
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO. 48

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020



Arizona's Most Excelling School District!

THIS PAGE INTENTIONALLY LEFT BLANK

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE
SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
SCOTTSDALE, ARIZONA
FOR THE
FISCAL YEAR ENDED JUNE 30, 2020**

Prepared by:
Finance Department

THIS PAGE INTENTIONALLY LEFT BLANK

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2020**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	1
LIST OF PRINCIPAL OFFICIALS	7
ORGANIZATIONAL CHART	8
ASBO CERTIFICATE OF EXCELLENCE	9
GFOA CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING	10

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	11
MANAGEMENT'S DISCUSSION AND ANALYSIS	14
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	23
STATEMENT OF ACTIVITIES	24
BALANCE SHEET – GOVERNMENTAL FUNDS	25
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	26
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	27
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	28
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	29
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS	30
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	31
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – FIDUCIARY FUNDS	32
NOTES TO THE BASIC FINANCIAL STATEMENTS	33

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL SECTION (CONTINUED)

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A	61
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS	60
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS	62
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS	63
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN THE MD&A	64
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	66
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	68
BOND BUILDING FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	70
DEBT SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	71
CLASSROOM SITE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	72
INSTRUCTIONAL IMPROVEMENT FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	73
SPECIAL PROJECTS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	74
FOOD SERVICE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	75
OTHER SPECIAL REVENUE FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	76
ADJACENT WAYS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	77
UNRESTRICTED CAPITAL OUTLAY FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	78

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL SECTION (CONTINUED)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (CONTINUED)

ENERGY AND WATER SAVINGS FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	79
BUILDING RENEWAL FUND – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	80
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS	81
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS	82
COMBINING STATEMENT OF CASH FLOWS – INTERNAL SERVICE FUNDS	83
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS	84

STATISTICAL SECTION

FINANCIAL TRENDS

NET POSITION BY COMPONENT	85
CHANGES IN NET POSITION	87
FUND BALANCES OF GOVERNMENTAL FUNDS	89
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS	91

REVENUE CAPACITY

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	93
NET SECONDARY ASSESSED VALUATION BY PROPERTY CLASSIFICATION	94
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS	95
PRINCIPAL PROPERTY TAXPAYERS	96
PROPERTY TAX LEVIES AND COLLECTIONS	97

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
COMPREHENSIVE ANNUAL FINANCIAL REPORT
TABLE OF CONTENTS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2020**

STATISTICAL SECTION (CONTINUED)

DEBT CAPACITY

RATIO OF OUTSTANDING DEBT BY TYPE	98
RATIO OF GENERAL BONDED DEBT OUTSTANDING	99
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	100
LEGAL DEBT MARGIN INFORMATION	101
CALCULATION OF LEGAL DEBT MARGIN	103

DEMOGRAPHIC AND ECONOMIC INFORMATION

DEMOGRAPHIC AND ECONOMIC STATISTICS	104
PRINCIPAL EMPLOYERS	105
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION	106
OPERATING STATISTICS	108
CAPITAL ASSETS INFORMATION	109

INTRODUCTORY SECTION

THIS PAGE INTENTIONALLY LEFT BLANK



Education Center
7575 E Main Street
Scottsdale, AZ 85251-4522

Telephone: 480-484-6100
Fax: 480-484-6294
Web site: www.susd.org

January 11, 2021

Citizens and Governing Board
Scottsdale Unified School District No. 48
7575 E. Main Street
Scottsdale, Arizona 85251-4522

State law mandates that school districts 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 Scottsdale Unified School District No. 48 (District) for the fiscal year ended June 30, 2020.

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

The District's financial statements have been audited by CliftonLarsonAllen LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' 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 U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), Audits of States, Local Governments and Non-Profit Organizations designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditors to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports will be issued at a later date in a separately issued Single Audit Reporting Package.

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

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade twelve. Enrollment has been steadily declining in the past five years.

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

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

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

The Scottsdale Unified School District No. 48 Insurance Trust (Trust) is governed by a five-member board appointed by the District's Governing Board. Although legally separate from the District, the Trust is blended as an Internal Service Fund as if it were part of the District because its sole purpose is to provide self-insurance for losses up to certain limits and to purchase insurance for losses above the limits.

Citizens and Governing Board
Scottsdale Unified School District No.48

The District was founded in 1896 and encompasses approximately 120 square miles. The District is situated in the central portion of Maricopa County, Arizona in the east sector of the greater Phoenix metropolitan area. The estimated population within the District is 248,643.

The District has 29 brick and mortar schools on 29 sites as well as 1 on-line learning school. 26 schools are "A" or "B" labeled schools. In 2020-2021 the average daily membership is 19,448, a decrease of 9.75 percent from the previous school year; however, this is largely due to COVID-19. Over 3,400 employees work in the District. The District has a sizable tax base of above-average income and housing values. Sixty-four percent of the District lies in the City of Scottsdale but does not include the entire City of Scottsdale. Almost all of the Town of Paradise Valley, a section of the City of Phoenix, and a small section of the City of Tempe are also included within the District boundaries. The District's Northeast section includes the fastest growing area in Scottsdale in both population and housing.

The City of Scottsdale was founded in 1888 and incorporated in 1951. It is located in the northeastern portion of the "Valley of the Sun". Scottsdale had a 1990 population of 130,075 and a 2019 estimated population of 242,500, an increase of 86 percent.

The Scottsdale economy today contains, in addition to its resorts, a diverse mix of financial services from banking to insurance and investment; business services from advertising and public relations to software development; computer services, professional services from major health care providers anchored by HonorHealth Scottsdale and the world-renowned Mayo Clinic. Scottsdale boasts a highly educated population with 46% of individuals 25 or older having at least a bachelor's degree which is significantly higher than State or National percentages. Additionally, income levels in Scottsdale are among the highest in the State.

The major business areas in Scottsdale are the Scottsdale Airpark, Downtown Scottsdale, Southern Scottsdale and Midtown Scottsdale.

The Scottsdale Airpark is the 3rd largest employment center in the Valley. The Greater Scottsdale Airpark Area is home to over 30,000 employees and more than 2,900 businesses. Strategically located along the loop 101 freeway, the Airpark is home to the Scottsdale Airport, the busiest single-runway general aviation airport in the country and the largest corporate jet facility in Arizona.

Downtown Scottsdale is considered by many as the Central Business District, featuring a roughly 2-mile square area. An estimated 39,000 people work in downtown and more than 200 times that number take advantage of the four million square feet of retail, restaurants, and entertainment venues. It is the corporate headquarters for businesses like Rural/Metro, Nighthawk Radiology and Trapeze Software. Visitors enjoy the close proximity to Scottsdale's Downtown district which is home to world class shopping at Scottsdale Fashion Square, vibrant nightlife, and luxury resorts like the Hotel Valley Ho and the W Hotel.

Southern Scottsdale has experienced a renaissance. As the city's oldest commercial corridor, the southern portion of the city has seen an influx of economic activity and neighborhood revitalization. At the center of this redevelopment is SkySong, ASU Scottsdale Innovation Center, a research, technology and innovation center at the site of the former Los Arcos Mall. At build out, SkySong is anticipated to have approximately 1.2 million square feet of space (about 90% office); 3,000-4,000 parking spaces; open space/public plazas; and could support as many as 4,000 relatively high paying jobs. Only 10 miles from Sky Harbor International Airport, this employment area is also located in close proximity to the Loop 101 freeway and Arizona State University.

The City of Phoenix is the capital and largest city of Arizona and is the county seat as well. The city encompasses an area of over 600 square miles. Phoenix is the sixth most populous city in the United States and according to the 2010 census estimate, the population of the city was 1,445,632. The Phoenix metropolitan area is the population and economic activity center of the entire state. Phoenix is one of the leaders in the economics of the Southwestern area of the United States and is currently home to six Fortune 500 companies: waste management company Republic Services, electronics corporation Avnet, Apollo Group (which operates the University of Phoenix), mining company Freeport-McMoRan (recently merged with Phoenix based Phelps Dodge), retailer PetSmart and energy supplier Pinnacle West. Honeywell's Aerospace division is headquartered in Phoenix, and the valley hosts many of their avionics and mechanical facilities. Intel has one of their largest sites here, employing about 10,000 employees and 7 chip manufacturing fabs. American Express hosts their financial transactions, customer information and their entire website in Phoenix.

As a result of the population boom, the economy of Phoenix has taken on new dimensions in recent decades by moving into technology and service industries. Tourism and business services in particular now account for nearly 77 percent of the area's total employment. Another sector of growth has been financial services and banking, as several significant processing and/or regional headquarters operations call Phoenix home: American Express, Chase Bank, Bank of America, Discover Card Services, and Wells Fargo Bank. High technology and aerospace firms hold a considerable share of the manufacturing jobs throughout the state (56 percent).

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

Despite the Global pandemic of 2020, Scottsdale remains a vital component of the State's economy. As the Scottsdale Chamber of Commerce notes, "Wherever one travels in the world, Scottsdale is known and respected as a quality place – and place is important to today's business." The City of Scottsdale retains fundamental economic strength due to its diversified employment base, attractiveness to new business, retail base, and strong tourism attraction. The City has seen an increase in both redevelopment in the Southern part of the City as well as continued growth in the housing and commercial sector.

Long-Term Financial Planning

The Scottsdale Unified School District has on average seen student counts decline over the past several years. However, the District has comprehensive plans to mitigate and address the decline in student counts including marketing plans, signature educational programs, and site-specific community-based strategies.

The primary assessed value has grown at an average rate of 5.0 percent in the past eleven years. Due to the high primary assessed value, Scottsdale Unified School District has been able to maintain an attractively low tax rate for education. The primary tax rate has been at 2.633 or below for the past three years, making it one of the lowest tax rates as compared to peer districts in the Valley.

In November of 2016, the voters of Scottsdale Unified School District approved a \$229 million bond authorization. The projects that this bond will provide to the District include the rebuilding/remodeling of elementary schools, athletic field upgrades, security upgrades at all school sites, purchase of pupil transportation vehicles, facilities maintenance improvements at all school sites, and the remodel and additions at school sites. Many of these projects have already been completed. The voters additionally approved an \$8.5 million per year capital override. The override took effect in the 2018 fiscal year budget and will impact the budget until fiscal year 2024. The categories that these monies will be spent on include curriculum materials, school technology, furniture, fixtures, equipment, fine arts, athletics, library programs, playground equipment, and safety code compliance requirements. The average age of school buildings is 27 years.

In November of 2019, the voters of Scottsdale Unified School District approved the renewal of the Maintenance and Operations Override, which provides the District with an estimated \$20 million in additional funds. The additional funds allow the District to provide all day kindergarten, maintaining current class size ratios, music, art, world language, athletics, and co-curricular activities, as well as technology, staff professional development, and competitive teacher pay. This override is in effect until fiscal year 2024/2025 at which time it will need to be renewed or will begin to phase out.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the twenty-ninth 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, 2019. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

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

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

Respectfully submitted,



Dr. Scott A. Menzel
Superintendent



Shannon Crosier
Acting Chief Financial Officer

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2020**

GOVERNING BOARD

Allyson Beckham
President

Patty Beckman
Vice President

Jann-Michael Greenburg
Member

Barbara Perleberg
Member

Sandy Kravetz
Member

Dr. Scott A. Menzel
Superintendent

Dr. Jed Bowman
Assistant Superintendent, Human Resources

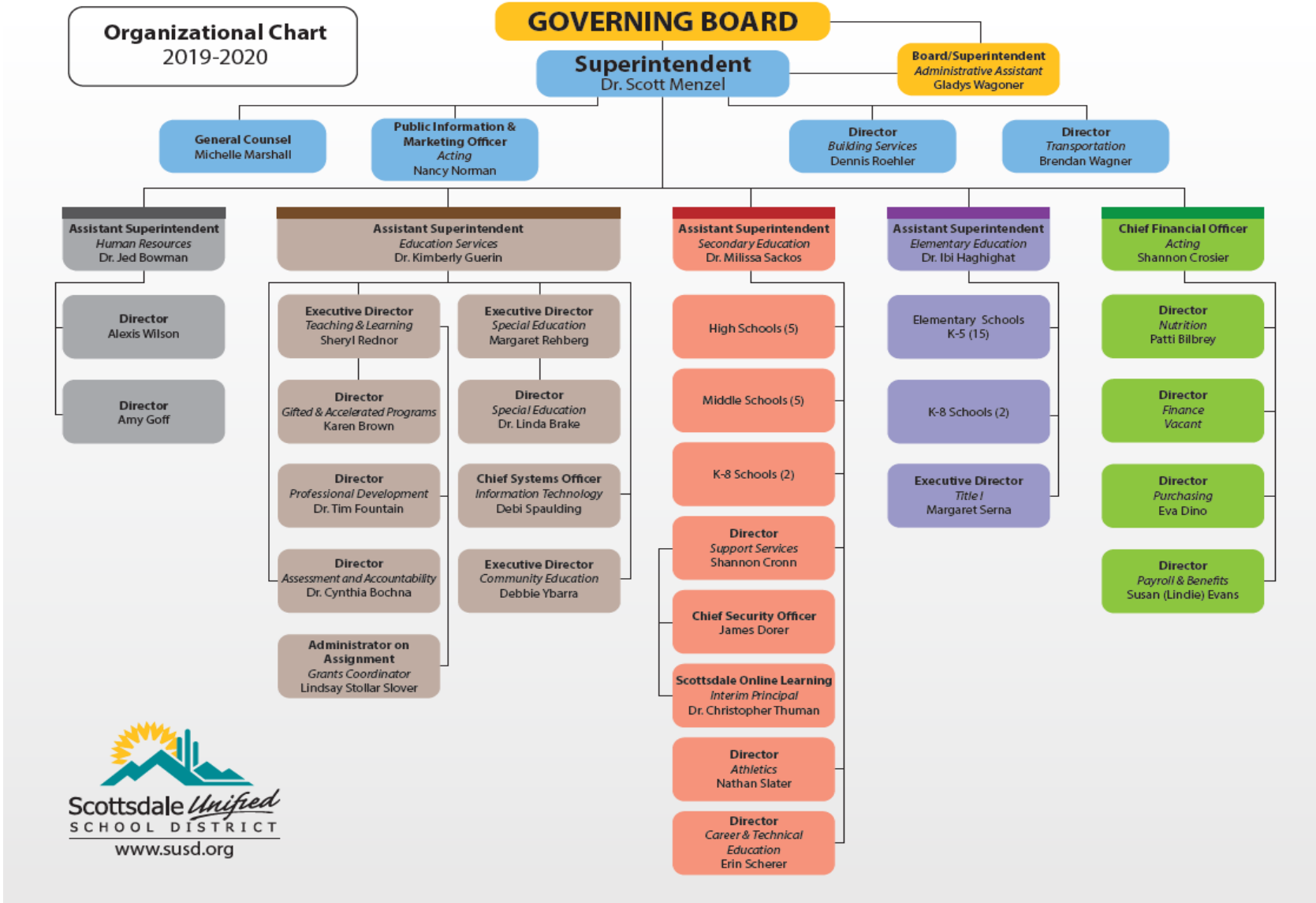
Dr. Kimberly Guerin
Assistant Superintendent, Educational Services

Dr. Milissa Sackos
Assistant Superintendent, Secondary Education

Shannon Crosier
Acting Chief Financial Officer

Issued by:
Finance Department

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
ORGANIZATIONAL CHART
JUNE 30, 2020





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Scottsdale Unified School District No. 48

for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2019.

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



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Scottsdale Unified School
District No. 48, Arizona**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

THIS PAGE INTENTIONALLY LEFT BLANK



INDEPENDENT AUDITORS' REPORT

Governing Board
Scottsdale Unified School District No.48
Scottsdale, Arizona

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 Scottsdale Unified School District No.48 (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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 District'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 District'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 Scottsdale Unified School District No.48 as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During fiscal year ended June 30, 2020, the District restated fund balance in the Debt Service Fund and net position in the governmental activities (as disclosed in Note 5.D. to the financial statements) for a correctio of an error. Our opinions were not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, other postemployment benefit information, pension schedules and budgetary comparison information for the General Fund, 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.

Supplementary and 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 combining and individual nonmajor fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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 January 11, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District'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 the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
January 11, 2021

THIS PAGE INTENTIONALLY LEFT BLANK

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020**

As management of the Scottsdale Unified School District No.48 (District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. 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 assets and deferred outflows of resources of the District exceeded the liabilities and deferred inflows of resources at the close of the fiscal year by \$210.9 million.
- ◆ The District's total net position increased by \$5.7 million. This was largely due to an increase in revenues over the prior year, offset by a moderate increase in expenses.
- ◆ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$163.2 million, an increase of \$36.3 million in comparison with the prior year.
- ◆ At the end of the fiscal year, unassigned fund balance for the General Fund was \$44.9 million.
- ◆ The District's bonded debt increased by a net \$41.6 million (15.2%) during the current fiscal year. The increase was due to the issuance of \$54.5 million of school improvement bonds, at a premium of \$5.8 million. The increase was offset by regularly scheduled principal payments.
- ◆ The District issued \$9.0 million in refunding bonds at a premium of \$1.4 million to advance refund \$10.0 million in school improvement bonds.

Overview of the Financial Statements

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

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

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

The statement of activities presents information showing how the government'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 the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020**

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District 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 focus on near-term inflows and outflows 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 a government's near-term financing requirements.

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

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

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds (except for the capital Gifts and Donations Fund). Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. The expenditure budget can be revised annually, per Arizona Revised Statutes. The District does not adopt a revenue budget; therefore, a deficit budgeted fund balance exists in all budgeted funds. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

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

The basic governmental fund financial statements can be found on pages 25 – 28 of this report.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020

Proprietary Fund. The District maintains one type of proprietary fund (internal service fund). The internal service fund is an accounting device used to accumulate and allocate costs among the District's various funds. The District uses the internal service fund to account for its intergovernmental contracts, print shop and Insurance Trust activity. Because the service predominantly benefits governmental functions, it has been included with the governmental activities in the government-wide financial statements. The Insurance Trust, although a legally separate component unit, functions for all employees of the District, and therefore has been included as an internal service fund. Other internal service funds include (1) the Print Shop Fund, which accounts for District charges to other departments for printing and copying services, and (2) the Intergovernmental Agreements Fund, which accounts for financial activities relating to agreements with other governments not required to be accounted for elsewhere. Because these activities predominately benefit government functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary fund financial statements can be found on pages 29 – 31.

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. The fiduciary funds are custodial in nature and do not present results of operations or a measurement focus.

The basic fiduciary fund financial statement can be found on page 32 of this report.

Notes to the basic financial statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 33 – 59 of this report.

Required Supplementary Information Other Than the MD&A. The required supplementary information other than the MD&A found immediately following the notes to the financial statements include the schedule of funding progress for the other postemployment benefit plan, pension schedules, and the schedule of revenues, expenditures, and changes in fund balance – budget and actual for the General Fund. Notes to the required supplementary information follow the budgetary comparison schedules.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information other than the MD&A. Combining and individual fund statements and schedules can be found on pages 66 – 84 of this report.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The statistical section can be found on pages 85 – 110 of this report.

Government-Wide Financial Analysis

As noted earlier, 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 of resources were greater than liabilities and deferred inflows by \$210.9 million as of June 30, 2020.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020**

Government-Wide Financial Analysis

By far the largest portion of the District's net position (\$185.9 million) reflects its net investment in capital assets (e.g., land, buildings, furniture, equipment, and vehicles) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net position (\$71.6 million) represents resources that are subject to external restrictions on how they may be used. The District reported a negative unrestricted net position in the current year of \$46.6 million.

A summary of changes in the District's Statement of Net Position as of June 30, 2020 and 2019 is as follows:

	Governmental Activities		
	2020	2019 Restated	Percent Change
Current and Other Assets	\$ 271,989,458	\$ 227,584,603	19.5 %
Capital Assets	480,374,156	470,298,159	2.1
Total Assets	752,363,614	697,882,762	7.8
Deferred Outflows of Resources	23,918,046	27,480,936	(13.0)
Current Liabilities	29,226,733	20,282,351	44.1
Noncurrent Liabilities	522,373,208	472,833,834	10.5
Total Liabilities	551,599,941	493,116,185	11.9
Deferred Inflows of Resources	13,785,102	27,087,515	(49.1)
Net Position:			
Net Investment in Capital Assets	185,921,421	195,590,162	(4.9)
Restricted	71,564,455	57,061,624	25.4
Unrestricted	(46,589,259)	(47,491,788)	1.9
Total Net Position	\$ 210,896,617	\$ 205,159,998	2.8

At the end of the current fiscal year, the District was able to report positive balances in the net investment in capital assets and restricted net position categories. Net investment in capital assets decreased 4.9%. The decrease was the net effect of an increase in capital asset acquisitions, a related increase in outstanding debt related to the issuance of school improvement bonds, depreciation expense and scheduled principal payments on outstanding debt. Capital asset additions are discussed later in this MD&A. Restricted net position increased 25.4% largely due to an increase in net position restricted for debt service. The net position restricted for debt service increased due to an increase in property taxes to the pay debt service on bonds issued in fiscal years 2020 and 2019. Unrestricted net position increased 1.9% largely due to an increase in operating grants and contributions with increase in expenses for instruction and administration over the prior fiscal year.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020**

Overall, net position of the District increased \$5.7 million. Key elements of this increase are presented in the following Condensed Statement of Changes in Net Position for the fiscal years ended June 30, 2020 and 2019:

	Governmental Activities		Percent Change
	2020	2019	
REVENUES			
Program Revenues:			
Charges for Services	\$ 9,758,514	\$ 18,100,185	(46.1)%
Operating Grants and Contributions	36,130,209	22,217,379	62.6
Capital Grants and Contributions	1,144,466	1,056,170	N/A
General Revenues:			
Property Taxes	176,201,500	174,189,796	1.2
Grants and Contributions Not Restricted to Specific Programs:			
State Equalization and Additional State Aid	25,639,104	38,172,517	(32.8)
Federal Grants and Aid	-	1,591,132	(100.0)
Investment Earnings	4,791,794	3,499,775	36.9
Other	4,261,245	25,866,030	(83.5)
Total Revenues	<u>257,926,832</u>	<u>284,692,984</u>	(9.4)
EXPENSES			
Instruction	140,233,685	126,532,534	10.8
Support Services:			
Students and Instructional Staff	29,211,095	24,942,534	17.1
Administration	24,026,490	17,969,938	33.7
Operation and Maintenance of Plant	24,233,561	25,162,453	(3.7)
Student Transportation	8,415,215	10,355,487	(18.7)
Operation of Noninstructional Services	12,863,278	13,194,920	(2.5)
Interest on Long-Term Debt	13,206,889	11,773,096	12.2
Total Expenses	<u>252,190,213</u>	<u>229,930,962</u>	9.7
Change in Net Position	5,736,619	54,762,022	(89.5)
Net Position - Beginning of Year, as Restated	205,159,998	150,397,976	36.4
Net Position - End of Year	<u>\$ 210,896,617</u>	<u>\$ 205,159,998</u>	2.8

Program revenues, which consist of charges for services and operating grants increased from the prior year by \$5.7 million. The increase was due to a \$13.0 million increase in federal and state operating grants and \$0.8 million increase in food service grants.

General revenues decreased \$32.5 million from the prior year, a significant portion was attributable to a decrease in state aid revenues (\$12.5 million). The remaining decrease was due to a decrease in other revenues. In the prior year, \$25.0 million of other revenue was recorded for a transfer from the District to the Insurance Trust.

The tax levy increased approximately \$2.0 million for a voter-approved override and to fund the debt service on outstanding debt. Additional state aid decreased due to a decrease in state's funding formula and growth in student population. Investment income increased due to more cash on hand during the fiscal year.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020**

District expenses increased over the prior year by \$22.3 million (9.7%). The increase was largely due to salary increases, net of a reduction in full-time equivalent employee count.

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 a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$163.2 million, an increase of \$36.3 million in comparison with the prior year. Approximately 27.5% of this total amount (\$44.9 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance is either in nonspendable form or restricted to indicate that it is not available for new spending.

At fiscal year ended June 30, 2020 fund balances were as follows:

Fund	Balance	Increase (Decrease) From 2018-19
General Fund	\$ 52,067,780	\$ 10,095,238
Bond Building Fund	53,045,574	24,458,077
Debt Service Fund	17,483,178	3,790,843
Nonmajor Governmental Funds	40,622,575	(2,073,389)

The General Fund balance increase was mainly due to an increase in property tax revenues of \$5.2 million. While revenues increased \$4.8 million over the prior year, expenses decreased \$2.9 million over the prior year.

The Bond Building Fund balance increased due to the net effect of issuing \$54.5 million in School Improvement Bonds and expending \$35.9 million of current year and prior year bond proceeds on technology and modernization and upgrades at district buildings. The unspent bond proceeds will be carried forward to future years to purchase additional technology upgrades and for additional building upgrades and modernization.

The Debt Service Fund fund balance increased \$3.8 million due to an increase in property taxes in the current year, net of the payment of principal and interest due on the bonds.

The Nonmajor Governmental Funds decreased \$2.1 million. The decrease was the net effect of decreases in the Classroom Site (\$3.4 million), Food Service (\$0.8 million) and the Adjacent Ways (\$0.5 million) funds and increases in Unrestricted Capital Outlay (\$3.0 million) and Energy and Water Savings (\$1.2 million).

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020

General Fund Budgetary Highlights

Over the course of the year, the District revised the expenditure budget of the General Fund. The difference between the original budget and the final amended budget was an increase of \$1.0 million, or 0.6%. Arizona school districts may amend their budget to adjust for any changes in the state budget allocation and student growth.

The District fell below the General Fund expenditure budget for June 30, 2020 by \$13.8 million. Significant budget variances included student transportation falling below the budget by \$5.3 million, operations and maintenance of plant falling below budget by \$5.1 million, and regular education instruction falling below budget by \$3.7 million. These budget variances were due to less than anticipated growth and turnover in staffing and not being fully staffed for the entire year. Within the various subsections of the general fund, the District exceeded the budget due to various technology upgrades and reallocation of costs to various functions. The District may overexpend the various line items, as long as the District does not exceed the general fund budget in total.

Capital Asset and Debt Administration

The District's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$480.4 million (net of accumulated depreciation). This investment in capital assets includes construction in progress, land, land improvements, buildings and improvements, and furniture, equipment and vehicles. The amount represents a net increase of 2.1% from the previous year. Total depreciation expense for the year was \$24.0 million.

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

- ◆ Modernization of District buildings
- ◆ District-wide network upgrades
- ◆ Continued replacement of campus fire alarm systems and security systems
- ◆ Continued renovation of school roofing
- ◆ HVAC/EMS Systems
- ◆ Parking Lot and Restroom renovations

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020**

Capital Assets (Net)
June 30, 2020 and 2019

	Governmental Activities	
	2020	2019
Land	\$ 25,458,720	\$ 25,458,720
Construction in Progress	21,056,534	795,482
Land Improvements	24,121,655	23,337,934
Buildings and Building Improvements	403,714,496	414,916,764
Furniture, Equipment, and Vehicles	6,022,751	5,789,259
Total Capital Assets, Net	\$ 480,374,156	\$ 470,298,159

Additional information on the District's capital assets can be found in Note 2.A.3. of this report.

Long-term debt. At the end of the current fiscal year, the District had total bonded debt outstanding of \$315.0 million. All this debt is backed by the full faith and credit of the District. The following is a summary the District's June 30, 2020 and 2019 outstanding bonded indebtedness.

Outstanding Bonded Indebtedness
June 30, 2020 and 2019

	Governmental Activities	
	2020	2019
General Obligation Bonds	\$ 289,225,000	\$ 252,125,000
Premiums on Bonds	25,762,169	21,285,470
Total Outstanding Debt	\$ 314,987,169	\$ 273,410,470

The District's bonded debt increased by a net amount of \$41.6 million (15.2%) during the current fiscal year. The increase was due the issuance of \$54.5 million in school improvement bonds at a premium of \$5.8 million. This increase was offset by the current year regularly scheduled principal payments.

The District also issued \$9.0 million in refunding bonds at a premium of \$1.4 million to advance refund \$10.0 million in school improvement bonds.

State statutes limit the amount of bonded debt a school district may issue to 15% of its net full cash value for Class A and Class B bonded debt combined and the greater of 10% of its net full cash value or \$1,500 per student count for Class B bonded debt. The current debt limitation for the District can be found on page 103. The District's current outstanding debt was less than the legal debt limit for all bonds.

Additional information on the District's long-term debt can be found in Note 2.E. of this report.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2020**

Economic Factors and Next Year's Budgets and Rates

Many factors were considered by the District's administration during the process of developing the fiscal year 2020-2021 budget. Among them:

- Inflation funding and Average Daily Membership.
- Additional funding from Proposition 123 for salaries, benefits, and one-time payments to staff.
- Employee salaries and employee retention.
- Arizona State Retirement and health insurance benefit costs.
- Curriculum and Instruction resource needs.
- Impact of current year funding.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business and Finance Department, Scottsdale Unified School District No.48, 7575 E. Main Street, Scottsdale, Arizona 85251.

THIS PAGE INTENTIONALLY LEFT BLANK

Basic Financial Statements

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash and Investments	\$ 165,108,109
Restricted Cash and Investments	74,019,774
Receivables, Net:	
Property Taxes	19,186,385
Accounts Receivable	240,006
Accrued Interest	68,463
Intergovernmental	12,659,313
Inventory	195,635
Deposits	201,179
Net OPEB Asset	310,594
Capital Assets:	
Nondepreciable	46,515,254
Depreciable, Net	433,858,902
Total Assets	752,363,614
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amount on Refunding	2,724,840
Deferred Outflow Related to Pensions	19,536,965
Deferred Outflow Related to OPEB	1,656,241
Total Deferred Outflow of Resources	23,918,046
LIABILITIES	
Accounts Payable	14,360,462
Accrued Wages and Benefits	6,621,647
Accrued Interest	6,577,289
Retainage Payable	1,285,621
Unearned Revenue	381,714
Noncurrent Liabilities:	
Due Within One Year	
Compensated Absences	1,346,718
Claims Payable	2,333,145
Bonds and Leases Payable	19,519,327
Due in More Than One Year	499,174,018
Total Liabilities	551,599,941
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Pensions	12,979,586
Deferred Inflows Related to OPEB	805,516
Total Deferred Inflow of Resources	13,785,102
NET POSITION	
Net Investment in Capital Assets	185,921,421
Restricted for:	
Classroom Site	2,802,819
Instructional Improvement	1,459,639
Federal and State Grants	1,260,719
Food Services	3,023,464
Capital Projects	26,660,491
Debt Service	17,745,702
Noninstructional Services	11,011,072
Extracurricular Activities	4,200,069
Other Postemployment Benefits	310,594
Other	3,089,886
Unrestricted	(46,589,259)
Total Net Position	\$ 210,896,617

See accompanying Notes to the Basic Financial Statements.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental Activities:					
Instruction	\$ 140,233,685	\$ 1,316,929	\$ 29,706,558	\$ 1,080,823	\$ (108,129,375)
Support Services:					
Students	18,771,757	86,663	2,138,261	-	(16,546,833)
Instructional Staff	10,439,338	136,174	2,629,597	-	(7,673,567)
General Administration	6,277,893	-	11,055	-	(6,266,838)
School Administration	10,244,889	10,968	198,821	-	(10,035,100)
Business and Other Support Services	7,503,708	18,587	171,770	-	(7,313,351)
Operation and Maintenance of Plant	24,233,561	547,410	1,225,499	-	(22,460,652)
Student Transportation	8,415,215	197,759	26,951	-	(8,190,505)
Operation of Noninstructional Services	12,863,278	7,444,024	21,697	63,643	(5,333,914)
Interest on Long-Term Debt	13,206,889	-	-	-	(13,206,889)
Total	<u>\$ 252,190,213</u>	<u>\$ 9,758,514</u>	<u>\$ 36,130,209</u>	<u>\$ 1,144,466</u>	<u>(205,157,024)</u>
		General Revenues:			
				Property Taxes	176,201,500
				Grants and Contributions Not Restricted to Specific Programs	
				State and County Equalization and Additional State Aid	25,639,104
				Investment Earnings	4,791,794
				Other	4,261,245
				Total General Revenues	<u>210,893,643</u>
				Change in Net Position	5,736,619
				Net Position - Beginning of Year, As Restated	<u>205,159,998</u>
				Net Position - End of Year	<u>\$ 210,896,617</u>

See accompanying Notes to the Basic Financial Statements.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Bond Building	Debt Service	Nonmajor	Totals
Assets					
Cash and Investments	\$ 38,635,899	\$ -	\$ 27,556,319	\$ 46,345,635	\$ 112,537,853
Restricted Cash and Investments	-	61,468,702	12,551,072	-	74,019,774
Receivables:					
Accounts Receivable	-	-	-	240,006	240,006
Accrued Interest	-	-	68,463	-	68,463
Property Taxes	17,426,943	-	622,137	1,137,305	19,186,385
Intergovernmental	6,874,815	-	-	5,784,498	12,659,313
Inventories	-	-	-	195,635	195,635
Due from Other Funds	1,516,237	-	-	-	1,516,237
Other Assets	-	-	-	201,179	201,179
Total Assets	\$ 64,453,894	\$ 61,468,702	\$ 40,797,991	\$ 53,904,258	\$ 220,624,845
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts Payable	\$ 1,543,815	\$ 7,185,948	\$ -	\$ 5,563,584	\$ 14,293,347
Accrued Wages and Benefits	1,674,084	6,678	-	4,933,943	6,614,705
Accrued Interest	-	-	6,577,289	-	6,577,289
Due to Other Funds	-	-	-	1,516,237	1,516,237
Retainage Payable	-	1,230,502	-	55,119	1,285,621
Unearned Revenue	-	-	-	381,714	381,714
Matured Principal Payable	-	-	16,475,000	-	16,475,000
Total Liabilities	3,217,899	8,423,128	23,052,289	12,450,597	47,143,913
Deferred Inflows of Resources:					
Unavailable Revenue	9,168,215	-	262,524	831,086	10,261,825
Fund Balances:					
Nonspendable	-	-	-	195,635	195,635
Restricted	7,187,850	53,045,574	17,483,178	40,426,940	118,143,542
Unassigned	44,879,930	-	-	-	44,879,930
Total Fund Balances	52,067,780	53,045,574	17,483,178	40,622,575	163,219,107
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 64,453,894	\$ 61,468,702	\$ 40,797,991	\$ 53,904,258	\$ 220,624,845

See accompanying Notes to the Basic Financial Statements.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total Fund Balances for Governmental Funds		\$ 163,219,107
Total net position reported for governmental activities in the statement of net position is different because:		
Property taxes not collected within 60 days subsequent to fiscal year-end are reported as deferred inflows of resources in the governmental funds.		10,261,825
Net postemployment benefits (OPEB) assets held in trust for future benefits are not available for operations and are not reported in the funds.		310,594
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:		
Governmental Capital Assets	\$ 783,580,354	
Less: Accumulated Depreciation	<u>(303,206,198)</u>	480,374,156
Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds:		
Deferred Outflows of Resources Related to Pensions	19,536,965	
Deferred Inflows of Resources Related to Pensions	(12,979,586)	
Deferred Outflows of Resources Related to OPEB	1,656,241	
Deferred Inflows of Resources Related to OPEB	<u>(805,516)</u>	7,408,104
Long-term liabilities that pertain to governmental funds, including bonds payable and capital leases are not due and payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.		
General Obligation Bonds	(272,750,000)	
Unamortized Premiums	(25,762,169)	
Unamortized Deferred Amount on Refunding	2,724,840	
Capital Leases	(30,369,332)	
Net Pension Liability	(165,653,356)	
Net Other Postemployment Benefits Liability	(734,211)	
Compensated Absences Payable	<u>(8,295,995)</u>	(500,840,223)
The internal service fund is used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position		
		<u>50,163,054</u>
Total Net Position of Governmental Activities		<u><u>\$ 210,896,617</u></u>

See accompanying Notes to the Basic Financial Statements.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Bond Building	Debt Service	Nonmajor	Totals
REVENUES					
Property Taxes	\$ 136,791,783	\$ -	\$ 30,694,584	\$ 15,874,092	\$ 183,360,459
Intergovernmental	28,055,153	-	900,634	31,349,553	60,305,340
Tuition	35,750	-	-	4,638,483	4,674,233
Food Service Sales	-	-	-	3,428,550	3,428,550
Charges for Services	-	-	-	3,012,217	3,012,217
Contributions and Donations	1,377,995	-	-	2,419,221	3,797,216
Investment Earnings	1,032,161	-	1,862,142	580,494	3,474,797
Other	1,711,335	-	-	1,205,926	2,917,261
Total Revenues	<u>169,004,177</u>	<u>-</u>	<u>33,457,360</u>	<u>62,508,536</u>	<u>264,970,073</u>
EXPENDITURES					
Current:					
Instruction	86,902,569	429,656	-	31,968,107	119,300,332
Support Services:					
Students	16,452,749	-	-	2,802,877	19,255,626
Instructional Staff	7,072,147	-	-	3,656,369	10,728,516
General Administration	2,634,976	3,750,000	-	28,622	6,413,598
School Administration	10,066,556	14,527	-	327,096	10,408,179
Business and Other Support Services	5,007,443	211,262	17,798	3,054,581	8,291,084
Operations and Maintenance of Plant	21,444,521	122,111	-	3,411,397	24,978,029
Student Transportation	7,156,094	756,326	-	680,940	8,593,360
Other	188	-	-	-	188
Operation of Noninstructional Services	402,079	-	-	12,684,748	13,086,827
Debt Service:					
Principal Retirement	-	-	16,475,000	2,949,047	19,424,047
Interest on Long-Term Debt	-	-	13,173,719	1,179,598	14,353,317
Issuance Costs	-	490,453	167,559	-	658,012
Facilities Acquisition	38,314	30,099,683	-	3,606,596	33,744,593
Total Expenditures	<u>157,177,636</u>	<u>35,874,018</u>	<u>29,834,076</u>	<u>66,349,978</u>	<u>289,235,708</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	11,826,541	(35,874,018)	3,623,284	(3,841,442)	(24,265,635)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,574,761	-	-	3,306,064	4,880,825
Transfers Out	(3,306,064)	-	-	(1,574,761)	(4,880,825)
Issuance of Long-Term Debt	-	54,490,000	9,020,000	-	63,510,000
Premium on Issuance of Long-Term Debt	-	5,842,095	1,395,357	-	7,237,452
Payment to Escrow Agent	-	-	(10,247,798)	-	(10,247,798)
Total Other Financing Sources (Uses)	<u>(1,731,303)</u>	<u>60,332,095</u>	<u>167,559</u>	<u>1,731,303</u>	<u>60,499,654</u>
NET CHANGE IN FUND BALANCES	10,095,238	24,458,077	3,790,843	(2,110,139)	36,234,019
Fund Balances - Beginning of Year, As Restated	41,972,542	28,587,497	13,692,335	42,695,964	126,948,338
Increase (Decrease) in Nonspendable for Inventories	-	-	-	36,750	36,750
FUND BALANCES - END OF YEAR	<u>\$ 52,067,780</u>	<u>\$ 53,045,574</u>	<u>\$ 17,483,178</u>	<u>\$ 40,622,575</u>	<u>\$ 163,219,107</u>

See accompanying Notes to the Basic Financial Statements.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 36,234,019

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Expenditure for Capital Assets	\$ 34,088,105	
Loss on Disposal of Assets	(26,186)	
Depreciation Expense	<u>(23,985,922)</u>	10,075,997

The governmental funds report the issuance of bonds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Principal Payments on Bonded Debt	16,475,000	
Principal Payments on Capital Leases	2,949,047	
Payment to Escrow Agent	10,247,798	
Issuance of Long-Term Debt	(63,510,000)	
Premium on Issuance of Bonds	(7,237,452)	
Amortization of Premium	2,348,544	
Amortization of Deferred Amount on Refunding	<u>(544,104)</u>	(39,271,167)

Delinquent property taxes and grants and other receivables that will be collected subsequent to year-end, but are not available soon enough to pay for the current period's expenditures are reported as deferred inflows of resources in the governmental funds.

Property Taxes	(7,158,959)	
Grants and Other Miscellaneous Revenues	<u>(1,201,279)</u>	(8,360,238)

Governmental funds report pension and OPEB contributions as expenditures when made. However, in the statement of activities, pension and OPEB expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources and the investment experience.

Pension Contributions	14,726,290	
Pension Expense	(13,222,171)	
OPEB Contributions	848,852	
OPEB Expense	<u>(648,192)</u>	1,704,779

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

5,242,596

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

Change in Compensated Absences		73,883
Change in Inventory Balances		<u>36,750</u>

Change in Net Position of Governmental Activities		<u>\$ 5,736,619</u>
---	--	---------------------

See accompanying Notes to the Basic Financial Statements.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Governmental Activities: Internal Service Funds
ASSETS	
Current:	
Cash and Cash Equivalents	\$ 52,570,256
LIABILITIES	
Current:	
Accounts Payable	67,115
Accrued Wages	6,942
Claims Payable	2,333,145
Total Liabilities	2,407,202
NET POSITION	
Unrestricted	\$ 50,163,054

See accompanying Notes to the Basic Financial Statements.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FISCAL YEAR ENDED JUNE 30, 2020

	Governmental Activities: Internal Service Funds
OPERATING REVENUES	
Contributions	\$ 20,081,154
OPERATING EXPENSES	
Personnel	610,562
Supplies	83,857
Maintenance and Repair	189,145
Claims Expense	11,408,014
Premiums	2,632,462
Deductibles	11,435
Administrative Expense	909,668
Other Expenses	310,412
Total Operating Expenses	16,155,555
OPERATING INCOME	3,925,599
NONOPERATING REVENUES	
Investment Income	1,316,997
CHANGE IN NET POSITION	5,242,596
Total Net Position - Beginning of Year	44,920,458
TOTAL NET POSITION - END OF YEAR	\$ 50,163,054

See accompanying Notes to the Basic Financial Statements.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FISCAL YEAR ENDED JUNE 30, 2020

	Governmental Activities: Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Contributions	\$ 20,399,075
Cash Payments for Claims and Administrative Fees	(12,633,035)
Cash Payment for Deductibles	(11,435)
Cash Payments for Premiums	(2,632,462)
Cash Payments to Employees	(605,482)
Cash Payments for Supplies for Goods and Services	(578,866)
Net Cash Provided by Operating Activities	3,937,795
 CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	1,316,997
Sale of Investments	1,986,042
Net Cash Flows from Investing Activities	3,303,039
 NET CHANGE IN CASH AND CASH EQUIVALENTS	7,240,834
Cash and Cash Equivalents - Beginning of Year	22,335,958
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 29,576,792
 RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION	
Cash and Investments	\$ 52,570,256
Less: Investments with Original Maturities of three months or Less	(22,993,464)
Total Cash and Cash Equivalents	\$ 29,576,792
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 3,925,599
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Change in Accounts Receivable	92,935
Change in Intergovernmental Receivable	224,986
Change in Accounts Payable	4,548
Change in Accrued Liabilities	5,080
Change in Claims Payable	(315,353)
Total Adjustments	12,196
Net Cash Provided by Operating Activities	\$ 3,937,795

See accompanying Notes to the Basic Financial Statements.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Agency Fund</u>
ASSETS	
Current:	
Cash and Investments	<u>\$ 1,880,154</u>
LIABILITIES	
Current:	
Due to Student Groups	<u>\$ 1,880,154</u>

See accompanying Notes to the Basic Financial Statements.

THIS PAGE INTENTIONALLY LEFT BLANK

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Scottsdale Unified School District No.48 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

A. Reporting Entity

The District is a special purpose government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. In evaluating how to define the District for financial reporting purposes, management has identified the Employee Benefit Trust as a blended component unit as discussed below. The decision to include the blended component unit in the reporting entity has been made by applying criteria set forth in accounting principles generally accepted in the United States of America. The Insurance Trust is a legally separate organization for which the elected officials of the primary government (i.e., the District) are financially accountable. The primary government is financially accountable for the blended component unit as it appoints a voting majority of the blended component unit's governing body and maintains the accounting records of the blended component unit. The blended component unit is described below:

Blended Component Unit – Blended component units, although legally separate entities, are, in substance, part of the District's operations. The Scottsdale Unified School District No.48 Insurance Trust (Trust) is for providing self-insurance losses up to certain limits and to purchase insurance for losses above the limits. The District's Governing Board appoints the Trust's Board of Directors. The Scottsdale Unified School District No.48 Insurance Trust provides services entirely to the District and therefore has been included as an Internal Service Fund in accordance with the criteria established by GASB. Separately issued audited financial statements of the Scottsdale Unified School District No. 48 Insurance Trust may be obtained from the District's Finance Department at 7575 East Main Street, Scottsdale, Arizona, 85251-4522.

B. Government-Wide and Fund Financial Statements

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

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

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

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

The government-wide, proprietary funds, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, however, the District only reports agency funds in its fiduciary fund types, which do not present results of operations or a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The District reports the following major governmental funds:

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

The *Bond Building Fund*, a Capital Projects Fund, accounts for monies received from District bond issues that are used to acquire sites, construct school buildings, supply school buildings with furniture and apparatus, improve school grounds, and purchase pupil transportation vehicles.

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

Additionally, the District reports the following fund types:

The *Proprietary Fund* is an Internal Service Fund that accounts for activities related to the District's intergovernmental agreements, print shop activity and the Scottsdale Unified School District No. 48 Insurance Trust.

The proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for health and welfare benefits, print shop services and charges to District departments and other governments for goods and services. Operating expenses for internal service funds include the cost of goods and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The *Agency Fund* is custodial in nature and does not present results of operations or a measurement focus and is described as follows:

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, for governmental activities it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

1. Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, cash and investments held by the State and County Treasurer, and highly liquid investments with maturities of three months or less from the date of acquisition.

A.R.S. requires the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash in the Bond Building, Debt Service and Scottsdale Unified School District No. 48 Insurance Trust Funds, which is invested separately. As required by statute, interest earned by the Bond Building and Debt Service Fund is recorded in the Debt Service Fund.

A.R.S. authorize the District to invest public monies in the State and County Treasurer's investment pools; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories.

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

2. Restricted Cash and Investments

Bond proceeds that were not spent at the end of the fiscal year are restricted as to use and are reported as restricted cash and investments.

The District also reports restricted cash in the Debt Service Fund for contributions to a sinking fund on its School Improvement Bonds, Project 2010, Series A-2

3. Property Taxes Receivables

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

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

4. Intergovernmental Receivable

Intergovernmental receivables are comprised of federal grants and aid (\$3,421,755), classroom site funding (\$957,139), instructional improvement and other state grants-in-aid (\$583,420), additional state aid (\$6,830,290), and amounts due from local governments (\$866,709).

5. Inventories

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories are recorded as expenses when consumed rather than when purchased in the government-wide statements and are recorded as an expenditure when purchased in the fund financial statements.

6. Deposits

The deposits represent funds held by Mohave Educational Services Cooperative, Inc. for the District's membership in the ASPIN food service cooperative.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

7. Capital Assets

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

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

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

Buildings	7 to 75 Years
Improvements Other Than Buildings	5 to 20 Years
Furniture, Equipment, and Vehicles	5 to 20 Years

8. Deferred Outflows of Resources

The deferred outflows of resources reported in the government-wide financial statements, represent the reacquisition costs related to the refunding of bonded debt. The reacquisition costs are amortized and expensed over the lesser of the maturity of the refunded bonds or the refunding bonds. Reported amounts are also related to the requirements of accounting and financial reporting for pensions and other postemployment benefits.

9. Compensated Absences

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

10. Long-Term Obligations

In the government-wide and proprietary fund financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are amortized over the term of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

10. Long-Term Obligations (Continued)

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 another financing source. Premiums received on debt issuances are reported as another financing source while discounts on debt issuances are reported as another financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

11. Pension and Other Postemployment Benefit (OPEB) Plans

For purposes of measuring the net pension/OPEB (asset)/liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense, information about the fiduciary net position of the Arizona State Retirement System (ASRS) and additions to/deductions from ASRS's fiduciary net position have been determined on the same basis as they are reported by ASRS. 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.

12. Deferred Inflows of Resources

The deferred inflows of resources reported in the governmental fund financial statements represent resources that are not available to the District as of June 30, 2020 or within 60 days of fiscal year-end. The deferred inflows of resources represent a reconciling item between the governmental fund and the government-wide financial statements.

The District also recognizes the acquisition of net position that is applicable to a future reporting period as deferred inflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for pensions and other postemployment benefits under GASB 68 and GASB 75, respectively.

13. Net Position

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

14. Fund Balances

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

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

Restricted fund balances are those that have externally imposed restrictions on the usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

The committed fund balances are self-imposed limitations approved by the Governing Board, which is the highest level of decision-making authority within the District. Only the Governing Board can remove or change the constraints placed on committed fund balances. The governing board must commit fund balances before the end of the fiscal year through formal board action.

Assigned fund balances are resources constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The Governing Board has authorized the Chief Financial Officer to make assignments of resources for specific purposes.

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

It is the District's policy to utilize restricted fund balances first, then committed, assigned and unassigned fund balances when resources are available for the same purpose.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity (Continued)

14. Fund Balances (Continued)

The District has classified its fund balances as follows:

	General Fund	Bond Building Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ -	\$ -	\$ -	\$ 195,635	\$ 195,635
Restricted:					
Classroom Site	-	-	-	2,802,819	2,802,819
Instructional Improvement	-	-	-	1,459,639	1,459,639
Federal and State Grants	-	-	-	1,260,719	1,260,719
Food Service	-	-	-	2,827,829	2,827,829
Civic Center	-	-	-	7,484,922	7,484,922
Community School	-	-	-	3,316,967	3,316,967
Extracurricular Tax Credit	-	-	-	4,200,069	4,200,069
Joint Technological Education Funds	-	-	-	2,534,905	2,534,905
Other Special Revenues	-	-	-	764,164	764,164
Capital Projects	7,187,850	53,045,574	-	13,774,907	74,008,331
Debt Service	-	-	17,483,178	-	17,483,178
Total Restricted	<u>7,187,850</u>	<u>53,045,574</u>	<u>17,483,178</u>	<u>40,426,940</u>	<u>118,143,542</u>
Unassigned	44,879,930	-	-	-	44,879,930
Total Fund Balance	<u>\$ 52,067,780</u>	<u>\$ 53,045,574</u>	<u>\$ 17,483,178</u>	<u>\$ 40,622,575</u>	<u>\$ 163,219,107</u>

(Remainder of this page Intentionally Left Blank)

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

Arizona Revised Statutes authorize the District to invest public monies in the State Treasurer’s local government investment pools, the County Treasurer’s investment pool, in obligations of the U.S. Government and its agencies, obligations of the State and certain local government subdivisions, interest-bearing savings accounts and certificates of deposit, collateralized repurchase agreements, certain obligations of U.S. corporations, and certain other securities. The statutes do not include any requirements for credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk for the District’s investments.

At year-end, the District’s deposits and investments consisted of the following.

Deposits:	
Cash on Hand	\$ 484
Cash in Bank	12,490,446
Money Market	4,740,998
Investments:	
Cash on Deposit with County Treasurer	169,960,399
Kairos Investment Pool	6,903,843
Investments Held at Financial Institution	46,911,867
Total Deposits and Investments	241,008,037
Less: Cash on deposit with paying agent	-
Less: Restricted Cash and Investments	(74,019,774)
Less: Fiduciary Funds	(1,880,154)
Total Cash and Investments	\$ 165,108,109

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of bank failure the Pool’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 \$12,490,446 and the bank balance was \$12,299,098. The bank balance was fully collateralized through the Arizona State Treasurer’s pooled collateral program. The District also has \$4,740,998 invested in money market accounts, which are cash equivalents held in the investment accounts.

Concentration of Credit Risk – Statute does not include any requirement for concentration of credit risk.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Investments

Interest Rate Risk – Interest rate risk is the risk that changes in rates will adversely affect the fair value of an investment. The Trust 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. The following table summarizes the Trust’s investments based on maturity dates.

Investment	Investment Maturities (in Years)				
	Amount	Less than 1	1-3	4-5	6-10
U.S. Agency Securities	\$ 17,603,235	\$ 4,516,202	\$ 11,315,683	\$ 1,771,350	\$ -
U.S. Treasury Notes and Bonds	12,313,298	-	-	-	12,313,298
Corporate Bonds	1,413,889	504,791	909,098	-	-
Municipal Bonds	100,000	100,000	-	-	-
Certificate of Deposits	15,481,445	6,484,111	4,364,935	4,632,399	-
Total Investments	<u>\$ 46,911,867</u>	<u>\$ 11,605,104</u>	<u>\$ 16,589,716</u>	<u>\$ 6,403,749</u>	<u>\$ 12,313,298</u>

Credit Risk – Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investments. The District has no investment policy that would further limit its investment choices. The following is a list of investments and credit ratings. The certificates of deposit were entirely covered by federal depository insurance.

Investment Type	Rating	Agency	Amount
U.S. Agency Securities	AA+	S&P	\$ 17,603,235
U.S. Treasury Notes and Bonds	AA+	S&P	12,313,298
Corporate Bonds	A	S&P	369,776
Corporate Bonds	AAA	S&P	504,791
Corporate Bonds	BBB+	S&P	539,322
Municipal Bonds	A+	S&P	100,000
Marketable Certificates of Deposit	N/R	N/A	15,481,445
			<u>\$ 46,911,867</u>

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the District will not be able to recover the value of its investment or collateral securities that are in an outside party’s possession. The District does not have a policy related to custodial credit risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The District does not have a policy related to concentration of credit risk.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

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.

The Kairos investment pool is an external investment pool. The District’s shares are not identified with specific investments and its share in the pool approximates fair value.

	6/30/2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments by Fair Value Level				
Debt Securities				
U.S. Agency Securities	\$ 17,603,235	\$ -	\$ 17,603,235	\$ -
U.S. Treasury Notes and Bonds	12,313,298		12,313,298	-
Corporate Bonds	1,413,889	1,413,889	-	-
Municipal Bonds	100,000	100,000	-	-
Certificate of Deposits	15,481,445	15,481,445		
Total Investments by Fair Value Level	46,911,867	<u>\$ 16,995,334</u>	<u>\$ 29,916,533</u>	<u>\$ -</u>
Investments Measured at Amortized Cost				
County Treasurer’s investment pool	169,960,399			
Kairos Investment Pool	6,903,843			
Total investments by amortized cost	<u>176,864,242</u>			
Total Investments	<u>\$ 223,776,109</u>			

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

2. Receivables

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

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

At the end of the current fiscal year, the various components of deferred inflows of resources are as follows:

	<u>Unavailable</u>
Delinquent Property Taxes Receivable:	
General Fund	\$ 9,168,215
Debt Service Fund	262,524
Nonmajor Governmental Funds	831,086
Total	<u>\$ 10,261,825</u>

REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 25,458,720	\$ -	\$ -	\$ 25,458,720
Construction in Progress	795,482	20,391,713	(130,661)	21,056,534
Total Capital Assets, Not Being Depreciated	<u>26,254,202</u>	<u>20,391,713</u>	<u>(130,661)</u>	<u>46,515,254</u>
Capital Assets, Being Depreciated:				
Land Improvements	33,706,446	2,460,371	-	36,166,817
Buildings and Improvements	659,829,318	9,111,755	-	668,941,073
Furniture, Equipment, and Vehicles	31,799,826	2,254,927	(2,097,543)	31,957,210
Total Capital Assets, Being Depreciated	<u>725,335,590</u>	<u>13,827,053</u>	<u>(2,097,543)</u>	<u>737,065,100</u>
Accumulated Depreciation for:				
Land Improvements	(10,368,512)	(1,676,650)	-	(12,045,162)
Buildings and Improvements	(244,912,554)	(20,314,023)	-	(265,226,577)
Furniture, Equipment, and Vehicles	(26,010,567)	(1,995,249)	2,071,357	(25,934,459)
Total Accumulated Depreciation	<u>(281,291,633)</u>	<u>(23,985,922)</u>	<u>2,071,357</u>	<u>(303,206,198)</u>
Total Capital Assets, Being Depreciated, Net	<u>444,043,957</u>	<u>(10,158,869)</u>	<u>(26,186)</u>	<u>433,858,902</u>
Governmental Activities Capital Assets, Net	<u>\$ 470,298,159</u>	<u>\$ 10,232,844</u>	<u>\$ (156,847)</u>	<u>\$ 480,374,156</u>

Depreciation expense was charged to functions as follows:

Governmental Activities:	
Instruction	\$ 22,874,834
Support Services:	
Students and Staff	1,555
Instructional Staff	5,015
General Administration	1,540
Administration	96,518
Business and Other Support Services	-
Operations and Maintenance of Plant	144,412
Student Transportation	733,334
Operation of Noninstructional Services	128,714
Total	<u>\$ 23,985,922</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

4. Construction Commitments

The District has active construction projects at June 30, 2020 and the commitments with contractors were as follows:

Project	Governmental Activities	
	Spent-to-Date	Estimated Remaining
Hohokam Building and Site Improvements	\$ 1,161,793	\$ 724,996
Cherokee Building and Site Improvements	10,099,887	13,175,669
Saguaro High School Innovation Center	81,350	1,381,217
Elementary School Roofing Projects	-	1,888,684
Admin/Lobby Upgrade Projects	286,037	714,599
Various Parking Lot Projects	884,022	1,372,886
Totals	<u>\$ 12,513,089</u>	<u>\$ 19,258,051</u>

B. Interfund Receivables, Payables, and Transfers

Interfund receivables and payables for the year ended June 30, 2020 were for short-term borrowings to cover deficit cash and were as follows:

Due To	Due From Nonmajor Governmental Fund
General Fund	<u>\$ 1,516,237</u>

Cash was received subsequent to June 30, 2020 to cover the deficit.

Interfund transfers for the year ended June 30, 2020 consisted of the following:

Transfer In	Transfer Out		Total
	General Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 1,574,761	\$ 1,574,761
Nonmajor Governmental Funds	3,306,064	-	3,306,064
Total	<u>\$ 3,306,064</u>	<u>\$ 1,574,761</u>	<u>\$ 4,880,825</u>

The transfers from the Nonmajor Governmental Funds to the General Fund in the amount of \$1,574,761 were made to record the District's indirect costs on grants passed through the Arizona Department of Education. The District did not exceed the approved indirect cost rate on any grants. The transfers from the General fund to the Nonmajor Governmental Funds of \$3,306,064 were made to subsidize debt payments in the Energy and Water Savings Fund.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Obligations Under Capital Leases

The District acquired energy upgrades under the provisions of long-term lease agreements classified as capital leases. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues (largely federal interest subsidy) from the Energy and Water Savings Fund, a nonmajor governmental fund, are used to pay the capital lease obligations. In addition, revenues from the General Fund are transferred to the Energy and Water Savings Fund to pay the capital lease obligations when due. Amortization of assets (included in equipment) recorded under capital leases is included with depreciation expense.

The future minimum lease payments under the capital leases, together with the present value of the net minimum lease payments as of June 30, 2020, were as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>
2021	\$ 4,102,367
2022	4,077,084
2023	4,052,822
2024	3,779,530
2025	3,381,507
2026-30	13,358,305
2031-32	2,961,310
Total Minimum Lease Payments	<u>35,712,925</u>
Less: Amount Representing Interest	<u>(5,343,593)</u>
Present Value of Minimum Lease Amounts	<u><u>\$ 30,369,332</u></u>

D. Short-Term Debt

The District issued \$15.0 million in tax anticipation notes July 2019 in advance of property tax collections, depositing the proceeds in its General Fund. These notes are necessary to provide cash flow as most tax revenue is collected in November and May. Property tax revenues in the General Fund were used to repay the \$15.0 million note in June 2020. The notes carried an interest rate of 2.00%.

The District also has an available line of credit administered by the Maricopa County Treasurer to meet short-term cash flow needs. The District has a maximum line of credit established with the County of \$24.0 million. The District did not draw on the line of credit during the fiscal year and paid \$0 in interest.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations

The District has long-term bonds payable issued to provide funds for the acquisition and construction of major capital facilities. The District has also issued debt to refund earlier obligations with higher interest rates. Compensated absences, other postemployment benefits obligation, and the pension obligation are paid by the applicable fund where each employee is regularly paid, primarily the General Fund. General obligation bonds currently outstanding are as follows:

Purpose	Original Amount Issued	Interest Rates (%)	Maturity Dates	Amount Outstanding
Governmental Activities:				
General Obligation Bonds Payable:				
Refunding Bonds, Series 2007	\$ 100,600,000	5.00%	7/1/20-23	\$ 38,250,000
School Improvement Bonds, Project of 2010 Series A-2	25,000,000	6.21%	07/01/28	25,000,000
School Improvement Bonds, Project of 2010 Series A-3	24,000,000	5.73-6.41%	7/1/25-30	24,000,000
School Improvement Bonds, Project of 2010, Series B	59,000,000	2.00-4.75%	7/1/20-31	3,525,000
Refunding Bonds, Series 2016	28,050,000	1.75-3.00%	7/1/20-24	10,680,000
School Improvement Bonds, Project of 2016, Series A	39,635,000	2.50-5.00%	7/1/20-31	34,435,000
School Improvement Bonds, Project of 2016, Series B	42,745,000	2.00-5.00%	7/1/20-33	42,745,000
Refunding Bonds, Series 2017	47,080,000	2.00-4.00%	7/1/22-31	47,080,000
School Improvement Bonds, Project of 2016, Series C	54,490,000	2.00-5.00%	7/1/25-38	54,490,000
Refunding Bonds, Series 2020	9,020,000	5.00%	7/1/23-24	9,020,000
Total General Obligation Bonds Payable				<u>\$ 289,225,000</u>

The School Improvement Bonds, Project of 2010, Series A-2 has a sinking fund requirement annually through July 1, 2028. The District is required to contribute \$1,481,250 (less any interest earned) to the sinking fund annually. The sinking fund is held in investments in the District's name and therefore, the balance of those investments are reported in the Statement of Net Position and the Balance Sheet of the Governmental Funds as restricted assets. The principal balance (\$25,000,000) is reported as a long-term liability in the Statement of Net Position, until the bonds mature and are redeemed (July 1, 2028). Interest on the outstanding principal balance is due semi-annually (January 1 and July 1).

Changes in long-term obligations for the year ended June 30, 2020 are as follows:

	Beginning of Year	Increases	Decreases	End of Year	Due within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 252,125,000	\$ 63,510,000	\$ (26,410,000)	\$ 289,225,000	\$ 16,475,000
Premium	21,285,470	7,237,452	(2,760,753)	25,762,169	-
Total Bonds Payable	273,410,470	70,747,452	(29,170,753)	314,987,169	16,475,000
Other Liabilities:					
Capital Leases	33,318,379	-	(2,949,047)	30,369,332	3,044,327
Compensated Absences	8,369,878	2,393,306	(2,467,189)	8,295,995	1,346,718
Claims Payable	2,648,498	11,408,014	(11,723,367)	2,333,145	2,333,145
ASRS OPEB Plan	588,951	145,260	-	734,211	-
Net Pension Liability	157,146,156	8,507,200	-	165,653,356	-
Total Other Liabilities	202,071,862	22,453,780	(17,139,603)	207,386,039	6,724,190
Total Debt	<u>\$ 475,482,332</u>	<u>\$ 93,201,232</u>	<u>\$ (46,310,356)</u>	<u>\$ 522,373,208</u>	<u>\$ 23,199,190</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Long-Term Obligations (Continued)

Debt service requirements on bonds payable at June 30, 2020 are as follows:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 16,475,000	\$ 12,732,160	\$ 29,207,160
2022	16,940,000	11,987,910	28,927,910
2023	16,670,000	11,206,310	27,876,310
2024	16,460,000	10,590,010	27,050,010
2025	16,080,000	9,947,610	26,027,610
2026-30	107,060,000	34,803,500	141,863,500
2031-35	75,430,000	8,640,500	84,070,500
2036-38	24,110,000	732,600	24,842,600
Totals	<u>\$ 289,225,000</u>	<u>\$ 100,640,600</u>	<u>\$ 389,865,600</u>

The District issued \$54,490,000 in School Improvement Bonds, Series 2019, with a premium of \$5,842,095. The Bonds carry interest rates of 2-5% and will be fully paid in July 2038. The gross proceeds of \$60.3 million were used to make renovations and improvements to all existing school sites including renovations, parking lot improvements, roof repairs, pupil transportation, and technology upgrades, and to pay issuance costs of \$490,453.

During the fiscal year, the District issued \$9,020,000 in General Obligation refunding bonds with an interest rate of 5%. The bonds were issued to refund \$10,000,000 in Refunding Bonds, Series 2010. The obligations are generally noncallable, with interest payable semi-annually. The net proceeds of \$10,415,357 from the advance refunding (including \$1,395,357 of premium on the bond) were used to purchase U.S. government securities (\$10,247,798) and pay issuance costs (\$167,559). The securities were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered defeased, and the liability for the bonds have been removed from the statement of net position.

In prior years, the District defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year end, \$51,025,000 of defeased bonds are still outstanding.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 OTHER INFORMATION

A. 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 established the Insurance Trust Fund (an Internal Service Fund) to account for risk financing of certain benefits and losses through combinations of cost-reimbursement, self-insurance for losses up to certain limits, and the purchase of insurance for losses above the limits. In June 2019, the District amended the previous Trust Agreement to include employee medical, dental, disability and/or life insurance programs and other employee benefit programs as deemed appropriate.

The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District joined Arizona School Risk Retention Trust, Inc. (ASRRT) for property and liability claims up to \$10,000 and for claims in varying amounts. ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for school districts and community colleges in the state. The District pays an annual premium to ASRRT for its general insurance coverage. The agreement provides that ASRRT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts. Under this program, the fund provides coverage for up to a maximum of \$10,000 for each claim, not to exceed an annual aggregate of \$10,000,000. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The District joined the Arizona School Alliance for Workers' Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers' compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays quarterly premiums to the Alliance for its employee workers' compensation coverage. The agreement provides that the Alliance will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event. The District has not exceeded this coverage in any of the past three fiscal years.

The District established a self-insured health care program through the Kairos Health Arizona, Inc. program. Kairos Health is a public employee benefit pool formed under Arizona Revised Statute Section 11-952.01. The Insurance Trust pays claims and other costs. All claims handling procedures are performed by a third-party claims administrator. The District has reinsurance that limits exposure of any single claim to \$500,000.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 OTHER INFORMATION

A. Risk Management (Continued)

Liabilities of the self-insurance activities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities (which includes estimated claims incurred, but not yet paid) during the past two years are as follows:

	2020	2019
Beginning Unpaid Claims	\$ 2,648,498	\$ 2,592,264
Claims Incurred and Changes in Estimate	11,408,014	12,347,558
Claims Paid	(11,723,367)	(12,291,324)
Ending Unpaid Claims	\$ 2,333,145	\$ 2,648,498

B. Contingent Liabilities

Compliance – Amounts received or due 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. 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.

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

Lawsuits – The District is a defendant in various lawsuits and is vigorously defending those claims. In the opinion of the District’s attorney, neither the outcome of these lawsuits or the estimated liability to the District in the event of an unfavorable decision for the District is presently determinable.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Pensions and Other Postemployment Benefits

Cost-Sharing Pension Plans

At June 30, 2020, the District reported the following related to pensions other postemployment benefits (OPEB) to which it contributes:

<u>Statement of Net Position and Statement of Activities</u>	Governmental Activities		
	Pension	Health Insurance Premium (OPEB)	Long-Term Disability (OPEB)
Net Pension/OPEB Asset	\$ -	\$ 310,594	\$ -
Net Pension/OPEB Liability	165,653,356	-	734,211
Deferred Outflows of Resources	19,536,965	1,241,017	415,224
Deferred Inflows of Resources	12,979,586	778,498	27,018
Pension/OPEB Expense	13,222,171	403,540	244,652

Arizona State Retirement System

Plan Description – District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit (OPEB); and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. The ASRS 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 its Web site at www.azasrs.gov.

Arizona State Retirement System

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:

	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 year age 50* any years age 65
Final average salary is based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit percentage per year of service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment 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.

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

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

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

In addition, the District was required by statute to contribute at the actuarially determined rate of 10.41% (10.29% for retirement, 0.05% for health insurance premium benefit, and 0.07% for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to ASRS would typically be fill.

The District's contributions to the pension plan, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2020 were \$14,726,290, \$630,208 and \$218,644, respectively.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

During the fiscal year ended June 30, 2020, the District paid for ASRS pension and OPEB contributions as follows: 79% from the General Fund and 21% from other funds.

Liability – The net asset and net liabilities were measured as of June 30, 2019. 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, 2018, to the measurement date of June 30, 2019. The District's proportion of the net asset or net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2019, and the change from its proportions measured as of June 30, 2018.

At June 30, 2020, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability. In addition, the District's proportion for each plan measured as of June 30, 2019 and the related change from its proportion measured as of June 30, 2018 was:

	Net (Asset) Liability	District Percent Proportion	Increase (Decrease)
Pension	\$ 165,653,356	1.13842%	0.01125
Health Insurance Premium	(310,594)	1.12390%	0.00920
Long-Term Disability	734,211	1.12705%	(0.00012)

Expense – For the year ended June 30, 2020, the District recognized an expense to the pension plan, health insurance premium benefit, and long-term disability plans of \$13,222,171, \$403,540 and \$244,652, respectively.

Deferred Outflows/Inflows of Resources – At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

Pension	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,992,572	\$ 31,144
Changes of Assumptions or Other Inputs	700,222	6,596,642
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,723,315
Changes in Proportion and Differences Between District's Contributions and Proportionate Share of Contributions	1,117,881	2,628,485
Contributions Subsequent to the Measurement Date	14,726,290	-
Total	<u>\$ 19,536,965</u>	<u>\$ 12,979,586</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Health Insurance Premium (OPEB)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 371,278
Changes of Assumptions or Other Inputs	610,809	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	403,908
Changes in Proportion and Differences Between District's Contributions and Proportionate Share of Contributions	-	3,312
Contributions Subsequent to the Measurement Date	630,208	-
Total	\$ 1,241,017	\$ 778,498

Long-Term Disability (OPEB)	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 86,744	\$ -
Changes of Assumptions or Other Inputs	109,836	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	15,661
Changes in Proportion and Differences Between District's Contributions and Proportionate Share of Contributions	-	11,357
Contributions Subsequent to the Measurement Date	218,644	-
Total	\$ 415,224	\$ 27,018

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in expenses as follows:

<u>Year Ending June 30,</u>	<u>Pension</u>	<u>Health Insurance Premium</u>	<u>Long-Term Disability</u>
2021	\$ (4,567,730)	\$ (135,334)	\$ 15,970
2022	(3,883,352)	(135,334)	15,969
2023	(715,034)	36,914	31,247
2024	997,205	74,883	34,048
2025	-	(8,818)	28,225
2026	-	-	44,103

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

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

Actuarial Valuation Date	June 30, 2018
Actuarial Roll Forward Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Investment Rate of Return	7.5%
Projected Salary Increases	2.7 - 7.2% for pensions/not applicable for OPEB
Inflation	2.3%
Permanent Benefit Increase	Included for pensions/not applicable for OPEB
Mortality Rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery Rates	2012 GLDT for long-term disability
Healthcare Cost Trend Rate	Not applicable

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2016.

The long-term expected rate of return on ASRS plan investments was determined to be 7.50% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Real Return Geometric Basis	Long Term Contribution To Real Rate of Return
Equity	50 %	6.09 %	3.05 %
Credit	20	5.36	1.07
Interest Rate Sensitive Bonds	10	1.62	0.16
Real Estate	20	5.85	1.17
Total	100 %		5.45

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 OTHER INFORMATION (CONTINUED)

C. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Discount Rate – The discount rate used to measure the ASRS total pension/OBEB liability was 7.50%. 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 statutes. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OBEB liability.

Sensitivity of the District’s Proportionate Share of the ASRS Net Pension/OPEB (Asset) Liability to Changes in the Discount Rate – The following table presents the District’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.5%, as well as what the District’s proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate.

	Proportionate Share of the Net (Assets) / Liabilities		
	Current Discount		
	1% Decrease (6.5%)	Rate (7.5%)	1% Increase (8.5%)
Pension	\$ 235,763,095	\$ 165,653,356	\$ 107,059,657
Health Insurance Premium	1,573,306	(310,594)	(1,915,770)
Long-Term Disability	812,571	734,211	658,227

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

Contributions Payable – The District’s accrued payroll and employee benefits included \$619,231 of outstanding pension and OPEB contribution amounts payable to ASRS for the year ended June 30, 2020.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 OTHER INFORMATION (CONTINUED)

D. Correction of a Misstatement – Prior Period Adjustment

Net position and fund balance as of July 1, 2019, has been restated to correct an error in the previously issued financial statements. The District’s School Improvement Bonds, Project of 2010, Series A-2 has sinking fund requirements through the date of maturity (July 1, 2028) in the amount of \$1,481,250 annually (less any interest earned on held investments).

In prior years, the District was recording the sinking fund contribution as a reduction of the principal balance of the bonds, resulting in an understatement of the liability in the government-wide financial statements of \$10,187,500. Additionally, the sinking fund is invested in securities in the District’s name and those investments were not reported as an asset in the District’s financial statements (\$11,098,471): The net effect resulted in a restatement of the governmental activities beginning net position of \$910,971.

In the governmental Debt Service Fund, the District did not record the investment in the sinking fund (\$11,098,471) and had accrued the July 1, 2019 sinking fund contribution as an expense (\$1,481,250), resulting in a restatement of beginning fund balance in the debt service fund of \$12,579,721. The following is a summary of restatement:

	Net Position/ Fund Balance as Previously Stated	Sinking Fund Investment Balance	Sinking Fund Recorded as Principal Reduction in Prior Years	Net Position/ Fund Balance as As Restated
Governmental Activities	<u>\$ 204,249,027</u>	<u>\$ 11,098,471</u>	<u>\$ (10,187,500)</u>	<u>\$ 205,159,998</u>
<u>Governmental Funds</u>				
Debt Service	<u>\$ 1,112,614</u>	<u>\$ 11,098,471</u>	<u>\$ 1,481,250</u>	<u>\$ 13,692,335</u>

E. Subsequent Events

On July 30, 2020 the District issued \$15.0 million in tax anticipation notes to be repaid July 2021, with an interest rate of 0.85%.

THIS PAGE INTENTIONALLY LEFT BLANK

Required Supplementary Information Other Than MD&A

THIS PAGE INTENTIONALLY LEFT BLANK

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
NET PENSION/OPEB LIABILITY AND CONTRIBUTIONS
COST-SHARING PENSION PLANS
FISCAL YEAR ENDED JUNE 30, 2020 AND FIVE PREVIOUS FISCAL YEARS**

Schedule of the District's Proportionate Share of Net Pension Liability

ASRS—Pension	Reporting Year (Measurement Date)					
	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
District's Proportion of the Net Pension Liability	1.13842%	1.12717%	1.16725%	1.21648%	1.16828%	1.23733%
District's Proportionate Share of the Net Pension Liability	\$ 165,653,356	\$ 157,146,156	\$ 181,834,797	\$ 196,352,093	\$ 181,977,042	\$ 183,082,840
District's Covered Payroll	\$ 119,892,075	\$ 110,776,716	\$ 113,657,811	\$ 113,755,493	\$ 104,304,527	\$ 111,900,215
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	138.17%	141.86%	159.98%	172.61%	174.47%	163.61%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

Schedule of the District's Contributions

ASRS—Pension	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 14,726,290	\$ 13,403,934	\$ 12,074,662	12,252,312	\$ 12,342,471	\$ 11,685,463
Contributions in Relation to the Contractually Required Contribution	14,726,290	13,403,934	12,074,662	12,252,312	12,342,471	11,685,463
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 123,428,535	\$ 119,892,075	\$ 110,776,716	\$ 113,657,811	\$ 113,755,493	\$ 104,304,527
Contributions as a Percentage of Covered Payroll	11.93%	11.18%	10.90%	10.78%	10.85%	11.20%

See Notes to Required Supplementary Information.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
NET PENSION/OPEB LIABILITY AND CONTRIBUTIONS
COST-SHARING PENSION PLANS
FISCAL YEAR ENDED JUNE 30, 2020 AND TWO PREVIOUS FISCAL YEARS**

Schedule of the District's Proportionate Share of Net OPEB Liability

ASRS—Health insurance premium benefit	Reporting Year (Measurement Date)		
	2020 (2019)	2019 (2018)	2018 (2017)
District's Proportion of the Net Pension Liability	1.12390%	1.11470%	1.16057%
District's Proportionate Share of the Net Pension Liability	\$ (310,594)	\$ (401,393)	\$ (631,814)
District's Covered Payroll	\$ 119,892,075	\$ 110,776,716	\$ 113,657,811
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	-0.26%	-0.36%	-0.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.62%	102.20%	103.57%

Schedule of the District's Contributions

ASRS—Health insurance premium benefit	2020	2019	2018
Contractually Required Contribution	\$ 630,208	\$ 551,504	\$ 487,417
Contributions in Relation to the Contractually Required Contribution	630,208	551,504	487,417
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 123,428,535	\$ 119,892,075	\$ 110,776,716
Contributions as a Percentage of Covered Payroll	0.51%	0.46%	0.44%

See Notes to Required Supplementary Information.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF
NET PENSION/OPEB LIABILITY AND CONTRIBUTIONS
COST-SHARING PENSION PLANS
FISCAL YEAR ENDED JUNE 30, 2020 AND TWO PREVIOUS FISCAL YEARS**

Schedule of the District's Proportionate Share of Net OPEB Liability

ASRS—Long-term disability

	Reporting Year (Measurement Date)		
	2020 (2019)	2019 (2018)	2018 (2017)
District's Proportion of the Net Pension Liability	1.12705%	1.12717%	1.16150%
District's Proportionate Share of the Net Pension Liability	\$ 734,211	\$ 588,951	\$ 421,017
District's Covered Payroll	\$ 119,892,075	\$ 110,776,716	\$ 113,657,811
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.61%	0.53%	0.37%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.85%	77.83%	84.44%

Schedule of the District's Contributions

ASRS—Long-term disability

	2020	2019	2018
Contractually Required Contribution	\$ 218,644	\$ 191,827	\$ 177,243
Contributions in Relation to the Contractually Required Contribution	218,644	191,827	177,243
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 123,428,535	\$ 119,892,075	\$ 110,776,716
Contributions as a Percentage of Covered Payroll	0.18%	0.16%	0.16%

See Notes to Required Supplementary Information.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND – BUDGETARY BASIS
FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance from Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ 136,791,783	\$ 136,791,783
Intergovernmental	-	-	26,614,503	26,614,503
Tuition	-	-	35,750	35,750
Investment Earnings (Loss)	-	-	504,024	504,024
Other	-	-	46,218	46,218
Total Revenues	-	-	163,992,278	163,992,278
EXPENDITURES				
Regular Education:				
Instruction	66,828,476	67,642,549	64,306,718	3,335,831
Support Services - Students	7,120,303	7,236,079	6,630,311	605,768
Support Services - Instructional Staff	4,560,880	4,665,316	4,141,050	524,266
Support Services - General Administration	2,580,744	2,501,686	2,335,797	165,889
Support Services - School Administration	10,268,876	10,105,921	9,664,458	441,463
Support Services - Business	3,181,719	3,385,022	2,708,567	676,455
Operations and Maintenance of Plant	26,153,937	26,274,044	23,176,841	3,097,203
Operation of Noninstructional Services	404,714	409,231	382,231	27,000
Total Regular Education	121,099,649	122,219,848	113,345,973	8,873,875
Special Education:				
Instruction	17,346,357	17,347,866	15,398,827	1,949,039
Support Services - Students	8,170,922	7,979,530	7,446,116	533,414
Support Services - Instructional Staff	985,722	991,975	846,021	145,954
Support Services - School Administration	31,359	31,534	22,438	9,096
Support Services - Business	2,552	17,438	17,355	83
Operations and Maintenance of Plant	265	1,131	866	265
Total Special Education	26,537,177	26,369,474	23,731,623	2,637,851
Desegregation:				
Instruction	5,075,152	5,075,151	4,852,484	222,667
Support Services - Students	732,219	732,219	718,655	13,564
Support Services - Instructional Staff	1,211,748	1,211,748	1,318,276	(106,528)
Support Services - Central Services	26,852	26,852	83,869	(57,017)
Support Services - School Administration	321,124	321,124	293,508	27,616
Support Services - Transportation	15,075	15,075	114,962	(99,887)
Support Services - Operations and Maintenance of Plant	-	-	415	(415)
Total Desegregation	7,382,170	7,382,169	7,382,169	-
Pupil Transportation:				
Student Transportation Services	8,569,237	8,548,494	7,053,835	1,494,659
Dropout Prevention Program	221,130	221,130	221,131	(1)
K-3 Program Override	805,296	846,274	846,274	(1)
Total Expenditures	164,614,659	165,587,389	152,581,005	11,511,725
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(164,614,659)	(165,587,389)	11,411,273	176,998,662
Fund Balance - Beginning of Year	-	-	12,965,270	12,965,270
FUND BALANCE - END OF YEAR	\$ (164,614,659)	\$ (165,587,389)	\$ 24,376,543	\$ 189,963,932

See Notes to Required Supplementary Information.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN THE MD&A
FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1 COST SHARING PENSION AND OPEB PLAN

Information for the cost sharing pension plan prior to the measurement date (June 30, 2014) and information for the cost sharing OPEB Plan prior to the measurement date (June 30, 2017) was not available. Additional years' information will be displayed as it becomes available.

NOTE 2 PENSION AND OPEB PLAN SCHEDULES

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

Factors that Affect Trends – The actuarial assumptions used in the June 30, 2017, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

NOTE 3 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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

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

Although it is not adopted or published, a budget of revenue from all sources for the fiscal year is prepared by the District; however, the budget is not revised during the fiscal year.

No supplementary budgetary appropriations were necessary during the year.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN THE MD&A
FISCAL YEAR ENDED JUNE 30, 2020

NOTE 4 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

At June 30, 2020, the District reported overexpenditures in the following funds as compared to budget:

Nonmajor Governmental Funds	
Building Renewal	293,854

Cash was available to meet the overexpenditure listed above.

NOTE 5 BASIS OF ACCOUNTING

The District's adopted budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the following exceptions: prepaid insurance payments were charged against the budget in the year in which the payment was made. In addition, the General Fund as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances includes the District's Maintenance and Operation Fund in addition to several other District funds as required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. However, for budgetary purposes, the District prepares a separate Maintenance and Operation Fund budget. Therefore, the following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District's Maintenance and Operation Fund for budgetary purposes.

	Total Revenues	Total Expenditures	Other Financing Sources and Uses	Fund Balance Beginning of Year	Fund Balance End of Year
Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 169,004,177	\$ 157,177,636	\$ (1,731,303)	\$ 41,972,542	\$ 52,067,780
Nonmaintenance and Operation Activity Included in General Fund	(5,011,899)	(6,506,927)	1,731,303	(29,007,272)	(25,780,941)
Fiscal Year 2020-21 insurance Payments Budgeted in 2019-20	-	1,910,296	-	-	(1,910,296)
Budgetary Comparison Schedule - General Fund	<u>\$ 163,992,278</u>	<u>\$ 152,581,005</u>	<u>\$ -</u>	<u>\$ 12,965,270</u>	<u>\$ 24,376,543</u>

**Combining and Individual Fund
Statements and Schedules**

THIS PAGE INTENTIONALLY LEFT BLANK

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

Special Projects – accounts for the revenues and expenditures of state and federally funded projects.

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

Other Special Revenue Fund – accounts for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular activity fee tax credit, career and technology and vocational education program, and textbooks.

CAPITAL PROJECTS FUND

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

The *Unrestricted Capital Outlay Fund* accounts for transactions related to the acquisition of capital items by purchase, lease-purchase, or lease in accordance with A.R.S. §15-903(C).

Gifts and Donations Fund – accounts for gifts and donations to be used for capital acquisitions in accordance with A.R.S. §15-341(A)(14).

Energy and Water Savings – accounts for energy and water savings projects in school facilities in accordance with A.R.S. §15-910.02.

Building Renewal Fund – accounts for grants received from the Arizona State School Facilities Board to finance building improvements.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue				
	Classroom Site	Instructional Improvement	Special Projects	Food Service	Other Special Revenue
ASSETS					
Cash and Investments	\$ 6,082,834	\$ 924,017	\$ 72,768	\$ 2,775,688	\$ 18,037,234
Receivables:					
Accounts Receivable	-	-	-	1,185	-
Property Taxes	-	-	-	-	-
Intergovernmental	957,139	549,900	3,045,698	331,532	866,709
Inventories	-	-	-	195,635	-
Other Assets	-	-	-	201,179	-
Total Assets	<u>\$ 7,039,973</u>	<u>\$ 1,473,917</u>	<u>\$ 3,118,466</u>	<u>\$ 3,505,219</u>	<u>\$ 18,903,943</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 167,472	\$ 32,377	\$ 162,107
Accrued Wages and Benefits	4,237,154	14,278	174,038	67,664	440,809
Retainage Payable	-	-	-	-	-
Due to Other Funds	-	-	1,516,237	-	-
Unearned Revenue	-	-	-	381,714	-
Total Liabilities	<u>4,237,154</u>	<u>14,278</u>	<u>1,857,747</u>	<u>481,755</u>	<u>602,916</u>
Deferred Inflows of Resources:					
Unavailable Revenue	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	195,635	-
Restricted	<u>2,802,819</u>	<u>1,459,639</u>	<u>1,260,719</u>	<u>2,827,829</u>	<u>18,301,027</u>
Total Fund Balances	<u>2,802,819</u>	<u>1,459,639</u>	<u>1,260,719</u>	<u>3,023,464</u>	<u>18,301,027</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,039,973</u>	<u>\$ 1,473,917</u>	<u>\$ 3,118,466</u>	<u>\$ 3,505,219</u>	<u>\$ 18,903,943</u>

Total Special Revenue Funds	Capital Projects					Total Capital Projects Funds	Total Nonmajor Governmental Funds
	Adjacent Ways	Unrestricted Capital Outlay	Gifts and Donations	Energy and Water Savings	Building Renewal		
\$ 27,892,541	\$ 4,727,312	\$ 9,264,237	\$ 53,367	\$ 4,386,368	\$ 21,810	\$ 18,453,094	\$ 46,345,635
1,185	-	-	-	238,821	-	238,821	240,006
-	733,200	404,105	-	-	-	1,137,305	1,137,305
5,750,978	-	-	-	-	33,520	33,520	5,784,498
195,635	-	-	-	-	-	-	195,635
201,179	-	-	-	-	-	-	201,179
<u>\$ 34,041,518</u>	<u>\$ 5,460,512</u>	<u>\$ 9,668,342</u>	<u>\$ 53,367</u>	<u>\$ 4,625,189</u>	<u>\$ 55,330</u>	<u>\$ 19,862,740</u>	<u>\$ 53,904,258</u>
\$ 361,956	\$ 334,980	\$ 4,866,648	\$ -	\$ -	\$ -	\$ 5,201,628	\$ 5,563,584
4,933,943	-	-	-	-	-	-	4,933,943
-	55,119	-	-	-	-	55,119	55,119
1,516,237	-	-	-	-	-	-	1,516,237
381,714	-	-	-	-	-	-	381,714
<u>7,193,850</u>	<u>390,099</u>	<u>4,866,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,256,747</u>	<u>12,450,597</u>
-	733,200	97,886	-	-	-	831,086	831,086
195,635	-	-	-	-	-	-	195,635
<u>26,652,033</u>	<u>4,337,213</u>	<u>4,703,808</u>	<u>53,367</u>	<u>4,625,189</u>	<u>55,330</u>	<u>13,774,907</u>	<u>40,426,940</u>
<u>26,847,668</u>	<u>4,337,213</u>	<u>4,703,808</u>	<u>53,367</u>	<u>4,625,189</u>	<u>55,330</u>	<u>13,774,907</u>	<u>40,622,575</u>
<u>\$ 34,041,518</u>	<u>\$ 5,460,512</u>	<u>\$ 9,668,342</u>	<u>\$ 53,367</u>	<u>\$ 4,625,189</u>	<u>\$ 55,330</u>	<u>\$ 19,862,740</u>	<u>\$ 53,904,258</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2020**

	Special Revenue				
	Classroom Site	Instructional Improvement	Special Projects	Food Service	Other Special Revenue
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	11,485,655	1,007,227	13,651,547	4,060,658	-
Tuition	-	-	-	-	4,638,483
Food Service Sales	-	-	-	3,428,550	-
Charges for Services	-	-	-	-	3,012,217
Contributions and Donations	-	-	-	-	2,376,088
Investment Earnings (Loss)	74,962	25,299	53,790	60,508	236,610
Other	43,988	-	237	-	-
Total Revenues	<u>11,604,605</u>	<u>1,032,526</u>	<u>13,705,574</u>	<u>7,549,716</u>	<u>10,263,398</u>
EXPENDITURES					
Current:					
Instruction	14,464,931	1,073,454	7,474,324	-	2,892,697
Support Services					
Students	326,412	8,163	1,836,878	-	195,671
Instructional Staff	277,647	325,862	2,350,673	-	307,459
General Administration	-	-	10,747	-	-
School Administration	-	-	193,287	-	24,764
Business and Other Support Services	-	-	166,989	-	41,966
Operations and Maintenance of Plant	-	-	1,191,390	-	1,235,963
Student Transportation	-	-	26,201	-	446,509
Operation of Noninstructional Services	-	-	21,093	7,319,133	5,327,919
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest on Long-Term Debt	-	-	-	-	-
Capital Outlay					
Facilities Acquisition	-	-	-	-	206,891
Total Expenditures	<u>15,068,990</u>	<u>1,407,479</u>	<u>13,271,582</u>	<u>7,319,133</u>	<u>10,679,839</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,464,385)	(374,953)	433,992	230,583	(416,441)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	(561,524)	(1,013,237)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(561,524)</u>	<u>(1,013,237)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,464,385)	(374,953)	(127,532)	(782,654)	(416,441)
Fund Balances - Beginning of Year	6,267,204	1,834,592	1,388,251	3,769,368	18,717,468
Decrease Nonspendable for Inventories	-	-	-	36,750	-
FUND BALANCES - END OF YEAR	<u>\$ 2,802,819</u>	<u>\$ 1,459,639</u>	<u>\$ 1,260,719</u>	<u>\$ 3,023,464</u>	<u>\$ 18,301,027</u>

Capital Projects							
Total Special Revenue Funds	Adjacent Ways	Unrestricted Capital Outlay	Gifts and Donations	Energy and Water Savings	Building Renewal	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 15,874,092	\$ -	\$ -	\$ -	\$ 15,874,092	\$ 15,874,092
30,205,087	-	-	-	1,080,823	63,643	1,144,466	31,349,553
4,638,483	-	-	-	-	-	-	4,638,483
3,428,550	-	-	-	-	-	-	3,428,550
3,012,217	-	-	-	-	-	-	3,012,217
2,376,088	-	-	43,133	-	-	43,133	2,419,221
451,169	77,126	(1,833)	1,544	51,325	1,163	129,325	580,494
44,225	-	9,674	-	1,152,027	-	1,161,701	1,205,926
44,155,819	77,126	15,881,933	44,677	2,284,175	64,806	18,352,717	62,508,536
25,905,406	-	6,062,701	-	-	-	6,062,701	31,968,107
2,367,124	-	435,753	-	-	-	435,753	2,802,877
3,261,641	-	337,231	57,497	-	-	394,728	3,656,369
10,747	-	17,875	-	-	-	17,875	28,622
218,051	-	103,258	5,787	-	-	109,045	327,096
208,955	-	2,844,876	-	750	-	2,845,626	3,054,581
2,427,353	-	479,914	-	204,793	299,337	984,044	3,411,397
472,710	-	208,230	-	-	-	208,230	680,940
12,668,145	-	16,603	-	-	-	16,603	12,684,748
-	-	-	-	2,949,047	-	2,949,047	2,949,047
-	-	-	-	1,179,598	-	1,179,598	1,179,598
206,891	619,952	2,422,283	212,734	95,219	49,517	3,399,705	3,606,596
47,747,023	619,952	12,928,724	276,018	4,429,407	348,854	18,602,955	66,349,978
(3,591,204)	(542,826)	2,953,209	(231,341)	(2,145,232)	(284,048)	(250,238)	(3,841,442)
-	-	-	-	3,306,064	-	3,306,064	3,306,064
(1,574,761)	-	-	-	-	-	-	(1,574,761)
(1,574,761)	-	-	-	3,306,064	-	3,306,064	1,731,303
(5,165,965)	(542,826)	2,953,209	(231,341)	1,160,832	(284,048)	3,055,826	(2,110,139)
31,976,883	4,880,039	1,750,599	284,708	3,464,357	339,378	10,719,081	42,695,964
36,750	-	-	-	-	-	-	36,750
\$ 26,847,668	\$ 4,337,213	\$ 4,703,808	\$ 53,367	\$ 4,625,189	\$ 55,330	\$ 13,774,907	\$ 40,622,575

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
BOND BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2020

	Original and Final Budget	Actual	Variance with Final Budget
EXPENDITURES			
Current:			
Instruction	\$ 1,104,367	\$ 429,656	\$ 674,711
Support Services:			
General Administration	9,638,817	3,750,000	5,888,817
School Administration	37,340	14,527	22,813
Business and Other Support Services	543,018	211,262	331,756
Operations and Maintenance of Plant	313,868	122,111	191,757
Student Transportation	1,944,023	756,326	1,187,697
Debt Service:			
Issuance Costs	1,260,636	490,453	770,183
Facilities Acquisition	77,366,756	30,099,683	47,267,073
Total Expenditures	<u>92,208,825</u>	<u>35,874,018</u>	<u>56,334,807</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(92,208,825)	(35,874,018)	56,334,807
OTHER FINANCING SOURCES			
Issuance of Long-Term Debt	-	54,490,000	54,490,000
Premium on Issuance of Long-Term Debt	-	5,842,095	5,842,095
Total Other Financing Sources	<u>-</u>	<u>60,332,095</u>	<u>60,332,095</u>
NET CHANGE IN FUND BALANCE	(92,208,825)	24,458,077	116,666,902
Fund Balance - Beginning of Year	<u>-</u>	<u>28,587,497</u>	<u>28,587,497</u>
FUND BALANCE - END OF YEAR	<u>\$ (92,208,825)</u>	<u>\$ 53,045,574</u>	<u>\$ 145,254,399</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance from Final Budget
	Original	Final Budget		
REVENUES				
Property Taxes	\$ -	\$ -	\$ 30,694,584	\$ 30,694,584
Intergovernmental	-	-	900,634	900,634
Investment Earnings	-	-	1,862,142	1,862,142
Total Revenues	-	-	33,457,360	33,457,360
EXPENDITURES				
Support Services				
Business and Other Support Services	-	-	17,798	(17,798)
Debt Service:				
Principal Retirement	16,475,000	16,475,000	16,475,000	-
Interest on Long-Term Debt	10,355,000	14,455,000	13,173,719	1,281,281
Issuance Costs	170,000	170,000	167,559	2,441
Total Expenditures	27,000,000	31,100,000	29,834,076	1,265,924
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(27,000,000)	(31,100,000)	3,623,284	34,723,284
OTHER FINANCING SOURCES				
Issuance of Long-Term Debt	-	-	9,020,000	9,020,000
Premium on Issuance of Long-Term Debt	-	-	1,395,357	1,395,357
Payment to Escrow Agent	-	-	(10,247,798)	(10,247,798)
Total Other Financing Sources	-	-	167,559	167,559
NET CHANGE IN FUND BALANCE	(27,000,000)	(31,100,000)	3,790,843	34,890,843
Fund Balance - Beginning of Year	-	-	13,692,335	13,692,335
FUND BALANCE - END OF YEAR	\$ (27,000,000)	\$ (31,100,000)	\$ 17,483,178	\$ 48,583,178

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
CLASSROOM SITE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 11,485,655	\$ 11,485,655
Investment Earnings	-	-	74,962	74,962
Other	-	-	43,988	43,988
Total Revenues	-	-	11,604,605	11,604,605
EXPENDITURES				
Current:				
Instruction	17,481,045	17,428,617	14,464,931	2,963,686
Support Services				
Students	112,988	244,006	326,412	(82,406)
Instructional Staff	129,547	212,156	277,647	(65,491)
Total Expenditures	17,723,580	17,884,779	15,068,990	2,815,789
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(17,723,580)	(17,884,779)	(3,464,385)	14,420,394
Fund Balance - Beginning of Year	-	-	6,267,204	6,267,204
FUND BALANCE - END OF YEAR	<u>\$ (17,723,580)</u>	<u>\$ (17,884,779)</u>	<u>\$ 2,802,819</u>	<u>\$ 20,687,598</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
INSTRUCTIONAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 1,007,227	\$ 1,007,227
Investment Earnings	-	25,299	25,299
Total Revenues	<u>-</u>	<u>1,032,526</u>	<u>1,032,526</u>
EXPENDITURES			
Current:			
Instruction	2,070,894	1,073,454	997,440
Support Services:			
Students	15,748	8,163	7,585
Instructional Staff	628,649	325,862	302,787
Total Expenditures	<u>2,715,291</u>	<u>1,407,479</u>	<u>1,307,812</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,715,291)	(374,953)	2,340,338
Fund Balance - Beginning of Year	-	1,834,592	1,834,592
FUND BALANCE - END OF YEAR	<u>\$ (2,715,291)</u>	<u>\$ 1,459,639</u>	<u>\$ 4,174,930</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
SPECIAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 13,651,547	\$ 13,651,547
Investment Earnings	-	-	53,790	53,790
Other	-	-	237	237
Total Revenues	-	-	13,705,574	13,705,574
EXPENDITURES				
Current:				
Instruction	5,949,528	9,991,763	7,474,324	2,517,439
Support Services:				
Students	1,462,147	2,455,560	1,836,878	618,682
Instructional Staff	1,871,125	3,142,407	2,350,673	791,734
General Administration	8,554	14,366	10,747	3,619
School Administration	153,856	258,388	193,287	65,101
Business and Other Support Services	132,922	223,233	166,989	56,244
Operations and Maintenance of Plant	948,341	1,592,664	1,191,390	401,274
Student Transportation	20,856	35,026	26,201	8,825
Operation of Noninstructional Services	16,790	28,197	21,093	7,104
Total Expenditures	10,564,119	17,741,604	13,271,582	4,470,022
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,564,119)	(17,741,604)	433,992	18,175,596
OTHER FINANCING USES				
Transfers Out	-	-	(561,524)	(561,524)
NET CHANGE IN FUND BALANCE	(10,564,119)	(17,741,604)	(127,532)	17,614,072
Fund Balance - Beginning of Year	-	-	1,388,251	1,388,251
FUND BALANCE - END OF YEAR	<u>\$ (10,564,119)</u>	<u>\$ (17,741,604)</u>	<u>\$ 1,260,719</u>	<u>\$ 19,002,323</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2020

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 4,060,658	\$ 4,060,658
Food Service Sales	-	3,428,550	3,428,550
Investment Earnings	-	60,508	60,508
Total Revenues	-	7,549,716	7,549,716
EXPENDITURES			
Current:			
Operation of Noninstructional Services	10,000,002	7,319,133	2,680,869
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,000,002)	230,583	10,230,585
OTHER FINANCING USES			
Transfers Out	-	(1,013,237)	(1,013,237)
NET CHANGE IN FUND BALANCE	(10,000,002)	(782,654)	9,217,348
Fund Balance - Beginning of Year	-	3,769,368	3,769,368
Increase in Nonspendable for Inventories	-	36,750	36,750
FUND BALANCE - END OF YEAR	<u>\$ (10,000,002)</u>	<u>\$ 3,023,464</u>	<u>\$ 13,023,466</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
OTHER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Tuition	\$ -	\$ -	\$ 4,638,483	\$ 4,638,483
Charges for Services	-	-	3,012,217	3,012,217
Contributions and Donations	-	-	2,376,088	2,376,088
Investment Earnings	-	-	236,610	236,610
Total Revenues	-	-	10,263,398	10,263,398
EXPENDITURES				
Current:				
Instruction	5,836,486	6,331,909	2,892,697	3,439,212
Support Services:				
Students	394,798	428,310	195,671	232,639
Instructional Staff	620,348	673,006	307,459	365,547
School Administration	49,965	54,207	24,764	29,443
Business and Other Support Services	84,673	91,861	41,966	49,895
Operations and Maintenance of Plant	2,493,756	2,705,436	1,235,963	1,469,473
Student Transportation	900,904	977,377	446,509	530,868
Operation of Noninstructional Services	10,749,941	11,662,439	5,327,919	6,334,520
Facilities Acquisition	417,436	452,870	206,891	245,979
Total Expenditures	21,548,307	23,377,415	10,679,839	12,697,576
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	(21,548,307)	(23,377,415)	(416,441)	22,960,974
Fund Balance - Beginning of Year	-	-	18,717,468	18,717,468
FUND BALANCE - END OF YEAR	<u>\$ (21,548,307)</u>	<u>\$ (23,377,415)</u>	<u>\$ 18,301,027</u>	<u>\$ 41,678,442</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
 ADJACENT WAYS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE – BUDGET AND ACTUAL
 FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Investment Earnings	\$ -	\$ 77,126	\$ 77,126
EXPENDITURES			
Facilities Acquisition	<u>2,500,000</u>	<u>619,952</u>	<u>1,880,048</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,500,000)	(542,826)	1,957,174
Fund Balance - Beginning of Year	-	4,880,039	4,880,039
FUND BALANCE - END OF YEAR	<u>\$ (2,500,000)</u>	<u>\$ 4,337,213</u>	<u>\$ 6,837,213</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
UNRESTRICTED CAPITAL OUTLAY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property Taxes	\$ -	\$ -	\$ 15,874,092	\$ 15,874,092
Investment Earnings (Loss)	-	-	(1,833)	(1,833)
Other	-	-	9,674	9,674
Total Revenue	-	-	15,881,933	15,881,933
EXPENDITURES				
Current:				
Instruction	10,007,154	8,320,703	6,062,701	2,258,002
Support Services:				
Students	719,258	598,046	435,753	283,505
Instructional Staff	556,637	462,830	337,231	125,599
General Administration	29,505	24,532	17,875	6,657
School Administration	170,439	141,716	103,258	38,458
Business and Other Support Services	4,695,780	3,904,426	2,844,876	1,059,550
Operations and Maintenance of Plant	792,151	658,654	479,914	178,740
Student Transportation	343,706	285,784	208,230	77,554
Operation of Noninstructional Services	27,405	22,787	16,603	6,184
Facilities Acquisition	3,998,244	3,324,442	2,422,283	902,159
Total Expenditures	21,340,279	17,743,920	12,928,724	4,936,408
EXCESS (DEFICIENCY) OF				
REVENUES OVER EXPENDITURES	(21,340,279)	(17,743,920)	2,953,209	20,697,129
Fund Balance - Beginning of Year	-	-	1,750,599	1,750,599
FUND BALANCE - END OF YEAR	\$ (21,340,279)	\$ (17,743,920)	\$ 4,703,808	\$ 22,447,728

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
ENERGY AND WATER SAVINGS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Over (Under) Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 1,080,823	\$ 1,080,823
Investment Earnings	-	51,325	51,325
Other	-	1,152,027	1,152,027
Total Revenues	-	2,284,175	2,284,175
EXPENDITURES			
Current:			
Support Services			
Business and Other Support Services	847	750	97
Operations and Maintenance of Plant	231,174	204,793	26,381
Debt Service:			
Principal Retirement	3,328,941	2,949,047	379,894
Interest on Long-term Debt	1,331,553	1,179,598	151,955
Facilities Acquisition	107,485	95,219	12,266
Total Expenditures	5,000,000	4,429,407	570,593
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,000,000)	(2,145,232)	2,854,768
OTHER FINANCING SOURCES			
Transfers In	-	3,306,064	3,306,064
NET CHANGE IN FUND BALANCE	(5,000,000)	1,160,832	6,160,832
Fund Balance - Beginning of Year	-	3,464,357	3,464,357
FUND BALANCE - END OF YEAR	\$ (5,000,000)	\$ 4,625,189	\$ 9,625,189

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
BUILDING RENEWAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2020**

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Intergovernmental	\$ -	\$ 63,643	\$ 63,643
Investment Earnings	-	1,163	1,163
Total Revenues	<u>-</u>	<u>64,806</u>	<u>64,806</u>
EXPENDITURES			
Current			
Support Services:			
Operations and Maintenance of Plant	-	299,337	(299,337)
Issuance Costs	-	-	-
Facilities Acquisition	55,000	49,517	5,483
Total Expenditures	<u>55,000</u>	<u>348,854</u>	<u>(293,854)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(55,000)	(284,048)	(229,048)
Fund Balance - Beginning of Year	-	339,378	339,378
FUND BALANCE - END OF YEAR	<u>\$ (55,000)</u>	<u>\$ 55,330</u>	<u>\$ 110,330</u>

INTERNAL SERVICE FUNDS

Intergovernmental Agreements Fund – accounts for the financial activities relating to agreements with other governments not required to be accounted for elsewhere.

Print Shop Fund – accounts for charges to other departments for printing and copying services.

Insurance Trust Fund – accounts for the financial activity associated with the District's self-insurance program for employee workers' compensation, property and casualty losses and for employee health insurance.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
COMBINING STATEMENT OF NET POSITION-
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Intergovernmental Agreements	Print Shop	Insurance Trust	Totals
ASSETS				
Cash and Investments	\$ 521,334	\$ 130,568	\$ 51,918,354	\$ 52,570,256
LIABILITIES				
Accounts Payable	-	11,754	55,361	67,115
Accrued Wages	4,946	1,996	-	6,942
Claims Payable	-	-	2,333,145	2,333,145
Total Liabilities	<u>4,946</u>	<u>13,750</u>	<u>2,388,506</u>	<u>2,407,202</u>
NET POSITION				
Unrestricted	<u>\$ 516,388</u>	<u>\$ 116,818</u>	<u>\$ 49,529,848</u>	<u>\$ 50,163,054</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET POSITION –
 INTERNAL SERVICE FUNDS
 JUNE 30, 2020**

	Intergovernmental Agreements	Print Shop	Insurance Trust	Totals
OPERATING REVENUES				
Contributions	\$ 869,815	\$ 80,538	\$ 19,130,801	\$ 20,081,154
OPERATING EXPENSES				
Personnel	563,543	47,019	-	610,562
Supplies	70,294	13,563	-	83,857
Maintenance and Repair	133,645	55,500	-	189,145
Claims Expense	-	-	11,408,014	11,408,014
Premiums	-	-	2,632,462	2,632,462
Deductibles	-	-	11,435	11,435
Administrative Expense	-	-	909,668	909,668
Other Expenses	35,833	1,499	273,080	310,412
Total Expenditures	<u>803,315</u>	<u>117,581</u>	<u>15,234,659</u>	<u>16,155,555</u>
OPERATING INCOME (LOSS)	66,500	(37,043)	3,896,142	3,925,599
NONOPERATING REVENUES				
Investment Income	-	-	1,316,997	1,316,997
CHANGE IN NET POSITION	66,500	(37,043)	5,213,139	5,242,596
Net Position - Beginning of Year	<u>449,888</u>	<u>153,861</u>	<u>44,316,709</u>	<u>44,920,458</u>
NET POSITION - END OF YEAR	<u>\$ 516,388</u>	<u>\$ 116,818</u>	<u>\$ 49,529,848</u>	<u>\$ 50,163,054</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
COMBINING STATEMENT OF CASH FLOWS –
INTERNAL SERVICE FUNDS
JUNE 30, 2020

	Intergovernmental Agreements	Print Shop	Insurance Trust	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Contributions	\$ 962,750	\$ 80,538	\$ 19,355,787	\$ 20,399,075
Cash Payments for Claims and Administrative Fees	-	-	(12,633,035)	(12,633,035)
Cash Payment for Deductibles	-	-	(11,435)	(11,435)
Cash Payments for Premiums	-	-	(2,632,462)	(2,632,462)
Cash Payments to Employees	(558,597)	(45,023)	(1,862)	(605,482)
Cash Payments for Supplies for Goods and Services	(260,443)	(82,394)	(236,029)	(578,866)
Net Cash Provided (Used) by Operating Activities	143,710	(46,879)	3,840,964	3,937,795
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment Income	-	-	1,316,997	1,316,997
Sale of Investments	-	-	1,986,042	1,986,042
Net Cash Flows from Investing Activities	-	-	3,303,039	3,303,039
NET CHANGE IN CASH AND CASH EQUIVALENTS	143,710	(46,879)	7,144,003	7,240,834
Cash and Cash Equivalents - Beginning of Year	377,624	177,447	21,780,887	22,335,958
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 521,334</u>	<u>\$ 130,568</u>	<u>\$ 28,924,890</u>	<u>\$ 29,576,792</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION				
Cash and Investments	\$ 521,334	\$ 130,568	\$ 51,918,354	\$ 52,570,256
Less: Investments with Original Maturities of three months or Less	-	-	(22,993,464)	(22,993,464)
Total Cash and Cash Equivalents	<u>\$ 521,334</u>	<u>\$ 130,568</u>	<u>\$ 28,924,890</u>	<u>\$ 29,576,792</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 66,500	\$ (37,043)	\$ 3,896,142	\$ 3,925,599
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Change in Accounts Receivable	92,935	-	-	92,935
Change in Intergovernmental Receivable	-	-	224,986	224,986
Change in Accounts Payable	(20,671)	(11,832)	37,051	4,548
Change in Accrued Liabilities	4,946	1,996	(1,862)	5,080
Change in Claims Payable	-	-	(315,353)	(315,353)
Total Adjustments	77,210	(9,836)	(55,178)	12,196
Net Cash Provided (Used) by Operating Activities	<u>\$ 143,710</u>	<u>\$ (46,879)</u>	<u>\$ 3,840,964</u>	<u>\$ 3,937,795</u>

AGENCY FUND

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
STUDENT ACTIVITIES FUND				
ASSETS				
Cash and Investments	<u>\$ 1,751,481</u>	<u>\$ 1,507,128</u>	<u>\$ (1,378,455)</u>	<u>\$ 1,880,154</u>
LIABILITIES				
Due to Student Groups	<u>\$ 1,751,481</u>	<u>\$ 1,507,128</u>	<u>\$ (1,378,455)</u>	<u>\$ 1,880,154</u>

STATISTICAL SECTION

This section of the Scottsdale Unified School District No.48's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
Governmental Activities:				
Net Investment in Capital Assets	\$ 132,040,763	\$ 171,205,695	\$ 185,819,660	\$ 192,343,223
Restricted	34,824,511	38,009,432	21,654,982	26,778,930
Unrestricted	<u>98,132,924</u>	<u>49,733,138</u>	<u>63,412,299</u>	<u>63,559,012</u>
Total Governmental Activities				
Net Position	<u>\$ 264,998,198</u>	<u>\$ 258,948,265</u>	<u>\$ 270,886,941</u>	<u>\$ 282,681,165</u>

Source: District's Business and Finance Department.

Note 1: The District only reports governmental activities.

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 195,006,815	\$ 197,944,820	\$ 185,095,984	\$ 200,147,334	\$ 205,777,662	\$ 185,921,421
33,068,218	34,030,712	47,244,196	39,392,475	45,963,153	71,564,455
<u>(145,194,347)</u>	<u>(136,001,313)</u>	<u>(115,306,113)</u>	<u>(90,052,804)</u>	<u>(47,491,788)</u>	<u>(46,589,259)</u>
<u>\$ 82,880,686</u>	<u>\$ 95,974,219</u>	<u>\$ 117,034,067</u>	<u>\$ 149,487,005</u>	<u>\$ 204,249,027</u>	<u>\$ 210,896,617</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental Activities:				
Instruction	\$ 133,239,099	\$ 145,322,440	\$ 131,532,492	\$ 125,817,758
Support Services:				
Support Services - Students and Staff	23,699,221	23,705,530	20,600,353	21,387,477
Support Services - Administration	17,478,195	19,752,995	18,881,552	16,360,490
Operation and Maintenance of Plant	24,948,100	23,521,103	20,336,972	24,043,217
Student Transportation	11,353,011	12,543,222	10,525,225	10,812,339
Operation of Noninstructional Services	13,267,755	15,497,702	14,585,168	13,437,529
Interest on Long-Term Debt	14,928,071	11,911,009	16,005,484	13,853,807
Total Governmental Activities	<u>238,913,452</u>	<u>252,254,001</u>	<u>232,467,246</u>	<u>225,712,617</u>
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	8,416,951	11,142,937	8,214,022	7,601,228
Operation of Noninstructional Services	9,985,150	7,021,439	10,238,797	10,216,320
Other Activities	39,608	965,113	1,111,312	1,117,379
Operating Grants and Contributions	21,362,077	17,597,115	18,459,174	17,700,029
Capital Grants and Contributions	998,268	741,507	1,134,264	482,642
Total Program Revenues	<u>40,802,054</u>	<u>37,468,111</u>	<u>39,157,569</u>	<u>37,117,598</u>
Net (Expense)/Revenue				
Governmental Activities	(198,111,398)	(214,785,890)	(193,309,677)	(188,595,019)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes				
Property Taxes	198,467,333	173,846,105	171,512,451	167,267,632
State Equalization and Additional				
State Aid	35,244,246	33,672,103	32,456,652	34,191,280
Federal Aid	1,212,659	618,328	748,901	667,006
Investment Earnings	1,283,196	599,421	530,349	493,122
Other	-	-	-	-
Transfers	-	-	-	-
Total Governmental Activities	<u>236,207,434</u>	<u>208,735,957</u>	<u>205,248,353</u>	<u>202,619,040</u>
Change in Net Position				
Governmental Activities	<u>\$ 38,096,036</u>	<u>\$ (6,049,933)</u>	<u>\$ 11,938,676</u>	<u>\$ 14,024,021</u>

Source: The District's Business and Finance Department.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 117,541,974	\$ 109,188,667	\$ 114,725,348	\$ 109,056,406	\$ 126,532,534	\$ 140,233,685
25,599,028	25,098,967	23,957,599	23,410,915	24,942,534	29,211,095
15,332,132	15,709,948	16,718,363	18,747,241	17,969,937	24,026,490
24,099,572	25,141,793	24,672,485	26,256,972	25,162,453	24,233,561
10,208,578	9,149,102	8,610,273	9,508,767	10,355,487	8,415,215
12,657,613	13,583,555	14,015,044	12,933,229	13,194,920	12,863,278
12,745,183	11,449,356	11,199,596	11,747,055	11,773,097	13,206,889
<u>218,184,080</u>	<u>209,321,388</u>	<u>213,898,708</u>	<u>211,660,585</u>	<u>229,930,962</u>	<u>252,190,213</u>
7,082,919	4,491,538	4,225,553	4,760,850	5,481,648	1,316,929
10,293,195	11,284,312	12,116,940	10,698,997	10,679,837	7,444,024
2,305,074	3,524,872	2,387,873	1,844,729	1,938,700	997,561
18,437,093	21,841,876	19,060,061	23,335,702	22,217,379	36,130,209
455,734	606,750	239,802	1,072,584	1,056,170	1,144,466
<u>38,574,015</u>	<u>41,749,348</u>	<u>38,030,229</u>	<u>41,712,862</u>	<u>41,373,734</u>	<u>47,033,189</u>
(179,610,065)	(167,572,040)	(175,868,479)	(169,947,723)	(188,557,228)	(205,157,024)
156,639,720	143,185,550	158,846,492	161,311,581	174,189,796	176,201,500
35,007,040	35,297,650	36,282,702	38,140,470	38,172,517	25,639,104
1,300,326	1,450,308	1,224,573	1,352,372	1,591,132	-
404,459	732,065	574,560	1,566,478	3,499,775	4,791,794
-	-	-	-	-	4,261,245
-	-	-	-	25,866,030	-
<u>193,351,545</u>	<u>180,665,573</u>	<u>196,928,327</u>	<u>202,370,901</u>	<u>243,319,250</u>	<u>210,893,643</u>
<u>\$ 13,741,480</u>	<u>\$ 13,093,533</u>	<u>\$ 21,059,848</u>	<u>\$ 32,423,178</u>	<u>\$ 54,762,022</u>	<u>\$ 5,736,619</u>

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)**

	Fiscal Year			
	2011	2012	2013	2014
General Fund:				
Nonspendable	\$ 15,100,900	\$ 39,353	\$ 1,601,786	\$ 25,774
Restricted	-	-	-	-
Unassigned	16,281,917	14,121,100	10,678,050	14,984,466
Total General Fund	<u>\$ 31,382,817</u>	<u>\$ 14,160,453</u>	<u>\$ 12,279,836</u>	<u>\$ 15,010,240</u>
All Other Governmental Funds:				
Nonspendable	\$ 168,596	\$ 230,174	\$ 171,918	\$ 186,147
Restricted	78,755,539	72,266,270	26,091,264	27,216,620
Unassigned	(1,319,162)	(265,064)	(49,051)	(45,894)
Total All Other Governmental Funds	<u>\$ 77,604,973</u>	<u>\$ 72,231,380</u>	<u>\$ 26,214,131</u>	<u>\$ 27,356,873</u>

Source: The District's Business and Finance Department.

Note: During the fiscal year 2010-11, the District restated fund balance classifications as a result of the implementation of GASB Statement No. 54.

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 86,878	\$ 2,206,022	\$ 2,153,417	\$ -	\$ -	\$ -
555,684	722,228	856,913	-	6,807,952	7,187,850
15,550,600	17,636,814	24,257,608	44,535,635	35,164,590	44,879,930
<u>\$ 16,193,162</u>	<u>\$ 20,565,064</u>	<u>\$ 27,267,938</u>	<u>\$ 44,535,635</u>	<u>\$ 41,972,542</u>	<u>\$ 52,067,780</u>
\$ 196,020	\$ 218,936	\$ 132,688	\$ 148,554	\$ 158,885	\$ 195,635
31,030,425	29,835,903	84,040,300	89,664,704	73,438,469	110,955,692
(34,833)	(8,100)	-	(1,384,638)	(1,201,279)	-
<u>\$ 31,191,612</u>	<u>\$ 30,046,739</u>	<u>\$ 84,172,988</u>	<u>\$ 88,428,620</u>	<u>\$ 72,396,075</u>	<u>\$ 111,151,327</u>

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year			
	2011	2012	2013	2014
Federal Sources				
Property Taxes	\$ 200,710,698	\$ 172,517,119	\$ 169,277,911	\$ 167,395,323
Intergovernmental	59,842,362	52,494,317	52,869,694	51,482,440
Tuition	-	-	-	-
Food Service Sales	5,236,956	5,300,664	4,557,054	4,583,563
Investment Earnings	1,004,963	278,734	301,051	210,236
Other	13,204,753	13,828,760	15,007,077	15,846,567
Total Revenues	<u>279,999,732</u>	<u>244,419,594</u>	<u>242,012,787</u>	<u>239,518,129</u>
Expenditures				
Instruction	110,093,348	109,461,502	108,304,313	101,379,242
Support Services:				
Students and Staff	22,167,880	20,375,974	20,278,372	20,455,887
Administration	16,606,333	17,050,586	18,045,680	16,017,580
Operation and Maintenance of Plant	24,192,366	21,444,896	21,445,449	22,147,180
Student Transportation	9,019,241	9,262,637	8,781,133	8,379,493
Operation of Noninstructional Services	13,842,184	14,123,546	14,244,468	13,215,555
Debt Service:				
Principal Retirement	13,026,538	14,486,720	16,005,484	14,134,485
Interest on Long-Term Debt	47,910,137	26,885,889	29,740,074	24,471,196
Issuance Costs	796,980	369,500	-	-
Facilities Acquisition	28,711,644	107,919,368	54,158,684	13,834,099
Total Expenditures	<u>286,366,651</u>	<u>341,380,618</u>	<u>291,003,657</u>	<u>234,034,717</u>
Other Financing Sources (Uses)				
Issuance of Long-Term Debt	96,593,460	86,373,744	-	-
Payment to Refunded Debt Escrow Agent	(34,258,713)	-	-	-
Special Item	-	-	-	-
Premium on Sale of Bonds	2,154,160	2,991,292	-	-
Transfers In	2,075,111	4,597,473	4,686,377	10,016,556
Transfers Out	(2,075,111)	(4,597,473)	(4,686,377)	(10,016,556)
Total Other Financing Sources (Uses)	<u>64,488,907</u>	<u>89,365,036</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 58,121,988</u>	<u>\$ (7,595,988)</u>	<u>\$ (48,990,870)</u>	<u>\$ 5,483,412</u>
Debt Service as a Percentage of Noncapital Expenditures	23.96%	9.06%	9.32%	9.45%

Source: The District's Business and Finance Department.

Fiscal Year

	2015	2016	2017	2018	2019	2020
\$	156,732,246	\$ 151,538,134	\$ 158,319,968	\$ 161,593,653	\$ 171,852,169	\$ 183,360,459
	52,650,832	53,169,955	54,884,157	60,197,676	58,121,136	60,305,340
	-	-	-	-	-	4,674,233
	4,344,038	4,665,826	4,570,267	4,600,324	4,622,098	3,428,550
	231,665	346,431	526,224	1,506,837	3,049,008	3,474,797
	16,550,558	17,218,897	17,459,861	16,751,786	17,527,681	9,726,694
	<u>230,509,339</u>	<u>226,939,243</u>	<u>235,760,477</u>	<u>244,650,276</u>	<u>255,172,092</u>	<u>264,970,073</u>
	94,441,929	94,081,688	96,656,781	91,143,801	107,635,988	119,300,332
	25,795,471	26,100,469	25,183,090	24,775,840	26,562,948	29,984,142
	15,081,500	16,440,773	18,406,546	17,076,219	17,013,228	25,113,049
	24,019,553	26,253,354	25,205,052	24,723,888	24,903,619	24,978,029
	8,259,803	8,148,491	7,634,586	7,045,142	7,800,074	8,593,360
	12,719,706	13,992,011	14,236,998	13,059,082	13,240,016	13,086,827
	13,025,861	11,730,035	11,309,720	13,226,934	13,252,976	19,424,047
	21,206,218	21,118,256	23,236,023	20,884,510	21,017,806	14,353,317
	-	243,100	310,586	669,590	-	658,012
	11,472,270	10,297,860	13,956,840	60,062,523	43,972,466	33,744,593
	<u>226,022,311</u>	<u>228,406,037</u>	<u>236,136,222</u>	<u>272,667,529</u>	<u>275,399,121</u>	<u>289,235,708</u>
	-	28,050,000	55,193,275	89,825,000	-	63,510,000
	-	(28,639,830)	-	(54,960,331)	-	(10,247,798)
	-	-	-	27,053	4,299,551	-
	-	1,122,540	6,150,446	16,786,411	-	7,237,452
	3,844,475	4,076,854	4,329,327	6,878,267	6,054,202	4,880,825
	<u>(3,844,475)</u>	<u>(4,076,854)</u>	<u>(4,349,327)</u>	<u>(6,878,267)</u>	<u>(8,732,693)</u>	<u>(4,880,825)</u>
	70,445,000	532,710	61,323,721	51,678,133	1,621,060	60,499,654
\$	<u>74,932,028</u>	<u>(934,084)</u>	<u>60,947,976</u>	<u>23,660,880</u>	<u>(18,605,969)</u>	<u>36,234,019</u>
	9.96%	10.43%	10.64%	10.50%	11.32%	13.24%

THIS PAGE INTENTIONALLY LEFT BLANK

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Gross Full Cash Value		Net Estimated Actual Value		Net Secondary Assessed Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	Real/Person Property	Exemptions	Real/Personal Property Less Exemptions				
2011	\$ 57,348,835,479	\$ (6,402,308,328)	\$ 50,946,527,151		\$ 6,319,354,438	\$ 3.75	12.40 %
2012	45,973,224,668	(4,979,240,331)	40,993,984,337		4,960,210,513	4.00	12.10
2013	40,960,626,918	(4,488,549,261)	36,472,077,657		4,407,572,114	4.43	12.08
2014	39,594,749,637	(4,202,064,307)	35,392,685,330		4,205,919,056	4.57	11.88
2015	43,446,311,231	(4,407,831,422)	39,038,479,809		4,556,319,441	4.11	11.67
2016	50,881,041,132	(4,899,577,698)	45,981,463,434		5,281,149,549	3.83	11.49
2017	54,895,716,821	(5,503,809,913)	49,391,906,908		5,640,952,900	3.86	11.42
2018	59,191,385,923	(6,203,992,182)	52,987,393,741		6,089,199,834	3.97	11.49
2019	62,457,343,421	(6,256,639,873)	56,200,703,548		6,463,913,759	3.71	11.50
2020	66,412,132,392	(6,558,198,074)	59,853,934,318		6,879,098,941	3.65	11.49

Source: Maricopa County Treasurer and State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
NET SECONDARY ASSESSED VALUATION BY PROPERTY CLASSIFICATION
JUNE 30, 2020
(UNAUDITED)

Description	Net Secondary Assessed Valuation	As % of District's Total Net Secondary Assessed Valuation
Mining, Utility, Telecommunications, Commercial and Industrial	\$ 1,485,423,926	21.59 %
Agricultural and Vacant Land	227,034,741	3.30
Residential (Owner Occupied)	3,432,210,369	49.89
Residential (Rental)	1,732,463,897	25.18
Historic Property	1,945,825	0.03
Improvements on Federal, State, County or Municipal Property	20,183	0.00
	<u>\$ 6,879,098,941</u>	<u>100.00 %</u>

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

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Overlapping Rates								District Direct Rates		
	State Equalization	Total County	Community College District	Community Facilities District	City of Scottsdale	City of Phoenix	City of Tempe	EVIT	Primary	Secondary	Total
2011	0.36	1.05	0.97	0.66	0.90	1.82	1.40	0.05	2.40	1.35	3.75
2012	0.43	1.24	1.21	0.78	1.09	1.82	1.79	0.05	2.75	1.25	4.00
2013	0.47	1.24	1.38	1.30	1.23	1.82	2.14	0.05	3.09	1.34	4.43
2014	0.51	1.28	1.53	0.76	1.29	1.82	2.49	0.05	3.35	1.22	4.57
2015	0.51	1.32	1.52	0.76	1.24	1.82	2.44	0.05	3.11	1.00	4.11
2016	0.51	1.36	1.49	0.82	1.15	1.82	2.52	0.05	2.83	1.00	3.83
2017	0.50	1.40	1.24	1.35	1.13	2.17	2.53	0.05	2.86	1.00	3.86
2018	0.49	1.40	1.41	0.38	1.08	2.16	2.49	0.05	3.08	0.89	3.97
2019	0.47	1.40	1.38	0.06	1.10	2.14	2.42	0.05	2.57	1.14	3.71
2020	0.46	1.40	1.33	1.58	1.04	2.22	2.40	0.05	2.59	1.05	3.65

Source: The Maricopa County Treasurer's Office.

Note: The Community Facilities District's rates represent a weighted average of the combined tax rates of all five community facilities districts located inside the District.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
PRINCIPAL PROPERTY TAXPAYERS
JUNE 30, 2019 AND 2009
(UNAUDITED)

Taxpayer	2020			2011		
	Net Limited Assessed Property Value	Rank	Percentage of Taxable Assessed Value	Net Full Cash Assessed Value	Rank	Percentage of Taxable Assessed Value
Arizona Public Service Company	\$ 51,133,212	1	0.74 %	\$ 48,136,388	2	0.76 %
Scottsdale Fashion Square LLC	41,672,593	2	0.61	61,195,003	1	0.97
Host Camelback I LLC	36,932,144	3	0.54			
XHR Scottsdale Ranch LLC	16,507,573	4	0.24			
Portales Corporate Center LLC	15,040,238	5	0.22	24,596,952	4	0.39
Omni Montelucia LLC	12,265,295	6	0.18			
General Dynamics Decision Systems Inc	13,271,910	7	0.19			
Stockdale Galleria Project Owner LLC	11,988,791	8	0.17			
Qwest Corporation (b)	11,417,939	9	0.17	21,763,893	6	0.34
Sonoran Village LLC	11,209,238	10	0.16			
Gainey Ranch Financial				23,045,211	5	0.36
Starwood Phoenician CMBA 1 LLC				36,911,637	3	0.58
EHNY Montelucia Resort LLC				21,519,378	7	0.34
JEMB Scottsdale LLC				19,341,848	8	0.31
Scottsdale Fiesta Retail Center				15,750,003	9	0.25
KBS TRS Fund IV				15,348,261	10	0.24
Totals	\$ 221,438,933		3.22 %	\$ 287,608,574		4.55 %

Source: The Maricopa County Treasurer's Office.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Total Tax Levy (1)	Current Collections			Delinquent Tax Collections (1)	Total Collections	Collections as a Percentage of the Levy	Outstanding Tax Collections	Outstanding Collections as a Percentage of Levy
		Current Tax Collections (1)	Percent of Current Taxes Collected						
2011	\$ 227,752,165	\$ 217,680,125	95.58 %	\$ 10,060,286	\$ 227,740,411	99.99 %	\$ 11,754	0.01 %	
2012	197,438,367	185,889,225	94.15	9,260,342	195,149,567	98.84	2,288,800	1.16	
2013	194,571,811	182,955,919	94.03	11,610,431	194,566,350	100.00	5,461	0.00	
2014	191,253,984	180,236,461	94.24	11,006,918	191,243,379	99.99	10,605	0.01	
2015	180,985,544	170,131,504	94.00	10,836,146	180,967,650	99.99	17,894	0.01	
2016	174,672,995	171,784,675	98.35	2,876,830	174,661,505	99.99	11,490	0.01	
2017	183,177,675	172,416,394	94.13	10,740,710	183,157,104	99.99	20,571	0.01	
2018	187,082,999	176,777,893	94.49	10,273,544	187,051,437	99.98	31,562	0.02	
2019	195,501,329	186,037,202	95.16	9,424,217	195,461,419	99.98	39,910	0.02	
2020	202,026,680	191,661,774	94.87	-	191,661,774	94.87	10,364,906	5.13	

Source: Maricopa County Treasurer.

Note 1: Unsecured personal property taxes are not included in this schedule.

(1) The amount levied and collected is net of resolutions.

THIS PAGE INTENTIONALLY LEFT BLANK

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Governmental Activities			Percentage of Estimated Actual Value	Debt Per Capita	Percentage of Personal Income
	General Obligation Bonds	Capital Leases	Total Primary Government			
2011	\$ 252,550,000	\$ 13,007,582	\$ 265,557,582	0.46 %	\$ 934	0.19 %
2012	311,050,000	38,000,437	349,050,437	0.76	1,229	0.24
2013	287,045,000	33,226,613	320,271,613	0.78	1,128	0.22
2014	262,078,750	30,871,667	292,950,417	0.74	1,046	0.17
2015	243,725,829	28,466,699	272,192,528	0.63	970	0.16
2016	225,533,675	26,079,693	251,613,368	0.49	895	0.14
2017	252,171,253	39,478,195	291,649,448	0.53	1,038	0.16
2018	283,098,204	36,444,935	319,543,139	0.54	1,135	0.15
2019	273,410,470	33,318,379	306,728,849	0.49	1,234	0.14
2020	314,987,169	30,369,332	345,356,501	0.52	1,389	N/A

Source: The District's Business and Finance Department for long-term debt. The source of the estimated district population is the U.S. Census Bureau, 2010 Census, as reported by the National Center for Education Statistics, School District Demographics System.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

Governmental Activities						
Fiscal Year	General Obligation Bonds	Less: Amounts Restricted for Principal	Total Primary Government	Ratio of Net Bonded Debt to the Estimated Actual Value of Taxable Property	Population	Debt Per Capita
2011	\$ 252,550,000	\$ (8,442,094)	\$ 244,107,906	0.43 %	284,440	\$ 858
2012	311,050,000	(11,064,863)	299,985,137	0.65	283,918	1,057
2013	287,045,000	(7,266,459)	279,778,541	0.68	283,918	985
2014	262,078,750	(4,340,944)	257,737,806	0.65	280,000	920
2015	243,725,829	(4,556,953)	239,168,876	0.55	280,750	852
2016	225,533,675	(5,972,699)	219,560,976	0.43	281,200	781
2017	252,171,253	(6,516,362)	245,654,891	0.45	281,000	874
2018	283,098,204	(2,969,923)	280,128,281	0.47	281,500	995
2019	273,410,470	(13,692,335)	259,718,135	0.42	248,643	1,045
2020	314,987,169	(17,483,178)	297,503,991	0.45	248,643	1,197

Source: The District's Business and Finance Department for long-term debt. The source of the estimated district population is the U.S. Census Bureau, 2010 Census, as reported by the National Center for Education Statistics, School District Demographics System.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2020
(UNAUDITED)

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Maricopa County Community College District	\$ 312,450,000	12.92 %	\$ 40,362,600
Maricopa County Special Health Care District	459,125,000	12.92	59,310,222
DC Ranch Communities Facilities District	9,405,000	100.00	9,405,000
McDowell Mountain Ranch Community Facilities District	4,115,000	100.00	4,115,000
Scottsdale Mountain Community Facilities District	-	100.00	-
Via Linda Road Community Facilities District	950,000	100.00	950,000
Waterfront Community Facilities District	2,563,000	100.00	2,563,000
City of Scottsdale	476,380,000	69.79	332,456,084
City of Phoenix	1,085,050,000	5.89	63,917,116
City of Tempe	390,489,363	0.73	2,860,335
	<u>2,740,527,363</u>		<u>515,939,356</u>
Subtotal, Overlapping Debt			515,939,356
Scottsdale Unified School District No. 48	289,225,000	100.00	<u>289,225,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 805,164,356</u></u>

Direct and Overlapping General Obligation Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		4.97%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	3,116
As a Percentage of Net Limited Assessed Valuation		14.22%
As a Percentage of Gross Full Cash Value		1.33%

Source: 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 a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.

(1) Percentage of overlap based on assessed property values.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year			
	2011	2012	2013	2014
Class A and B Bonded Debt				
Debt Limit	\$ 1,895,806,331	\$ 1,488,063,154	\$ 1,322,271,634	\$ 1,261,775,717
Total Applicable to Limit	<u>252,550,000</u>	<u>311,050,000</u>	<u>287,045,000</u>	<u>262,078,750</u>
Legal Debt Margin	<u>\$ 1,643,256,331</u>	<u>\$ 1,177,013,154</u>	<u>\$ 1,035,226,634</u>	<u>\$ 999,696,967</u>
 Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	 13.32%	 20.90%	 21.71%	 20.77%

Source: The District's Business and Finance Department for long-term debt.

Fiscal Year

2015	2016	2017	2018	2019	2020
\$ 1,366,895,832	\$ 1,056,229,910	\$ 1,692,285,870	\$ 1,826,759,950	\$ 1,939,174,128	\$ 2,063,729,682
243,725,829	225,533,675	247,430,000	276,353,750	258,116,724	271,741,822
<u>\$ 1,123,170,003</u>	<u>\$ 830,696,235</u>	<u>\$ 1,444,855,870</u>	<u>\$ 1,550,406,200</u>	<u>\$ 1,681,057,404</u>	<u>\$ 1,791,987,860</u>
17.83%	21.35%	14.62%	15.13%	13.31%	13.17%

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
CALCULATION OF LEGAL DEBT MARGIN
JUNE 30, 2020
(UNAUDITED)

Net Full Cash Assessed Value		\$ 6,879,098,941
Legal Debt Margin:		
General Obligation Bonds		
Debt Limitation - 30% of Assessed Value		2,063,729,682
Amount of Debt Applicable to Debt Limit:		
General Obligation and Refunding Bonds Outstanding	\$ 289,225,000	
Less: Assets in Debt Service Fund Available for Payment of Principal	(17,483,178)	
Total Amount of Debt Applicable to Debt Limit		271,741,822
Legal Debt Margin		\$ 1,791,987,860
Class B General Obligation Bonds		
Debt Limitation - the Greater of 20% of the Net Full Cash Assessed Valuation or \$1,500 per Student (ADM)		
20% of Secondary Net Assessed Valuation		\$ 1,375,819,788
\$1,500 per Student (ADM) (\$1,500 * 21,550)		32,325,000
Amount of Debt Applicable to Debt Limit:		
General Obligation and Refunding Bonds Outstanding	\$ 289,225,000	
Less: Assets in Debt Service Fund Available for Payment of Principal	(17,483,178)	
Total Amount of Debt Applicable to Debt Limit		271,741,822
Legal Debt Margin		\$ 1,104,077,966

Source: Maricopa County Assessor's Office and the District's Business and Finance Department.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS
(UNAUDITED)**

Calendar Year	County Population	Personal Income (in Thousands)	Per Capita Personal Income	Unemployment Rate	Estimated District Population
2010	4,023,331	\$ 142,091,618	\$ 35,319	9.10 %	284,440
2011	3,843,370	142,864,275	37,352	8.40	283,918
2012	3,824,058	147,374,500	38,238	9.10	283,918
2013	4,009,412	147,700,000	27,552	6.20	280,000
2014	4,008,651	168,483,421	41,222	5.10	280,750
2015	4,087,191	175,437,829	42,092	5.50	281,200
2016	4,137,076	185,111,698	43,628	4.50	281,000
2017	4,221,684	185,613,641	43,845	4.40	281,500
2018	4,402,403	211,812,685	48,113	4.10	248,643
2019	4,485,414	222,943,072	49,704	3.60	248,643

Sources: Personal Income and Per Capita information is from the Bureau of Economic Analysis and the Bureau of Labor Statistics.

THIS PAGE INTENTIONALLY LEFT BLANK

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
PRINCIPAL EMPLOYERS
JUNE 30, 2018 AND 2008
(UNAUDITED)**

Employer	2020		2011	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Banner Health Systems	45,894	1.57%	19,250	1.21%
State of Arizona	37,040	1.27%	49,958	3.14%
Wal-Mart Stores Inc.	33,619	1.15%	28,246	1.78%
Fry's Food Stores	20,165	0.69%	9,200	0.58%
Wells Fargo & Co	16,700	0.57%	11,533	0.73%
University of Arizona	15,967	0.55%		
Amazon.com Inc.	15,967	0.55%		
Arizona State University	14,889	0.51%	11,202	0.71%
City of Phoenix	14,821	0.51%	13,844	0.87%
Maricopa County	13,595	0.47%	13,002	0.82%
Raytheon Missile Systems	13,000	0.45%		
Honor Health	12,163	0.42%		
Dignity Health Arizona	10,598	0.36%		
Intel	10,400	0.36%	10,100	0.64%
Total	<u>274,818</u>	9.81%	<u>166,335</u>	9.93%
Total Employment	<u>2,915,000</u>		<u>1,588,700</u>	

Source: The Business Journal, the Arizona Department of Economic Security and Elliott D. Pollack & Co.

Note 1: Information was not available at the District level and is therefore presented for the Phoenix Metro Area.

* Information for 2019 was not available.

SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	Full-Time Equivalent Employees			
	2011	2012	2013	2014
Supervisory				
Consultants / Supervisors of Instruction	15	14	18	15
Principals	29	30	30	30
Assistant Principals	38	43	36	36
Total Supervisory	<u>82</u>	<u>87</u>	<u>84</u>	<u>81</u>
Instruction				
Teachers	1,402	1,437	1,443	1,308
Other Professionals (Instructional)	118	193	-	51
Aids	353	305	329	368
Total Instruction	<u>1,873</u>	<u>1,935</u>	<u>1,772</u>	<u>1,727</u>
Student Services				
Librarians	9	2	13	28
Technicians	27	43	22	60
Total Student Services	<u>36</u>	<u>45</u>	<u>35</u>	<u>88</u>
Support and Administration				
Service Workers	447	524	342	442
Other Laborers	353	341	708	402
Total Support and Administration	<u>800</u>	<u>865</u>	<u>1,050</u>	<u>844</u>
Total	<u><u>2,791</u></u>	<u><u>2,932</u></u>	<u><u>2,941</u></u>	<u><u>2,740</u></u>

Source: The District's Human Resources Department and Business and Finance Department.

Full-Time Equivalent Employees

2015	2016	2017	2018	2019	2020
15	15	15	16	16	15
29	29	30	30	29	29
36	36	42	39	39	39
<u>80</u>	<u>80</u>	<u>87</u>	<u>85</u>	<u>84</u>	<u>83</u>
1,256	1,213	1,299	1,276	1,276	1,283
48	47	45	42	61	81
353	306	294	341	346	328
<u>1,657</u>	<u>1,566</u>	<u>1,638</u>	<u>1,659</u>	<u>1,683</u>	<u>1,692</u>
29	29	30	9	11	11
60	60	59	54	75	91
<u>89</u>	<u>89</u>	<u>89</u>	<u>63</u>	<u>86</u>	<u>102</u>
440	431	414	441	469	297
384	386	334	316	330	359
<u>824</u>	<u>817</u>	<u>748</u>	<u>757</u>	<u>799</u>	<u>656</u>
<u><u>2,650</u></u>	<u><u>2,552</u></u>	<u><u>2,562</u></u>	<u><u>2,564</u></u>	<u><u>2,652</u></u>	<u><u>2,532</u></u>

THIS PAGE INTENTIONALLY LEFT BLANK

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Enrollment (3)	Maintenance and Operating Expenditures (2)	Cost per Pupil	Percentage Change	Expenses	Teaching Staff (1)	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2011	24,802	\$ 195,921,352	\$ 7,899	(4.08)%	\$ 238,913,452	1,873	13.24	25.70 %
2012	24,402	191,719,141	7,857	(0.42)	252,254,001	1,935	12.61	26.30
2013	24,184	191,099,415	7,902	0.57	232,467,246	1,772	13.65	27.90
2014	23,762	181,594,937	7,642	(3.29)	225,712,617	1,727	13.76	31.00
2015	22,820	180,317,962	7,902	3.40	218,184,080	1,657	13.77	27.50
2016	22,684	185,016,786	8,156	3.22	209,321,388	1,566	14.49	26.80
2017	22,502	187,323,053	8,325	2.07	213,898,708	1,638	13.74	26.70
2018	22,155	177,823,972	8,026	(3.58)	211,660,585	1,659	13.35	24.70
2019	21,503	197,155,873	9,169	14.23	229,930,962	1,683	12.78	28.00
2020	21,555	222,558,808	10,325	12.61	289,235,708	1,511	14.27	86.00

Source: The District's Business and Finance Department.

- (1) Includes all teaching positions filled and vacant.
- (2) Includes expenditures of all funds except Debt Service and Capital Outlay.
- (3) Enrollment is based on 100th day figures.
- (4) 2015 expenditures corrected for 2016 statistical reporting.

**SCOTTSDALE UNIFIED SCHOOL DISTRICT NO.48
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Schools	Fiscal Year			
	2011	2012	2013	2014
Elementary				
Buildings	166	163	163	163
Square Feet	1,399,949	1,427,918	1,427,918	1,427,918
Capacity	15,336	15,336	15,336	15,336
Enrollment	12,816	11,707	11,845	11,845
Middle				
Buildings	78	62	62	62
Square Feet	859,360	852,118	960,988	960,988
Capacity	8,592	8,592	9,608	9,608
Enrollment	4,349	4,277	5,813	5,813
High				
Buildings	48	48	48	48
Square Feet	1,729,392	1,729,392	1,729,392	1,729,392
Capacity	11,784	11,784	11,784	11,784
Enrollment	8,724	8,731	8,551	8,551
Other				
Buildings	4	4	4	4
Square Feet	33,998	33,998	33,998	33,998
Capacity	250	250	250	250
Enrollment	82	59	59	59
Administration				
Buildings	3	4	4	4
Square Feet	35,000	36,651	36,651	36,651
Transportation				
Garages	2	2	2	2
Buses	211	218	226	226
Athletics				
Football Fields	5	5	5	5
Soccer Fields	7	7	7	7
Running Tracks	5	5	5	5
Baseball/Softball	63	62	62	62
Playgrounds	22	67	67	67

Source: The District's facilities' records.

Note 1: Fiscal year 2014 and 2015 enrollment is based on May Governing Board enrollment reports.

Fiscal Year

2015	2016	2017	2018	2019	2020
163	163	163	154	154	154
1,427,918	1,427,918	1,427,918	1,383,237	1,383,237	1,383,237
15,336	15,336	15,336	14,692	14,692	14,692
11,845	11,845	11,845	9,241	9,241	9,241
62	62	62	62	62	62
960,988	960,988	960,988	960,988	960,988	960,988
9,608	9,608	9,608	9,608	9,608	9,608
5,813	5,813	5,813	5,336	5,336	5,336
48	48	48	48	48	48
1,729,392	1,729,392	1,729,392	1,729,392	1,729,392	1,729,392
11,784	11,784	11,784	11,784	11,784	11,784
8,551	8,551	8,551	8,202	8,202	8,202
4	4	4	4	4	4
33,998	33,998	33,998	33,998	33,998	33,998
250	250	250	250	250	250
59	59	59	59	59	59
4	5	5	5	5	5
36,651	49,760	49,760	49,760	49,760	49,760
2	2	2	2	2	2
226	226	226	217	217	217
5	5	5	5	5	5
7	7	7	7	7	7
5	5	5	5	5	5
62	62	62	62	62	62
67	67	67	67	67	67

THIS PAGE INTENTIONALLY LEFT BLANK