
UNION ELEMENTARY SCHOOL DISTRICT NO. 62

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2020



UNION ELEMENTARY SCHOOL DISTRICT NO. 62

TOLLESON, ARIZONA

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

Issued by:
Business and Finance Department

UNION ELEMENTARY SCHOOL DISTRICT NO. 62

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INTRODUCTORY SECTION

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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

Susan O'Rielly
Executive Director of
Business Services

Governing Board

Delson Sunn
President

Nubia Briceno
Board Member

Susan Doucet
Board Member

December 17, 2020

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 comprehensive annual financial report of the Union Elementary School District No. 62 (District) for the fiscal year ended June 30, 2020.

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

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

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 kindergarten through grade 8 with a fiscal year 2019-20 average daily membership of 1,761. 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 22 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 overexpenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. The 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 is projected to remain flat until 2020, at which time additional subdivisions are scheduled to begin.

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

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

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

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

Respectfully submitted,



Ms. Kristine Morris
Superintendent



Susan O'Rielly
Executive Director of Business Services



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

Union Elementary School District No. 62

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

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



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

Claire Hertz, SFO
President

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

David J. Lewis
Executive Director



Government Finance Officers Association

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

Presented to

**Union Elementary School District No. 62
Arizona**

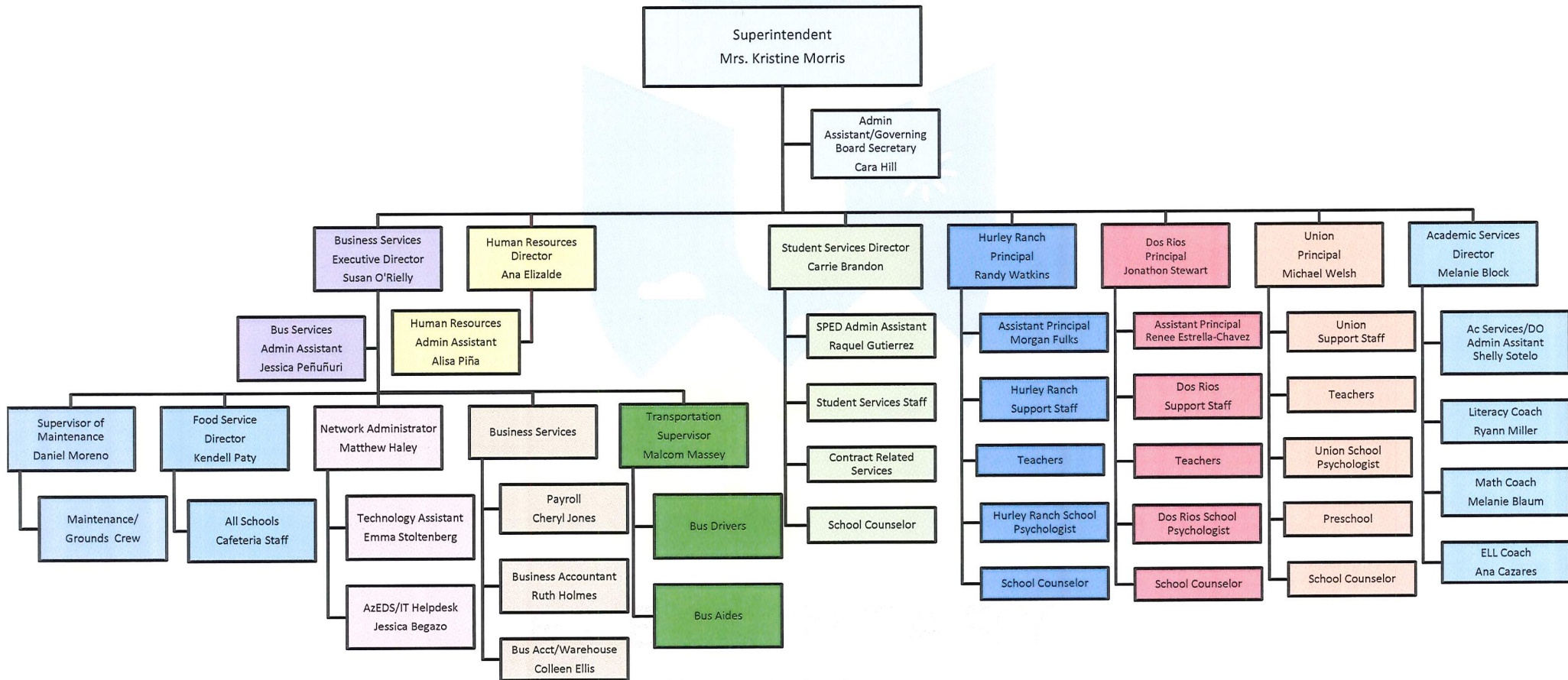
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Union Elementary School District Governing Board
President: Mr. Delson Sunn
Members: Mrs. Nubia Briceño, Mrs. Susan Doucet
2019-20



**List of Principal Officials
Fiscal Year 2019-2020**

Governing Board

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

District Administration

Ms. Kristine Morris, Superintendent
Ana Avalos, Human Resources Director
Susan O’Rielly, Executive Director of Business Services
Melanie Block, Director of Academic Services
Carrie Brandon, Director of Student Support Services
Kendell Paty, Director of Food Service
Matt Haley, Network Administrator
Daniel Moreno, Supervisor of Maintenance
Malcolm Massey, Transportation Supervisor

Dos Rios Administration

Jonathan Stewart, Principal
Renee Estrella-Chavez, Assistant Principal

Hurley Ranch Administration

Dr. Randy Watkins, Principal
Morgan Fulks, Assistant Principal

Union Elementary Administration

Michael Welsh, Principal

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Governing Board
Union Elementary School District No. 62

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union Elementary School District No. 62 (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Elementary School District No. 62, as of June 30, 2020, 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.

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2020, 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.
Phoenix, Arizona
December 17, 2020

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

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**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

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

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$1.9 million which represents a 12 percent increase from the prior fiscal year as a result of the restatement to report the employee withholding account in the General Fund due to the implementation of GASB Statement No. 84.
- General revenues accounted for \$14.1 million in revenue, or 85 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$2.4 million or 15 percent of total current fiscal year revenues.
- The District had approximately \$16.6 million in expenses related to governmental activities, an increase of four percent from the prior fiscal year.
- Among major funds, the General Fund had \$11.4 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$11.2 million in expenditures.
- The General Fund's fund balance increased from \$2.7 million at the prior fiscal year end, to \$4.8 million at the end of the current fiscal year as a result of the restatement to report the employee withholding account in the General Fund.

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, 2020

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, 2020**

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, Special Education Grants, Debt Service, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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 \$17.6 million at the current fiscal year end.

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	As of June 30, 2020	As of June 30, 2019
Current and other assets	\$ 13,649,202	\$ 11,936,393
Capital assets, net	23,772,325	24,277,311
Total assets	<u>37,421,527</u>	<u>36,213,704</u>
Deferred outflows	<u>1,212,047</u>	<u>1,796,817</u>
Current and other liabilities	649,061	483,814
Long-term liabilities	19,494,655	19,838,244
Total liabilities	<u>20,143,716</u>	<u>20,322,058</u>
Deferred inflows	<u>913,257</u>	<u>1,648,349</u>
Net position:		
Net investment in capital assets	17,650,390	18,355,289
Restricted	4,568,080	4,255,317
Unrestricted	(4,641,869)	(6,570,492)
Total net position	<u>\$ 17,576,601</u>	<u>\$ 16,040,114</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 \$640,000 of bonds.
- The addition of \$619,435 in capital assets primarily due to school renovations.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

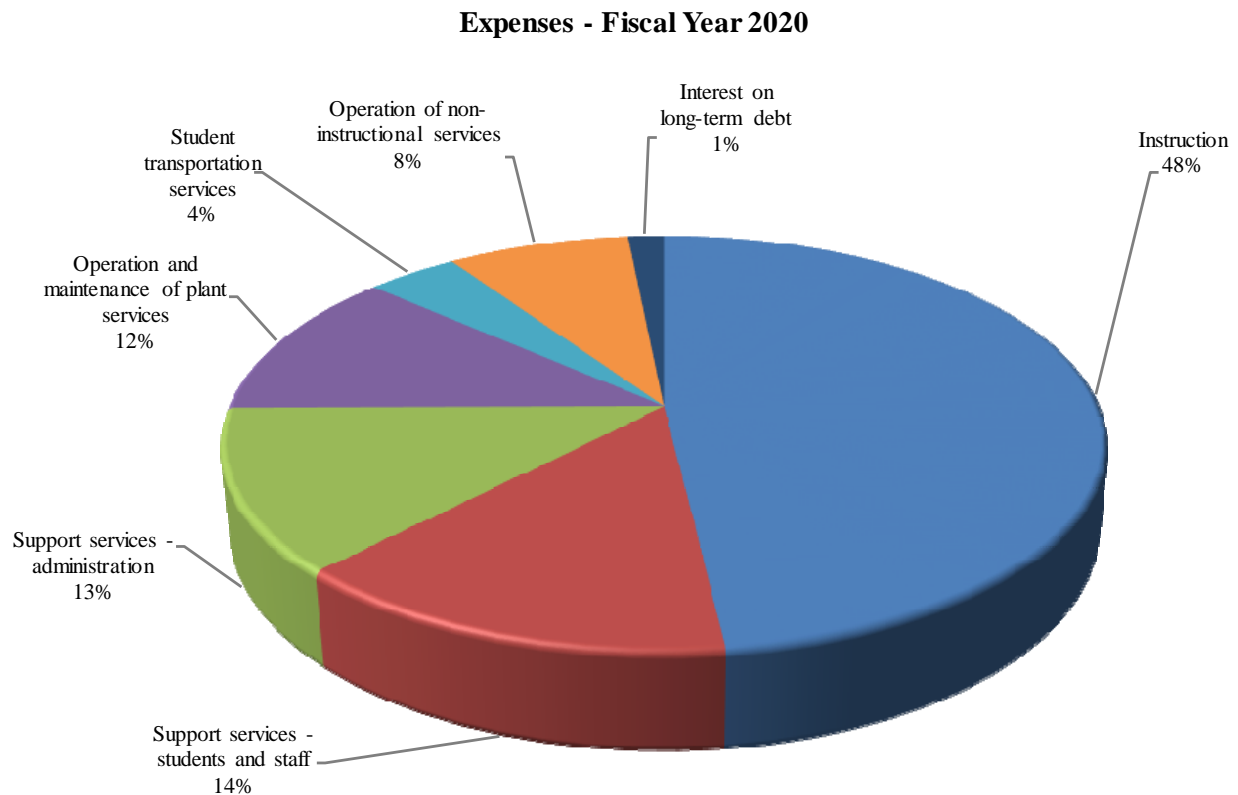
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$16.5 million. The total cost of all programs and services was \$16.6 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2020 and June 30, 2019.

	Fiscal Year Ended June 30, 2020	Fiscal Year Ended June 30, 2019
Revenues:		
Program revenues:		
Charges for services	\$ 104,498	\$ 64,131
Operating grants and contributions	2,202,849	2,464,457
Capital grants and contributions	86,854	1,093,455
General revenues:		
Property taxes	3,122,392	2,754,482
Investment income	180,629	173,202
Unrestricted county aid	833,605	839,555
Unrestricted state aid	9,969,238	9,201,681
Total revenues	<u>16,500,065</u>	<u>16,590,963</u>
Expenses:		
Instruction	8,139,089	8,081,202
Support services - students and staff	2,353,299	1,913,911
Support services - administration	2,096,175	1,932,965
Operation and maintenance of plant services	2,073,547	1,925,806
Student transportation services	662,954	650,590
Operation of non-instructional services	1,320,879	1,313,781
Interest on long-term debt	257,428	236,692
Total expenses	<u>16,903,371</u>	<u>16,054,947</u>
Changes in net position	<u>(403,306)</u>	<u>536,016</u>
Net position, beginning	<u>17,979,907</u>	<u>15,504,098</u>
Net position, ending	<u><u>\$ 17,576,601</u></u>	<u><u>\$ 16,040,114</u></u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

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 \$602,598 in support services expenditures due to additional social and emotional expenditures.
- An increase of \$767,557 in unrestricted state aid due to additional funding for teachers.

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, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2020		Year Ended June 30, 2019	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 8,139,089	\$ (7,312,214)	\$ 8,081,202	\$ (7,355,204)
Support services - students and staff	2,353,299	(1,879,624)	1,913,911	(1,614,368)
Support services - administration	2,096,175	(2,086,061)	1,932,965	(1,923,530)
Operation and maintenance of plant services	2,073,547	(2,048,836)	1,925,806	(702,595)
Student transportation services	662,954	(656,970)	650,590	(649,916)
Operation of non-instructional services	1,320,879	(268,037)	1,313,781	49,401
Interest on long-term debt	257,428	(257,428)	236,692	(236,692)
Total	<u>\$ 16,903,371</u>	<u>\$ (14,509,170)</u>	<u>\$ 16,054,947</u>	<u>\$ (12,432,904)</u>

- The cost of all governmental activities this year was \$16.9 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$2.4 million.
- Net cost of governmental activities of \$14.5 million was financed by general revenues, which are made up of primarily property taxes of \$3.1 million and state and county aid of \$10.8 million. Investment earnings accounted for \$180,629 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 \$12.0 million, an increase of \$1.4 million due primarily to the restatement to report the employee withholding account in the General Fund due to the implementation of GASB Statement No. 84.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 40 percent of the total fund balance. The entire \$4.8 million of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance (after restatement) increased \$133,194 as of fiscal year end. General Fund revenues increased \$219,238 as a result of increased state funding for teachers. General Fund expenditures decreased slightly by \$115,724, which is a one percent decrease.

The fund balance in the Classroom Site Fund increased \$116,812 which is less than the prior year fund balance change of \$135,663 due to an increase in instructional expenditures.

The fund balance of the Special Education Grants Fund decreased by \$96,285 due to outstanding grant reimbursements.

The Debt Service Fund's fund balance increased \$61,528 to \$122,251 at year end due to increased property tax revenue.

The fund balance in the Bond Building Fund decreased \$886,340 due to \$886,341 in capital purchases.

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 \$26,982 increase, or less than one percent.

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 \$747,976 in instruction was a result of planned budget balance carryforward.
- The favorable variance of \$205,540 in operation and maintenance of plant services is the result of reduced costs due to spring 2020 school closures.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$34.3 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 \$574,133 from the prior fiscal year due to school renovations and equipment purchases. Total depreciation expense for the current fiscal year was \$1.1 million.

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

	As of June 30, 2020	As of June 30, 2019
Capital assets - non-depreciable	\$ 1,990,800	\$ 2,149,291
Capital assets - depreciable, net	21,781,525	22,128,020
Total	<u>\$ 23,772,325</u>	<u>\$ 24,277,311</u>

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

Debt Administration. At year end, the District had \$8.7 million in long-term debt outstanding, \$820,000 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 \$15.1 million and the Class B debt limitation is \$10.1 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, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- District student population (estimated 1,760).
- Budget balance carry forward (estimated \$916,813).

Also considered in the development of the budget is the local economy and inflation of the surrounding area. The District's goal during the pandemic has been to keep students in school as much as possible. This has been an expensive mission. The District spent over a million dollars between additional staff and equipment to mitigate the spread of COVID-19 in District buildings. Most of the equipment was purchased using bond funds. This equipment such as laptops and outdoor seating will be enhancing the District's educational programs post pandemic also and were good investments. The District has seen a decrease in student enrollment in fiscal year 2020-21. The Enrollment Stabilization grant funds have allowed the District to maintain a larger teacher staff than would have been allocated. This also allowed the District to cap the student to teacher ratio at 25.

Budgeted expenditures in the General Fund increased by \$612,431, or five percent to \$12.8 million in fiscal year 2020-21. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2020-21 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, 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

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 10,820,978
Deposits	29,151
Property taxes receivable	57,387
Due from governmental entities	<u>2,741,686</u>
Total current assets	<u>13,649,202</u>
Noncurrent assets:	
Capital assets not being depreciated	1,990,800
Capital assets, net of accumulated depreciation	<u>21,781,525</u>
Total noncurrent assets	<u>23,772,325</u>
Total assets	<u><u>37,421,527</u></u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	<u>1,212,047</u>
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	57,238
Accrued payroll and employee benefits	450,362
Compensated absences payable	131,449
Accrued interest payable	135,975
Unearned revenues	5,486
Bonds payable	<u>820,000</u>
Total current liabilities	<u>1,600,510</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>18,543,206</u>
Total noncurrent liabilities	<u>18,543,206</u>
Total liabilities	<u><u>20,143,716</u></u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	<u>913,257</u>
<u>NET POSITION</u>	
Net investment in capital assets	17,650,390
Restricted	4,568,080
Unrestricted	<u>(4,641,869)</u>
Total net position	<u><u>\$ 17,576,601</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, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 8,139,089	\$ 91,106	\$ 673,626	\$ 62,143	\$ (7,312,214)
Support services - students and staff	2,353,299		473,675		(1,879,624)
Support services - administration	2,096,175		10,114		(2,086,061)
Operation and maintenance of plant services	2,073,547			24,711	(2,048,836)
Student transportation services	662,954		5,984		(656,970)
Operation of non-instructional services	1,320,879	13,392	1,039,450		(268,037)
Interest on long-term debt	257,428				(257,428)
Total governmental activities	<u>\$ 16,903,371</u>	<u>\$ 104,498</u>	<u>\$ 2,202,849</u>	<u>\$ 86,854</u>	<u>(14,509,170)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	1,817,502
Property taxes, levied for debt service	1,083,534
Property taxes, levied for capital outlay	221,356
Investment income	180,629
Unrestricted county aid	833,605
Unrestricted state aid	9,969,238
Total general revenues	<u>14,105,864</u>

Changes in net position (403,306)

Net position, beginning of year, as restated 17,979,907

Net position, end of year \$ 17,576,601

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

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FUND FINANCIAL STATEMENTS

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General</u>	<u>Classroom Site</u>	<u>Special Education Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,373,673	\$ 2,128,393	\$
Deposits			
Property taxes receivable	45,172		
Due from governmental entities	2,400,017	73,805	98,191
Due from other funds	173,384		
Total assets	<u>\$ 4,992,246</u>	<u>\$ 2,202,198</u>	<u>\$ 98,191</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 57,238	\$	\$
Due to other funds			98,191
Accrued payroll and employee benefits	121,489	305,418	
Unearned revenues			
Bonds payable			
Bond interest payable			
Total liabilities	<u>178,727</u>	<u>305,418</u>	<u>98,191</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes	40,152		
Unavailable revenues - intergovernmental			98,191
Total deferred inflows of resources	<u>40,152</u>	<u></u>	<u>98,191</u>
Fund balances (deficits):			
Restricted		1,896,780	
Unassigned	4,773,367		(98,191)
Total fund balances	<u>4,773,367</u>	<u>1,896,780</u>	<u>(98,191)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,992,246</u>	<u>\$ 2,202,198</u>	<u>\$ 98,191</u>

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

<u>Debt Service</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 1,075,073	\$ 2,798,548	\$ 2,445,291	\$ 10,820,978
		29,151	29,151
12,215			57,387
		169,673	2,741,686
			173,384
<u>\$ 1,087,288</u>	<u>\$ 2,798,548</u>	<u>\$ 2,644,115</u>	<u>\$ 13,822,586</u>
\$	\$	\$	\$ 57,238
		75,193	173,384
		23,455	450,362
		5,486	5,486
820,000			820,000
135,975			135,975
<u>955,975</u>		<u>104,134</u>	<u>1,642,445</u>
9,062			49,214
		82,358	180,549
<u>9,062</u>		<u>82,358</u>	<u>229,763</u>
122,251	2,798,548	2,539,981	7,357,560
		(82,358)	4,592,818
<u>122,251</u>	<u>2,798,548</u>	<u>2,457,623</u>	<u>11,950,378</u>
<u>\$ 1,087,288</u>	<u>\$ 2,798,548</u>	<u>\$ 2,644,115</u>	<u>\$ 13,822,586</u>

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UNION ELEMENTARY SCHOOL DISTRICT NO. 62
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

Total governmental fund balances	\$	11,950,378
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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	\$ 34,287,236		
Less accumulated depreciation	<u>(10,514,911)</u>		23,772,325

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

Property taxes	49,214		
Intergovernmental	<u>180,549</u>		229,763

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	1,212,047		
Deferred inflows of resources related to pensions	<u>(913,257)</u>		298,790

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

Compensated absences payable	(138,078)		
Net pension liability	(10,436,094)		
Bonds payable	<u>(8,100,483)</u>		<u>(18,674,655)</u>

Net position of governmental activities	\$	<u>17,576,601</u>
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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, 2020

	<u>General</u>	<u>Classroom Site</u>	<u>Special Education Grants</u>
Revenues:			
Other local	\$ 840,680	\$ 34,555	\$
Property taxes	1,952,659		
State aid and grants	8,462,326	885,655	
Federal aid, grants and reimbursements	109,303		173,829
Total revenues	<u>11,364,968</u>	<u>920,210</u>	<u>173,829</u>
Expenditures:			
Current -			
Instruction	5,805,826	701,928	246,963
Support services - students and staff	1,591,888	101,470	13,177
Support services - administration	1,852,743		188
Operation and maintenance of plant services	1,413,035		
Student transportation services	450,076		
Operation of non-instructional services	35,328		
Capital outlay	20,275		414
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>11,169,171</u>	<u>803,398</u>	<u>260,742</u>
Excess (deficiency) of revenues over expenditures	<u>195,797</u>	<u>116,812</u>	<u>(86,913)</u>
Other financing sources (uses):			
Transfers in	198,274		
Transfers out			(9,372)
Total other financing sources (uses)	<u>198,274</u>	<u></u>	<u>(9,372)</u>
Changes in fund balances	<u>394,071</u>	<u>116,812</u>	<u>(96,285)</u>
Fund balances (deficits), beginning of year, as restated	4,640,173	1,779,968	(1,906)
Increase (decrease) in reserve for prepaid items	(260,877)		
Fund balances (deficits), end of year	<u><u>\$ 4,773,367</u></u>	<u><u>\$ 1,896,780</u></u>	<u><u>\$ (98,191)</u></u>

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

<u>Debt Service</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 9,520	\$ 63,937	\$ 180,706	\$ 1,129,398
1,080,922		221,356	3,254,937
		704,774	10,052,755
		1,754,314	2,037,446
<u>1,090,442</u>	<u>63,937</u>	<u>2,861,150</u>	<u>16,474,536</u>
		329,414	7,084,131
		593,219	2,299,754
		13,003	1,865,934
			1,413,035
		7,432	457,508
		1,243,553	1,278,881
	886,341	385,873	1,292,903
820,000			820,000
272,850			272,850
<u>1,092,850</u>	<u>886,341</u>	<u>2,572,494</u>	<u>16,784,996</u>
<u>(2,408)</u>	<u>(822,404)</u>	<u>288,656</u>	<u>(310,460)</u>
63,936			262,210
	(63,936)	(188,902)	(262,210)
<u>63,936</u>	<u>(63,936)</u>	<u>(188,902)</u>	
<u>61,528</u>	<u>(886,340)</u>	<u>99,754</u>	<u>(310,460)</u>
60,723	3,684,888	2,357,869	12,521,715
			(260,877)
<u>\$ 122,251</u>	<u>\$ 2,798,548</u>	<u>\$ 2,457,623</u>	<u>\$ 11,950,378</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, 2020

Changes in fund balances - total governmental funds **\$ (310,460)**

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

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capitalized assets	\$ 619,435	
Less current year depreciation	<u>(1,124,421)</u>	(504,986)

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

Property taxes	(132,545)	
Intergovernmental	<u>158,074</u>	25,529

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. 820,000

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	933,960	
Pension expense	<u>(1,098,407)</u>	(164,447)

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	(260,877)	
Amortization of deferred bond items	15,422	
Compensated absences	<u>(23,487)</u>	<u>(268,942)</u>

Changes in net position in governmental activities **\$ (403,306)**

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes, and provides guidance as to how those activities should be reported. Student Activities and Employee Withholding accounts reported in the prior year as fiduciary activities do not meet these new fiduciary activities criteria and have been reclassified as special revenue and general governmental fund activities. Beginning balances of the governmental funds and governmental activities have been restated by \$1,931,630 accordingly.

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

A. Reporting Entity

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

The membership of the Governing Board consists of 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.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Government-Wide and Fund Financial Statements

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

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.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

Special Education Grants Fund – The Special Education Grants Fund accounts for financial assistance received to provide a free, appropriate public education to disabled children.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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. 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 deposit insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Capital Assets

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

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

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

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

Land improvements	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 position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

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.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. 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.

M. 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.

N. 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.

O. 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, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. 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, 2020

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.

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Special Education Grants Fund</u>	<u>Debt Service Fund</u>	<u>Bond Building Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:						
Restricted:						
Debt service	\$	\$	\$	\$ 122,251	\$	\$
Capital projects					2,798,548	1,643,597
Voter approved initiatives		1,896,780				350,367
Food service						373,337
Extracurricular activities						62,545
Gifts and donations						32,313
Insurance refund						50,282
Other purposes						27,540
Unassigned	4,773,367		(98,191)			(82,358)
Total fund balances	<u>\$ 4,773,367</u>	<u>\$ 1,896,780</u>	<u>\$ (98,191)</u>	<u>\$ 122,251</u>	<u>\$ 2,798,548</u>	<u>\$ 2,457,623</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – RESTRICTED NET POSITION

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

	<u>Governmental Activities</u>
Restricted Net Position:	
Debt service	\$ 131,313
Capital projects	1,643,597
Voter approved initiatives	2,247,147
Food service	373,337
Extracurricular activities	62,545
Insurance refund	50,282
Gifts and donations	32,313
Other purposes	27,546
Total	<u>\$ 4,568,080</u>

NOTE 4 – 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:	
Special Education Grants	\$ 98,191
Non-Major Governmental Funds:	
Title I Grants	82,315
Limited English & Immigrant Students	43

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$1,901,523 and the bank balance was \$1,954,370. At year end, \$1,704,370 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.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	313 days	\$ 8,483,783
The Trust Investment Pool	135 days	435,672
Total		<u>\$ 8,919,455</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. Investments held in the Trust Investment Pool were rated AA+ by Standard and Poor's and AAA by Moody's Investors Service.

Custodial Credit Risk – Investments. The District's investment in the County Treasurer's investment pool 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.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – RECEIVABLES

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

	General Fund	Classroom Site Fund	Special Education Grants Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$ 27,327	\$	\$ 98,191	\$ 125,683
Due from state government	<u>2,372,690</u>	<u>73,805</u>		<u>43,990</u>
Net due from governmental entities	<u>\$ 2,400,017</u>	<u>\$ 73,805</u>	<u>\$ 98,191</u>	<u>\$ 169,673</u>

NOTE 7 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,917,492	\$	\$	\$ 1,917,492
Construction in progress	<u>231,799</u>	<u>73,308</u>	<u>231,799</u>	<u>73,308</u>
Total capital assets, not being depreciated	<u>2,149,291</u>	<u>73,308</u>	<u>231,799</u>	<u>1,990,800</u>
Capital assets, being depreciated:				
Land improvements	1,445,855	548,897		1,994,752
Buildings and improvements	26,704,489	47,946		26,752,435
Vehicles, furniture and equipment	<u>3,413,468</u>	<u>181,083</u>	<u>45,302</u>	<u>3,549,249</u>
Total capital assets being depreciated	<u>31,563,812</u>	<u>777,926</u>	<u>45,302</u>	<u>32,296,436</u>
Less accumulated depreciation for:				
Land improvements	(430,816)	(81,731)		(512,547)
Buildings and improvements	(7,282,140)	(799,883)		(8,082,023)
Vehicles, furniture and equipment	<u>(1,722,836)</u>	<u>(242,807)</u>	<u>(45,302)</u>	<u>(1,920,341)</u>
Total accumulated depreciation	<u>(9,435,792)</u>	<u>(1,124,421)</u>	<u>(45,302)</u>	<u>(10,514,911)</u>
Total capital assets, being depreciated, net	<u>22,128,020</u>	<u>(346,495)</u>		<u>21,781,525</u>
Governmental activities capital assets, net	<u>\$ 24,277,311</u>	<u>\$ (273,187)</u>	<u>\$ 231,799</u>	<u>\$ 23,772,325</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7 – CAPITAL ASSETS

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 503,274
Support services – students and staff	64
Support services – administration	66,485
Operation and maintenance of plant services	475,551
Student transportation services	71,790
Operation of non-instructional services	7,257
Total depreciation expense – governmental activities	<u>\$ 1,124,421</u>

Construction Commitments – At year end, the District had contractual commitments related to capital projects for school renovations. At year end the District had spent \$73,308 on the projects and had estimated remaining contractual commitments of \$198,922. This project is being funded with bond proceeds.

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.

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount authorized \$4,490,000 remains unissued. 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 \$15.1 million and the available margin is \$6.3 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2020	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2006, Series A	\$ 2,540,000	2.25-4.00%	7/1/20-22	\$ 825,000	\$ 265,000
School Improvement Bonds, Project of 2015, Series A	5,200,000	2.00-3.00%	7/1/20-31	4,070,000	425,000
School Improvement Bonds, Project of 2015, Series B	3,825,000	3.00-4.00%	7/1/20-34	3,825,000	130,000
Total				<u>\$ 8,720,000</u>	<u>\$ 820,000</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2021	\$ 820,000	\$ 260,450
2022	765,000	237,600
2023	800,000	215,500
2024	755,000	197,675
2025	690,000	180,550
2026-30	1,915,000	721,725
2031-35	2,975,000	284,425
Total	<u>\$ 8,720,000</u>	<u>\$ 2,097,925</u>

NOTE 10 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 9,360,000	\$	\$ 640,000	\$ 8,720,000	\$ 820,000
Premium	215,905		15,422	200,483	
Total bonds payable	<u>9,575,905</u>		<u>655,422</u>	<u>8,920,483</u>	<u>820,000</u>
Net pension liability	10,109,804	326,290		10,436,094	
Compensated absences payable	<u>114,591</u>	<u>122,742</u>	<u>99,255</u>	<u>138,078</u>	<u>131,449</u>
Governmental activity long-term liabilities	<u>\$ 19,800,300</u>	<u>\$ 449,032</u>	<u>\$ 754,677</u>	<u>\$19,494,655</u>	<u>\$ 951,449</u>

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Special Education Fund and several non-major governmental funds had negative cash balances of \$98,191 and \$75,193, respectively, for a total of \$173,384, 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			
Special Education Grants Fund	\$ 9,372	\$	\$ 9,372
Bond Building Fund		63,936	63,936
Non-Major Governmental Funds	188,902		188,902
Total	<u>\$ 198,274</u>	<u>\$ 63,936</u>	<u>\$ 262,210</u>

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

NOTE 12 – CONTINGENT LIABILITIES

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

Lawsuits – The District is a party to a number of various types of lawsuits, many of which normally occur in governmental operations. The ultimate outcome of the actions is not determinable, however, District management believes that the outcome of these proceedings, either individually or in the aggregate, will not have a materially adverse effect on the accompanying financial statements.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 – PRIOR PERIOD ADJUSTMENTS

The July 1, 2019, government-wide net position and the fund balance of the General Fund and non-major governmental funds do not agree to the prior year financial statements due to the implementation of GASB Statement No. 84 and adjustments to fund balance reclassification.

	Statement of Activities	Governmental Funds		
		General Fund	Bond Building Fund	Non-Major Governmental Funds
Net position/fund balance, June 30, 2019, as previously reported	\$ 16,040,114	\$ 2,713,481	\$ 3,653,883	\$ 2,375,773
Fund balance reclassification	8,163	6,890	31,005	(29,732)
Employee withholding per GASB 84	1,919,802	1,919,802		
Student activities per GASB 84	11,828			11,828
Net position/fund balance, July 1, 2019, as restated	<u>\$ 17,979,907</u>	<u>\$ 4,640,173</u>	<u>\$ 3,684,888</u>	<u>\$ 2,357,869</u>

NOTE 14 – 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, 2020

NOTE 15 – 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, 2020

NOTE 15 – 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 12.11 percent (11.94 percent for retirement and 0.17 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.11 percent (11.45 percent for retirement, 0.49 percent for health insurance premium benefit, and 0.17 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2020 were \$933,960.

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

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

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

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 10,436,094	0.072	(0.000)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 – 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, 2020 was \$1,098,407.

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	\$ 188,531	\$ 1,962
Changes of assumptions or other inputs	44,114	415,586
Net difference between projected and actual earnings on pension investments		234,567
Changes in proportion and differences between contributions and proportionate share of contributions	45,442	261,142
Contributions subsequent to the measurement date	933,960	
Total	<u>\$ 1,212,047</u>	<u>\$ 913,257</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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2021	\$ (339,060)
2022	(313,887)
2023	(45,047)
2024	62,824

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 – PENSIONS

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

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

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

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

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 – PENSIONS

Discount Rate. The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the 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 7.5 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.5%	7.5%	8.5%
Net liability	\$ 14,852,980	\$ 10,436,094	\$ 6,744,715

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.

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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, 2020

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 811,583	\$ 811,583
Property taxes			1,952,659	1,952,659
State aid and grants			8,462,326	8,462,326
Total revenues			<u>11,226,568</u>	<u>11,226,568</u>
Expenditures:				
Current -				
Instruction	6,776,938	6,538,961	5,790,985	747,976
Support services - students and staff	1,557,151	1,633,151	1,581,039	52,112
Support services - administration	1,729,520	1,842,479	1,753,100	89,379
Operation and maintenance of plant services	1,606,588	1,656,588	1,451,048	205,540
Student transportation services	467,656	493,656	450,076	43,580
Operation of non-instructional services	45,000	45,000	35,328	9,672
Capital outlay			209	(209)
Total expenditures	<u>12,182,853</u>	<u>12,209,835</u>	<u>11,061,785</u>	<u>1,148,050</u>
Changes in fund balances	<u>(12,182,853)</u>	<u>(12,209,835)</u>	<u>164,783</u>	<u>12,374,618</u>
Fund balances, beginning of year			2,033,336	2,033,336
Increase (decrease) in reserve for prepaid items			(118,697)	(118,697)
Fund balances (deficits), end of year	<u>\$ (12,182,853)</u>	<u>\$ (12,209,835)</u>	<u>\$ 2,079,422</u>	<u>\$ 14,289,257</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, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Other local	\$	\$	\$ 34,555	\$ 34,555
State aid and grants			885,655	885,655
Total revenues			920,210	920,210
Expenditures:				
Current -				
Instruction	2,385,563	2,365,563	701,928	1,663,635
Support services - students and staff	521,400	541,400	101,470	439,930
Total expenditures	2,906,963	2,906,963	803,398	2,103,565
Changes in fund balances	(2,906,963)	(2,906,963)	116,812	3,023,775
Fund balances, beginning of year			1,779,968	1,779,968
Fund balances (deficits), end of year	\$ (2,906,963)	\$ (2,906,963)	\$ 1,896,780	\$ 4,803,743

See accompanying notes to this schedule.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL EDUCATION GRANTS
YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 173,829	\$ 173,829
Total revenues			<u>173,829</u>	<u>173,829</u>
Expenditures:				
Current -				
Instruction	400,000	306,656	246,963	59,693
Support services - students and staff			13,177	(13,177)
Support services - administration			188	(188)
Capital outlay			414	(414)
Total expenditures	<u>400,000</u>	<u>306,656</u>	<u>260,742</u>	<u>45,914</u>
Excess (deficiency) of revenues over expenditures	<u>(400,000)</u>	<u>(306,656)</u>	<u>(86,913)</u>	<u>219,743</u>
Other financing sources (uses):				
Transfers out			(9,372)	(9,372)
Total other financing sources (uses)			<u>(9,372)</u>	<u>(9,372)</u>
Changes in fund balances	<u>(400,000)</u>	<u>(306,656)</u>	<u>(96,285)</u>	<u>210,371</u>
Fund balances (deficits), beginning of year			(1,906)	(1,906)
Fund balances (deficits), end of year	<u>\$ (400,000)</u>	<u>\$ (306,656)</u>	<u>\$ (98,191)</u>	<u>\$ 208,465</u>

See accompanying notes to this schedule.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
District's proportion of the net pension (assets) liability	0.07%	0.07%	0.08%	0.07%
District's proportionate share of the net pension (assets) liability	\$ 10,436,094	\$ 10,109,804	\$ 11,842,434	\$ 11,547,275
District's covered payroll	\$ 7,510,349	\$ 7,200,752	\$ 7,390,167	\$ 6,329,152
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	138.96%	140.40%	160.25%	182.45%
Plan fiduciary net position as a percentage of the total pension liability	73.24%	73.40%	69.92%	67.06%

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 933,960	\$ 839,657	\$ 784,883	\$ 796,660
Contributions in relation to the actuarially determined contribution	<u>933,960</u>	<u>839,657</u>	<u>784,883</u>	<u>796,660</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 8,156,856	\$ 7,510,349	\$ 7,200,752	\$ 7,390,167
Contributions as a percentage of covered payroll	11.45%	11.18%	10.90%	10.78%

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

See accompanying notes to this schedule.

2016**2015**

June 30, 2015

June 30, 2014

0.07%

0.06%

\$ 10,662,747 \$ 9,597,452

\$ 6,299,789 \$ 5,857,131

169.26%

163.86%

68.35%

69.49%

2016**2015**

\$ 686,713 \$ 686,047

686,713686,047\$ \$

\$ 6,329,152 \$ 6,299,789

10.85%

10.89%

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2020

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.
- 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	\$ 11,169,171	\$ 4,773,367
Activity budgeted as special revenue funds	(220,120)	(615,642)
Activity budgeted as capital projects funds	(3,022)	(9,041)
Current-year prepaid items	142,180	
Employee insurance account	<u>(26,424)</u>	<u>(2,069,262)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	<u>\$ 11,061,785</u>	<u>\$ 2,079,422</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, 2018, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2016. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation.

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

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GOVERNMENTAL FUNDS

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 801,694	\$ 1,643,597	\$ 2,445,291
Deposits	29,151		29,151
Due from governmental entities	169,673		169,673
Total assets	<u>\$ 1,000,518</u>	<u>\$ 1,643,597</u>	<u>\$ 2,644,115</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$ 75,193	\$	\$ 75,193
Accrued payroll and employee benefits	23,455		23,455
Unearned revenues	5,486		5,486
Total liabilities	<u>104,134</u>		<u>104,134</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>82,358</u>		<u>82,358</u>
Fund balances (deficits):			
Restricted	896,384	1,643,597	2,539,981
Unassigned	(82,358)		(82,358)
Total fund balances	<u>814,026</u>	<u>1,643,597</u>	<u>2,457,623</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,000,518</u>	<u>\$ 1,643,597</u>	<u>\$ 2,644,115</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, 2020

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 51,515	\$ 129,191	\$ 180,706
Property taxes		221,356	221,356
State aid and grants	139,380	565,394	704,774
Federal aid, grants and reimbursements	<u>1,754,314</u>		<u>1,754,314</u>
Total revenues	<u>1,945,209</u>	<u>915,941</u>	<u>2,861,150</u>
Expenditures:			
Current -			
Instruction	329,414		329,414
Support services - students and staff	593,219		593,219
Support services - administration	13,003		13,003
Student transportation services	7,432		7,432
Operation of non-instructional services	1,243,553		1,243,553
Capital outlay	<u>62,042</u>	<u>323,831</u>	<u>385,873</u>
Total expenditures	<u>2,248,663</u>	<u>323,831</u>	<u>2,572,494</u>
Excess (deficiency) of revenues over expenditures	<u>(303,454)</u>	<u>592,110</u>	<u>288,656</u>
Other financing sources (uses):			
Transfers out	<u>(188,902)</u>		<u>(188,902)</u>
Total other financing sources (uses)	<u>(188,902)</u>		<u>(188,902)</u>
Changes in fund balances	<u>(492,356)</u>	<u>592,110</u>	<u>99,754</u>
Fund balances, beginning of year, as restated	1,306,382	1,051,487	2,357,869
Fund balances, end of year	<u><u>\$ 814,026</u></u>	<u><u>\$ 1,643,597</u></u>	<u><u>\$ 2,457,623</u></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.

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.

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

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.

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, 2020

	<u>Instructional Improvement</u>	<u>County, City, and Town Grants</u>	<u>Title I Grants</u>
<u>ASSETS</u>			
Cash and investments	\$ 306,377	\$ 8,174	\$
Deposits			
Due from governmental entities	43,990		82,315
Total assets	<u><u>\$ 350,367</u></u>	<u><u>\$ 8,174</u></u>	<u><u>\$ 82,315</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$	\$	\$ 71,188
Accrued payroll and employee benefits			11,127
Unearned revenues	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u> </u>	<u> </u>	<u>82,315</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u> </u>	<u> </u>	<u>82,315</u>
Fund balances (deficits):			
Restricted	350,367	8,174	
Unassigned	<u> </u>	<u> </u>	<u>(82,315)</u>
Total fund balances	<u><u>350,367</u></u>	<u><u>8,174</u></u>	<u><u>(82,315)</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 350,367</u></u>	<u><u>\$ 8,174</u></u>	<u><u>\$ 82,315</u></u>

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Food Service	Civic Center	Extracurricular Activities Fees Tax Credit
\$ 5,486	\$	\$	\$ 317,151	\$ 795	\$ 62,545
	9,143	43	29,151		
			34,182		
<u>\$ 5,486</u>	<u>\$ 9,143</u>	<u>\$ 43</u>	<u>\$ 380,484</u>	<u>\$ 795</u>	<u>\$ 62,545</u>
\$	\$ 3,962	\$ 43	\$	\$	\$
	5,181		7,147		
<u>5,486</u>					
<u>5,486</u>	<u>9,143</u>	<u>43</u>	<u>7,147</u>		
		43			
			373,337	795	62,545
		(43)			
		<u>(43)</u>	<u>373,337</u>	<u>795</u>	<u>62,545</u>
<u>\$ 5,486</u>	<u>\$ 9,143</u>	<u>\$ 43</u>	<u>\$ 380,484</u>	<u>\$ 795</u>	<u>\$ 62,545</u>

(Continued)

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	<u>Gifts and Donations</u>	<u>Textbooks</u>	<u>Insurance Refund</u>
<u>ASSETS</u>			
Cash and investments	\$ 32,313	\$ 5,975	\$ 50,282
Deposits			
Due from governmental entities			
Total assets	<u>\$ 32,313</u>	<u>\$ 5,975</u>	<u>\$ 50,282</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Due to other funds	\$	\$	\$
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities			
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	32,313	5,975	50,282
Unassigned			
Total fund balances	<u>32,313</u>	<u>5,975</u>	<u>50,282</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 32,313</u>	<u>\$ 5,975</u>	<u>\$ 50,282</u>

<u>Grants and Gifts to Teachers</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 869	\$ 11,727	\$ 801,694
		29,151
		169,673
<u>\$ 869</u>	<u>\$ 11,727</u>	<u>\$ 1,000,518</u>
\$	\$	\$ 75,193
		23,455
		5,486
		<u>104,134</u>
		<u>82,358</u>
869	11,727	896,384
		(82,358)
<u>869</u>	<u>11,727</u>	<u>814,026</u>
<u>\$ 869</u>	<u>\$ 11,727</u>	<u>\$ 1,000,518</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, 2020

	Instructional Improvement	County, City, and Town Grants	Title I Grants
Revenues:			
Other local	\$ 7,643	\$ 155	\$
State aid and grants	80,574		
Federal aid, grants and reimbursements			440,645
Total revenues	<u>88,217</u>	<u>155</u>	<u>440,645</u>
Expenditures:			
Current -			
Instruction	7,037		251,760
Support services - students and staff	125,000		247,734
Support services - administration			
Student transportation services	1,400		6,032
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>133,437</u>	<u></u>	<u>505,526</u>
Excess (deficiency) of revenues over expenditures	<u>(45,220)</u>	<u>155</u>	<u>(64,881)</u>
Other financing sources (uses):			
Transfers out			(17,434)
Total other financing sources (uses)			<u>(17,434)</u>
Changes in fund balances	<u>(45,220)</u>	<u>155</u>	<u>(82,315)</u>
Fund balances (deficits), beginning of year, as restated	395,587	8,019	
Fund balances (deficits), end of year	<u>\$ 350,367</u>	<u>\$ 8,174</u>	<u>\$ (82,315)</u>

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Gifted	Other State Projects	Food Service
\$	\$	\$	\$	\$	\$
			1,980	56,826	23,594
80,571	131,101	63,072			1,038,925
80,571	131,101	63,072	1,980	56,826	1,062,519
	55,267	3,300	800		
62,333	57,884	38,333	1,180	56,826	
9,647	220	140			1,600
	529				1,243,024
6,000	12,486				43,243
77,980	126,386	41,773	1,980	56,826	1,287,867
2,591	4,715	21,299			(225,348)
(2,591)	(3,987)	(1,501)			(163,389)
(2,591)	(3,987)	(1,501)			(163,389)
	728	19,798			(388,737)
	(728)	(19,841)			762,074
\$	\$	\$	\$	\$	\$
		(43)			373,337

(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, 2020

	Civic Center	Extracurricular Activities Fees Tax Credit	Gifts and Donations
Revenues:			
Other local	\$ 184	\$ 11,752	\$ 3,881
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	<u>184</u>	<u>11,752</u>	<u>3,881</u>
Expenditures:			
Current -			
Instruction		6,519	3,140
Support services - students and staff			3,425
Support services - administration			1,396
Student transportation services			
Operation of non-instructional services			
Capital outlay		107	
Total expenditures		<u>6,626</u>	<u>7,961</u>
Excess (deficiency) of revenues over expenditures	<u>184</u>	<u>5,126</u>	<u>(4,080)</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>184</u>	<u>5,126</u>	<u>(4,080)</u>
Fund balances (deficits), beginning of year, as restated	611	57,419	36,393
Fund balances, end of year	<u>\$ 795</u>	<u>\$ 62,545</u>	<u>\$ 32,313</u>

<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 114	\$ 2,827	\$ 516	\$ 849	\$ 51,515
				139,380
				1,754,314
<u>114</u>	<u>2,827</u>	<u>516</u>	<u>849</u>	<u>1,945,209</u>
		641	950	329,414
		504		593,219
				13,003
				7,432
				1,243,553
		206		62,042
		<u>1,351</u>	<u>950</u>	<u>2,248,663</u>
<u>114</u>	<u>2,827</u>	<u>(835)</u>	<u>(101)</u>	<u>(303,454)</u>
				(188,902)
				<u>(188,902)</u>
<u>114</u>	<u>2,827</u>	<u>(835)</u>	<u>(101)</u>	<u>(492,356)</u>
5,861	47,455	1,704	11,828	1,306,382
<u>\$ 5,975</u>	<u>\$ 50,282</u>	<u>\$ 869</u>	<u>\$ 11,727</u>	<u>\$ 814,026</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, 2020

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 7,643	\$ 7,643
State aid and grants		80,574	80,574
Federal aid, grants and reimbursements			
Total revenues		<u>88,217</u>	<u>88,217</u>
Expenditures:			
Current -			
Instruction		7,037	(7,037)
Support services - students and staff	350,000	125,000	225,000
Support services - administration			
Operation and maintenance of plant services			
Student transportation services		1,400	(1,400)
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>350,000</u>	<u>133,437</u>	<u>216,563</u>
Excess (deficiency) of revenues over expenditures	<u>(350,000)</u>	<u>(45,220)</u>	<u>304,780</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(350,000)</u>	<u>(45,220)</u>	<u>304,780</u>
Fund balances (deficits), beginning of year, as restated		395,587	395,587
Fund balances (deficits), end of year	<u>\$ (350,000)</u>	<u>\$ 350,367</u>	<u>\$ 700,367</u>

County, City, and Town Grants			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 155	\$ 155	\$	\$	\$
				440,645	440,645
	155	155		440,645	440,645
8,000		8,000	642,460	251,760	390,700
				247,734	(247,734)
				6,032	(6,032)
8,000		8,000	642,460	505,526	136,934
(8,000)	155	8,155	(642,460)	(64,881)	577,579
				(17,434)	(17,434)
				(17,434)	(17,434)
(8,000)	155	8,155	(642,460)	(82,315)	560,145
	8,019	8,019			
\$ (8,000)	\$ 8,174	\$ 16,174	\$ (642,460)	\$ (82,315)	\$ 560,145

(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, 2020

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		80,571	80,571
Total revenues		<u>80,571</u>	<u>80,571</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	122,648	62,333	60,315
Support services - administration		9,647	(9,647)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		6,000	(6,000)
Total expenditures	<u>122,648</u>	<u>77,980</u>	<u>44,668</u>
Excess (deficiency) of revenues over expenditures	<u>(122,648)</u>	<u>2,591</u>	<u>125,239</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(2,591)	(2,591)
Total other financing sources (uses)		<u>(2,591)</u>	<u>(2,591)</u>
Changes in fund balances	<u>(122,648)</u>		<u>122,648</u>
Fund balances (deficits), beginning of year, as restated			
Fund balances (deficits), end of year	<u>\$ (122,648)</u>	<u>\$</u>	<u>\$ 122,648</u>

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	131,101	131,101		63,072	63,072
	131,101	131,101		63,072	63,072
162,000	55,267	106,733		3,300	(3,300)
	57,884	(57,884)	56,806	38,333	18,473
	220	(220)		140	(140)
	529	(529)			
	12,486	(12,486)			
162,000	126,386	35,614	56,806	41,773	15,033
(162,000)	4,715	166,715	(56,806)	21,299	78,105
	(3,987)	(3,987)		(1,501)	(1,501)
	(3,987)	(3,987)		(1,501)	(1,501)
(162,000)	728	162,728	(56,806)	19,798	76,604
	(728)	(728)		(19,841)	(19,841)
\$ (162,000)	\$	\$ 162,000	\$ (56,806)	\$ (43)	\$ 56,763

(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, 2020

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 20	\$ 20
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		20	20
Expenditures:			
Current -			
Instruction	5,000		5,000
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	5,000		5,000
Excess (deficiency) of revenues over expenditures	(5,000)	20	5,020
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(5,000)	20	5,020
Fund balances (deficits), beginning of year, as restated		8,106	8,106
Fund balances (deficits), end of year	\$ (5,000)	\$ 8,126	\$ 13,126

E-Rate			Gifted		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,948	\$ 2,948	\$	\$	\$
				1,980	1,980
	109,303	109,303			
	112,251	112,251		1,980	1,980
				800	(800)
				1,180	(1,180)
	6,570	(6,570)			
300,000	93,000	207,000			
300,000	99,570	200,430		1,980	(1,980)
(300,000)	12,681	312,681			
(300,000)	12,681	312,681			
	176,833	176,833			
\$ (300,000)	\$ 189,514	\$ 489,514	\$	\$	\$

(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, 2020

	Other State Projects		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		56,826	56,826
Federal aid, grants and reimbursements			
Total revenues		<u>56,826</u>	<u>56,826</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff		56,826	(56,826)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures		<u>56,826</u>	<u>(56,826)</u>
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances			
Fund balances (deficits), beginning of year, as restated			
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)
\$	\$ 23,594	\$ 23,594	\$	\$ 184	\$ 184
	1,038,925	1,038,925			
	1,062,519	1,062,519		184	184
	1,600	(1,600)			
2,000,000	1,243,024	756,976	500		500
	43,243	(43,243)			
2,000,000	1,287,867	712,133	500		500
(2,000,000)	(225,348)	1,774,652	(500)	184	684
	(163,389)	(163,389)			
	(163,389)	(163,389)			
(2,000,000)	(388,737)	1,611,263	(500)	184	684
	762,074	762,074		611	611
\$ (2,000,000)	\$ 373,337	\$ 2,373,337	\$ (500)	\$ 795	\$ 1,295

(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, 2020

	Auxiliary Operations		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 17,370	\$ 17,370
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>17,370</u>	<u>17,370</u>
Expenditures:			
Current -			
Instruction		6,322	(6,322)
Support services - students and staff	30,000	10,849	19,151
Support services - administration		634	(634)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>30,000</u>	<u>17,805</u>	<u>12,195</u>
Excess (deficiency) of revenues over expenditures	<u>(30,000)</u>	<u>(435)</u>	<u>29,565</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(30,000)</u>	<u>(435)</u>	<u>29,565</u>
Fund balances (deficits), beginning of year, as restated		10,123	10,123
Fund balances (deficits), end of year	<u>\$ (30,000)</u>	<u>\$ 9,688</u>	<u>\$ 39,688</u>

Extracurricular Activities Fees Tax Credit			Gifts and Donations		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 11,752	\$ 11,752	\$	\$ 3,881	\$ 3,881
	11,752	11,752		3,881	3,881
70,000	6,519	63,481	40,000	3,140	(3,140)
				3,425	36,575
				1,396	(1,396)
	107	(107)			
70,000	6,626	63,374	40,000	7,961	32,039
(70,000)	5,126	75,126	(40,000)	(4,080)	35,920
(70,000)	5,126	75,126	(40,000)	(4,080)	35,920
	57,419	57,419		36,393	36,393
\$ (70,000)	\$ 62,545	\$ 132,545	\$ (40,000)	\$ 32,313	\$ 72,313

(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, 2020

	Textbooks		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 114	\$ 114
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		114	114
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	7,000		7,000
Excess (deficiency) of revenues over expenditures	(7,000)	114	7,114
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(7,000)	114	7,114
Fund balances (deficits), beginning of year, as restated		5,861	5,861
Fund balances (deficits), end of year	\$ (7,000)	\$ 5,975	\$ 12,975

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 5,223	\$ 5,223	\$	\$ 2,827	\$ 2,827
	<u>5,223</u>	<u>5,223</u>		<u>2,827</u>	<u>2,827</u>
	8,519	(8,519)	30,000		30,000
	74,160	(74,160)			
<u>200,000</u>	<u>20,066</u>	<u>179,934</u>	<u>30,000</u>		<u>30,000</u>
<u>200,000</u>	<u>102,745</u>	<u>97,255</u>			
<u>(200,000)</u>	<u>(97,522)</u>	<u>102,478</u>	<u>(30,000)</u>	<u>2,827</u>	<u>32,827</u>
	198,274	198,274			
	<u>198,274</u>	<u>198,274</u>			
<u>(200,000)</u>	<u>100,752</u>	<u>300,752</u>	<u>(30,000)</u>	<u>2,827</u>	<u>32,827</u>
	307,562	307,562		47,455	47,455
<u>\$ (200,000)</u>	<u>\$ 408,314</u>	<u>\$ 608,314</u>	<u>\$ (30,000)</u>	<u>\$ 50,282</u>	<u>\$ 80,282</u>

(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, 2020

	Grants and Gifts to Teachers		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 516	\$ 516
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>516</u>	<u>516</u>
Expenditures:			
Current -			
Instruction	2,000	641	1,359
Support services - students and staff		504	(504)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		206	(206)
Total expenditures	<u>2,000</u>	<u>1,351</u>	<u>649</u>
Excess (deficiency) of revenues over expenditures	<u>(2,000)</u>	<u>(835)</u>	<u>1,165</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(2,000)</u>	<u>(835)</u>	<u>1,165</u>
Fund balances (deficits), beginning of year, as restated		1,704	1,704
Fund balances (deficits), end of year	<u>\$ (2,000)</u>	<u>\$ 869</u>	<u>\$ 2,869</u>

Student Activities			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 849	\$ 849	\$	\$ 77,076	\$ 77,076
				139,380	139,380
				1,863,617	1,863,617
	849	849		2,080,073	2,080,073
	950	(950)	926,460	344,255	582,205
			599,454	604,068	(4,614)
				94,367	(94,367)
			300,000	93,000	207,000
				7,432	(7,432)
			2,000,500	1,243,553	756,947
			200,000	82,108	117,892
	950	(950)	4,026,414	2,468,783	1,557,631
	(101)	(101)	(4,026,414)	(388,710)	3,637,704
				198,274	198,274
				(188,902)	(188,902)
				9,372	9,372
	(101)	(101)	(4,026,414)	(379,338)	3,647,076
	11,828	11,828		1,809,006	1,809,006
\$	\$ 11,727	\$ 11,727	\$ (4,026,414)	\$ 1,429,668	\$ 5,456,082

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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, 2020

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 9,520	\$ 9,520
Property taxes		1,080,922	1,080,922
Total revenues		<u>1,090,442</u>	<u>1,090,442</u>
Expenditures:			
Debt service -			
Principal retirement	820,000	820,000	
Interest and fiscal charges	180,000	272,850	(92,850)
Total expenditures	<u>1,000,000</u>	<u>1,092,850</u>	<u>(92,850)</u>
Excess (deficiency) of revenues over expenditures	<u>(1,000,000)</u>	<u>(2,408)</u>	<u>997,592</u>
Other financing sources (uses):			
Transfers in		63,936	63,936
Total other financing sources (uses)		<u>63,936</u>	<u>63,936</u>
Changes in fund balances	<u>(1,000,000)</u>	<u>61,528</u>	<u>1,061,528</u>
Fund balances, beginning of year		60,723	60,723
Fund balances (deficits), end of year	<u>\$ (1,000,000)</u>	<u>\$ 122,251</u>	<u>\$ 1,122,251</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.

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.

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

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

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	<u>School Plant</u>	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>
<u>ASSETS</u>			
Cash and investments	\$ 103,315	\$ 557,431	\$ 953,859
Total assets	<u>\$ 103,315</u>	<u>\$ 557,431</u>	<u>\$ 953,859</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Fund balances:			
Restricted	\$ 103,315	\$ 557,431	\$ 953,859
Total fund balances	<u>103,315</u>	<u>557,431</u>	<u>953,859</u>
 Total liabilities and fund balances	 <u>\$ 103,315</u>	 <u>\$ 557,431</u>	 <u>\$ 953,859</u>

Energy and Water Savings	Building Renewal Grant	Totals
\$ 3,026	\$ 25,966	\$ 1,643,597
\$ 3,026	\$ 25,966	\$ 1,643,597
\$ 3,026	\$ 25,966	\$ 1,643,597
3,026	25,966	1,643,597
\$ 3,026	\$ 25,966	\$ 1,643,597

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, 2020

	<u>School Plant</u>	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>
Revenues:			
Other local	\$ 62,617	\$ 47,216	\$ 18,046
Property taxes		221,356	
State aid and grants		540,683	
Total revenues	<u>62,617</u>	<u>809,255</u>	<u>18,046</u>
Expenditures:			
Capital outlay		323,831	
Total expenditures		<u>323,831</u>	
Changes in fund balances	<u>62,617</u>	<u>485,424</u>	<u>18,046</u>
Fund balances, beginning of year, as restated	40,698	72,007	935,813
Fund balances, end of year	<u>\$ 103,315</u>	<u>\$ 557,431</u>	<u>\$ 953,859</u>

Energy and Water Savings	Building Renewal Grant	Totals
\$ 57	\$ 1,255	\$ 129,191
		221,356
	24,711	565,394
<u>57</u>	<u>25,966</u>	<u>915,941</u>
		323,831
		<u>323,831</u>
<u>57</u>	<u>25,966</u>	<u>592,110</u>
2,969		1,051,487
<u>\$ 3,026</u>	<u>\$ 25,966</u>	<u>\$ 1,643,597</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, 2020

	School Plant		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 62,617	\$ 62,617
Property taxes			
State aid and grants			
Total revenues		<u>62,617</u>	<u>62,617</u>
Expenditures:			
Current -			
Operation and maintenance of plant services	102,600		102,600
Capital outlay			
Total expenditures	<u>102,600</u>		<u>102,600</u>
Excess (deficiency) of revenues over expenditures	<u>(102,600)</u>	<u>62,617</u>	<u>165,217</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(102,600)</u>	<u>62,617</u>	<u>165,217</u>
Fund balances, beginning of year, as restated		40,698	40,698
Fund balances (deficits), end of year	<u>\$ (102,600)</u>	<u>\$ 103,315</u>	<u>\$ 205,915</u>

Insurance Proceeds			Unrestricted Capital Outlay		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 229	\$ 229	\$	\$ 47,216	\$ 47,216
				221,356	221,356
				540,683	540,683
	229	229		809,255	809,255
40,000	3,022	36,978			
			833,465	323,831	509,634
40,000	3,022	36,978	833,465	323,831	509,634
(40,000)	(2,793)	37,207	(833,465)	485,424	1,318,889
(40,000)	(2,793)	37,207	(833,465)	485,424	1,318,889
	11,834	11,834		72,007	72,007
\$ (40,000)	\$ 9,041	\$ 49,041	\$ (833,465)	\$ 557,431	\$ 1,390,896

(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, 2020

	Adjacent Ways		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 18,046	\$ 18,046
Property taxes			
State aid and grants			
Total revenues		<u>18,046</u>	<u>18,046</u>
Expenditures:			
Current -			
Operation and maintenance of plant services			
Capital outlay	<u>900,000</u>		<u>900,000</u>
Total expenditures	<u>900,000</u>		<u>900,000</u>
Excess (deficiency) of revenues over expenditures	<u>(900,000)</u>	<u>18,046</u>	<u>918,046</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(900,000)</u>	<u>18,046</u>	<u>918,046</u>
Fund balances, beginning of year, as restated		935,813	935,813
Fund balances (deficits), end of year	<u>\$ (900,000)</u>	<u>\$ 953,859</u>	<u>\$ 1,853,859</u>

Bond Building			Energy and Water Savings		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 63,937	\$ 63,937	\$	\$ 57	\$ 57
	63,937	63,937		57	57
3,449,609	886,341	2,563,268	2,800		2,800
3,449,609	886,341	2,563,268	2,800		2,800
(3,449,609)	(822,404)	2,627,205	(2,800)	57	2,857
	(63,936)	(63,936)			
	(63,936)	(63,936)			
(3,449,609)	(886,340)	2,563,269	(2,800)	57	2,857
	3,684,888	3,684,888		2,969	2,969
\$ (3,449,609)	\$ 2,798,548	\$ 6,248,157	\$ (2,800)	\$ 3,026	\$ 5,826

(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, 2020

	Building Renewal Grant		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,255	\$ 1,255
Property taxes			
State aid and grants		24,711	24,711
Total revenues		<u>25,966</u>	<u>25,966</u>
Expenditures:			
Current -			
Operation and maintenance of plant services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		<u>25,966</u>	<u>25,966</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances		<u>25,966</u>	<u>25,966</u>
Fund balances, beginning of year, as restated			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 25,966</u>	<u>\$ 25,966</u>

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 193,357	\$ 193,357
	221,356	221,356
	565,394	565,394
	980,107	980,107
142,600	3,022	139,578
5,185,874	1,210,172	3,975,702
5,328,474	1,213,194	4,115,280
(5,328,474)	(233,087)	5,095,387
	(63,936)	(63,936)
	(63,936)	(63,936)
(5,328,474)	(297,023)	5,031,451
	4,748,209	4,748,209
\$ (5,328,474)	\$ 4,451,186	\$ 9,779,660

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Net investment in capital assets	\$ 17,650,390	\$ 18,355,289	\$ 18,529,733	\$ 19,609,272	\$ 20,473,758
Restricted	4,568,080	4,255,317	4,142,236	3,915,843	3,638,714
Unrestricted	(4,641,869)	(6,570,492)	(7,167,871)	(7,189,039)	(7,024,526)
Total net position	<u>\$ 17,576,601</u>	<u>\$ 16,040,114</u>	<u>\$ 15,504,098</u>	<u>\$ 16,336,076</u>	<u>\$ 17,087,946</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position:					
Net investment in capital assets	\$ 20,666,511	\$ 21,187,075	\$ 20,988,649	\$ 21,247,073	\$ 21,678,165
Restricted	3,186,580	3,362,834	3,511,955	3,452,781	3,614,681
Unrestricted	(7,755,430)	2,090,684	1,321,419	1,295,154	2,030,159
Total net position	<u>\$ 16,097,661</u>	<u>\$ 26,640,593</u>	<u>\$ 25,822,023</u>	<u>\$ 25,995,008</u>	<u>\$ 27,323,005</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Instruction	\$ 8,139,089	\$ 8,081,202	\$ 8,046,825	\$ 8,382,550	\$ 7,218,429
Support services - students and staff	2,353,299	1,913,911	1,874,663	1,972,305	1,677,474
Support services - administration	2,096,175	1,932,965	1,817,454	1,842,809	1,648,518
Operation and maintenance of plant services	2,073,547	1,925,806	1,955,057	2,071,351	2,217,448
Student transportation services	662,954	650,590	711,056	606,908	514,947
Operation of non-instructional services	1,320,879	1,313,781	1,259,938	1,512,500	1,275,445
Interest on long-term debt	257,428	236,692	157,975	174,629	52,175
Total expenses	<u>16,903,371</u>	<u>16,054,947</u>	<u>15,822,968</u>	<u>16,563,052</u>	<u>14,604,436</u>
Program Revenues					
Charges for services:					
Instruction	91,106	40,798	31,739	67,096	137,300
Operation of non-instructional services	13,392	23,333	20,338	20,262	
Other activities			3,112		
Operating grants and contributions	2,202,849	2,464,457	2,723,219	3,057,979	3,307,798
Capital grants and contributions	86,854	1,093,455	7,400	60,376	120,675
Total program revenues	<u>2,394,201</u>	<u>3,622,043</u>	<u>2,785,808</u>	<u>3,205,713</u>	<u>3,565,773</u>
Net (Expense)/Revenue	<u><u>\$ (14,509,170)</u></u>	<u><u>\$ (12,432,904)</u></u>	<u><u>\$ (13,037,160)</u></u>	<u><u>\$ (13,357,339)</u></u>	<u><u>\$ (11,038,663)</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenses					
Instruction	\$ 7,055,151	\$ 6,641,945	\$ 6,062,072	\$ 6,467,018	\$ 6,107,170
Support services - students and staff	1,738,336	1,435,891	1,318,004	1,199,736	1,262,982
Support services - administration	1,713,469	1,389,653	1,413,897	1,402,128	1,533,009
Operation and maintenance of plant services	1,423,546	1,314,904	1,376,995	1,098,185	1,070,636
Student transportation services	614,671	536,755	455,716	496,333	509,869
Operation of non-instructional services	1,260,772	1,142,431	1,140,272	1,060,057	921,265
Interest on long-term debt	54,575	59,275	90,405		
Total expenses	<u>13,860,520</u>	<u>12,520,854</u>	<u>11,857,361</u>	<u>11,723,457</u>	<u>11,404,931</u>
Program Revenues					
Charges for services:					
Instruction	33,082	86,034	70,044	97,058	88,703
Operation of non-instructional services	35,785	38,192	33,694	32,093	62,110
Other activities	200,225	161,388	209,173	176,320	179,790
Operating grants and contributions	2,627,161	2,294,170	2,171,776	1,711,215	2,007,550
Capital grants and contributions	99,943	178,277	148,523	12,971	454,421
Total program revenues	<u>2,996,196</u>	<u>2,758,061</u>	<u>2,633,210</u>	<u>2,029,657</u>	<u>2,792,574</u>
Net (Expense)/Revenue	<u>\$ (10,864,324)</u>	<u>\$ (9,762,793)</u>	<u>\$ (9,224,151)</u>	<u>\$ (9,693,800)</u>	<u>\$ (8,612,357)</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (Expense)/Revenue	\$ (14,509,170)	\$ (12,432,904)	\$ (13,037,160)	\$ (13,357,339)	\$ (11,038,663)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	1,817,502	1,916,213	2,113,225	2,009,657	2,094,642
Property taxes, levied for debt service	1,083,534	838,234	748,938	702,171	287,254
Property taxes, levied for capital outlay	221,356	35	901	239,009	144,047
Investment income	180,629	173,202	101,447	51,568	20,964
Unrestricted county aid	833,605	839,555	825,003	861,888	845,536
Unrestricted state aid	9,969,238	9,201,681	8,413,615	8,741,176	8,636,505
Unrestricted federal aid					
Total general revenues	<u>14,105,864</u>	<u>12,968,920</u>	<u>12,203,129</u>	<u>12,605,469</u>	<u>12,028,948</u>
Changes in Net Position	<u>\$ (403,306)</u>	<u>\$ 536,016</u>	<u>\$ (834,031)</u>	<u>\$ (751,870)</u>	<u>\$ 990,285</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>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net (Expense)/Revenue	\$ (10,864,324)	\$ (9,762,793)	\$ (9,224,151)	\$ (9,693,800)	\$ (8,612,357)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	1,275,262	1,304,505	1,109,609	1,005,444	1,673,232
Property taxes, levied for debt service	297,419	240,925	310,773		7,177
Property taxes, levied for capital outlay	150,164	2,922	238,738	455,360	50,035
Investment income	15,022	18,775	21,143	19,152	36,451
Unrestricted county aid	818,209	701,500	667,836	659,977	640,511
Unrestricted state aid	7,881,881	7,081,076	6,605,352	6,142,815	5,780,800
Unrestricted federal aid		831,660	97,715	83,055	69,706
Total general revenues	<u>10,437,957</u>	<u>10,181,363</u>	<u>9,051,166</u>	<u>8,365,803</u>	<u>8,257,912</u>
Changes in Net Position	<u>\$ (426,367)</u>	<u>\$ 418,570</u>	<u>\$ (172,985)</u>	<u>\$ (1,327,997)</u>	<u>\$ (354,445)</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Nondisposable	\$	\$ 260,877	\$ 138,157	\$	\$ 1,049,945
Restricted		11,834	12,207	12,354	11,285
Unassigned	<u>4,773,367</u>	<u>2,440,770</u>	<u>2,399,670</u>	<u>2,372,201</u>	<u>1,727,402</u>
Total General Fund	<u><u>\$ 4,773,367</u></u>	<u><u>\$ 2,713,481</u></u>	<u><u>\$ 2,550,034</u></u>	<u><u>\$ 2,384,555</u></u>	<u><u>\$ 2,788,632</u></u>
All Other Governmental Funds:					
Restricted	\$ 7,357,560	\$ 7,890,916	\$ 5,287,517	\$ 7,173,995	\$ 8,552,033
Unassigned	<u>(180,549)</u>	<u>(22,475)</u>	<u>(369,550)</u>		
Total all other governmental funds	<u><u>\$ 7,177,011</u></u>	<u><u>\$ 7,868,441</u></u>	<u><u>\$ 4,917,967</u></u>	<u><u>\$ 7,173,995</u></u>	<u><u>\$ 8,552,033</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund:					
Nondisposable	\$ 262,894	\$	\$ 280,964	\$	\$
Unassigned	1,391,440	1,434,341	695,371	835,180	1,844,005
Total General Fund	<u>\$ 1,654,334</u>	<u>\$ 1,434,341</u>	<u>\$ 976,335</u>	<u>\$ 835,180</u>	<u>\$ 1,844,005</u>
All Other Governmental Funds:					
Restricted	\$ 3,310,161	\$ 3,708,462	\$ 3,862,654	\$ 3,335,366	\$ 3,108,763
Assigned		6,723	6,394	381,148	505,918
Unassigned		(33,562)			
Total all other governmental funds	<u>\$ 3,310,161</u>	<u>\$ 3,681,623</u>	<u>\$ 3,869,048</u>	<u>\$ 3,716,514</u>	<u>\$ 3,614,681</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Federal sources:					
Federal grants	\$ 998,521	\$ 1,451,861	\$ 965,564	\$ 1,447,313	\$ 1,914,279
National School Lunch Program	1,038,925	1,332,036	1,394,351	1,597,744	1,397,189
Total federal sources	<u>2,037,446</u>	<u>2,783,897</u>	<u>2,359,915</u>	<u>3,045,057</u>	<u>3,311,468</u>
State sources:					
State equalization assistance	9,003,009	8,239,857	7,334,872	7,945,470	7,835,326
State grants	58,806	2,340	183,227	69,846	85,000
School Facilities Board	24,711	1,087,041			8,417
Other revenues	966,229	961,824	895,516	795,706	792,762
Total state sources	<u>10,052,755</u>	<u>10,291,062</u>	<u>8,413,615</u>	<u>8,811,022</u>	<u>8,721,505</u>
Local sources:					
Property taxes	3,254,937	2,794,851	2,862,280	2,947,947	2,412,334
County aid	833,605	839,555	825,003	861,888	845,536
Food service sales	13,392	23,333	20,338	20,262	25,993
Investment income	180,639	173,202	101,447	51,568	20,964
Other revenues	101,762	69,443	32,893	71,886	143,312
Total local sources	<u>4,384,335</u>	<u>3,900,384</u>	<u>3,841,961</u>	<u>3,953,551</u>	<u>3,448,139</u>
Total revenues	<u><u>\$ 16,474,536</u></u>	<u><u>\$ 16,975,343</u></u>	<u><u>\$ 14,615,491</u></u>	<u><u>\$ 15,809,630</u></u>	<u><u>\$ 15,481,112</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Federal sources:					
Federal grants	\$ 1,229,476	\$ 1,479,797	\$ 949,022	\$ 583,433	\$ 1,080,992
State Fiscal Stabilization (ARRA)					69,706
Education Jobs				4,346	283,155
National School Lunch Program	1,528,060	1,421,838	1,231,287	991,717	1,065,247
Total federal sources	<u>2,757,536</u>	<u>2,901,635</u>	<u>2,180,309</u>	<u>1,579,496</u>	<u>2,499,100</u>
State sources:					
State equalization assistance	7,217,267	6,469,286	6,069,928	5,685,297	6,524,739
State grants	99,719	171,757	183,529	635,610	444,062
School Facilities Board					
Other revenues	688,894	615,790	536,424		
Total state sources	<u>8,005,880</u>	<u>7,256,833</u>	<u>6,789,881</u>	<u>6,320,907</u>	<u>6,968,801</u>
Local sources:					
Property taxes	1,917,482	1,494,650	1,661,166	1,456,748	1,850,850
County aid	818,209	701,500	667,836	659,977	640,511
Food service sales	35,785	35,003	27,930	28,247	58,275
Investment income	15,022	18,775	14,797	19,152	36,451
Other revenues	279,776	273,208	344,503	334,544	283,085
Total local sources	<u>3,066,274</u>	<u>2,523,136</u>	<u>2,716,232</u>	<u>2,498,668</u>	<u>2,869,172</u>
Total revenues	<u>\$ 13,829,690</u>	<u>\$ 12,681,604</u>	<u>\$ 11,686,422</u>	<u>\$ 10,399,071</u>	<u>\$ 12,337,073</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures:					
Current -					
Instruction	\$ 7,084,131	\$ 7,381,390	\$ 7,012,258	\$ 7,053,900	\$ 7,163,070
Support services - students and staff	2,299,754	1,946,265	1,766,506	1,763,771	1,737,455
Support services - administration	1,865,934	1,784,321	1,632,049	1,584,294	1,645,208
Operation and maintenance of plant services	1,413,035	1,478,041	1,702,262	1,578,730	1,863,407
Student transportation services	457,508	446,938	427,818	471,521	439,971
Operation of non-instructional services	1,278,881	1,309,981	1,223,163	1,454,969	1,301,538
Capital outlay	1,292,903	2,675,894	2,295,278	1,839,986	718,998
Debt service -					
Principal retirement	820,000	640,000	630,000	620,000	240,000
Interest and fiscal charges	272,850	252,114	157,975	174,629	52,175
Bond issuance costs		128,589			130,820
Total expenditures	<u><u>\$ 16,784,996</u></u>	<u><u>\$ 18,043,533</u></u>	<u><u>\$ 16,847,309</u></u>	<u><u>\$ 16,541,800</u></u>	<u><u>\$ 15,292,642</u></u>
 Expenditures for capitalized assets	 \$ 619,435	 \$ 1,903,945	 \$ 1,587,558	 \$ 1,376,199	 \$ 394,148
 Debt service as a percentage of noncapital expenditures	 7%	 6%	 5%	 5%	 2%

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures:					
Current -					
Instruction	\$ 6,188,664	\$ 5,662,678	\$ 5,670,546	\$ 5,660,704	\$ 4,770,753
Support services - students and staff	1,685,945	1,381,842	1,316,059	1,128,101	1,106,704
Support services - administration	1,511,001	1,317,615	1,322,034	1,322,944	1,320,160
Operation and maintenance of plant services	1,401,509	1,124,725	1,286,141	1,043,375	994,024
Student transportation services	486,740	434,940	389,489	379,502	340,666
Operation of non-instructional services	1,252,360	1,132,992	1,030,742	1,047,975	881,553
Capital outlay	1,423,259	1,180,992	2,868,281	723,462	989,413
Debt service -					
Principal retirement	240,000	235,000	240,000		
Interest and fiscal charges	54,575	59,275	62,230		
Bond issuance costs			93,157		
Total expenditures	<u><u>\$ 14,244,053</u></u>	<u><u>\$ 12,530,059</u></u>	<u><u>\$ 14,278,679</u></u>	<u><u>\$ 11,306,063</u></u>	<u><u>\$ 10,403,273</u></u>
Expenditures for capitalized assets	\$ 940,782	\$ 739,807	\$ 2,470,012	\$ 128,847	\$ 217,836
Debt service as a percentage of noncapital expenditures	2%	2%	3%	0%	0%

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ (310,460)	\$ (1,068,190)	\$ (2,231,818)	\$ (732,170)	\$ 188,470
Other financing sources (uses):					
Premium on sale of bonds		231,327			200,649
Transfers in	262,210	246,651	209,281	180,424	178,086
Transfers out	(262,210)	(246,651)	(209,281)	(180,424)	(178,086)
Proceeds from sale of capital assets		3,064			
Insurance recoveries			3,112		
Issuance of school improvement bonds		3,825,000			5,200,000
Total other financing sources (uses)		4,059,391	3,112		5,400,649
Changes in fund balances	<u>\$ (310,460)</u>	<u>\$ 2,991,201</u>	<u>\$ (2,228,706)</u>	<u>\$ (732,170)</u>	<u>\$ 5,589,119</u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Excess (deficiency) of revenues over expenditures	\$ (414,363)	\$ 151,545	\$ (2,592,257)	\$ (906,992)	\$ 1,933,800
Other financing sources (uses):					
Premium on sale of bonds			64,982		
Transfers in	176,441	306,134	558,284	188,258	108,796
Transfers out	(176,441)	(306,134)	(558,284)	(188,258)	(108,796)
Issuance of school improvement bonds			2,540,000		
Total other financing sources (uses)			2,604,982		
Changes in fund balances	<u>\$ (414,363)</u>	<u>\$ 151,545</u>	<u>\$ 12,725</u>	<u>\$ (906,992)</u>	<u>\$ 1,933,800</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 19,780,933	\$ 22,518,220	\$ 23,186,713	\$ 16,481,614	\$ 15,630,536
Agricultural and Vacant	3,323,896	3,188,330	3,379,490	2,211,080	2,339,582
Residential (Owner Occupied)	30,578,663	28,248,589	25,875,380	23,989,664	22,328,808
Residential (Rental)	13,437,240	12,512,773	12,747,449	12,465,142	12,278,749
Historical Property	1,180,069				
Total	<u>\$ 68,300,801</u>	<u>\$ 66,467,912</u>	<u>\$ 65,189,032</u>	<u>\$ 55,147,500</u>	<u>\$ 52,577,675</u>
Gross Full Cash Value	\$ 2,506,394,007	\$ 2,046,281,049	\$ 1,990,149,930	\$ 1,898,423,993	\$ 1,832,489,988
Ratio of Net Limited Assessed Value to Gross Full Cash Value	2.73%	3.25%	3.28%	2.90%	2.87%
Total Direct Rate	5.12	4.71	4.75	5.62	4.01

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 9,915,926	\$ 10,533,927	\$ 11,810,211	\$ 13,680,484	\$ 12,382,580
Agricultural and Vacant	2,431,889	2,542,413	2,746,261	3,551,993	5,618,174
Residential (Owner Occupied)	20,750,115	18,012,175	21,429,919	26,661,788	37,230,347
Residential (Rental)	12,085,178	10,254,325	7,996,196	6,816,571	6,937,805
Total	<u>\$ 45,183,108</u>	<u>\$ 41,342,840</u>	<u>\$ 43,982,587</u>	<u>\$ 50,710,836</u>	<u>\$ 62,168,906</u>
Gross Full Cash Value	\$ 1,620,802,464	\$ 1,537,617,204	\$ 1,441,091,332	\$ 736,509,450	\$ 906,846,645
Ratio of Net Limited Assessed Value to Gross Full Cash Value	2.79%	2.69%	3.05%	6.89%	6.86%
Total Direct Rate	4.19	3.72	3.91	3.21	2.87

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 21,874,114	\$ 24,424,548	\$ 25,916,170	\$ 18,093,801	\$ 16,330,966
Agricultural and Vacant	4,906,499	4,390,937	4,589,467	2,661,852	2,673,927
Residential (Owner Occupied)	50,146,232	45,404,755	39,010,981	34,606,838	31,588,128
Residential (Rental)	22,617,015	20,641,776	19,602,852	18,024,319	17,276,005
Historical Property	1,322,202				
Total	<u>\$ 100,866,062</u>	<u>\$ 94,862,016</u>	<u>\$ 89,119,470</u>	<u>\$ 73,386,810</u>	<u>\$ 67,869,026</u>
Gross Full Cash Value	\$ 2,506,394,007	\$ 2,046,281,049	\$ 1,990,149,930	\$ 1,898,423,993	\$ 1,832,489,988
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	4.02%	4.64%	4.48%	3.87%	3.70%
Estimated Net Full Cash Value	\$ 741,493,585	\$ 697,376,279	\$ 647,404,010	\$ 531,960,902	\$ 466,862,848
Total Direct Rate	5.12	4.71	4.75	5.62	4.01

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Commercial, Industrial, Utilities and Mining	\$ 10,122,736	\$ 10,540,039	\$ 11,812,567	\$ 13,689,182	\$ 13,689,372
Agricultural and Vacant	2,715,331	2,616,111	2,855,111	3,727,275	6,463,923
Residential (Owner Occupied)	22,551,354	18,043,487	21,431,690	26,662,151	37,249,802
Residential (Rental)	13,081,067	10,255,736	7,996,232	6,816,885	6,953,804
Total	<u>\$ 48,470,488</u>	<u>\$ 41,455,373</u>	<u>\$ 44,095,600</u>	<u>\$ 50,895,493</u>	<u>\$ 64,356,901</u>
Gross Full Cash Value	\$ 1,620,802,464	\$ 1,537,617,204	\$ 1,441,091,332	\$ 736,509,450	\$ 906,846,645
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	2.99%	2.70%	3.06%	6.91%	7.10%
Estimated Net Full Cash Value	\$ 327,440,376	\$ 275,521,040	\$ 294,511,166	\$ 369,211,692	\$ 473,456,707
Total Direct Rate	4.19	3.72	3.91	3.21	2.87

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

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

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

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

**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	Primary	Secondary	Total
	State Equalization	County										
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
2012	0.43	1.24	0.16	1.21	0.10	1.82	2.91	1.33	4.07	1.76	1.45	3.21
2011	0.36	1.05	0.15	0.97	0.10	1.82	2.44	1.11	2.72	1.72	1.15	2.87

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 FIVE YEARS PRIOR

Taxpayer	2019		2012	
	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
MRE PAZ LLC	6,405,883	9.64 %		
F-Star 67th Ave LLC/F-Star Buckeye Rd LLC	5,702,632	8.58		
Pecan Retail I LLC	2,873,391	4.32	\$ 3,162,545	6.21 %
Target Corporation	1,199,184	1.80	1,964,497	3.86
Phoenix Logistics Center	1,152,756	1.73		
Smith's Food and Drug Centers Inc	1,067,886	1.61	1,092,160	2.15
Arizona Public Service Company	931,343	1.40	363,205	0.71
Bank of America			1,093,760	2.15
83 DGLLC/83 SGLLC/83 MBLLC/83 JPLLC			384,220	0.75
Southern California Edison Co. (T&D)	708,792	1.07	366,632	0.72
Accomzaao Jacquelynn CTR	318,349	0.48		
Yorktown Corporation	308,476	0.46		
Empire Residential Opportunity Fund LLC			335,930	0.66
Broden Country Corners LLC			320,970	0.63
GBC Properties LLC			308,367	0.61
Total	<u>\$ 20,668,692</u>	<u>31.09 %</u>	<u>\$ 9,392,286</u>	<u>18.45 %</u>

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.

2) Fiscal Year 2019 and 2012 are the only information readily available.

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
2020	\$ 3,468,308	\$ 3,340,237	96.31 %	\$	\$ 3,340,237	96.31 %
2019	3,153,475	2,862,710	90.78	101,532	2,964,242	94.00
2018	3,074,285	2,910,272	94.67	105,901	3,016,173	98.11
2017	3,117,841	2,988,965	95.87	101,736	3,090,701	99.13
2016	2,540,206	2,499,269	98.39	40,213	2,539,482	99.97
2015	1,974,921	1,918,768	97.16	55,609	1,974,377	99.97
2014	1,504,625	1,449,880	96.36	54,500	1,504,380	99.98
2013	1,711,921	1,630,763	95.26	80,927	1,711,690	99.99
2012	1,579,059	1,497,791	94.85	81,111	1,578,902	99.99
2011	1,857,852	1,781,124	95.87	621,529	1,837,057	98.88

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	Capital Leases	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)			
2020	\$ 8,920,483	\$ 131,313	\$ 8,789,170	0.35 %	\$ 544	\$	\$ 8,920,483	0.36 %	\$ 553	N/A %	
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	0.15	160		2,300,000	0.15	160	0.002	
2013	2,540,000	16,138	2,523,862	0.18	180		2,540,000	0.18	181	0.002	

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

Note: The District had no outstanding debt in 2011-2012.

N/A: Information is not available.

UNION ELEMENTARY SCHOOL DISTRICT NO. 62
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2020

<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	\$ 380,740,000	0.16 %	\$ 609,184
Maricopa County Special Health Care District	75,000,000	0.16	120,000
City of Phoenix	1,085,050,000	0.51	5,533,755
Western Maricopa Education Center District No. 402	116,510,000	0.45	524,295
Tolleson Union High School District No. 214	130,685,000	5.86	7,658,141
Subtotal, Overlapping Debt			<u>14,445,375</u>
Direct:			
Union Elementary School District No. 62			<u>8,920,483</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 23,365,858</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	8.71	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,439	
As a Percentage of Net Limited Assessed Valuation	23.04	%
As a Percentage of Gross Full Cash Value	0.93	%

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, 2019 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 2020:

Net full cash assessed valuation	\$ 100,866,062
Debt limit (10% of assessed value)	10,086,606
Debt applicable to limit	8,840,752
Legal debt margin	<u>\$ 1,245,854</u>

Total Legal Debt Margin Calculation for Fiscal Year 2020:

Net full cash assessed valuation	\$ 100,866,062
Debt limit (15% of assessed value)	15,129,909
Debt applicable to limit	8,840,752
Legal debt margin	<u>\$ 6,289,157</u>

Fiscal Year Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 15,129,909	\$ 14,229,302	\$ 13,367,920	\$ 11,088,022	\$ 10,180,354
Total net debt applicable to limit	<u>8,840,752</u>	<u>9,485,000</u>	<u>6,165,000</u>	<u>6,485,000</u>	<u>7,025,000</u>
Legal debt margin	<u>\$ 6,289,157</u>	<u>\$ 4,744,302</u>	<u>\$ 7,202,920</u>	<u>\$ 4,603,022</u>	<u>\$ 3,155,354</u>

Total net debt applicable to the limit as a percentage of debt limit	58%	67%	46%	58%	69%
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	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Debt Limit	\$ 7,270,573	\$ 6,218,306	\$ 6,614,340	\$ 7,634,324	\$ 9,653,535
Total net debt applicable to limit	<u>2,065,000</u>	<u>2,300,000</u>	<u>2,540,000</u>	<u></u>	<u></u>
Legal debt margin	<u>\$ 5,205,573</u>	<u>\$ 3,918,306</u>	<u>\$ 4,074,340</u>	<u>\$ 7,634,324</u>	<u>\$ 9,653,535</u>

Total net debt applicable to the limit as a percentage of debt limit	28%	37%	38%	0%	0%
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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>
2019	4,367,835	\$ N/A	\$ N/A	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	37,352	8.4	14,042
2011	3,817,117	142,091,618	35,319	8.5	13,719
2010	4,023,331	147,122,078	31,757	8.7	13,403

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information for 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019, the source of the information is the Arizona Office of Employment and Population Statistics. The 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

Employer	2020		2011	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Banner Health Systems	21,160	1.26	19,250	1.21
Intel Corp.	11,350	0.68	10,100	0.64
Arizona State University	9,490	0.57	11,202	0.71
HonorHealth	7,300	0.44		
Honeywell	6,930	0.41	10,700	0.67
United States Department of the Air Force	6,900	0.41		
Dignity Health	6,650	0.40		
State Farm Insurance	6,550	0.39		
Bank of America	6,530	0.39	7,000	0.44
JP Morgan Chase & Co	6,500	0.39	8,246	0.52
City of Phoenix			13,844	0.87
Maricopa County			13,002	0.82
Wells Fargo Company			11,533	0.73
U.S. Postal Service			11,000	0.69
	<u>89,360</u>	<u>5.34</u> %	<u>115,877</u>	<u>7.30</u> %
 Total employment	 <u>1,673,610</u>		 <u>1,588,700</u>	

Source: The source of the data is from the Phoenix Business Journal Book of Lists.

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Supervisory					
Superintendent	1	1	1	1	1
Consultants/supervisors of instruction	4	3	3	3	3
Principals	3	3	3	3	3
Assistant principals	2	2	2	2	2
Total supervisory	<u>10</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>
Instruction					
Teachers	85	88	88	84	83
Other professionals (instructional)	3	3	3	2	2
Aides	24	25	21	17	17
Total instruction	<u>112</u>	<u>116</u>	<u>112</u>	<u>103</u>	<u>102</u>
Student Services					
Nurses	3	3	3	3	3
Counselors/Advisors	3	1	1	1	1
Librarians					
Total student services	<u>6</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Support and Administration					
Clerical workers	11	11	11	11	10
Maintenance workers	4	4	4	4	6
Bus Drivers	5	5	5	5	5
Food Service workers	13	13	13	13	13
Other classified	11	11	11	11	11
Total support and administration	<u>44</u>	<u>44</u>	<u>44</u>	<u>44</u>	<u>45</u>
Total	<u><u>172</u></u>	<u><u>173</u></u>	<u><u>169</u></u>	<u><u>160</u></u>	<u><u>160</u></u>

(Continued)

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

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Supervisory					
Superintendent	1	1	1	1	1
Consultants/supervisors of instruction	3	3	3	3	2
Principals	2	2	2	2	2
Assistant principals	2	2	2	2	2
Total supervisory	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>7</u>
Instruction					
Teachers	81	80	80	80	75
Other professionals (instructional)	2	2	2	2	2
Aides	17	16	14	13	13
Total instruction	<u>100</u>	<u>98</u>	<u>96</u>	<u>95</u>	<u>90</u>
Student Services					
Nurses	3	3	2	2	2
Counselors/Advisors	1	1	1	1	1
Librarians					
Total student services	<u>4</u>	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>
Support and Administration					
Clerical workers	10	10	10	10	10
Maintenance workers	6	6	6	5	5
Bus Drivers	5	5	5	5	5
Food Service workers	13	13	12	13	13
Other classified	11	11	11	11	11
Total support and administration	<u>45</u>	<u>45</u>	<u>44</u>	<u>44</u>	<u>44</u>
Total	<u>157</u>	<u>155</u>	<u>151</u>	<u>150</u>	<u>144</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
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	80	21.8	84.2
2013	1,665	11,015,011	6,616	1.09	11,857,361	7,122	(1.77)	80	20.8	84.2
2012	1,617	10,582,601	6,545	8.45	11,723,457	7,250	(0.83)	95	17.0	84.0
2011	1,560	9,413,860	6,035	(15.08)	11,404,931	7,311	(30.44)	90	17.3	87.6

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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Schools</u>										
Elementary										
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	1,758	1,758	1,826	1,826	1,870	1,891	1,751	1,550	1,550	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	12	12	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.