

SANTA CRUZ VALLEY UNION SCHOOL DISTRICT NO. 840



Annual Financial Report

Fiscal Year Ended June 30, 2019

**SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
ELOY, ARIZONA**

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

SANTA CRUZ VALLEY UNION SCHOOL DISTRICT NO. 840

FINANCIAL STATEMENTS

Year Ended June 30, 2019

Issued by: Business Services Department

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT
TABLES OF CONTENTS

INTRODUCTORY SECTION

Organizational Chart

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis	5

BASIC FINANCIAL STATEMENTS	13
----------------------------	----

Government-Wide Financial Statements	15
--------------------------------------	----

Statement of Net Position	17
---------------------------	----

Statement of Activities	18
-------------------------	----

Fund Financial Statements	19
---------------------------	----

Balance Sheet	21
---------------	----

Reconciliation of the Balance Sheet to the Statement of Net Position	22
--	----

Statement of Revenues, Expenditures, and Changes in Fund Balance	23
--	----

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statements of Activities	24
--	----

Fiduciary Funds	25
-----------------	----

Statement of Fiduciary Net Position	27
-------------------------------------	----

Notes to Financial Statements	29
-------------------------------	----

Note 1 Summary of Significant Accounting Policies	31
---	----

Note 2 Fund Balance Classifications	38
-------------------------------------	----

Note 3 Stewardship, Compliance and Accountability	40
---	----

Note 4 Cash and Investments	40
-----------------------------	----

Note 5 Receivables	41
--------------------	----

Note 6 Capital Assets	42
-----------------------	----

Note 7 Obligations Under Capital Leases	43
---	----

Note 8 General Obligation Bonds Payable	44
---	----

Note 9 Changes in Long-Term Liabilities	44
---	----

Note 10 Interfund Receivables, Payables and Transfers	45
---	----

Note 11 Contingent Liabilities	45
--------------------------------	----

Note 12 Risk Management	45
-------------------------	----

Note 13 Pensions and Other Postemployment Arrangements	46
--	----

REQUIRED SUPPLEMENTARY INFORMATION

General Fund	55
E-Rate Fund	56
Schedule of The District's Proportionate Share of the Net Pension/Opeb Liability Cost-Sharing Plan	57
Schedule of District's Pension/Opeb Contributions	59
Notes to Required Supplementary Information	61
Non- Major Special Revenue Funds Budgetary Comparison Schedules	63
Combining Schedule of Revenues, Expenditures and Change in Fund Balance	65
Non-Major Special Revenue Funds Budget to Actual	65
All Capital Projects Funds Budgetary Comparison Schedules	77
Combining Schedule of Revenues, Expenditures and Change in Fund Balance	79
All Capital Projects Funds Budget to Actual	79
Agency Funds	81
Combining Statement of Fiduciary Net Position	83
Combining Statement of Changes in Fiduciary Net Position	84

STATISTICAL SECTION

Primary Assessed Value and Estimated Actual Value of Taxable Property by Class	86
Property Tax Assessment Ratios	88
Direct and Overlapping Property Tax Rates	90
Principal Property Taxpayers	91
Property Tax Levies and Collections	92
Outstanding Debt by Type	93
Average Daily Membership	94

REPORT ON INTERNAL CONTROL AND COMPLIANCE

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	97
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INTRODUCTORY SECTION



Santa Cruz Valley Union High School District No. 840
Organization Chart 2018-2019

Governing Board
Ms. Elizabeth Flores, President
Ms. Anna Bell Saucedo, Vice President
Mr. Gill, Member
Mr. Reyes, Member
Emilio Ysaguirre, Member

Mrs. Orlenda Roberts
Superintendent

Administrative
Assistant

Debi Tabeling
Business Manager

Dr. Oranté Jenkins
Principal

Teachers

Office Staff

Counselor

Transportation
Drivers

Accounts Payable/
Receivables

Athletic
Supervisors

Bookstore

Guidance
Secretary

Grounds

Payroll

Coaches

CNA

Custodial

Federal Projects

Clubs/Class
Sponsors

Paraprofessionals

IT Director

Student Activity/Auxiliary

Facilities

Food Service



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Governing Board
Santa Cruz Valley Union School District No. 840
Eloy, 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 Santa Cruz Valley Union School District No. 840 (District) as of and for the year ended June 30, 2019, and 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz Valley Union School District No. 840 as of June 30, 2019, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Santa Cruz Valley Union School District No. 840 basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2020, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Henry + Horne, LLP

Tempe, Arizona
March 26, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2019

As management of the Santa Cruz Valley Union High School District No. 840 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the current fiscal year.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$364,988 from the prior fiscal year.
- General revenues accounted for \$5.2 million in revenue, or 87 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$707,964 or 12 percent of total current fiscal year revenues.
- The District had approximately \$5.5 million in expenses related to governmental activities.
- Among major funds, the General Fund had \$3.9 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and had \$3.9 million in expenditures. The General Fund's fund balance increased \$22,602 to \$890,434 at the end of the current fiscal year.
- The Bond Building fund balance decreased \$1.3 million due to the utilization of bond proceeds received in the prior year for construction services to complete the repurpose of the District's gymnasium.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

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

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

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

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

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Title I, Special Education Grants, Unrestricted Capital Outlay, Bond Building and Debt Service Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$8.4 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements; buildings and improvements; and vehicles, furniture, and equipment). The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending.

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

	June 30, 2019	June 30, 2018
Current Assets	\$ 2,334,754	\$ 3,955,538
Capital assets, net	12,869,137	12,290,791
Total assets, net	15,203,891	16,246,329
Deferred outflows of resources	477,378	512,282
Current liabilities	751,416	1,243,974
Long-term liabilities	6,033,869	7,118,937
Total liabilities	6,785,285	8,362,911
Deferred inflows of resources	455,092	221,723
Net position:		
Net investment in capital assets	9,759,137	9,421,905
Restricted	1,222,207	1,079,633
Unrestricted	(2,540,452)	(2,327,561)
Total net position	\$ 8,440,892	\$ 8,173,977

At the end of the current fiscal year, the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$2.5 million. The deficit arose due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true in the prior fiscal year.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following are significant current year transactions that had an impact on the Statement of Net Position:

- The principal retirement of \$550,000 of bonds.
- The addition of \$3 million in capital assets through school improvements.
- The decrease of \$499,439 in pension liabilities.

Changes in net position. The District's total revenues for the current fiscal year were \$5.9 million. The total cost of all programs and services was \$5.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 118,403	\$ 151,076
Operating grants and contributions	574,687	568,733
Capital grants and contributions	19,685	31,243
General Revenues:		
Property taxes	3,889,063	3,692,565
Unrestricted federal aid	-	22
Unrestricted state aid	1,168,993	1,150,176
Unrestricted county aid	38,242	49,183
Investment income	54,084	63,884
Total revenues	<u>5,863,157</u>	<u>5,706,882</u>
Expenses:		
Instruction	2,259,147	2,124,645
Support services - students and staff	606,906	641,831
Support services - administration	693,354	783,368
Operation and maintenance of plant services	1,139,958	1,227,527
Student transportation services	309,281	419,389
Operation of non-instructional services	372,532	378,149
Interest of long-term debt	116,991	166,162
Loss on sale of capital assets	98,073	-
Total expenses	<u>5,596,242</u>	<u>5,741,071</u>
Change in net position	<u>266,915</u>	<u>(34,189)</u>
Net position, beginning of year	<u>8,173,977</u>	<u>8,208,166</u>
Net position, end of year	<u>\$ 8,440,892</u>	<u>\$ 8,173,977</u>

Total revenues increased \$156,275 from the prior year. This is largely due to an increase in property tax revenue of \$196,498. Overall expenses decreased by \$144,829 from the prior year.

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

	Year ended June 30, 2019		Year ended June 30, 2018	
	Total Expenses	Net(Expense)/Revenue	Total Expenses	Net(Expense)/Revenue
Instruction	\$ 2,259,147	\$ (2,176,811)	\$ 2,124,645	\$ (1,958,625)
Support services - students and staff	606,906	(290,850)	641,831	(341,824)
Support services - administration	693,354	(693,354)	783,368	(783,368)
Operation and maintainance of plant services	1,139,958	(1,109,620)	1,227,527	(1,202,184)
Student transportation services	309,281	(238,389)	419,389	(362,848)
Operation of non-instructional services	372,532	(159,379)	378,149	(175,008)
Interest of long-term debt	116,991	(116,991)	166,162	(166,162)
Total expenses	<u>\$ 5,498,169</u>	<u>\$ (4,785,394)</u>	<u>\$ 5,741,071</u>	<u>\$ (4,990,019)</u>

- The cost of all governmental activities this year was \$5.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$707,964.
- Net cost of governmental activities of \$5.1 million was financed by general revenues, which are made up of primarily property taxes of \$3 million and state and county aid of \$1.2 million. Investment earnings accounted for \$54,084 of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The General Fund comprises 42 percent of the total fund balance. All of the General Fund's fund balance is unassigned.

The fund balance increased \$22,602 in the General Fund to \$90,434 as of fiscal year end. General Fund revenues increased \$275,190 as a result of an increase in the primary tax rate and state aid. General Fund expenditures increased \$248,003 due to salary increases and general operation expenses.

The E-Rate Fund had \$20,607 in current fiscal year revenues, and \$8,105 in expenditures. The E-Rate Fund's fund balance increased \$12,502 to \$115,148 at the current fiscal year end due to no significant purchases in the current year.

The Debt Service Fund had \$710,931 in current fiscal year revenues, and \$677,525 in expenditures. The Debt Service Fund's fund balance increased from \$313,241 at the prior fiscal year end to \$346,647 at the current fiscal year end due to a increase in scheduled debt service requirements and for construction projects.

The Bond Building Fund had \$1.29 million in current year expenditures. The fund balance decreased from \$1.3 million at the prior fiscal year end to \$8,137 at the current fiscal year end primarily due to the utilization of bond proceeds received in prior years to complete school site renovations in the current year.

BUDGET HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$68,521 decrease, or 1.6 percent and was a result of a decrease in total instruction expenditures.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$21.7 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$1.2 million from the prior fiscal year, primarily due to school improvements. Total depreciation expense for the current fiscal year was \$729,923.

Additional information on the District's capital assets can be found in Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Fiscal year 2018-19 budget balance carry forward (\$210,013)
- Changes in student population (estimated 415)

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

Budgeted expenditures in the General Fund increased five percent to \$3.9 million in fiscal year 2019-20. State aid and property taxes are expected to be the primary funding sources.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business Services Department, Santa Cruz Valley Union High School District No. 840, 900 North Main Street, Eloy, Arizona 85131.



BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities
Assets	
Cash and investments	\$ 2,116,770
Property taxes receivable	123,498
Due from other governments	82,715
Deposits	4,879
Net OPEB asset	6,892
Capital assets:	
Nondepreciable capital assets	351,469
Other capital assets (net of accumulated depreciation)	12,517,668
Total assets	<u>15,203,891</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions and OPEB	477,378
Total deferred outflows of resources	<u>477,378</u>
Liabilities	
Accounts payable	96,746
Construction contracts payable	37,000
Noncurrent liabilities:	
Due within one year:	
Capital leases	34,526
Compensated absences	18,144
Bonds payable	565,000
Due in more than one year:	
Compensated absences	64,529
Capital leases	211,813
Bonds payable	2,745,089
Net OPEB liability	11,155
Net pension liability	3,001,283
Total liabilities	<u>6,785,285</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions and OPEB	455,092
Total deferred inflows of resources	<u>455,092</u>
Net Position	
Net Investment in capital assets	9,320,846
Restricted for:	
Voter approved initiatives	296,940
Federal and state projects	127,554
Food service	56,443
Joint technical education	39,529
Extracurricular activities	24,854
Other local initiatives	22,750
Debt service	346,647
Capital outlay	314,153
Unrestricted (deficit)	<u>(2,108,824)</u>
Total net position	<u>\$ 8,440,892</u>

See accompanying notes.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 2,259,147	\$ 4,844	\$ 59,157	\$ 18,335	\$ (2,176,811)
Support services:					
Students and staff	606,906	6,714	309,342	-	(290,850)
General administration	693,354	-	-	-	(693,354)
Operation and maintenance of plant services	1,139,958	-	28,988	1,350	(1,109,620)
Student transportation	309,281	65,145	5,747	-	(238,389)
Operation of non-instructional services	372,532	41,700	171,453	-	(159,379)
Interest on long-term debt	116,991	-	-	-	(116,991)
Total governmental activities	<u>\$ 5,498,169</u>	<u>\$ 118,403</u>	<u>\$ 574,687</u>	<u>\$ 19,685</u>	<u>(4,785,394)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					3,048,308
Property taxes, levied for debt services					685,467
Property taxes, levied for capital outlay					155,288
Investment earnings					54,084
Unrestricted county aid					38,242
Unrestricted state aid					1,168,993
Gain (loss) on disposal of capital assets					(98,073)
Total general revenues					<u>5,052,309</u>
Change in net position					<u>266,915</u>
Net position, beginning of year					<u>8,173,977</u>
Net position, end of year					<u>\$ 8,440,892</u>

See accompanying notes.

FUND FINANCIAL STATEMENTS



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
BALANCE SHEET
June 30, 2019

	General Fund	E-Rate	Bond Building	Debt Service	Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 947,083	\$ 115,148	\$ 8,303	\$ 344,813	\$ 701,423	\$ 2,116,770
Receivables						
Property taxes	91,746	-	-	16,506	15,246	123,498
Due from other governments	-	-	-	-	82,715	82,715
Deposit	-	-	-	-	4,879	4,879
Total assets	<u>\$ 1,038,829</u>	<u>\$ 115,148</u>	<u>\$ 8,303</u>	<u>\$ 361,319</u>	<u>\$ 804,263</u>	<u>\$ 2,327,862</u>
LIABILITIES						
Accounts payable	\$ 86,356	\$ -	\$ 166	\$ -	\$ 10,224	\$ 96,746
Contracts payable	-	-	-	-	37,000	37,000
Total liabilities	<u>86,356</u>	<u>-</u>	<u>166</u>	<u>-</u>	<u>47,224</u>	<u>133,746</u>
DEFERRED INFLOW OF RESOURCES						
Deferred revenue - property taxes	62,039	-	-	14,672	9,828	86,539
Deferred revenue - intergovernmental	-	-	-	-	1,149	1,149
Total deferred inflows of resources	<u>62,039</u>	<u>-</u>	<u>-</u>	<u>14,672</u>	<u>10,977</u>	<u>87,688</u>
FUND BALANCES (DEFICITS)						
Restricted						
Voter approved initiatives	-	-	-	-	296,940	296,940
Federal and state projects	2,108	115,148	-	-	10,298	127,554
Food service	-	-	-	-	56,443	56,443
Joint technical education	-	-	-	-	39,529	39,529
Extracurricular activities	-	-	-	-	24,854	24,854
Debt service	-	-	-	346,647	-	346,647
Capital outlay	5,088	-	8,137	-	309,065	322,290
Other purposes	12,668	-	-	-	10,082	22,750
Unassigned	870,570	-	-	-	(1,149)	869,421
Total fund balances	<u>890,434</u>	<u>115,148</u>	<u>8,137</u>	<u>346,647</u>	<u>746,062</u>	<u>2,106,428</u>
Total liabilities, deferred inflow of resources and fund balance	<u>\$ 1,038,829</u>	<u>\$ 115,148</u>	<u>\$ 8,303</u>	<u>\$ 361,319</u>	<u>\$ 804,263</u>	<u>\$ 2,327,862</u>

See accompanying notes.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2019

Total governmental fund balance \$ 2,106,428

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

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

Governmental capital assets	\$ 21,672,238	
Less accumulated depreciation	<u>(8,803,101)</u>	12,869,137

Certain revenues earned but not received within 60 days of
year-end are deferred for the governmental statements,
but are recognized as revenue for the government-wide
statements.

Grants	1,149	
Property taxes	<u>86,539</u>	87,688

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

Compensated absences payable	(82,673)	
Capital lease payable	(246,339)	
Bonds payable	(3,110,000)	
Premium Payable	(200,089)	
Net OPEB asset	6,892	
Net OPEB liability	(11,155)	
Net pension liability	<u>(3,001,283)</u>	(6,644,647)

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

Deferred outflows of resources related to pensions/OPEB	203,212	
Deferred outflows of employer contributions	274,166	
Deferred inflows of resources related to pensions	<u>(455,092)</u>	<u>22,286</u>

Net position of governmental activities		<u><u>\$ 8,440,892</u></u>
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SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended June 30, 2019

	General Fund	E-Rate	Bond Building	Debt Service	Nonmajor Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 3,040,829	\$ -	\$ -	\$ 683,627	\$ 148,652	\$ 3,873,108
Intergovernmental grants and aid:						
Federal	-	18,335	-	-	559,603	577,938
State	814,052	-	-	-	376,350	1,190,402
Other local	4,377	-	-	978	2,842	8,197
Investment earnings	13,864	2,272	-	26,326	11,622	54,084
Other	34,881	-	-	-	128,192	163,073
Total revenues	<u>3,908,003</u>	<u>20,607</u>	<u>-</u>	<u>710,931</u>	<u>1,227,261</u>	<u>5,866,802</u>
EXPENDITURES						
Current:						
Instruction	1,680,769	-	-	-	408,290	2,089,059
Support services:						
Students and staff	318,926	-	-	-	289,178	608,104
General administration	678,354	8,105	-	-	18,260	704,719
Operation and maintenance of plant services	903,973	-	15,648	-	6,478	926,099
Student transportation	209,878	-	-	-	49,128	259,006
Operation of non-instructional services	90,589	-	-	-	205,285	295,874
Debt service:						
Principal	32,689	-	-	550,000	-	582,689
Interest and fiscal charges	14,477	-	-	127,525	-	142,002
Capital outlay	-	-	1,271,457	-	91,476	1,362,933
Total expenditures	<u>3,929,655</u>	<u>8,105</u>	<u>1,287,105</u>	<u>677,525</u>	<u>1,068,095</u>	<u>6,970,485</u>
Excess (deficiency) of revenues over over expenditures	<u>(21,652)</u>	<u>12,502</u>	<u>(1,287,105)</u>	<u>33,406</u>	<u>159,166</u>	<u>(1,103,683)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	44,254	-	-	-	-	44,254
Transfers out	-	-	-	-	(44,254)	(44,254)
Total other financing sources (uses)	<u>44,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,254)</u>	<u>-</u>
Net change in fund balances	<u>22,602</u>	<u>12,502</u>	<u>(1,287,105)</u>	<u>33,406</u>	<u>114,912</u>	<u>(1,103,683)</u>
Fund balances, beginning of year	<u>867,832</u>	<u>102,646</u>	<u>1,295,242</u>	<u>313,241</u>	<u>631,150</u>	<u>3,210,111</u>
Fund balances, end of year	<u>\$ 890,434</u>	<u>\$ 115,148</u>	<u>\$ 8,137</u>	<u>\$ 346,647</u>	<u>\$ 746,062</u>	<u>\$ 2,106,428</u>

See accompanying notes.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2019

Net change in fund balances—total governmental funds \$ (1,103,683)

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 the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	1,406,342	
Current year depreciation	<u>(729,923)</u>	676,419

In the Statement of Activities, only the gain/loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of capital assets sold. (98,073)

District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB asset/(liability) is measured a year before the District's report date. pension/OPEB expense, which is the change in the net pension/OPEB asset/(liability) adjusted changes in deferred outflows and inflows of resources related to pension/OPEBs, is reported in the Statement of Activities

District pension/OPEB contributions	274,166	
Pension/OPEB expense	<u>(82,268)</u>	191,898

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues received in the current year that were accrued in the Statement of Activities in prior years are reported as revenues in the funds.

Grants	(14,409)	
Property taxes	<u>10,600</u>	(3,809)

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

Capital lease principal retirement	32,689	
Debt principal retirement	550,000	
Amortization of bond premiums	25,011	

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

	<u>(3,537)</u>	
Change in net position of governmental activities		<u>\$ 266,915</u>

FIDUCIARY FUNDS



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2019

	<u>Agency</u>
Assets	
Cash and cash equivalents	<u>\$ 150,712</u>
Total Assets	<u><u>\$ 150,712</u></u>
Liabilities	
Deposit held for others	\$ 124,374
Due to students	<u>26,338</u>
Total liabilities	<u><u>\$ 150,712</u></u>



NOTES TO FINANCIAL STATEMENTS



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Santa Cruz Valley Union School District No. 840 (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

Reporting Entity

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

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

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

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental 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.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due.

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

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

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type. The District reports the following all eligible governmental funds:

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

E-Rate Fund – The E-Rate Fund accounts for financial assistance received for broadband internet and telecommunication costs.

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Additionally, the District reports the following fund type:

Fiduciary Funds – The Fiduciary Funds are Agency Funds which account for assets held by the District on behalf of others. This fund type includes the Student Activities Fund, which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds.

The Agency Funds are custodial in nature and do not have a measurement focus and are reported on the accrual basis of accounting. The Agency Funds are reported by fund type.

Cash and Investments

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

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

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments (Continued)

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

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

Investment Income

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

Receivables and Payables

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

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Tax Calendar

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

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

Prepaid Items

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

Capital Assets

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

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

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

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

Land improvements	10 - 75 years
Buildings and improvements	10 - 50 years
Vehicles, furniture and equipment	5 - 20 years

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

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

Pensions and Other Postemployment Benefits

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

Long-term Obligations

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Interfund Activity

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

Net Position Flow Assumption

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

Estimates

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

NOTE 2 FUND BALANCE CLASSIFICATIONS

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

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 2 FUND BALANCE CLASSIFICATIONS (Continued)

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

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

Assigned - Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The District does not have a formal policy for the utilization of assigned fund balance accordingly, no assigned fund balance amounts are reported.

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

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

Non-Major Governmental Funds: Other Federal Programs	Deficit
	<u>\$ 1,149</u>

The deficits arose because of operations during the year and prior years and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2018-19 are expected to eliminate the deficits.

NOTE 4 CASH AND INVESTMENTS

Arizona Revised Statutes require the District to deposit all cash with the County Treasurer, except as discussed below. Cash with the County Treasurer is pooled for investment purposes, except for cash in the bond building and debt service funds, which may be invested separately.

Statute authorizes the District to separately invest monies of the bond building and debt service funds in the State Treasurer's investment pool, obligations issued or guaranteed by the United States or any of its agencies or instrumentalities, specified state or local government bonds and notes, and interest-bearing savings accounts or certificates of deposit.

Statute authorize the District to deposit monies of the auxiliary operations and student activities funds in bank accounts. The District may also invest these monies. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer, revolving accounts to pay minor disbursements, and withholding accounts for taxes and employee insurance programs. Some of the bank accounts may be interest bearing.

Deposits – At June 30, 2019, the carrying amount of the District's deposits was \$42,397 and the bank balance was \$46,840. The bank balance was insured under the federal depository insurance.

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

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 4 CASH AND INVESTMENTS (Continued)

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

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

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

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

	Average Maturities	Fair Value
County Treasurer's investment pool	0.79 years	\$2,172,476

NOTE 5 RECEIVABLES

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

	General Fund	Debt Service Fund	Non-Major Governmental Fund	Total
Due from other governments:				
Property Tax assessments	\$ 91,746	\$ 16,506	\$ 15,246	\$ 123,498
Due from other government	-	-	82,715	82,715
	91,746	16,506	97,961	206,213
Less Allowance	-	-	-	-
Total receivables	\$ 91,746	\$ 16,506	\$ 97,961	\$ 206,213

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 is as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 240,011	\$ -	\$ -	\$ 240,011
Construction in progress	1,898,053	1,101,497	(2,888,092)	111,458
Total capital assets not being depreciated	2,138,064	1,101,497	(2,888,092)	351,469
Capital assets, being depreciated:				
Land improvements	2,906,306	-	-	2,906,306
Buildings and improvements	13,414,592	2,896,669	(143,374)	16,167,887
Vehicles, furniture and equipment	1,969,272	296,268	(18,964)	2,246,576
Total capital assets being depreciated	18,290,170	3,192,937	(162,338)	21,320,769
Less accumulated depreciation for:				
Land improvements	(1,184,752)	(112,165)	-	(1,296,917)
Buildings and improvements	(5,906,285)	(491,498)	50,253	(6,347,530)
Vehicles, furniture and equipment	(1,046,406)	(126,260)	14,012	(1,158,654)
Total accumulated depreciation	(8,137,443)	(729,923)	64,265	(8,803,101)
Total capital assets, being depreciated, net	10,152,727	2,463,014	(98,073)	12,517,668
Governmental activities capital assets, net	<u>\$ 12,290,791</u>	<u>\$ 3,564,511</u>	<u>\$ (2,986,165)</u>	<u>\$ 12,869,137</u>

Depreciation expense was charged to governmental functions as follows.

Governmental activities:	
Instruction	\$ 116,151
Support services- students and staff	10,353
Support services - general administration	32,385
Operation and maintenance of plant services	415,709
Student transportation	60,521
Operation of noninstructional services	94,804
Total depreciation expense	<u>\$ 729,923</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of school renovations. At year end, the District had spent \$3.0 million on the projects and had estimated remaining contractual commitments of \$37,000. These projects are primarily being funded with bond proceeds.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 7 OBLIGATIONS UNDER CAPITAL LEASES

The District has acquired utility management equipment and school buses 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 from the General Fund and the Bond Building Fund were used to pay the capital lease obligations. For the utility management equipment lease, the Energy Services Corporation (ESCO) guarantees an annual savings of \$33,278 for implementing these energy conservation measures. If these savings are not achieved, the District will receive compensation from the ESCO for the difference between the reported savings and the lease payment. 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 recorded under capital leases is included with depreciation expense.

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

	Governmental Activities
Asset	
Vehicles, Furniture and equipment	\$ 481,670
Less accumulated depreciation	(194,675)
Total	<u>\$ 286,995</u>

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

Year Ending, June 30	Principal
2020	\$ 47,167
2021	47,167
2022	47,167
2023	47,167
2024	47,689
2025-2026	54,504
Total requirements	290,861
Less interest	44,522
Present value of remaining payments	<u>\$ 246,339</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 8 GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$2.7 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Description	Original Amount Issued	Remaining Maturity	Interest Rate	Outstanding Principal June 30, 2019	Due Within One Year
Governmental activities:					
School Improvement Bonds of 2016, Series A, 2017	\$ 4,145,000	7/1/19 - 27	2.50 - 4.00%	\$ 3,110,000	\$ 565,000
Total				<u>\$ 3,110,000</u>	<u>\$ 565,000</u>

NOTE 9 CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 79,136	\$ 65,084	\$ 61,547	\$ 82,673	\$ 18,144
Bonds payable	3,660,000	-	550,000	3,110,000	565,000
Premiums	225,100	-	25,011	200,089	-
Capital Leases	279,028	-	32,689	246,339	34,525
Net OPEB liability	7,830	3,325	-	11,155	-
Net pension liability	3,469,232	-	467,949	3,001,283	-
Governmental activities long-term liabilities	<u>\$ 7,720,326</u>	<u>\$ 68,409</u>	<u>\$ 1,137,196</u>	<u>\$ 6,651,539</u>	<u>\$ 617,669</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 10 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At year end, interfund transfers were as follows:

Interfund transfers:

Fund	Transfers Out	Transfers In
General Fund	\$ -	\$ 44,254
Non-Major Governmental Funds	44,254	-
Total	<u>\$ 44,254</u>	<u>\$ 44,254</u>

Transfers between funds were used to move federal grant funds for indirect costs.

NOTE 11 CONTINGENT LIABILITIES

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

NOTE 12 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 continues to carry commercial insurance for life insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 12 RISK MANAGEMENT (Continued)

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

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

The District is a member of an intergovernmental agreement with Eloy Elementary School District to receive transportation services for students in which a member of the District Board is married to the Business Manager at Eloy Elementary School District. The amount spent during the year for these services was \$30,000. The member of the Board has disclosed this relationship and recuses themselves for all related decisions regarding this IGA.

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT ARRANGEMENTS

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

	Pension	OPEB
Net assets	\$ -	\$ 11,155
Net liability	3,001,283	(6,892)
Deferred outflows of resources	328,490	27,807
Deferred inflows of resources	312,587	21,423
Expense	70,177	12,091
Contributions	262,353	11,814

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

*with actuarially reduced benefits.

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earning. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the 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 benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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, 2019, statute required active ASRS members to contribute at the actuarially determined rate of 11.8 percent (11.64 percent for retirement and 0.16 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 10.53 percent (10.41 percent for retirement, 0.06 percent for health insurance premium benefit, and 0.06 percent for long-term disability) of the active members' annual covered payroll. The District's contributions for the year ended June 30, 2019 were as follows:

	Pension/OPEB contributions
Pension contribution	\$ 262,353
Health insurance premium benefit	8,765
Long-term disability	3,049

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

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

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability were measured as of June 30, 2018. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2017, to the measurement date of June 30, 2018. The total liabilities as of June 30, 2018, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2016, including decreasing the discount rate from 8 percent to 7.5 percent, changing the projected salary increases from 3–6.75 percent to 2.7–7.2 percent, decreasing the inflation rate from 3 percent to 2.3 percent, and changing the mortality rates.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Liability – At June 30, 2019, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

	Net pension/OPEB (asset) liability
Pension	\$ 3,001,283
Health insurance premium benefit	(6,892)
Long-term disability	11,155

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, 2018, and the change from its proportions measured as of June 30, 2017, were:

	Proportion June 30, 2019 %	Increase (decrease) from June 30, 2018
Pension	2.15190%	(0.00075)
Health insurance premium benefit	1.91400%	(0.00170)
Long-term disability	2.13500%	(0.00025)

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

	Pension/OPEB expense
Pension expense	\$ 70,177
Health insurance premium benefit	7,612
Long-term disability	4,479

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

	Pension		Health insurance premium benefit		Long-term disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 66,137	\$ -	\$ -	\$ 6,361	\$ 285	\$ -
Changes of assumptions or other inputs	-	186,686	13,292	-	2,416	-
Net difference between projected and actual earnings on pension plan investments	-	72,174	-	13,768	-	1,081
Changes in proportion and differences between District contributions and proportionate share of contributions	-	53,727	-	116	-	97
District contributions subsequent to the measurement date	262,353	-	8,765	-	3,049	-
Total	<u>\$ 328,490</u>	<u>\$ 312,587</u>	<u>\$ 22,057</u>	<u>\$ 20,245</u>	<u>\$ 5,750</u>	<u>\$ 1,178</u>

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

Year ending June 30	Pension	Health insurance premium benefit	Long-term disability
2020	\$ 6,346	\$ (2,696)	\$ 18
2021	(110,947)	(2,696)	19
2022	(109,482)	(2,696)	19
2023	(32,367)	240	308
2024	-	895	361
Thereafter	-	-	798

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

	Pension/OPEB
Actuarial valuation date	June 30, 2017
Actuarial roll forward date	June 30, 2018
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 pension and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not applicable

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

The long-term expected rate of return on ASRS plan investments was determined to be 7.5 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 for all ASRS plans are summarized in the following table:

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 13 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate. At June 30, 2018, the discount rate used to measure the ASRS total pension/OPEB liability was 7.5 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was

Sensitivity of the Proportionate Share of the Net Pension and 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 percent, as well as what the District's proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

District's proportionate share of the	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% increase (8.5%)
Net pension liability	\$ 4,278,397	\$ 3,001,283	\$ 1,934,274
Net health insurance premium benefit liability (asset)	24,420	(6,892)	(33,564)
Net long-term disability liability	12,642	11,155	9,713

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

REQUIRED SUPPLEMENTARY INFORMATION



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budgeted Amounts		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
			Amounts	Positive
				(Negative)
REVENUES				
Property taxes	\$ -	\$ -	\$ 3,040,829	\$ 3,040,829
Intergovernmental grants and aid:				
State	-	-	814,052	814,052
Other local	-	-	4,377	4,377
Investment earnings	-	-	10,761	10,761
Other	-	-	211	211
Total revenues	-	-	3,870,230	3,870,230
EXPENDITURES:				
Current:				
Instruction	1,931,186	1,758,696	1,646,636	112,060
Support services:				
Students and staff	294,267	307,509	316,504	(8,995)
General administration	647,460	682,082	646,099	35,983
Operation and maintenance of plant services	884,207	930,599	869,736	60,863
Student transportation	210,981	221,761	209,878	11,883
Operation of non-instructional services	92,621	91,554	90,589	965
Total expenditures	4,060,722	3,992,201	3,779,442	212,759
Excess (deficiency) of revenues over expenditures	(4,060,722)	(3,992,201)	90,788	4,082,989
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(47,166)	(47,166)	-
Total other financing sources and uses	-	(47,166)	(47,166)	-
Net change in fund balances	(4,060,722)	(4,039,367)	43,622	4,082,989
Fund balance, beginning of year	-	-	(706,621)	(706,621)
Fund balance, end of year	\$ (4,060,722)	\$ (4,039,367)	\$ (662,999)	\$ 3,376,368

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
E-RATE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Intergovernmental grants and aid:				
Federal	\$ -	\$ -	\$ 18,335	\$ 18,335
Investment earnings	-	-	2,272	2,272
Total revenues	-	-	20,607	20,607
EXPENDITURES:				
Current:				
Support services:				
General administration	229,500	130,000	8,105	121,895
Total expenditures	229,500	130,000	8,105	121,895
Excess (deficiency) of revenues over expenditures	(229,500)	(130,000)	12,502	142,502
Fund balance, beginning of year	-	-	102,646	102,646
Fund balance, end of year	\$ (229,500)	\$ (130,000)	\$ 115,148	\$ 245,148

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION/OPEB LIABILITY - COST-SHARING PLAN

June 30, 2019

	Reporting Fiscal Year (Measurement Date)					2014 through 2009
	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	
ASRS - Pension						
District's proportion of the net pension liability	0.020%	0.020%	0.020%	0.020%	0.020%	Information not available
District's proportionate share of the net pension liability	\$ 3,001,283	\$ 3,469,232	\$ 3,544,565	\$ 3,324,000	\$ 2,902,552	
District's covered payroll	1,958,972	2,140,459	2,178,636	1,949,207	1,875,221	
District's proportionate share of the net pension liability as a percentage of its covered payroll	153.21%	162.08%	162.70%	170.53%	154.78%	
Plan fiduciary net position as a percentage of the total pension liability	73.40%	69.92%	67.06%	68.35%	69.49%	
ASRS - Health insurance premium benefit	2019 (2018)	2018 (2017)	2017 through 2009			
District's proportion of the net OPEB (asset)	0.020%	0.020%	Information not available			
District's proportionate share of the net OPEB (asset)	\$ (6,892)	\$ (11,345)				
District's covered payroll	1,958,972	2,140,459				
District's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-0.35%	-0.53%				
Plan fiduciary net position as a percentage of the total OPEB liability	102.20%	103.57%				

See accompanying notes to the required supplementary information.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION/OPEB LIABILITY COST-SHARING PLAN (Continued)

June 30, 2019

	Reporting Fiscal Year (Measurement Date)		
	2019 (2018)	2018 (2017)	2017 through 2009
ASRS - Long-term disability			
District's proportion of the net OPEB liability	0.020%	0.020%	Information not available
District's proportionate share of the net OPEB liability	\$ 11,155	\$ 7,830	
District's covered payroll	1,958,972	2,140,459	
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.57%	0.37%	
Plan fiduciary net position as a percentage of the total OPEB liability	77.83%	84.44%	

See accompanying notes to the required supplementary information.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PENSION/OPEB CONTRIBUTIONS
June 30, 2019

ASRS - Pension	Reporting Fiscal Year					2014 through 2009
	2019	2018	2017	2016	2015	
Statutorily required contribution	\$ 213,528	\$ 233,310	\$ 234,857	\$ 211,489	\$ 204,024	Information not available
District's contributions in relation to the statutorily required contribution	213,528	233,310	234,857	211,489	204,024	
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 1,958,972	\$ 2,140,459	\$ 2,178,636	\$ 1,949,207	\$ 1,875,221	
District's contributions as a percentage of covered payroll	10.90%	10.90%	10.78%	10.85%	10.88%	
ASRS - Health insurance premium benefit	2019	2018	2017 through 2009			
Statutorily required contribution	\$ 8,765	\$ 9,418	Information not available			
District's contributions in relation to the statutorily required contribution	8,765	9,418				
District's contribution deficiency (excess)	\$ -	\$ -				
District's covered payroll	\$ 1,958,972	\$ 2,140,459				
District's contributions as a percentage of covered payroll	0.45%	0.44%				

See accompanying notes to the required supplementary information.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PENSION/OPEB CONTRIBUTIONS (Continued)
June 30, 2019

ASRS - Long-term disability	Reporting Fiscal Year		
	2019	2018	2017 through 2009
Statutorily required contribution	\$ 3,049	\$ 3,425	Information not available
District's contributions in relation to the statutorily required contribution	3,049	3,425	
District's contribution deficiency (excess)	\$ -	\$ -	
District's covered payroll	\$ 1,958,972	\$ 2,140,459	
District's contributions as a percentage of covered payroll	0.16%	0.16%	

See accompanying notes to the required supplementary information.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2019

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 3,929,655	\$ 890,434
Activity budgeted as special revenue funds	<u>(150,213)</u>	<u>(1,553,433)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget & Actual - General Fund	<u>\$ 3,779,442</u>	<u>\$ (662,999)</u>

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, 2016 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2012. 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, 2013, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.



NON- MAJOR SPECIAL REVENUE FUNDS BUDGETARY COMPARISON SCHEDULES



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL
 Year Ended June 30, 2019

	Classroom Site			Instructional Improvement			County, City and Town Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	263,720	263,720	-	19,196	19,196	-	-	-
Investment earnings	-	4,004	4,004	-	1,656	1,656	-	-	-
Other	-	-	-	-	-	-	-	10,000	10,000
Total revenues	-	267,724	267,724	-	20,852	20,852	-	10,000	10,000
EXPENDITURES									
Current:									
Instruction	582,958	266,017	316,941	114,467	4,832	109,635	-	9,832	(9,832)
Support Services:									
Students and staff	-	-	-	-	-	-	-	1,056	(1,056)
General administration	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Total expenditures	582,958	266,017	316,941	114,467	4,832	109,635	-	10,888	(10,888)
Excess (deficiency) of revenues over expenditures	(582,958)	1,707	584,665	(114,467)	16,020	130,487	-	(888)	(888)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-	-
Net change in fund balances	(582,958)	1,707	584,665	(114,467)	16,020	130,487	-	(888)	(888)
Fund balances, beginning of year	-	184,547	184,547	-	94,666	94,666	-	4,759	4,759
Fund balances, end of year	\$ (582,958)	\$ 186,254	\$ 769,212	\$ (114,467)	\$ 110,686	\$ 225,153	\$ -	\$ 3,871	\$ 3,871

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2019

	Title I			Professional Development & Technology			Special Education		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ 210,306	\$ 210,306	\$ -	\$ 21,418	\$ 21,418	\$ -	\$ 77,618	\$ 77,618
State	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	20	20
Other	-	-	-	-	-	-	-	-	-
Total revenues	-	210,306	210,306	-	21,418	21,418	-	77,638	77,638
EXPENDITURES									
Current:									
Instruction	17,729	13,989	3,740	12,225	9,504	2,721	-	-	-
Support Services:									
Students and staff	213,799	168,700	45,099	11,257	8,752	2,505	97,468	68,487	28,981
General administration	-	-	-	1,671	1,299	372	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-	-	-	-
Student transportation	2,290	1,807	483	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Total expenditures	233,818	184,496	49,322	25,153	19,555	5,598	97,468	68,487	28,981
Excess (deficiency) of revenues over expenditures	(233,818)	25,810	259,628	(25,153)	1,863	27,016	(97,468)	9,151	106,619
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(15,727)	15,727	-	(1,826)	1,826	-	(4,776)	4,776
Total other financing sources and uses	-	(15,727)	15,727	-	(1,826)	1,826	-	(4,776)	4,776
Net change in fund balances	(233,818)	10,083	243,901	(25,153)	37	25,190	(97,468)	4,375	101,843
Fund balances, beginning of year	-	(6,004)	(6,004)	-	-	-	-	-	-
Fund balances, end of year	\$ (233,818)	\$ 4,079	\$ 237,897	\$ (25,153)	\$ 37	\$ 25,190	\$ (97,468)	\$ 4,375	\$ 101,843

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2019

	Vocational Education - Basic Grants			Other Federal Projects		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Intergovernmental grants and aid:						
Federal	\$ -	\$ 56,100	\$ 56,100	\$ -	\$ 27,040	\$ 27,040
State	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	-	56,100	56,100	-	27,040	27,040
EXPENDITURES						
Current:						
Instruction	49,002	35,950	13,052	8,350	6,126	2,224
Support Services:						
Students and staff	18,135	13,305	4,830	12,108	8,883	3,225
General administration	-	-	-	8,923	6,546	2,377
Operation and maintenance of plant services	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Total expenditures	67,137	49,255	17,882	29,381	21,555	7,826
Excess (deficiency) of revenues over expenditures	(67,137)	6,845	73,982	(29,381)	5,485	34,866
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	(1,890)	1,890	-	(2,035)	2,035
Total other financing sources and uses	-	(1,890)	1,890	-	(2,035)	2,035
Net change in fund balances	(67,137)	4,955	72,092	(29,381)	3,450	32,831
Fund balances, beginning of year	-	(4,955)	(4,955)	-	(4,599)	(4,599)
Fund balances, end of year	\$ (67,137)	\$ -	\$ 67,137	\$ (29,381)	\$ (1,149)	\$ 28,232

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2019

	State Vocational Education			Other State Projects		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Intergovernmental grants and aid:						
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	11,501	11,501	-	5,747	5,747
Investment earnings	-	-	-	-	122	122
Other	-	-	-	-	-	-
Total revenues	-	11,501	11,501	-	5,869	5,869
EXPENDITURES						
Current:						
Instruction	8,425	6,181	2,244	-	-	-
Support Services:						
Students and staff	7,251	5,320	1,931	-	-	-
General administration	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Total expenditures	15,676	11,501	4,175	-	-	-
Excess (deficiency) of revenues over expenditures	(15,676)	-	15,676	-	5,869	5,869
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balances	(15,676)	-	15,676	-	5,869	5,869
Fund balances, beginning of year	-	-	-	-	-	-
Fund balances, end of year	\$ (15,676)	\$ -	\$ 15,676	\$ -	\$ 5,869	\$ 5,869

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2019

	Food Service			Civic Center			Community School		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ 167,121	\$ 167,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-
Investment earnings	-	1,032	1,032	-	20	20	-	17	17
Other	-	36,889	36,889	-	-	-	-	4,750	4,750
Total revenues	-	205,042	205,042	-	20	20	-	4,767	4,767
EXPENDITURES									
Current:									
Instruction	-	-	-	-	-	-	6,870	5,040	1,830
Support Services:									
Students and staff	-	-	-	-	-	-	-	-	-
General administration	2,470	1,812	658	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-	-
Operation of non-instructional services	279,814	205,285	74,529	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Total expenditures	282,283	207,097	75,186	-	-	-	6,870	5,040	1,830
Excess (deficiency) of revenues over expenditures	(282,283)	(2,055)	280,228	-	20	20	(6,870)	(273)	6,597
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(18,000)	18,000	-	-	-	-	-	-
Total other financing sources and uses	-	(18,000)	18,000	-	-	-	-	-	-
Net change in fund balances	(282,283)	(20,055)	262,228	-	20	20	(6,870)	(273)	6,597
Fund balances, beginning of year	-	76,498	76,498	-	1,144	1,144	-	719	719
Fund balances, end of year	\$ (282,283)	\$ 56,443	\$ 338,726	\$ -	\$ 1,164	\$ 1,164	\$ (6,870)	\$ 446	\$ 7,316

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2019

	Extracurricular Activities Fees Tax Credit			Career, Technical and Vocational Education		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Intergovernmental grants and aid:						
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
Other	-	4,600	4,600	-	6,714	6,714
Total revenues	-	4,600	4,600	-	6,714	6,714
EXPENDITURES						
Current:						
Instruction	4,205	3,085	1,120	1,715	1,258	457
Support Services:						
Students and staff	319	234	85	55	40	15
General administration	-	-	-	189	139	50
Operation and maintenance of plant services	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Total expenditures	4,524	3,319	1,205	1,959	1,437	522
Excess (deficiency) of revenues over expenditures	(4,524)	1,281	5,805	(1,959)	5,277	7,236
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balances	(4,524)	1,281	5,805	(1,959)	5,277	7,236
Fund balances, beginning of year	-	23,573	23,573	-	34,252	34,252
Fund balances, end of year	\$ (4,524)	\$ 24,854	\$ 29,378	\$ (1,959)	\$ 39,529	\$ 41,488

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2019

	Textbooks			Reinsurance Fund			Joint Technical Education		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-
Other	-	94	94	-	-	-	-	65,145	65,145
Total revenues	-	94	94	-	-	-	-	65,145	65,145
EXPENDITURES									
Current:									
Instruction	-	-	-	-	-	-	17,343	12,724	4,619
Support Services:									
Students and staff	-	-	-	-	-	-	6,952	5,100	1,852
General administration	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	64,501	47,321	17,180
Operation of non-instructional services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	88,796	65,145	23,651
Excess (deficiency) of revenues over expenditures	-	94	94	-	-	-	(88,796)	-	88,796
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	94	94	-	-	-	(88,796)	-	88,796
Fund balances, beginning of year	-	428	428	-	17	17	-	-	-
Fund balances, end of year	\$ -	\$ 522	\$ 522	\$ -	\$ 17	\$ 17	\$ (88,796)	\$ -	\$ 88,796

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2019

	Medicaid			Impact Aid			School Plant		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-
Investment earnings	-	560	560	-	40	40	-	72	72
Other	-	-	-	-	-	-	-	1,350	1,350
Total revenues	-	560	560	-	40	40	-	1,422	1,422
EXPENDITURES									
Current:									
Instruction	652	478	174	-	-	-	-	-	-
Support Services:									
Students and staff	388	285	103	(224)	(164)	(60)	-	-	-
General administration	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Total expenditures	1,040	763	277	(224)	(164)	(60)	-	-	-
Excess (deficiency) of revenues over expenditures	(1,040)	(203)	837	224	204	(20)	-	1,422	1,422
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-	-
Net change in fund balances	(1,040)	(203)	837	224	204	(20)	-	1,422	1,422
Fund balances, beginning of year	-	26,778	26,778	-	1,904	1,904	-	3,666	3,666
Fund balances, end of year	\$ (1,040)	\$ 26,575	\$ 27,615	\$ 224	\$ 2,108	\$ 1,884	\$ -	\$ 5,088	\$ 5,088

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2019

	Auxiliary Operations			Gifts and Donations		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Intergovernmental grants and aid:						
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-
Investment earnings	-	-	-	-	1,634	1,634
Other	-	28,988	28,988	-	4,332	4,332
Total revenues	-	28,988	28,988	-	5,966	5,966
EXPENDITURES						
Current:						
Instruction	40,294	29,562	10,732	477	350	127
Support Services:						
Students and staff	-	-	-	1,998	1,466	532
General administration	-	-	-	7,730	5,671	2,059
Operation and maintenance of plant services	1,050	770	280	-	-	-
Student transportation	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Total expenditures	41,344	30,332	11,012	10,205	7,487	2,718
Excess (deficiency) of revenues over expenditures	(41,344)	(1,344)	40,000	(10,205)	(1,521)	8,684
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Net change in fund balances	(41,344)	(1,344)	40,000	(10,205)	(1,521)	8,684
Fund balances, beginning of year	-	15,612	15,612	-	14,189	14,189
Fund balances, end of year	\$ (41,344)	\$ 14,268	\$ 55,612	\$ (10,205)	\$ 12,668	\$ 22,873

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2019

	Insurance Proceeds			Litigation Recovery			Indirect Costs		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-
Investment earnings	-	797	797	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	-	797	797	-	-	-	-	-	-
EXPENDITURES									
Current:									
Instruction	-	-	-	-	-	-	5,102	3,743	1,359
Support Services:									
Students and staff	-	-	-	-	-	-	1,138	835	303
General administration	-	-	-	-	-	-	36,235	26,584	9,651
Operation and maintenance of plant services	24,112	17,690	6,422	-	-	-	21,505	15,777	5,728
Student transportation	-	-	-	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Total expenditures	24,112	17,690	6,422	-	-	-	63,980	46,939	17,041
Excess (deficiency) of revenues over expenditures	(24,112)	(16,893)	7,219	-	-	-	(63,980)	(46,939)	17,041
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	44,254	(44,254)
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	44,254	(44,254)
Net change in fund balances	(24,112)	(16,893)	7,219	-	-	-	(63,980)	(2,685)	61,295
Fund balances, beginning of year	-	45,727	45,727	-	20,860	20,860	-	32,475	32,475
Fund balances, end of year	\$ (24,112)	\$ 28,834	\$ 52,946	\$ -	\$ 20,860	\$ 20,860	\$ (63,980)	\$ 29,790	\$ 93,770

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Concluded)
 Year Ended June 30, 2019

	Energy and Water Savings			Total		
	Budget	Actual	Variance	Budget	Non-GAAP Actual	Variance
REVENUES						
Intergovernmental grants and aid:						
Federal	\$ -	\$ -	\$ -	\$ -	\$ 559,603	\$ 559,603
State	-	-	-	-	300,164	300,164
Investment earnings	-	-	-	-	9,974	9,974
Other	-	-	-	-	162,862	162,862
Total revenues	-	-	-	-	1,032,603	1,032,603
EXPENDITURES						
Current:						
Instruction	-	-	-	869,813	408,671	461,142
Support Services:						
Students and staff	-	-	-	370,646	282,299	88,347
General administration	-	-	-	57,218	42,051	15,167
Operation and maintenance of plant services	-	-	-	46,667	34,237	12,430
Student transportation	-	-	-	66,791	49,128	17,663
Operation of non-instructional services	-	-	-	279,814	205,285	74,529
Debt service:						
Principal	-	32,689	(32,689)	-	32,689	(32,689)
Interest and other charges	-	14,477	(14,477)	-	14,477	(14,477)
Total expenditures	-	47,166	(47,166)	1,690,948	1,068,837	622,111
Excess (deficiency) of revenues over expenditures	-	(47,166)	(47,166)	(1,690,948)	(36,234)	1,654,714
OTHER FINANCING SOURCES (USES)						
Transfers in	-	47,166	(47,166)	-	91,420	(91,420)
Transfers out	-	-	-	-	(44,254)	44,254
Total other financing sources and uses	-	47,166	(47,166)	-	47,166	(47,166)
Net change in fund balances	-	-	-	(1,690,948)	10,932	1,701,880
Fund balances, beginning of year	-	-	-	-	566,256	566,256
Fund balances, end of year	\$ -	\$ -	\$ -	\$ (1,690,948)	\$ 577,188	\$ 2,268,136



ALL CAPITAL PROJECTS FUNDS BUDGETARY COMPARISON SCHEDULES



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 ALL CAPITAL PROJECTS FUNDS BUDGET TO ACTUAL
 Year Ended June 30, 2019

	Unrestricted Capital Outlay			Adjacent Ways			Gifts & Donations - Construction		
	Budget	Actual	Variance	Budget	Actual	Actual	Budget	Actual	Variance
REVENUES									
Property taxes	\$ -	\$ 148,688	\$ 148,688	\$ -	\$ (36)	\$ (36)	\$ -	\$ -	\$ -
Intergovernmental grants and aid									
State	-	39,186	39,186	-	-	-	-	-	-
County	-	2,842	2,842	-	-	-	-	-	-
Investment earnings	-	1,264	(1,264)	-	3,407	(3,407)	-	-	-
Total revenues	-	191,980	189,452	-	3,371	(3,443)	-	-	-
EXPENDITURES									
Instruction	78,354	33,367	44,987	-	-	-	459	385	74
Support services:									
Students and staff	9,367	9,301	66	-	-	-	-	-	-
General administration	-	8,464	(8,464)	-	-	-	-	-	-
Operation and maintenance of plant services	4,892	6,478	(1,586)	-	-	-	-	-	-
Capital outlay	9,543	54,476	(44,933)	200,000	-	200,000	-	-	-
Total expenditures	102,156	112,086	(9,930)	200,000	-	200,000	-	385	(385)
Excess (deficiency) of revenues over expenditures	(102,156)	79,894	179,522	(200,000)	3,371	196,557	-	(385)	(385)
Net change in fund balances	(102,156)	79,894	179,522	(200,000)	3,371	196,557	-	(385)	(385)
Fund balances, beginning of year	-	27,479	27,479	-	196,993	196,993	-	459	459
Fund balances, end of year	<u>\$ (102,156)</u>	<u>\$ 107,373</u>	<u>\$ 209,529</u>	<u>\$ (200,000)</u>	<u>\$ 200,364</u>	<u>\$ 400,364</u>	<u>\$ -</u>	<u>\$ 74</u>	<u>\$ 74</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 ALL CAPITAL PROJECTS FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2019

	Emergency Deficiency Correction			Building Renewal Funds			Total		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 148,652	\$ (148,652)
Intergovernmental grants and aid									
State	-	-	-	-	37,000	37,000	-	76,186	(76,186)
Maricopa County	-	-	-	-	-	-	-	2,842	(2,842)
Investment earnings	-	-	-	-	80	(80)	-	4,751	(4,751)
Total revenues	-	-	-	-	37,080	36,920	-	232,431	(232,431)
EXPENDITURES									
Instruction	-	-	-	-	-	-	78,813	33,752	45,061
Support services:									
Students and staff	-	-	-	-	-	-	9,367	9,301	66
General administration	-	-	-	-	-	-	-	8,464	(8,464)
Operation and maintenance of plant services	-	-	-	-	-	-	4,892	6,478	(1,586)
Capital outlay	269	-	269	1,878,000	37,000	1,841,000	2,087,812	91,476	1,996,336
Total expenditures	269	-	269	1,878,000	37,000	1,841,000	2,180,884	149,471	2,031,413
Excess (deficiency) of revenues over expenditures	(269)	-	269	(1,878,000)	80	1,877,920	(2,180,884)	82,960	1,798,982
Net change in fund balances	(269)	-	269	(1,878,000)	80	1,877,920	(2,180,884)	82,960	1,798,982
Fund balances, beginning of year	-	269	269	-	905	905	-	226,105	226,105
Fund balances, end of year	\$ (269)	\$ 269	\$ 538	\$ (1,878,000)	\$ 985	\$ 1,878,985	\$ (302,425)	\$ 309,065	\$ 611,490

AGENCY FUNDS



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 June 30, 2019

	Student Activities	Employee Withholding	Total
ASSETS			
Cash and investments	\$ 26,338	\$ 124,374	\$ 150,712
Total assets	<u>\$ 26,338</u>	<u>\$ 124,374</u>	<u>\$ 150,712</u>
LIABILITIES			
Deposit held for others	\$ -	\$ 124,374	\$ 124,374
Due to student groups	26,338	-	26,338
Total liabilities	<u>\$ 26,338</u>	<u>\$ 124,374</u>	<u>\$ 150,712</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 AGENCY FUNDS
 June 30, 2019

	Beginning Balances	Additions	Deductions	Ending Balance
STUDENT ACTIVITIES				
Assets				
Cash and investments	\$ 24,396	4,600	2,658	\$ 26,338
Total assets	<u>\$ 24,396</u>	<u>\$ 4,600</u>	<u>\$ 2,658</u>	<u>\$ 26,338</u>
Liabilities				
Due to student groups	\$ 24,396	\$ 4,600	\$ 2,658	\$ 26,338
Total liabilities	<u>\$ 24,396</u>	<u>\$ 4,600</u>	<u>\$ 2,658</u>	<u>\$ 26,338</u>
EMPLOYEE WITHOLDING				
Assets				
Cash and investments	\$ 135,071	\$ 522,959	\$ 533,656	\$ 124,374
Total assets	<u>\$ 135,071</u>	<u>\$ 522,959</u>	<u>\$ 533,656</u>	<u>\$ 124,374</u>
Liabilities				
Deposits held for others	\$ 135,071	\$ 522,959	\$ 533,656	\$ 124,374
Total liabilities	<u>\$ 135,071</u>	<u>\$ 522,959</u>	<u>\$ 533,656</u>	<u>\$ 124,374</u>
TOTAL AGENCY FUNDS				
Assets				
Cash and investments	\$ 159,467	\$ 527,559	\$ 536,314	\$ 150,712
Total assets	<u>\$ 159,467</u>	<u>\$ 527,559</u>	<u>\$ 536,314</u>	<u>\$ 150,712</u>
Liabilities				
Due to student groups	\$ 159,467	\$ 527,559	\$ 536,314	\$ 150,712
Total liabilities	<u>\$ 159,467</u>	<u>\$ 527,559</u>	<u>\$ 536,314</u>	<u>\$ 150,712</u>

STATISTICAL SECTION

Table 1
SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
Net Full Cash Assessed of Taxable Property by Class
Last Ten Fiscal Years

	June 30					
Class	2019	#	2018	#	2017	2016
Commercial, Industrial, Utilities and Mining	\$ 77,023,685		\$ 40,159,024		\$ 32,559,704	\$ 32,984,720
Agricultural and Vacant	20,484,282		52,454,935		49,240,870	51,957,992
Residential (Owner Occupied)	14,728,331		14,840,332		15,070,944	12,508,922
Residential (Rental)	7,111,689		6,350,912		5,099,800	4,110,130
Railroad Private Cars and Airlines	5,030,638		4,774,566		3,721,154	3,549,854
Historical Property	-		-		-	-
Total	\$ 124,378,625		\$ 118,579,769		\$ 105,692,472	\$ 105,111,618
Gross Full Cash Value	\$ 885,904,522		\$ 882,906,518		\$ 804,366,079	\$ 753,430,383
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	14%		13%		13%	14%
Estimated Net Full Cash Value	\$ 820,220,611		\$ 815,107,087		\$ 735,107,961	\$ 690,053,860
Total Direct Rate	3.31		3.43		4.07	4.3

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

Note: On November 26, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution Beginning with Tax Year 2015 (Fiscal Year 2016) both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the districts binding capacity and as the ceiling for net limited assessed value.

June 30					
2015	2014	2013	2012	2011	2010
\$ 44,643,465	\$ 47,257,387	\$ 53,165,345	\$ 59,009,973	\$ 70,282,387	\$ 67,062,102
31,980,191	19,892,422	25,442,311	43,983,792	62,808,821	63,742,051
283,905,202	237,825,689	287,991,746	345,058,740	405,727,984	422,684,294
130,692,073	73,462,845	24,860,938	27,387,483	31,184,692	29,809,464
24,043	22,086	23,932	-	-	-
<u>\$ 491,244,974</u>	<u>\$ 378,460,429</u>	<u>\$ 391,484,272</u>	<u>\$ 475,439,988</u>	<u>\$ 570,003,884</u>	<u>\$ 583,297,911</u>
\$ 4,824,508,569	\$ 3,727,192,037	\$ 3,806,938,199	\$ 4,580,845,993	\$ 5,657,888,010	\$ 6,463,758,107
10.18%	10.15%	10.28%	10.38%	10.07%	9.02%

SCHEDULE 2
SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
PROPERTY TAX ASSESSMENT RATIOS
Last Ten Fiscal Years

Class	June 30				
	2019	2018	2017	2016	2015
Commercial, Industrial, Utilities and Mining	18%	18%	18%	19%	19%
Agricultural and Vacant	15%	15%	15%	16%	16%
Residential (Owner Occupied)	10%	10%	10%	10%	10%
Residential (Rental)	10%	10%	10%	10%	10%
Railroad, Private Cars and Airlines	14%	15%	14%	15%	16%

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue
Note: Additional classes of property exist, but do not amount to a significant portion of the District's total valuation, therefore they are not included on this schedule.

June 30				
2014	2013	2012	2011	2010
20%	20%	20%	21%	22%
16%	16%	16%	16%	16%
10%	10%	10%	10%	10%
10%	10%	10%	10%	10%
15%	15%	15%	17%	18%

SCHEDULE 3
SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
DIRECT AND OVERLAPPING PROPERTY TAX RATES
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates		
	State Equalization	County-Wide	City of Eloy	Eloy Elementary School District	Picacho Elementary School District	Red Rock Elementary School District	Primary	Secondary	Total
2019	0.47	3.83	1.12	6.16	2.36	2.28	2.34	0.96	3.31
2018	0.49	3.90	1.20	5.06	2.51	2.32	2.38	1.05	3.43
2017	0.50	3.90	1.23	5.28	2.62	2.60	2.56	1.51	4.07
2016	0.51	4.00	1.17	5.20	2.62	2.60	2.32	1.98	4.30
2015	0.51	3.80	1.15	4.93	2.62	2.60	2.28	1.87	4.15
2014	0.51	3.80	1.14	4.93	2.27	2.62	2.38	1.92	4.30
2013	0.47	3.80	1.04	4.76	1.89	2.63	2.42	2.00	4.42
2012	0.43	4.00	0.95	4.12	1.89	3.48	2.71	1.02	3.73
2011	0.34	4.00	0.82	3.97	1.91	4.59	2.71	0.95	3.66
2010	0.33	3.36	0.84	4.00	1.92	4.90	3.02	0.74	3.76

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

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

SCHEDULE 4
SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
PRINCIPAL PROPERTY TAXPAYERS
Current Fiscal Year and Fiscal Year Nine Years Prior

Taxpayers	2019		2010	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
CCA Properties of Arizona Inc.	\$ 1,250,103	49%	\$ 946,362	43%
Arizona Public Service Company	642,268	25%	800,276	37%
Unisource Energy Corporation	300,694	12%	111,620	5%
El Paso Natural Gas Co.	125,350	5%	61,125	3%
Union Pacific Railroad	46,343	2%	40,240	2%
Southwest Gas Corporation	31,105	1%	-	0%
Delta & Pine Land Co.	41,239	2%	51,222	2%
SFPP LP Pipeline Co.	-	0%	33,537	2%
Anderson Clayton Corp	16,646	1%	27,683	1%
CoreCivic	30,913	1%	25,678	1%
Marana Aerospace Solutions	28,354	1%	-	0%
Level 3 Communications LLC	-	0%	23,209	1%
Trico Electric Co-Op Inc	14,591	1%	21,031	1%
Qwest Corporation	10,550	0%	20,575	1%
SSA Travel Centers LLC	13,629	1%	20,080	1%
TOTAL	<u>\$ 2,551,785</u>		<u>\$ 2,182,638</u>	

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

Note: On November 26, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution Beginning with Tax Year 2015 (Fiscal Year 2016) both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the districts binding capacity and as the ceiling for net limited assessed value.

SCHEDULE 5
SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the end of the current fiscal year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 3,701,411	\$ 3,652,739	98.69%	\$ -	\$ 3,652,739	99.83%
2018	\$ 3,532,928	\$ 3,477,852	98.44%	\$ -	\$ 3,477,852	98.44%
2017	\$ 3,744,428	\$ 3,671,538	98.05%	\$ 68,387	\$ 3,739,925	99.88%
2016	\$ 4,021,893	\$ 3,947,762	98.16%	\$ 70,229	\$ 4,017,991	99.90%
2015	\$ 4,258,106	\$ 4,175,303	98.06%	\$ 80,643	\$ 4,255,946	99.95%
2014	\$ 4,341,510	\$ 4,232,763	97.50%	\$ 107,007	\$ 4,339,777	99.96%
2013	\$ 4,500,158	\$ 4,346,906	96.59%	\$ 151,173	\$ 4,498,079	99.95%
2012	\$ 3,761,050	\$ 3,592,998	95.53%	\$ 165,103	\$ 3,758,101	99.92%
2011	\$ 4,282,995	\$ 3,977,686	92.87%	\$ 302,692	\$ 4,280,378	99.94%
2010	\$ 4,128,684	\$ 3,899,242	94.44%	\$ 226,784	\$ 4,126,026	99.94%

Source: The source of this information is the 2018 Maricopa County Treasurer's records

Note: 1) Amounts collected are on a cash basis

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

SCHEDULE 6
SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

<u>Issue Series</u>	<u>Orriginal Amount</u>	<u>Purpose</u>	<u>Final Maturity Date (July 1)</u>	<u>Balance Outstanding</u>
2016, Series A	\$ 4,145,000	School Improvements	2027	\$ 3,110,000

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

SCHEDULE 7
 SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 AVERAGE DAILY MEMBERSHIP
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Percentage Change
2019	409	0.25%
2018	408	-8.11%
2017	444	-0.45%
2016	446	9.58%
2015	407	6.27%
2014	383	7.89%
2013	355	0.57%
2012	353	-12.62%
2011	404	-4.49%
2010	423	-14.55%

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

REPORT ON INTERNAL CONTROL AND COMPLIANCE



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

Governing Board
Santa Cruz Valley Union School District No. 840
Eloy, Arizona

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz Valley Union School District No. 840, (District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise of the District's basic financial statements and have issued our report thereon dated March 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Henry + Horne, LLP

Tempe, Arizona
March 26, 2020