
GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020



GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40

GLENDALE, ARIZONA

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

Issued by:
Business and Finance Department

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	6
GFOA Certificate of Achievement	7
Organizational Chart	8
List of Principal Officials	9
 <u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR’S REPORT	13
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	17
 BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
Balance Sheet – Governmental Funds	36
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	42

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
BASIC FINANCIAL STATEMENTS	
Statement of Net Position – Proprietary Funds	43
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	44
Statement of Cash Flows – Proprietary Funds	45
Notes to Financial Statements	46
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	74
Food Service Fund	75
Pension Schedules	76
OPEB Schedule	78
Notes to Required Supplementary Information	79
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	84
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	85

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Special Revenue Funds:	
Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	94
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	100
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	120
Capital Projects Funds:	
Combining Balance Sheet	122
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	124
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	126
Internal Service Funds:	
Combining Statement of Net Position	134
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	136
Combining Statement of Cash Flows	138

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Financial Trends:	
Net Position by Component	140
Expenses, Program Revenues, and Net (Expense)/Revenue	141
General Revenues and Total Changes in Net Position	143
Fund Balances – Governmental Funds	145
Governmental Funds Revenues	147
Governmental Funds Expenditures and Debt Service Ratio	149
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	151
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	152
Net Full Cash Assessed Value of Taxable Property by Class	153
Property Tax Assessment Ratios	154
Direct and Overlapping Property Tax Rates	155
Principal Property Taxpayers	156
Property Tax Levies and Collections	157
Debt Capacity:	
Outstanding Debt by Type	158
Direct and Overlapping Governmental Activities Debt	159
Direct and Overlapping General Bonded Debt Ratios	159
Legal Debt Margin Information	160

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	161
Principal Employers	162
Operating Information:	
Full-Time Equivalent District Employees by Type	163
Operating Statistics	165
Capital Assets Information	166

INTRODUCTORY SECTION

(This page intentionally left blank)

GLENDALE ELEMENTARY SCHOOL DISTRICT No. 40

7301 N. 58TH AVENUE, GLENDALE, ARIZONA 85301 • (623) 237-7100 • www.gesd40.org



December 22, 2020

Citizens and Governing Board
Glendale Elementary School District No. 40
7301 North 58th 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, 2020.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

ALL IN FOR ALL KIDS

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 10,811 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 13-78 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 four-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 14th 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 AzM2 assessment in English Language Arts and Mathematics.

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 diverse populations. Prior to the first benchmark all students are given a universal screener that identifies their greatest area of need. Finally, students in K-8 are assessed for reading proficiency by the use of the iReady assessment.

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, 2019. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2020 certificates.

Acknowledgments. The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the business 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, 2019.**

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



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

Claire Hertz, SFO
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Glendale Elementary School
District No. 40, Arizona**

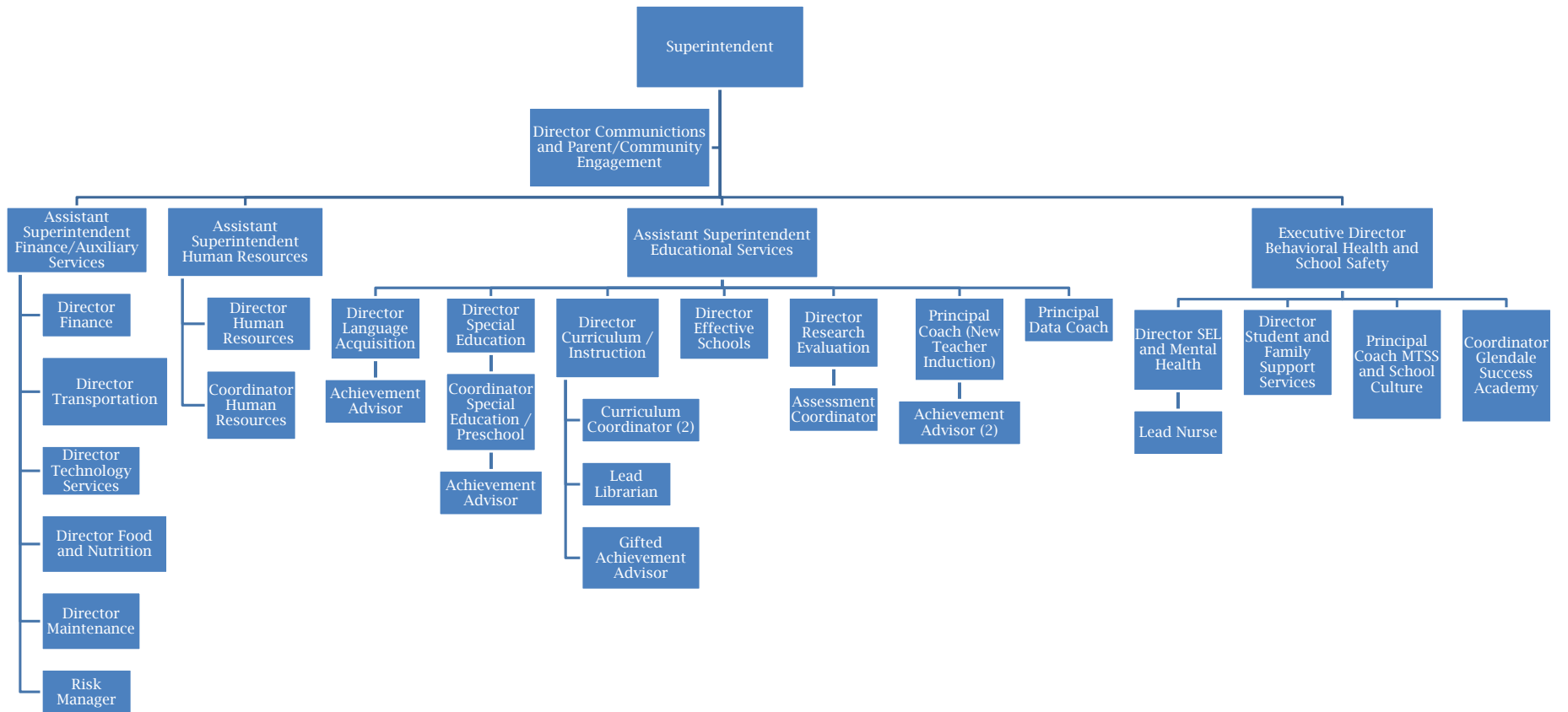
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

GESD ORGANIZATIONAL CHART 2019-2020



GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Monica Pimentel, President

Mary Ann Wilson, Clerk

Sara Smith, Member

Brenda Bartels, Member

Mike Martinez, 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

(This page intentionally left blank)

FINANCIAL SECTION

(This page intentionally left blank)

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, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Glendale Elementary School District No. 40, as of June 30, 2020, 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.

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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 22, 2020, 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 22, 2020

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

(This page intentionally left blank)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

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

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$1.0 million which represents a four percent increase from the prior fiscal year.
- General revenues accounted for \$85.9 million in revenue, or 79 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$22.5 million or 21 percent of total current fiscal year revenues.
- The District had approximately \$107.4 million in expenses related to governmental activities, an increase of four percent from the prior fiscal year. This increase was primarily due to the net effect of pension items and related deferred outflows and inflows of resources and an increase in instructional salaries.
- Among major funds, the General Fund had \$70.0 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$69.1 million in expenditures. The General Fund's fund balance increase from \$10.7 million at the prior fiscal year end to \$12.7 million at the end of the current fiscal year was primarily due to an increase in state aid due to an increase in the base support level.
- Net position for the Internal Service Funds increased \$478,471 from the prior fiscal year. Operating revenues of \$12.4 million exceeded operating expenses of \$12.0 million at the end of the current fiscal year.

OVERVIEW OF FINANCIAL STATEMENTS

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

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 two categories: governmental funds and proprietary 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, 2020**

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, Food Service, Debt Service, 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.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

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 Fund 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 \$26.2 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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	As of June 30, 2020	As of June 30, 2019
Current and other assets	\$ 56,594,722	\$ 61,677,033
Capital assets, net	102,486,276	101,911,034
Total assets	<u>159,080,998</u>	<u>163,588,067</u>
Deferred outflows	<u>8,420,599</u>	<u>11,203,722</u>
Current and other liabilities	13,601,400	15,138,064
Long-term liabilities	120,426,740	119,346,233
Total liabilities	<u>134,028,140</u>	<u>134,484,297</u>
Deferred inflows	<u>7,276,219</u>	<u>15,200,657</u>
Net position:		
Net investment in capital assets	70,759,908	72,971,409
Restricted	19,273,906	19,139,413
Unrestricted	(63,836,576)	(67,003,987)
Total net position	<u>\$ 26,197,238</u>	<u>\$ 25,106,835</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 \$63.8 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 principal retirement of \$1.4 million of bonds.
- The addition of \$7.9 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 \$7.3 million in accumulated depreciation.
- The increase of \$3.0 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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

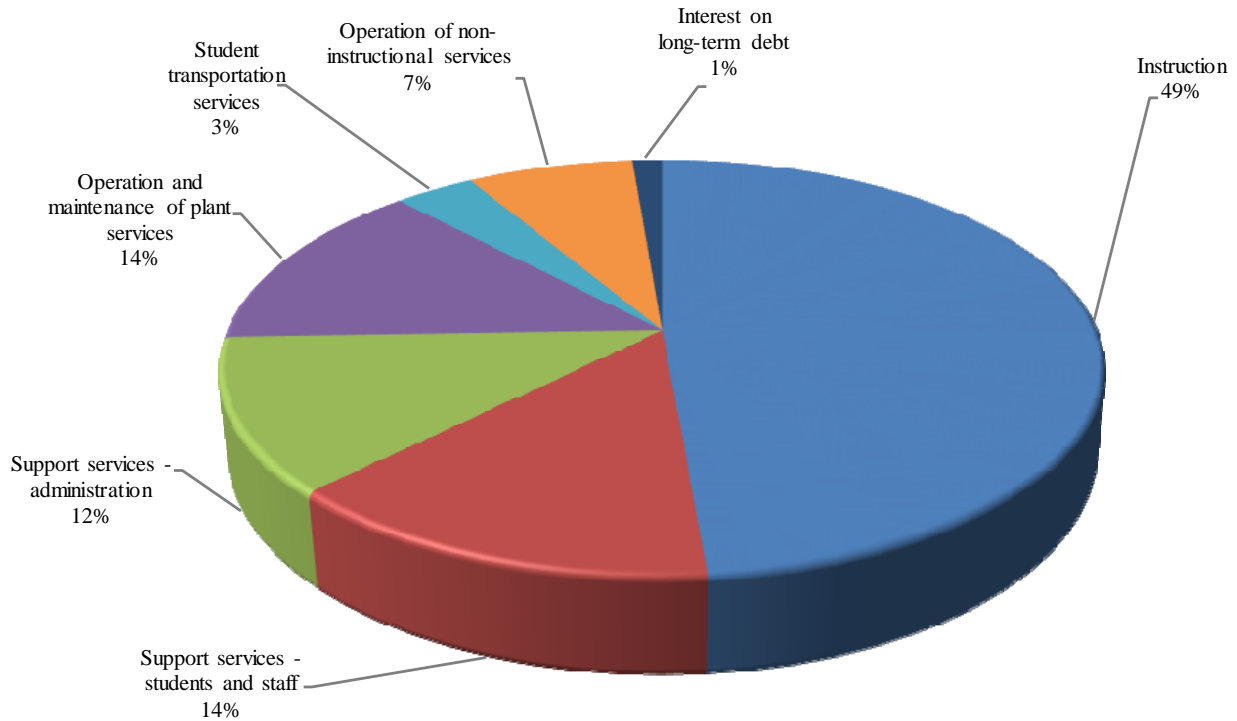
Changes in net position. The District's total revenues for the current fiscal year were \$108.4 million. The total cost of all programs and services was \$107.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Revenues:		
Program revenues:		
Charges for services	\$ 1,112,193	\$ 983,420
Operating grants and contributions	19,830,031	21,315,245
Capital grants and contributions	1,578,833	2,639,967
General revenues:		
Property taxes	17,746,275	16,593,523
Investment income	574,151	404,976
Unrestricted county aid	5,237,076	5,529,727
Unrestricted state aid	61,480,372	60,231,028
Unrestricted federal aid	830,896	745,711
Total revenues	108,389,827	108,443,597
Expenses:		
Instruction	52,211,651	50,035,469
Support services - students and staff	14,939,831	14,210,632
Support services - administration	12,801,283	12,202,848
Operation and maintenance of plant services	14,509,535	13,025,084
Student transportation services	3,754,934	3,941,114
Operation of non-instructional services	7,773,070	8,776,749
Interest on long-term debt	1,372,115	1,040,650
Total expenses	107,362,419	103,232,546
Changes in net position	1,027,408	5,211,051
Net position, beginning, as restated	25,169,830	19,895,784
Net position, ending	\$ 26,197,238	\$ 25,106,835

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2020



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

- Unrestricted state aid increased \$1.2 million due to increases in the base support level.
- Property taxes increased \$1.2 million due to an increase in property tax rates and an increase in the values of the properties surrounding the District.
- Operating grants and contributions decreased \$ 1.5 million due to a decrease in students.
- Instruction expenses increased \$2.2 million due to an increase in the net pension liability and related deferred outflows and inflows of resources and an increase in instructional salaries.
- Operation and maintenance of plant services expenses increased \$1.5 million due to an increase in purchases of personal protective equipment and cleaning services in response to the COVID-19 pandemic.
- Operation of non-instructional expenses decreased \$1.0 million due to a reduction in food service and community school activity as a result of school closures due to COVID-19.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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.

	<u>Year Ended June 30, 2020</u>		<u>Year Ended June 30, 2019</u>	
	Total	Net (Expense)/	Total	Net (Expense)/
	<u>Expenses</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Revenue</u>
Instruction	\$ 52,211,651	\$ (46,592,577)	\$ 50,035,469	\$ (43,132,644)
Support services - students and staff	14,939,831	(8,208,861)	14,210,632	(7,460,429)
Support services - administration	12,801,283	(12,256,988)	12,202,848	(11,789,007)
Operation and maintenance of plant services	14,509,535	(14,021,831)	13,025,084	(12,722,769)
Student transportation services	3,754,934	(3,716,951)	3,941,114	(3,658,686)
Operation of non-instructional services	7,773,070	1,327,961	8,776,749	1,510,271
Interest on long-term debt	1,372,115	(1,372,115)	1,040,650	(1,040,650)
Total	<u>\$ 107,362,419</u>	<u>\$ (84,841,362)</u>	<u>\$ 103,232,546</u>	<u>\$ (78,293,914)</u>

- The cost of all governmental activities this year was \$107.4 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$22.5 million.
- Net cost of governmental activities of \$84.8 million was financed by general revenues, which are made up of primarily property taxes of \$17.7 million and state and county aid of \$66.7 million. Investment earnings accounted for \$574,151 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.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 \$36.3 million, a decrease of \$4.0 million due primarily to the utilization of Bond Building Fund monies for school site renovations.

The General Fund comprises 35 percent of the total fund balance. Approximately \$12.4 million, or 98 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased from \$10.7 million to \$12.7 million as of fiscal year end. General Fund revenues increased \$1.1 million due to an increase in state aid. Expenditures decreased \$2.4 million primarily due to a reduction in instructional expenses as a result of declining student enrollment.

The fund balance in the Food Service Fund decreased \$161,551, or two percent.

The fund balance in the Debt Service Fund increased \$83,375 to \$258,211 as of fiscal year end.

The fund balance in the Bond Building Fund decreased \$3.8 million primarily due to the utilization of funds for several renovations to school sites.

Proprietary Funds. Unrestricted net position of the Internal Service Funds at the end of the fiscal year amounted to \$2.7 million, an increase of \$478,471 from the prior fiscal year primarily due to an increase in employee benefit contributions.

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 \$757,436 decrease, or one percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable variance of \$2.3 million in support services – administration expenditures was primarily a result of a built-in contingency reserve that was unexpended.

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$217.4 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 \$7.1 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 \$7.3 million.

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

	As of June 30, 2020	As of June 30, 2019
Capital assets - non-depreciable	\$ 9,346,178	\$ 8,749,255
Capital assets - depreciable, net	93,140,098	93,161,779
Total	\$ 102,486,276	\$ 101,911,034

The estimated cost to complete current construction projects is \$36,443.

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

Debt Administration. At year-end, the District had \$36.9 million in long-term debt outstanding, \$2.7 million due within one year. Long-term debt decreased by \$1.8 million, primarily due to the District meeting debt service requirements.

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 \$75.9 million and the Class B debt limit is \$50.6 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, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2020-21 budget. Among them:

- Fiscal year 2019-20 budget balance carry forward (estimated \$2.3 million).
- District student population estimated at 10,500.
- Enrollment Stabilization Grant.

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 one percent to \$72.3 million in fiscal year 2020-21. State aid and property taxes are expected to be the primary funding sources. No additional new programs were added to the 2020-21 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

(This page intentionally left blank)

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 37,498,145
Property taxes receivable	771,426
Accounts receivable	65,328
Due from governmental entities	17,718,156
Deposits	162,322
Inventory	379,345
Total current assets	56,594,722
Noncurrent assets:	
Capital asset not being depreciated	9,346,178
Capital assets, net of accumulated depreciation	93,140,098
Total noncurrent assets	102,486,276
Total assets	159,080,998
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	8,420,599
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	1,330,091
Construction contracts payable	830,661
Credit line payable	7,193,000
Accrued payroll and employee benefits	3,612,535
Compensated absences payable	329,203
Accrued interest payable	634,901
Unearned revenues	212
Obligations under capital leases	359,127
Bonds payable	2,390,000
Total current liabilities	16,679,730
Noncurrent liabilities:	
Non-current portion of long-term obligations	117,348,410
Total noncurrent liabilities	117,348,410
Total liabilities	134,028,140
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	7,276,219
 <u>NET POSITION</u>	
Net investment in capital assets	70,759,908
Restricted	19,273,906
Unrestricted	(63,836,576)
Total net position	\$ 26,197,238

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, 2020

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities:						
Instruction	\$ 52,211,651	\$ 680,631	\$ 4,288,618	\$ 649,825		\$ (46,592,577)
Support services - students and staff	14,939,831		6,730,970			(8,208,861)
Support services - administration	12,801,283	8,654	535,641			(12,256,988)
Operation and maintenance of plant services	14,509,535	159,818	327,886			(14,021,831)
Student transportation services	3,754,934		37,983			(3,716,951)
Operation of non-instructional services	7,773,070	263,090	7,908,933	929,008		1,327,961
Interest on long-term debt	1,372,115					(1,372,115)
Total governmental activities	<u>\$ 107,362,419</u>	<u>\$ 1,112,193</u>	<u>\$ 19,830,031</u>	<u>\$ 1,578,833</u>		<u>(84,841,362)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	13,110,920
Property taxes, levied for debt service	3,624,997
Property taxes, levied for capital outlay	1,010,358
Investment income	574,151
Unrestricted county aid	5,237,076
Unrestricted state aid	61,480,372
Unrestricted federal aid	830,896

Total general revenues

85,868,770

Changes in net position

1,027,408

Net position, beginning of year, as restated

25,169,830

Net position, end of year

\$ 26,197,238

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

(This page intentionally left blank)

FUND FINANCIAL STATEMENTS

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General	Food Service	Debt Service
<u>ASSETS</u>			
Cash and investments	\$ 8,775,469	\$ 6,634,208	\$ 3,222,619
Property taxes receivable	579,125		132,485
Accounts receivable	29,973		
Due from governmental entities	11,033,573	320,520	
Due from other funds	2,925,237		
Deposits		162,322	
Inventory	284,236	95,109	
Total assets	\$ 23,627,613	\$ 7,212,159	\$ 3,355,104
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 428,158	\$ 70,330	\$
Construction contracts payable			
Credit line payable	7,193,000		
Due to other funds			
Accrued payroll and employee benefits	2,999,519	132,884	
Unearned revenues			
Bonds payable			2,390,000
Bond interest payable			634,901
Total liabilities	10,620,677	203,214	3,024,901
Deferred inflows of resources:			
Unavailable revenues - property taxes	350,669		71,992
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	350,669		71,992
Fund balances (deficits):			
Nonspendable	284,236	95,109	
Restricted		6,913,836	258,211
Unassigned	12,372,031		
Total fund balances	12,656,267	7,008,945	258,211
 Total liabilities, deferred inflows of resources and fund balances	 \$ 23,627,613	 \$ 7,212,159	 \$ 3,355,104

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 6,226,688	\$ 9,515,602 59,816	\$ 34,374,586 771,426 29,973
	6,364,063	17,718,156 2,925,237 162,322 379,345
<u>\$ 6,226,688</u>	<u>\$ 15,939,481</u>	<u>\$ 56,361,045</u>
\$ 234,983	\$ 148,891 830,661	\$ 882,362 830,661 7,193,000
	2,925,237 470,954 212	2,925,237 3,603,357 212 2,390,000 634,901
<u>234,983</u>	<u>4,375,955</u>	<u>18,459,730</u>
	59,816	482,477
	1,126,669	1,126,669
	<u>1,186,485</u>	<u>1,609,146</u>
		379,345
5,991,705	11,859,762	25,023,514
	(1,482,721)	10,889,310
<u>5,991,705</u>	<u>10,377,041</u>	<u>36,292,169</u>
<u>\$ 6,226,688</u>	<u>\$ 15,939,481</u>	<u>\$ 56,361,045</u>

(This page intentionally left blank)

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total governmental fund balances		\$ 36,292,169
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 217,444,595	
Less accumulated depreciation	<u>(114,958,319)</u>	102,486,276
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	482,477	
Intergovernmental	<u>1,126,669</u>	1,609,146
<p>Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions/OPEB	8,420,599	
Deferred inflows of resources related to pensions/OPEB	<u>(7,276,219)</u>	1,144,380
<p>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.</p>		
		2,702,007
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Other postemployment benefits payable	(3,748,643)	
Compensated absences payable	(2,560,385)	
Obligations under capital leases	(4,192,435)	
Net pension liability	(77,230,300)	
Bonds payable	<u>(30,304,977)</u>	<u>(118,036,740)</u>
Net position of governmental activities		\$ <u><u>26,197,238</u></u>

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, 2020

	<u>General</u>	<u>Food Service</u>	<u>Debt Service</u>
Revenues:			
Other local	\$ 5,288,168	\$ 210,527	\$ 48,478
Property taxes	13,518,574		3,603,443
State aid and grants	50,391,946		
Federal aid, grants and reimbursements	830,896	8,578,858	
Total revenues	<u>70,029,584</u>	<u>8,789,385</u>	<u>3,651,921</u>
Expenditures:			
Current -			
Instruction	35,549,000		
Support services - students and staff	8,265,175	439	
Support services - administration	11,741,782	6,075	
Operation and maintenance of plant services	10,653,877	110,489	
Student transportation services	2,602,586		
Operation of non-instructional services	265,204	6,946,002	
Capital outlay	11,274	929,008	
Debt service -			
Principal retirement			2,390,000
Interest and fiscal charges			1,325,213
Total expenditures	<u>69,088,898</u>	<u>7,992,013</u>	<u>3,715,213</u>
Excess (deficiency) of revenues over expenditures	<u>940,686</u>	<u>797,372</u>	<u>(63,292)</u>
Other financing sources (uses):			
Transfer in	1,388,819		146,667
Transfer out	(489,963)	(930,177)	
Total other financing sources (uses)	<u>898,856</u>	<u>(930,177)</u>	<u>146,667</u>
Changes in fund balances	<u>1,839,542</u>	<u>(132,805)</u>	<u>83,375</u>
Fund balances, beginning of year, as restated	10,699,803	7,170,496	174,836
Increase (decrease) in reserve for inventory	116,922	(28,746)	
Fund balances, end of year	<u>\$ 12,656,267</u>	<u>\$ 7,008,945</u>	<u>\$ 258,211</u>

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

<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 146,668	\$ 1,216,379	\$ 6,910,220
	1,111,519	18,233,536
	13,586,843	63,978,789
	10,687,984	20,097,738
<u>146,668</u>	<u>26,602,725</u>	<u>109,220,283</u>
	13,161,389	48,710,389
	6,754,163	15,019,777
	504,666	12,252,523
	316,531	11,080,897
	35,798	2,638,384
	244,178	7,455,384
3,774,589	7,257,158	11,972,029
	339,138	2,729,138
	151,270	1,476,483
<u>3,774,589</u>	<u>28,764,291</u>	<u>113,335,004</u>
<u>(3,627,921)</u>	<u>(2,161,566)</u>	<u>(4,114,721)</u>
	489,963	2,025,449
<u>(146,667)</u>	<u>(458,642)</u>	<u>(2,025,449)</u>
<u>(146,667)</u>	<u>31,321</u>	
<u>(3,774,588)</u>	<u>(2,130,245)</u>	<u>(4,114,721)</u>
9,766,293	12,507,286	40,318,714
		88,176
<u>\$ 5,991,705</u>	<u>\$ 10,377,041</u>	<u>\$ 36,292,169</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, 2020

Changes in fund balances - total governmental funds **\$ (4,114,721)**

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	\$ 7,903,332	
Less current year depreciation	<u>(7,317,349)</u>	585,983

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

Property taxes	(487,261)	
Intergovernmental	<u>(399,814)</u>	(887,075)

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	339,138	
Bond principal retirement	<u>2,390,000</u>	2,729,138

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	6,807,490	
Pension/OPEB expense	<u>(4,604,220)</u>	2,203,270

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	88,176	
Loss on disposal of assets	(10,741)	
Amortization of deferred bond items	104,368	
Compensated absences	<u>(149,461)</u>	32,342

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.

478,471

Changes in net position in governmental activities **\$ 1,027,408**

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, 2020

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 3,123,559
Accounts receivable	35,355
Total current assets	3,158,914
Total assets	3,158,914
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	447,729
Accrued payroll and employee benefits	9,178
Total current liabilities	456,907
Total liabilities	456,907
 <u>NET POSITION</u>	
Unrestricted	2,702,007
Total net position	\$ 2,702,007

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, 2020

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 12,410,932
Total operating revenues	12,410,932
Operating expenses:	
Claims	2,029
Adjustment to the prior year claims reserve	(2,411,199)
Premiums	14,040,126
Administrative fees	358,124
Total operating expenses	11,989,080
Operating income (loss)	421,852
Nonoperating revenues (expenses):	
Investment income	56,619
Total nonoperating revenues (expenses)	56,619
Changes in net position	478,471
Total net position, beginning of year	2,223,536
Total net position, end of year	\$ 2,702,007

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, 2020**

	Governmental Activities: Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 12,406,306
Cash payments to suppliers for goods and services	(12,851,247)
Cash payments for claims	(2,029)
Net cash provided by/used for operating activities	(446,970)
Cash flows from investing activities:	
Investment income	56,619
Net cash provided by/used for investing activities	56,619
Net increase/decrease in cash and cash equivalents	(390,351)
Cash and cash equivalents, beginning of year	3,513,910
Cash and cash equivalents, end of year	\$ 3,123,559
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ 421,852
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	(4,626)
Increase/decrease in prepaid items	1,255,704
Increase/decrease in accounts payable	282,121
Increase/decrease in claims payable	(2,411,199)
Increase/decrease in accrued payroll	9,178
Total adjustments	(868,822)
Net cash provided by/used for operating activities	\$ (446,970)

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, 2020

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.

During the year ended June 30, 2020, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes, and provides guidance as to how those activities should be reported. Student Activities reported in the prior year as fiduciary activities do not meet these new fiduciary activities criteria and have been reclassified as special revenue governmental funds. Beginning balances of the governmental funds and governmental activities have been restated by \$62,995 accordingly.

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

A. Reporting Entity

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, component units combined with the District for financial statement presentation purposes, and the District, are 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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District 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 or fiduciary activities.

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

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

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

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Property taxes, state, 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.

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.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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.

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.

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.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. 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.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

H. 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.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

N. Long-term Obligations

In the government-wide financial statements, 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.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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.

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>Food Service Fund</u>	<u>Debt Service Fund</u>	<u>Bond Building Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:					
Nonspendable:					
Inventory	\$ 284,236	\$ 95,109		\$	\$
Restricted:					
Debt service			258,211		
Capital projects					3,220,372
Bond building projects				5,991,705	
Voter approved initiatives					6,041,385
Federal and state projects					1,644,270
Food service		6,913,836			
Civic center					120,238
Community school					383,213
Extracurricular activities					311,463
Student activities					82,240
Other purposes					56,581
Unassigned	<u>12,372,031</u>				<u>(1,482,721)</u>
Total fund balances	<u>\$12,656,267</u>	<u>\$7,008,945</u>	<u>\$ 258,211</u>	<u>\$ 5,991,705</u>	<u>\$ 10,377,041</u>

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – RESTRICTED NET POSITION

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

	Governmental Activities
Restricted Net Position:	
Debt service	\$ 330,203
Capital projects	3,280,188
Voter approved initiatives	6,041,385
Federal and state projects	1,659,270
Food service	7,008,945
Civic center	120,238
Community school	383,213
Extracurricular activities	311,463
Student activities	82,420
Other local initiatives	56,581
Total	\$ 19,273,906

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	\$ 573,529
Professional Development and Technology Grants	100,437
Title IV Grants	57,619
Limited English & Immigrant Students	95,102
Special Education Grants	284,982
Other Federal Projects	74,461
Building Renewal Grant	296,591

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2020-21 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.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 \$9,244,101 and the bank balance was \$1,396,634. At year end, all 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

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:

	Average Maturities	Fair Value
County Treasurer’s investment pool	313 days	\$ 27,494,190
Arizona School Risk Retention Trust investment	135 days	759,854
Total		\$ 28,254,044

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 AA+ by Standard and Poor’s and AAA 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.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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>Food Service Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from federal government	\$ 62,819	\$ 320,520	\$ 1,173,309
Due from state government	10,970,754		5,190,754
Net due from governmental entities	<u>\$ 11,033,573</u>	<u>\$ 320,520</u>	<u>\$ 6,364,063</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	41,336	1,015,018	418,095	638,259
Total capital assets, not being depreciated	<u>8,749,255</u>	<u>1,015,018</u>	<u>418,095</u>	<u>9,346,178</u>
Capital assets, being depreciated:				
Land improvements	11,225,075	868,105		12,093,180
Buildings and improvements	167,976,235	5,451,210		173,427,445
Vehicles, furniture and equipment	22,437,331	987,094	846,633	22,577,792
Total capital assets being depreciated	<u>201,638,641</u>	<u>7,306,409</u>	<u>846,633</u>	<u>208,098,417</u>
Less accumulated depreciation for:				
Land improvements	(6,020,903)	(505,663)		(6,526,566)
Buildings and improvements	(85,660,383)	(5,656,494)		(91,316,877)
Vehicles, furniture and equipment	(16,795,576)	(1,155,192)	(835,892)	(17,114,876)
Total accumulated depreciation	<u>(108,476,862)</u>	<u>(7,317,349)</u>	<u>(835,892)</u>	<u>(114,958,319)</u>
Total capital assets, being depreciated, net	<u>93,161,779</u>	<u>(10,940)</u>	<u>10,741</u>	<u>93,140,098</u>
Governmental activities capital assets, net	<u>\$ 101,911,034</u>	<u>\$ 1,004,078</u>	<u>\$ 428,836</u>	<u>\$ 102,486,276</u>

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$2,897,698
Support services – students and staff	80,457
Support services – administration	444,667
Operation and maintenance of plant services	3,231,661
Student transportation services	437,591
Operation of non-instructional services	<u>225,275</u>
Total depreciation expense – governmental activities	<u>\$7,317,349</u>

Construction Commitments – At year end, the District had contractual commitments related to various improvement projects. At year end the District had spent \$638,259 on the projects and had estimated remaining contractual commitments of \$36,443. 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 \$18,000,000 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 \$10,807,000 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:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Redeemed</u>	<u>Ending Balance</u>
Revolving line of credit	<u>\$ 7,034,000</u>	<u>\$ 57,668,000</u>	<u>\$ 57,509,000</u>	<u>\$ 7,193,000</u>

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.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – OBLIGATIONS UNDER CAPITAL LEASES

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	(2,944,396)
Total	\$ 7,760,644

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:	
2021	\$ 498,395
2022	507,084
2023	516,038
2024	525,262
2025	534,768
2026-30	2,356,097
Total minimum lease payments	4,937,644
Less: amount representing interest	745,209
Present value of minimum lease payments	4,192,435
Due within one year	\$ 359,127

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$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. The District’s legal debt limit is \$75.9 million, and the available margin is \$43.9 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2020	Due Within One Year
Governmental activities:					
General obligation bonds:					
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	200,000
School Improvement Bonds,					
Project of 2018, Series A (2019)	8,305,000	5.00%	7/1/20-29	8,305,000	2,190,000
Total				<u>\$ 31,510,000</u>	<u>\$2,390,000</u>

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

Year ending June 30:	General Obligation Bonds	
	Principal	Interest
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	2,040,000	791,301
2026-20	9,345,000	2,857,024
2031-35	9,360,000	1,172,119
2036	2,075,000	34,238
Total	<u>\$ 31,510,000</u>	<u>\$ 9,020,636</u>

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 32,885,000		\$ 1,375,000	\$ 31,510,000	\$ 2,390,000
Premium	1,289,345		104,368	1,184,977	
Total bonds payable	<u>34,174,345</u>		<u>1,479,368</u>	<u>32,694,977</u>	<u>2,390,000</u>
Obligations under capital leases	4,531,573		339,138	4,192,435	359,127
Net OPEB liability	3,701,577	47,066		3,748,643	
Net pension liability	74,249,669	2,980,631		77,230,300	
Compensated absences payable	2,410,924	966,984	817,523	2,560,385	329,203
Governmental activity long-term liabilities	<u>\$119,068,088</u>	<u>\$ 3,994,681</u>	<u>\$ 2,636,029</u>	<u>\$ 120,426,740</u>	<u>\$ 3,078,330</u>

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds: At year end, several funds had negative cash balances in the Treasurer’s pooled cash accounts of \$2,925,237. Negative cash on deposit with County Treasurer was reduced by interfund borrowing with the General fund. All internal balances are expected to be paid within one year.

Interfund transfers:

	Transfers in			Total
	General Fund	Debt Service Fund	Non-Major Governmental Funds	
Transfers out				
General Fund	\$	\$	\$ 489,963	\$ 489,963
Bond Building Fund		146,667		146,667
Food Service Fund	930,177			930,177
Non-Major Governmental Funds	458,642			458,642
Total	<u>\$ 1,388,819</u>	<u>\$ 146,667</u>	<u>\$ 489,963</u>	<u>\$ 2,025,449</u>

Transfers between funds are used to (1) move investment income 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.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

NOTE 14 – PRIOR PERIOD ADJUSTMENTS

The July 1, 2019, government-wide net position and the fund balance of the General and Non-Major Governmental Funds do not agree to the prior year financial statements due to the implementation of the provisions of GASB Statement 84 *Fiduciary Activities* and due to the correction of an error in which the District made an adjustment to properly allocate cash balances between the General Fund and Unrestricted Capital Outlay Fund based on previous fiscal years' budget allocations.

	Statement of Activities	Governmental Funds	
		General Fund	Non-Major Governmental Funds
Net position/fund balance, June 30, 2019, as previously reported	\$ 25,106,835	\$13,272,032	\$ 9,872,062
Student Activities, GASB 84	62,995		62,995
Adjustment to properly allocate cash balances		(2,572,229)	2,572,229
Net position/fund balance, July 1, 2019, as restated	<u>\$ 25,169,830</u>	<u>\$10,699,803</u>	<u>\$ 12,507,286</u>

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 – 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. Further, the District joined the Valley Schools Workers' Compensation Pool (VSWCP) together with other districts in the state for the risks of loss related to workers' compensation. VSWCP is a public entity risk pool currently operating as a common risk management and insurance program for member school districts. The District, through the Workers' Compensation Fund, pays a lump-sum annual premium to VSWCP for workers' compensation insurance coverage. The agreement provides that VSWCP 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 Workers' Compensation Fund collects contributions and pays premiums on insurance.

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
JUNE 30, 2020

NOTE 16 – 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.

Aggregate Amounts. At June 30, 2020, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB	Total
Net liability	\$ 77,230,300	\$ 3,748,643	\$ 80,978,943
Deferred outflows of resources	8,224,698	195,901	8,420,599
Deferred inflows of resources	6,614,576	661,643	7,276,219
Expense	4,466,539	137,681	4,604,220
Contributions	6,503,057	304,433	6,807,490

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

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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – 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.

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.11 percent (11.94 percent for retirement and 0.17 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2020 were \$6,503,057.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.41 percent (10.29 for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2019. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2018, to the measurement date of June 30, 2019. The District's proportion of the net liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2019.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 77,230,300	0.531	(0.001)

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2020 was \$4,466,539.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,395,186	\$ 14,520
Changes of assumptions or other inputs	326,455	3,075,462
Net difference between projected and actual earnings on pension investments		1,735,870
Changes in proportion and differences between contributions and proportionate share of contributions		1,788,724
Contributions subsequent to the measurement date	6,503,057	
Total	\$ 8,224,698	\$ 6,614,576

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2021	\$	(2,888,500)
2022		(2,135,987)
2023		(333,361)
2024		464,913

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

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

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

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

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Net liability	\$ 109,916,606	\$ 77,230,300	\$ 49,912,961

Pension Plan Fiduciary Net Position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

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, 2020

NOTE 16 – 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 \$304,433 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 entitled to but not yet receiving benefit payments	68
Active employees	993
Total	1,061

Total OPEB Liability. The District’s total OPEB liability of \$3,748,643 was measured as of June 30, 2020. 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, 2020.

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, 2020
Actuarial valuation date	July 1, 2018
Discount rate	2.45%
Inflation rate	3.00%
Projected salary increases	3.00%
Health care cost trend rate:	
Medical and Prescription Drug	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

The discount rate is based on the index rate for a 20 year tax exempt general obligation municipal bond with an average rating of AA/Aa or higher. At June 30, 2020, the discount rate used to measure the total OPEB liability was 2.45 percent, which was a change from 3.13 percent used as of June 30, 2019.

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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	\$ 3,701,577
Changes for the year:	
Service cost	105,657
Interest	114,439
Changes in assumptions or other inputs	131,403
Benefit payments	<u>(304,433)</u>
Total OPEB Liability – end of year	<u><u>\$ 3,748,643</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:

	1% Decrease <u>(1.45%)</u>	Current Discount Rate <u>(2.45%)</u>	1% Increase <u>(3.45%)</u>
Total OPEB liability	\$ 3,952,198	\$ 3,748,643	\$ 3,557,403

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 <u>(4.25% decreasing to 4.00%)</u>	Current Healthcare Cost Trend Rates <u>(5.25% decreasing to 5.00%)</u>	1% Increase <u>(6.25% decreasing to 6.00%)</u>
Total OPEB liability	\$ 3,719,055	\$ 3,748,643	\$ 3,779,193

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2020, the District recognized OPEB expense of \$137,681. At June 30, 2020, the District reported no deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 661,643
Changes of assumptions or other inputs	195,901	
Total	\$ 195,901	\$ 661,643

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:		
2021	\$	(82,415)
2022		(82,415)
2023		(82,415)
2024		(82,415)
2025		(82,415)
Thereafter		(53,667)

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, 2020

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 4,810,253	\$ 4,810,253
Property taxes			13,518,574	13,518,574
State aid and grants			50,391,946	50,391,946
Total revenues			<u>68,720,773</u>	<u>68,720,773</u>
Expenditures:				
Current -				
Instruction	39,309,179	35,114,633	35,498,634	(384,001)
Support services - students and staff	7,976,736	7,976,736	7,886,289	90,447
Support services - administration	11,499,145	15,036,255	12,763,370	2,272,885
Operation and maintenance of plant services	10,336,456	10,236,456	9,866,372	370,084
Student transportation services	2,786,530	2,786,530	2,597,250	189,280
Operation of non-instructional services	164,654	164,654	237,587	(72,933)
Total expenditures	<u>72,072,700</u>	<u>71,315,264</u>	<u>68,849,502</u>	<u>2,465,762</u>
Excess (deficiency) of revenues over expenditures	<u>(72,072,700)</u>	<u>(71,315,264)</u>	<u>(128,729)</u>	<u>71,186,535</u>
Other financing sources (uses):				
Transfer out			(489,963)	(489,963)
Total other financing sources (uses)			<u>(489,963)</u>	<u>(489,963)</u>
Changes in fund balances	<u>(72,072,700)</u>	<u>(71,315,264)</u>	<u>(618,692)</u>	<u>70,696,572</u>
Fund balances, beginning of year			5,044,615	5,044,615
Increase (decrease) in reserve for prepaid items			1,669,000	1,669,000
Increase (decrease) in reserve for inventory			116,922	116,922
Fund balances (deficits), end of year	<u>\$ (72,072,700)</u>	<u>\$ (71,315,264)</u>	<u>\$ 6,211,845</u>	<u>\$ 77,527,109</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, 2020**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Other local	\$	\$ 210,527	\$ 210,527
Federal aid, grants and reimbursements		8,578,858	8,578,858
Total revenues		<u>8,789,385</u>	<u>8,789,385</u>
Expenditures:			
Current -			
Support services - students and staff		439	(439)
Support services - administration		6,075	(6,075)
Operation and maintenance of plant services		110,489	(110,489)
Operation of non-instructional services	8,280,000	6,946,002	1,333,998
Capital outlay		929,008	(929,008)
Total expenditures	<u>8,280,000</u>	<u>7,992,013</u>	<u>287,987</u>
Excess (deficiency) of revenues over expenditures	<u>(8,280,000)</u>	<u>797,372</u>	<u>9,077,372</u>
Other financing sources (uses):			
Transfer out		(930,177)	(930,177)
Total other financing sources (uses)		<u>(930,177)</u>	<u>(930,177)</u>
Changes in fund balances	<u>(8,280,000)</u>	<u>(132,805)</u>	<u>8,147,195</u>
Fund balances, beginning of year		7,170,496	7,170,496
Increase (decrease) in reserve for inventory		(28,746)	(28,746)
Fund balances (deficits), end of year	<u>\$ (8,280,000)</u>	<u>\$ 7,008,945</u>	<u>\$ 15,288,945</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 SIX FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension (assets) liability	0.53%	0.53%	0.55%	0.60%
District's proportionate share of the net pension (assets) liability	\$ 77,230,300	\$ 74,249,669	\$ 86,402,101	\$ 96,723,356
District's covered payroll	\$ 56,006,726	\$ 52,960,862	\$ 53,980,009	\$ 53,293,106
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	137.89%	140.20%	160.06%	181.49%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 6,503,057	\$ 6,261,552	\$ 5,772,734	\$ 5,819,045
Contributions in relation to the actuarially determined contribution	<u>6,503,057</u>	<u>6,261,552</u>	<u>5,772,734</u>	<u>5,819,045</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 56,795,258	\$ 56,006,726	\$ 52,960,862	\$ 53,980,009
Contributions as a percentage of covered payroll	11.45%	11.18%	10.90%	10.78%

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

See accompanying notes to this schedule.

<u>2016</u>	<u>2015</u>
June 30, 2015	June 30, 2014
0.59%	0.62%
\$ 92,468,191	\$ 91,880,675
\$ 54,628,310	\$ 55,888,206
169.27%	164.40%
68.35%	69.49%

<u>2016</u>	<u>2015</u>
\$ 5,782,302	\$ 5,949,023
<u>5,782,302</u>	<u>5,949,023</u>
<u>\$</u>	<u>\$</u>
\$ 53,293,106	\$ 54,628,310
10.85%	10.89%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30,2020	June 30, 2019	June 30, 2018
Total OPEB liability			
Service cost	\$ 105,657	\$ 98,008	\$ 135,524
Interest	114,439	129,617	165,233
Differences between expected and actual experience		(889,795)	
Changes of assumptions or other inputs	131,403	110,300	
Benefit payments	<u>(304,433)</u>	<u>(403,637)</u>	<u>(412,588)</u>
Net change in total OPEB liability	47,066	(955,507)	(111,831)
Total OPEB liability—beginning	<u>3,701,577</u>	<u>4,657,084</u>	<u>4,768,915</u>
Total OPEB liability—ending	<u><u>\$ 3,748,643</u></u>	<u><u>\$ 3,701,577</u></u>	<u><u>\$ 4,657,084</u></u>
Covered-employee payroll	\$ 25,689,831	\$ 26,971,283	\$ 21,869,145
Total OPEB liability as a percentage of covered-employee payroll	14.59%	13.72%	21.30%

NOTE: The OPEB schedule in the required supplementary information is 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, 2020

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 69,088,898	\$ 12,656,267
Activity budgeted as special revenue funds	(1,120,996)	(6,198,588)
Activity budgeted as capital projects funds		(245,834)
Current-year prepaid items	1,669,000	
Prior-year prepaid items	(787,400)	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 68,849,502	\$ 6,211,845

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, 2018, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

(This page intentionally left blank)

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

(This page intentionally left blank)

GOVERNMENTAL FUNDS

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 8,801,691	\$ 713,911	\$ 9,515,602
Property taxes receivable		59,816	59,816
Due from governmental entities	<u>2,145,251</u>	<u>4,218,812</u>	<u>6,364,063</u>
Total assets	<u><u>\$ 10,946,942</u></u>	<u><u>\$ 4,992,539</u></u>	<u><u>\$ 15,939,481</u></u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 37,774	\$ 111,117	\$ 148,891
Construction contracts payable		830,661	830,661
Due to other funds	1,858,073	1,067,164	2,925,237
Accrued payroll and employee benefits	470,954		470,954
Unearned revenues	212		212
Total liabilities	<u><u>2,367,013</u></u>	<u><u>2,008,942</u></u>	<u><u>4,375,955</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		59,816	59,816
Unavailable revenues - intergovernmental	<u>1,126,669</u>		<u>1,126,669</u>
Total deferred inflows of resources	<u><u>1,126,669</u></u>	<u><u>59,816</u></u>	<u><u>1,186,485</u></u>
Fund balances (deficits):			
Restricted	8,639,390	3,220,372	11,859,762
Unassigned	<u>(1,186,130)</u>	<u>(296,591)</u>	<u>(1,482,721)</u>
Total fund balances	<u><u>7,453,260</u></u>	<u><u>2,923,781</u></u>	<u><u>10,377,041</u></u>
 Total liabilities, deferred inflows of resources and fund balances	 <u><u>\$ 10,946,942</u></u>	 <u><u>\$ 4,992,539</u></u>	 <u><u>\$ 15,939,481</u></u>

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, 2020

	Special Revenue	Capital Projects	Total Non-Major Governmental Funds
Revenues:			
Other local	\$ 883,456	\$ 332,923	\$ 1,216,379
Property taxes		1,111,519	1,111,519
State aid and grants	8,700,536	4,886,307	13,586,843
Federal aid, grants and reimbursements	10,687,984		10,687,984
Total revenues	20,271,976	6,330,749	26,602,725
Expenditures:			
Current -			
Instruction	13,161,389		13,161,389
Support services - students and staff	6,754,163		6,754,163
Support services - administration	504,666		504,666
Operation and maintenance of plant services	316,531		316,531
Student transportation services	35,798		35,798
Operation of non-instructional services	244,178		244,178
Capital outlay	657,596	6,599,562	7,257,158
Debt service -			
Principal retirement		339,138	339,138
Interest and fiscal charges		151,270	151,270
Total expenditures	21,674,321	7,089,970	28,764,291
Excess (deficiency) of revenues over expenditures	(1,402,345)	(759,221)	(2,161,566)
Other financing sources (uses):			
Transfer in		489,963	489,963
Transfer out	(458,642)		(458,642)
Total other financing sources (uses)	(458,642)	489,963	31,321
Changes in fund balances	(1,860,987)	(269,258)	(2,130,245)
Fund balances, beginning of year, as restated	9,314,247	3,193,039	12,507,286
Fund balances, end of year	\$ 7,453,260	\$ 2,923,781	\$ 10,377,041

SPECIAL REVENUE FUNDS

Classroom Site - to account 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.

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.

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

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

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

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.

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

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020**

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,947,112	\$ 1,487,224	\$ 14,095
Due from governmental entities	473,744	282,364	
Total assets	\$ 4,420,856	\$ 1,769,588	\$ 14,095
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits	149,059		
Unearned revenues			
Total liabilities	149,059		
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	4,271,797	1,769,588	14,095
Unassigned			
Total fund balances	4,271,797	1,769,588	14,095
 Total liabilities, deferred inflows of resources and fund balances	 \$ 4,420,856	 \$ 1,769,588	 \$ 14,095

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>
\$ 14,104	\$ 3,611	\$	\$ 550	\$	\$ 707,762
573,529	100,437	57,619	95,102	284,982	61,640
<u>\$ 587,633</u>	<u>\$ 104,048</u>	<u>\$ 57,619</u>	<u>\$ 95,652</u>	<u>\$ 284,982</u>	<u>\$ 769,402</u>
\$ 20,136	\$	\$	\$	\$	\$
393,904	70,069	57,619	87,932	220,007	
173,593	33,979		7,720	64,975	
<u>587,633</u>	<u>104,048</u>	<u>57,619</u>	<u>95,652</u>	<u>284,982</u>	
<u>573,529</u>	<u>100,437</u>	<u>57,619</u>	<u>95,102</u>	<u>284,982</u>	
<u>(573,529)</u>	<u>(100,437)</u>	<u>(57,619)</u>	<u>(95,102)</u>	<u>(284,982)</u>	769,402
<u>(573,529)</u>	<u>(100,437)</u>	<u>(57,619)</u>	<u>(95,102)</u>	<u>(284,982)</u>	<u>769,402</u>
<u>\$ 587,633</u>	<u>\$ 104,048</u>	<u>\$ 57,619</u>	<u>\$ 95,652</u>	<u>\$ 284,982</u>	<u>\$ 769,402</u>

(Continued)

**GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020**

	Other Federal Projects	Gifted	Results-based Funding
<u>ASSETS</u>			
Cash and investments	\$ 40,000	\$ 212	\$ 822,981
Due from governmental entities			
Total assets	\$ 40,000	\$ 212	\$ 822,981
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 17,638	\$	\$
Due to other funds	96,823		
Accrued payroll and employee benefits			
Unearned revenues		212	
Total liabilities	114,461	212	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted			822,981
Unassigned	(74,461)		
Total fund balances	(74,461)		822,981
 Total liabilities, deferred inflows of resources and fund balances	 \$ 40,000	 \$ 212	 \$ 822,981

<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 738,346	\$ 120,238	\$ 415,261	\$ 311,463	\$ 4,959	\$ 17,536
215,834					
<u>\$ 954,180</u>	<u>\$ 120,238</u>	<u>\$ 415,261</u>	<u>\$ 311,463</u>	<u>\$ 4,959</u>	<u>\$ 17,536</u>
\$ 877,713	\$	\$	\$	\$	\$
9,580		32,048			
<u>887,293</u>	<u></u>	<u>32,048</u>	<u></u>	<u></u>	<u></u>
15,000					
51,887	120,238	383,213	311,463	4,959	17,536
<u>51,887</u>	<u>120,238</u>	<u>383,213</u>	<u>311,463</u>	<u>4,959</u>	<u>17,536</u>
<u>\$ 954,180</u>	<u>\$ 120,238</u>	<u>\$ 415,261</u>	<u>\$ 311,463</u>	<u>\$ 4,959</u>	<u>\$ 17,536</u>

(Continued)

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Litigation Recovery</u>	<u>Student Activities</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 19,991	\$ 136,246	\$ 8,801,691
Due from governmental entities			2,145,251
Total assets	<u>\$ 19,991</u>	<u>\$ 136,246</u>	<u>\$ 10,946,942</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 37,774
Due to other funds		54,006	1,858,073
Accrued payroll and employee benefits			470,954
Unearned revenues			212
Total liabilities		<u>54,006</u>	<u>2,367,013</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			<u>1,126,669</u>
Fund balances (deficits):			
Restricted	19,991	82,240	8,639,390
Unassigned			(1,186,130)
Total fund balances	<u>19,991</u>	<u>82,240</u>	<u>7,453,260</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,991</u>	<u>\$ 136,246</u>	<u>\$ 10,946,942</u>

(This page intentionally left blank)

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, 2020

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$ 156,970	\$ 71,484	\$
State aid and grants	5,684,925	517,194	
Federal aid, grants and reimbursements			
Total revenues	5,841,895	588,678	
Expenditures:			
Current -			
Instruction	8,906,929	236,011	
Support services - students and staff	399,224	11,197	
Support services - administration		1,204	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	9,306,153	248,412	
Excess (deficiency) of revenues over expenditures	(3,464,258)	340,266	
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(3,464,258)	340,266	
Fund balances (deficits), beginning of year, as restated	7,736,055	1,429,322	14,095
Fund balances (deficits), end of year	\$ 4,271,797	\$ 1,769,588	\$ 14,095

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>
\$	\$	\$	\$	\$	\$ 3,133
<u>5,935,337</u>	<u>475,468</u>	<u>412,247</u>	<u>388,379</u>	<u>2,833,234</u>	<u>244,221</u>
<u>5,935,337</u>	<u>475,468</u>	<u>412,247</u>	<u>388,379</u>	<u>2,833,234</u>	<u>247,354</u>
1,562,066		187,705	74,862	1,291,074	
4,028,770	490,994	120,104	317,266	1,032,845	
279,638	61,894	430	5,585	61,743	16,110
9,550					237,679
20,978		5,105			
		1,192			
<u>196,918</u>		<u>31,325</u>		<u>1,543</u>	
<u>6,097,920</u>	<u>552,888</u>	<u>345,861</u>	<u>397,713</u>	<u>2,387,205</u>	<u>253,789</u>
<u>(162,583)</u>	<u>(77,420)</u>	<u>66,386</u>	<u>(9,334)</u>	<u>446,029</u>	<u>(6,435)</u>
<u>(282,377)</u>	<u>(23,017)</u>	<u>(13,750)</u>	<u>(6,425)</u>	<u>(113,562)</u>	
<u>(282,377)</u>	<u>(23,017)</u>	<u>(13,750)</u>	<u>(6,425)</u>	<u>(113,562)</u>	
<u>(444,960)</u>	<u>(100,437)</u>	<u>52,636</u>	<u>(15,759)</u>	<u>332,467</u>	<u>(6,435)</u>
<u>(128,569)</u>		<u>(110,255)</u>	<u>(79,343)</u>	<u>(617,449)</u>	<u>775,837</u>
<u>\$ (573,529)</u>	<u>\$ (100,437)</u>	<u>\$ (57,619)</u>	<u>\$ (95,102)</u>	<u>\$ (284,982)</u>	<u>\$ 769,402</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, 2020

	<u>Other Federal Projects</u>	<u>Gifted</u>	<u>Results-based Funding</u>
Revenues:			
Other local	\$	\$	\$
State aid and grants		9,744	822,981
Federal aid, grants and reimbursements	<u>73,151</u>		
Total revenues	<u>73,151</u>	<u>9,744</u>	<u>822,981</u>
Expenditures:			
Current -			
Instruction	17,638	8,276	
Support services - students and staff	4,676	1,468	
Support services - administration			
Operation and maintenance of plant services	57,728		
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>80,042</u>	<u>9,744</u>	
Excess (deficiency) of revenues over expenditures	<u>(6,891)</u>		<u>822,981</u>
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(6,891)</u>		<u>822,981</u>
Fund balances (deficits), beginning of year, as restated	<u>(67,570)</u>		
Fund balances (deficits), end of year	<u>\$ (74,461)</u>	<u>\$</u>	<u>\$ 822,981</u>

<u>Other State Projects</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Fingerprint</u>	<u>Textbooks</u>
\$ 1,665,692	\$ 19,182	\$ 475,471	\$ 57,208	\$ 4,627	\$ 3,073
325,947					
<u>1,991,639</u>	<u>19,182</u>	<u>475,471</u>	<u>57,208</u>	<u>4,627</u>	<u>3,073</u>
489,848	6,050	370,118	9,590		
261,180		82,585	1,082		2,772
13,530	12,545			18,346	
	11,574				
			7,147		
212,347					
420,039		894	6,877		
<u>1,396,944</u>	<u>30,169</u>	<u>453,597</u>	<u>24,696</u>	<u>18,346</u>	<u>2,772</u>
<u>594,695</u>	<u>(10,987)</u>	<u>21,874</u>	<u>32,512</u>	<u>(13,719)</u>	<u>301</u>
<u>(19,511)</u>					
<u>(19,511)</u>					
<u>575,184</u>	<u>(10,987)</u>	<u>21,874</u>	<u>32,512</u>	<u>(13,719)</u>	<u>301</u>
(523,297)	131,225	361,339	278,951	18,678	17,235
<u>\$ 51,887</u>	<u>\$ 120,238</u>	<u>\$ 383,213</u>	<u>\$ 311,463</u>	<u>\$ 4,959</u>	<u>\$ 17,536</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, 2020

	<u>Litigation Recovery</u>	<u>Student Activities</u>	<u>Totals</u>
Revenues:			
Other local	\$ 38,634	\$ 53,674	\$ 883,456
State aid and grants			8,700,536
Federal aid, grants and reimbursements			10,687,984
Total revenues	<u>38,634</u>	<u>53,674</u>	<u>20,271,976</u>
Expenditures:			
Current -			
Instruction		1,222	13,161,389
Support services - students and staff			6,754,163
Support services - administration	33,641		504,666
Operation and maintenance of plant services			316,531
Student transportation services		2,568	35,798
Operation of non-instructional services		30,639	244,178
Capital outlay			657,596
Total expenditures	<u>33,641</u>	<u>34,429</u>	<u>21,674,321</u>
Excess (deficiency) of revenues over expenditures	<u>4,993</u>	<u>19,245</u>	<u>(1,402,345)</u>
Other financing sources (uses):			
Transfer out			(458,642)
Total other financing sources (uses)			<u>(458,642)</u>
Changes in fund balances	<u>4,993</u>	<u>19,245</u>	<u>(1,860,987)</u>
Fund balances (deficits), beginning of year, as restated	14,998	62,995	9,314,247
Fund balances, end of year	<u>\$ 19,991</u>	<u>\$ 82,240</u>	<u>\$ 7,453,260</u>

(This page intentionally left blank)

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, 2020

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 156,970	\$ 156,970
State aid and grants		5,684,925	5,684,925
Federal aid, grants and reimbursements			
Total revenues		5,841,895	5,841,895
Expenditures:			
Current -			
Instruction	14,297,578	8,906,929	5,390,649
Support services - students and staff	216,768	399,224	(182,456)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	14,514,346	9,306,153	5,208,193
Excess (deficiency) of revenues over expenditures	(14,514,346)	(3,464,258)	11,050,088
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(14,514,346)	(3,464,258)	11,050,088
Fund balances (deficits), beginning of year, as restated		7,736,055	7,736,055
Fund balances (deficits), end of year	\$ (14,514,346)	\$ 4,271,797	\$ 18,786,143

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 71,484	\$ 71,484	\$	\$	\$
	517,194	517,194			
	<u>588,678</u>	<u>588,678</u>			
469,660	236,011	233,649			
	11,197	(11,197)			
	1,204	(1,204)			
<u>469,660</u>	<u>248,412</u>	<u>221,248</u>			
<u>(469,660)</u>	<u>340,266</u>	<u>809,926</u>			
<u>(469,660)</u>	<u>340,266</u>	<u>809,926</u>			
	1,429,322	1,429,322		14,095	14,095
<u>\$ (469,660)</u>	<u>\$ 1,769,588</u>	<u>\$ 2,239,248</u>	<u>\$</u>	<u>\$ 14,095</u>	<u>\$ 14,095</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, 2020

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		5,935,337	5,935,337
Total revenues		<u>5,935,337</u>	<u>5,935,337</u>
Expenditures:			
Current -			
Instruction	7,454,722	1,562,066	5,892,656
Support services - students and staff		4,028,770	(4,028,770)
Support services - administration		279,638	(279,638)
Operation and maintenance of plant services		9,550	(9,550)
Student transportation services		20,978	(20,978)
Operation of non-instructional services			
Capital outlay		196,918	(196,918)
Total expenditures	<u>7,454,722</u>	<u>6,097,920</u>	<u>1,356,802</u>
Excess (deficiency) of revenues over expenditures	<u>(7,454,722)</u>	<u>(162,583)</u>	<u>7,292,139</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(282,377)	(282,377)
Total other financing sources (uses)		<u>(282,377)</u>	<u>(282,377)</u>
Changes in fund balances	<u>(7,454,722)</u>	<u>(444,960)</u>	<u>7,009,762</u>
Fund balances (deficits), beginning of year, as restated		(128,569)	(128,569)
Fund balances (deficits), end of year	<u>\$ (7,454,722)</u>	<u>\$ (573,529)</u>	<u>\$ 6,881,193</u>

<u>Professional Development and Technology Grants</u>			<u>Title IV Grants</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
	<u>475,468</u>	<u>475,468</u>		<u>412,247</u>	<u>412,247</u>
	<u>475,468</u>	<u>475,468</u>		<u>412,247</u>	<u>412,247</u>
863,927	490,994	372,933	708,305	187,705	520,600
	61,894	(61,894)		120,104	(120,104)
				430	(430)
				5,105	(5,105)
				1,192	(1,192)
				<u>31,325</u>	<u>(31,325)</u>
<u>863,927</u>	<u>552,888</u>	<u>311,039</u>	<u>708,305</u>	<u>345,861</u>	<u>362,444</u>
<u>(863,927)</u>	<u>(77,420)</u>	<u>786,507</u>	<u>(708,305)</u>	<u>66,386</u>	<u>774,691</u>
	<u>(23,017)</u>	<u>(23,017)</u>		<u>(13,750)</u>	<u>(13,750)</u>
	<u>(23,017)</u>	<u>(23,017)</u>		<u>(13,750)</u>	<u>(13,750)</u>
<u>(863,927)</u>	<u>(100,437)</u>	<u>763,490</u>	<u>(708,305)</u>	<u>52,636</u>	<u>760,941</u>
				(110,255)	(110,255)
<u>\$ (863,927)</u>	<u>\$ (100,437)</u>	<u>\$ 763,490</u>	<u>\$ (708,305)</u>	<u>\$ (57,619)</u>	<u>\$ 650,686</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, 2020

	Limited English & Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		388,379	388,379
Total revenues		388,379	388,379
Expenditures:			
Current -			
Instruction		74,862	(74,862)
Support services - students and staff	505,052	317,266	187,786
Support services - administration		5,585	(5,585)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	505,052	397,713	107,339
Excess (deficiency) of revenues over expenditures	(505,052)	(9,334)	495,718
Other financing sources (uses):			
Transfer in			
Transfer out		(6,425)	(6,425)
Total other financing sources (uses)		(6,425)	(6,425)
Changes in fund balances	(505,052)	(15,759)	489,293
Fund balances (deficits), beginning of year, as restated		(79,343)	(79,343)
Fund balances (deficits), end of year	\$ (505,052)	\$ (95,102)	\$ 409,950

Special Education Grants			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 4,325	\$ 4,325
	2,833,234	2,833,234		830,896	830,896
	2,833,234	2,833,234		835,221	835,221
2,990,134	1,291,074	1,699,060			
	1,032,845	(1,032,845)	650,000	134,033	515,967
	61,743	(61,743)		88,653	(88,653)
	1,543	(1,543)			
2,990,134	2,387,205	602,929	650,000	222,686	427,314
(2,990,134)	446,029	3,436,163	(650,000)	612,535	1,262,535
	(113,562)	(113,562)			
	(113,562)	(113,562)			
(2,990,134)	332,467	3,322,601	(650,000)	612,535	1,262,535
	(617,449)	(617,449)		2,448,752	2,448,752
\$ (2,990,134)	\$ (284,982)	\$ 2,705,152	\$ (650,000)	\$ 3,061,287	\$ 3,711,287

(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, 2020

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 3,133	\$ 3,133
State aid and grants			
Federal aid, grants and reimbursements		244,221	244,221
Total revenues		<u>247,354</u>	<u>247,354</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		16,110	(16,110)
Operation and maintenance of plant services	600,000	237,679	362,321
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>600,000</u>	<u>253,789</u>	<u>346,211</u>
Excess (deficiency) of revenues over expenditures	<u>(600,000)</u>	<u>(6,435)</u>	<u>593,565</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	<u>(600,000)</u>	<u>(6,435)</u>	<u>593,565</u>
Fund balances (deficits), beginning of year, as restated		775,837	775,837
Fund balances (deficits), end of year	<u>\$ (600,000)</u>	<u>\$ 769,402</u>	<u>\$ 1,369,402</u>

Other Federal Projects			Gifted		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	73,151	73,151		9,744	9,744
	<u>73,151</u>	<u>73,151</u>		<u>9,744</u>	<u>9,744</u>
256,706	17,638	239,068		8,276	(8,276)
	4,676	(4,676)		1,468	(1,468)
	57,728	(57,728)			
<u>256,706</u>	<u>80,042</u>	<u>176,664</u>	<u></u>	<u>9,744</u>	<u>(9,744)</u>
<u>(256,706)</u>	<u>(6,891)</u>	<u>249,815</u>	<u></u>	<u></u>	<u></u>
<u>(256,706)</u>	<u>(6,891)</u>	<u>249,815</u>	<u></u>	<u></u>	<u></u>
	(67,570)	(67,570)			
<u>\$ (256,706)</u>	<u>\$ (74,461)</u>	<u>\$ 182,245</u>	<u>\$</u>	<u>\$</u>	<u>\$</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, 2020

	Results-based Funding		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		822,981	822,981
Federal aid, grants and reimbursements			
Total revenues		822,981	822,981
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		822,981	822,981
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances		822,981	822,981
Fund balances (deficits), beginning of year, as restated			
Fund balances (deficits), end of year	\$	\$ 822,981	\$ 822,981

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,665,692	1,665,692		168,240	168,240
	325,947	325,947			
	1,991,639	1,991,639		168,240	168,240
380,553	489,848	(109,295)			
	261,180	(261,180)			
	13,530	(13,530)	70,000		70,000
	212,347	(212,347)			
	420,039	(420,039)		5,750	(5,750)
380,553	1,396,944	(1,016,391)	70,000	5,750	64,250
(380,553)	594,695	975,248	(70,000)	162,490	232,490
	(19,511)	(19,511)			
	(19,511)	(19,511)			
(380,553)	575,184	955,737	(70,000)	162,490	232,490
	(523,297)	(523,297)		354,633	354,633
\$ (380,553)	\$ 51,887	\$ 432,440	\$ (70,000)	\$ 517,123	\$ 587,123

(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, 2020

	Civic Center		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 19,182	\$ 19,182
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	35,000	19,182	19,182
Expenditures:			
Current -			
Instruction		6,050	(6,050)
Support services - students and staff			
Support services - administration	35,000	12,545	22,455
Operation and maintenance of plant services		11,574	(11,574)
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	35,000	30,169	4,831
Excess (deficiency) of revenues over expenditures	(35,000)	(10,987)	24,013
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(35,000)	(10,987)	24,013
Fund balances (deficits), beginning of year, as restated		131,225	131,225
Fund balances (deficits), end of year	\$ (35,000)	\$ 120,238	\$ 155,238

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 475,471	\$ 475,471	\$	\$ 53,161	\$ 53,161
	<u>475,471</u>	<u>475,471</u>		<u>53,161</u>	<u>53,161</u>
402,000	370,118	31,882		8,292	(8,292)
	82,585	(82,585)		109	(109)
				462	(462)
				776	(776)
			25,000	27,208	(2,208)
	894	(894)			
<u>402,000</u>	<u>453,597</u>	<u>(51,597)</u>	<u>25,000</u>	<u>36,847</u>	<u>(11,847)</u>
<u>(402,000)</u>	<u>21,874</u>	<u>423,874</u>	<u>(25,000)</u>	<u>16,314</u>	<u>41,314</u>
<u>(402,000)</u>	<u>21,874</u>	<u>423,874</u>	<u>(25,000)</u>	<u>16,314</u>	<u>41,314</u>
	361,339	361,339		64,681	64,681
<u>\$ (402,000)</u>	<u>\$ 383,213</u>	<u>\$ 785,213</u>	<u>\$ (25,000)</u>	<u>\$ 80,995</u>	<u>\$ 105,995</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, 2020

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 57,208	\$ 57,208
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		57,208	57,208
Expenditures:			
Current -			
Instruction	200,000	9,590	190,410
Support services - students and staff		1,082	(1,082)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		7,147	(7,147)
Operation of non-instructional services			
Capital outlay		6,877	(6,877)
Total expenditures	200,000	24,696	175,304
Excess (deficiency) of revenues over expenditures	(200,000)	32,512	232,512
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	(200,000)	32,512	232,512
Fund balances (deficits), beginning of year, as restated		278,951	278,951
Fund balances (deficits), end of year	\$ (200,000)	\$ 311,463	\$ 511,463

Gifts and Donations			Fingerprint		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 205,508	\$ 205,508	\$	\$ 4,627	\$ 4,627
	<u>205,508</u>	<u>205,508</u>		<u>4,627</u>	<u>4,627</u>
80,000	42,074	37,926			
	15,713	(15,713)			
	13,361	(13,361)	5,000	18,346	(13,346)
	105	(105)			
	4,560	(4,560)			
	409	(409)			
	5,524	(5,524)			
<u>80,000</u>	<u>81,746</u>	<u>(1,746)</u>	<u>5,000</u>	<u>18,346</u>	<u>(13,346)</u>
<u>(80,000)</u>	<u>123,762</u>	<u>203,762</u>	<u>(5,000)</u>	<u>(13,719)</u>	<u>(8,719)</u>
<u>(80,000)</u>	<u>123,762</u>	<u>203,762</u>	<u>(5,000)</u>	<u>(13,719)</u>	<u>(8,719)</u>
	471,734	471,734		18,678	18,678
<u>\$ (80,000)</u>	<u>\$ 595,496</u>	<u>\$ 675,496</u>	<u>\$ (5,000)</u>	<u>\$ 4,959</u>	<u>\$ 9,959</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, 2020

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 3,073	\$ 3,073
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>5,000</u>	<u>3,073</u>	<u>3,073</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	5,000	2,772	2,228
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>5,000</u>	<u>2,772</u>	<u>2,228</u>
Excess (deficiency) of revenues over expenditures	<u>(5,000)</u>	<u>301</u>	<u>5,301</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)	<u></u>	<u></u>	<u></u>
Changes in fund balances	<u>(5,000)</u>	<u>301</u>	<u>5,301</u>
Fund balances (deficits), beginning of year, as restated		17,235	17,235
Fund balances (deficits), end of year	<u>\$ (5,000)</u>	<u>\$ 17,536</u>	<u>\$ 22,536</u>

Litigation Recovery			Indirect Costs		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 38,634	\$ 38,634	\$	\$ 6,417	\$ 6,417
	<u>38,634</u>	<u>38,634</u>		<u>6,417</u>	<u>6,417</u>
	33,641	(33,641)	1,300,000	229,031	(229,031)
	<u>33,641</u>	<u>(33,641)</u>	<u>1,300,000</u>	<u>773,967</u>	<u>526,033</u>
	<u>4,993</u>	<u>4,993</u>	<u>(1,300,000)</u>	<u>(767,550)</u>	<u>532,450</u>
				1,388,819	1,388,819
				<u>1,388,819</u>	<u>1,388,819</u>
	<u>4,993</u>	<u>4,993</u>	<u>(1,300,000)</u>	<u>621,269</u>	<u>1,921,269</u>
	14,998	14,998		1,317,210	1,317,210
<u>\$</u>	<u>\$ 19,991</u>	<u>\$ 19,991</u>	<u>\$ (1,300,000)</u>	<u>\$ 1,938,479</u>	<u>\$ 3,238,479</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, 2020

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 241	\$ 241
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		241	241
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		241	241
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances		241	241
Fund balances (deficits), beginning of year, as restated		4,967	4,967
Fund balances (deficits), end of year	\$	\$ 5,208	\$ 5,208

Student Activities			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 53,674	\$ 53,674	\$	\$ 1,321,348	\$ 1,321,348
				8,700,536	8,700,536
				11,518,880	11,518,880
	<u>53,674</u>	<u>53,674</u>		<u>21,540,764</u>	<u>21,540,764</u>
	1,222	(1,222)	27,239,658	13,211,755	14,027,903
			2,240,747	7,133,049	(4,892,302)
			1,340,000	1,152,078	187,922
			670,000	316,636	353,364
	2,568	(2,568)		41,134	(41,134)
	30,639	(30,639)	25,000	271,795	(246,795)
				668,870	(668,870)
	<u>34,429</u>	<u>(34,429)</u>	<u>31,515,405</u>	<u>22,795,317</u>	<u>8,720,088</u>
	19,245	19,245	<u>(31,515,405)</u>	<u>(1,254,553)</u>	<u>30,260,852</u>
				1,388,819	1,388,819
				<u>(458,642)</u>	<u>(458,642)</u>
				<u>930,177</u>	<u>930,177</u>
	19,245	19,245	<u>(31,515,405)</u>	<u>(324,376)</u>	<u>31,191,029</u>
	62,995	62,995		13,976,224	13,976,224
<u>\$</u>	<u>\$ 82,240</u>	<u>\$ 82,240</u>	<u>\$ (31,515,405)</u>	<u>\$ 13,651,848</u>	<u>\$ 45,167,253</u>

(This page intentionally left blank)

DEBT SERVICE FUND

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

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2020

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 48,478	\$ 48,478
Property taxes		3,603,443	3,603,443
Total revenues		<u>3,651,921</u>	<u>3,651,921</u>
Expenditures:			
Debt service -			
Principal retirement	2,170,000	2,390,000	(220,000)
Interest and fiscal charges		1,325,213	(1,325,213)
Total expenditures	<u>2,170,000</u>	<u>3,715,213</u>	<u>(1,545,213)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,170,000)</u>	<u>(63,292)</u>	<u>2,106,708</u>
Other financing sources (uses):			
Transfer in		146,667	146,667
Total other financing sources (uses)		<u>146,667</u>	<u>146,667</u>
Changes in fund balances	<u>(2,170,000)</u>	<u>83,375</u>	<u>2,253,375</u>
Fund balances, beginning of year		174,836	174,836
Fund balances (deficits), end of year	<u>\$ (2,170,000)</u>	<u>\$ 258,211</u>	<u>\$ 2,428,211</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, 2020**

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Condemnation</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,073	\$ 456,368	\$ 15,623
Property taxes receivable	59,816		
Due from governmental entities	<u>4,218,812</u>		
Total assets	<u><u>\$ 4,279,701</u></u>	<u><u>\$ 456,368</u></u>	<u><u>\$ 15,623</u></u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Construction contracts payable	830,661		
Due to other funds	<u>881,690</u>		
Total liabilities	<u><u>1,712,351</u></u>		
Deferred inflows of resources:			
Unavailable revenues - property taxes	<u>59,816</u>		
Fund balances (deficits):			
Restricted	2,507,534	456,368	15,623
Unassigned			
Total fund balances	<u><u>2,507,534</u></u>	<u><u>456,368</u></u>	<u><u>15,623</u></u>
 Total liabilities, deferred inflows of resources and fund balances	 <u><u>\$ 4,279,701</u></u>	 <u><u>\$ 456,368</u></u>	 <u><u>\$ 15,623</u></u>

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 240,847	\$	\$ 713,911
		59,816
		<u>4,218,812</u>
<u>\$ 240,847</u>	<u>\$</u>	<u>\$ 4,992,539</u>
\$	\$ 111,117	\$ 111,117
		830,661
	<u>185,474</u>	<u>1,067,164</u>
	<u>296,591</u>	<u>2,008,942</u>
		<u>59,816</u>
240,847		3,220,372
	(296,591)	(296,591)
<u>240,847</u>	<u>(296,591)</u>	<u>2,923,781</u>
<u>\$ 240,847</u>	<u>\$</u>	<u>\$ 4,992,539</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, 2020

	Unrestricted Capital Outlay	Adjacent Ways	Gifts and Donations - Capital
Revenues:			
Other local	\$ 323,414	\$ 8,784	\$
Property taxes	1,111,477	42	
State aid and grants	4,701,592		
Total revenues	6,136,483	8,826	
Expenditures:			
Capital outlay	6,298,722	3,523	128
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	6,298,722	3,523	128
Excess (deficiency) of revenues over expenditures	(162,239)	5,303	(128)
Other financing sources (uses):			
Transfer in			
Total other financing sources (uses)			
Changes in fund balances	(162,239)	5,303	(128)
Fund balances (deficits), beginning of year, as restated	2,669,773	451,065	128
Fund balances (deficits), end of year	\$ 2,507,534	\$ 456,368	\$

<u>Condemnation</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>Totals</u>
\$ 725	\$	\$	\$ 332,923
			1,111,519
		184,715	4,886,307
<u>725</u>		<u>184,715</u>	<u>6,330,749</u>
		297,189	6,599,562
	339,138		339,138
	151,270		151,270
	<u>490,408</u>	<u>297,189</u>	<u>7,089,970</u>
<u>725</u>	<u>(490,408)</u>	<u>(112,474)</u>	<u>(759,221)</u>
	489,963		489,963
	<u>489,963</u>		<u>489,963</u>
<u>725</u>	<u>(445)</u>	<u>(112,474)</u>	<u>(269,258)</u>
14,898	241,292	(184,117)	3,193,039
<u>\$ 15,623</u>	<u>\$ 240,847</u>	<u>\$ (296,591)</u>	<u>\$ 2,923,781</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, 2020

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 40,023	\$ 40,023
Property taxes			
State aid and grants			
Total revenues		40,023	40,023
Expenditures:			
Capital outlay			
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures			
Excess (deficiency) of revenues over expenditures		40,023	40,023
Other financing sources (uses):			
Transfer in			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances		40,023	40,023
Fund balances (deficits), beginning of year, as restated		205,811	205,811
Fund balances (deficits), end of year	\$	\$ 245,834	\$ 245,834

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 323,414	\$ 323,414	\$	\$ 8,784	\$ 8,784
	1,111,477	1,111,477		42	42
	4,701,592	4,701,592			
	6,136,483	6,136,483		8,826	8,826
8,643,219	6,298,722	2,344,497	558,000	3,523	554,477
8,643,219	6,298,722	2,344,497	558,000	3,523	554,477
(8,643,219)	(162,239)	8,480,980	(558,000)	5,303	563,303
(8,643,219)	(162,239)	8,480,980	(558,000)	5,303	563,303
	2,669,773	2,669,773		451,065	451,065
\$ (8,643,219)	\$ 2,507,534	\$ 11,150,753	\$ (558,000)	\$ 456,368	\$ 1,014,368

(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, 2020

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 146,668	\$ 146,668
Property taxes			
State aid and grants			
Total revenues	9,656,174	146,668	146,668
Expenditures:			
Capital outlay	9,656,174	3,774,589	5,881,585
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	9,656,174	3,774,589	5,881,585
Excess (deficiency) of revenues over expenditures	(9,656,174)	(3,627,921)	6,028,253
Other financing sources (uses):			
Transfer in			
Transfer out		(146,667)	(146,667)
Total other financing sources (uses)		(146,667)	(146,667)
Changes in fund balances	(9,656,174)	(3,774,588)	5,881,586
Fund balances (deficits), beginning of year, as restated		9,766,293	9,766,293
Fund balances (deficits), end of year	\$ (9,656,174)	\$ 5,991,705	\$ 15,647,879

Gifts and Donations - Capital			Condemnation		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 725	\$ 725
				725	725
	128	(128)			
	128	(128)			
	(128)	(128)		725	725
	(128)	(128)		725	725
	128	128		14,898	14,898
\$	\$	\$	\$	\$ 15,623	\$ 15,623

(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, 2020

	Energy and Water Savings		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Total revenues			
Expenditures:			
Capital outlay			
Debt service -			
Principal retirement	339,138	339,138	
Interest and fiscal charges	150,825	151,270	(445)
Total expenditures	489,963	490,408	(445)
Excess (deficiency) of revenues over expenditures	(489,963)	(490,408)	(445)
Other financing sources (uses):			
Transfer in		489,963	489,963
Transfer out			
Total other financing sources (uses)		489,963	489,963
Changes in fund balances	(489,963)	(445)	489,518
Fund balances (deficits), beginning of year, as restated		241,292	241,292
Fund balances (deficits), end of year	\$ (489,963)	\$ 240,847	\$ 730,810

Building Renewal Grant			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 519,614	\$ 519,614
	184,715	184,715		1,111,519	1,111,519
	<u>184,715</u>	<u>184,715</u>		<u>4,886,307</u>	<u>4,886,307</u>
				<u>6,517,440</u>	<u>6,517,440</u>
200,000	297,189	(97,189)	19,057,393	10,374,151	8,683,242
			339,138	339,138	
			150,825	151,270	(445)
<u>200,000</u>	<u>297,189</u>	<u>(97,189)</u>	<u>19,547,356</u>	<u>10,864,559</u>	<u>8,682,797</u>
<u>(200,000)</u>	<u>(112,474)</u>	<u>87,526</u>	<u>(19,547,356)</u>	<u>(4,347,119)</u>	<u>15,200,237</u>
				489,963	489,963
				(146,667)	(146,667)
				<u>343,296</u>	<u>343,296</u>
<u>(200,000)</u>	<u>(112,474)</u>	<u>87,526</u>	<u>(19,547,356)</u>	<u>(4,003,823)</u>	<u>15,543,533</u>
	(184,117)	(184,117)		13,165,143	13,165,143
<u>\$ (200,000)</u>	<u>\$ (296,591)</u>	<u>\$ (96,591)</u>	<u>\$ (19,547,356)</u>	<u>\$ 9,161,320</u>	<u>\$ 28,708,676</u>

(This page intentionally left blank)

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, 2020

	<u>Employee Benefit Trust</u>	<u>Property and Casualty Insurance</u>	<u>Workers' Compensation</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 1,200,931	\$ 1,463,644	\$ 458,984
Accounts receivable			35,355
Total current assets	<u>1,200,931</u>	<u>1,463,644</u>	<u>494,339</u>
Total assets	<u>1,200,931</u>	<u>1,463,644</u>	<u>494,339</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable		50,910	396,819
Accrued payroll and employee benefits			9,178
Total current liabilities		<u>50,910</u>	<u>405,997</u>
Total liabilities		<u>50,910</u>	<u>405,997</u>
<u>NET POSITION</u>			
Unrestricted	<u>1,200,931</u>	<u>1,412,734</u>	<u>88,342</u>
Total net position	<u>\$ 1,200,931</u>	<u>\$ 1,412,734</u>	<u>\$ 88,342</u>

Totals

\$ 3,123,559
35,355
3,158,914
3,158,914

447,729
9,178
456,907
456,907

2,702,007
\$ 2,702,007

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, 2020

	Employee Benefit Trust	Property and Casualty Insurance	Workers' Compensation
Operating revenues:			
Contributions	\$ 11,703,500	\$	\$ 707,432
Total operating revenues	11,703,500		707,432
Operating expenses:			
Claims		2,029	
Adjustment to the prior year claims reserve			(2,411,199)
Premiums	11,617,092	50,000	2,373,034
Administrative fees	172,280	23,437	162,407
Total operating expenses	11,789,372	75,466	124,242
Operating income (loss)	(85,872)	(75,466)	583,190
Nonoperating revenues (expenses):			
Investment income		56,619	
Total nonoperating revenues (expenses)		56,619	
Changes in net position	(85,872)	(18,847)	583,190
Total net position, beginning of year	1,286,803	1,431,581	(494,848)
Total net position, end of year	\$ 1,200,931	\$ 1,412,734	\$ 88,342

Totals

\$ 12,410,932
12,410,932

2,029
(2,411,199)
14,040,126
358,124
11,989,080

421,852

56,619
56,619

478,471

2,223,536

\$ 2,702,007

GLENDALE ELEMENTARY SCHOOL DISTRICT NO. 40
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2020

	Employee Benefit Trust	Property and Casualty Insurance	Workers' Compensation	Totals
<u>Increase/Decrease in Cash and Cash Equivalents</u>				
Cash flows from operating activities:				
Cash received from contributions	\$ 11,703,500	\$	\$ 702,806	\$ 12,406,306
Cash payments to suppliers for goods and services	(11,798,499)	(22,527)	(1,030,221)	(12,851,247)
Cash payments for claims		(2,029)		(2,029)
Net cash provided by/used for operating activities	(94,999)	(24,556)	(327,415)	(446,970)
Cash flows from investing activities:				
Investment income		56,619		56,619
Net cash provided by/used for investing activities		56,619		56,619
Net increase/decrease in cash and cash equivalents	(94,999)	32,063	(327,415)	(390,351)
Cash and cash equivalents, beginning of year	1,295,930	1,431,581	786,399	3,513,910
Cash and cash equivalents, end of year	\$ 1,200,931	\$ 1,463,644	\$ 458,984	\$ 3,123,559
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>				
Operating income/(loss)	\$ (85,872)	\$ (75,466)	\$ 583,190	\$ 421,852
Adjustments to reconcile operating income/loss to net cash used for operating activities:				
Changes in assets and liabilities:				
Increase/decrease in accounts receivable			(4,626)	(4,626)
Increase/decrease in prepaid items			1,255,704	1,255,704
Increase/decrease in accounts payable	(9,127)	50,910	240,338	282,121
Increase/decrease in claims payable			(2,411,199)	(2,411,199)
Increase/decrease in accrued payroll			9,178	9,178
Total adjustments	(9,127)	50,910	(910,605)	(868,822)
Net cash provided by/used for operating activities	\$ (94,999)	\$ (24,556)	\$ (327,415)	\$ (446,970)

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)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Net investment in capital assets	\$ 70,759,908	\$ 72,971,409	\$ 76,747,583	\$ 81,384,752	\$ 83,412,489
Restricted	19,273,906	19,139,413	17,732,618	17,382,994	17,760,388
Unrestricted	(63,836,576)	(67,003,987)	(74,584,417)	(80,137,221)	(81,301,820)
Total net position	\$ 26,197,238	\$ 25,106,835	\$ 19,895,784	\$ 18,630,525	\$ 19,871,057
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 84,170,691	\$ 87,850,548	\$ 89,626,529	\$ 95,822,434	\$ 95,384,578
Restricted	18,455,081	20,372,245	13,570,969	14,784,172	16,298,487
Unrestricted	(86,766,628)	8,663,918	15,241,805	11,611,066	11,232,290
Total net position	\$ 15,859,144	\$ 116,886,711	\$ 118,439,303	\$ 122,217,672	\$ 122,915,355

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)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Instruction	\$ 52,211,651	\$ 50,035,469	\$ 48,165,529	\$ 53,942,060	\$ 52,243,313
Support services - students and staff	14,939,831	14,210,632	13,410,721	15,137,877	14,025,208
Support services - administration	12,801,283	12,202,848	11,913,674	11,196,749	10,797,687
Operation and maintenance of plant services	14,509,535	13,025,084	12,026,393	14,627,617	11,346,700
Student transportation services	3,754,934	3,941,114	3,575,652	3,681,787	3,325,446
Operation of non-instructional services	7,773,070	8,776,749	8,672,064	8,816,725	8,678,699
Interest on long-term debt	1,372,115	1,040,650	1,103,878	1,164,485	1,086,361
Total expenses	<u>107,362,419</u>	<u>103,232,546</u>	<u>98,867,911</u>	<u>108,567,300</u>	<u>101,503,414</u>
Program Revenues					
Charges for services:					
Instruction	680,631	463,163	568,179	571,534	425,730
Operation of non-instructional services	263,090	392,942	440,994	597,535	847,132
Other activities	168,472	127,315	102,773	94,123	91,878
Operating grants and contributions	19,830,031	21,315,245	19,579,768	21,680,168	19,956,640
Capital grants and contributions	1,578,833	2,639,967	1,937,614	3,504,038	1,031,798
Total program revenues	<u>22,521,057</u>	<u>24,938,632</u>	<u>22,629,328</u>	<u>26,447,398</u>	<u>22,353,178</u>
Net (Expense)/Revenue	<u>\$ (84,841,362)</u>	<u>\$ (78,293,914)</u>	<u>\$ (76,238,583)</u>	<u>\$ (82,119,902)</u>	<u>\$ (79,150,236)</u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Instruction	\$ 55,095,759	\$ 54,643,170	\$ 54,248,239	\$ 52,497,853	\$ 53,768,778
Support services - students and staff	14,302,169	13,100,639	12,243,142	11,834,923	12,446,219
Support services - administration	9,776,591	9,796,711	10,088,769	9,778,466	10,154,165
Operation and maintenance of plant services	12,637,537	11,173,402	11,785,046	10,969,615	11,248,879
Student transportation services	3,456,430	3,620,762	3,672,479	3,360,539	3,164,751
Operation of non-instructional services	8,119,498	8,018,795	7,392,236	7,243,818	7,161,374
Interest on long-term debt	1,070,476	599,495	719,177	203,941	529,198
Total expenses	<u>104,458,460</u>	<u>100,952,974</u>	<u>100,149,088</u>	<u>95,889,155</u>	<u>98,473,364</u>
Program Revenues					
Charges for services:					
Instruction	1,082,402	756,394	751,913	472,974	336,213
Operation of non-instructional services	619,358	937,036	993,809	1,119,836	1,084,788
Other activities	39,676	157,470	106,599	99,869	133,894
Operating grants and contributions	18,961,403	18,626,593	18,851,127	21,081,644	19,154,448
Capital grants and contributions	712,098	2,659,579	364,873	254,346	2,032,192
Total program revenues	<u>21,414,937</u>	<u>23,137,072</u>	<u>21,068,321</u>	<u>23,028,669</u>	<u>22,741,535</u>
Net (Expense)/Revenue	<u>\$ (83,043,523)</u>	<u>\$ (77,815,902)</u>	<u>\$ (79,080,767)</u>	<u>\$ (72,860,486)</u>	<u>\$ (75,731,829)</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)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (Expense)/Revenue	\$ (84,841,362)	\$ (78,293,914)	\$ (76,238,583)	\$ (82,119,902)	\$ (79,150,236)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	13,110,920	13,098,372	14,334,947	10,203,240	11,395,695
Property taxes, levied for debt service	3,624,997	2,253,998	2,240,669	1,949,047	2,360,840
Property taxes, levied for capital outlay	1,010,358	1,241,153		2,990,313	228,072
Investment income	574,151	404,976	264,906	151,632	153,902
Unrestricted county aid	5,237,076	5,529,727	5,698,182	5,892,882	5,749,777
Unrestricted state aid	61,480,372	60,231,028	57,195,603	59,015,658	58,805,556
Unrestricted federal aid	830,896	745,711	653,418	676,598	643,984
Total general revenues	<u>85,868,770</u>	<u>83,504,965</u>	<u>80,387,725</u>	<u>80,879,370</u>	<u>79,337,826</u>
Changes in Net Position	<u>\$ 1,027,408</u>	<u>\$ 5,211,051</u>	<u>\$ 4,149,142</u>	<u>\$ (1,240,532)</u>	<u>\$ 187,590</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (83,043,523)	\$ (77,815,902)	\$ (79,080,767)	\$ (72,860,486)	\$ (75,731,829)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	13,264,342	13,266,463	15,666,536	14,414,972	12,253,977
Property taxes, levied for debt service	2,156,103	2,484,911	2,015,030	4,187,332	5,302,064
Property taxes, levied for capital outlay	450,120	615,441		486,171	1,526,486
Investment income	131,780	116,504	121,740	149,095	231,127
Unrestricted county aid	5,521,491	5,060,611	4,970,420	4,994,144	4,888,635
Unrestricted state aid	55,933,568	54,558,478	52,375,773	47,782,348	47,013,071
Unrestricted federal aid	336,991	160,902	152,899	148,741	846,491
Total general revenues	<u>77,794,395</u>	<u>76,263,310</u>	<u>75,302,398</u>	<u>72,162,803</u>	<u>72,061,851</u>
Changes in Net Position	<u>\$ (5,249,128)</u>	<u>\$ (1,552,592)</u>	<u>\$ (3,778,369)</u>	<u>\$ (697,683)</u>	<u>\$ (3,669,978)</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)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Nondspendable	\$ 284,236	\$ 167,314	\$ 313,400	\$ 388,427	\$ 1,097,808
Unassigned	12,372,031	13,104,718	15,063,630	9,203,292	8,811,449
Total General Fund	\$ 12,656,267	\$ 13,272,032	\$ 15,377,030	\$ 9,591,719	\$ 9,909,257
All Other Governmental Funds:					
Nondspendable	\$ 95,109	\$ 123,855	\$ 140,338	\$ 128,734	\$ 124,599
Restricted	25,023,514	28,570,432	20,313,073	20,796,113	24,789,042
Unassigned	(1,482,721)	(1,710,600)	(4,368,369)	(448,128)	
Total all other governmental funds	\$ 23,635,902	\$ 26,983,687	\$ 16,085,042	\$ 20,476,719	\$ 24,913,641

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nondisposable	\$ 288,876	\$ 329,801	\$ 364,792	\$ 406,386	\$ 471,958
Unassigned	6,450,866	4,592,433	8,136,432	6,341,838	2,479,155
Total General Fund	<u>\$ 6,739,742</u>	<u>\$ 4,922,234</u>	<u>\$ 8,501,224</u>	<u>\$ 6,748,224</u>	<u>\$ 2,951,113</u>
All Other Governmental Funds:					
Nondisposable	\$ 125,264	\$ 111,329	\$ 104,803	\$ 105,403	\$ 99,727
Restricted	19,651,493	27,389,210	16,152,660	23,863,547	11,434,713
Assigned					3,511,216
Total all other governmental funds	<u>\$ 19,776,757</u>	<u>\$ 27,500,539</u>	<u>\$ 16,257,463</u>	<u>\$ 23,968,950</u>	<u>\$ 15,045,656</u>

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

(Concluded)

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

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Federal sources:					
Federal grants	\$ 11,518,880	\$ 14,348,299	\$ 9,868,715	\$ 14,203,030	\$ 11,823,432
National School Lunch Program	8,578,858	9,671,827	9,445,144	9,430,946	9,305,604
Total federal sources	<u>20,097,738</u>	<u>24,020,126</u>	<u>19,313,859</u>	<u>23,633,976</u>	<u>21,129,036</u>
State sources:					
State equalization assistance	54,610,153	53,008,736	49,958,830	52,995,226	53,043,485
State grants	2,498,417	1,322,637	166,738	416,775	188,371
School Facilities Board	184,715	371,300	621,333	1,630,457	343,982
Other revenues	6,685,504	6,850,992	6,615,266	6,020,432	5,534,951
Total state sources	<u>63,978,789</u>	<u>61,553,665</u>	<u>57,362,167</u>	<u>61,062,890</u>	<u>59,110,789</u>
Local sources:					
Property taxes	18,233,536	16,849,351	16,530,280	15,284,860	14,285,963
County aid	5,237,076	5,529,727	5,698,182	5,892,882	5,749,777
Food service sales	141,084	179,046	248,098	449,956	543,508
Investment income	517,532	327,540	218,477	119,077	123,644
Other revenues	1,014,528	1,039,242	1,079,952	997,659	1,019,385
Total local sources	<u>25,143,756</u>	<u>23,924,906</u>	<u>23,774,989</u>	<u>22,744,434</u>	<u>21,722,277</u>
Total revenues	<u><u>\$ 109,220,283</u></u>	<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>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 11,082,383	\$ 12,701,907	\$ 11,008,799	\$ 12,163,741	\$ 13,980,690
State Fiscal Stabilization (ARRA)					574,080
Education Jobs				2,203,544	
National School Lunch Program	8,564,709	8,454,999	7,938,858	7,310,508	6,835,921
Total federal sources	<u>19,647,092</u>	<u>21,156,906</u>	<u>18,947,657</u>	<u>21,677,793</u>	<u>21,390,691</u>
State sources:					
State equalization assistance	50,791,316	49,513,493	48,095,263	44,464,166	43,871,512
State grants	856,526	86,008	354,958	312,000	458,083
School Facilities Board			29,201		
Other revenues	4,920,400	5,044,985	4,251,309	3,329,205	3,195,210
Total state sources	<u>56,568,242</u>	<u>54,644,486</u>	<u>52,730,731</u>	<u>48,105,371</u>	<u>47,524,805</u>
Local sources:					
Property taxes	15,989,622	16,270,322	17,714,319	19,660,720	18,963,803
County aid	5,521,491	5,066,136	4,983,625	4,994,144	4,888,635
Food service sales	619,358	550,311	576,280	622,922	683,223
Investment income	115,473	95,669	99,766	115,582	158,667
Other revenues	1,122,500	1,301,014	1,325,982	1,120,377	924,190
Total local sources	<u>23,368,444</u>	<u>23,283,452</u>	<u>24,699,972</u>	<u>26,513,745</u>	<u>25,618,518</u>
Total revenues	<u>\$ 99,583,778</u>	<u>\$ 99,084,844</u>	<u>\$ 96,378,360</u>	<u>\$ 96,296,909</u>	<u>\$ 94,534,014</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)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures:					
Current -					
Instruction	\$ 48,710,389	\$ 49,074,286	\$ 44,877,312	\$ 48,061,271	\$ 47,879,507
Support services - students and staff	15,019,777	15,191,578	13,917,578	14,590,536	13,931,803
Support services - administration	12,252,523	11,634,636	10,978,585	10,473,631	10,496,684
Operation and maintenance of plant services	11,080,897	10,188,791	8,929,724	10,895,579	9,917,218
Student transportation services	2,638,384	2,832,195	2,624,591	2,765,256	2,744,174
Operation of non-instructional services	7,455,384	8,731,291	8,599,952	8,616,078	8,557,004
Capital outlay	11,972,029	9,168,680	6,383,278	13,332,405	7,356,157
Debt service -					
Interest and fiscal charges	1,476,483	1,072,325	1,135,553	1,196,160	1,118,036
Principal retirement	2,729,138	1,695,079	1,626,911	1,559,598	1,766,772
Bond issuance costs		58,245			188,867
Total expenditures	<u>\$ 113,335,004</u>	<u>\$ 109,647,106</u>	<u>\$ 99,073,484</u>	<u>\$ 111,490,514</u>	<u>\$ 103,956,222</u>
Expenditures for capitalized assets	\$ 7,903,332	\$ 4,028,398	\$ 2,821,009	\$ 6,549,172	\$ 4,249,032
Debt service as a percentage of noncapital expenditures	4%	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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 48,089,239	\$ 48,124,124	\$ 48,248,493	\$ 47,908,458	\$ 47,019,180
Support services - students and staff	13,605,404	12,347,215	11,675,846	11,527,929	11,694,235
Support services - administration	8,925,621	8,947,644	9,338,542	9,162,925	9,172,055
Operation and maintenance of plant services	9,984,870	8,749,186	9,719,124	9,018,317	9,117,666
Student transportation services	2,657,581	2,905,384	2,925,043	2,795,894	2,459,300
Operation of non-instructional services	7,911,364	7,856,634	7,240,793	7,151,369	6,776,614
Capital outlay	14,073,476	11,116,074	9,490,543	4,339,814	5,139,856
Debt service -					
Interest and fiscal charges	1,087,538	599,495	719,177	377,273	529,198
Principal retirement	1,920,319	3,410,588	3,266,704	1,028,668	4,695,267
Bond issuance costs		261,879		91,775	
Total expenditures	<u>\$ 108,255,412</u>	<u>\$ 104,318,223</u>	<u>\$ 102,624,265</u>	<u>\$ 93,402,422</u>	<u>\$ 96,603,371</u>
Expenditures for capitalized assets	\$ 8,801,284	\$ 9,076,485	\$ 5,867,933	\$ 2,015,217	\$ 2,922,527
Debt service as a percentage of noncapital expenditures	3%	4%	4%	2%	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)

	Fiscal Year Ended June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ (4,114,721)	\$ (148,409)	\$ 1,377,531	\$ (4,049,214)	\$ (1,994,120)
Other financing sources (uses):					
General obligation bonds issued		8,305,000			9,200,000
Premium on sale of bonds		799,625			292,252
Capital lease agreements					
Transfers in	2,025,449	1,629,554	1,786,071	1,327,592	1,772,938
Transfers out	(2,025,449)	(1,629,554)	(1,786,071)	(1,327,592)	(1,772,938)
Insurance recoveries			79,526		
Total other financing sources (uses)		<u>9,104,625</u>	<u>79,526</u>		<u>9,492,252</u>
Changes in fund balances	<u>\$ (4,114,721)</u>	<u>\$ 8,956,216</u>	<u>\$ 1,457,057</u>	<u>\$ (4,049,214)</u>	<u>\$ 7,498,132</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (8,671,634)	\$ (5,233,379)	\$ (6,245,905)	\$ 2,894,487	\$ (2,069,357)
Other financing sources (uses):					
General obligation bonds issued		9,485,000		9,600,000	
Premium on sale of bonds		341,230		265,107	
Capital lease agreements	2,792,350	3,099,700	329,612	20,707	
Proceeds from sale of capital assets					
Transfers in	1,273,122	6,676,435	1,156,628	1,088,537	1,351,717
Transfers out	(1,273,122)	(6,676,435)	(1,156,628)	(1,088,537)	(1,351,717)
Total other financing sources (uses)	<u>2,792,350</u>	<u>12,925,930</u>	<u>329,612</u>	<u>9,885,814</u>	
Changes in fund balances	<u>\$ (5,879,284)</u>	<u>\$ 7,692,551</u>	<u>\$ (5,916,293)</u>	<u>\$ 12,780,301</u>	<u>\$ (2,069,357)</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 90,132,171	\$ 86,339,938	\$ 81,755,287	\$ 78,667,253	\$ 76,594,131
Agricultural and Vacant	8,420,549	5,956,829	5,841,070	6,214,596	6,352,344
Residential (Owner Occupied)	125,870,552	116,338,582	107,011,703	101,472,013	96,817,880
Residential (Rental)	83,595,210	76,936,629	72,638,952	69,492,031	66,312,151
Railroad, Private Cars and Airlines	1,554,901	1,488,597	1,499,704	1,422,687	1,512,721
Historical Property	436,347	403,123	373,624	353,029	341,783
Certain Government Property Improvements	29,699		6,467		
Total	\$ 310,039,429	\$ 287,463,698	\$ 269,126,807	\$ 257,621,609	\$ 247,931,010
Gross Full Cash Value	\$ 5,356,521,059	\$ 4,789,441,600	\$ 4,266,907,150	\$ 3,967,564,174	\$ 3,530,094,241
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6%	6%	6%	6%	7%
Total Direct Rate	6.18	6.06	6.38	6.07	5.84

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 77,090,042	\$ 78,614,664	\$ 93,847,732	\$ 110,457,990	\$ 135,429,535
Agricultural and Vacant	6,005,171	6,523,254	7,944,499	12,342,328	17,268,180
Residential (Owner Occupied)	93,267,420	86,428,656	105,709,656	123,907,998	181,738,121
Residential (Rental)	61,734,316	54,686,655	51,014,000	63,263,130	77,938,802
Railroad, Private Cars and Airlines	1,610,083	1,479,206	1,566,518	1,380,945	1,358,047
Historical Property	316,605	271,696	271,584	194,170	198,955
Total	\$ 240,023,637	\$ 228,004,131	\$ 260,353,989	\$ 311,546,561	\$ 413,931,640
Gross Full Cash Value	\$ 2,823,219,255	\$ 2,484,617,655	\$ 2,708,959,264	\$ 3,139,025,381	\$ 4,258,014,849
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	9%	10%	10%	10%
Total Direct Rate	6.47	7.30	6.94	6.41	4.78

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 115,331,503	\$ 109,767,134	\$ 101,932,745	\$ 92,263,728	\$ 83,247,435
Agricultural and Vacant	12,653,822	8,925,425	8,127,519	7,947,611	7,362,908
Residential (Owner Occupied)	219,353,738	200,313,297	171,928,673	161,907,035	145,441,647
Residential (Rental)	156,038,177	131,539,036	115,985,313	103,726,176	92,093,195
Railroad, Private Cars and Airlines	1,872,316	1,754,146	1,726,167	1,514,818	1,539,893
Historical Property	739,637	681,724	615,534	573,664	513,804
Certain Government Property Improvements	37,182		7,222		
Total	\$ 506,026,375	\$ 452,980,762	\$ 400,323,173	\$ 367,933,032	\$ 330,198,882
Gross Full Cash Value	\$ 5,356,521,059	\$ 4,789,441,600	\$ 4,266,907,150	\$ 3,967,564,174	\$ 3,530,094,241
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	9%	9%	9%	9%	9%
Estimated Net Full Cash Value	\$ 4,282,152,819	\$ 3,803,643,144	\$ 3,348,691,125	\$ 3,073,046,828	\$ 2,708,719,693
Total Direct Rate	6.18	6.06	6.38	6.07	5.84

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 78,004,327	\$ 78,993,175	\$ 94,017,472	\$ 111,314,908	\$ 153,504,991
Agricultural and Vacant	6,374,412	6,586,197	8,105,545	12,460,286	22,156,675
Residential (Owner Occupied)	104,830,854	86,746,516	105,844,638	123,976,619	182,216,745
Residential (Rental)	69,804,574	55,389,682	51,175,139	63,436,996	81,238,979
Railroad, Private Cars and Airlines	1,624,879	1,492,879	1,596,052	1,537,638	1,617,320
Historical Property	369,472	299,083	271,682	194,170	201,527
Total	\$ 261,008,518	\$ 229,507,532	\$ 261,010,528	\$ 312,920,617	\$ 440,936,237
Gross Full Cash Value	\$ 2,823,219,255	\$ 2,484,617,655	\$ 2,708,959,264	\$ 3,139,025,381	\$ 4,258,014,849
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	9%	9%	10%	10%	10%
Estimated Net Full Cash Value	\$ 2,065,961,053	\$ 1,755,543,127	\$ 1,986,566,110	\$ 2,382,298,733	\$ 3,363,993,072
Total Direct Rate	6.47	7.30	6.94	6.41	4.78

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

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	19 %	20 %	20 %	20 %	21 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	16	15	15	15	17

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

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

**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
	2020	0.46	1.40	1.33	1.86	2.13	0.16	3.96	2.03	4.15
2019	0.47	1.40	1.38	1.98	2.14	0.15	4.11	2.02	4.04	6.06
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	6.06
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	6.46
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

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

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

<u>Taxpayer</u>	<u>2020</u>		<u>2011</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Arizona Public Service Company	\$ 3,579,570	1.15 %	\$ 152,436,932	3.58 %
Qwest Corporation	3,079,385	0.99	95,805,334	2.25
Southwest Gas Corp.	3,167,197	1.02	27,677,097	0.65
Wal-Mart Stores Inc	2,713,417	0.88		
Don Sanderson Ford Inc	2,498,743	0.81		
FSC Olive Tree Associates LLC	2,407,369	0.78		
San Martin Apartments L P	1,843,032	0.59		
Lowe's HIW Inc	1,615,727	0.52		
BNSF Railway Compnay	1,554,902	0.50		
Wasatch Pool Holdings III LLC	1,434,291	0.46		
RK Northern Greens Apartments LLC	1,366,032	0.44		
TP Racing LLP			25,548,089	0.60
Metrocenter Associates LLC			22,141,677	0.52
Metropolitan Life Insurance Company			20,865,273	0.49
VHS of Arrowhead Inc.			17,457,861	0.41
Transwestern Phoenix Corporate Center			17,032,059	0.40
Metrorising Ams Owner LLC			16,180,456	0.38
Bell Towne Centre Associates LLC			14,903,052	0.35
Fred Meyer Inc.				
Total	<u>\$ 25,259,665</u>	<u>8.14 %</u>	<u>\$ 410,047,830</u>	<u>9.63 %</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**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 19,077,190	\$ 18,153,728	95.16 %	\$	\$ 18,153,728	95.16 %
2019	17,512,877	16,719,816	95.47	771,418	17,491,234	99.88
2018	17,228,645	16,454,553	95.51	766,339	17,220,892	99.95
2017	15,710,783	14,895,112	94.81	808,684	15,703,796	99.96
2016	14,513,731	14,106,898	97.20	400,618	14,507,516	99.96
2015	16,428,610	15,689,896	95.50	733,033	16,422,929	99.97
2014	16,728,428	15,980,478	95.53	741,027	16,721,505	99.96
2013	18,154,808	17,175,781	94.61	968,790	18,144,571	99.94
2012	19,689,549	18,563,747	94.28	1,012,909	19,576,656	99.43
2011	20,367,146	18,921,189	92.90	1,441,769	20,362,958	99.98

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	
2020	\$ 32,694,977	\$ 330,203	\$ 32,364,774	0.60 %	\$ 290	\$ 4,192,435	\$ 36,887,412	0.69 %	\$ 327	0.0165 %	
2019	34,174,345	225,274	33,949,071	0.71	141	4,531,573	38,705,918	0.72	160	0.0184	
2018	26,426,395	131,091	26,295,304	0.62	107	4,851,652	31,278,047	0.58	127	0.0159	
2017	27,733,070	126,950	27,606,120	0.70	113	5,153,563	32,886,633	0.61	134	0.0197	
2016	29,174,745	430,808	28,743,937	0.81	124	5,438,161	34,612,906	0.65	147	0.0197	
2015	21,364,168	198,423	21,165,745	0.75	92	5,794,933	27,159,101	0.51	117	0.0161	
2014	24,711,230	595,430	24,115,800	0.97	105	3,272,902	27,984,132	0.52	119	0.0189	
2013	18,060,000	1,930,280	16,129,720	0.60	79	253,790	18,313,790	0.34	80	0.0124	
2012	19,075,000	3,605,377	15,469,623	0.49	84	15,882	19,090,882	0.36	84	0.0134	
2011	9,475,000	342,632	9,132,368	0.21	42	8,843	9,483,843	0.18	42	0.0067	

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, 2020**

<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	\$ 312,450,000	\$ 43,194,326,395	0.71 %	\$ 2,218,395
Maricopa County Special Health Care District	459,125,000	43,194,326,395	0.71	3,259,788
City of Glendale	116,100,000	1,413,253,839	21.79	25,298,190
Western Maricopa Education Center No. 402	169,545,000	15,925,613,792	1.94	3,289,173
Glendale Union High School District No. 205	117,260,000	1,658,960,201	18.23	21,376,498
Subtotal, Overlapping Debt				<u>55,442,044</u>
Direct:				
Glendale Elementary School District No. 40				<u>36,887,412</u>
Total Direct and Overlapping Debt				<u>\$ 92,329,456</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		10.44 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 779	
As a Percentage of Net Limited Assessed Valuation		28.32 %
As a Percentage of Estimated Gross Full Cash Value		1.64 %

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, 2019 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 2020:

Net full cash assessed valuation	506,026,375
Debt limit (10% of assessed value)	50,602,638
Debt applicable to limit	<u>32,043,731</u>
Legal debt margin	<u>\$ 18,558,907</u>

Total Legal Debt Margin Calculation for Fiscal Year 2020:

Net full cash assessed valuation	\$ 506,026,375
Debt limit (15% of assessed value)	75,903,956
Debt applicable to limit	<u>32,043,731</u>
Legal debt margin	<u>\$ 43,860,225</u>

Fiscal Year Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 75,903,956	\$ 67,947,114	\$ 60,048,476	\$ 55,189,955	\$ 49,529,832
Total net debt applicable to limit	<u>32,043,731</u>	<u>33,580,000</u>	<u>26,426,395</u>	<u>27,180,000</u>	<u>28,590,000</u>
Legal debt margin	<u>\$ 43,860,225</u>	<u>\$ 34,367,114</u>	<u>\$ 33,622,081</u>	<u>\$ 28,009,955</u>	<u>\$ 20,939,832</u>
Total net debt applicable to the limit as a percentage of debt limit	42%	49%	44%	49%	58%
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 33,019,888	\$ 34,426,130	\$ 39,151,579	\$ 46,938,093	\$ 66,140,436
Total net debt applicable to limit	<u>21,364,168</u>	<u>24,711,230</u>	<u>18,060,000</u>	<u>19,075,000</u>	<u>9,475,000</u>
Legal debt margin	<u>\$ 11,655,720</u>	<u>\$ 9,714,900</u>	<u>\$ 21,091,579</u>	<u>\$ 27,863,093</u>	<u>\$ 56,665,436</u>
Total net debt applicable to the limit as a percentage of debt limit	65%	72%	46%	41%	14%

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

- Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year.
- 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>
2019	4,367,835	\$ 222,943,072	\$ 49,704	3.6 %	112,734
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

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information for 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019, the source of the information is the Arizona Office of Employment and Population Statistics. 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>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health Systems	45,894	1.57 %	28,220	1.69 %
State of Arizona	37,040	1.27	49,282	2.96
Wal-Mart Stores Inc	33,619	1.15	30,608	1.84
Wells Fargo Company	16,700	0.57	13,100	0.79
City of Phoenix	14,821	0.51	15,544	0.93
Arizona State University	14,889	0.51	12,221	0.73
Maricopa County	13,595	0.47	12,458	0.75
Raytheon Co.	13,000	0.45	12,000	0.72
Intel Corp	10,400	0.36	-	-
Bank of America	10,000	0.34	12,000	0.72
Apollo Group Inc			13,000	0.78
Total	<u>209,958</u>	<u>7.20 %</u>	<u>198,433</u>	<u>11.91 %</u>
Total employment	<u>2,915,600</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

	Full-time Equivalent Employees as of June 30				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Supervisory					
Consultants/supervisors of instruction	16	16	17	20	24
Principals	18	17	17	17	18
Assistant principals	17	17	17	17	17
Total supervisory	<u>51</u>	<u>50</u>	<u>51</u>	<u>54</u>	<u>59</u>
Instruction					
Teachers	562	607	551	626	700
Other professionals (instructional)	60	64	52	62	55
Aides	119	129	118	134	127
Total instruction	<u>741</u>	<u>800</u>	<u>721</u>	<u>822</u>	<u>882</u>
Student Services					
Librarians	17	17	16	1	1
Technicians	48	58	64	72	83
Total student services	<u>65</u>	<u>75</u>	<u>80</u>	<u>73</u>	<u>84</u>
Support and Administration					
Service workers	326	322	333	316	352
Unskilled laborers	68	85	72	115	124
Total support and administration	<u>394</u>	<u>407</u>	<u>405</u>	<u>431</u>	<u>476</u>
Total	<u><u>1,251</u></u>	<u><u>1,332</u></u>	<u><u>1,257</u></u>	<u><u>1,380</u></u>	<u><u>1,501</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Consultants/supervisors of instruction	30	31	56	57	54
Principals	18	19	19	17	17
Assistant principals	17	17	16	16	17
Total supervisory	<u>65</u>	<u>67</u>	<u>91</u>	<u>90</u>	<u>88</u>
Instruction					
Teachers	721	731	720	695	682
Other teachers (adult)					
Other professionals (instructional)	62	55	22	57	56
Aides	143	142	140	117	120
Total instruction	<u>926</u>	<u>928</u>	<u>882</u>	<u>869</u>	<u>858</u>
Student Services					
Librarians	1	1	1	1	6
Technicians	90	87	83	32	27
Total student services	<u>91</u>	<u>88</u>	<u>84</u>	<u>33</u>	<u>33</u>
Support and Administration					
Service workers	374	369	382	334	303
Unskilled laborers	129	126	131	85	117
Total support and administration	<u>503</u>	<u>495</u>	<u>513</u>	<u>419</u>	<u>420</u>
Total	<u><u>1,585</u></u>	<u><u>1,578</u></u>	<u><u>1,570</u></u>	<u><u>1,411</u></u>	<u><u>1,399</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**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2020	10,811	\$ 97,157,354	\$ 8,987	4.28 %	\$ 107,362,419	\$ 9,931	9.00 %	562	19.2	93.3 %
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

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**

	Fiscal Year Ended June 30									
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Schools</u>										
<u>Elementary</u>										
Buildings	180	180	180	180	180	180	180	178	175	175
Square feet	1,411,702	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
Capacity	17,635	17,635	17,635	17,635	17,635	17,635	17,635	17,524	17,524	17,524
Enrollment	10,811	11,331	13,126	13,126	13,690	13,989	13,989	13,760	13,318	13,023
<u>Administrative</u>										
Buildings	10	10	10	10	9	9	9	9	9	9
Square feet	137,113	137,113	137,113	137,113	133,135	133,135	133,135	133,135	133,135	133,135
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	51	51	51	50	53	52	48	48	48	48

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