

Comprehensive Annual **FINANCIAL REPORT**

For The Year Ended June 30, 2019



Paradise Valley™
Unified School District

Phoenix, Arizona

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69

PHOENIX, ARIZONA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

BOARD OF EDUCATION

Julie Bacon.....	President
Nancy Case	Member
Susan Matura	Member
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Sue M. Skidmore, Ed.D	Member

SUPERINTENDENT

Dr. James P. Lee

Prepared by:

Business Operations Office

Laura L. Felten, Assistant Superintendent for Business Operations

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69

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INTRODUCTORY SECTION

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December 12, 2019

Citizens and Governing Board
Paradise Valley Unified School District No. 69
15002 North 32nd Street
Phoenix, Arizona 85032-4441

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 Paradise Valley Unified School District No. 69 (District) for the fiscal year ended June 30, 2019.

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

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

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to not only report 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. The Paradise Valley Unified School District offers a premiere education to students in kindergarten through grade 12. The District has 29 elementary schools offering free, full-day kindergarten through grade 6; one kindergarten through grade 8 school, seven middle schools with grades 7 and 8; five high schools, grades 9 through 12; two alternative schools and one comprehensive online school serving kindergarten through grade 12. The district offers a variety of education programs including Kindergarten through grade 12 International Baccalaureate; Advancement Via Individual Determination, Core Knowledge®; Science, Technology, Engineering, Math (STEM), gifted and special education, foreign language immersion (Mandarin and Spanish), fine arts including the North Valley Arts Academies (5 through 12) at Desert Cove Elementary, Shea Middle and Shadow Mountain High School, career and technical education, before- after-school programs, sports and extracurricular activities, and pre-K programs.

The District is located in 98 square miles of northeast metropolitan Phoenix and a portion of north Scottsdale. With more than 31,000 students, the District is the seventh-largest school district in the state of Arizona. The District employs 104 administrators, over 2,100 certified classroom teachers and other instructional personnel, 111 student support workers and 952 support personnel.

Vision:

Our students will be the leaders of tomorrow with the skills, knowledge and confidence to realize their dreams in an ever-changing world.

Mission:

To cultivate world-class thinkers.

Goals:

1. To work collaboratively to engage students in individualized, rigorous, and authentic learning opportunities so that they may reach their highest potentials.
2. To create a culturally proficient climate that ensures equity and access for all in PVSchools.

We believe:

- Every member of our community plays a valuable role in the success of our students by supporting a positive, student-focused learning environment.
- It is vital to ensure equity and access to a high quality educational experience for all.
- The essential skills for success are collaboration, creativity, communication and critical thinking.
- A collaborative and inclusive culture is critical to reach our goals.
- Lifelong learning is essential.

PVSchools' faculty and staff received numerous awards during the 2018-19 school year, including 2019 Air Force Association (AF) Teacher of the Year Award, 2019 Maricopa County Exemplary Principals Award, and 2019 Administrator/Regional Leader of the Year Award from the Arizona Community Education Association.

PVSchools students also received numerous awards during the 2018-19 school year, including four National Merit Finalists (2019 Scholarship Program), five National Hispanic Scholars, several athletic State Championships, including 5A Bous Baseball State Championship, Division II Girls Track & Field State Championship, Division III Girls Track & Field State Championship, 6A Boys Basketball State Championship, 4A Girls Basketball State Championship, 4A Boys Basketball State Championship, 5A Northeast Valley Girls 135 lbs. State Wrestling Championship, and Division II State Wrestling Championship 160 lbs.

Our schools were recognized both locally and nationally for achieving high academic standards. According to the College Board's 2018 ACT scores, PVSchools' high school students continue to outperform state averages. Additionally, Horizon High School was recognized on the 2019 *U.S. News and World Report Best High School List*.

PVSchools' graduating class of 2019 submitted more than 2,260 scholarship applications to post-secondary institutions, and these recent graduates were awarded scholarships worth more than \$58.7 million collectively.

Scholarships awarded by schools:

- Horizon High School: \$14.9 million
- Pinnacle High School: \$21.8 million
- North Canyon High School: \$5.1 million
- Paradise Valley High School: \$11.6 million
- Shadow Mountain High School: \$4.9 million
- PVOnline: \$102,000

PVSchools graduates have been accepted into hundreds of colleges and universities throughout the United States, including Arizona State University – Barrett Honors College, Brigham Young University, Cornell University, Duke University, Fordham University, New York University, Northern Arizona University, Pepperdine University, Seton Hall University, University of Arizona, University of California, University of Hawaii at Monoa, University of Miami, and Yale University.

The 2018-19 school year included the fifth administration of AzMERIT, Arizona's statewide achievement assessment for English Language Arts (ELA) and Mathematics. AzMERIT assessments are administered to all students in grades three through eight, and to those students completing the first three years of high school English and Math courses (English 9, 10 and 11; and Algebra 1; Geometry and Algebra 2). In 2018-19, 6 grade levels increased their passing rate on AzMERIT math, and 6 grade levels increased their passing rate on AzMERIT ELA. All grade levels (3rd-8th) in PVUSD surpassed the state average passing rate in ELA and 5 grade levels in PVUSD surpassed the state average passing rate in math.

In reference to school letter grades, 9 of 36 Elementary/Middle schools received an A on Arizona's A-F Letter Grades, 14 of 36 Elementary/Middle schools received a B on Arizona's A-F Letter Grades, 2 of 5 High Schools received an A and 2 High Schools received a B on Arizona's A-F Letter grades, and no schools received an F. The passing rates for PVUSD high school EOC test (ELA 9, ELA 10, ELA 11, Algebra I, Geometry, Algebra II) were above the state average.

The District's Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). Management of the District is independent of other state or local governments. The County Treasurer collects taxes for the District, but exercises no control over its expenditures/expenses. The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

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

The annual expenditure budget serves as the foundation for the District's financial planning and control. The objective of 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 over expenditures 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 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 economy is based on several major industries and commercial activity. Manufacturing and tourism have traditionally been the basis of the economy of Phoenix, the rest of Maricopa County, and continue to be important. Major industrial products manufactured by companies include aircraft parts, electronic equipment, agricultural chemicals and Native American crafts. Tourism is an especially vital part of the Phoenix economy. The economy relies on a combination of warm climate, a substantial well educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment.

A few of the major financial and banking firms represented in the Phoenix metropolitan area include American Express, Chase Bank, Bank of America, Discover Card Services and Wells Fargo Bank. Many Fortune 500 companies operate within the Phoenix area such as Boeing, Bank of America, Time Warner Telecom, IBM and Intel. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, 11 private colleges and graduate schools, and one state university.

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. The County's population is estimated at over 4.2 million people and makes up more than half of Arizona's population. Maricopa County is the fastest-growing county in the United States, with more than 81,000 people added between July 2017-2018.

Tourism and business services in particular now account for nearly 77 percent of the area's total employment. 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 of high technology companies continues to be the third largest employer in Phoenix. Other factors aiding economic growth include continued major expansions of the Sky Harbor International, a favorable business climate and the presence of a well-developed and expanding transportation infrastructure including interstate highways, a large quantity of companies that provide motor freight service, rail service and wide-body freight service through American Airlines and US Airways.

The District's financial condition reflected that of the local economy. While assessed values in the District (as well as state and county-wide) fell from highs in fiscal year 2009-2010 through fiscal year 2013-2014 following the Great Recession, values have subsequently risen. For net limited assessed value in the District (i.e., the restricted value used for both primary and secondary taxes after fiscal year 2014-2015 per Proposition 117 approved by voters in 2012), values have risen since fiscal year 2013-14 by approximately 22.8% to \$3.38 billion after falling approximately 32% from the \$4.1 billion high in fiscal year 2009-10. For net full cash value (i.e., the unrestricted value used for determining debt capacity and for secondary property taxes through fiscal year 2014-15), values have risen since fiscal year 2013-14 by approximately 52.8% to \$4.23 billion after falling approximately 42% from \$4.8 billion high in fiscal year 2009-10.

Long-term Financial Planning. Data from demographic studies projecting future student enrollment as well as assessments of current building conditions are used to develop future budget plans and facility needs. With the construction of new residential development being limited and the competition from neighboring charter schools, student enrollment in the District is predicted to decline slightly until development within the northern part of the District resumes. Inflationary increases to funding provided through the basic funding formulas which were withheld during the economic downturn have been granted during the last several budgetary cycles and are expected to continue. The average age of classroom buildings is 28 years.

In addition to state funding, planning is heavily impacted by voter-approved portions of its budget, which includes budget overrides and bonds for construction and renovation. Budget overrides are for both capital and operations. Bonds are strictly for capital items. Bond funds provide the ability for the District to plan for the renovation of existing facilities and the construction of new schools in the growth areas of the District.

During early 2019, the District involved stakeholders in a capital planning process which developed a four year capital plan as well as recommending that the Governing Board call for a bond and override elections. In November 2019, the District voters renewed a capital override for an additional seven years which provides significant funding for instructional materials that the District is unable to obtain from state funding. In the same election, District voters authorized the issuance of up to \$236 million in bonds of which approximately \$153 million is for facilities and the balance being for land, technology, furniture and equipment.

An operational override used to sustain lower class sizes, as well as programs in kindergarten through third grade, including all day kindergarten, was renewed at an increased level in November 2018 generating approximately \$27.5 million in total additional operating funds. This override will begin a 3-year phase down in 2023-24 if not renewed by voters prior to then.

AWARDS AND ACKNOWLEDGMENTS

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

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

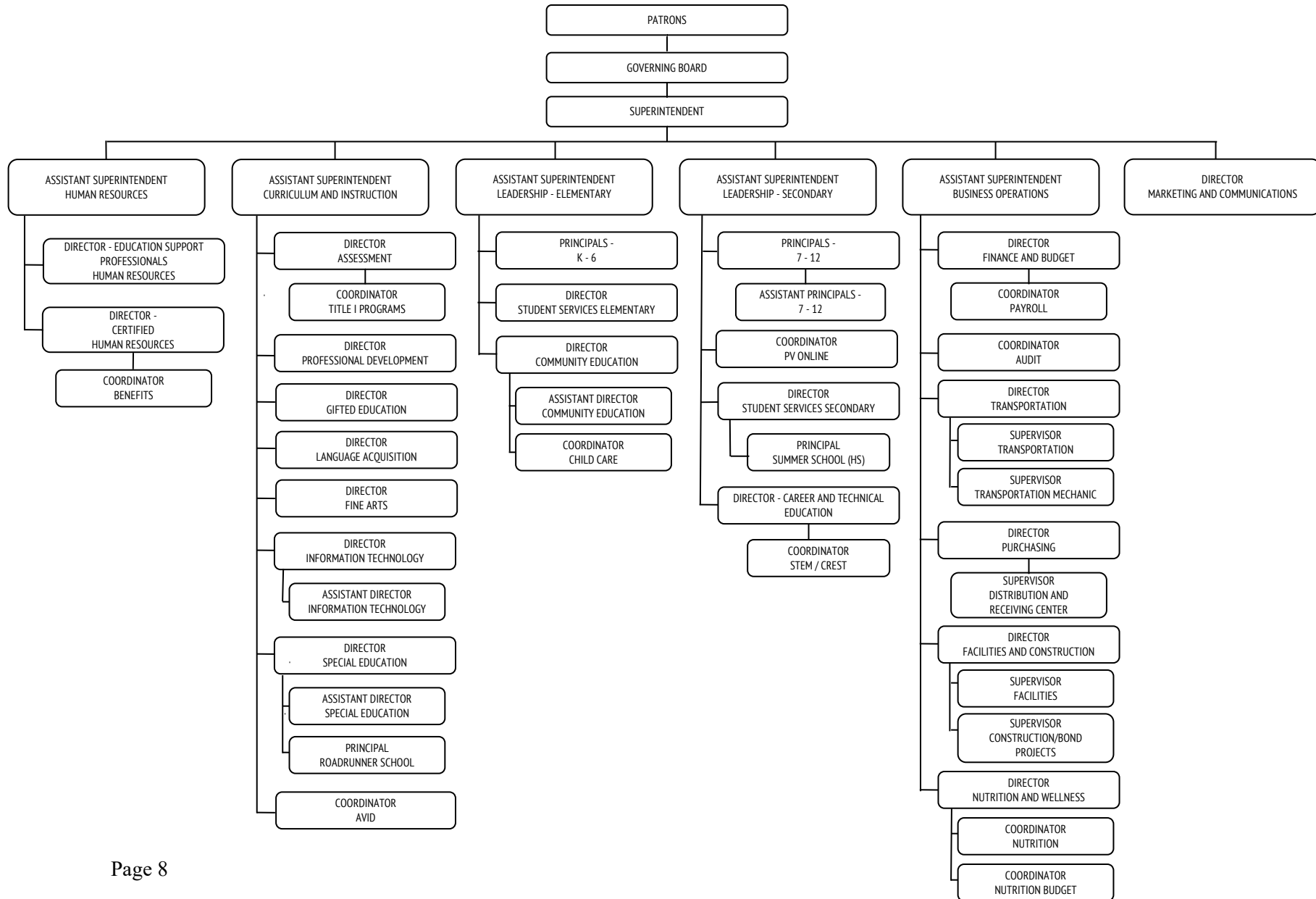
A handwritten signature in black ink, appearing to read 'J. Welsh', written in a cursive style.

Dr. Jesse Welsh
Superintendent

A handwritten signature in black ink, appearing to read 'Laura L. Felten', written in a cursive style.

Laura L. Felten
Assistant Superintendent for
Business Operations

PARADISE VALLEY UNIFIED SCHOOL DISTRICT 2018-2019 ORGANIZATIONAL CHART



Governing Board



Ms. Julie Bacon
President



Ms. Nancy Case
Member



Ms. Susan Matura
Member



Ms. Anne Greenberg
Member



Dr. Sue Skidmore
Member

Superintendancy



Dr. James P. Lee
Superintendent



Dr. Kim Guerin
*Assistant Superintendent
Of Leadership- Elementary*



Dr. Jason Reynolds
*Assistant Superintendent
of Leadership- Secondary*



Dr. Dan Courson
*Assistant Superintendent
Of Curriculum and Instruction*



Ms. Laura Felten
*Assistant Superintendent
of Business Operations*



Dr. Troy Bales
*Assistant Superintendent
Human Resources*



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

**Paradise Valley Unified
School District No. 69**

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

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



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

Tom Wohlleber, CSRM
President

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

David J. Lewis
Executive Director



Government Finance Officers Association

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

Presented to

**Paradise Valley Unified School
District No. 69, Arizona**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Paradise Valley Unified School District No. 69

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 Paradise Valley Unified School District No. 69 (District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Paradise Valley Unified School District No. 69, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

The Introductory and Statistical Sections 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 12, 2019, on our consideration of Paradise Valley Unified School District No. 69'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 Paradise Valley Unified School District No. 69'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 Paradise Valley Unified School District No. 69's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Phoenix, Arizona
December 12, 2019

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

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PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

As management of the Paradise Valley Unified School District No. 69 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$34.1 million which represents a 22 percent increase from the prior fiscal year as a result of a net decrease in the pension liability, deferred outflows of resources, and deferred inflows of resources and overall revenues exceeding expenses.
- General revenues accounted for \$295.4 million in revenue, or 86 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$47.3 million or 14 percent of total current fiscal year revenues.
- The District had approximately \$308.6 million in expenses related to governmental activities, an increase of five percent from the prior fiscal year.
- Among major funds, the General Fund had \$218.2 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$215.0 million in expenditures. The General Fund's fund balance increase from \$59.6 million at the prior fiscal year end to \$65.0 million at the end of the current fiscal year was primarily due to a planned budget surplus.
- Net position for the Internal Service Funds increased \$5.4 million from the prior fiscal year. Operating revenues of \$6.4 million exceeded operating expenses of \$1.1 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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

OVERVIEW OF FINANCIAL STATEMENTS

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, 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 fund is an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service fund to account for its other postemployment benefit program. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.

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

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

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 \$191.6 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related outstanding debt used to acquire those assets.

The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors, however, it is in a deficit position as described below.

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

	As of June 30, 2019	As of June 30, 2018
Current and other assets	\$ 260,158,880	\$ 242,092,498
Capital assets, net	530,261,563	517,149,682
Total assets	<u>790,420,443</u>	<u>759,242,180</u>
Deferred outflows	<u>33,624,319</u>	<u>33,084,273</u>
Current and other liabilities	27,068,431	22,632,852
Long-term liabilities	567,472,474	595,673,288
Total liabilities	<u>594,540,905</u>	<u>618,306,140</u>
Deferred inflows	<u>37,947,167</u>	<u>16,550,185</u>
Net position:		
Net investment in capital assets	245,271,047	242,247,329
Restricted	35,384,087	30,205,400
Unrestricted	(89,098,444)	(114,982,601)
Total net position	<u>\$ 191,556,690</u>	<u>\$ 157,470,128</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position was negative due to the state pension plan's unfunded liability. The same situation held true in the prior fiscal year.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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.

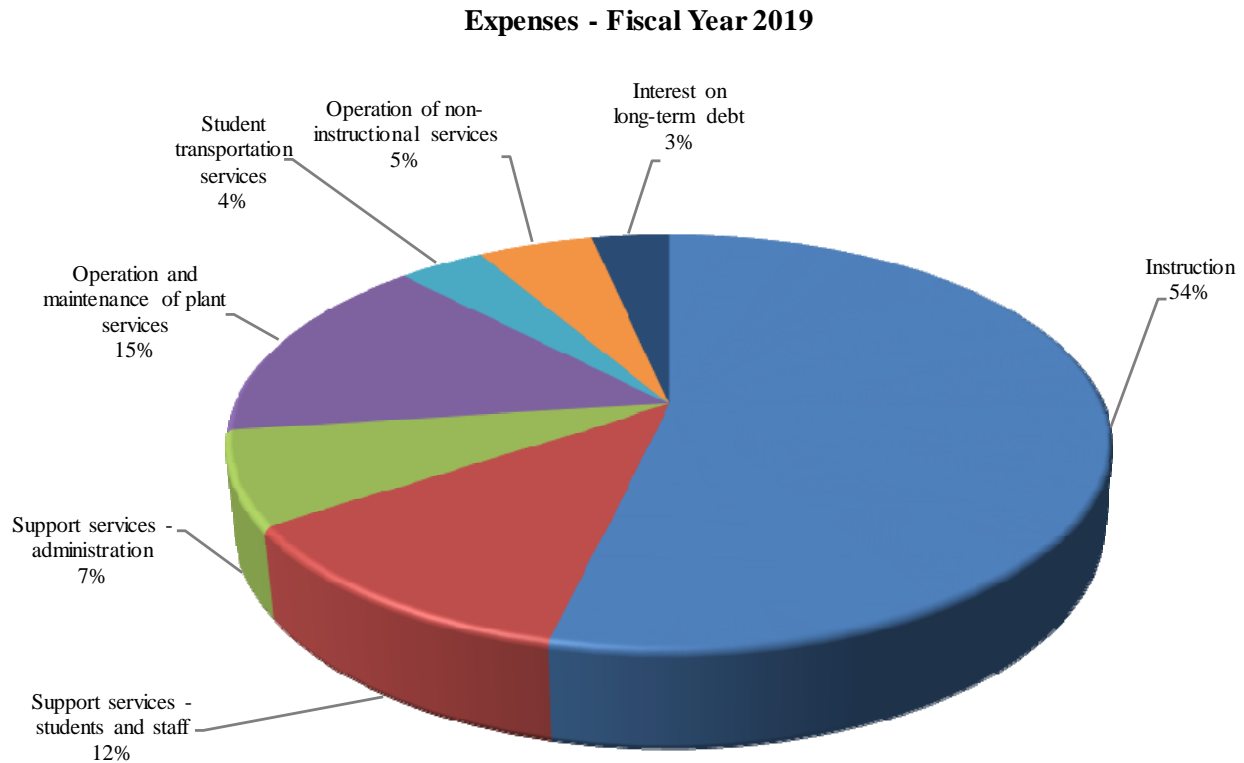
- The principal retirement of \$43.6 million of bonds.
- The net addition of \$40.5 million in capital assets through school improvements and purchases of vehicles, furniture and equipment.
- The issuance of \$53.3 million of school improvement bonds and \$6.6 million in associated premium.
- A net decrease in the pension liability and related deferred inflows of resources of \$21.3 million.

Changes in net position. The District's total revenues for the current fiscal year were \$342.7 million. The total cost of all programs and services was \$308.6 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018.

	Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2018
Revenues:		
Program revenues:		
Charges for services	\$ 17,959,581	\$ 16,368,816
Operating grants and contributions	27,545,811	28,993,650
Capital grants and contributions	1,785,421	2,501,649
General revenues:		
Property taxes	196,140,876	184,982,125
Investment income	3,585,863	1,995,622
Unrestricted county aid	5,109,940	4,545,972
Unrestricted state aid	88,154,217	80,602,526
Unrestricted federal aid	2,406,013	2,444,084
Total revenues	<u>342,687,722</u>	<u>322,434,444</u>
Expenses:		
Instruction	165,591,583	156,476,955
Support services - students and staff	37,398,672	36,299,108
Support services - administration	22,572,054	21,954,686
Operation and maintenance of plant services	45,545,526	42,256,376
Student transportation services	11,632,085	11,331,016
Operation of non-instructional services	15,566,504	15,243,656
Interest on long-term debt	10,294,736	9,502,016
Total expenses	<u>308,601,160</u>	<u>293,063,813</u>
Changes in net position	<u>34,086,562</u>	<u>29,370,631</u>
Net position, beginning	<u>157,470,128</u>	<u>128,099,497</u>
Net position, ending	<u><u>\$ 191,556,690</u></u>	<u><u>\$ 157,470,128</u></u>

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- Property taxes increased \$11.2 million due to an increase in the assessed valuation of property within the District's boundaries.
- Unrestricted state aid increased \$7.6 million due to base level increase in the per-pupil funding amounts.
- Instructional expenses increased \$9.1 million due to compensation increases to teachers and staff members and increased benefit costs.

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.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2019		Year Ended June 30, 2018	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 165,591,583	\$(149,731,704)	\$ 156,476,955	\$(137,265,692)
Support services - students and staff	37,398,672	(31,636,896)	36,299,108	(30,603,625)
Support services - administration	22,572,054	(20,443,838)	21,954,686	(21,145,752)
Operation and maintenance of plant services	45,545,526	(40,345,871)	42,256,376	(39,453,976)
Student transportation services	11,632,085	(11,359,181)	11,331,016	(11,159,266)
Operation of non-instructional services	15,566,504	1,331,731	15,243,656	2,721,148
Interest on long-term debt	10,294,736	(9,124,588)	9,502,016	(8,292,535)
Total	<u>\$ 308,601,160</u>	<u>\$(261,310,347)</u>	<u>\$ 293,063,813</u>	<u>\$(245,199,698)</u>

- The cost of all governmental activities this year was \$308.6 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$47.3 million.
- Net cost of governmental activities of \$261.3 million was financed by general revenues, which are made up of primarily property taxes of \$196.1 million and state and county aid of \$93.3 million. Investment earnings accounted for \$3.6 million of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$163.8 million, an increase of \$14.4 million due primarily to increased property tax revenues.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund is the principal operating fund of the District. The General Fund comprises 40 percent of the total fund balance. Approximately 83 percent of the General Fund's fund balance is unassigned. The increase in fund balance of \$5.4 million in the General Fund to \$65.0 million as of fiscal year end was a result of a planned budgetary surplus.

General Fund revenues increased \$14.8 million primarily due to increased state aid and property tax revenues. General Fund expenditures increased \$16.4 million primarily as a result of compensation increases for teachers and other staff members and increased contributions to the internal service fund for future post-employment benefit obligations.

The fund balance in the Debt Service Fund was \$6.2 million as of fiscal year end. The increase in fund balance of \$4.5 million during the year was due to the required transfer of premium related to the issuance of school improvement bonds.

The fund balance in the Bond Building Fund was \$66.9 million as of fiscal year end. The increase in fund balance of \$3.7 million during the year was primarily due to the issuance of school improvement bonds.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$4.5 million. The increase of \$5.4 million from the prior fiscal year was primarily due to additional contributions to fund future post employment benefit obligations.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$2.8 million decrease, which was a one percent decrease primarily due to actual student membership figures being less than projections.

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 expenditure variances are summarized as follows:

- The favorable variance of \$9.8 million in instruction was a result of utilizing fund balance in other funds and the District not expending its entire budget.
- The favorable variance of \$2.1 million in support services – students and staff was a result of the District not expending its entire budget.
- The unfavorable variance of \$2.1 million in operation and maintenance of plant services was a result of employee salaries and benefits based on prior year expenditures and increased expenditures for technical services, custodial, and electricity.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$943.5 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 \$40.5 million from the prior fiscal year primarily due to continued construction of school improvements and renovations funded by bond proceeds. Total depreciation expense for the current year was \$29.0 million.

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

	As of June 30, 2019	As of June 30, 2018
Capital assets - non-depreciable	\$ 65,928,113	\$ 45,150,284
Capital assets - depreciable, net	464,333,450	471,999,398
Total	<u>\$ 530,261,563</u>	<u>\$ 517,149,682</u>

The estimated cost to complete current construction projects is \$10.1 million.

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

Debt Administration. At year-end, the District had \$351.9 million in long-term debt outstanding, \$39.0 million due within one year. Long-term debt increased by \$13.5 million due to the issuance of \$53.3 million school improvement bonds and the associated premium of \$6.6 million.

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 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$1.3 billion and the Class B debt limit is \$845.1 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 9 and 10.

**PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Fiscal year 2018-19 budget balance carry forward (estimated \$10.5 million).
- District student population (estimated 29,661).
- Negotiated employee salaries (increase of six percent).

Also considered in the development of the budget is the state economy.

Budgeted expenditures in the General Fund increased five percent to \$234.1 million in fiscal year 2019-20 due to base level increase in the per-pupil funding amount. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2019-20 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business Operations Office, Paradise Valley Unified School District No. 69, 15002 North 32nd Street, Phoenix, Arizona 85032.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 218,901,687
Property taxes receivable	10,951,773
Deposits	303,750
Due from governmental entities	25,099,725
Prepaid items	3,193,945
Inventory	1,204,665
Total current assets	<u>259,655,545</u>
Noncurrent assets:	
Net other postemployment benefit assets	503,335
Capital assets not being depreciated	65,928,113
Capital assets, net of accumulated depreciation	<u>464,333,450</u>
Total noncurrent assets	<u>530,764,898</u>
Total assets	<u>790,420,443</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>33,624,319</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	7,346,591
Construction contracts payable	11,093,103
Accrued payroll and employee benefits	1,193,368
Compensated absences payable	1,700,000
Accrued interest payable	7,146,850
Unearned revenues	288,519
Bonds payable	<u>39,031,111</u>
Total current liabilities	<u>67,799,542</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>526,741,363</u>
Total noncurrent liabilities	<u>526,741,363</u>
Total liabilities	<u>594,540,905</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	<u>37,947,167</u>
<u>NET POSITION</u>	
Net investment in capital assets	245,271,047
Restricted	35,384,087
Unrestricted	<u>(89,098,444)</u>
Total net position	<u>\$ 191,556,690</u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 165,591,583	\$ 6,016,819	\$ 9,689,901	\$ 153,159	\$ (149,731,704)
Support services - students and staff	37,398,672		5,761,776		(31,636,896)
Support services - administration	22,572,054	327,531	1,800,685		(20,443,838)
Operation and maintenance of plant services	45,545,526	1,750,913	1,816,480	1,632,262	(40,345,871)
Student transportation services	11,632,085	153,187	119,717		(11,359,181)
Operation of non-instructional services	15,566,504	9,711,131	7,187,104		1,331,731
Interest on long-term debt	10,294,736		1,170,148		(9,124,588)
Total governmental activities	<u>\$ 308,601,160</u>	<u>\$ 17,959,581</u>	<u>\$ 27,545,811</u>	<u>\$ 1,785,421</u>	<u>(261,310,347)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	136,583,445
Property taxes, levied for debt service	52,365,788
Property taxes, levied for capital outlay	7,191,643
Investment income	3,585,863
Unrestricted county aid	5,109,940
Unrestricted state aid	88,154,217
Unrestricted federal aid	2,406,013
Total general revenues	<u>295,396,909</u>

Changes in net position 34,086,562

Net position, beginning of year 157,470,128

Net position, end of year \$ 191,556,690

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

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FUND FINANCIAL STATEMENTS

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
<u>ASSETS</u>			
Cash and investments	\$ 41,050,801	\$ 52,112,104	\$ 81,546,038
Property taxes receivable	10,098,056	636,488	
Deposits			
Due from governmental entities	18,571,090		
Due from other funds	4,462,257		
Prepaid items	3,193,945		
Inventory	1,023,581		
Total assets	<u><u>\$ 78,399,730</u></u>	<u><u>\$ 52,748,592</u></u>	<u><u>\$ 81,546,038</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 3,286,272	\$	\$ 3,573,254
Construction contracts payable			11,093,103
Due to other funds			
Accrued payroll and employee benefits	628,610		
Unearned revenues			
Bonds payable		39,031,111	
Bond interest payable		7,146,850	
Total liabilities	<u><u>3,914,882</u></u>	<u><u>46,177,961</u></u>	<u><u>14,666,357</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	9,435,584	378,891	
Unavailable revenues - intergovernmental			
Total deferred inflows of resources	<u><u>9,435,584</u></u>	<u><u>378,891</u></u>	
Fund balances (deficits):			
Nonspendable	4,217,526		
Restricted		6,191,740	66,879,681
Assigned	7,117,432		
Unassigned	53,714,306		
Total fund balances	<u><u>65,049,264</u></u>	<u><u>6,191,740</u></u>	<u><u>66,879,681</u></u>
Total liabilities, deferred inflows of resources			
and fund balances	<u><u>\$ 78,399,730</u></u>	<u><u>\$ 52,748,592</u></u>	<u><u>\$ 81,546,038</u></u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 27,384,993	\$ 202,093,936
217,229	10,951,773
303,750	303,750
6,528,635	25,099,725
	4,462,257
	3,193,945
181,084	1,204,665
<u>\$ 34,615,691</u>	<u>\$ 247,310,051</u>

\$ 487,065	\$ 7,346,591
	11,093,103
4,462,257	4,462,257
564,758	1,193,368
288,519	288,519
	39,031,111
	7,146,850
<u>5,802,599</u>	<u>70,561,799</u>

195,099	10,009,574
<u>2,958,284</u>	<u>2,958,284</u>
<u>3,153,383</u>	<u>12,967,858</u>

181,084	4,398,610
28,437,273	101,508,694
	7,117,432
<u>(2,958,648)</u>	<u>50,755,658</u>
<u>25,659,709</u>	<u>163,780,394</u>

<u>\$ 34,615,691</u>	<u>\$ 247,310,051</u>
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PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total governmental fund balances

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

\$ 163,780,394

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 943,466,689	
Less accumulated depreciation	<u>(413,205,126)</u>	530,261,563

Some receivables are not available to pay for current period
expenditures and, therefore, are reported as unavailable
revenues in the funds.

Property taxes	10,009,574	
Intergovernmental	<u>2,958,284</u>	12,967,858

Deferred outflows and inflows of resources related to
pensions/OPEB are applicable to future periods and,
therefore, are not reported in the funds.

Deferred outflows of resources related to pensions/OPEB	32,866,601	
Deferred inflows of resources related to pensions/OPEB	<u>(37,947,167)</u>	(5,080,566)

The Net OPEB asset is not a current financial resource and,
therefore, is not reported in the funds.

503,335

The Internal Service Fund is used by management to charge
the cost of post employment benefits to the individual funds. The
assets and liabilities of the Internal Service Fund are included in the
Statement of Net Position.

4,549,687

Long-term liabilities are not due and payable in the current
period and, therefore, are not reported in the funds.

Compensated absences payable	(3,674,460)	
Net OPEB liability	(742,306)	
Net pension liability	(198,169,729)	
Bonds payable	<u>(312,839,086)</u>	<u>(515,425,581)</u>

Net position of governmental activities

\$ 191,556,690

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2019

	<u>General</u>	<u>Debt Service</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 6,272,775	\$ 153,061	\$ 2,006,312
Property taxes	138,247,692	52,292,521	
State aid and grants	71,281,049		
Federal aid, grants and reimbursements	2,406,013	1,170,148	
Total revenues	<u>218,207,529</u>	<u>53,615,730</u>	<u>2,006,312</u>
Expenditures:			
Current -			
Instruction	122,075,432		
Support services - students and staff	31,234,978		
Support services - administration	20,467,423		
Operation and maintenance of plant services	30,239,631		
Student transportation services	10,253,775		
Operation of non-instructional services	579,918		
Capital outlay	146,263		54,368,335
Debt service -			
Principal retirement		39,031,111	
Interest and fiscal charges		13,506,182	
Bond issuance costs			412,866
Total expenditures	<u>214,997,420</u>	<u>52,537,293</u>	<u>54,781,201</u>
Excess (deficiency) of revenues over expenditures	<u>3,210,109</u>	<u>1,078,437</u>	<u>(52,774,889)</u>
Other financing sources (uses):			
Transfers in	2,147,932	3,409,912	
Transfers out			(3,409,912)
Issuance of school improvement bonds			53,310,000
Premium on sale of bonds			6,608,441
Proceeds from sale of capital assets	95,128		
Total other financing sources (uses)	<u>2,243,060</u>	<u>3,409,912</u>	<u>56,508,529</u>
Changes in fund balances	<u>5,453,169</u>	<u>4,488,349</u>	<u>3,733,640</u>
Fund balances, beginning of year	59,645,788	1,703,391	63,146,041
Increase (decrease) in reserve for inventory	(49,693)		
Fund balances, end of year	<u>\$ 65,049,264</u>	<u>\$ 6,191,740</u>	<u>\$ 66,879,681</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 18,465,941	\$ 26,898,089
7,033,374	197,573,587
22,545,915	93,826,964
22,282,821	25,858,982
<u>70,328,051</u>	<u>344,157,622</u>
31,331,138	153,406,570
6,516,489	37,751,467
1,809,155	22,276,578
4,389,592	34,629,223
421,754	10,675,529
15,232,728	15,812,646
7,718,563	62,233,161
	39,031,111
	13,506,182
	412,866
<u>67,419,419</u>	<u>389,735,333</u>
<u>2,908,632</u>	<u>(45,577,711)</u>
	5,557,844
(2,147,932)	(5,557,844)
	53,310,000
	6,608,441
	95,128
<u>(2,147,932)</u>	<u>60,013,569</u>
<u>760,700</u>	<u>14,435,858</u>
24,898,245	149,393,465
764	(48,929)
<u>\$ 25,659,709</u>	<u>\$ 163,780,394</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

Changes in fund balances - total governmental funds **\$ 14,435,858**

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	\$ 42,158,997	
Less current year depreciation	<u>(29,047,116)</u>	13,111,881

Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long term liabilities in the Statement of Net Position.		(59,918,441)
---	--	--------------

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

Property taxes	(1,432,711)	
Intergovernmental	<u>(303,026)</u>	(1,735,737)

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.		39,031,111
--	--	------------

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	18,625,555	
Pension/OPEB expense	<u>1,673,906</u>	20,299,461

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.

Accrued interest	685,919	
Inventory	(48,929)	
Deferred charges on issuance of debt	(281,587)	
Amortization of deferred bond items	2,807,114	
Compensated absences	<u>267,971</u>	3,430,488

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

5,431,941

Changes in net position in governmental activities **\$ 34,086,562**

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 16,807,751
Total current assets	<u>16,807,751</u>
Total assets	<u>16,807,751</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Other postemployment benefit plan items	<u>757,718</u>
<u>LIABILITIES</u>	
Noncurrent liabilities:	
Total OPEB liability	<u>13,015,782</u>
Total noncurrent liabilities	<u>13,015,782</u>
Total liabilities	<u>13,015,782</u>
<u>NET POSITION</u>	
Unrestricted	<u>4,549,687</u>
Total net position	<u><u>\$ 4,549,687</u></u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 6,350,035
Total operating revenues	<u>6,350,035</u>
Operating expenses:	
Benefits	<u>1,088,803</u>
Total operating expenses	<u>1,088,803</u>
Operating income (loss)	<u>5,261,232</u>
Nonoperating revenues (expenses):	
Investment income	<u>170,709</u>
Total nonoperating revenues (expenses)	<u>170,709</u>
Changes in net position	<u>5,431,941</u>
Total net position, beginning of year	(882,254)
Total net position, end of year	<u>\$ 4,549,687</u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2019

	Governmental Activities: Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 6,350,035
Cash payments for benefits	<u>(1,369,868)</u>
Net cash provided by/used for operating activities	<u>4,980,167</u>
Cash flows from investing activities:	
Investment income	<u>170,709</u>
Net cash provided by/used for investing activities	<u>170,709</u>
Net increase/decrease in cash and cash equivalents	<u>5,150,876</u>
Cash and cash equivalents, beginning of year	<u>11,656,875</u>
Cash and cash equivalents, end of year	<u><u>\$ 16,807,751</u></u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ 5,261,232
Changes in assets and liabilities:	
Increase/decrease in Total OPEB liability and related items	<u>(281,065)</u>
Total adjustments	<u>(281,065)</u>
Net cash provided by/used for operating activities	<u><u>\$ 4,980,167</u></u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
STATEMENT OF ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2019

	<u>Agency</u>
<u>ASSETS</u>	
Cash and investments	\$ 1,857,820
Total assets	<u>\$ 1,857,820</u>
<u>LIABILITIES</u>	
Accounts payable	\$ 23,263
Due to governmental entities	21,673
Due to student groups	1,812,884
Total liabilities	<u>\$ 1,857,820</u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Paradise Valley Unified School District No. 69 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

A. Reporting Entity

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

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

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

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

B. Government-Wide and Fund Financial Statements

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

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

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 monies received from District bond issues that are used to acquire sites, construct or renovate school buildings, improve school grounds, and purchase transportation vehicles.

Additionally, the District reports the following fund types:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to the District's post employment benefits program.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for resources held by the District on behalf of others. This fund type includes 1) the Student Activities Fund which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent, and 2) the Intergovernmental Agreements Fund which accounts for activities related to agreements with other governments where the District is the fiscal agent.

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

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 other postemployment benefits. Operating expenses for internal service fund includes the cost of the other postemployment benefits. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash in bank and cash and investments held by the County Treasurer.

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

E. Investment Income

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

F. Receivables and Payables

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

G. Property Tax Calendar

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

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

H. Inventory

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

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

I. Prepaid Items

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

J. Capital Assets

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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	20 - 50 years
Vehicles, furniture and equipment	3 - 15 years

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Pensions and Other Postemployment Benefits

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

N. Long-term Obligations

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

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or the management official delegated that authority by the formal Governing Board action. The Board delegated the authority and responsibility to assign fund balances to the Assistant Superintendent of Business Operations.

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 1,023,581	\$	\$	\$ 181,084
Prepaid items	3,193,945			
Restricted:				
Debt service		6,191,740		
Capital projects				10,276,619
Bond building projects			66,879,681	
Voter approved initiatives				1,550,118
Federal and state projects				3,790,447
Auxiliary operations				4,559,470
Food service				691,282
Civic center				3,655,947
Community school				2,754,715
Other purposes				1,158,675
Assigned:				
Anticipated budgetary shortfalls	7,117,432			
Unassigned:	53,714,306			(2,958,648)
Total fund balances	<u>\$ 65,049,264</u>	<u>\$ 6,191,740</u>	<u>\$ 66,879,681</u>	<u>\$ 25,659,709</u>

NOTE 3 – RESTRICTED NET POSITION

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

	Governmental Activities
Restricted Net Position:	
Debt service	\$ 6,570,631
Capital projects	10,471,718
Voter approved initiatives	1,550,118
Federal and state projects	3,790,447
Auxiliary operations	4,686,151
Food service	745,685
Civic center	3,655,947
Community school	2,754,715
Other local initiatives	1,158,675
Total	<u>\$ 35,384,087</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	<u>Deficit</u>
Non-Major Governmental Funds:	
Title I Grants	\$ 639,932
Professional Development and Technology Grants	156,649
Title IV Grants	80,080
Limited English and Immigrant Students	33,257
Indian Education Grants	26,785
Special Education Grants	1,661,801
Vocational Education Grants	183,135
Homeless Education Grants	27,242
Other Federal Projects	27,384
State Vocational Grants	3,354
Other State Projects	114
Fingerprint Fund	364

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

Excess Expenditures Over Budget – At year end, the following individual non-major governmental fund had expenditures that exceeded the budget, which constitutes a violation of legal provisions. The District will rectify the overbudget situation during a fiscal year 2019-20 budget revision.

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Non-Major Governmental Fund:			
Classroom Site	\$ 17,065,318	\$ 17,256,109	\$ (190,791)

Additionally at year end, the District had expenditures in other funds that exceeded the budgets, however, this does not constitute a violation of any legal provisions.

NOTE 5 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$2,272,084 and the bank balance was \$2,499,891. At year end, \$2,249,891 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5 – CASH AND INVESTMENTS

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

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

The County Treasurer's pool is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The fair value of each participant's position in the County Treasurer investment pool approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	318 days	\$ 218,487,423
Total		<u>\$ 218,487,423</u>

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

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6 – DUE FROM OTHER GOVERNMENTS

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 fund and non-major governmental funds in the aggregate, were as follows:

	General Fund	Non-Major Governmental Funds
Due from other governmental entities:		
Due from federal government	\$	\$ 3,224,461
Due from state government	18,571,090	3,304,174
Net due from governmental entities	<u>\$ 18,571,090</u>	<u>\$ 6,528,635</u>

NOTE 7 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 29,897,760	\$	\$	\$ 29,897,760
Construction in progress	15,252,524	25,896,819	5,118,990	36,030,353
Total capital assets, not being depreciated	<u>45,150,284</u>	<u>25,896,819</u>	<u>5,118,990</u>	<u>65,928,113</u>
Capital assets, being depreciated:				
Land improvements	52,714,444	1,377,637		54,092,081
Buildings and improvements	752,663,476	16,460,334		769,123,810
Vehicles, furniture and equipment	52,408,708	3,543,197	1,629,220	54,322,685
Total capital assets being depreciated	<u>857,786,628</u>	<u>21,381,168</u>	<u>1,629,220</u>	<u>877,538,576</u>
Less accumulated depreciation for:				
Land improvements	(23,936,547)	(2,293,067)		(26,229,614)
Buildings and improvements	(328,872,587)	(22,243,980)		(351,116,567)
Vehicles, furniture and equipment	(32,978,096)	(4,510,069)	(1,629,220)	(35,858,945)
Total accumulated depreciation	<u>(385,787,230)</u>	<u>(29,047,116)</u>	<u>(1,629,220)</u>	<u>(413,205,126)</u>
Total capital assets, being depreciated, net	<u>471,999,398</u>	<u>(7,665,948)</u>		464,333,450
Governmental activities capital assets, net	<u>\$517,149,682</u>	<u>\$ 18,230,871</u>	<u>\$ 5,118,990</u>	<u>\$ 530,261,563</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 13,942,350
Support services – students and staff	2,295,143
Support services – administration	1,402,499
Operation and maintenance of plant services	9,439,668
Student transportation services	1,596,167
Operation of non-instructional services	371,289
Total depreciation expense – governmental activities	<u>\$ 29,047,116</u>

Construction Commitments – At year end, the District had contractual commitments related to renovations at various District schools. At year end the District had spent \$36.0 million on the projects and had estimated remaining contractual commitments of \$10.1 million. These projects are being funded with bond proceeds.

NOTE 8 – SHORT TERM DEBT

Tax Anticipation Notes – In July 2018, the District issued \$10.0 million in tax anticipation notes in advance of property tax collections, depositing the proceeds in the General Fund. These notes are necessary to provide cash flow as most tax revenue is collected in October and April. Property tax revenues of the General Fund were used to repay these notes in December 2018. Short-term debt activity for the current fiscal year was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Tax anticipation notes	<u>\$</u>	<u>\$ 10,000,000</u>	<u>\$ 10,000,000</u>	<u>\$</u>

Revolving Line of Credit – The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$20.0 million in unused line of credit.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$39.5 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. In addition, a portion of the District's school improvement bonds are Qualified School Construction Bonds, as such the District will receive direct subsidy payments from the United States of America for a portion of the interest due on the bonds.

	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2019	Due Within One Year
Governmental activities:					
School Improvement Bonds Project of 2005, Series C (2008) (Class B)	\$40,000,000	5.0%	7/1/19	\$ 2,000,000	\$ 2,000,000
School Improvement Bonds Project of 2005, Series D (Class B)	15,000,000	3.5%	7/1/19	3,300,000	3,300,000
School Improvement Bonds Project of 2005, Series E (Class B) (Qualified School Construction Bonds)	24,025,000	6.0%	7/1/19-26	13,888,889	1,736,111
School Improvement Bonds Project of 2011, Series A (2012)	54,000,000	3.0-4.0%	7/1/21-31	44,000,000	
School Improvement Bonds Project of 2011, Series B (2013)	37,850,000	2.0-3.0%	7/1/21-31	37,850,000	
School Improvement Bonds Project of 2011, Series D (2014)	50,000,000	4.0-4.5%	7/1/19-31	40,075,000	6,550,000
School Improvement Bonds Project of 2011, Series E (2015)	49,000,000	2.0-3.0%	7/1/19-20	32,850,000	8,850,000
Refunding Bonds, Series 2015	21,325,000	3.0%	7/1/19	5,905,000	5,905,000
School Improvement Bond Project of 2015, Series A (2016)	36,700,000	2.0-3.0%	7/1/19-25	22,650,000	2,000,000
School Improvement Bonds, Project of 2015, Series B (2017)	33,870,000	5.0%	7/1/19-26	25,345,000	2,380,000
School Improvement Bonds, Project of 2015, Series C (2018)	49,885,000	5.0%	7/1/19-27	49,885,000	6,310,000
School Improvement Bonds, Project of 2015, Series D (2018)	53,310,000	5.0%	7/1/20-28	53,310,000	
Total				<u>\$ 331,058,889</u>	<u>\$ 39,031,111</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2020	\$ 39,031,111	\$ 13,079,725
2021	44,251,111	11,974,550
2022	29,156,111	10,768,150
2023	28,971,111	9,665,975
2024	28,651,111	8,540,175
2025-29	119,653,334	23,175,188
2030-32	41,345,000	2,315,100
Total	<u>\$ 331,058,889</u>	<u>\$ 79,518,863</u>

NOTE 10 – 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	\$ 321,320,000	\$ 53,310,000	\$ 43,571,111	\$ 331,058,889	\$ 39,031,111
Premium	17,009,981	6,608,441	2,807,114	20,811,308	
Total bonds payable	<u>338,329,981</u>	<u>59,918,441</u>	<u>46,378,225</u>	<u>351,870,197</u>	<u>39,031,111</u>
Net OPEB liability	13,090,750	667,338		13,758,088	
Net pension liability	240,310,126		42,140,397	198,169,729	
Compensated absences payable	<u>3,942,431</u>	<u>415,176</u>	<u>683,147</u>	<u>3,674,460</u>	<u>1,700,000</u>
Governmental activity long-term liabilities	<u>\$ 595,673,288</u>	<u>\$ 61,000,955</u>	<u>\$ 89,201,769</u>	<u>\$ 567,472,474</u>	<u>\$ 40,731,111</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows.

Due to/from other funds:

At year end, several non-major governmental funds had negative cash balances in the Treasurer's pooled cash accounts of \$4,462,257. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfers out	Transfers in		
	General Fund	Debt Service Fund	Total
Bond Building Fund	\$	\$ 3,409,912	\$ 3,409,912
Non-Major Governmental Funds	2,147,932		2,147,932
Total	\$ 2,147,932	\$ 3,409,912	\$ 5,557,844

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

NOTE 12 – 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.

Lease-To-Own Agreement – The Arizona Schools Facilities Board (SFB) entered into a lease in January 2003 to finance costs of the District's new school facilities pursuant to A.R.S. 15-2004, 15-2005 and 15-2006. The SFB is required to make all lease payments, however if the SFB does not make the lease payments, the District has the option to make the payments on behalf of the SFB to ensure the facilities do not revert back to the lessor.

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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 13 – 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 joined the Valley Schools Insurance Trust (VSIT), Valley Schools Employee Benefit Trust (VSEBT), and the Valley Schools Worker's Compensation Pool (VSWCP) together with several school districts in the State.

The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District joined the Valley Schools Insurance Trust (VSIT). VSIT is a public entity risk pool currently operating as a common risk management and insurance program for school districts. The District pays premiums to VSIT for its general insurance coverage. The agreement provides that VSIT will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

The District's employees have health and accident insurance coverage with the Valley Schools Employee Benefit Trust (VSEBT). VSEBT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays premiums to VSEBT for employees' health and accident insurance coverage. The agreement provides that VSEBT will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

The District joined the Valley Schools Workers' Compensation Pool (VSWCP) together with other school districts in the state for risks of loss related to workers' compensation claims. VSWCP is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays premiums to VSWCP for its employee workers' compensation 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.

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	<u>Pension</u>	<u>OPEB</u>
Net assets	\$	\$ 503,335
Net liability	198,169,729	13,758,088
Deferred outflows of resources	30,737,521	2,886,798
Deferred inflows of resources	36,360,090	1,587,077
Expense	(2,459,466)	1,874,363
Contributions	17,646,924	2,348,499

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – 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.

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

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

*With actuarially reduced benefits

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

	<u>Contributions</u>
Pension	\$ 17,646,924
Health Insurance Premium	726,081
Long-Term Disability	252,550

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 198,169,729	1.421	(0.122)
Health Insurance Premium	(503,335)	1.398	(0.109)
Long-Term Disability	742,306	1.421	(0.101)

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

	Expense
Pension	\$ (2,459,466)
Health Insurance Premium	521,551
Long-Term Disability	264,009

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 5,459,415	\$	\$ 18,983
Changes of assumptions or other inputs	5,243,933	970,685	160,781
Changes in proportion and differences between contributions and proportionate share of contributions	2,387,249		
Contributions subsequent to the measurement date	17,646,924	726,081	252,550
Total	<u>\$ 30,737,521</u>	<u>\$ 1,696,766</u>	<u>\$ 432,314</u>

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium	Long-Term Disability
Differences between expected and actual experience	\$ 1,092,477	\$ 464,558	\$
Changes of assumptions or other inputs	17,570,468		
Net difference between projected and actual earnings on pension investments	4,765,513	1,005,487	71,899
Changes in proportion and differences between contributions and proportionate share of contributions	12,931,632	7,622	37,511
Total	<u>\$ 36,360,090</u>	<u>\$ 1,477,667</u>	<u>\$ 109,410</u>

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

Year Ending June 30:	Pension	Health Insurance Premium	Long-Term Disability
2020	\$ (2,987,399)	\$ (196,584)	\$ (3,033)
2021	(10,916,014)	(196,584)	(3,033)
2022	(7,228,932)	(196,584)	(3,033)
2023	(2,137,148)	17,642	16,225
2024		65,128	19,756
Thereafter			43,472

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

	Proportionate share of the net (assets) liability		
	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Pension	\$ 282,495,508	\$ 198,169,729	\$ 127,716,904
Health Insurance Premium	1,783,432	(503,335)	(2,451,204)
Long-Term Disability	841,239	742,306	646,313

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

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 Post-Employment Medical Benefits Plan. 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. Employees hired on or after July 1, 2012 are not eligible for District-paid retiree health benefits. The OPEB fund primarily charges the General Fund for benefits, however all retiree premiums are paid from the OPEB fund.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Benefits Provided. The plan provides postretirement insurance (health, dental and life) on behalf of its eligible retirees up to age 65. To be eligible for District-paid benefits, a retiree must have attained eligibility for early retirement under the Arizona State Retirement (ASRS), been hired prior to July 1, 2012, and have worked for the District for 15 or more years. Eligible retirees receive a District reimbursement for premiums under the ASRS Retiree Group Insurance plan of up to \$402 per month (retiree only) or \$725 per month (retiree plus dependent coverage). Individuals who retired on or after July 1, 2005 are subject to the retiree only cap. Retired Cabinet members are not subject to the caps mentioned, and are eligible for dental and life insurance under the District sponsored plans.

Contributions. The District currently pays for postemployment benefits on a pay-as-you-go basis. For the current fiscal year, the District contributed \$1,369,868 for these benefits.

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

Inactive employees or beneficiaries currently receiving benefit payments	327
Active employees	1,416
Total	<u>1,743</u>

The District's total OPEB liability of \$13,015,782 was measured as of June 30, 2018. The total liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of July 1, 2018, to the measurement date of June 30, 2019.

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

Measurement date	June 30, 2019
Actuarial valuation date	July 1, 2018
Inflation rate	3.0%
Projected salary increases	3.0%
Health care cost trend rate:	
Medical and Prescription Drug	5.5% graded down to an ultimate rate of 5% over 3 years
Retiree contribution increase	Frozen
ASRS subsidy increases	None
Cost of living adjustments	N/A

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The discount rate is based on the estimate of expected long-term plan experience. The discount rate used to measure the total OPEB liability was 3.13 percent, which was a decrease of .49 percent from the discount rate used as of June 30, 2018.

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	\$ 12,539,129
Changes for the year:	
Service cost	452,602
Interest	452,734
Differences between expected and actual experience	644,818
Changes in assumptions or other inputs	296,367
Benefit payments	(1,369,868)
Total OPEB Liability – end of year	<u>\$ 13,015,782</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 (2.13%)	Current Discount Rate (3.13%)	1% Increase (4.13%)
Total OPEB liability	\$13,636,835	\$13,015,782	\$12,420,712

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 14 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	1% Decrease (4.50% decreasing to 4.00%)	Current Healthcare Cost Trend Rates (5.50% decreasing to 5.00%)	1% Increase (6.50% decreasing to 6.00%)
Total OPEB liability	\$13,007,718	\$ 13,015,782	\$13,024,073

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the District recognized OPEB expense of \$1,088,803. At June 30, 2019, the District reported the following deferred outflows of resources and no deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 519,122
Changes of assumptions or other inputs	238,596
Total	<u>\$ 757,718</u>

Amounts reported as deferred outflows of resources will be recognized in OPEB expense as follows:

Year Ending June 30:		
2020	\$	\$ 183,467
2021		183,467
2022		183,467
2023		183,467
2024		23,850

NOTE 15 – SUBSEQUENT EVENT

In November 2019, voters of the District authorized the issuance of \$236.0 million of class B general obligation bonds for construction, repair, and renovation of school buildings, purchase school buses, and maintain equity at older schools while addressing educational needs of growing communities.

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REQUIRED SUPPLEMENTARY INFORMATION

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 5,465,142	\$ 5,465,142
Property taxes			138,247,692	138,247,692
State aid and grants			71,281,049	71,281,049
Total revenues			<u>214,993,883</u>	<u>214,993,883</u>
Expenditures:				
Current -				
Instruction	130,747,504	128,571,804	118,742,119	9,829,685
Support services - students and staff	33,835,849	33,235,849	31,128,741	2,107,108
Support services - administration	20,664,044	20,664,044	20,224,306	439,738
Operation and maintenance of plant services	28,119,156	28,119,157	30,239,631	(2,120,474)
Student transportation services	10,905,256	10,905,256	10,082,681	822,575
Operation of non-instructional services	539,158	539,158	502,370	36,788
Total expenditures	<u>224,810,967</u>	<u>222,035,268</u>	<u>210,919,848</u>	<u>11,115,420</u>
Changes in fund balances	<u>(224,810,967)</u>	<u>(222,035,268)</u>	<u>4,074,035</u>	<u>226,109,303</u>
Fund balances, beginning of year			29,117,642	29,117,642
Increase (decrease) in reserve for prepaid items			16,000,000	16,000,000
Increase (decrease) in reserve for inventory			(49,693)	(49,693)
Fund balances (deficits), end of year	<u>\$ (224,810,967)</u>	<u>\$ (222,035,268)</u>	<u>\$ 49,141,984</u>	<u>\$ 271,177,252</u>

See accompanying notes to this schedule.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST FIVE FISCAL YEARS

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
District's proportion of the net pension (assets) liability	1.42%	1.54%	1.50%	1.52%	1.54%
District's proportionate share of the net pension (assets) liability	\$ 198,169,729	\$ 240,310,126	\$ 242,647,722	\$ 236,601,471	\$ 227,340,844
District's covered payroll	\$ 141,422,431	\$ 150,176,475	\$ 140,370,885	\$ 139,216,869	\$ 138,118,804
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	140.13%	160.02%	172.86%	169.95%	164.60%
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 17,646,924	\$ 15,415,045	\$ 16,189,024	\$ 15,230,241	\$ 15,160,717
Contributions in relation to the actuarially determined contribution	<u>17,646,924</u>	<u>15,415,045</u>	<u>16,189,024</u>	<u>15,230,241</u>	<u>15,160,717</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 157,843,685	\$ 141,422,431	\$ 150,176,475	\$ 140,370,885	\$ 139,216,869
Contributions as a percentage of covered payroll	11.18%	10.90%	10.78%	10.85%	10.89%

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

See accompanying notes to this schedule.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - HEALTH INSURANCE PREMIUM
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	1.40%	1.51%
District's proportionate share of the net OPEB (assets) liability	\$ (503,335)	\$ (820,519)
District's covered payroll	\$141,422,431	\$ 150,176,475
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	(0.36)%	(0.55)%
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%

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

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 726,081	\$ 622,259
Contributions in relation to the actuarially determined contribution	<u>726,081</u>	<u>622,259</u>
Contribution deficiency (excess)	<u><u>\$</u></u>	<u><u>\$</u></u>
District's covered payroll	\$157,843,685	\$ 141,422,431
Contributions as a percentage of covered payroll	0.46%	0.44%

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

See accompanying notes to this schedule.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
ARIZONA STATE RETIREMENT SYSTEM - LONG-TERM DISABILITY
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2018	June 30, 2017
District's proportion of the net OPEB (assets) liability	1.42%	1.52%
District's proportionate share of the net OPEB (assets) liability	\$ 742,306	\$ 551,621
District's covered payroll	\$141,422,431	\$150,176,475
District's proportionate share of the net OPEB (assets) liability as a percentage of its covered payroll	0.52%	0.37%
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%

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

	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 252,550	\$ 226,276
Contributions in relation to the actuarially determined contribution	<u>252,550</u>	<u>226,276</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>
District's covered payroll	\$157,843,685	\$141,422,431
Contributions as a percentage of covered payroll	0.16%	0.16%

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

See accompanying notes to this schedule.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST TWO FISCAL YEARS

	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2019	June 30, 2018
Total OPEB liability		
Service cost	\$ 452,602	\$ 372,989
Interest	452,734	450,578
Differences between expected and actual experience	644,818	
Changes of assumptions or other inputs	296,367	
Benefit payments	<u>(1,369,868)</u>	<u>(1,449,781)</u>
Net change in total OPEB liability	476,653	(626,214)
Total OPEB liability—beginning	<u>12,539,129</u>	<u>13,165,343</u>
Total OPEB liability—ending	<u><u>\$ 13,015,782</u></u>	<u><u>\$ 12,539,129</u></u>
 Covered-employee payroll	 \$136,387,093	 \$ 122,868,222
 Total OPEB liability as a percentage of covered-employee payroll	 9.54%	 10.21%

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

See accompanying notes to this schedule.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 214,997,420	\$ 65,049,264
Activity budgeted as special revenue funds	(4,302,572)	(15,907,280)
Current-year prepaid items	16,000,000	
Prior-year prepaid items	<u>(15,775,000)</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 210,919,848</u>	<u>\$ 49,141,984</u>

NOTE 2 – PENSION PLAN AND OPEB SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation. For the stand alone OPEB plan, disclosures are included in the notes to the financial statements.

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

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GOVERNMENTAL FUNDS

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 17,033,145	\$ 10,351,848	\$ 27,384,993
Property taxes receivable		217,229	217,229
Deposits	303,750		303,750
Due from governmental entities	6,528,635		6,528,635
Inventory	181,084		181,084
Total assets	<u><u>\$ 24,046,614</u></u>	<u><u>\$ 10,569,077</u></u>	<u><u>\$ 34,615,691</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 389,706	\$ 97,359	\$ 487,065
Due to other funds	4,462,257		4,462,257
Accrued payroll and employee benefits	564,758		564,758
Unearned revenues	288,519		288,519
Total liabilities	<u><u>5,705,240</u></u>	<u><u>97,359</u></u>	<u><u>5,802,599</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		195,099	195,099
Unavailable revenues - intergovernmental	2,958,284		2,958,284
Total deferred inflows of resources	<u><u>2,958,284</u></u>	<u><u>195,099</u></u>	<u><u>3,153,383</u></u>
Fund balances (deficits):			
Nonspendable	181,084		181,084
Restricted	18,160,654	10,276,619	28,437,273
Unassigned	(2,958,648)		(2,958,648)
Total fund balances	<u><u>15,383,090</u></u>	<u><u>10,276,619</u></u>	<u><u>25,659,709</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 24,046,614</u></u>	<u><u>\$ 10,569,077</u></u>	<u><u>\$ 34,615,691</u></u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2019

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 17,787,586	\$ 678,355	\$ 18,465,941
Property taxes		7,033,374	7,033,374
State aid and grants	20,913,653	1,632,262	22,545,915
Federal aid, grants and reimbursements	<u>22,282,821</u>	<u>22,282,821</u>	<u>22,282,821</u>
Total revenues	<u>60,984,060</u>	<u>9,343,991</u>	<u>70,328,051</u>
Expenditures:			
Current -			
Instruction	31,330,690	448	31,331,138
Support services - students and staff	6,516,489		6,516,489
Support services - administration	1,807,777	1,378	1,809,155
Operation and maintenance of plant services	4,386,030	3,562	4,389,592
Student transportation services	421,754		421,754
Operation of non-instructional services	15,232,728		15,232,728
Capital outlay	<u>1,954,945</u>	<u>5,763,618</u>	<u>7,718,563</u>
Total expenditures	<u>61,650,413</u>	<u>5,769,006</u>	<u>67,419,419</u>
Excess (deficiency) of revenues over expenditures	<u>(666,353)</u>	<u>3,574,985</u>	<u>2,908,632</u>
Other financing sources (uses):			
Transfers out	<u>(2,147,932)</u>	<u> </u>	<u>(2,147,932)</u>
Total other financing sources (uses)	<u>(2,147,932)</u>	<u> </u>	<u>(2,147,932)</u>
Changes in fund balances	<u>(2,814,285)</u>	<u>3,574,985</u>	<u>760,700</u>
Fund balances, beginning of year	18,196,611	6,701,634	24,898,245
Increase (decrease) in reserve for inventory	764		764
Fund balances, end of year	<u>\$ 15,383,090</u>	<u>\$ 10,276,619</u>	<u>\$ 25,659,709</u>

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

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

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

Vocational Education - to account for financial assistance received for preparation of individuals for employment or advancement in a career not requiring a baccalaureate or advanced degree.

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

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

Taylor Grazing - to account for financial assistance received for the purpose of protecting public lands by preventing over-grazing and soil deterioration and to provide for orderly use, improvement and development, and stabilization of the livestock industry.

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, including the Education Jobs Bill monies.

State Vocational Education - to account for financial assistance received for the preparation of individuals for employment.

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

College Credit Exam Incentives - to account for financial assistance received for college credit exams.

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

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

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

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

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

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

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

Career, Technical and Vocational Education Projects - to account for activity related to the production and subsequent sale of items produced in an instructional program by career, technical and vocational education pupils.

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.

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

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

Career Technical Education - to account for monies received from Career Technical Education Districts for vocational education programs.

District Services - to account for the financial activity of providing goods and services to departments or schools within the District, or other districts on a cost reimbursement basis.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
<u>ASSETS</u>			
Cash and investments	\$	\$ 313,318	\$ 1,162
Deposits			
Due from governmental entities	2,587,730	599,209	
Inventory			
Total assets	<u>\$ 2,587,730</u>	<u>\$ 912,527</u>	<u>\$ 1,162</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 32,006	\$
Due to other funds	1,918,133		
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	<u>1,918,133</u>	<u>32,006</u>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	669,597	880,521	1,162
Unassigned			
Total fund balances	<u>669,597</u>	<u>880,521</u>	<u>1,162</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,587,730</u>	<u>\$ 912,527</u>	<u>\$ 1,162</u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$	\$	\$	\$	\$	\$
639,932	168,816	80,080	48,159	26,785	1,661,801
<u>\$ 639,932</u>	<u>\$ 168,816</u>	<u>\$ 80,080</u>	<u>\$ 48,159</u>	<u>\$ 26,785</u>	<u>\$ 1,661,801</u>
\$ 24,729 485,764 129,439	\$ 168,816	\$ 80,080	\$ 48,159	\$ 26,785	\$ 49,221 1,521,098 91,482
<u>639,932</u>	<u>168,816</u>	<u>80,080</u>	<u>48,159</u>	<u>26,785</u>	<u>1,661,801</u>
<u>639,932</u>	<u>156,649</u>	<u>80,080</u>	<u>33,257</u>	<u>26,785</u>	<u>1,661,801</u>
<u>(639,932)</u>	<u>(156,649)</u>	<u>(80,080)</u>	<u>(33,257)</u>	<u>(26,785)</u>	<u>(1,661,801)</u>
<u>(639,932)</u>	<u>(156,649)</u>	<u>(80,080)</u>	<u>(33,257)</u>	<u>(26,785)</u>	<u>(1,661,801)</u>
<u>\$ 639,932</u>	<u>\$ 168,816</u>	<u>\$ 80,080</u>	<u>\$ 48,159</u>	<u>\$ 26,785</u>	<u>\$ 1,661,801</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Vocational Education</u>	<u>Homeless Education</u>	<u>E-Rate</u>
<u>ASSETS</u>			
Cash and investments	\$	\$	\$ 747,647
Deposits			
Due from governmental entities	213,475	27,242	274,125
Inventory			
Total assets	<u><u>\$ 213,475</u></u>	<u><u>\$ 27,242</u></u>	<u><u>\$ 1,021,772</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 37,393	\$ 9,292	\$
Due to other funds	147,581	17,950	
Accrued payroll and employee benefits	28,501		
Unearned revenues			
Total liabilities	<u>213,475</u>	<u>27,242</u>	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>183,135</u>	<u>27,242</u>	
Fund balances (deficits):			
Nonspendable			
Restricted			1,021,772
Unassigned	(183,135)	(27,242)	
Total fund balances	<u>(183,135)</u>	<u>(27,242)</u>	<u>1,021,772</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 213,475</u></u>	<u><u>\$ 27,242</u></u>	<u><u>\$ 1,021,772</u></u>

<u>Other Federal Projects</u>	<u>State Vocational Education</u>	<u>College Credit Exam Incentives</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>
\$	\$	\$ 277,454	\$ 2,372,670	\$	\$ 690,453
48,843	3,354			113,881	303,750
					35,203
					54,403
<u>\$ 48,843</u>	<u>\$ 3,354</u>	<u>\$ 277,454</u>	<u>\$ 2,372,670</u>	<u>\$ 113,881</u>	<u>\$ 1,083,809</u>
\$	\$	\$	\$	\$	\$ 22,700
44,059	3,354			114	26,905
					288,519
<u>44,059</u>	<u>3,354</u>			<u>114</u>	<u>338,124</u>
<u>32,168</u>	<u>3,354</u>			<u>113,881</u>	
4,784		277,454	2,372,670	113,767	54,403
(32,168)	(3,354)			(113,881)	691,282
<u>(27,384)</u>	<u>(3,354)</u>	<u>277,454</u>	<u>2,372,670</u>	<u>(114)</u>	<u>745,685</u>
<u>\$ 48,843</u>	<u>\$ 3,354</u>	<u>\$ 277,454</u>	<u>\$ 2,372,670</u>	<u>\$ 113,881</u>	<u>\$ 1,083,809</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING BALANCE SHEET - ALL SPECIAL REVENUE FUNDS
JUNE 30, 2019

	<u>Civic Center</u>	<u>Community School</u>	<u>Auxiliary Operations</u>
<u>ASSETS</u>			
Cash and investments	\$ 3,673,393	\$ 3,194,141	\$ 4,605,394
Deposits			
Due from governmental entities			
Inventory			126,681
Total assets	<u><u>\$ 3,673,393</u></u>	<u><u>\$ 3,194,141</u></u>	<u><u>\$ 4,732,075</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 17,446	\$ 150,995	\$ 45,924
Due to other funds			
Accrued payroll and employee benefits		288,431	
Unearned revenues			
Total liabilities	<u>17,446</u>	<u>439,426</u>	<u>45,924</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			126,681
Restricted	3,655,947	2,754,715	4,559,470
Unassigned			
Total fund balances	<u>3,655,947</u>	<u>2,754,715</u>	<u>4,686,151</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 3,673,393</u></u>	<u><u>\$ 3,194,141</u></u>	<u><u>\$ 4,732,075</u></u>

<u>Gifts and Donations</u>	<u>Career, Technical and Vocational Education</u>	<u>Fingerprint</u>	<u>Textbooks</u>	<u>Career Technical Education</u>	<u>Totals</u>
\$ 904,307	\$ 51,242	\$	\$ 154,074	\$ 47,890	\$ 17,033,145
					303,750
					6,528,635
					181,084
<u>\$ 904,307</u>	<u>\$ 51,242</u>	<u>\$</u>	<u>\$ 154,074</u>	<u>\$ 47,890</u>	<u>\$ 24,046,614</u>
\$	\$	\$	\$	\$	\$ 389,706
		364			4,462,257
					564,758
					288,519
<u></u>	<u></u>	<u>364</u>	<u></u>	<u></u>	<u>5,705,240</u>
					2,958,284
904,307	51,242		154,074	47,890	181,084
		(364)			18,160,654
<u>904,307</u>	<u>51,242</u>	<u>(364)</u>	<u>154,074</u>	<u>47,890</u>	<u>(2,958,648)</u>
					15,383,090
<u>\$ 904,307</u>	<u>\$ 51,242</u>	<u>\$</u>	<u>\$ 154,074</u>	<u>\$ 47,890</u>	<u>\$ 24,046,614</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>
Revenues:			
Other local	\$ 34,134	\$ 20,471	\$ 40
State aid and grants	15,526,378	1,346,790	
Federal aid, grants and reimbursements			
Total revenues	<u>15,560,512</u>	<u>1,367,261</u>	<u>40</u>
Expenditures:			
Current -			
Instruction	16,485,464	764,695	
Support services - students and staff	770,645	439,973	
Support services - administration		17,386	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>17,256,109</u>	<u>1,222,054</u>	
Excess (deficiency) of revenues over expenditures	<u>(1,695,597)</u>	<u>145,207</u>	<u>40</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,695,597)</u>	<u>145,207</u>	<u>40</u>
Fund balances (deficits), beginning of year	2,365,194	735,314	1,122
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ 669,597</u>	<u>\$ 880,521</u>	<u>\$ 1,162</u>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>
\$	\$	\$	\$	\$	\$
<u>5,435,203</u>	<u>568,316</u>	<u>548,046</u>	<u>486,723</u>	<u>10,130</u>	<u>5,739,399</u>
<u>5,435,203</u>	<u>568,316</u>	<u>548,046</u>	<u>486,723</u>	<u>10,130</u>	<u>5,739,399</u>
3,413,708		345,076	143,623	32,713	3,819,813
1,251,334	613,811	217,963	204,629	1,439	2,159,920
319,461	2,269	14,232			650
15,493					61,740
4,403		163			94,890
<u>1,593</u>		<u>4,388</u>			
<u>5,005,992</u>	<u>616,080</u>	<u>581,822</u>	<u>348,252</u>	<u>34,152</u>	<u>6,137,013</u>
<u>429,211</u>	<u>(47,764)</u>	<u>(33,776)</u>	<u>138,471</u>	<u>(24,022)</u>	<u>(397,614)</u>
<u>(403,519)</u>	<u>(49,828)</u>	<u>(9,895)</u>	<u>(28,174)</u>	<u>(2,763)</u>	<u>(494,263)</u>
<u>(403,519)</u>	<u>(49,828)</u>	<u>(9,895)</u>	<u>(28,174)</u>	<u>(2,763)</u>	<u>(494,263)</u>
<u>25,692</u>	<u>(97,592)</u>	<u>(43,671)</u>	<u>110,297</u>	<u>(26,785)</u>	<u>(891,877)</u>
(665,624)	(59,057)	(36,409)	(143,554)		(769,924)
<u>\$ (639,932)</u>	<u>\$ (156,649)</u>	<u>\$ (80,080)</u>	<u>\$ (33,257)</u>	<u>\$ (26,785)</u>	<u>\$ (1,661,801)</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Vocational Education	Homeless Education	E-Rate
Revenues:			
Other local	\$	\$	\$ 11,904
State aid and grants			
Federal aid, grants and reimbursements	460,927	29,412	1,585,305
Total revenues	<u>460,927</u>	<u>29,412</u>	<u>1,597,209</u>
Expenditures:			
Current -			
Instruction	126,948	12,762	
Support services - students and staff	262,745	23,969	
Support services - administration	1,325		16,575
Operation and maintenance of plant services			216,553
Student transportation services			
Operation of non-instructional services			
Capital outlay	198,195	258	1,311,180
Total expenditures	<u>589,213</u>	<u>36,989</u>	<u>1,544,308</u>
Excess (deficiency) of revenues over expenditures	<u>(128,286)</u>	<u>(7,577)</u>	<u>52,901</u>
Other financing sources (uses):			
Transfers out	(28,400)	(2,992)	
Total other financing sources (uses)	<u>(28,400)</u>	<u>(2,992)</u>	
Changes in fund balances	<u>(156,686)</u>	<u>(10,569)</u>	<u>52,901</u>
Fund balances (deficits), beginning of year	(26,449)	(16,673)	968,871
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (183,135)</u>	<u>\$ (27,242)</u>	<u>\$ 1,021,772</u>

Other Federal Projects	State Vocational Education	Gifted	College Credit Exam Incentives	Results-based Funding	Other State Projects
\$	\$	\$	\$	\$	\$
	227,781	5,325	245,786	1,939,227	1,622,366
232,256					
<u>232,256</u>	<u>227,781</u>	<u>5,325</u>	<u>245,786</u>	<u>1,939,227</u>	<u>1,622,366</u>
177,888	94,430		162,582		41,022
58,978	48,912	5,325		168,448	235,488
	34,586			1,266,435	2,711
	5,605				1,323,314
4,924	4,765				
	42,837				
<u>241,790</u>	<u>231,135</u>	<u>5,325</u>	<u>162,582</u>	<u>1,434,883</u>	<u>1,602,535</u>
<u>(9,534)</u>	<u>(3,354)</u>		<u>83,204</u>	<u>504,344</u>	<u>19,831</u>
(13,169)					
<u>(13,169)</u>					
<u>(22,703)</u>	<u>(3,354)</u>		<u>83,204</u>	<u>504,344</u>	<u>19,831</u>
(4,681)			194,250	1,868,326	(19,945)
<u>\$ (27,384)</u>	<u>\$ (3,354)</u>	<u>\$</u>	<u>\$ 277,454</u>	<u>\$ 2,372,670</u>	<u>\$ (114)</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
Revenues:			
Other local	\$ 2,280,393	\$ 961,195	\$ 8,367,487
State aid and grants			
Federal aid, grants and reimbursements	7,187,104		
Total revenues	<u>9,467,497</u>	<u>961,195</u>	<u>8,367,487</u>
Expenditures:			
Current -			
Instruction		47,732	143,563
Support services - students and staff	525	22,329	2,195
Support services - administration		53,897	54,413
Operation and maintenance of plant services	1,067,067	162,489	1,341,245
Student transportation services			1,343
Operation of non-instructional services	7,680,371	149,923	7,375,099
Capital outlay	6,573	124,907	54,959
Total expenditures	<u>8,754,536</u>	<u>561,277</u>	<u>8,972,817</u>
Excess (deficiency) of revenues over expenditures	<u>712,961</u>	<u>399,918</u>	<u>(605,330)</u>
Other financing sources (uses):			
Transfers out	(1,114,929)		
Total other financing sources (uses)	<u>(1,114,929)</u>		
Changes in fund balances	<u>(401,968)</u>	<u>399,918</u>	<u>(605,330)</u>
Fund balances (deficits), beginning of year	1,183,371	3,256,029	3,360,045
Increase (decrease) in reserve for inventory	(35,718)		
Fund balances (deficits), end of year	<u>\$ 745,685</u>	<u>\$ 3,655,947</u>	<u>\$ 2,754,715</u>

Auxiliary Operations	Gifts and Donations	Career, Technical and Vocational Education	Fingerprint	Textbooks	Career Technical Education
\$ 4,523,201	\$ 522,887	\$ 37,013	\$ 4,971	\$ 33,843	\$ 990,047
<u>4,523,201</u>	<u>522,887</u>	<u>37,013</u>	<u>4,971</u>	<u>33,843</u>	<u>990,047</u>
3,813,411	368,214	41,791		48,495	1,246,760
6,479	14,392			3,172	3,818
	18,502		5,335		
180,453	8,908				3,163
304,692	5,874				700
27,335					
98,645	95,750				15,660
<u>4,431,015</u>	<u>511,640</u>	<u>41,791</u>	<u>5,335</u>	<u>51,667</u>	<u>1,270,101</u>
<u>92,186</u>	<u>11,247</u>	<u>(4,778)</u>	<u>(364)</u>	<u>(17,824)</u>	<u>(280,054)</u>
<u>92,186</u>	<u>11,247</u>	<u>(4,778)</u>	<u>(364)</u>	<u>(17,824)</u>	<u>(280,054)</u>
4,557,483	893,060	56,020		171,898	327,944
36,482					
<u>\$ 4,686,151</u>	<u>\$ 904,307</u>	<u>\$ 51,242</u>	<u>\$ (364)</u>	<u>\$ 154,074</u>	<u>\$ 47,890</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Totals</u>
Revenues:	
Other local	\$ 17,787,586
State aid and grants	20,913,653
Federal aid, grants and reimbursements	<u>22,282,821</u>
Total revenues	<u>60,984,060</u>
Expenditures:	
Current -	
Instruction	31,330,690
Support services - students and staff	6,516,489
Support services - administration	1,807,777
Operation and maintenance of plant services	4,386,030
Student transportation services	421,754
Operation of non-instructional services	15,232,728
Capital outlay	<u>1,954,945</u>
Total expenditures	<u>61,650,413</u>
Excess (deficiency) of revenues over expenditures	<u>(666,353)</u>
Other financing sources (uses):	
Transfers out	<u>(2,147,932)</u>
Total other financing sources (uses)	<u>(2,147,932)</u>
Changes in fund balances	<u>(2,814,285)</u>
Fund balances (deficits), beginning of year	18,196,611
Increase (decrease) in reserve for inventory	764
Fund balances, end of year	<u><u>\$ 15,383,090</u></u>

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PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 34,134	\$ 34,134
State aid and grants		15,526,378	15,526,378
Federal aid, grants and reimbursements			
Total revenues		<u>15,560,512</u>	<u>15,560,512</u>
Expenditures:			
Current -			
Instruction	17,065,318	16,485,464	579,854
Support services - students and staff		770,645	(770,645)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>17,065,318</u>	<u>17,256,109</u>	<u>(190,791)</u>
Excess (deficiency) of revenues over expenditures	<u>(17,065,318)</u>	<u>(1,695,597)</u>	<u>15,369,721</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(17,065,318)</u>	<u>(1,695,597)</u>	<u>15,369,721</u>
Fund balances (deficits), beginning of year		2,365,194	2,365,194
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (17,065,318)</u>	<u>\$ 669,597</u>	<u>\$ 17,734,915</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 20,471 1,346,790	\$ 20,471 1,346,790	\$	\$ 40	\$ 40
	<u>1,367,261</u>	<u>1,367,261</u>		<u>40</u>	<u>40</u>
760,500	764,695	(4,195)	1,200		1,200
423,000	439,973	(16,973)			
16,500	17,386	(886)			
<u>1,200,000</u>	<u>1,222,054</u>	<u>(22,054)</u>	<u>1,200</u>		<u>1,200</u>
<u>(1,200,000)</u>	<u>145,207</u>	<u>1,345,207</u>	<u>(1,200)</u>	<u>40</u>	<u>1,240</u>
<u>(1,200,000)</u>	<u>145,207</u>	<u>1,345,207</u>	<u>(1,200)</u>	<u>40</u>	<u>1,240</u>
	735,314	735,314		1,122	1,122
<u>\$ (1,200,000)</u>	<u>\$ 880,521</u>	<u>\$ 2,080,521</u>	<u>\$ (1,200)</u>	<u>\$ 1,162</u>	<u>\$ 2,362</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Title I Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		5,435,203	5,435,203
Total revenues		<u>5,435,203</u>	<u>5,435,203</u>
Expenditures:			
Current -			
Instruction	700,000	3,413,708	(2,713,708)
Support services - students and staff	5,955,000	1,251,334	4,703,666
Support services - administration	444,615	319,461	125,154
Operation and maintenance of plant services	25,000	15,493	9,507
Student transportation services	10,000	4,403	5,597
Operation of non-instructional services			
Capital outlay	10,000	1,593	8,407
Total expenditures	<u>7,144,615</u>	<u>5,005,992</u>	<u>2,138,623</u>
Excess (deficiency) of revenues over expenditures	<u>(7,144,615)</u>	<u>429,211</u>	<u>7,573,826</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(403,519)	(403,519)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(403,519)</u>	<u>(403,519)</u>
Changes in fund balances	<u>(7,144,615)</u>	<u>25,692</u>	<u>7,170,307</u>
Fund balances (deficits), beginning of year		(665,624)	(665,624)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (7,144,615)</u>	<u>\$ (639,932)</u>	<u>\$ 6,504,683</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	568,316	568,316		548,046	548,046
	568,316	568,316		548,046	548,046
886,000	613,811	272,189	600,000	345,076	254,924
15,913	2,269	13,644	289,000	217,963	71,037
			55,000	14,232	40,768
			598	163	435
			10,000	4,388	5,612
901,913	616,080	285,833	954,598	581,822	372,776
(901,913)	(47,764)	854,149	(954,598)	(33,776)	920,822
	(49,828)	(49,828)		(9,895)	(9,895)
	(49,828)	(49,828)		(9,895)	(9,895)
(901,913)	(97,592)	804,321	(954,598)	(43,671)	910,927
	(59,057)	(59,057)		(36,409)	(36,409)
\$ (901,913)	\$ (156,649)	\$ 745,264	\$ (954,598)	\$ (80,080)	\$ 874,518

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Limited English & Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		486,723	486,723
Total revenues		<u>486,723</u>	<u>486,723</u>
Expenditures:			
Current -			
Instruction	150,000	143,623	6,377
Support services - students and staff	264,826	204,629	60,197
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>414,826</u>	<u>348,252</u>	<u>66,574</u>
Excess (deficiency) of revenues over expenditures	<u>(414,826)</u>	<u>138,471</u>	<u>553,297</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(28,174)	(28,174)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(28,174)</u>	<u>(28,174)</u>
Changes in fund balances	<u>(414,826)</u>	<u>110,297</u>	<u>525,123</u>
Fund balances (deficits), beginning of year		(143,554)	(143,554)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (414,826)</u>	<u>\$ (33,257)</u>	<u>\$ 381,569</u>

Indian Education			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	10,130	10,130		5,739,399	5,739,399
	10,130	10,130		5,739,399	5,739,399
40,000	32,713	7,287	4,000,000	3,819,813	180,187
3,321	1,439	1,882	2,342,000	2,159,920	182,080
			1,123	650	473
			100,000	61,740	38,260
			200,000	94,890	105,110
43,321	34,152	9,169	6,643,123	6,137,013	506,110
(43,321)	(24,022)	19,299	(6,643,123)	(397,614)	6,245,509
	(2,763)	(2,763)		(494,263)	(494,263)
	(2,763)	(2,763)		(494,263)	(494,263)
(43,321)	(26,785)	16,536	(6,643,123)	(891,877)	5,751,246
				(769,924)	(769,924)
\$ (43,321)	\$ (26,785)	\$ 16,536	\$ (6,643,123)	\$ (1,661,801)	\$ 4,981,322

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		460,927	460,927
Total revenues		<u>460,927</u>	<u>460,927</u>
Expenditures:			
Current -			
Instruction	125,000	126,948	(1,948)
Support services - students and staff	261,306	262,745	(1,439)
Support services - administration	1,000	1,325	(325)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	181,000	198,195	(17,195)
Total expenditures	<u>568,306</u>	<u>589,213</u>	<u>(20,907)</u>
Excess (deficiency) of revenues over expenditures	<u>(568,306)</u>	<u>(128,286)</u>	<u>440,020</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(28,400)	(28,400)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(28,400)</u>	<u>(28,400)</u>
Changes in fund balances	<u>(568,306)</u>	<u>(156,686)</u>	<u>411,620</u>
Fund balances (deficits), beginning of year		(26,449)	(26,449)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (568,306)</u>	<u>\$ (183,135)</u>	<u>\$ 385,171</u>

Homeless Education			Medicaid Reimbursement		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 165,225	\$ 165,225
	29,412	29,412		2,406,012	2,406,012
	29,412	29,412		2,571,237	2,571,237
15,000	12,762	2,238	3,500,000	1,558,313	1,941,687
25,000	23,969	1,031	50,000	9,172	40,828
			450,000	148,154	301,846
3,603	258	3,345			
43,603	36,989	6,614	4,000,000	1,715,639	2,284,361
(43,603)	(7,577)	36,026	(4,000,000)	855,598	4,855,598
	(2,992)	(2,992)			
	(2,992)	(2,992)			
(43,603)	(10,569)	33,034	(4,000,000)	855,598	4,855,598
	(16,673)	(16,673)		10,283,368	10,283,368
\$ (43,603)	\$ (27,242)	\$ 16,361	\$ (4,000,000)	\$ 11,138,966	\$ 15,138,966

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Taylor Grazing Fees		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1	1
Total revenues		1	1
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration		1	(1)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		1	(1)
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances			
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$	\$	\$

E-Rate			Other Federal Projects		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 11,904	\$ 11,904	\$	\$	\$
	1,585,305	1,585,305		232,256	232,256
	1,597,209	1,597,209		232,256	232,256
			200,000	177,888	22,112
			100,000	58,978	41,022
15,000	16,575	(1,575)			
25,000	216,553	(191,553)			
			30,482	4,924	25,558
100,000	1,311,180	(1,211,180)			
140,000	1,544,308	(1,404,308)	330,482	241,790	88,692
(140,000)	52,901	192,901	(330,482)	(9,534)	320,948
				(13,169)	(13,169)
				(13,169)	(13,169)
(140,000)	52,901	192,901	(330,482)	(22,703)	307,779
	968,871	968,871		(4,681)	(4,681)
\$ (140,000)	\$ 1,021,772	\$ 1,161,772	\$ (330,482)	\$ (27,384)	\$ 303,098

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	State Vocational Education		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		227,781	227,781
Federal aid, grants and reimbursements			
Total revenues		<u>227,781</u>	<u>227,781</u>
Expenditures:			
Current -			
Instruction	94,500	94,430	70
Support services - students and staff	49,000	48,912	88
Support services - administration	36,665	34,586	2,079
Operation and maintenance of plant services	6,000	5,605	395
Student transportation services	5,000	4,765	235
Operation of non-instructional services			
Capital outlay	43,000	42,837	163
Total expenditures	<u>234,165</u>	<u>231,135</u>	<u>3,030</u>
Excess (deficiency) of revenues over expenditures	<u>(234,165)</u>	<u>(3,354)</u>	<u>230,811</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(234,165)</u>	<u>(3,354)</u>	<u>230,811</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (234,165)</u>	<u>\$ (3,354)</u>	<u>\$ 230,811</u>

Gifted			College Credit Exam Incentives		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	5,325	5,325		245,786	245,786
	<u>5,325</u>	<u>5,325</u>		<u>245,786</u>	<u>245,786</u>
24,480	5,325	19,155	194,250	162,582	31,668
<u>24,480</u>	<u>5,325</u>	<u>19,155</u>	<u>194,250</u>	<u>162,582</u>	<u>31,668</u>
<u>(24,480)</u>		<u>24,480</u>	<u>(194,250)</u>	<u>83,204</u>	<u>277,454</u>
<u>(24,480)</u>		<u>24,480</u>	<u>(194,250)</u>	<u>83,204</u>	<u>277,454</u>
				194,250	194,250
<u>\$ (24,480)</u>	<u>\$</u>	<u>\$ 24,480</u>	<u>\$ (194,250)</u>	<u>\$ 277,454</u>	<u>\$ 471,704</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Results-based Funding		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		1,939,227	1,939,227
Federal aid, grants and reimbursements			
Total revenues		<u>1,939,227</u>	<u>1,939,227</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	300,000	168,448	131,552
Support services - administration	1,577,293	1,266,435	310,858
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,877,293</u>	<u>1,434,883</u>	<u>442,410</u>
Excess (deficiency) of revenues over expenditures	<u>(1,877,293)</u>	<u>504,344</u>	<u>2,381,637</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,877,293)</u>	<u>504,344</u>	<u>2,381,637</u>
Fund balances (deficits), beginning of year		1,868,326	1,868,326
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (1,877,293)</u>	<u>\$ 2,372,670</u>	<u>\$ 4,249,963</u>

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,622,366	1,622,366		453,213	453,213
	<u>1,622,366</u>	<u>1,622,366</u>		<u>453,213</u>	<u>453,213</u>
60,000	41,022	18,978			
300,000	235,488	64,512	50,000	16,840	33,160
33,324	2,711	30,613		45,599	(45,599)
1,400,000	1,323,314	76,686	450,000		450,000
			1,000,000	146,263	853,737
<u>1,793,324</u>	<u>1,602,535</u>	<u>190,789</u>	<u>1,500,000</u>	<u>208,702</u>	<u>1,291,298</u>
<u>(1,793,324)</u>	<u>19,831</u>	<u>1,813,155</u>	<u>(1,500,000)</u>	<u>244,511</u>	<u>1,744,511</u>
				95,128	95,128
				<u>95,128</u>	<u>95,128</u>
<u>(1,793,324)</u>	<u>19,831</u>	<u>1,813,155</u>	<u>(1,500,000)</u>	<u>339,639</u>	<u>1,839,639</u>
	(19,945)	(19,945)		3,380,511	3,380,511
<u>\$ (1,793,324)</u>	<u>\$ (114)</u>	<u>\$ 1,793,210</u>	<u>\$ (1,500,000)</u>	<u>\$ 3,720,150</u>	<u>\$ 5,220,150</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Food Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,280,393	\$ 2,280,393
State aid and grants			
Federal aid, grants and reimbursements		7,187,104	7,187,104
Total revenues		<u>9,467,497</u>	<u>9,467,497</u>
Expenditures:			
Current -			
Instruction		525	475
Support services - students and staff	1,000		
Support services - administration			
Operation and maintenance of plant services	2,000,000	1,067,067	932,933
Student transportation services			
Operation of non-instructional services	8,000,000	7,680,371	319,629
Capital outlay	199,000	6,573	192,427
Total expenditures	<u>10,200,000</u>	<u>8,754,536</u>	<u>1,445,464</u>
Excess (deficiency) of revenues over expenditures	<u>(10,200,000)</u>	<u>712,961</u>	<u>10,912,961</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(1,114,929)	(1,114,929)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(1,114,929)</u>	<u>(1,114,929)</u>
Changes in fund balances	<u>(10,200,000)</u>	<u>(401,968)</u>	<u>9,798,032</u>
Fund balances (deficits), beginning of year		1,183,371	1,183,371
Increase (decrease) in reserve for inventory		(35,718)	(35,718)
Fund balances (deficits), end of year	<u>\$ (10,200,000)</u>	<u>\$ 745,685</u>	<u>\$ 10,945,685</u>

Civic Center			Community School		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 961,195	\$ 961,195	\$	\$ 8,367,487	\$ 8,367,487
	<u>961,195</u>	<u>961,195</u>		<u>8,367,487</u>	<u>8,367,487</u>
50,000	47,732	2,268	150,000	143,563	6,437
30,000	22,329	7,671	5,000	2,195	2,805
120,000	53,897	66,103	55,000	54,413	587
200,000	162,489	37,511	1,350,000	1,341,245	8,755
			5,000	1,343	3,657
300,000	149,923	150,077	7,376,000	7,375,099	901
300,000	124,907	175,093	59,000	54,959	4,041
<u>1,000,000</u>	<u>561,277</u>	<u>438,723</u>	<u>9,000,000</u>	<u>8,972,817</u>	<u>27,183</u>
<u>(1,000,000)</u>	<u>399,918</u>	<u>1,399,918</u>	<u>(9,000,000)</u>	<u>(605,330)</u>	<u>8,394,670</u>
<u>(1,000,000)</u>	<u>399,918</u>	<u>1,399,918</u>	<u>(9,000,000)</u>	<u>(605,330)</u>	<u>8,394,670</u>
	3,256,029	3,256,029		3,360,045	3,360,045
<u>\$ (1,000,000)</u>	<u>\$ 3,655,947</u>	<u>\$ 4,655,947</u>	<u>\$ (9,000,000)</u>	<u>\$ 2,754,715</u>	<u>\$ 11,754,715</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Auxiliary Operations		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 4,523,201	\$ 4,523,201
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>4,523,201</u>	<u>4,523,201</u>
Expenditures:			
Current -			
Instruction	4,000,000	3,813,411	186,589
Support services - students and staff	10,000	6,479	3,521
Support services - administration			
Operation and maintenance of plant services	210,000	180,453	29,547
Student transportation services	450,000	304,692	145,308
Operation of non-instructional services	30,000	27,335	2,665
Capital outlay	100,000	98,645	1,355
Total expenditures	<u>4,800,000</u>	<u>4,431,015</u>	<u>368,985</u>
Excess (deficiency) of revenues over expenditures	<u>(4,800,000)</u>	<u>92,186</u>	<u>4,892,186</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(4,800,000)</u>	<u>92,186</u>	<u>4,892,186</u>
Fund balances (deficits), beginning of year		4,557,483	4,557,483
Increase (decrease) in reserve for inventory		36,482	36,482
Fund balances (deficits), end of year	<u>\$ (4,800,000)</u>	<u>\$ 4,686,151</u>	<u>\$ 9,486,151</u>

Gifts and Donations			Career, Technical and Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 522,887	\$ 522,887	\$	\$ 37,013	\$ 37,013
	<u>522,887</u>	<u>522,887</u>		<u>37,013</u>	<u>37,013</u>
619,000	368,214	250,786	85,000	41,791	43,209
21,000	14,392	6,608			
45,000	18,502	26,498			
15,000	8,908	6,092			
10,000	5,874	4,126			
190,000	95,750	94,250			
900,000	511,640	388,360	85,000	41,791	43,209
(900,000)	11,247	911,247	(85,000)	(4,778)	80,222
(900,000)	11,247	911,247	(85,000)	(4,778)	80,222
	893,060	893,060		56,020	56,020
\$ (900,000)	\$ 904,307	\$ 1,804,307	\$ (85,000)	\$ 51,242	\$ 136,242

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 4,971	\$ 4,971
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>4,971</u>	<u>4,971</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	50,000	5,335	44,665
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>50,000</u>	<u>5,335</u>	<u>44,665</u>
Excess (deficiency) of revenues over expenditures	<u>(50,000)</u>	<u>(364)</u>	<u>49,636</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(50,000)</u>	<u>(364)</u>	<u>49,636</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (50,000)</u>	<u>\$ (364)</u>	<u>\$ 49,636</u>

Textbooks			Indirect Costs		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 33,843	\$ 33,843	\$	\$ 31,593	\$ 31,593
	<u>33,843</u>	<u>33,843</u>		<u>31,593</u>	<u>31,593</u>
48,000	48,495	(495)	1,130,000	2,000,000	(870,000)
2,000	3,172	(1,172)	70,000	80,225	(10,225)
			40,000	49,363	(9,363)
			60,000	77,548	(17,548)
<u>50,000</u>	<u>51,667</u>	<u>(1,667)</u>	<u>1,300,000</u>	<u>2,207,136</u>	<u>(907,136)</u>
<u>(50,000)</u>	<u>(17,824)</u>	<u>32,176</u>	<u>(1,300,000)</u>	<u>(2,175,543)</u>	<u>(875,543)</u>
				2,147,932	2,147,932
				<u>2,147,932</u>	<u>2,147,932</u>
<u>(50,000)</u>	<u>(17,824)</u>	<u>32,176</u>	<u>(1,300,000)</u>	<u>(27,611)</u>	<u>1,272,389</u>
	171,898	171,898		909,490	909,490
<u>\$ (50,000)</u>	<u>\$ 154,074</u>	<u>\$ 204,074</u>	<u>\$ (1,300,000)</u>	<u>\$ 881,879</u>	<u>\$ 2,181,879</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Advertisement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3,049	\$ 3,049
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>3,049</u>	<u>3,049</u>
Expenditures:			
Current -			
Instruction	35,000		35,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>35,000</u>		<u>35,000</u>
Excess (deficiency) of revenues over expenditures	<u>(35,000)</u>	<u>3,049</u>	<u>38,049</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(35,000)</u>	<u>3,049</u>	<u>38,049</u>
Fund balances (deficits), beginning of year		34,500	34,500
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	<u>\$ (35,000)</u>	<u>\$ 37,549</u>	<u>\$ 72,549</u>

Career Technical Education			District Services		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 990,047	\$ 990,047	\$	\$ 154,553	\$ 154,553
	990,047	990,047		154,553	154,553
1,265,000	1,246,760	18,240			
10,000	3,818	6,182			
10,000	3,163	6,837			
1,805	700	1,105	250,000	171,094	78,906
50,000	15,660	34,340			
1,336,805	1,270,101	66,704	250,000	171,094	78,906
(1,336,805)	(280,054)	1,056,751	(250,000)	(16,541)	233,459
(1,336,805)	(280,054)	1,056,751	(250,000)	(16,541)	233,459
	327,944	327,944		145,277	145,277
\$ (1,336,805)	\$ 47,890	\$ 1,384,695	\$ (250,000)	\$ 128,736	\$ 378,736

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2019

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 18,595,219	\$ 18,595,219
State aid and grants		20,913,653	20,913,653
Federal aid, grants and reimbursements		24,688,834	24,688,834
Total revenues		<u>64,197,706</u>	<u>64,197,706</u>
Expenditures:			
Current -			
Instruction	34,887,768	34,889,003	(1,235)
Support services - students and staff	11,471,933	6,622,726	4,849,207
Support services - administration	2,956,433	2,050,894	905,539
Operation and maintenance of plant services	5,791,000	4,386,030	1,404,970
Student transportation services	962,885	592,848	370,037
Operation of non-instructional services	15,766,000	15,310,276	455,724
Capital outlay	2,245,603	2,101,208	144,395
Total expenditures	<u>74,081,622</u>	<u>65,952,985</u>	<u>8,128,637</u>
Excess (deficiency) of revenues over expenditures	<u>(74,081,622)</u>	<u>(1,755,279)</u>	<u>72,326,343</u>
Other financing sources (uses):			
Transfers in		2,147,932	2,147,932
Transfers out		(2,147,932)	(2,147,932)
Proceeds from sale of capital assets		95,128	95,128
Total other financing sources (uses)		<u>95,128</u>	<u>95,128</u>
Changes in fund balances	<u>(74,081,622)</u>	<u>(1,660,151)</u>	<u>72,421,471</u>
Fund balances (deficits), beginning of year		32,949,757	32,949,757
Increase (decrease) in reserve for inventory		764	764
Fund balances (deficits), end of year	<u>\$ (74,081,622)</u>	<u>\$ 31,290,370</u>	<u>\$ 105,371,992</u>

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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2019

	Debt Service		Variance -
	Budget	Actual	Positive
			(Negative)
Revenues:			
Other local	\$	\$ 153,061	\$ 153,061
Property taxes		52,292,521	52,292,521
Federal aid, grants and reimbursements		1,170,148	1,170,148
Total revenues		<u>53,615,730</u>	<u>53,615,730</u>
Expenditures:			
Debt service -			
Principal retirement	39,031,111	39,031,111	
Interest and fiscal charges	12,105,744	13,506,182	(1,400,438)
Total expenditures	<u>51,136,855</u>	<u>52,537,293</u>	<u>(1,400,438)</u>
Excess (deficiency) of revenues over expenditures	<u>(51,136,855)</u>	<u>1,078,437</u>	<u>52,215,292</u>
Other financing sources (uses):			
Transfers in		3,409,912	3,409,912
Total other financing sources (uses)		<u>3,409,912</u>	<u>3,409,912</u>
Changes in fund balances	<u>(51,136,855)</u>	<u>4,488,349</u>	<u>55,625,204</u>
Fund balances, beginning of year		1,703,391	1,703,391
Fund balances (deficits), end of year	<u>\$ (51,136,855)</u>	<u>\$ 6,191,740</u>	<u>\$ 57,328,595</u>

CAPITAL PROJECTS FUNDS

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

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

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.

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.

New School Facilities - to account for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2019

	<u>Insurance Proceeds</u>	<u>Litigation Recovery</u>	<u>Unrestricted Capital Outlay</u>
<u>ASSETS</u>			
Cash and investments	\$ 267,455	\$ 325,734	\$ 9,234,575
Property taxes receivable			71,702
Total assets	<u><u>\$ 267,455</u></u>	<u><u>\$ 325,734</u></u>	<u><u>\$ 9,306,277</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 97,359
Total liabilities	<u></u>	<u></u>	<u>97,359</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes			49,596
Fund balances:			
Restricted	267,455	325,734	9,159,322
Total fund balances	<u>267,455</u>	<u>325,734</u>	<u>9,159,322</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 267,455</u></u>	<u><u>\$ 325,734</u></u>	<u><u>\$ 9,306,277</u></u>

<u>Adjacent Ways</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 500,886	\$ 23,198	\$ 10,351,848
145,527		217,229
<u>\$ 646,413</u>	<u>\$ 23,198</u>	<u>\$ 10,569,077</u>

<u>\$</u>	<u>\$</u>	<u>\$ 97,359</u>
		97,359

<u>145,503</u>		<u>195,099</u>
----------------	--	----------------

<u>500,910</u>	<u>23,198</u>	<u>10,276,619</u>
<u>500,910</u>	<u>23,198</u>	<u>10,276,619</u>

<u>\$ 646,413</u>	<u>\$ 23,198</u>	<u>\$ 10,569,077</u>
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PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Insurance Proceeds	Litigation Recovery	Unrestricted Capital Outlay
Revenues:			
Other local	\$ 22,406	\$ 11,166	\$ 640,249
Property taxes			5,885,444
State aid and grants			
Total revenues	<u>22,406</u>	<u>11,166</u>	<u>6,525,693</u>
Expenditures:			
Current -			
Instruction	448		
Support services - administration	1,378		
Operation and maintenance of plant services	3,562		
Capital outlay	1,357		4,676,927
Total expenditures	<u>6,745</u>		<u>4,676,927</u>
Changes in fund balances	<u>15,661</u>	<u>11,166</u>	<u>1,848,766</u>
Fund balances (deficits), beginning of year	251,794	314,568	7,310,556
Fund balances, end of year	<u><u>\$ 267,455</u></u>	<u><u>\$ 325,734</u></u>	<u><u>\$ 9,159,322</u></u>

<u>Adjacent Ways</u>	<u>Building Renewal Grant</u>	<u>New School Facilities</u>	<u>Totals</u>
\$ 3,226	\$ 842	\$ 466	\$ 678,355
1,147,930			7,033,374
	1,632,262		1,632,262
<u>1,151,156</u>	<u>1,633,104</u>	<u>466</u>	<u>9,343,991</u>
			448
			1,378
			3,562
<u>731,235</u>	<u>354,099</u>	<u></u>	<u>5,763,618</u>
<u>731,235</u>	<u>354,099</u>	<u></u>	<u>5,769,006</u>
<u>419,921</u>	<u>1,279,005</u>	<u>466</u>	<u>3,574,985</u>
80,989	(1,279,005)	22,732	6,701,634
<u>\$ 500,910</u>	<u>\$</u>	<u>\$ 23,198</u>	<u>\$ 10,276,619</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Insurance Proceeds		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 22,406	\$ 22,406
Property taxes			
State aid and grants			
Total revenues		<u>22,406</u>	<u>22,406</u>
Expenditures:			
Current -			
Instruction	50,000	448	49,552
Support services - administration	50,000	1,378	48,622
Operation and maintenance of plant services	100,000	3,562	96,438
Capital outlay	50,000	1,357	48,643
Debt service -			
Bond issuance costs			
Total expenditures	<u>250,000</u>	<u>6,745</u>	<u>243,255</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>15,661</u>	<u>265,661</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(250,000)</u>	<u>15,661</u>	<u>265,661</u>
Fund balances (deficits), beginning of year		251,794	251,794
Fund balances (deficits), end of year	<u>\$ (250,000)</u>	<u>\$ 267,455</u>	<u>\$ 517,455</u>

Litigation Recovery			Unrestricted Capital Outlay		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 11,166	\$ 11,166	\$	\$ 640,249 5,885,444	\$ 640,249 5,885,444
	11,166	11,166		6,525,693	6,525,693
300,000		300,000			
			13,579,381	4,676,927	8,902,454
300,000		300,000	13,579,381	4,676,927	8,902,454
(300,000)	11,166	311,166	(13,579,381)	1,848,766	15,428,147
(300,000)	11,166	311,166	(13,579,381)	1,848,766	15,428,147
	314,568	314,568		7,310,556	7,310,556
\$ (300,000)	\$ 325,734	\$ 625,734	\$ (13,579,381)	\$ 9,159,322	\$ 22,738,703

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PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 3,226	\$ 3,226
Property taxes		1,147,930	1,147,930
State aid and grants			
Total revenues		<u>1,151,156</u>	<u>1,151,156</u>
Expenditures:			
Current -			
Instruction			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	1,626,000	731,235	894,765
Debt service -			
Bond issuance costs			
Total expenditures	<u>1,626,000</u>	<u>731,235</u>	<u>894,765</u>
Excess (deficiency) of revenues over expenditures	<u>(1,626,000)</u>	<u>419,921</u>	<u>2,045,921</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,626,000)</u>	<u>419,921</u>	<u>2,045,921</u>
Fund balances (deficits), beginning of year		80,989	80,989
Fund balances (deficits), end of year	<u>\$ (1,626,000)</u>	<u>\$ 500,910</u>	<u>\$ 2,126,910</u>

Bond Building			Building Renewal Grant		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,006,312	\$ 2,006,312	\$	\$ 842	\$ 842
				1,632,262	1,632,262
	<u>2,006,312</u>	<u>2,006,312</u>		<u>1,633,104</u>	<u>1,633,104</u>
77,628,812	54,368,335	23,260,477	600,000	354,099	245,901
	412,866	(412,866)			
<u>77,628,812</u>	<u>54,781,201</u>	<u>22,847,611</u>	<u>600,000</u>	<u>354,099</u>	<u>245,901</u>
<u>(77,628,812)</u>	<u>(52,774,889)</u>	<u>24,853,923</u>	<u>(600,000)</u>	<u>1,279,005</u>	<u>1,879,005</u>
	(3,409,912)	(3,409,912)			
	53,310,000	53,310,000			
	6,608,441	6,608,441			
	<u>56,508,529</u>	<u>56,508,529</u>			
<u>(77,628,812)</u>	<u>3,733,640</u>	<u>81,362,452</u>	<u>(600,000)</u>	<u>1,279,005</u>	<u>1,879,005</u>
	63,146,041	63,146,041		(1,279,005)	(1,279,005)
<u>\$ (77,628,812)</u>	<u>\$ 66,879,681</u>	<u>\$ 144,508,493</u>	<u>\$ (600,000)</u>	<u>\$</u>	<u>\$ 600,000</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2019

	New School Facilities		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 466	\$ 466
Property taxes			
State aid and grants			
Total revenues		<u>466</u>	<u>466</u>
Expenditures:			
Current -			
Instruction			
Support services - administration			
Operation and maintenance of plant services			
Capital outlay	7,540		7,540
Debt service -			
Bond issuance costs			
Total expenditures	<u>7,540</u>		<u>7,540</u>
Excess (deficiency) of revenues over expenditures	<u>(7,540)</u>	<u>466</u>	<u>8,006</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(7,540)</u>	<u>466</u>	<u>8,006</u>
Fund balances (deficits), beginning of year		22,732	22,732
Fund balances (deficits), end of year	<u>\$ (7,540)</u>	<u>\$ 23,198</u>	<u>\$ 30,738</u>

Totals		
Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,684,667	\$ 2,684,667
	7,033,374	7,033,374
	1,632,262	1,632,262
	<u>11,350,303</u>	<u>11,350,303</u>
350,000	448	349,552
50,000	1,378	48,622
100,000	3,562	96,438
93,491,733	60,131,953	33,359,780
	412,866	(412,866)
<u>93,991,733</u>	<u>60,550,207</u>	<u>33,441,526</u>
<u>(93,991,733)</u>	<u>(49,199,904)</u>	<u>44,791,829</u>
	(3,409,912)	(3,409,912)
	53,310,000	53,310,000
	6,608,441	6,608,441
	<u>56,508,529</u>	<u>56,508,529</u>
<u>(93,991,733)</u>	<u>7,308,625</u>	<u>101,300,358</u>
	69,847,675	69,847,675
<u>\$ (93,991,733)</u>	<u>\$ 77,156,300</u>	<u>\$ 171,148,033</u>

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AGENCY FUNDS

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

Intergovernmental Agreements - to account for the financial activities relating to agreements with other governments not required to be accounted for elsewhere.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2019

	<u>Student Activities</u>	<u>Intergovernmental Agreements</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,836,147	\$ 21,673	\$ 1,857,820
Total assets	<u>\$ 1,836,147</u>	<u>\$ 21,673</u>	<u>\$ 1,857,820</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 23,263	\$	\$ 23,263
Due to governmental entities		21,673	21,673
Due to student groups	1,812,884		1,812,884
Total liabilities	<u>\$ 1,836,147</u>	<u>\$ 21,673</u>	<u>\$ 1,857,820</u>

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
YEAR ENDED JUNE 30, 2019

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<u>STUDENT ACTIVITIES FUND</u>				
<u>Assets</u>				
Cash and investments	\$ <u>1,858,110</u>	\$ <u>1,797,466</u>	\$ <u>1,819,429</u>	\$ <u>1,836,147</u>
Total assets	\$ <u>1,858,110</u>	\$ <u>1,797,466</u>	\$ <u>1,819,429</u>	\$ <u>1,836,147</u>
<u>Liabilities</u>				
Accounts payable	\$ 48,455	\$ 23,263	\$ 48,455	\$ 23,263
Due to student groups	<u>1,809,655</u>	<u>1,774,203</u>	<u>1,770,974</u>	<u>1,812,884</u>
Total liabilities	\$ <u>1,858,110</u>	\$ <u>1,797,466</u>	\$ <u>1,819,429</u>	\$ <u>1,836,147</u>
<u>INTERGOVERNMENTAL AGREEMENTS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>24,379</u>	\$ <u>282</u>	\$ <u>2,988</u>	\$ <u>21,673</u>
Total assets	\$ <u>24,379</u>	\$ <u>282</u>	\$ <u>2,988</u>	\$ <u>21,673</u>
<u>Liabilities</u>				
Due to governmental entities	\$ <u>24,379</u>	\$ <u>282</u>	\$ <u>2,988</u>	\$ <u>21,673</u>
Total liabilities	\$ <u>24,379</u>	\$ <u>282</u>	\$ <u>2,988</u>	\$ <u>21,673</u>
<u>TOTAL AGENCY FUNDS</u>				
<u>Assets</u>				
Cash and investments	\$ <u>1,882,489</u>	\$ <u>1,797,748</u>	\$ <u>1,822,417</u>	\$ <u>1,857,820</u>
Total assets	\$ <u>1,882,489</u>	\$ <u>1,797,748</u>	\$ <u>1,822,417</u>	\$ <u>1,857,820</u>
<u>Liabilities</u>				
Accounts payable	\$ 48,455	\$ 23,263	\$ 48,455	\$ 23,263
Due to governmental entities	24,379	282	2,988	21,673
Due to student groups	<u>1,809,655</u>	<u>1,774,203</u>	<u>1,770,974</u>	<u>1,812,884</u>
Total liabilities	\$ <u>1,882,489</u>	\$ <u>1,797,748</u>	\$ <u>1,822,417</u>	\$ <u>1,857,820</u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:					
Net investment in capital assets	\$ 245,271,047	\$ 242,247,329	\$ 231,477,848	\$ 224,804,432	\$ 215,907,836
Restricted	35,384,087	30,205,400	28,281,491	31,078,902	29,958,382
Unrestricted	(89,098,444)	(114,982,601)	(120,509,199)	(138,723,564)	(149,213,069)
Total net position	<u>\$ 191,556,690</u>	<u>\$ 157,470,128</u>	<u>\$ 139,250,140</u>	<u>\$ 117,159,770</u>	<u>\$ 96,653,149</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net Position:					
Net investment in capital assets	\$ 206,699,293	\$ 201,298,690	\$ 196,012,654	\$ 176,022,580	\$ 160,661,662
Restricted	29,601,619	27,284,345	28,924,672	22,922,832	17,737,162
Unrestricted	93,335,001	86,869,650	77,117,922	86,188,276	81,950,261
Total net position	<u>\$ 329,635,913</u>	<u>\$ 315,452,685</u>	<u>\$ 302,055,248</u>	<u>\$ 285,133,688</u>	<u>\$ 260,349,085</u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Instruction	\$ 165,591,583	\$ 156,476,955	\$ 160,410,476	\$ 148,675,151	\$ 151,796,732
Support services - students and staff	37,398,672	36,299,108	39,376,509	37,841,857	36,968,070
Support services - administration	22,572,054	21,954,686	22,236,308	22,253,386	23,023,752
Operation and maintenance of plant services	45,545,526	42,256,376	40,872,182	39,748,757	38,770,828
Student transportation services	11,632,085	11,331,016	13,065,492	12,377,747	13,089,950
Operation of non-instructional services	15,566,504	15,243,656	16,038,352	15,086,738	14,963,883
Interest on long-term debt	10,294,736	9,502,016	9,066,977	9,874,251	10,564,464
Total expenses	<u>308,601,160</u>	<u>293,063,813</u>	<u>301,066,296</u>	<u>285,857,887</u>	<u>289,177,679</u>
Program Revenues					
Charges for services:					
Instruction	6,016,819	4,278,610	4,236,899	4,205,454	7,072,591
Operation of non-instructional services	9,711,131	10,888,646	10,653,855	9,952,481	10,141,607
Other activities	2,231,631	1,201,560	864,797	1,414,809	316,376
Operating grants and contributions	27,545,811	28,993,650	27,694,467	27,269,873	25,893,025
Capital grants and contributions	1,785,421	2,501,649	874,225	319,522	612,889
Total program revenues	<u>47,290,813</u>	<u>47,864,115</u>	<u>44,324,243</u>	<u>43,162,139</u>	<u>44,036,488</u>
Net (Expense)/Revenue	<u>\$ (261,310,347)</u>	<u>\$ (245,199,698)</u>	<u>\$ (256,742,053)</u>	<u>\$ (242,695,748)</u>	<u>\$ (245,141,191)</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenses					
Instruction	\$ 148,345,351	\$ 150,953,262	\$ 144,715,498	\$ 149,355,794	\$ 143,639,485
Support services - students and staff	36,538,577	38,013,792	33,464,769	33,331,954	32,308,029
Support services - administration	23,179,490	21,309,063	21,893,121	20,170,843	19,236,103
Operation and maintenance of plant services	41,192,714	38,827,569	37,904,353	34,741,772	32,348,934
Student transportation services	12,016,059	11,988,299	10,799,671	10,703,072	9,978,363
Operation of non-instructional services	14,884,097	13,881,739	13,566,276	13,518,059	13,919,139
Interest on long-term debt	12,181,656	10,774,654	9,925,521	12,108,525	14,620,061
Total expenses	<u>288,337,944</u>	<u>285,748,378</u>	<u>272,269,209</u>	<u>273,930,019</u>	<u>266,050,114</u>
Program Revenues					
Charges for services:					
Instruction	6,132,381	6,242,858	5,852,746	6,804,793	5,277,697
Operation of non-instructional services	9,673,667	8,911,341	8,985,322	8,794,072	8,243,231
Other activities	1,332,856	1,591,427	1,237,041	1,320,724	1,020,534
Operating grants and contributions	25,768,950	29,081,692	28,893,657	33,156,225	27,482,455
Capital grants and contributions	633,466	1,051,271	1,779,774	868,586	1,472,994
Total program revenues	<u>43,541,320</u>	<u>46,878,589</u>	<u>46,748,540</u>	<u>50,944,400</u>	<u>43,496,911</u>
Net (Expense)/Revenue	<u>\$ (244,796,624)</u>	<u>\$ (238,869,789)</u>	<u>\$ (225,520,669)</u>	<u>\$ (222,985,619)</u>	<u>\$ (222,553,203)</u>

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

(Concluded)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense)/Revenue	\$ (261,310,347)	\$ (245,199,698)	\$ (256,742,053)	\$ (242,695,748)	\$ (245,141,191)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	136,583,445	130,282,792	130,008,172	119,283,245	114,370,870
Property taxes, levied for debt service	52,365,788	48,957,258	50,155,542	50,073,784	50,469,572
Property taxes, levied for capital outlay	7,191,643	5,742,075	5,773,048	6,565,163	5,768,266
Investment income	3,585,863	1,995,622	1,251,275	1,031,032	797,370
Unrestricted county aid	5,109,940	4,545,972	4,851,441	4,674,119	5,312,389
Unrestricted state aid	88,154,217	80,602,526	84,584,389	79,794,238	78,570,899
Unrestricted federal aid	2,406,013	2,444,084	2,208,556	1,780,788	1,087,114
Total general revenues	<u>295,396,909</u>	<u>274,570,329</u>	<u>278,832,423</u>	<u>263,202,369</u>	<u>256,376,480</u>
Changes in Net Position	<u>\$ 34,086,562</u>	<u>\$ 29,370,631</u>	<u>\$ 22,090,370</u>	<u>\$ 20,506,621</u>	<u>\$ 11,235,289</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net (Expense)/Revenue	\$ (244,796,624)	\$ (238,869,789)	\$ (225,520,669)	\$ (222,985,619)	\$ (222,553,203)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	118,188,493	118,759,150	111,452,164	114,852,436	117,156,382
Property taxes, levied for debt service	51,923,280	49,063,884	46,779,871	49,093,399	53,371,303
Property taxes, levied for capital outlay	6,631,552	6,658,059	9,112,742	9,238,097	15,888,545
Investment income	689,945	770,650	724,048	1,289,084	1,589,826
Unrestricted county aid	4,797,831	4,840,144	4,806,643	4,844,269	5,440,422
Unrestricted state aid	80,521,612	71,287,203	68,681,502	66,310,677	74,298,910
Unrestricted federal aid	627,315	888,136	885,259	2,142,260	10,442,297
Total general revenues	<u>263,380,028</u>	<u>252,267,226</u>	<u>242,442,229</u>	<u>247,770,222</u>	<u>278,187,685</u>
Changes in Net Position	<u>\$ 18,583,404</u>	<u>\$ 13,397,437</u>	<u>\$ 16,921,560</u>	<u>\$ 24,784,603</u>	<u>\$ 55,634,482</u>

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

(Concluded)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Nondisposable	\$ 4,217,526	\$ 4,267,219	\$ 4,242,106	\$ 4,220,182	\$ 4,139,601
Assigned	7,117,432	6,775,968	16,805,190	15,750,000	10,600,000
Unassigned	53,714,306	48,602,601	31,718,621	23,814,571	18,815,962
Total General Fund	<u>\$ 65,049,264</u>	<u>\$ 59,645,788</u>	<u>\$ 52,765,917</u>	<u>\$ 43,784,753</u>	<u>\$ 33,555,563</u>
All Other Governmental Funds:					
Nondisposable	\$ 181,184	\$ 180,320	\$ 156,671	\$ 157,245	\$ 209,314
Restricted	101,508,594	92,588,678	74,944,584	81,467,961	81,058,481
Unassigned	(2,958,648)	(3,021,321)			
Total all other governmental funds	<u>\$ 98,731,130</u>	<u>\$ 89,747,677</u>	<u>\$ 75,101,255</u>	<u>\$ 81,625,206</u>	<u>\$ 81,267,795</u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
General Fund:					
Nondspendable	\$ 4,049,637	\$ 5,834,278	\$ 3,943,639	\$ 4,166,371	\$
Assigned	7,500,000	7,800,000	15,088,139	1,331,287	
Unassigned	24,831,219	20,910,966	16,551,267	41,043,439	
Reserved					8,926,118
Unreserved					13,033,163
Total General Fund	<u>\$ 36,380,856</u>	<u>\$ 34,545,244</u>	<u>\$ 35,583,045</u>	<u>\$ 46,541,097</u>	<u>\$ 21,959,281</u>
All Other Governmental Funds:					
Nondspendable	\$ 232,920	\$ 172,116	\$ 178,825	\$ 157,923	\$
Restricted	72,693,282	75,003,470	87,638,270	53,316,771	
Unassigned				(960,237)	
Reserved					134,508
Unreserved, reported in:					
Special revenue funds					20,051,414
Capital projects funds					24,109,849
Debt service fund					4,676,117
Total all other governmental funds	<u>\$ 72,926,202</u>	<u>\$ 75,175,586</u>	<u>\$ 87,817,095</u>	<u>\$ 52,514,457</u>	<u>\$ 48,971,888</u>

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

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

(Concluded)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal sources:					
Federal grants	\$ 18,671,878	\$ 15,988,928	\$ 18,328,730	\$ 17,114,332	\$ 16,767,484
National School Lunch Program	7,187,104	7,076,158	7,539,819	6,999,337	7,191,013
Total federal sources	<u>25,858,982</u>	<u>23,065,086</u>	<u>25,868,549</u>	<u>24,113,669</u>	<u>23,958,497</u>
State sources:					
State equalization assistance	69,928,659	64,890,449	70,802,491	64,428,092	66,135,627
State grants	4,040,485	3,908,734	1,673,811	1,629,071	1,622,618
School Facilities Board	1,632,262	770,586	575,787	194,612	
Other revenues	18,225,558	15,712,077	13,781,898	15,198,720	12,453,233
Total state sources	<u>93,826,964</u>	<u>85,281,846</u>	<u>86,833,987</u>	<u>81,450,495</u>	<u>80,211,478</u>
Local sources:					
Property taxes	197,573,587	185,111,732	186,722,575	182,509,806	171,878,884
County aid	5,109,940	4,545,972	4,851,441	4,674,119	5,312,389
Food service sales	2,268,882	2,021,553	2,008,117	1,875,803	2,157,633
Investment income	3,415,154	1,888,895	1,203,268	995,233	775,901
Other revenues	16,104,113	17,348,458	16,863,194	16,822,890	15,965,015
Total local sources	<u>224,471,676</u>	<u>210,916,610</u>	<u>211,648,595</u>	<u>206,877,851</u>	<u>196,089,822</u>
Total revenues	<u><u>\$ 344,157,622</u></u>	<u><u>\$ 319,263,542</u></u>	<u><u>\$ 324,351,131</u></u>	<u><u>\$ 312,442,015</u></u>	<u><u>\$ 300,259,797</u></u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Federal sources:					
Federal grants	\$ 18,143,576	\$ 21,926,165	\$ 22,006,074	\$ 21,904,980	\$ 19,524,018
State Fiscal Stabilization (ARRA)				806,350	11,666,553
Education Jobs			420,987	6,237,496	
National School Lunch Program	6,925,211	6,613,418	6,492,510	5,962,729	5,571,252
Total federal sources	<u>25,068,787</u>	<u>28,539,583</u>	<u>28,919,571</u>	<u>34,911,555</u>	<u>36,761,823</u>
State sources:					
State equalization assistance	67,017,819	60,038,408	58,289,638	58,850,858	71,174,600
State grants	1,413,335	1,812,466	1,781,609	580,194	925,217
Other revenues	13,541,359	11,248,795	10,553,091	8,077,349	9,456,741
Total state sources	<u>81,972,513</u>	<u>73,099,669</u>	<u>70,624,338</u>	<u>67,508,401</u>	<u>81,556,558</u>
Local sources:					
Property taxes	176,399,429	171,665,177	166,207,467	174,100,482	177,650,952
County aid	4,797,831	4,840,144	4,806,643	4,844,269	5,440,422
Food service sales	2,131,409	2,372,978	2,798,976	2,629,752	2,691,663
Investment income	679,495	770,650	759,674	1,289,084	1,589,826
Other revenues	15,847,526	14,965,520	14,722,196	15,227,341	13,354,348
Total local sources	<u>199,855,690</u>	<u>194,614,469</u>	<u>189,294,956</u>	<u>198,090,928</u>	<u>200,727,211</u>
Total revenues	<u><u>\$ 306,896,990</u></u>	<u><u>\$ 296,253,721</u></u>	<u><u>\$ 288,838,865</u></u>	<u><u>\$ 300,510,884</u></u>	<u><u>\$ 319,045,592</u></u>

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

(Concluded)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenditures:					
Current -					
Instruction	\$ 153,406,570	\$ 138,559,685	\$ 142,190,748	\$ 130,572,068	\$ 132,259,807
Support services - students and staff	37,751,467	34,465,868	35,886,509	34,325,453	33,623,605
Support services - administration	22,276,578	20,491,721	20,390,252	20,105,209	19,964,090
Operation and maintenance of plant services	34,629,223	33,777,276	32,692,651	31,841,108	31,138,602
Student transportation services	10,675,529	9,931,788	10,251,913	9,754,779	10,394,959
Operation of non-instructional services	15,812,646	15,094,902	15,617,589	14,657,815	14,352,093
Capital outlay	62,233,161	47,644,270	48,602,598	44,851,317	49,958,513
Debt service -					
Interest and fiscal charges	13,506,182	10,308,675	10,078,540	10,734,748	11,437,909
Principal retirement	39,031,111	43,571,111	44,130,000	42,965,000	42,610,000
Bond issuance costs	412,866	369,352	273,611	287,080	485,479
Total expenditures	<u>\$ 389,735,333</u>	<u>\$ 354,214,648</u>	<u>\$ 360,114,411</u>	<u>\$ 340,094,577</u>	<u>\$ 346,225,057</u>
 Expenditures for capitalized assets	 \$ 42,158,997	 \$ 34,674,754	 \$ 32,542,522	 \$ 30,817,787	 \$ 35,562,424
 Debt service as a percentage of noncapital expenditures	 15%	 17%	 17%	 17%	 17%

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Expenditures:					
Current -					
Instruction	\$ 131,410,651	\$ 132,506,658	\$ 130,063,015	\$ 123,274,282	\$ 133,021,603
Support services - students and staff	34,616,845	34,631,902	32,651,960	32,628,978	31,217,980
Support services - administration	19,278,445	18,370,419	19,422,437	17,961,360	17,426,832
Operation and maintenance of plant services	31,905,120	31,426,499	29,347,630	27,908,173	28,251,133
Student transportation services	10,198,125	10,021,376	9,350,647	8,816,949	8,344,900
Operation of non-instructional services	13,818,862	12,883,933	12,905,938	13,282,265	12,301,829
Capital outlay	62,150,444	69,606,520	35,492,583	16,510,738	25,475,184
Debt service -					
Interest and fiscal charges	12,646,790	12,232,493	12,064,185	12,046,412	14,712,047
Principal retirement	41,955,000	41,595,000	39,017,261	40,758,240	43,919,747
Bond issuance costs	325,568	275,338	412,000	364,556	
Total expenditures	<u><u>\$ 358,305,850</u></u>	<u><u>\$ 363,550,138</u></u>	<u><u>\$ 320,727,656</u></u>	<u><u>\$ 293,551,953</u></u>	<u><u>\$ 314,671,255</u></u>
Expenditures for capitalized assets	\$ 48,233,501	\$ 53,028,117	\$ 28,444,374	\$ 13,751,871	\$ 20,906,535
Debt service as a percentage of noncapital expenditures	18%	17%	17%	19%	20%

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

(Concluded)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ (45,577,711)	\$ (34,951,106)	\$ (35,763,280)	\$ (27,652,562)	\$ (45,965,260)
Other financing sources (uses):					
General obligation bonds issued	53,310,000	49,885,000	33,870,000	36,700,000	49,000,000
Refunding bonds issued					21,325,000
Premium on sale of bonds	6,608,441	6,464,378	4,329,143	1,510,651	3,823,129
Transfers in	5,557,844	2,670,656	2,192,849	2,628,641	3,387,393
Transfers out	(5,557,844)	(2,670,656)	(2,192,849)	(2,628,641)	(3,387,393)
Payment to refunded bond escrow agent					(22,732,927)
Proceeds from sale of capital assets	95,128	79,259			
Total other financing sources (uses)	<u>60,013,569</u>	<u>56,428,637</u>	<u>38,199,143</u>	<u>38,210,651</u>	<u>51,415,202</u>
Changes in fund balances	<u>\$ 14,435,858</u>	<u>\$ 21,477,531</u>	<u>\$ 2,435,863</u>	<u>\$ 10,558,089</u>	<u>\$ 5,449,942</u>
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Excess (deficiency) of revenues over expenditures	\$ (51,408,860)	\$ (67,296,417)	\$ (31,888,791)	\$ 6,958,931	\$ 4,374,337
Other financing sources (uses):					
General obligation bonds issued	50,000,000	50,000,000	54,000,000	25,625,000	
Refunding bonds issued				22,095,000	
Premium on sale of bonds	2,312,061	1,733,177	2,435,207	212,048	
Transfers in	4,083,070	3,543,196	3,837,542	2,472,478	5,299,236
Transfers out	(4,083,070)	(3,543,196)	(3,837,542)	(2,472,478)	(5,299,236)
Payment to refunded bond escrow agent				(23,667,053)	
Premium on sale of refunding bonds				1,636,791	
Total other financing sources (uses)	<u>52,718,925</u>	<u>51,733,177</u>	<u>56,435,207</u>	<u>25,901,786</u>	
Changes in fund balances	<u>\$ 1,310,065</u>	<u>\$ (15,563,240)</u>	<u>\$ 24,546,416</u>	<u>\$ 32,860,717</u>	<u>\$ 4,374,337</u>

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 1,161,051,809	\$ 1,163,354,144	\$ 1,103,973,845	\$ 1,078,328,162	\$ 1,127,060,533
Agricultural and Vacant	63,202,501	51,725,695	51,386,012	54,123,587	56,681,871
Residential (Owner Occupied)	1,548,904,062	1,466,187,922	1,391,806,809	1,332,059,607	1,285,928,160
Residential (Rental)	604,613,944	570,367,257	529,729,163	476,405,056	418,293,830
Historical Property	3,140,774	4,698,080	4,742,175	5,496,946	5,455,787
Certain Government Property Improvements	287,161	89,974	52,550	50,047	47,664
Total	<u>\$ 3,381,200,251</u>	<u>\$ 3,256,423,072</u>	<u>\$ 3,081,690,554</u>	<u>\$ 2,946,463,405</u>	<u>\$ 2,893,467,845</u>
Gross Full Cash Value	\$ 40,316,011,325	\$ 38,147,507,007	\$ 35,263,747,444	\$ 31,995,010,889	\$ 27,055,583,422
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	9%	9%	9%	11%
Total Direct Rate	6.55	6.55	6.97	6.99	6.78

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 1,113,412,414	\$ 1,226,943,255	\$ 1,365,469,278	\$ 1,659,865,599	\$ 1,590,583,029
Agricultural and Vacant	55,133,701	65,853,180	89,450,461	115,564,081	113,596,813
Residential (Owner Occupied)	1,226,701,891	1,356,941,623	1,531,298,363	1,819,636,080	2,026,274,423
Residential (Rental)	351,922,163	270,120,520	286,559,392	336,413,981	316,610,808
Historical Property	5,155,041	5,574,079	5,623,359	6,968,146	9,763,737
Certain Government Property Improvements	40,179	40,652	25,370		
Total	<u>\$ 2,752,365,389</u>	<u>\$ 2,925,473,309</u>	<u>\$ 3,278,426,223</u>	<u>\$ 3,938,447,887</u>	<u>\$ 4,056,828,810</u>
Gross Full Cash Value	\$ 24,941,121,629	\$ 26,047,199,391	\$ 29,480,405,329	\$ 36,602,314,594	\$ 41,314,099,070
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	10%
Total Direct Rate	7.15	6.59	5.70	4.90	4.62

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 requirements and other voter-approved overrides.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 1,459,857,260	\$ 1,422,676,696	\$ 1,275,327,014	\$ 1,155,403,818	\$ 1,139,846,461
Agricultural and Vacant	101,096,253	91,063,850	76,127,501	64,328,057	59,946,786
Residential (Owner Occupied)	1,868,687,574	1,774,760,154	1,708,261,856	1,630,720,614	1,325,827,762
Residential (Rental)	790,785,624	731,053,749	663,613,616	580,245,112	439,331,824
Historical Property	3,433,750	4,698,080	4,788,364	6,319,334	5,807,154
Certain Government Property Improvements	1,608,804	121,301	62,758	52,912	47,664
Total	<u>\$ 4,225,469,265</u>	<u>\$ 4,024,373,830</u>	<u>\$ 3,728,181,109</u>	<u>\$ 3,437,069,847</u>	<u>\$ 2,970,807,651</u>
Gross Full Cash Value	40,316,011,325	38,147,507,007	35,263,747,444	31,995,010,889	27,055,583,422
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	11%	11%	11%	11%
Estimated Net Full Cash Value	34,487,911,488	32,664,102,652	30,512,649,606	27,954,500,602	23,439,918,076
Total Direct Rate	6.55	6.55	6.97	6.99	6.78

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 1,118,168,192	\$ 1,230,005,626	\$ 1,375,772,437	\$ 1,890,713,840	\$ 1,958,480,995
Agricultural and Vacant	56,373,406	66,718,430	94,727,130	149,596,402	168,857,948
Residential (Owner Occupied)	1,229,206,061	1,358,066,518	1,531,723,705	1,826,844,568	2,277,055,564
Residential (Rental)	356,019,012	270,510,858	286,653,695	352,091,226	368,927,841
Historical Property	5,613,049	5,653,162	5,623,359	6,968,146	10,655,023
Certain Government Property Improvements	40,179				
Total	<u>\$ 2,765,419,899</u>	<u>\$ 2,930,995,246</u>	<u>\$ 3,294,525,696</u>	<u>\$ 4,226,214,182</u>	<u>\$ 4,783,977,371</u>
Gross Full Cash Value	24,941,121,629	26,047,199,391	29,480,405,329	36,602,314,594	41,314,099,070
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	12%	12%
Estimated Net Full Cash Value	21,359,921,813	22,274,487,606	24,958,413,614	31,018,772,780	35,675,899,752
Total Direct Rate	7.15	6.59	5.70	4.90	4.62

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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS

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

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

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Overlapping Rates									District Direct Rates		
Fiscal Year Ended June 30	State Equalization	County	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Scottsdale	Western Maricopa Education Center District No. 402	Primary	Secondary	Total
2019	0.47	1.40	0.18	1.38	0.14	2.14	1.10	0.15	4.04	2.51	6.55
2018	0.49	1.40	0.18	1.41	0.14	2.16	1.08	0.18	4.14	2.41	6.55
2017	0.50	1.40	0.18	1.47	0.14	2.17	1.13	0.08	4.38	2.59	6.97
2016	0.51	1.36	0.16	1.49	0.14	1.82	1.05	0.07	4.34	2.65	6.99
2015	0.51	1.32	0.14	1.52	0.14	1.82	1.24	0.08	4.11	2.67	6.78
2014	0.51	1.28	0.14	1.53	0.14	1.82	1.29	0.06	4.28	2.87	7.15
2013	0.47	1.24	0.18	1.38	0.10	1.82	1.23	0.05	3.98	2.61	6.59
2012	0.43	1.24	0.18	1.21	0.10	1.82	1.09	0.05	3.33	2.37	5.70
2011	0.36	1.05	0.15	0.97	0.10	1.82	0.90	0.05	3.01	1.89	4.90
2010	0.33	0.99	0.14	0.88	0.10	1.82	0.74	0.05	2.98	1.64	4.62

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

Note: Beginning in fiscal year 2009-10, an overlapping rate for state equalization was established.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Taxpayer	2019			2010	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation		Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Arizona Public Service Co	\$ 73,290,190	2.17 %		\$ 66,975,683	1.40 %
Host Kierland LP	39,067,148	1.16			
JW Marriott Desert Ridge Resort and Spa	29,603,511	0.88		45,926,183	0.96
Scottsdale Princess Resort	23,153,469	0.68		32,052,648	0.67
SDQ Fee LLC	19,551,691	0.58			
Vestar DRM-OPCO LLC	15,823,199	0.47		22,006,296	0.46
Kierland Greenway LLC	15,005,665	0.44		15,787,125	0.33
Excel Owner Promenade LLC	14,357,501	0.42			
Paradise Valley Mall SPE LLC	13,422,729	0.40			
City North Associates LLC	12,409,740	0.37			
56th St AXP Campus LLC					
Cole PM Phoenix AZ LLC					
Kierland Resort				32,531,046	0.68
Westcor Company				21,527,898	0.45
Qwest Corp				21,049,500	0.44
Westday Associates				17,222,319	0.36
DTR5 LLC				17,222,319	0.36
Total	<u>\$ 255,684,843</u>	<u>7.57 %</u>		<u>\$ 292,301,017</u>	<u>6.11 %</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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 223,389,541	\$ 213,556,950	95.60 %	\$	\$ 213,556,950	95.60 %
2018	213,770,990	201,533,693	94.28	12,207,341	213,741,034	99.99
2017	214,611,698	204,031,046	95.07	10,560,911	214,591,957	99.99
2016	205,875,879	203,065,319	98.63	2,789,067	205,854,386	99.99
2015	195,496,054	185,610,048	94.94	9,857,574	195,467,622	99.99
2014	197,332,809	187,244,840	94.89	10,064,714	197,309,554	99.99
2013	192,656,306	182,985,070	94.98	9,652,889	192,637,959	99.99
2012	187,335,477	177,989,201	95.01	7,562,002	185,551,203	99.05
2011	198,636,145	188,780,584	95.04	9,823,565	198,604,149	99.98
2010	182,988,150	166,403,394	90.94	9,656,628	176,060,022	96.21

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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
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 (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2019	\$ 351,870,197	\$ 6,570,631	\$ 345,299,566	0.86 %	\$ 1,295	\$	\$ 351,870,197	0.87 %	\$ 1,320	0.17 %	
2018	338,329,981	2,009,015	336,320,966	0.88	1,272		338,329,981	0.89	1,279	0.17	
2017	327,884,766	4,354,867	323,529,899	0.92	1,223		327,884,766	0.93	1,240	0.18	
2016	333,943,771	5,981,324	327,962,447	1.03	1,328		333,943,771	1.04	1,352	0.19	
2015	339,485,202	6,440,035	333,045,167	1.23	1,349		339,485,202	1.25	1,375	0.20	
2014	323,525,000	6,361,517	317,163,483	1.27	1,304		323,525,000	1.30	1,330	0.22	
2013	315,120,000	4,288,195	310,831,805	1.19	1,285		315,120,000	1.21	1,303	0.21	
2012	302,465,000	6,191,985	296,273,015	1.00	1,233		302,465,000	1.03	1,259	0.21	
2011	286,745,000	4,182,191	282,562,809	0.77	1,225	1,672,261	288,417,261	0.79	1,250	0.20	
2010	296,650,000	4,676,117	291,973,883	0.71	1,271	4,150,501	300,800,501	0.73	1,309	0.20	

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 482,323,000	8.36 %	\$ 40,322,203
Maricopa County Special Healthcare District	429,125,000	8.36	35,874,850
City of Phoenix	1,129,145,000	18.42	207,988,509
City of Scottsdale	816,867,000	16.25	132,740,888
Western Maricopa Education Center	126,600,000	22.88	28,966,080
Subtotal, Overlapping Debt			<u>445,892,530</u>
Direct:			
Paradise Valley Unified School District No. 69		100.00	<u>351,870,197</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 797,762,727</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	8.16	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 2,966	
As a Percentage of Net Limited Assessed Valuation	18.72	%
As a Percentage of Gross Full Cash Value	1.96	%

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: Estimated percentage of debt outstanding applicable to the District is calculated based on the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Total Legal Debt Margin Calculation for Fiscal Year 2019:

Net full cash assessed valuation	\$ 4,225,469,265
Debt limit (30% of assessed value)	1,267,640,780
Debt applicable to limit	<u>344,915,226</u>
Legal debt margin	<u><u>\$ 922,725,554</u></u>

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 1,267,640,780	\$ 1,207,312,149	\$ 1,118,454,333	\$ 1,031,120,954	\$ 891,242,295
Total net debt applicable to limit	<u>344,915,226</u>	<u>331,165,000</u>	<u>319,195,000</u>	<u>324,660,000</u>	<u>330,570,000</u>
Legal debt margin	<u><u>\$ 922,725,554</u></u>	<u><u>\$ 876,147,149</u></u>	<u><u>\$ 799,259,333</u></u>	<u><u>\$ 706,460,954</u></u>	<u><u>\$ 560,672,295</u></u>
Total net debt applicable to the limit as a percentage of debt limit	27%	27%	29%	31%	37%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 829,625,970	\$ 879,298,574	\$ 988,357,709	\$ 1,267,864,255	\$ 1,435,193,211
Total net debt applicable to limit	<u>323,525,000</u>	<u>315,120,000</u>	<u>302,465,000</u>	<u>286,745,000</u>	<u>296,650,000</u>
Legal debt margin	<u><u>\$ 506,100,970</u></u>	<u><u>\$ 564,178,574</u></u>	<u><u>\$ 685,892,709</u></u>	<u><u>\$ 981,119,255</u></u>	<u><u>\$ 1,138,543,211</u></u>
Total net debt applicable to the limit as a percentage of debt limit	39%	36%	31%	23%	21%

Source: 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.
- 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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
CLASS B BOND LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

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

Net full cash assessed value	\$ 4,225,469,265
Debt limit (20% of assessed value)	845,093,853
Debt applicable to limit	<u>344,915,226</u>
Legal debt margin	<u><u>\$ 500,178,627</u></u>

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 845,093,853	\$ 804,874,766	\$ 745,636,222	\$ 687,413,969	\$ 594,161,530
Total net debt applicable to limit	<u>344,915,226</u>	<u>331,165,000</u>	<u>319,195,000</u>	<u>296,745,000</u>	<u>292,050,000</u>
Legal debt margin	<u><u>\$ 500,178,627</u></u>	<u><u>\$ 473,709,766</u></u>	<u><u>\$ 426,441,222</u></u>	<u><u>\$ 390,668,969</u></u>	<u><u>\$ 302,111,530</u></u>
Total net debt applicable to the limit as a percentage of debt limit	41%	41%	43%	43%	49%
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 293,099,525	\$ 329,452,570	\$ 422,621,418	\$ 478,397,737	\$ 471,046,165
Total net debt applicable to limit	<u>224,185,000</u>	<u>188,535,000</u>	<u>150,095,000</u>	<u>143,540,000</u>	<u>164,195,000</u>
Legal debt margin	<u><u>\$ 68,914,525</u></u>	<u><u>\$ 140,917,570</u></u>	<u><u>\$ 272,526,418</u></u>	<u><u>\$ 334,857,737</u></u>	<u><u>\$ 306,851,165</u></u>
Total net debt applicable to the limit as a percentage of debt limit	76%	57%	36%	30%	35%

Source: 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.
- 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.

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated District Population
2018	4,294,460	\$ 210,370,180	\$ 47,694	4.1 %	266,600
2017	4,307,033	196,286,191	45,573	4.2	264,500
2016	4,137,076	185,112,000	40,415	4.5	264,471
2015	4,008,651	175,437,829	42,092	5.9	246,921
2014	4,076,438	168,483,421	41,222	5.2	246,921
2013	4,009,412	147,700,000	27,552	6.2	243,300
2012	3,824,058	147,374,500	38,539	9.1	241,900
2011	3,843,370	142,864,275	37,352	8.4	240,225
2010	3,817,117	142,091,618	35,319	8.5	230,663
2009	4,023,331	147,122,078	37,168	8.3	229,800

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2009 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2016, the source of the information is the Arizona Office of Employment and Population Statistics. For 2017 and 2018 the source of the "Population" is the Bureau of Economic Analysis and the "Unemployment Rate" is the Arizona Office of Employment and Population Statistics

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

Employer	2019			2010		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Mayo Clinic	4,720	0.23	%	2,781	0.14	%
Paradise Valley Unified School Dist 69	4,190	0.20		3,770	0.20	
Vanguard	3,370	0.16		1,525	0.08	
American Express	2,590	0.13		1,205	0.06	
Frys Food Stores	1,010	0.05				
Republic Services Inc	1,010	0.05				
Favorite Healthcare Staffing Inc	910	0.04				
Marriott	890	0.04				
Go Daddy Software Inc	880	0.04				
Costco Wholesale	840	0.04				
Walmart	710	0.03				
Hone Depot	710	0.03				
The Fairmont Scottsdale Princess	700	0.03				
Choice Hotels International Inc	700	0.03				
STMicroelectronics, Inc.				1,000	0.05	
Prudential Real Estate				782	0.04	
Henkel				715	0.04	
Autokam				660	0.03	
Taser International, Inc.				518	0.03	
The Westin Kierland Resort				600	0.03	
Total	23,230	1.10	%	13,556	0.70	%
Total employment	2,060,000			1,923,600		

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Supervisory					
Consultants/supervisors of instruction	52	53	59	56	65
Principals	43	43	43	44	44
Assistant principals	19	19	20	20	20
Total supervisory	<u>114</u>	<u>115</u>	<u>122</u>	<u>120</u>	<u>129</u>
Instruction					
Teachers	1,650	1,687	1,762	1,633	1,723
Other professionals (instructional)	165	174	184	159	160
Aides	416	367	363	369	377
Total instruction	<u>2,231</u>	<u>2,228</u>	<u>2,309</u>	<u>2,161</u>	<u>2,260</u>
Student Services					
Nurses	43	35	45	40	47
Counselors/Advisors	33	33	33	33	36
Librarians	12	12	14	17	19
Other student service workers	21	31	22	39	22
Total student services	<u>109</u>	<u>111</u>	<u>114</u>	<u>129</u>	<u>124</u>
Support and Administration					
Other classified	924	952	971	943	905
Total support and administration	<u>924</u>	<u>952</u>	<u>971</u>	<u>943</u>	<u>905</u>
Total	<u><u>3,378</u></u>	<u><u>3,406</u></u>	<u><u>3,516</u></u>	<u><u>3,353</u></u>	<u><u>3,418</u></u>

(Continued)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Supervisory					
Consultants/supervisors of instruction	53	46	42	39	40
Principals	44	46	46	41	42
Assistant principals	19	20	20	17	20
Total supervisory	<u>116</u>	<u>112</u>	<u>108</u>	<u>97</u>	<u>102</u>
Instruction					
Teachers	1,723	1,791	1,782	1,782	1,792
Other professionals (instructional)	167				
Aides	352	350	378	320	316
Total instruction	<u>2,242</u>	<u>2,141</u>	<u>2,160</u>	<u>2,102</u>	<u>2,108</u>
Student Services					
Nurses					
Counselors/Advisors					
Librarians					
Other student service workers	103	77	69	57	66
Total student services	<u>103</u>	<u>77</u>	<u>69</u>	<u>57</u>	<u>66</u>
Support and Administration					
Other classified	1,105	1,079	1,218	1,013	1,062
Total support and administration	<u>1,105</u>	<u>1,079</u>	<u>1,218</u>	<u>1,013</u>	<u>1,062</u>
Total	<u><u>3,566</u></u>	<u><u>3,409</u></u>	<u><u>3,555</u></u>	<u><u>3,269</u></u>	<u><u>3,338</u></u>

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

(Concluded)

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2019	29,760	\$ 274,552,013	\$ 9,226	10.38 %	\$ 308,601,160	\$ 10,370	6.82 %	1,650	18.0	36.1 %
2018	30,188	252,321,240	8,358	(0.28)	293,063,813	9,708	(1.12)	1,687	17.9	36.5
2017	30,665	257,029,662	8,382	7.59	301,066,296	9,818	6.36	1,762	17.4	36.5
2016	30,968	241,256,432	7,791	(0.03)	285,857,887	9,231	(0.98)	1,633	19.0	37.2
2015	31,020	241,733,156	7,793	0.21	289,177,679	9,322	0.29	1,723	18.0	37.3
2014	31,021	241,228,048	7,776	1.54	288,337,944	9,295	1.88	1,723	18.0	37.4
2013	31,319	239,840,787	7,658	3.16	285,748,378	9,124	5.52	1,791	17.5	40.4
2012	31,488	233,741,627	7,423	4.50	272,269,209	8,647	(0.51)	1,782	17.7	35.1
2011	31,517	223,872,007	7,103	(2.47)	273,930,019	8,692	3.43	1,782	17.7	34.4
2010	31,659	230,564,277	7,283	(4.81)	266,050,114	8,404	(7.67)	1,792	17.7	33.4

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

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

PARADISE VALLEY UNIFIED SCHOOL DISTRICT NO. 69
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Schools</u>										
Elementary										
Buildings	125	125	125	117	117	117	117	117	114	114
Square feet	2,392,799	2,366,799	2,366,799	2,373,034	2,373,034	2,373,034	2,373,034	2,373,034	2,284,370	2,284,370
Capacity	34,146	34,146	34,146	34,146	34,146	34,146	34,146	34,146	33,346	33,346
Enrollment	15,648	15,327	16,685	17,225	17,371	17,736	18,293	18,021	17,459	17,314
Middle										
Buildings	68	68	68	68	68	68	68	68	68	68
Square feet	767,275	767,275	767,275	766,450	766,450	766,450	766,450	766,450	766,450	766,450
Capacity	8,546	8,546	8,546	8,546	8,546	8,546	8,546	8,546	8,546	8,546
Enrollment	4,785	4,803	4,934	4,781	4,833	4,842	4,847	4,848	5,019	4,950
High										
Buildings	61	61	61	52	52	53	52	52	52	51
Square feet	1,768,120	1,768,120	1,768,120	1,718,659	1,718,659	1,691,620	1,662,596	1,662,596	1,662,596	1,649,479
Capacity	17,227	17,227	17,227	17,227	17,227	17,227	16,503	16,503	16,503	16,503
Enrollment	10,070	10,060	9,866	9,837	9,978	10,303	12,494	10,396	10,068	10,351
<u>Administrative</u>										
Buildings	21	21	21	11	11	11	11	11	11	11
Square feet	261,857	316,857	316,857	212,691	112,691	112,691	212,691	112,691	212,691	212,691
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	159	165	171	174	175	175	166	172	172	173
<u>Athletics</u>										
Football fields	10	12	12	12	12	12	12	12	12	12
Soccer fields	12	44	44	44	44	44	44	44	44	44
Running tracks	12	44	44	44	44	44	44	44	44	44
Baseball/softball	71	88/90	88/90	88/90	88/90	88/90	88/90	88/89	88/89	88/89
Playgrounds	85	37	37	36	36	35	35	33	33	33

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