
UNION ELEMENTARY SCHOOL DISTRICT NO. 62

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022



UNION ELEMENTARY SCHOOL DISTRICT NO. 62

TOLLESON, ARIZONA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Issued by:
Business and Finance Department

UNION ELEMENTARY SCHOOL DISTRICT NO. 62

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	5
Organization Chart	6
List of Principal Officials	7

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	11
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)	17
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	40
Notes to Financial Statements	41

UNION ELEMENTARY SCHOOL DISTRICT NO. 62

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	64
Classroom Site Fund	65
Other Federal Projects Fund	66
Pension Schedules	68
Notes to Required Supplementary Information	70
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds – By Fund Type	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds – By Fund Type	75
Special Revenue Funds:	
Combining Balance Sheet	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	82
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	86
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	102

UNION ELEMENTARY SCHOOL DISTRICT NO. 62

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Capital Projects Funds:	
Combining Balance Sheet	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	106
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	108
<u>STATISTICAL SECTION</u>	
Financial Trends:	
Net Position by Component	116
Expenses, Program Revenues, and Net (Expense)/Revenue	117
General Revenues and Total Changes in Net Position	119
Fund Balances – Governmental Funds	121
Governmental Funds Revenues	123
Governmental Funds Expenditures and Debt Service Ratio	125
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	127
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	128
Net Full Cash Assessed Value of Taxable Property by Class	129
Property Tax Assessment Ratios	130

UNION ELEMENTARY SCHOOL DISTRICT NO. 62

TABLE OF CONTENTS

<u>STATISTICAL SECTION</u>	<u>Page</u>
Direct and Overlapping Property Tax Rates	131
Principal Property Taxpayers	132
Property Tax Levies and Collections	133
Debt Capacity:	
Outstanding Debt by Type	134
Direct and Overlapping Governmental Activities Debt	135
Direct and Overlapping General Bonded Debt Ratios	135
Legal Debt Margin Information	136
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	137
Principal Employers	138
Operating Information:	
Full-Time Equivalent District Employees by Type	139
Operating Statistics	141
Capital Assets Information	142

(This page intentionally left blank)

INTRODUCTORY SECTION

(This page intentionally left blank)



Inspiring Hope and Empowering All Students to Courageously Pursue their Goals and Dreams!

Elementary Schools

Dos Rios
Hurley Ranch
Union

Administration

Kristine Morris, M.A. Ed
Superintendent

Melanie Block, M.A. Ed
Director Academic
Services

Carrie Brandon, NBCT
Director of Student
Services

Ana M. Avalos
Director of Human
Resources

Tonia Immel
Executive Director of
Business Services

Governing Board

Nubia Briceno
President

Delson Sunn
Board Member

Susan Doucet
Board Member

December 16, 2022

Citizens and Governing Board
Union Elementary School District No. 62
3834 South 91st Avenue
Tolleson, Arizona 85353-9394

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Union Elementary School District No. 62 (District) for the fiscal year ended June 30, 2022.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from pre-kindergarten through grade 8 with a fiscal year 2021-22 average daily membership of 1,618. Enrollment is projected to remain stable for the next school year. The current buildings located within the District are fairly new with the oldest school being 25 years old.

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

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

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. The District is located in the southwestern portion of the metropolitan Phoenix area and is included in the City of Phoenix's strategic planning. Historically agriculture has played a major role in the District's economy. Over the last ten years commerce, light manufacturing, warehousing, and residential development began to dominate the local economy. The District did see a significant average of student growth from 2002 until 2015. Student growth was projected to remain flat until 2020, at which time additional subdivisions were scheduled to begin. The new developments have started to become occupied, and projections show that District enrollment is expect to grow rapidly, increasing by an average of six percent per year between 2022/2023 and 2025/2026. Growth will continue thereafter, but at the slower rate of about two percent per year.

Long-term Financial Planning. The District currently has reserves that have been able to sustain the District without making personnel decreases or affecting school programs. The District is constantly reviewing their curriculum and continues to add educational programs that are affordable and sustaining. The District maintains a three year project budget for long term planning.

Long term financial planning is incorporated into the District's strategic planning. The District continues to review its goals and philosophies. An example would be the commitment to service all students who were previously outsourced for special programs. These types of cost cutting measures have assisted in building reserves. The District believes that due to affordable housing and the addition of student programs new families will continue to be attracted into the area.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the 11th consecutive year that the District has received this prestigious award. The District also submitted the annual comprehensive financial report for the fiscal year ended June 30, 2021 to the Government Finance Officers Association (GFOA) for consideration of the Certificate of Achievement for Excellence in Financial Reporting award. As of the date of this letter, the District has not received notification from GFOA of an award; however, the District believes the prior year report meets the program's requirements and the award will soon be made. In order to be awarded this certificate, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2022, certificates.

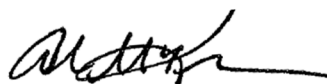
Acknowledgments. The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated service of the entire staff of the business and finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation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

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

Respectfully submitted,



Ms. Kristine Morris
Superintendent



Amanda K. McKeever
Executive Director – Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Union Elementary School District No. 62

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



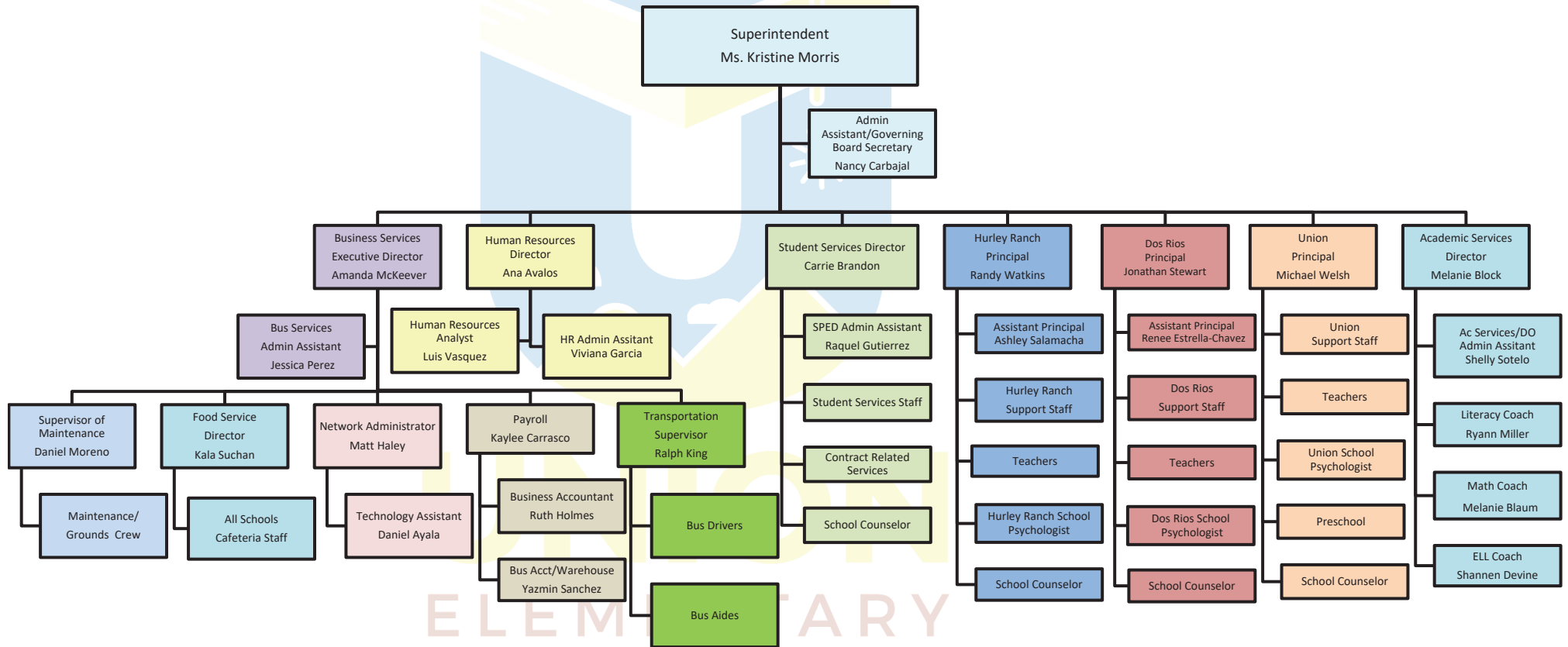
A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

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

David J. Lewis
Executive Director

Union Elementary School District Governing Board
President: Mrs. Nubia Briceño
Members: Mr. Delson Sunn, Mrs. Susan Doucet
2021-22



SCHOOL DISTRICT NO. 62

**List of Principal Officials
Fiscal Year 2021-2022**

Governing Board

Nubia Briceno, President
Delson Sunn, Member
Susan Doucet, Member

District Administration

Ms. Kristine Morris, Superintendent
Ana Avalos, Human Resources Director
Amanda McKeever, Executive Director of Business Services
Melanie Block, Director of Academic Services
Carrie Brandon, Director of Student Support Services
Kala Suchan, Director of Food Service
Matt Haley, Network Administrator
Daniel Moreno, Maintenance Supervisor
Ralph King, Transportation Supervisor

Dos Rios Administration

Jonathan Stewart, Principal
Renee Estrella-Chavez, Assistant Principal

Hurley Ranch Administration

Dr. Randy Watkins, Principal
Ashley Salamacha, Assistant Principal

Union Elementary Administration

Michael Welsh, Principal

(This page intentionally left blank)

FINANCIAL SECTION

(This page intentionally left blank)

Independent Auditor's Report

Governing Board
Union Elementary School District No. 62

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union Elementary School District No. 62 (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Elementary School District No. 62, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Union Elementary School District No. 62 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2022, on our consideration of Union Elementary School District No. 62's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Union Elementary School District No. 62's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Union Elementary School District No. 62's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 16, 2022

(This page intentionally left blank)

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

(This page intentionally left blank)

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

As management of the Union Elementary School District No. 62 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$291,614 which represents an two percent increase from the prior fiscal year as a result of an increase in operating grants and unrestricted state aid due to an increase in student count.
- General revenues accounted for \$14.1 million in revenue, or 71 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$5.7 million or 29 percent of total current fiscal year revenues.
- The District had approximately \$19.5 million in expenses related to governmental activities, an increase of seven percent from the prior fiscal year due to spending of COVID-19 related grant monies.
- Among major funds, the General Fund had \$10.6 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$11.8 million in expenditures.
- The General Fund's fund balance decreased from \$5.5 million at the prior fiscal year end, to \$4.8 million at the end of the current fiscal year as a result of an increase in instructional and administrative expenditures.

OVERVIEW OF FINANCIAL STATEMENTS

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

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.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$17.0 million at the current fiscal year end.

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	As of June 30, 2022	As of June 30, 2021
Current and other assets	\$ 18,997,096	\$ 13,080,313
Capital assets, net	22,756,396	23,196,165
Total assets	<u>41,753,492</u>	<u>36,276,478</u>
Deferred outflows	<u>2,591,940</u>	<u>2,610,444</u>
Current and other liabilities	1,436,653	958,168
Long-term liabilities	21,628,931	21,156,831
Total liabilities	<u>23,065,584</u>	<u>22,114,999</u>
Deferred inflows	<u>4,252,189</u>	<u>35,878</u>
Net position:		
Net investment in capital assets	16,018,512	16,531,998
Restricted	5,805,456	4,415,920
Unrestricted	(4,796,309)	(4,211,873)
Total net position	<u>\$ 17,027,659</u>	<u>\$ 16,736,045</u>

At the end of the current fiscal year, the District reported deficit unrestricted net position as a result of the District's proportionate share of the state's pension plan's unfunded liability. Positive net position was reported in the other two categories. The same situation held true for the prior fiscal year.

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

- The principal retirement of \$765,000 of bonds.
- The issuance of \$4.4 million of School Improvement Bonds.
- The addition of \$756,963 in capital assets primarily due to land improvements and purchases of vehicles furniture and equipment.
- A net decrease in the pension liability of \$3.3 million.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022

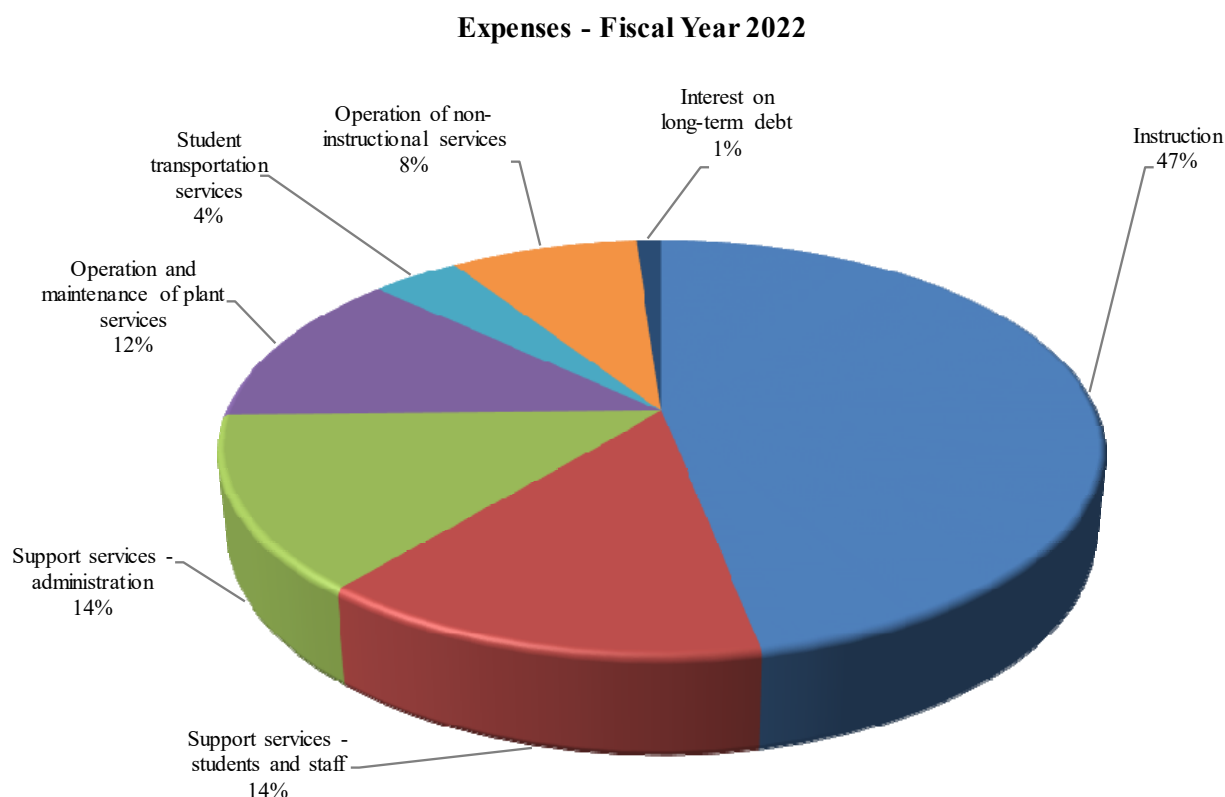
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$19.8 million. The total cost of all programs and services was \$19.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021
Revenues:		
Program revenues:		
Charges for services	\$ 76,666	\$ 12,088
Operating grants and contributions	5,372,744	4,073,434
Capital grants and contributions	221,740	105,208
General revenues:		
Property taxes	3,073,792	3,144,002
Investment income	83,619	81,858
Unrestricted county aid	844,915	848,317
Unrestricted state aid	10,078,017	9,078,774
Total revenues	<u>19,751,493</u>	<u>17,343,681</u>
Expenses:		
Instruction	9,138,239	8,657,995
Support services - students and staff	2,755,774	2,568,387
Support services - administration	2,636,636	2,251,993
Operation and maintenance of plant services	2,383,418	2,472,405
Student transportation services	743,808	708,155
Operation of non-instructional services	1,590,276	1,290,874
Interest on long-term debt	211,728	234,428
Total expenses	<u>19,459,879</u>	<u>18,184,237</u>
Changes in net position	291,614	(840,556)
Net position, beginning	<u>16,736,045</u>	<u>17,576,601</u>
Net position, ending	<u><u>\$ 17,027,659</u></u>	<u><u>\$ 16,736,045</u></u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- An increase of \$999,243 in unrestricted state aid due to an increase in student count and per pupil funding.
- An increase in operating grants and contributions of \$1.3 million due to an increase in COVID-19 grant funding.

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.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2022		Year Ended June 30, 2021	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 9,138,239	\$ (6,187,819)	\$ 8,657,995	\$ (6,617,506)
Support services - students and staff	2,755,774	(2,061,488)	2,568,387	(1,861,434)
Support services - administration	2,636,636	(2,619,316)	2,251,993	(2,206,393)
Operation and maintenance of plant services	2,383,418	(2,376,679)	2,472,405	(2,356,837)
Student transportation services	743,808	(739,565)	708,155	(691,516)
Operation of non-instructional services	1,590,276	407,866	1,290,874	(25,393)
Interest on long-term debt	211,728	(211,728)	234,428	(234,428)
Total	<u>\$ 19,459,879</u>	<u>\$ (13,788,729)</u>	<u>\$ 18,184,237</u>	<u>\$ (13,993,507)</u>

- The cost of all governmental activities this year was \$19.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$5.7 million.
- Net cost of governmental activities of \$13.8 million was financed by general revenues, which are made up of primarily property taxes of \$3.1 million and state and county aid of \$10.9 million. Investment earnings accounted for \$83,619 of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$15.5 million, an increase of \$4.4 million due to the issuance of \$4.4 million in general obligation bonds.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 31 percent of the total fund balance. Approximately \$4.6 million, or 97 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance decreased \$715,279 as of fiscal year end. General Fund revenues decreased \$754,957 due to state aid being allocated to the Unrestricted Capital Outlay Fund in the current fiscal year. General Fund expenditures increased by \$1.0 million primarily due to increases in salaries and benefits.

The fund balance in the Classroom Site Fund increased \$672,712 due to an increase of \$462,062 in state funding.

The fund balance of the Other Federal Projects Fund decreased by \$78,685 due to a delay in receiving reimbursement for grant expenditures.

The Debt Service Fund's fund balance decreased \$101,358 to \$(47,490) at year end due to the property tax levy being insufficient to cover debt service expenditures. The fiscal year 2023 levy will be adjusted to cover the deficit.

The fund balance in the Bond Building Fund increased \$3.7 million due to the issuance of \$4.4 million in general obligation bonds.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$441,834 increase, or 3.6 percent, due to an increase in student count.

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

- The favorable variance of \$853,855 in instruction was a result of planned budget balance carryforward.
- The favorable variance of \$500,018 in support services – students and staff is the result of vacancy savings and the availability of federal funds to supplement additional materials and staff for accelerated learning.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$35.6 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 \$724,768 from the prior fiscal year due to land improvements and purchases of vehicles furniture and equipment. Total depreciation expense for the current fiscal year was \$1.2 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2022 and June 30, 2021.

	As of June 30, 2022	As of June 30, 2021
Capital assets - non-depreciable	\$ 1,917,492	\$ 1,917,492
Capital assets - depreciable, net	20,838,904	21,278,673
Total	<u>\$ 22,756,396</u>	<u>\$ 23,196,165</u>

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

Debt Administration. At year end, the District had \$11.5 million in long-term debt outstanding, \$800,000 due within one year.

The District's general obligation bonds are subject to two debt limits: the Constitutional or total debt limit (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$21.2 million and the Class B debt limitation is \$14.1 million, which are more than the District's outstanding general obligation and Class B debt, respectively.

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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 2022-23 budget. Among them:

- District student population (estimated 1,739).
- Budget balance carry forward (estimated \$2.3 million).

As there are a couple more years left of federal grants related to COVID, particularly ESSER III funding, the District expects to maximize the efficiency of any grants received. ESSER funds are expected to continue to be used to fund teacher positions and other critical expenditures. New home development in the District continues, and the District expects to continue to see more families join its schools as more homes become occupied. The District is working diligently to plan for the welcomed additions to the District.

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 by \$2.2 million, or 17% percent to \$15.0 million in fiscal year 2022-23 due to an increase in student count. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2022-23 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Union Elementary School District No. 62, 3834 South 91st Avenue, Tolleson, Arizona 85353-9394.

BASIC FINANCIAL STATEMENTS

(This page intentionally left blank)

GOVERNMENT-WIDE FINANCIAL STATEMENTS

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 17,249,463
Deposits	29,172
Property taxes receivable	30,619
Due from governmental entities	468,703
Prepaid items	145,536
Leases receivable	1,073,603
Total current assets	<u>18,997,096</u>
Noncurrent assets:	
Capital assets not being depreciated	1,917,492
Capital assets, net of accumulated depreciation	<u>20,838,904</u>
Total noncurrent assets	<u>22,756,396</u>
Total assets	<u><u>41,753,492</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	<u>2,591,940</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	704,059
Accrued payroll and employee benefits	457,055
Compensated absences payable	109,659
Accrued interest payable	113,125
Unearned revenues	162,414
Bonds payable	800,000
Total current liabilities	<u>2,346,312</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>20,719,272</u>
Total noncurrent liabilities	<u>20,719,272</u>
Total liabilities	<u><u>23,065,584</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	3,201,429
Leases	<u>1,050,760</u>
Total deferred inflows of resources	<u><u>4,252,189</u></u>
<u>NET POSITION</u>	
Net investment in capital assets	16,018,512
Restricted for:	
Instruction	3,073,724
Food service	665,867
Non-instructional purposes	59,576
Capital outlay	2,006,289
Unrestricted	<u>(4,796,309)</u>
Total net position	<u><u>\$ 17,027,659</u></u>

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 9,138,239	\$ 74,890	\$ 2,659,665	\$ 215,865	\$ (6,187,819)
Support services - students and staff	2,755,774		694,286		(2,061,488)
Support services - administration	2,636,636		17,320		(2,619,316)
Operation and maintenance of plant services	2,383,418		864	5,875	(2,376,679)
Student transportation services	743,808		4,243		(739,565)
Operation of non-instructional services	1,590,276	1,776	1,996,366		407,866
Interest on long-term debt	211,728				(211,728)
Total governmental activities	<u>\$ 19,459,879</u>	<u>\$ 76,666</u>	<u>\$ 5,372,744</u>	<u>\$ 221,740</u>	<u>(13,788,729)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	2,070,397
Property taxes, levied for debt service	908,659
Property taxes, levied for capital outlay	94,736
Investment income	83,619
Unrestricted county aid	844,915
Unrestricted state aid	10,078,017
Total general revenues	<u>14,080,343</u>

Changes in net position 291,614

Net position, beginning of year 16,736,045

Net position, end of year \$ 17,027,659

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

(This page intentionally left blank)

FUND FINANCIAL STATEMENTS

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>General</u>	<u>Classroom Site</u>	<u>Other Federal Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 4,893,717	\$ 3,080,823	\$ 172,010
Deposits			
Property taxes receivable	21,502		
Due from governmental entities	14,583		188,326
Due from other funds	126,645		
Prepaid items	145,536		
Leases receivable			
Total assets	<u><u>\$ 5,201,983</u></u>	<u><u>\$ 3,080,823</u></u>	<u><u>\$ 360,336</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 253,938	\$ 51,700	\$ 149,356
Due to other funds			
Accrued payroll and employee benefits	151,417	229,594	48,566
Unearned revenues			162,414
Bonds payable			
Bond interest payable			
Total liabilities	<u>405,355</u>	<u>281,294</u>	<u>360,336</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	8,581		
Unavailable revenues - intergovernmental			78,685
Leases			
Total deferred inflows of resources	<u>8,581</u>	<u></u>	<u>78,685</u>
Fund balances (deficits):			
Nonspendable	145,536		
Restricted	18,632	2,799,529	
Unassigned	4,623,879		(78,685)
Total fund balances	<u>4,788,047</u>	<u>2,799,529</u>	<u>(78,685)</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 5,201,983</u></u>	<u><u>\$ 3,080,823</u></u>	<u><u>\$ 360,336</u></u>

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

<u>Debt Service</u>	<u>School Plant</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 859,636	\$ 76,993	\$ 5,263,376	\$ 2,902,908	\$ 17,249,463
			29,172	29,172
9,117				30,619
			265,794	468,703
				126,645
				145,536
	1,073,603			1,073,603
<u>\$ 868,753</u>	<u>\$ 1,150,596</u>	<u>\$ 5,263,376</u>	<u>\$ 3,197,874</u>	<u>\$ 19,123,741</u>
\$	\$	\$ 92,773	\$ 156,292	\$ 704,059
			126,645	126,645
			27,478	457,055
				162,414
800,000				800,000
113,125				113,125
<u>913,125</u>		<u>92,773</u>	<u>310,415</u>	<u>2,363,298</u>
3,118				11,699
			128,758	207,443
	1,050,760			1,050,760
<u>3,118</u>	<u>1,050,760</u>		<u>128,758</u>	<u>1,269,902</u>
	99,836	5,170,603	2,887,459	145,536
(47,490)			(128,758)	10,976,059
<u>(47,490)</u>	<u>99,836</u>	<u>5,170,603</u>	<u>2,758,701</u>	<u>4,368,946</u>
				15,490,541
<u>\$ 868,753</u>	<u>\$ 1,150,596</u>	<u>\$ 5,263,376</u>	<u>\$ 3,197,874</u>	<u>\$ 19,123,741</u>

(This page intentionally left blank)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total governmental fund balances	\$ 15,490,541
---	----------------------

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 funds.

Governmental capital assets	\$ 35,589,094	
Less accumulated depreciation	<u>(12,832,698)</u>	22,756,396

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

Property taxes	11,699	
Intergovernmental	<u>207,443</u>	219,142

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

Deferred outflows of resources related to pensions	2,591,940	
Deferred inflows of resources related to pensions	<u>(3,201,429)</u>	(609,489)

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

Compensated absences payable	(115,429)	
Net pension liability	(9,605,015)	
Bonds payable	<u>(11,108,487)</u>	<u>(20,828,931)</u>

Net position of governmental activities	\$ <u>17,027,659</u>
--	-----------------------------

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>General</u>	<u>Classroom Site</u>	<u>Other Federal Projects</u>
Revenues:			
Other local	\$ 853,493	\$ 19,422	\$
Property taxes	2,078,821		
State aid and grants	7,558,951	1,329,880	
Federal aid, grants and reimbursements	108,455		1,990,749
Total revenues	<u>10,599,720</u>	<u>1,349,302</u>	<u>1,990,749</u>
Expenditures:			
Current -			
Instruction	5,503,898	532,409	1,237,900
Support services - students and staff	1,690,463	144,181	270,930
Support services - administration	2,306,809		106,718
Operation and maintenance of plant services	1,752,530		154,489
Student transportation services	494,807		9,894
Operation of non-instructional services	13,416		21,698
Capital outlay	28,988		167,376
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs			
Total expenditures	<u>11,790,911</u>	<u>676,590</u>	<u>1,969,005</u>
Excess (deficiency) of revenues over expenditures	<u>(1,191,191)</u>	<u>672,712</u>	<u>21,744</u>
Other financing sources (uses):			
Transfers in	350,376		
Transfers out			(100,429)
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)	<u>350,376</u>	<u></u>	<u>(100,429)</u>
Changes in fund balances	<u>(840,815)</u>	<u>672,712</u>	<u>(78,685)</u>
Fund balances, beginning of year	5,503,326	2,126,817	
Increase (decrease) in reserve for prepaid items	125,536		
Fund balances, end of year	<u>\$ 4,788,047</u>	<u>\$ 2,799,529</u>	<u>\$ (78,685)</u>

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

<u>Debt Service</u>	<u>School Plant</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 912,314	\$ 23,458	\$ 13,478	\$ 204,885	\$ 1,114,736
			94,736	3,085,871
			1,331,138	10,219,969
			3,310,506	5,409,710
<u>912,314</u>	<u>23,458</u>	<u>13,478</u>	<u>4,941,265</u>	<u>19,830,286</u>
			866,097	8,140,304
			635,416	2,740,990
	27,178		15,183	2,455,888
			9,801	1,916,820
			3,683	508,384
			1,513,068	1,548,182
		702,521	740,118	1,639,003
800,000				800,000
227,150				227,150
		151,618		151,618
<u>1,027,150</u>	<u>27,178</u>	<u>854,139</u>	<u>3,783,366</u>	<u>20,128,339</u>
<u>(114,836)</u>	<u>(3,720)</u>	<u>(840,661)</u>	<u>1,157,899</u>	<u>(298,053)</u>
13,478				363,854
		(13,478)	(249,947)	(363,854)
		4,410,000		4,410,000
		193,848		193,848
<u>13,478</u>		<u>4,590,370</u>	<u>(249,947)</u>	<u>4,603,848</u>
<u>(101,358)</u>	<u>(3,720)</u>	<u>3,749,709</u>	<u>907,952</u>	<u>4,305,795</u>
53,868	103,556	1,420,894	1,850,749	11,059,210
				125,536
<u>\$ (47,490)</u>	<u>\$ 99,836</u>	<u>\$ 5,170,603</u>	<u>\$ 2,758,701</u>	<u>\$ 15,490,541</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Changes in fund balances - total governmental funds		\$ 4,305,795
Amounts reported for <i>governmental activities</i> in the Statement of Activities are different because:		
Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capitalized assets	\$ 756,963	
Less current year depreciation	<u>(1,196,732)</u>	(439,769)
Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.		(4,603,848)
Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(12,079)	
Intergovernmental	<u>(66,714)</u>	(78,793)
Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		800,000
Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.		
Current year pension contributions	1,058,442	
Pension expense	<u>(913,265)</u>	145,177
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Prepaid items	125,536	
Amortization of deferred bond items	15,422	
Compensated absences	<u>22,094</u>	<u>163,052</u>
Changes in net position in governmental activities		<u>\$ 291,614</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Union Elementary School District No. 62 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2022, the District implemented the provisions of GASB Statement No. 87, *Leases*. This Statement increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District's analysis of contracts and agreements in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

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

A. Reporting Entity

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

The membership of the Governing Board consists of three 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.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. Government-Wide and Fund Financial Statements

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period.

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The District reports the following major governmental funds:

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

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

Other Federal Projects Fund – The Other Federal Projects Fund accounts for financial assistance received for other supplemental federal projects.

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.

School Plant Fund – The School Plant Fund accounts for proceeds from the sale or lease of school property.

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.

D. 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.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As required by statute, interest earnings of the Bond Building Fund are recorded initially in that fund, but then transferred to the Debt Service Fund. All investments are stated at fair value.

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

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

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. 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 federal depository insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

E. Investment Income

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

H. 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.

I. Capital Assets

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

J. 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 assets 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 assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

K. 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.

L. Leases

As lessor, the District recognizes lease receivables with an initial, individual value of \$200,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses an interest rate based on the Applicable Federal Rate as the discount rate to measure leases receivable.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Pensions

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

N. Long-term Obligations

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

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

O. Interfund Activity

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

P. 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.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District does not have a formal policy or procedures for the utilization of committed fund balances, 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 Board delegated the responsibility to the Executive Director of Business Services via a policy adopted at a public meeting of the Board.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

	General Fund	Classroom Site Fund	Other Federal Projects Fund	Debt Service Fund	School Plant Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:							
Nonspendable							
Prepaid items	\$ 145,536	\$	\$	\$	\$	\$	\$
Restricted:							
Capital projects	18,632				99,836		1,887,821
Bond building projects						5,170,603	
Voter approved initiatives		2,799,529					104,184
Federal and state projects							
Food service							665,867
Extracurricular activities							
fees tax credit							76,166
Student activities							10,021
Other purposes							143,400
Unassigned	4,623,879		(78,685)	(47,490)			(128,758)
Total fund balances	<u>\$4,788,047</u>	<u>\$2,799,529</u>	<u>\$(78,685)</u>	<u>\$(47,490)</u>	<u>\$ 99,836</u>	<u>\$5,170,603</u>	<u>\$ 2,758,701</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	<u>Deficit</u>
Major Fund:	
Other Federal Projects	\$ 78,685
Debt Service	47,490
Non-Major Governmental Funds:	
Title I Grants	92,827
Title IV Grants	34,448
Limited English and Immigrant Students	1,483

The deficits arose because of operations during the year, pending grant reimbursements, and delinquent property taxes. Additional revenues received in fiscal year 2022-23 are expected to eliminate the deficits.

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

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$1,708,474 and the bank balance was \$2,038,423. At year end, \$1,788,423 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name.

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

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – CASH AND INVESTMENTS

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	623 days	\$ 15,104,339
The Trust Investment Pool	396 days	436,650
Total		<u>\$ 15,540,989</u>

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

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

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

NOTE 5 – RECEIVABLES

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

	<u>General Fund</u>	<u>Other Federal Projects Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from federal government	\$ 14,583	\$ 188,326	\$ 235,414
Due from state government			30,380
Net due from governmental entities	<u>\$ 14,583</u>	<u>\$ 188,326</u>	<u>\$ 265,794</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 – LEASES RECEIVABLE

The District leases land to a telecommunications provider under the provisions of a contract classified as a lease. The related receivable under the lease agreement has been recorded at the present value of its future minimum lease payments as of the inception date. Lease revenue and related interest revenue are recorded as other local revenue in the School Plant Fund.

Future minimum lease payments to be received under the lease agreement at year end is summarized as follows:

Year ending June 30:		
	2023	\$ -
	2024	15,899
	2025	16,217
	2026	16,541
	2027	16,873
	2028-32	89,559
	2033-37	98,881
	2038-42	109,174
	2043-47	120,536
	2048-52	133,082
	2053-57	146,930
	2058-62	162,225
	2063-67	179,108
	2068	38,000
Total		<u>\$ 1,143,025</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,917,492	\$	\$	\$ 1,917,492
Total capital assets, not being depreciated	<u>1,917,492</u>			<u>1,917,492</u>
Capital assets, being depreciated:				
Land improvements	2,201,356	395,031		2,596,387
Buildings and improvements	27,031,304	151,572		27,182,876
Vehicles, furniture and equipment	3,714,174	210,360	32,195	3,892,339
Total capital assets being depreciated	<u>32,946,834</u>	<u>756,963</u>	<u>32,195</u>	<u>33,671,602</u>
Less accumulated depreciation for:				
Land improvements	(611,533)	(113,250)		(724,783)
Buildings and improvements	(8,879,002)	(812,771)		(9,691,773)
Vehicles, furniture and equipment	(2,177,626)	(270,711)	(32,195)	(2,416,142)
Total accumulated depreciation	<u>(11,668,161)</u>	<u>(1,196,732)</u>	<u>(32,195)</u>	<u>(12,832,698)</u>
Total capital assets, being depreciated, net	<u>21,278,673</u>	<u>(439,769)</u>		<u>20,838,904</u>
Governmental activities capital assets, net	<u>\$ 23,196,165</u>	<u>\$ (439,769)</u>	<u>\$</u>	<u>\$ 22,756,396</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 505,311
Support services – students and staff	64
Support services – administration	69,262
Operation and maintenance of plant services	538,809
Student transportation services	72,276
Operation of non-instructional services	11,010
Total depreciation expense – governmental activities	<u>\$1,196,732</u>

NOTE 8 – SHORT TERM DEBT

Revolving Line of Credit – The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$2.2 million in unused line of credit.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. The bonds are callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District's legal debt limit is \$21.2 million and the available margin is \$9.5 million.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2022</u>	<u>Due Within One Year</u>
Governmental activities:					
School Improvement Bonds, Project of 2006, Series A	\$ 2,540,000	3.00-4.00%	7/1/22	\$ 285,000	\$ 285,000
School Improvement Bonds, Project of 2015, Series A	5,200,000	2.00-3.00%	7/1/22-31	3,345,000	450,000
School Improvement Bonds, Project of 2015, Series B	3,825,000	3.00-4.00%	7/1/22-34	3,505,000	65,000
School Improvement Bonds, Project of 2015, Series C	4,410,000	4.00-5.00%	7/1/23-38	4,410,000	
Total				<u>\$ 11,545,000</u>	<u>\$ 800,000</u>

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

		<u>Governmental Activities</u>	
		<u>Principal</u>	<u>Interest</u>
Year ending June 30:			
	2023	\$ 800,000	\$ 329,550
	2024	905,000	390,375
	2025	790,000	367,000
	2026	715,000	341,225
	2027	635,000	313,775
	2028-32	3,080,000	1,239,500
	2033-37	3,585,000	617,250
	2038-42	1,035,000	47,875
Total		<u>\$ 11,545,000</u>	<u>\$ 3,646,550</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 7,900,000	\$ 4,410,000	\$ 765,000	\$11,545,000	\$ 800,000
Premium	185,061	193,848	15,422	363,487	
Total bonds payable	<u>8,085,061</u>	<u>4,603,848</u>	<u>780,422</u>	<u>11,908,487</u>	<u>800,000</u>
Net pension liability	12,934,247		3,329,232	9,605,015	
Compensated absences payable	137,523	142,988	165,082	115,429	109,659
Governmental activity long-term liabilities	<u>\$ 21,156,831</u>	<u>\$ 4,746,836</u>	<u>\$ 4,274,736</u>	<u>\$21,628,931</u>	<u>\$ 909,659</u>

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, several non-major governmental funds had negative cash balances of \$126,645 in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in		
	General Fund	Debt Service Fund	Total
Transfers out			
Other Federal Projects Fund	\$ 100,429	\$	\$ 100,429
Bond Building Fund		13,478	13,478
Non-Major Governmental Funds	249,947		249,947
Total	<u>\$ 350,376</u>	<u>\$ 13,478</u>	<u>\$ 363,854</u>

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – CONTINGENT LIABILITIES

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

NOTE 13 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District 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.

The District's employees have health and accident insurance coverage with the Kairos. Kairos 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 Kairos for employees' health and accident insurance coverage. The agreement provides that Kairos 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.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

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.

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

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

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2022 were \$1,058,442.

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 10.22 percent (10.13 for retirement and 0.09 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2021. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2020, to the measurement date of June 30, 2021. The District's proportion of the net liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2021. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience study for the 5-year period ended June 30, 2020, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

At June 30, 2022, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2021, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2020 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 9,605,015	0.073	(0.002)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30, 2022 was \$913,265.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 146,420	\$
Changes of assumptions or other inputs	1,250,170	
Net difference between projected and actual earnings on pension investments		3,043,207
Changes in proportion and differences between contributions and proportionate share of contributions	136,908	158,222
Contributions subsequent to the measurement date	1,058,442	
Total	<u>\$ 2,591,940</u>	<u>\$ 3,201,429</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 liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2023	\$ 92,108
2024	(40,456)
2025	(670,871)
2026	(1,048,712)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

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

Actuarial valuation date	June 30, 2020
Actuarial roll forward date	June 30, 2021
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. 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, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	4.90%
Credit	20	5.20
Interest rate sensitive bonds	10	0.70
Real estate	20	5.70
Total	<u>100%</u>	

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The discount rate was lowered in the roll forward for the year June 30, 2021 from 7.5 percent, which was used for the actuarial assumptions at the valuation date. 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 plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 15,107,885	\$ 9,605,015	\$ 5,017,145

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

REQUIRED SUPPLEMENTARY INFORMATION

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 808,382	\$ 808,382
Property taxes			2,078,821	2,078,821
State aid and grants			7,558,951	7,558,951
Total revenues			<u>10,446,154</u>	<u>10,446,154</u>
Expenditures:				
Current -				
Instruction	6,333,312	6,351,535	5,497,680	853,855
Support services - students and staff	1,645,385	2,181,854	1,681,836	500,018
Support services - administration	2,131,048	1,982,046	1,919,393	62,653
Operation and maintenance of plant services	1,702,622	1,655,000	1,552,986	102,014
Student transportation services	529,582	613,020	492,763	120,257
Operation of non-instructional services	45,000	47,000	13,416	33,584
Total expenditures	<u>12,386,949</u>	<u>12,830,455</u>	<u>11,158,074</u>	<u>1,672,381</u>
Changes in fund balances	<u>(12,386,949)</u>	<u>(12,830,455)</u>	<u>(711,920)</u>	<u>12,118,535</u>
Fund balances, beginning of year			2,654,812	2,654,812
Increase (decrease) in reserve for prepaid items			(20,000)	(20,000)
Fund balances (deficits), end of year	<u>\$ (12,386,949)</u>	<u>\$ (12,830,455)</u>	<u>\$ 1,922,892</u>	<u>\$ 14,753,347</u>

See accompanying notes to this schedule.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLASSROOM SITE
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u></u>
Revenues:			
Other local	\$	\$ 19,422	\$ 19,422
State aid and grants		1,329,880	1,329,880
Total revenues		<u>1,349,302</u>	<u>1,349,302</u>
Expenditures:			
Current -			
Instruction	2,590,000	532,409	2,057,591
Support services - students and staff	886,544	144,181	742,363
Total expenditures	<u>3,476,544</u>	<u>676,590</u>	<u>2,799,954</u>
Changes in fund balances	<u>(3,476,544)</u>	<u>672,712</u>	<u>4,149,256</u>
Fund balances, beginning of year		2,126,817	2,126,817
Fund balances (deficits), end of year	<u>\$ (3,476,544)</u>	<u>\$ 2,799,529</u>	<u>\$ 6,276,073</u>

See accompanying notes to this schedule.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 1,990,749	\$ 1,990,749
Total revenues			<u>1,990,749</u>	<u>1,990,749</u>
Expenditures:				
Current -				
Instruction	1,700,000	5,412,000	1,237,900	4,174,100
Support services - students and staff			270,930	(270,930)
Support services - administration			106,718	(106,718)
Operation and maintenance of plant services			154,489	(154,489)
Student transportation services			9,894	(9,894)
Operation of non-instructional services			21,698	(21,698)
Capital outlay			167,376	(167,376)
Total expenditures	<u>1,700,000</u>	<u>5,412,000</u>	<u>1,969,005</u>	<u>3,442,995</u>
Excess (deficiency) of revenues over expenditures	<u>(1,700,000)</u>	<u>(5,412,000)</u>	<u>21,744</u>	<u>5,433,744</u>
Other financing sources (uses):				
Transfers out			(100,429)	(100,429)
Total other financing sources (uses)			<u>(100,429)</u>	<u>(100,429)</u>
Changes in fund balances	<u>(1,700,000)</u>	<u>(5,412,000)</u>	<u>(78,685)</u>	<u>5,333,315</u>
Fund balances, beginning of year				
Fund balances (deficits), end of year	<u>\$ (1,700,000)</u>	<u>\$ (5,412,000)</u>	<u>\$ (78,685)</u>	<u>\$ 5,333,315</u>

See accompanying notes to this schedule.

(This page intentionally left blank)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net pension (assets) liability	0.07%	0.08%	0.07%	0.07%
District's proportionate share of the net pension (assets) liability	\$ 9,605,015	\$ 12,934,247	\$ 10,436,094	\$ 10,109,804
District's covered payroll	\$ 8,213,554	\$ 8,156,856	\$ 7,510,349	\$ 7,200,752
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	116.94%	158.57%	138.96%	140.40%
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 1,058,442	\$ 956,879	\$ 933,960	\$ 839,657
Contributions in relation to the actuarially determined contribution	<u>1,058,442</u>	<u>956,879</u>	<u>933,960</u>	<u>839,657</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 8,813,006	\$ 8,213,554	\$ 8,156,856	\$ 7,510,349
Contributions as a percentage of covered payroll	12.01%	11.65%	11.45%	11.18%

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

See accompanying notes to this schedule.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.08%	0.07%	0.07%	0.06%
\$ 11,842,434	\$ 11,547,275	\$ 10,662,747	\$ 9,597,452
\$ 7,390,167	\$ 6,329,152	\$ 6,299,789	\$ 5,857,131
160.25%	182.45%	169.26%	163.86%
69.92%	67.06%	68.35%	69.49%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 784,883	\$ 796,660	\$ 686,713	\$ 686,047
<u>784,883</u>	<u>796,660</u>	<u>686,713</u>	<u>686,047</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 7,200,752	\$ 7,390,167	\$ 6,329,152	\$ 6,299,789
10.90%	10.78%	10.85%	10.89%

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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

	<u>General Fund</u>	
	<u>Total</u>	<u>Fund</u>
	<u>Expenditures</u>	<u>Balances</u>
		<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 11,790,911	\$ 4,788,047
Activity budgeted as special revenue funds	(264,595)	(834,675)
Activity budgeted as capital projects funds	(3,544)	(18,632)
Prior-year prepaid items	(124,593)	
Employee insurance account	<u>(240,105)</u>	<u>(2,011,848)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 11,158,074</u>	<u>\$ 1,922,892</u>

NOTE 2 – PENSION 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, 2020, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. 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, 2020, actuarial valuation. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

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

(This page intentionally left blank)

GOVERNMENTAL FUNDS

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2022

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 906,529	\$ 1,996,379	\$ 2,902,908
Deposits	29,172		29,172
Due from governmental entities	265,794		265,794
Total assets	<u>\$ 1,201,495</u>	<u>\$ 1,996,379</u>	<u>\$ 3,197,874</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 47,734	\$ 108,558	\$ 156,292
Due to other funds	126,645		126,645
Accrued payroll and employee benefits	27,478		27,478
Total liabilities	<u>201,857</u>	<u>108,558</u>	<u>310,415</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>128,758</u>		<u>128,758</u>
Fund balances (deficits):			
Restricted	999,638	1,887,821	2,887,459
Unassigned	<u>(128,758)</u>		<u>(128,758)</u>
Total fund balances	<u>870,880</u>	<u>1,887,821</u>	<u>2,758,701</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,201,495</u>	<u>\$ 1,996,379</u>	<u>\$ 3,197,874</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2022

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 125,281	\$ 79,604	\$ 204,885
Property taxes		94,736	94,736
State aid and grants	228,129	1,103,009	1,331,138
Federal aid, grants and reimbursements	3,310,506		3,310,506
Total revenues	<u>3,663,916</u>	<u>1,277,349</u>	<u>4,941,265</u>
Expenditures:			
Current -			
Instruction	866,097		866,097
Support services - students and staff	635,416		635,416
Support services - administration	15,183		15,183
Operation and maintenance of plant services	9,801		9,801
Student transportation services	3,683		3,683
Operation of non-instructional services	1,513,068		1,513,068
Capital outlay	79,808	660,310	740,118
Total expenditures	<u>3,123,056</u>	<u>660,310</u>	<u>3,783,366</u>
Excess (deficiency) of revenues over expenditures	<u>540,860</u>	<u>617,039</u>	<u>1,157,899</u>
Other financing sources (uses):			
Transfers out	(249,947)		(249,947)
Total other financing sources (uses)	<u>(249,947)</u>		<u>(249,947)</u>
Changes in fund balances	<u>290,913</u>	<u>617,039</u>	<u>907,952</u>
Fund balances, beginning of year	579,967	1,270,782	1,850,749
Fund balances, end of year	<u>\$ 870,880</u>	<u>\$ 1,887,821</u>	<u>\$ 2,758,701</u>

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Insurance Refund - to account for insurance premium payments that are refunded to the District.

Grants and Gifts to Teachers - to account for grants and gifts under \$1,500 received from private sources that are designated for use by a teacher for instructional purposes.

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 73,804	\$ 8,322	\$
Deposits			
Due from governmental entities	30,380		100,998
Total assets	<u>\$ 104,184</u>	<u>\$ 8,322</u>	<u>\$ 100,998</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			100,998
Accrued payroll and employee benefits	_____	_____	_____
Total liabilities	_____	_____	100,998
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	_____	_____	92,827
Fund balances (deficits):			
Restricted	104,184	8,322	
Unassigned	_____	_____	(92,827)
Total fund balances	<u>104,184</u>	<u>8,322</u>	<u>(92,827)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 104,184</u>	<u>\$ 8,322</u>	<u>\$ 100,998</u>

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Special Education Grants	Food Service	Civic Center
\$	\$	\$ 1,817	\$ 3,271	\$ 574,411	\$ 57
9,883	46,187	1,483	1,445	29,172	
\$ 9,883	\$ 46,187	\$ 3,300	\$ 4,716	75,418	\$ 57
				\$ 679,001	
\$	\$ 10,958	\$ 3,300	\$ 4,716	\$ 5,121	\$
7,245	18,402				
2,638	16,827			8,013	
9,883	46,187	3,300	4,716	13,134	
	34,448	1,483			
	(34,448)	(1,483)		665,867	57
	(34,448)	(1,483)		665,867	57
\$ 9,883	\$ 46,187	\$ 3,300	\$ 4,716	\$ 679,001	\$ 57

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Textbooks
<u>ASSETS</u>			
Cash and investments	\$ 76,166	\$ 92,174	\$ 6,154
Deposits			
Due from governmental entities			
Total assets	<u>\$ 76,166</u>	<u>\$ 92,174</u>	<u>\$ 6,154</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 23,639	\$
Due to other funds			
Accrued payroll and employee benefits			
Total liabilities	<u></u>	<u>23,639</u>	<u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	76,166	68,535	6,154
Unassigned			
Total fund balances	<u>76,166</u>	<u>68,535</u>	<u>6,154</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 76,166</u>	<u>\$ 92,174</u>	<u>\$ 6,154</u>

<u>Litigation Recovery</u>	<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 17	\$ 59,502	\$ 813	\$ 10,021	\$ 906,529
				29,172
				265,794
<u>\$ 17</u>	<u>\$ 59,502</u>	<u>\$ 813</u>	<u>\$ 10,021</u>	<u>\$ 1,201,495</u>
\$	\$	\$	\$	\$ 47,734
				126,645
				27,478
				201,857
				128,758
17	59,502	813	10,021	999,638
				(128,758)
<u>17</u>	<u>59,502</u>	<u>813</u>	<u>10,021</u>	<u>870,880</u>
<u>\$ 17</u>	<u>\$ 59,502</u>	<u>\$ 813</u>	<u>\$ 10,021</u>	<u>\$ 1,201,495</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Instructional Improvement	County, City, and Town Grants	Title I Grants
Revenues:			
Other local	\$ 1,076	\$ 60	\$
State aid and grants	92,052		
Federal aid, grants and reimbursements			516,459
Total revenues	<u>93,128</u>	<u>60</u>	<u>516,459</u>
Expenditures:			
Current -			
Instruction	217,236		265,853
Support services - students and staff	35,821		232,640
Support services - administration			9,000
Operation and maintenance of plant services			
Student transportation services			1,308
Operation of non-instructional services			
Capital outlay			22,488
Total expenditures	<u>253,057</u>	<u></u>	<u>531,289</u>
Excess (deficiency) of revenues over expenditures	<u>(159,929)</u>	<u>60</u>	<u>(14,830)</u>
Other financing sources (uses):			
Transfers out			(28,863)
Total other financing sources (uses)			<u>(28,863)</u>
Changes in fund balances	<u>(159,929)</u>	<u>60</u>	<u>(43,693)</u>
Fund balances (deficits), beginning of year	264,113	8,262	(49,134)
Fund balances (deficits), end of year	<u>\$ 104,184</u>	<u>\$ 8,322</u>	<u>\$ (92,827)</u>

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Special Education Grants	Other State Projects	Food Service
\$	\$	\$	\$	\$	\$
				136,077	5,715
78,796	383,738	103,887	302,337		1,925,289
78,796	383,738	103,887	302,337	136,077	1,931,004
	172,473	3,300	202,558		
59,784	75,215	64,859	29,250	133,400	
1,150	250	85	539		150
					9,051
	2,375				
	9,721				1,451,378
6,516	1,488		17,997		31,319
67,450	261,522	68,244	250,344	133,400	1,491,898
11,346	122,216	35,643	51,993	2,677	439,106
(3,365)	(14,563)	(3,817)	(13,038)		(186,301)
(3,365)	(14,563)	(3,817)	(13,038)		(186,301)
7,981	107,653	31,826	38,955	2,677	252,805
(7,981)	(142,101)	(33,309)	(38,955)	(2,677)	413,062
\$	\$	\$	\$	\$	\$
	(34,448)	(1,483)			665,867

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Civic Center	Extracurricular Activities Fees Tax Credit	Gifts and Donations
Revenues:			
Other local	\$ 4	\$ 7,844	\$ 102,853
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>4</u>	<u>7,844</u>	<u>102,853</u>
Expenditures:			
Current -			
Instruction		4,569	108
Support services - students and staff			4,087
Support services - administration			4,009
Operation and maintenance of plant services	750		
Student transportation services			
Operation of non-instructional services			51,969
Capital outlay			
Total expenditures	<u>750</u>	<u>4,569</u>	<u>60,173</u>
Excess (deficiency) of revenues over expenditures	<u>(746)</u>	<u>3,275</u>	<u>42,680</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(746)</u>	<u>3,275</u>	<u>42,680</u>
Fund balances (deficits), beginning of year	803	72,891	25,855
Fund balances, end of year	<u>\$ 57</u>	<u>\$ 76,166</u>	<u>\$ 68,535</u>

<u>Textbooks</u>	<u>Litigation Recovery</u>	<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 165	\$ 17	\$ 6,992	\$ 380	\$ 175	\$ 125,281
					228,129
					3,310,506
<u>165</u>	<u>17</u>	<u>6,992</u>	<u>380</u>	<u>175</u>	<u>3,663,916</u>
					866,097
			360		635,416
					15,183
					9,801
					3,683
					1,513,068
					79,808
			<u>360</u>		<u>3,123,056</u>
<u>165</u>	<u>17</u>	<u>6,992</u>	<u>20</u>	<u>175</u>	<u>540,860</u>
					(249,947)
					(249,947)
<u>165</u>	<u>17</u>	<u>6,992</u>	<u>20</u>	<u>175</u>	<u>290,913</u>
5,989		52,510	793	9,846	579,967
<u>\$ 6,154</u>	<u>\$ 17</u>	<u>\$ 59,502</u>	<u>\$ 813</u>	<u>\$ 10,021</u>	<u>\$ 870,880</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Instructional Improvement		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,076	\$ 1,076
State aid and grants		92,052	92,052
Federal aid, grants and reimbursements			
Total revenues		<u>93,128</u>	<u>93,128</u>
Expenditures:			
Current -			
Instruction	550,000	217,236	332,764
Support services - students and staff		35,821	(35,821)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>550,000</u>	<u>253,057</u>	<u>296,943</u>
Excess (deficiency) of revenues over expenditures	<u>(550,000)</u>	<u>(159,929)</u>	<u>390,071</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(550,000)</u>	<u>(159,929)</u>	<u>390,071</u>
Fund balances (deficits), beginning of year		264,113	264,113
Fund balances (deficits), end of year	<u>\$ (550,000)</u>	<u>\$ 104,184</u>	<u>\$ 654,184</u>

County, City, and Town Grants			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 60	\$ 60	\$	\$	\$
				516,459	516,459
	60	60		516,459	516,459
8,000		8,000	700,000	265,853	434,147
				232,640	(232,640)
				9,000	(9,000)
				1,308	(1,308)
				22,488	(22,488)
8,000		8,000	700,000	531,289	168,711
(8,000)	60	8,060	(700,000)	(14,830)	685,170
				(28,863)	(28,863)
				(28,863)	(28,863)
(8,000)	60	8,060	(700,000)	(43,693)	656,307
	8,262	8,262		(49,134)	(49,134)
\$ (8,000)	\$ 8,322	\$ 16,322	\$ (700,000)	\$ (92,827)	\$ 607,173

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		78,796	78,796
Total revenues		<u>78,796</u>	<u>78,796</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	115,000	59,784	55,216
Support services - administration		1,150	(1,150)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		6,516	(6,516)
Total expenditures	<u>115,000</u>	<u>67,450</u>	<u>47,550</u>
Excess (deficiency) of revenues over expenditures	<u>(115,000)</u>	<u>11,346</u>	<u>126,346</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(3,365)	(3,365)
Total other financing sources (uses)		<u>(3,365)</u>	<u>(3,365)</u>
Changes in fund balances	<u>(115,000)</u>	<u>7,981</u>	<u>122,981</u>
Fund balances (deficits), beginning of year		(7,981)	(7,981)
Fund balances (deficits), end of year	<u>\$ (115,000)</u>	<u>\$</u>	<u>\$ 115,000</u>

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	383,738	383,738		103,887	103,887
	383,738	383,738		103,887	103,887
314,000	172,473	141,527		3,300	(3,300)
	75,215	(75,215)	75,000	64,859	10,141
	250	(250)		85	(85)
	2,375	(2,375)			
	9,721	(9,721)			
	1,488	(1,488)			
314,000	261,522	52,478	75,000	68,244	6,756
(314,000)	122,216	436,216	(75,000)	35,643	110,643
	(14,563)	(14,563)		(3,817)	(3,817)
	(14,563)	(14,563)		(3,817)	(3,817)
(314,000)	107,653	421,653	(75,000)	31,826	106,826
	(142,101)	(142,101)		(33,309)	(33,309)
\$ (314,000)	\$ (34,448)	\$ 279,552	\$ (75,000)	\$ (1,483)	\$ 73,517

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		302,337	302,337
Total revenues		<u>302,337</u>	<u>302,337</u>
Expenditures:			
Current -			
Instruction	329,300	202,558	126,742
Support services - students and staff		29,250	(29,250)
Support services - administration		539	(539)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		17,997	(17,997)
Total expenditures	<u>329,300</u>	<u>250,344</u>	<u>78,956</u>
Excess (deficiency) of revenues over expenditures	<u>(329,300)</u>	<u>51,993</u>	<u>381,293</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(13,038)	(13,038)
Total other financing sources (uses)		<u>(13,038)</u>	<u>(13,038)</u>
Changes in fund balances	<u>(329,300)</u>	<u>38,955</u>	<u>368,255</u>
Fund balances (deficits), beginning of year		(38,955)	(38,955)
Fund balances (deficits), end of year	<u>\$ (329,300)</u>	<u>\$</u>	<u>\$ 329,300</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 1,417	\$ 1,417
				108,455	108,455
				109,872	109,872
5,000		5,000			
				6,570	(6,570)
			300,000	73,451	226,549
				12,093	(12,093)
5,000		5,000	300,000	92,114	207,886
(5,000)		5,000	(300,000)	17,758	317,758
(5,000)		5,000	(300,000)	17,758	317,758
	8,169	8,169		188,471	188,471
\$ (5,000)	\$ 8,169	\$ 13,169	\$ (300,000)	\$ 206,229	\$ 506,229

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Other State Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		136,077	136,077
Federal aid, grants and reimbursements			
Total revenues		<u>136,077</u>	<u>136,077</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		133,400	(133,400)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		<u>133,400</u>	<u>(133,400)</u>
Excess (deficiency) of revenues over expenditures		<u>2,677</u>	<u>2,677</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		<u>2,677</u>	<u>2,677</u>
Fund balances (deficits), beginning of year		(2,677)	(2,677)
Fund balances (deficits), end of year	<u>\$</u>	<u>\$</u>	<u>\$</u>

Food Service			Civic Center		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 5,715	\$ 5,715	\$	\$ 4	\$ 4
	1,925,289	1,925,289			
	1,931,004	1,931,004		4	4
	150	(150)			
	9,051	(9,051)	800	750	50
2,000,000	1,451,378	548,622			
	31,319	(31,319)			
2,000,000	1,491,898	508,102	800	750	50
(2,000,000)	439,106	2,439,106	(800)	(746)	54
	(186,301)	(186,301)			
	(186,301)	(186,301)			
(2,000,000)	252,805	2,252,805	(800)	(746)	54
	413,062	413,062		803	803
\$ (2,000,000)	\$ 665,867	\$ 2,665,867	\$ (800)	\$ 57	\$ 857

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 13,168	\$ 13,168
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>13,168</u>	<u>13,168</u>
Expenditures:			
Current -			
Instruction		6,218	(6,218)
Support services - students and staff	25,000	8,627	16,373
Support services - administration		152	(152)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>25,000</u>	<u>14,997</u>	<u>10,003</u>
Excess (deficiency) of revenues over expenditures	<u>(25,000)</u>	<u>(1,829)</u>	<u>23,171</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(25,000)</u>	<u>(1,829)</u>	<u>23,171</u>
Fund balances (deficits), beginning of year		8,633	8,633
Fund balances (deficits), end of year	<u>\$ (25,000)</u>	<u>\$ 6,804</u>	<u>\$ 31,804</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 7,844	\$ 7,844	\$	\$ 102,853	\$ 102,853
	7,844	7,844		102,853	102,853
80,000	4,569	75,431		108	(108)
				4,087	(4,087)
				4,009	(4,009)
			60,000	51,969	8,031
80,000	4,569	75,431	60,000	60,173	(173)
(80,000)	3,275	83,275	(60,000)	42,680	102,680
(80,000)	3,275	83,275	(60,000)	42,680	102,680
	72,891	72,891		25,855	25,855
\$ (80,000)	\$ 76,166	\$ 156,166	\$ (60,000)	\$ 68,535	\$ 128,535

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 165	\$ 165
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>165</u>	<u>165</u>
Expenditures:			
Current -			
Instruction	7,000		7,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>7,000</u>		<u>7,000</u>
Excess (deficiency) of revenues over expenditures	<u>(7,000)</u>	<u>165</u>	<u>7,165</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(7,000)</u>	<u>165</u>	<u>7,165</u>
Fund balances (deficits), beginning of year		5,989	5,989
Fund balances (deficits), end of year	<u>\$ (7,000)</u>	<u>\$ 6,154</u>	<u>\$ 13,154</u>

Litigation Recovery			Indirect Costs		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 17	\$ 17	\$	\$ 3,422	\$ 3,422
	17	17		3,422	3,422
			400,000	140,589	259,411
				16,895	(16,895)
			400,000	157,484	242,516
	17	17	(400,000)	(154,062)	245,938
				350,376	350,376
				350,376	350,376
	17	17	(400,000)	196,314	596,314
				417,159	417,159
\$	\$ 17	\$ 17	\$ (400,000)	\$ 613,473	\$ 1,013,473

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Insurance Refund		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 6,992	\$ 6,992
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>6,992</u>	<u>6,992</u>
Expenditures:			
Current -			
Instruction	25,000		25,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>25,000</u>		<u>25,000</u>
Excess (deficiency) of revenues over expenditures	<u>(25,000)</u>	<u>6,992</u>	<u>31,992</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(25,000)</u>	<u>6,992</u>	<u>31,992</u>
Fund balances (deficits), beginning of year		52,510	52,510
Fund balances (deficits), end of year	<u>\$ (25,000)</u>	<u>\$ 59,502</u>	<u>\$ 84,502</u>

Grants and Gifts to Teachers			Student Activities		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 380	\$ 380	\$	\$ 175	\$ 175
	380	380		175	175
2,000	360	1,640	20,000		20,000
2,000	360	1,640	20,000		20,000
(2,000)	20	2,020	(20,000)	175	20,175
(2,000)	20	2,020	(20,000)	175	20,175
	793	793		9,846	9,846
\$ (2,000)	\$ 813	\$ 2,813	\$ (20,000)	\$ 10,021	\$ 30,021

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 143,288	\$ 143,288
State aid and grants		228,129	228,129
Federal aid, grants and reimbursements		3,418,961	3,418,961
Total revenues		<u>3,790,378</u>	<u>3,790,378</u>
Expenditures:			
Current -			
Instruction	2,018,300	872,315	1,145,985
Support services - students and staff	237,000	644,043	(407,043)
Support services - administration	400,000	162,494	237,506
Operation and maintenance of plant services	300,800	83,252	217,548
Student transportation services		3,683	(3,683)
Operation of non-instructional services	2,060,000	1,513,068	546,932
Capital outlay		108,796	(108,796)
Total expenditures	<u>5,016,100</u>	<u>3,387,651</u>	<u>1,628,449</u>
Excess (deficiency) of revenues over expenditures	<u>(5,016,100)</u>	<u>402,727</u>	<u>5,418,827</u>
Other financing sources (uses):			
Transfers in		350,376	350,376
Transfers out		(249,947)	(249,947)
Total other financing sources (uses)		<u>100,429</u>	<u>100,429</u>
Changes in fund balances	<u>(5,016,100)</u>	<u>503,156</u>	<u>5,519,256</u>
Fund balances (deficits), beginning of year		1,202,399	1,202,399
Fund balances (deficits), end of year	<u>\$ (5,016,100)</u>	<u>\$ 1,705,555</u>	<u>\$ 6,721,655</u>

DEBT SERVICE FUND

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Property taxes	\$	\$ 912,314	\$ 912,314
Total revenues		<u>912,314</u>	<u>912,314</u>
Expenditures:			
Debt service -			
Principal retirement	800,000	800,000	
Interest and fiscal charges	200,000	227,150	(27,150)
Total expenditures	<u>1,000,000</u>	<u>1,027,150</u>	<u>(27,150)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,000,000)</u>	<u>(114,836)</u>	<u>885,164</u>
Other financing sources (uses):			
Transfers in		13,478	13,478
Total other financing sources (uses)		<u>13,478</u>	<u>13,478</u>
Changes in fund balances	<u>(1,000,000)</u>	<u>(101,358)</u>	<u>898,642</u>
Fund balances, beginning of year		53,868	53,868
Fund balances (deficits), end of year	<u>\$ (1,000,000)</u>	<u>\$ (47,490)</u>	<u>\$ 952,510</u>

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>
<u>ASSETS</u>			
Cash and investments	\$ 997,964	\$ 960,936	\$ 11,117
Total assets	<u>\$ 997,964</u>	<u>\$ 960,936</u>	<u>\$ 11,117</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 108,558	\$	\$
Total liabilities	<u>108,558</u>	<u></u>	<u></u>
Fund balances:			
Restricted	889,406	960,936	11,117
Total fund balances	<u>889,406</u>	<u>960,936</u>	<u>11,117</u>
Total liabilities and fund balances	<u>\$ 997,964</u>	<u>\$ 960,936</u>	<u>\$ 11,117</u>

Building Renewal Grant	Totals
\$ 26,362	\$ 1,996,379
<u>\$ 26,362</u>	<u>\$ 1,996,379</u>

\$	\$ 108,558
	<u>108,558</u>

26,362	1,887,821
<u>26,362</u>	<u>1,887,821</u>
\$ 26,362	\$ 1,996,379
<u>\$ 26,362</u>	<u>\$ 1,996,379</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Unrestricted Capital Outlay	Adjacent Ways	Energy and Water Savings
Revenues:			
Other local	\$ 71,464	\$ 7,864	\$ 68
Property taxes	94,736		
State aid and grants	1,097,134		
Total revenues	<u>1,263,334</u>	<u>7,864</u>	<u>68</u>
Expenditures:			
Capital outlay	660,310		
Total expenditures	<u>660,310</u>		
Changes in fund balances	<u>603,024</u>	<u>7,864</u>	<u>68</u>
Fund balances, beginning of year	286,382	953,072	11,049
Fund balances, end of year	<u>\$ 889,406</u>	<u>\$ 960,936</u>	<u>\$ 11,117</u>

Building Renewal Grant	Totals
\$ 208	\$ 79,604
	94,736
5,875	1,103,009
<u>6,083</u>	<u>1,277,349</u>
	660,310
	<u>660,310</u>
6,083	617,039
20,279	1,270,782
<u>\$ 26,362</u>	<u>\$ 1,887,821</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	School Plant		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 23,458	\$ 23,458
Property taxes			
State aid and grants			
Total revenues		<u>23,458</u>	<u>23,458</u>
Expenditures:			
Current -			
Support services - administration	100,000	27,178	72,822
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Debt service -			
Bond issuance costs			
Total expenditures	<u>100,000</u>	<u>27,178</u>	<u>72,822</u>
Excess (deficiency) of revenues over expenditures	<u>(100,000)</u>	<u>(3,720)</u>	<u>96,280</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(100,000)</u>	<u>(3,720)</u>	<u>96,280</u>
Fund balances (deficits), beginning of year		103,556	103,556
Fund balances (deficits), end of year	<u>\$ (100,000)</u>	<u>\$ 99,836</u>	<u>\$ 199,836</u>

Insurance Proceeds			Unrestricted Capital Outlay		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 27,104	\$ 27,104	\$	\$ 71,464	\$ 71,464
				94,736	94,736
				1,097,134	1,097,134
	27,104	27,104		1,263,334	1,263,334
40,000	1,500	(1,500)			
	2,044	37,956	1,386,538	660,310	726,228
40,000	3,544	36,456	1,386,538	660,310	726,228
(40,000)	23,560	63,560	(1,386,538)	603,024	1,989,562
(40,000)	23,560	63,560	(1,386,538)	603,024	1,989,562
	(4,928)	(4,928)		286,382	286,382
\$ (40,000)	\$ 18,632	\$ 58,632	\$ (1,386,538)	\$ 889,406	\$ 2,275,944

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 7,864	\$ 7,864
Property taxes			
State aid and grants			
Total revenues		<u>7,864</u>	<u>7,864</u>
Expenditures:			
Current -			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay			
Debt service -			
Bond issuance costs			
Total expenditures			
Excess (deficiency) of revenues over expenditures		<u>7,864</u>	<u>7,864</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances		<u>7,864</u>	<u>7,864</u>
Fund balances (deficits), beginning of year		953,072	953,072
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 960,936</u>	<u>\$ 960,936</u>

Bond Building			Energy and Water Savings		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 13,478	\$ 13,478	\$	\$ 68	\$ 68
	13,478	13,478		68	68
1,700,000	702,521	997,479	2,800		2,800
	151,618	(151,618)			
1,700,000	854,139	845,861	2,800		2,800
(1,700,000)	(840,661)	859,339	(2,800)	68	2,868
	(13,478)	(13,478)			
	4,410,000	4,410,000			
	193,848	193,848			
	4,590,370	4,590,370			
(1,700,000)	3,749,709	5,449,709	(2,800)	68	2,868
	1,420,894	1,420,894		11,049	11,049
\$ (1,700,000)	\$ 5,170,603	\$ 6,870,603	\$ (2,800)	\$ 11,117	\$ 13,917

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 208	\$ 208
Property taxes			
State aid and grants		5,875	5,875
Total revenues		<u>6,083</u>	<u>6,083</u>
Expenditures:			
Current -			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay	1,500,000		1,500,000
Debt service -			
Bond issuance costs			
Total expenditures	<u>1,500,000</u>		<u>1,500,000</u>
Excess (deficiency) of revenues over expenditures	<u>(1,500,000)</u>	<u>6,083</u>	<u>1,506,083</u>
Other financing sources (uses):			
Transfers out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,500,000)</u>	<u>6,083</u>	<u>1,506,083</u>
Fund balances (deficits), beginning of year		20,279	20,279
Fund balances (deficits), end of year	<u>\$ (1,500,000)</u>	<u>\$ 26,362</u>	<u>\$ 1,526,362</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 143,644	\$ 143,644
	94,736	94,736
	1,103,009	1,103,009
	1,341,389	1,341,389
100,000	27,178	72,822
	1,500	(1,500)
40,000	2,044	37,956
4,589,338	1,362,831	3,226,507
	151,618	(151,618)
4,729,338	1,545,171	3,184,167
(4,729,338)	(203,782)	4,525,556
	(13,478)	(13,478)
	4,410,000	4,410,000
	193,848	193,848
	4,590,370	4,590,370
(4,729,338)	4,386,588	9,115,926
	2,790,304	2,790,304
\$ (4,729,338)	\$ 7,176,892	\$ 11,906,230

(this page intentionally left blank)

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Position:					
Net investment in capital assets	\$ 16,018,512	\$ 16,531,998	\$ 17,650,390	\$ 18,355,289	\$ 18,529,733
Restricted	5,805,456	4,415,920	4,568,080	4,255,317	4,142,236
Unrestricted	(4,796,309)	(4,211,873)	(4,641,869)	(6,570,492)	(7,167,871)
Total net position	<u>\$ 17,027,659</u>	<u>\$ 16,736,045</u>	<u>\$ 17,576,601</u>	<u>\$ 16,040,114</u>	<u>\$ 15,504,098</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 19,609,272	\$ 20,473,758	\$ 20,666,511	\$ 21,187,075	\$ 20,988,649
Restricted	3,915,843	3,638,714	3,186,580	3,362,834	3,511,955
Unrestricted	(7,189,039)	(7,024,526)	(7,755,430)	2,090,684	1,321,419
Total net position	<u>\$ 16,336,076</u>	<u>\$ 17,087,946</u>	<u>\$ 16,097,661</u>	<u>\$ 26,640,593</u>	<u>\$ 25,822,023</u>

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses					
Instruction	\$ 9,138,239	\$ 8,657,995	\$ 8,139,089	\$ 8,081,202	\$ 8,046,825
Support services - students and staff	2,755,774	2,568,387	2,353,299	1,913,911	1,874,663
Support services - administration	2,636,636	2,251,993	2,096,175	1,932,965	1,817,454
Operation and maintenance of plant services	2,383,418	2,472,405	2,073,547	1,925,806	1,955,057
Student transportation services	743,808	708,155	662,954	650,590	711,056
Operation of non-instructional services	1,590,276	1,290,874	1,320,879	1,313,781	1,259,938
Interest on long-term debt	211,728	234,428	257,428	236,692	157,975
Total expenses	<u>19,459,879</u>	<u>18,184,237</u>	<u>16,903,371</u>	<u>16,054,947</u>	<u>15,822,968</u>
Program Revenues					
Charges for services:					
Instruction	74,890	8,358	91,106	40,798	31,739
Operation of non-instructional services	1,776	3,730	13,392	23,333	20,338
Other activities					3,112
Operating grants and contributions	5,372,744	4,073,434	2,202,849	2,464,457	2,723,219
Capital grants and contributions	221,740	105,208	86,854	1,093,455	7,400
Total program revenues	<u>5,671,150</u>	<u>4,190,730</u>	<u>2,394,201</u>	<u>3,622,043</u>	<u>2,785,808</u>
Net (Expense)/Revenue	<u>\$ (13,788,729)</u>	<u>\$ (13,993,507)</u>	<u>\$ (14,509,170)</u>	<u>\$ (12,432,904)</u>	<u>\$ (13,037,160)</u>

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Instruction	\$ 8,382,550	\$ 7,218,429	\$ 7,055,151	\$ 6,641,945	\$ 6,062,072
Support services - students and staff	1,972,305	1,677,474	1,738,336	1,435,891	1,318,004
Support services - administration	1,842,809	1,648,518	1,713,469	1,389,653	1,413,897
Operation and maintenance of plant services	2,071,351	2,217,448	1,423,546	1,314,904	1,376,995
Student transportation services	606,908	514,947	614,671	536,755	455,716
Operation of non-instructional services	1,512,500	1,275,445	1,260,772	1,142,431	1,140,272
Interest on long-term debt	174,629	52,175	54,575	59,275	90,405
Total expenses	<u>16,563,052</u>	<u>14,604,436</u>	<u>13,860,520</u>	<u>12,520,854</u>	<u>11,857,361</u>
Program Revenues					
Charges for services:					
Instruction	67,096	137,300	33,082	86,034	70,044
Operation of non-instructional services	20,262		35,785	38,192	33,694
Other activities			200,225	161,388	209,173
Operating grants and contributions	3,057,979	3,307,798	2,627,161	2,294,170	2,171,776
Capital grants and contributions	60,376	120,675	99,943	178,277	148,523
Total program revenues	<u>3,205,713</u>	<u>3,565,773</u>	<u>2,996,196</u>	<u>2,758,061</u>	<u>2,633,210</u>
Net (Expense)/Revenue	<u>\$ (13,357,339)</u>	<u>\$ (11,038,663)</u>	<u>\$ (10,864,324)</u>	<u>\$ (9,762,793)</u>	<u>\$ (9,224,151)</u>

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

(Concluded)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net (Expense)/Revenue	\$ (13,788,729)	\$ (13,993,507)	\$ (14,509,170)	\$ (12,432,904)	\$ (13,037,160)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	2,070,397	2,224,920	1,817,502	1,916,213	2,113,225
Property taxes, levied for debt service	908,659	919,082	1,083,534	838,234	748,938
Property taxes, levied for capital outlay	94,736		221,356	35	901
Investment income	83,619	81,858	180,629	173,202	101,447
Unrestricted county aid	844,915	848,317	833,605	839,555	825,003
Unrestricted state aid	10,078,017	9,078,774	9,969,238	9,201,681	8,413,615
Unrestricted federal aid					
Total general revenues	<u>14,080,343</u>	<u>13,152,951</u>	<u>14,105,864</u>	<u>12,968,920</u>	<u>12,203,129</u>
Changes in Net Position	<u>\$ 291,614</u>	<u>\$ (840,556)</u>	<u>\$ (403,306)</u>	<u>\$ 536,016</u>	<u>\$ (834,031)</u>

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (13,357,339)	\$ (11,038,663)	\$ (10,864,324)	\$ (9,762,793)	\$ (9,224,151)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	2,009,657	2,094,642	1,275,262	1,304,505	1,109,609
Property taxes, levied for debt service	702,171	287,254	297,419	240,925	310,773
Property taxes, levied for capital outlay	239,009	144,047	150,164	2,922	238,738
Investment income	51,568	20,964	15,022	18,775	21,143
Unrestricted county aid	861,888	845,536	818,209	701,500	667,836
Unrestricted state aid	8,741,176	8,636,505	7,881,881	7,081,076	6,605,352
Unrestricted federal aid				831,660	97,715
Total general revenues	<u>12,605,469</u>	<u>12,028,948</u>	<u>10,437,957</u>	<u>10,181,363</u>	<u>9,051,166</u>
Changes in Net Position	<u>\$ (751,870)</u>	<u>\$ 990,285</u>	<u>\$ (426,367)</u>	<u>\$ 418,570</u>	<u>\$ (172,985)</u>

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

(Concluded)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund:					
Nonspendable	\$ 145,536	\$ 20,000	\$	\$ 260,877	\$ 138,157
Restricted	18,632			11,834	12,207
Unassigned	4,623,879	5,483,326	4,773,367	2,440,770	2,399,670
Total General Fund	<u>\$ 4,788,047</u>	<u>\$ 5,503,326</u>	<u>\$ 4,773,367</u>	<u>\$ 2,713,481</u>	<u>\$ 2,550,034</u>
All Other Governmental Funds:					
Restricted	\$ 10,957,427	\$ 5,830,041	\$ 7,357,560	\$ 7,890,916	\$ 5,287,517
Unassigned	(254,933)	(274,157)	(180,549)	(22,475)	(369,550)
Total all other governmental funds	<u>\$ 10,702,494</u>	<u>\$ 5,555,884</u>	<u>\$ 7,177,011</u>	<u>\$ 7,868,441</u>	<u>\$ 4,917,967</u>

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nonspendable	\$	\$	\$	\$	\$
Unassigned	2,372,201	1,727,402	1,391,440	1,434,341	695,371
Total General Fund	<u>\$ 2,384,555</u>	<u>\$ 2,788,632</u>	<u>\$ 1,654,334</u>	<u>\$ 1,434,341</u>	<u>\$ 976,335</u>
All Other Governmental Funds:					
Restricted	\$ 7,173,995	\$ 8,552,033	\$ 3,310,161	\$ 3,708,462	\$ 3,862,654
Assigned				6,723	6,394
Unassigned				(33,562)	
Total all other governmental funds	<u>\$ 7,173,995</u>	<u>\$ 8,552,033</u>	<u>\$ 3,310,161</u>	<u>\$ 3,681,623</u>	<u>\$ 3,869,048</u>

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

(Concluded)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Federal sources:					
Federal grants	\$ 3,484,421	\$ 2,625,863	\$ 998,521	\$ 1,451,861	\$ 965,564
National School Lunch Program	1,925,289	1,255,733	1,038,925	1,332,036	1,394,351
Total federal sources	<u>5,409,710</u>	<u>3,881,596</u>	<u>2,037,446</u>	<u>2,783,897</u>	<u>2,359,915</u>
State sources:					
State equalization assistance	8,656,085	8,135,274	9,003,009	8,239,857	7,334,872
State grants	136,077	152,296	58,806	2,340	183,227
School Facilities Board	5,875		24,711	1,087,041	
Other revenues	1,421,932	943,500	966,229	961,824	895,516
Total state sources	<u>10,219,969</u>	<u>9,231,070</u>	<u>10,052,755</u>	<u>10,291,062</u>	<u>8,413,615</u>
Local sources:					
Property taxes	3,085,871	3,169,438	3,254,937	2,794,851	2,862,280
County aid	844,915	848,317	833,605	839,555	825,003
Food service sales	1,776	3,730	13,392	23,333	20,338
Investment income	83,619	81,858	180,639	173,202	101,447
Other revenues	184,426	59,500	101,762	69,443	32,893
Total local sources	<u>4,200,607</u>	<u>4,162,843</u>	<u>4,384,335</u>	<u>3,900,384</u>	<u>3,841,961</u>
Total revenues	<u><u>\$ 19,830,286</u></u>	<u><u>\$ 17,275,509</u></u>	<u><u>\$ 16,474,536</u></u>	<u><u>\$ 16,975,343</u></u>	<u><u>\$ 14,615,491</u></u>

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 1,447,313	\$ 1,914,279	\$ 1,229,476	\$ 1,479,797	\$ 949,022
National School Lunch Program	1,597,744	1,397,189	1,528,060	1,421,838	1,231,287
Total federal sources	<u>3,045,057</u>	<u>3,311,468</u>	<u>2,757,536</u>	<u>2,901,635</u>	<u>2,180,309</u>
State sources:					
State equalization assistance	7,945,470	7,835,326	7,217,267	6,469,286	6,069,928
State grants	69,846	85,000	99,719	171,757	183,529
School Facilities Board		8,417			
Other revenues	<u>795,706</u>	<u>792,762</u>	<u>688,894</u>	<u>615,790</u>	<u>536,424</u>
Total state sources	<u>8,811,022</u>	<u>8,721,505</u>	<u>8,005,880</u>	<u>7,256,833</u>	<u>6,789,881</u>
Local sources:					
Property taxes	2,947,947	2,412,334	1,917,482	1,494,650	1,661,166
County aid	861,888	845,536	818,209	701,500	667,836
Food service sales	20,262	25,993	35,785	35,003	27,930
Investment income	51,568	20,964	15,022	18,775	14,797
Other revenues	<u>71,886</u>	<u>143,312</u>	<u>279,776</u>	<u>273,208</u>	<u>344,503</u>
Total local sources	<u>3,953,551</u>	<u>3,448,139</u>	<u>3,066,274</u>	<u>2,523,136</u>	<u>2,716,232</u>
Total revenues	<u>\$ 15,809,630</u>	<u>\$ 15,481,112</u>	<u>\$ 13,829,690</u>	<u>\$ 12,681,604</u>	<u>\$ 11,686,422</u>

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

(Concluded)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenditures:					
Current -					
Instruction	\$ 8,140,304	\$ 7,405,825	\$ 7,084,131	\$ 7,381,390	\$ 7,012,258
Support services - students and staff	2,740,990	2,483,735	2,299,754	1,946,265	1,766,506
Support services - administration	2,455,888	1,923,086	1,865,934	1,784,321	1,632,049
Operation and maintenance of plant services	1,916,820	1,883,831	1,413,035	1,478,041	1,702,262
Student transportation services	508,384	389,374	457,508	446,938	427,818
Operation of non-instructional services	1,548,182	1,227,036	1,278,881	1,309,981	1,223,163
Capital outlay	1,639,003	1,858,940	1,292,903	2,675,894	2,295,278
Debt service -					
Principal retirement	800,000	765,000	820,000	640,000	630,000
Interest and fiscal charges	227,150	249,850	272,850	252,114	157,975
Bond issuance costs	151,618			128,589	
Total expenditures	<u><u>\$ 20,128,339</u></u>	<u><u>\$ 18,186,677</u></u>	<u><u>\$ 16,784,996</u></u>	<u><u>\$ 18,043,533</u></u>	<u><u>\$ 16,847,309</u></u>
Expenditures for capitalized assets	\$ 756,963	\$ 577,090	\$ 619,435	\$ 1,903,945	\$ 1,587,558
Debt service as a percentage of noncapital expenditures	5%	6%	7%	6%	5%

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 7,053,900	\$ 7,163,070	\$ 6,188,664	\$ 5,662,678	\$ 5,670,546
Support services - students and staff	1,763,771	1,737,455	1,685,945	1,381,842	1,316,059
Support services - administration	1,584,294	1,645,208	1,511,001	1,317,615	1,322,034
Operation and maintenance of plant services	1,578,730	1,863,407	1,401,509	1,124,725	1,286,141
Student transportation services	471,521	439,971	486,740	434,940	389,489
Operation of non-instructional services	1,454,969	1,301,538	1,252,360	1,132,992	1,030,742
Capital outlay	1,839,986	718,998	1,423,259	1,180,992	2,868,281
Debt service -					
Principal retirement	620,000	240,000	240,000	235,000	240,000
Interest and fiscal charges	174,629	52,175	54,575	59,275	62,230
Bond issuance costs		130,820			93,157
Total expenditures	<u><u>\$ 16,541,800</u></u>	<u><u>\$ 15,292,642</u></u>	<u><u>\$ 14,244,053</u></u>	<u><u>\$ 12,530,059</u></u>	<u><u>\$ 14,278,679</u></u>
Expenditures for capitalized assets	\$ 1,376,199	\$ 394,148	\$ 940,782	\$ 739,807	\$ 2,470,012
Debt service as a percentage of noncapital expenditures	5%	2%	2%	2%	3%

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

(Concluded)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)					
Fiscal Year Ended June 30					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Excess (deficiency) of revenues over expenditures	\$ (298,053)	\$ (911,168)	\$ (310,460)	\$ (1,068,190)	\$ (2,231,818)
Other financing sources (uses):					
Premium on sale of bonds	193,848			231,327	
Transfers in	363,854	154,630	262,210	246,651	209,281
Transfers out	(363,854)	(154,630)	(262,210)	(246,651)	(209,281)
Proceeds from sale of capital assets				3,064	
Insurance recoveries					3,112
Issuance of school improvement bonds	4,410,000			3,825,000	
Total other financing sources (uses)	4,603,848			4,059,391	3,112
Changes in fund balances	<u>\$ 4,305,795</u>	<u>\$ (911,168)</u>	<u>\$ (310,460)</u>	<u>\$ 2,991,201</u>	<u>\$ (2,228,706)</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (732,170)	\$ 188,470	\$ (414,363)	\$ 151,545	\$ (2,592,257)
Other financing sources (uses):					
Premium on sale of bonds		200,649			64,982
Transfers in	180,424	178,086	176,441	306,134	558,284
Transfers out	(180,424)	(178,086)	(176,441)	(306,134)	(558,284)
Issuance of school improvement bonds		5,200,000			2,540,000
Total other financing sources (uses)		5,400,649			2,604,982
Changes in fund balances	<u>\$ (732,170)</u>	<u>\$ 5,589,119</u>	<u>\$ (414,363)</u>	<u>\$ 151,545</u>	<u>\$ 12,725</u>

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 35,239,425	\$ 24,478,021	\$ 19,780,933	\$ 22,518,220	\$ 23,186,713
Agricultural and Vacant	3,371,958	4,601,525	3,323,896	3,188,330	3,379,490
Residential (Owner Occupied)	36,784,788	33,155,238	30,578,663	28,248,589	25,875,380
Residential (Rental)	14,709,158	13,895,111	13,437,240	12,512,773	12,747,449
Historical Property			1,180,069		
Total	<u>\$ 90,105,329</u>	<u>\$ 76,129,895</u>	<u>\$ 68,300,801</u>	<u>\$ 66,467,912</u>	<u>\$ 65,189,032</u>
Gross Full Cash Value	\$ 2,300,930,692	\$ 2,630,728,100	\$ 2,506,394,007	\$ 2,046,281,049	\$ 1,990,149,930
Ratio of Net Limited Assessed Value to Gross Full Cash Value	3.92%	2.89%	2.73%	3.25%	3.28%
Total Direct Rate	4.01	4.49	5.11	4.71	4.75

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 16,481,614	\$ 15,630,536	\$ 9,915,926	\$ 10,533,927	\$ 11,810,211
Agricultural and Vacant	2,211,080	2,339,582	2,431,889	2,542,413	2,746,261
Residential (Owner Occupied)	23,989,664	22,328,808	20,750,115	18,012,175	21,429,919
Residential (Rental)	12,465,142	12,278,749	12,085,178	10,254,325	7,996,196
Total	<u>\$ 55,147,500</u>	<u>\$ 52,577,675</u>	<u>\$ 45,183,108</u>	<u>\$ 41,342,840</u>	<u>\$ 43,982,587</u>
Gross Full Cash Value	\$ 1,898,423,993	\$ 1,832,489,988	\$ 1,620,802,464	\$ 1,537,617,204	\$ 1,441,091,332
Ratio of Net Limited Assessed Value to Gross Full Cash Value	2.90%	2.87%	2.79%	2.69%	3.05%
Total Direct Rate	5.62	4.01	4.19	3.72	3.91

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 43,871,006	\$ 27,690,047	\$ 21,874,114	\$ 24,424,548	\$ 25,916,170
Agricultural and Vacant	5,582,119	7,567,441	4,906,499	4,390,937	4,589,467
Residential (Owner Occupied)	64,709,957	56,347,194	50,146,232	45,404,755	39,010,981
Residential (Rental)	27,157,545	24,525,112	22,617,015	20,641,776	19,602,852
Historical Property			1,322,202		
Total	<u>\$ 141,320,627</u>	<u>\$ 116,129,794</u>	<u>\$ 100,866,062</u>	<u>\$ 94,862,016</u>	<u>\$ 89,119,470</u>
Gross Full Cash Value	\$ 2,300,930,692	\$ 2,630,728,100	\$ 2,506,394,007	\$ 2,046,281,049	\$ 1,990,149,930
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	6.14%	4.41%	4.02%	4.64%	4.48%
Estimated Net Full Cash Value	\$ 1,059,180,771	\$ 850,577,012	\$ 741,493,585	\$ 697,376,279	\$ 647,404,010
Total Direct Rate	4.01	4.49	5.11	4.71	4.75

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 18,093,801	\$ 16,330,966	\$ 10,122,736	\$ 10,540,039	\$ 11,812,567
Agricultural and Vacant	2,661,852	2,673,927	2,715,331	2,616,111	2,855,111
Residential (Owner Occupied)	34,606,838	31,588,128	22,551,354	18,043,487	21,431,690
Residential (Rental)	18,024,319	17,276,005	13,081,067	10,255,736	7,996,232
Total	<u>\$ 73,386,810</u>	<u>\$ 67,869,026</u>	<u>\$ 48,470,488</u>	<u>\$ 41,455,373</u>	<u>\$ 44,095,600</u>
Gross Full Cash Value	\$ 1,898,423,993	\$ 1,832,489,988	\$ 1,620,802,464	\$ 1,537,617,204	\$ 1,441,091,332
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	3.87%	3.70%	2.99%	2.70%	3.06%
Estimated Net Full Cash Value	\$ 531,960,902	\$ 466,862,848	\$ 327,440,376	\$ 275,521,040	\$ 294,511,166
Total Direct Rate	5.62	4.01	4.19	3.72	3.91

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	14	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	18 %	19 %	19 %	20 %	20 %
Agricultural and Vacant	15	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	16	15	15

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.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Overlapping Rates									District Direct Rates		
			Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Tolleson	City of Avondale	Tolleson Union High School District No. 214			
	State Equalization	County								Primary	Secondary	Total
2022	0.43	1.35	0.18	1.23	0.14	2.12	2.75	1.42	4.73	1.90	2.11	4.01
2021	0.44	1.40	0.18	1.29	0.14	2.13	3.53	1.42	4.71	2.00	2.49	4.49
2020	0.46	1.40	0.18	1.33	0.14	2.13	3.72	1.65	5.01	2.17	2.94	5.11
2019	0.47	1.40	0.18	1.38	0.14	2.14	3.83	1.76	4.45	2.08	2.63	4.71
2018	0.49	1.40	0.18	1.41	0.14	2.16	3.99	1.60	3.94	2.20	2.55	4.75
2017	0.50	1.40	0.18	1.47	0.14	2.17	3.97	1.70	3.57	2.72	2.90	5.62
2016	0.51	1.36	0.16	1.39	0.14	1.82	3.97	1.75	4.01	2.40	1.61	4.01
2015	0.51	1.32	0.14	1.52	0.14	1.82	3.75	1.75	4.53	1.85	2.34	4.19
2014	0.51	1.28	0.14	1.53	0.14	1.82	3.76	1.81	5.49	1.26	2.45	3.72
2013	0.47	1.24	0.18	1.38	0.10	1.82	3.42	1.33	4.85	1.54	2.37	3.91

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

Taxpayer	2022		2013	
	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
Crpmarwest Logic Park Owner L L C	\$ 7,892,977	8.76 %		
F-Star Buckeye Rd LLC/Buckeye Building Owner	6,601,510	7.33		
MRE Paz LLC	4,037,388	4.48		
Pecan REH LLC	3,181,407	3.53	\$ 2,738,338	6.21 %
MP Phoenix 91 LLC	1,703,259	1.89		
Target Corporation	1,428,723	1.59	1,702,090	3.86
Smith's Food & Drug Centers Inc	1,177,503	1.31	948,055	2.15
Arizona Public Service Company	931,748	1.03	313,079	0.71
Medline Industries Inc	569,974	0.63		
First American Title Insurance Company Trust	445,988	0.49		
Bank of America			948,055	2.15
83 DGLLC/83 SGLLC/ 83 MBLLC/ 83 JPLLC			330,717	0.75
Southern California Edison Co. (T&D)			317,488	0.72
Empire Residential Opportunity Fund LLC			291,031	0.66
Broden Country Corners LLC			277,802	0.63
GBC Properties LLC			268,983	0.61
Total	\$ 27,970,477	31.04 %	\$ 8,135,638	18.45 %

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

Notes: 1) On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
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
2022	\$ 3,477,812	\$ 3,430,076	98.63 %	\$	\$ 3,430,076	98.63 %
2021	3,371,921	3,262,920	96.77	108,856	3,371,776	100.00
2020	3,468,308	3,340,237	96.31	127,410	3,467,647	99.98
2019	3,153,475	2,862,710	90.78	290,621	3,153,331	100.00
2018	3,074,285	2,910,272	94.67	163,870	3,074,142	100.00
2017	3,117,841	2,988,965	95.87	128,666	3,117,631	99.99
2016	2,540,206	2,499,269	98.39	40,755	2,540,024	99.99
2015	1,974,921	1,918,768	97.16	55,988	1,974,756	99.99
2014	1,504,625	1,449,880	96.36	54,590	1,504,470	99.99
2013	1,711,921	1,630,763	95.26	81,266	1,712,029	100.01

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

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less:	Total	Percentage of	Per Capita	Total	Percentage of	Per Capita	Percentage of Personal Income	
		Amounts		Estimated			Estimated			
		Restricted for Principal		Actual Value (Full Cash Value)			Actual Value (Full Cash Value)			
2022	\$ 11,908,487	\$	\$ 11,908,487	0.52 %	\$ 641	\$ 11,908,487	0.52 %	\$ 641	N/A %	
2021	8,085,061	60,641	8,024,420	0.31	489	8,085,061	0.31	493	0.003	
2020	8,920,483	131,313	8,789,170	0.35	544	8,920,483	0.36	553	0.004	
2019	9,575,905	67,173	9,508,732	0.46	603	9,575,905	0.47	607	0.005	
2018	6,165,000	34,858	6,130,142	0.31	395	6,165,000	0.31	397	0.003	
2017	6,785,000	46,558	6,738,442	0.35	446	6,785,000	0.36	449	0.004	
2016	7,025,000	112,657	6,912,343	0.38	460	7,025,000	0.38	467	0.004	
2015	2,065,000	15,639	2,049,361	0.13	139	2,065,000	0.13	141	0.001	
2014	2,300,000		2,300,000	0.14	160	2,300,000	0.14	160	0.001	
2013	2,540,000	16,138	2,523,862	0.16	180	2,540,000	0.16	181	0.002	

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2013-2021 information within this column relates to the transactions previously designated as capital leases.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 184,715,000	0.18 %	\$ 332,487
Maricopa County Special Health Care District	640,695,000	0.18	1,153,251
City of Phoenix	918,905,000	0.59	5,421,540
Western Maricopa Education Center District No. 402	144,220,000	0.50	721,100
Tolleson Union High School District No. 214	217,315,000	6.12	13,299,678
Subtotal, Overlapping Debt			<u>20,928,056</u>
Direct:			
Union Elementary School District No. 62			<u>11,908,487</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 32,836,543</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	8.43	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,768	
As a Percentage of Net Limited Assessed Valuation	23.24	%
As a Percentage of Gross Full Cash Value	1.43	%

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2021 is presented for the overlapping governments as this is the most recent available information.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2022:

Net full cash assessed valuation	\$ 141,320,627
Debt limit (10% of assessed value)	14,132,063
Debt applicable to limit	11,739,543
Legal debt margin	<u>\$ 2,392,520</u>

Total Legal Debt Margin Calculation for Fiscal Year 2022:

Net full cash assessed valuation	\$ 141,320,627
Debt limit (15% of assessed value)	21,198,094
Debt applicable to limit	11,739,543
Legal debt margin	<u>\$ 9,458,551</u>

Fiscal Year Ended June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt Limit	\$ 21,198,094	\$ 17,419,469	\$ 15,129,909	\$ 14,229,302	\$ 13,367,920
Total net debt applicable to limit	<u>11,739,543</u>	<u>8,014,543</u>	<u>8,840,752</u>	<u>9,485,000</u>	<u>6,165,000</u>
Legal debt margin	<u>\$ 9,458,551</u>	<u>\$ 9,404,926</u>	<u>\$ 6,289,157</u>	<u>\$ 4,744,302</u>	<u>\$ 7,202,920</u>

Total net debt applicable to the limit as a percentage of debt limit	55%	46%	58%	67%	46%
---	-----	-----	-----	-----	-----

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 11,088,022	\$ 10,180,354	\$ 7,270,573	\$ 6,218,306	\$ 6,614,340
Total net debt applicable to limit	<u>6,485,000</u>	<u>7,025,000</u>	<u>2,065,000</u>	<u>2,300,000</u>	<u>2,540,000</u>
Legal debt margin	<u>\$ 4,603,022</u>	<u>\$ 3,155,354</u>	<u>\$ 5,205,573</u>	<u>\$ 3,918,306</u>	<u>\$ 4,074,340</u>

Total net debt applicable to the limit as a percentage of debt limit	58%	69%	28%	37%	38%
---	-----	-----	-----	-----	-----

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2021	4,507,419	\$ N/A	\$ N/A	4.5 %	18,575
2020	4,439,220	245,077,753	53,521	6.6	16,403
2019	4,367,835	222,943,072	49,704	3.6	16,144
2018	4,294,460	210,370,180	47,694	5.5	15,764
2017	4,221,684	196,286,191	45,573	4.2	15,532
2016	4,137,076	185,112,000	40,415	4.5	15,110
2015	4,076,438	178,170,000	38,030	5.5	15,033
2014	4,008,651	168,483,421	27,256	5.9	14,695
2013	3,824,058	147,374,500	38,238	9.1	14,365
2012	3,843,370	142,864,275	31,757	8.4	14,042

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics. The source of the Estimated District population is the U.S. Census Bureau, Small Area Income, and Poverty Program (SAIPE).

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health	26,660	1.54	25,126	1.47
State of Arizona	24,990	1.44	52,076	3.05
Walmart	20,080	1.16	31,837	1.86
Frys Food Stores	15,320	0.88		
Maricopa County	13,890	0.80	13,308	0.78
Wells Fargo	13,170	0.76	13,679	0.80
City of Phoenix	11,570	0.67	14,983	0.88
Amazon	11,440	0.66	-	
Arizona State University	11,360	0.66	12,222	0.71
Intel Corporation	11,350	0.66	11,000	0.64
Apollo Group Inc.			10,000	0.58
Bank of America			12,500	0.73
JP Morgan Chase & Co			11,407	0.67
Mesa Public Schools			8,400	0.49
U.S. Postal Service			8,150	0.48
US Airways			9,237	0.54
	<u>159,830</u>	<u>9.23</u> %	<u>233,925</u>	<u>13.68</u> %
Total employment	<u>1,731,830</u>		<u>1,710,000</u>	

Source: The source of the data is from Maricopa Association of Governments.

Note: The principal employer data is presented for Maricopa County.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

Full-time Equivalent Employees as of June 30					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Supervisory					
Superintendent	1	1	1	1	1
Consultants/supervisors of instruction	6	4	4	3	3
Principals	3	3	3	3	3
Assistant principals	2	2	2	2	2
Total supervisory	<u>12</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>9</u>
Instruction					
Teachers	96	109	85	88	88
Other professionals (instructional)	4	3	3	3	3
Aides	30	28	24	25	21
Total instruction	<u>130</u>	<u>140</u>	<u>112</u>	<u>116</u>	<u>112</u>
Student Services					
Nurses	3	4	3	3	3
Counselors/Advisors	5	3	3	1	1
Total student services	<u>8</u>	<u>7</u>	<u>6</u>	<u>4</u>	<u>4</u>
Support and Administration					
Clerical workers	12	11	11	11	11
Maintenance workers	4	4	4	4	4
Bus Drivers	7	6	5	5	5
Food Service workers	15	21	13	13	13
Other classified	15	11	11	11	11
Total support and administration	<u>53</u>	<u>53</u>	<u>44</u>	<u>44</u>	<u>44</u>
Total	<u>203</u>	<u>210</u>	<u>172</u>	<u>173</u>	<u>169</u>

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Supervisory					
Superintendent	1	1	1	1	1
Consultants/supervisors of instruction	3	3	3	3	3
Principals	3	3	2	2	2
Assistant principals	2	2	2	2	2
Total supervisory	<u>9</u>	<u>9</u>	<u>8</u>	<u>8</u>	<u>8</u>
Instruction					
Teachers	84	83	81	80	80
Other professionals (instructional)	2	2	2	2	2
Aides	17	17	17	16	14
Total instruction	<u>103</u>	<u>102</u>	<u>100</u>	<u>98</u>	<u>96</u>
Student Services					
Nurses	3	3	3	3	2
Counselors/Advisors	1	1	1	1	1
Total student services	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>3</u>
Support and Administration					
Clerical workers	11	10	10	10	10
Maintenance workers	4	6	6	6	6
Bus Drivers	5	5	5	5	5
Food Service workers	13	13	13	13	12
Other classified	11	11	11	11	11
Total support and administration	<u>44</u>	<u>45</u>	<u>45</u>	<u>45</u>	<u>44</u>
Total	<u>160</u>	<u>160</u>	<u>157</u>	<u>155</u>	<u>151</u>

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

(Concluded)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students
2022	1,618	\$ 17,310,568	\$ 10,699	10.11 %	\$ 19,459,879	\$ 12,027	4.24 %	96	16.9	81.0 %
2021	1,576	15,312,887	9,716	18.83	18,184,237	11,538	20.21	109	14.5	64.0
2020	1,761	14,399,243	8,177	0.19	16,903,371	9,599	5.11	85	20.7	64.0
2019	1,758	14,346,936	8,161	6.73	16,054,947	9,133	3.89	88	20.0	83.7
2018	1,800	13,764,056	7,647	0.29	15,822,968	8,791	(3.19)	88	20.5	84.0
2017	1,824	13,907,185	7,625	0.76	16,563,052	9,081	16.27	84	21.7	83.7
2016	1,870	14,150,649	7,567	14.24	14,604,436	7,810	6.55	83	22.5	83.8
2015	1,891	12,526,219	6,624	4.38	13,860,520	7,330	1.98	81	23.3	86.0
2014	1,742	11,054,792	6,346	(4.08)	12,520,854	7,188	0.93	98	17.8	84.2
2013	1,665	11,015,011	6,616	(15.08)	11,857,361	7,122	(30.44)	96	17.3	84.2

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Schools</u>										
<u>Elementary</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	202,597	202,597	202,597	202,597	202,597	202,597	202,597	202,597	202,597	202,597
Capacity	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Enrollment	1,748	1,721	1,758	1,758	1,826	1,826	1,870	1,891	1,751	1,550
<u>Administrative</u>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	4,182	4,182	4,182	4,182	4,182	4,182	4,182	4,182	4,182	4,182
<u>Transportation</u>										
Buses	11	11	12	12	12	12	12	12	12	12
<u>Athletics</u>										
Baseball/softball	3	3	3	3	3	3	3	3	3	3
Playgrounds	3	3	3	3	3	3	3	3	3	3

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