City of Phoenix	West MEC	Glendale Union High School District No. 205	Primary	Secondary	Total
	2019	0.47	1.40	1.38	1.98	2.14	0.15	4.11	2.02	4.04
2018	0.49	1.40	1.41	2.08	2.16	0.18	4.60	2.14	4.24	6.38
2017	0.50	1.40	1.47	2.15	2.17	0.08	4.67	1.72	4.34	6.07
2016	0.51	1.58	1.49	2.20	1.82	0.08	4.46	1.34	4.50	5.84
2015	0.51	1.32	1.52	2.15	1.82	0.07	4.42	2.23	4.23	6.47
2014	0.51	1.28	1.53	2.29	1.82	0.08	4.58	2.78	4.52	7.30
2013	0.47	1.24	1.38	1.90	1.82	0.06	4.10	2.94	4.00	6.94
2012	0.43	1.24	1.21	1.60	1.82	0.05	3.53	2.46	3.95	6.41
2011	0.36	1.05	0.97	1.60	1.82	0.05	2.73	1.68	3.10	4.78
2010	N/A	0.99	0.72	1.60	1.82	0.05	2.60	1.54	2.45	3.99

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2019</u>		<u>2010</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Arizona Public Service Company	\$ 3,607,551	1.25 %	\$ 100,050,434	3.58 %
Qwest Corporation	3,465,599	1.21	62,880,860	2.25
Southwest Gas Corp.	2,692,841	0.94	18,165,582	0.65
Wal-Mart Stores Inc	2,584,207	0.90		
Don Sanderson Ford Inc	2,379,755	0.83		
FSC Olive Tree Associates LLC	2,292,732	0.80		
San Martin Apartments L P	1,755,269	0.61		
Lowe's HIW Inc	1,644,799	0.57		
BNSF Railway Compnay	1,488,597	0.52		
Wasatch Pool Holdings III LLC	1,365,991	0.48		
TP Racing LLP			16,768,229	0.60
Metrocenter Associates LLC			14,532,465	0.52
Metropolitan Life Insurance Company			13,694,054	0.49
VHS of Arrowhead Inc.			11,458,920	0.41
Transwestern Phoenix Corporate Center			11,178,819	0.40
Metrising Ams Owner LLC			10,619,879	0.38
Bell Towne Centre Associates LLC			9,781,467	0.35
Fred Meyer Inc.			8,384,115	0.30
Total	<u>\$ 23,277,341</u>	<u>8.10 %</u>	<u>\$ 277,514,824</u>	<u>9.93 %</u>

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

**Note:** On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution.

Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2019	\$ 17,512,877	\$ 16,719,816	95.47 %	\$	\$ 16,719,816	95.47 %
2018	17,228,645	16,454,553	95.51	756,895	17,211,448	99.90
2017	15,710,783	14,895,112	94.81	807,421	15,702,533	99.95
2016	14,513,731	14,106,898	97.20	399,876	14,506,774	99.95
2015	16,428,610	15,689,896	95.50	732,481	16,422,377	99.96
2014	16,728,428	15,980,478	95.53	739,802	16,720,280	99.95
2013	18,154,808	17,175,781	94.61	967,889	18,143,670	99.94
2012	19,689,549	18,563,747	94.28	1,011,363	19,575,110	99.42
2011	20,367,146	18,921,189	92.90	1,440,476	20,361,665	99.97
2010	22,092,950	20,022,194	90.63	1,468,863	21,491,057	97.28

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

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
2019	\$ 34,174,345	\$ 225,274	\$ 33,949,071	0.71 %	\$ 141	\$ 4,531,573	\$ 38,705,918	0.81 %	\$ 160	0.0184 %	
2018	26,426,395	131,091	26,295,304	0.55	107	4,851,652	31,278,047	0.65	127	0.0159	
2017	27,733,070	126,950	27,606,120	0.58	113	5,153,563	32,886,633	0.69	134	0.0197	
2016	29,174,745	430,808	28,743,937	0.60	124	5,438,161	34,612,906	0.72	147	0.0197	
2015	21,364,168	198,423	21,165,745	0.44	92	5,794,933	27,159,101	0.57	117	0.0161	
2014	24,711,230	595,430	24,115,800	0.50	105	3,272,902	27,984,132	0.58	119	0.0189	
2013	18,060,000	1,930,280	16,129,720	0.34	79	253,790	18,313,790	0.38	80	0.0124	
2012	19,075,000	3,605,377	15,469,623	0.32	84	15,882	19,090,882	0.40	84	0.0134	
2011	9,475,000	342,632	9,132,368	0.19	42	8,843	9,483,843	0.20	42	0.0067	
2010	19,020,000	4,990,000	14,030,000	0.29	76	149,110	19,169,110	0.40	77	0.0130	

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2019**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Secondary Assessed Valuation</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:				
Maricopa County Community College District	\$ 380,740,000	\$ 40,423,232,421	0.71 %	\$ 2,703,254
Maricopa County Special Health Care District	497,125,000	37,003,666,851	0.71	3,529,588
City of Glendale	135,010,000	1,306,976,089	21.79	29,418,679
Western Maricopa Education Center No. 402	138,655,000	14,803,114,535	1.94	2,689,907
Glendale Union High School District No. 205	98,695,000	1,576,504,529	18.23	17,992,099
Subtotal, Overlapping Debt				<u>56,333,527</u>
Direct:				
Glendale Elementary School District No. 40				<u>38,705,918</u>
Total Direct and Overlapping Debt				<u>\$ 95,039,445</u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		11.81 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 373	
As a Percentage of Net Limited Assessed Valuation		31.41 %
As a Percentage of Estimated Gross Full Cash Value		1.89 %

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

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

Net full cash assessed valuation	452,980,762
Debt limit (10% of assessed value)	45,298,076
Debt applicable to limit	<u>33,580,000</u>
Legal debt margin	<u>\$ 11,718,076</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2019:**

Net full cash assessed valuation	\$ 452,980,762
Debt limit (15% of assessed value)	67,947,114
Debt applicable to limit	<u>33,580,000</u>
Legal debt margin	<u>\$ 34,367,114</u>

	<b>Fiscal Year Ended June 30</b>				
	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Debt Limit	\$ 67,947,114	\$ 60,048,476	\$ 55,189,955	\$ 49,529,832	\$ 33,019,888
Total net debt applicable to limit	<u>33,580,000</u>	<u>26,426,395</u>	<u>27,180,000</u>	<u>28,590,000</u>	<u>21,364,168</u>
Legal debt margin	<u>\$ 34,367,114</u>	<u>\$ 33,622,081</u>	<u>\$ 28,009,955</u>	<u>\$ 20,939,832</u>	<u>\$ 11,655,720</u>
Total net debt applicable to the limit as a percentage of debt limit	49%	44%	49%	58%	65%
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Debt Limit	\$ 34,426,130	\$ 39,151,579	\$ 46,938,093	\$ 66,140,436	\$ 88,626,036
Total net debt applicable to limit	<u>24,711,230</u>	<u>18,060,000</u>	<u>19,075,000</u>	<u>9,475,000</u>	<u>19,020,000</u>
Legal debt margin	<u>\$ 9,714,900</u>	<u>\$ 21,091,579</u>	<u>\$ 27,863,093</u>	<u>\$ 56,665,436</u>	<u>\$ 69,606,036</u>
Total net debt applicable to the limit as a percentage of debt limit	72%	46%	41%	14%	21%

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

The source of "Redemption Funds on Hand for Class B Principal" is the Official Statement of the School Improvement Bonds, Project of 2011, Series C (2014).

- Notes:**
- 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year.
  - 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2018	4,294,460	\$ 210,370,180	\$ 47,694	4.1 %	241,844
2017	4,221,684	196,286,191	45,573	4.2	246,709
2016	4,137,076	167,199,927	40,415	4.5	245,895
2015	4,076,438	175,437,829	42,092	5.2	234,766
2014	4,008,651	168,483,421	41,222	5.9	232,680
2013	4,009,412	147,700,000	27,552	6.2	234,948
2012	3,824,058	147,374,500	38,538	9.1	229,720
2011	3,843,370	142,864,275	37,352	8.1	227,446
2010	3,817,117	142,091,618	35,319	8.5	226,721
2009	4,023,331	147,122,078	37,168	8.3	249,007

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2009 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019, the source of the information is the Arizona Office of Employment and Population Statistics. The "Estimated District Population" information is from the Arizona Department of Commerce, Population Statistics Unit and the U.S. Census Bureau.



**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
PRINCIPAL EMPLOYERS  
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2019</u>		<u>2010</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health Systems	45,894	2.23 %	27,430	1.64 %
State of Arizona	37,040	1.80	54,445	3.26
Wal-Mart Stores Inc.	33,619	1.63	31,280	1.88
Fry's Food Stores	20,165	0.98		
Wells Fargo	16,300	0.79	14,000	0.84
University of Arizona	15,967	0.78		
Amazon.com	15,000	0.73		
Arizona State University	14,889	0.72	12,045	0.72
City of Phoenix	14,821	0.72	16,375	0.98
Maricopa County	13,595	0.66	14,000	0.84
Apollo Group Inc.			12,300	0.74
Honeywell Aerospace			10,145	0.61
Bank of America			10,000	0.60
Total	<u>227,290</u>	<u>11.04 %</u>	<u>202,020</u>	<u>12.11 %</u>
Total employment	<u>2,060,000</u>		<u>1,667,600</u>	

**Sources:** The source of this information is the Greater Phoenix Economic Council and the Business Journal Book of Lists.

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	16	17	20	24	30
Principals	17	17	17	18	18
Assistant principals	17	17	17	17	17
Total supervisory	<u>50</u>	<u>51</u>	<u>54</u>	<u>59</u>	<u>65</u>
<b>Instruction</b>					
Teachers	607	551	626	700	721
Other teachers (adult)					
Other professionals (instructional)	64	52	62	55	62
Aides	129	118	134	127	143
Total instruction	<u>800</u>	<u>721</u>	<u>822</u>	<u>882</u>	<u>926</u>
<b>Student Services</b>					
Librarians	17	16	1	1	1
Technicians	58	64	72	83	90
Total student services	<u>75</u>	<u>80</u>	<u>73</u>	<u>84</u>	<u>91</u>
<b>Support and Administration</b>					
Service workers	322	333	316	352	374
Unskilled laborers	85	72	115	124	129
Total support and administration	<u>407</u>	<u>405</u>	<u>431</u>	<u>476</u>	<u>503</u>
<b>Total</b>	<u><u>1,332</u></u>	<u><u>1,257</u></u>	<u><u>1,380</u></u>	<u><u>1,501</u></u>	<u><u>1,585</u></u>

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE**  
**LAST TEN FISCAL YEARS**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Supervisory</b>					
Consultants/supervisors of instruction	31	56	57	54	59
Principals	19	19	17	17	17
Assistant principals	17	16	16	17	17
Total supervisory	<u>67</u>	<u>91</u>	<u>90</u>	<u>88</u>	<u>93</u>
<b>Instruction</b>					
Teachers	731	720	695	682	674
Other teachers (adult)					
Other professionals (instructional)	55	22	57	56	26
Aides	142	140	117	120	120
Total instruction	<u>928</u>	<u>882</u>	<u>869</u>	<u>858</u>	<u>820</u>
<b>Student Services</b>					
Librarians	1	1	1	6	7
Technicians	87	83	32	27	28
Total student services	<u>88</u>	<u>84</u>	<u>33</u>	<u>33</u>	<u>35</u>
<b>Support and Administration</b>					
Service workers	369	382	334	303	352
Unskilled laborers	126	131	85	117	75
Total support and administration	<u>495</u>	<u>513</u>	<u>419</u>	<u>420</u>	<u>427</u>
<b>Total</b>	<u><u>1,578</u></u>	<u><u>1,570</u></u>	<u><u>1,411</u></u>	<u><u>1,399</u></u>	<u><u>1,375</u></u>

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

**(Concluded)**

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2019	11,331	\$ 97,652,777	\$ 8,618	14.08 %	\$ 103,232,546	\$ 9,111	9.69 %	607	18.7	83.5 %
2018	11,904	89,927,742	7,554	(1.68)	98,867,911	8,305	(5.02)	551	21.6	90.0
2017	12,416	95,402,351	7,684	5.69	108,567,300	8,744	10.82	626	19.8	90.0
2016	12,864	93,526,390	7,270	3.23	101,503,414	7,891	(2.22)	700	18.4	91.7
2015	12,945	91,174,079	7,043	2.33	104,458,460	8,069	3.28	721	18.0	89.4
2014	12,921	88,930,187	6,883	(2.34)	100,952,974	7,813	(1.32)	731	17.7	87.3
2013	12,649	89,147,841	7,048	(0.96)	100,149,088	7,918	1.60	720	17.6	90.1
2012	12,305	87,564,892	7,116	(0.95)	95,889,155	7,793	(5.01)	695	17.7	90.6
2011	12,004	86,239,050	7,184	2.12	98,473,364	8,203	7.31	682	17.6	87.9
2010	12,334	86,774,329	7,035	17.64	94,287,354	7,645	6.99	674	18.3	89.0

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

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40  
CAPITAL ASSETS INFORMATION  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year Ended June 30</b>									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>Schools</u></b>										
<b><u>Elementary</u></b>										
Buildings	180	180	180	180	180	180	178	175	175	161
Square feet	1,410,885	1,410,885	1,410,885	1,410,885	1,410,885	1,410,885	1,401,972	1,401,972	1,401,972	1,149,389
Capacity	17,635	17,635	17,635	17,635	17,635	17,635	17,524	17,524	17,524	14,367
Enrollment	11,331	13,126	13,126	13,690	13,989	13,989	13,760	13,318	13,023	11,983
<b><u>Middle</u></b>										
Buildings										14
Square feet										252,583
Capacity										3,157
Enrollment										1,501
<b><u>Administrative</u></b>										
Buildings	10	10	10	9	9	9	9	9	9	9
Square feet	137,113	137,113	137,113	133,135	133,135	133,135	133,135	133,135	133,135	133,135
<b><u>Transportation</u></b>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	51	51	50	53	52	48	48	48	48	48

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