

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
APACHE JUNCTION UNIFIED
SCHOOL DISTRICT NO. 43
APACHE JUNCTION, ARIZONA
FOR THE
YEAR ENDED JUNE 30, 2021

THIS PAGE BLANK

ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
APACHE JUNCTION, ARIZONA
YEAR ENDED JUNE 30, 2021

Issued by
Business and Finance Department

THIS PAGE BLANK

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	1
LIST OF PRINCIPAL OFFICIALS	7
ORGANIZATIONAL CHART	8
ASBO CERTIFICATE OF EXCELLENCE	9

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	10
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	13
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	21
STATEMENT OF ACTIVITIES	22
BALANCE SHEET – GOVERNMENTAL FUNDS	23
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	25
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS	26
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	28
NOTES TO BASIC FINANCIAL STATEMENTS	29
REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A	
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF DISTRICT CONTRIBUTIONS	50
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND – BUDGETARY BASIS	51
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – CLASSROOM SITE FUND	52
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – SPECIAL PROJECTS FUND – BUDGETARY BASIS	53
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A	54

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET	55
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCES	57
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND	59
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – INSTRUCTIONAL IMPROVEMENT FUND	60
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – FOOD SERVICES FUND	61
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – OTHER SPECIAL REVENUE FUND	62
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – STUDENT ACTIVITIES FUND	63
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – ADJACENT WAYS FUND	64
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – BUILDING RENEWAL FUND	65

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021

STATISTICAL SECTION (UNAUDITED)

FINANCIAL TRENDS

NET POSITION BY COMPONENT	66
CHANGES IN NET POSITION	67
FUND BALANCES OF GOVERNMENTAL FUNDS	69
CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS	70

REVENUE CAPACITY

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	72
PROPERTY TAX RATES	73
PRINCIPAL PROPERTY TAXPAYERS	74
PROPERTY TAX LEVIES AND COLLECTIONS	75

DEBT CAPACITY

RATIO OF OUTSTANDING DEBT BY TYPE	76
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	77
LEGAL DEBT MARGIN INFORMATION	78
CALCULATION OF LEGAL DEBT MARGIN	79

DEMOGRAPHIC AND ECONOMIC INFORMATION

DEMOGRAPHIC AND ECONOMIC STATISTICS	80
PRINCIPAL EMPLOYERS	81

OPERATING INFORMATION

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION	82
OPERATING STATISTICS	83
SCHOOL BUILDING INFORMATION	84

THIS PAGE BLANK

INTRODUCTORY SECTION

THIS PAGE BLANK



Business Office

1575 West Southern Avenue
Apache Junction, AZ 85120
Phone: 480-982-1110 x2015
Fax: 480-671-0191

June 27, 2022

Governing Board and Citizens of the
Apache Junction Unified School District No. 43
1575 West Southern Avenue Suite 1
Apache Junction, AZ 85220

State law mandates that school districts required to undergo an annual Single Audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Apache Junction Unified School District No. 43 (District) for the fiscal year ended June 30, 2021.

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 the 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 from 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 annual comprehensive financial report is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the District's organizational chart and a list of District officials and administrative staff. The financial section includes management's discussion and analysis, the financial statements and the combining and individual fund financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes certain unaudited financial and demographic information, generally presented on a multiyear basis.

The District's financial statements have been audited by CliftonLarsonAllen LLP, a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2021, 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 auditor 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, 2021, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2, *Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) designed to meet the special needs of federal grantor agencies. 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 audited 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 19 public school districts located in Pinal County, Arizona. It provides a program of public education from preschool through grade twelve.

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

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

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

The District encompasses an area of 217 square miles in the north central portion of Pinal County, Arizona. The District is bordered on the north and west sides by Maricopa County, and the east side by the Superstition Mountains. The economy of the Apache Junction area has historically been based upon recreation, tourism and retirement activities. However, due to the community being in close proximity to other populated communities, such as Mesa, Tempe, Chandler, and Gilbert, Arizona, Apache Junction is experiencing more of a "bedroom community" growth pattern. This urbanization was enhanced by the extension of the Superstition Freeway to Apache Junction in 1991 and will continue in the near future when the Arizona State Land Department releases thousands of acres of land south of the Superstition Freeway. A major retail center has developed four (4) miles from our District boundary. This development has spurred peripheral development in our community over the last several years.

Despite the optimism toward future growth, the District has experienced decreases in its student population for thirteen (13) consecutive years. Most of this decline is believed to be attributable to the decline in the overall economy including the construction industry. The decline in recent times has not been reflective of population trends over a longer period of time. Assessed valuation has increased 157 percent over the past 21 years, from \$173,330,278 in 2000 to \$445,038,254 in 2021. Student population over the same time period has decreased approximately 35 percent. This cumulative amount of decline is misleading in that considerable growth occurred over the first nine years followed by decreasing growth in the later years. This swing caused the District to build additional schools/classrooms in the period of time (2000-2006) and close three schools, two in the 2010-11 school year, and one in 2015-16.

The closure of the three aforementioned schools, has allowed the District to seize the opportunity to lease these structures to outside, community-related entities. This not only brings additional revenue into the District, but also ensures the buildings remain occupied and well maintained. In August of 2018, the District entered into a shared use lease agreement with purchase provisions for one of the facilities, Gold Canyon Elementary. Sale of this facility will provide much needed capital funds for the District. The District closed on this sale on December 31, 2020.

The District is adjusting to the impact of Covid-19 pandemic situations; however, additional federal funding has provided economic relief for the District.

The District currently has five schools; one high school (which includes an alternative educational center), one junior high, and three elementary schools. The District currently serves approximately 2,800 children, grades preschool through 12th grade.

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 District's proposed expenditure budget is presented to the Governing Board for review prior to July 5. The Governing Board is required to hold a public hearing on the proposed budget and to adopt the final budget by no later than July 15. 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 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. The District is not required to prepare an annual budget of revenue; therefore, a deficit budget fund balance may be presented. However, this does not affect the District's ability to expend monies.

A schedule of revenues, expenditures, and changes in fund balance - budget and actual - is provided in this report for the General Fund and major special revenue funds. These schedules are presented as required supplementary information. For other Governmental Funds, these schedules are presented in the Combining and Individual Fund Financial Statements and Schedules section of this report.

Funds that may have over-expenditures of budgeted funds have revenue earned throughout the year. 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.

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 City of Apache Junction is located in the greater metropolitan Phoenix area, approximately 35 miles east of the City of Phoenix. Apache Junction is bordered on the west by the City of Mesa, which serves as the economic and trade center of northern Pinal County.

Economic development and employment within the city are linked closely with the Phoenix metropolitan area. A few of the major employers represented in Apache Junction include the City of Apache Junction, Apache Junction Unified School District, Central Arizona College, Wal-Mart and the U.S. Postal Service. In addition, the metropolitan area provides for the City's labor market, and includes the cities of Mesa, Chandler and Tempe, and the Town of Gilbert. Major employers of surrounding areas include Mesa Unified School District, Intel Corp., and Boeing.

Pinal County was formed in 1875 from portions of Maricopa and Pima Counties and is located in the south-central portion of Arizona, bordered on the north by Maricopa County and on the south by Pima County. The principal geographic features of the County consist of mountains with elevations to 6,000 feet in the eastern portion of the County and principally low desert valleys in the western portions of the County. Pinal County encompasses an area of approximately 5,371 square miles. Approximately 26% of the land is privately owned while 74% is under governmental control. The principal economic activities within Pinal County include mining, farming, ranching and tourism. Copper mining is the chief economic activity in the eastern portion of the County and irrigated farming is prevalent in the low desert valleys of the western portion of Pinal County. Economic growth has slowed in the Apache Junction area, other areas of Pinal County, including the communities of Casa Grande, Coolidge and Florence, yet all communities are expecting to see substantial economic growth in the near future.

Tourism also contributes to Apache Junction's economy. Located near the foot of the Superstition Mountains, the Superstition wilderness offers hiking and horseback riding, prehistoric Indian dwellings and a chain of three lakes for boating, swimming and water skiing.

Other factors aiding economic growth include major expansions of the Sky Harbor International Airport serving the area, expansions east of Arizona State University and East Valley Institute of Technology, the expansion of the Gateway Business Corridor which includes Mesa Gateway Airport and major retailers, a favorable business climate and the presence of a well-developed and expanding transportation infrastructure.

Major Initiatives. Apache Junction Unified School District No. 43 is taking bold steps toward reshaping its environment in order to better deliver an excellent educational product despite many financial challenges before it. A declining student population necessitated the closure of 3 of the district's schools since the 2010-11 school year. This, coupled with reduced funding from the State of Arizona, and a failed override election presented an opportunity for the District to re-assess its educational delivery method to become more efficient and effective. The District concentrated its financial efforts in areas that were true priorities and focused on enhanced educational delivery.

The enhanced partnership with the East Valley Institute of Technology and additional online offerings are expected to provide an impetus for students to consider attending the District for the excellent educational opportunities it provides.

Beginning in 2018, the State of Arizona took steps to support education by providing continuing, additional funding. Although it may take several years to restore funding to appropriate levels, this move improves the overall financial outlook of educational institutions throughout the state.

The District has implemented a Strategic Plan which incorporates a Mission, Vision, Core Values and Goals. This is a district-wide plan that involves commitment from all schools, departments and employees. The goals as outlined in the Strategic Plan include the following: (1) strong educational programs to ensure academic success for every student (2) enhanced internal and external communication with all stakeholders (3) deploy programs that empower students, staff and parents to attain high performance throughout the educational system and (4) provide high quality operational services that are essential to the educational success of students.

The District continues to value community relationships through participation and partnership in local events to promote support and involvement from all stakeholders. In October of 2018 a Superintendent's Advisory Council, made up of 25 business and community members, assembled to assess the needs of the district. Over a period of several months, this committee worked together with district and financial council collecting data identifying bond, capital and M&O needs and to discuss the feasibility of an override/bond election to address their findings. After consideration of the extensive needs of the district, the committee's recommendation was to pursue an override and bond election in November of 2019. Despite the election being unsuccessful, the District is encouraged by the strides made in community support and the election process.

Despite the challenges before it, the District remains committed to its mission, "Apache Junction Unified School District provides our students with a caring and inclusive educational experience that fosters academic excellence, social and emotional development and provides a challenging learning environment that will prepare them for a productive and fulfilling future."

Long-term Financial Planning. As the area emerges from the economic downturn of several years ago, a major challenge the District faces is to plan for potential student growth. The District is located approximately 6 miles from a major financial sector in the Phoenix metropolitan area. This area has been growing rapidly as evidenced by the further development of the Superstition Springs Mall, one of the largest enclosed retail establishments in the State of Arizona. Other retail establishments have been developed within 4 miles of the District including Wal-Mart and Best Buy as major retail anchors. Housing additions within our District boundaries have increased significantly over the past year and are projected to develop to approximately 300 new units per year over the next four plus years.

The prospects of land development in the southern portion of the District are also projected as development in the area continues to move in this direction. Based upon District projections, as well as independent demographers, moderate growth is anticipated as the beginning of a long-term trend.

The District continues to increase the level of technology in the schools to allow for long distance learning opportunities as well as ensure that adequate classroom space exists for both existing and anticipated new students. "One on one" continues to expand as individual computers are now available for each student in grades 7-12.

AWARDS AND ACKNOWLEDGMENT

Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. In order to be awarded this certificate, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States and applicable legal requirements.

This certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO to determine its eligibility for the fiscal year 2020-21 certificate.

Acknowledgments. The preparation of the annual comprehensive financial report 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,



Heather Wallace
Superintendent



Angela Terry
Director of Business Services

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2021**

GOVERNING BOARD

Chelsea Connolly
President

Bobby Bauders
Vice President

Cami Garcia
Member

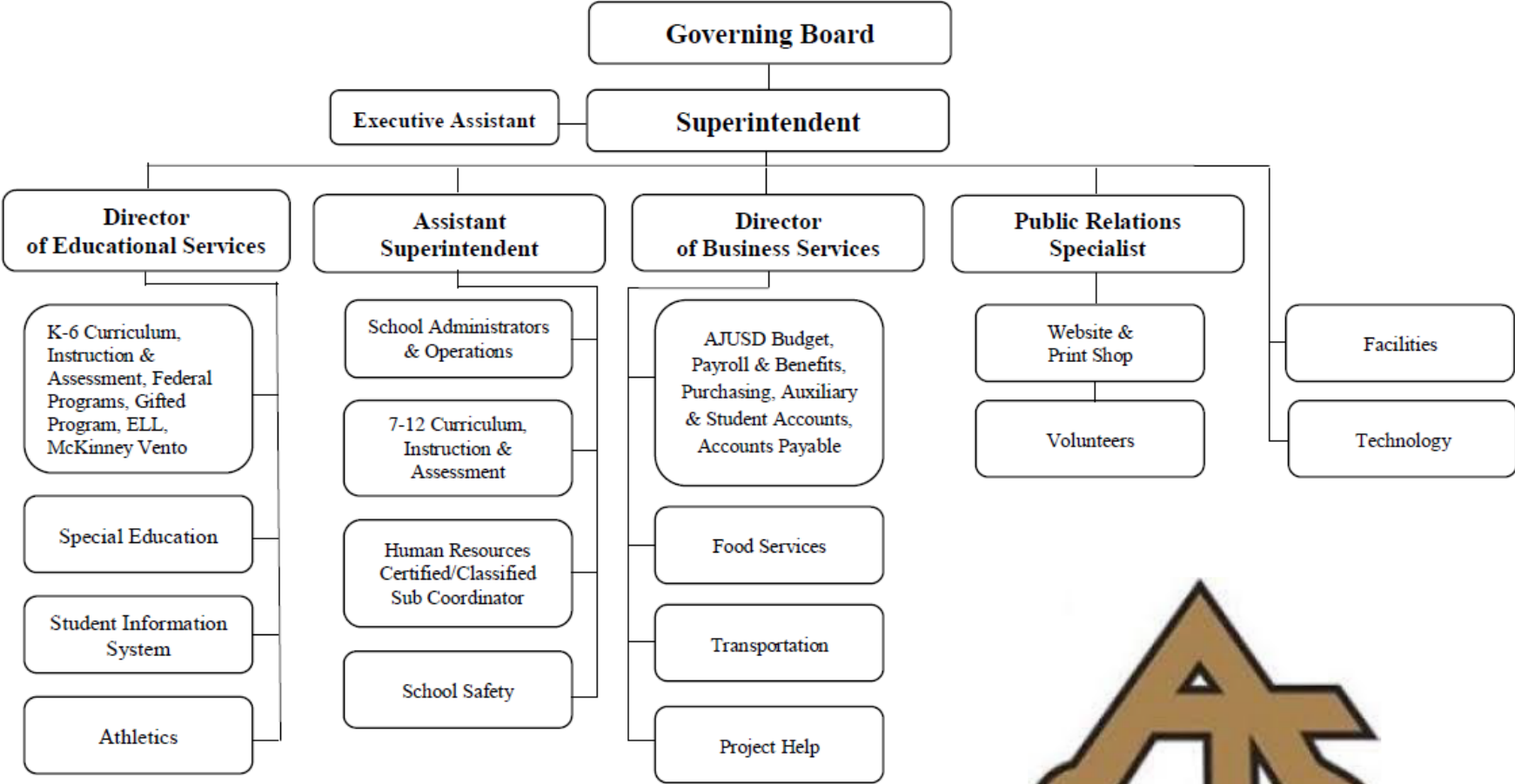
Gilbert Cancio
Member

Dena Kimble
Member

ADMINISTRATIVE STAFF

Heather Wallace, Superintendent

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
ORGANIZATIONAL CHART
JUNE 30, 2021**





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Apache Junction Unified School District 43

for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.

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



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal
President

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

David J. Lewis
Executive Director

THIS PAGE BLANK

FINANCIAL SECTION

THIS PAGE BLANK



INDEPENDENT AUDITORS' REPORT

Governing Board
Apache Junction Unified School District No. 43
Apache Junction, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Apache Junction Unified School District No. 43 (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the fiscal year ended June 30, 2021, the District adopted the provisions of Governmental Accounting Standards Board Statement (GASBS) No. 84, *Fiduciary Activities*. As a result of the implementation of GASBS No. 84, the District reported a restatement for the change in accounting principle. (See Note 4.C). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

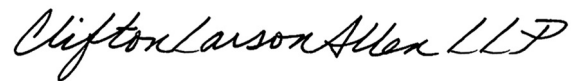
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
June 27, 2022

THIS PAGE BLANK

REQUIRED SUPPLEMENTARY INFORMATION

THIS PAGE BLANK

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

As management of the Apache Junction Unified School District No. 43 (District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. 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 and the District's basic financial statements which begin on page 21.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$11,572,287 (net position). The District's total net position increased by \$500,702 in comparison to the prior year.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$11,297,726, an increase of \$584,208 in comparison with the prior year.
- Unassigned fund balance for the General Fund, available to meet the District's ongoing obligations to citizens and creditors increased to \$7,775,533 or 35.5% of total General Fund expenditures for the fiscal year.
- The District's total bonded debt decreased by \$3,000,000 (15.3%) during the current fiscal year. This decrease was attributable to the District's scheduled payment on its outstanding bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The government-wide financial statements present functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District are for public education.

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are 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 focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The District maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Classroom Site Fund, Special Projects Fund, and Debt Service Fund, each of which is considered to be a major fund. Data from the remaining seven governmental funds are combined into a single, aggregated presentation.

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds. Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. The expenditure budget can be revised annually, per Arizona Revised Statutes. The District also maintains an encumbrance accounting system as one technique of maintaining budgetary control. Encumbered amounts lapse at year-end. An annual budget of revenue from all sources is not prepared.

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

The basic governmental fund financial statements can be found on pages 23 - 28 of this report.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Notes to Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29 - 49 of this report.

Required Supplementary Information Other Than MD&A

The District reports multi-year schedules of the District's proportionate share of net pension liability and contributions to its cost-sharing pension plan on page 50.

Governments have the option of reporting the General Fund and major special revenue budgetary comparison schedules as part of the basic financial statements or as other required supplementary information (RSI) other than MD&A. The District has elected to present those schedules as RSI other than MD&A which can be found on pages 51 – 53 of this report.

Other Information

The District presents combining statements and schedules of its nonmajor governmental funds in order to supplement the basic financial statements. These statements and schedules are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 55 – 65 of this report.

The statistical section of this report includes selected financial demographic information, generally presented on a multi-year basis, to further supplement and enhance the readers of this report's understanding of the results and operations of the District over time. The statistical section can be found on pages 66 - 84 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11,572,287 at the close of the most recent fiscal year.

By far the largest portion of the District's net position reflects the net investment in capital assets (e.g., land, buildings, machinery, and equipment). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

A summary of the District's Statement of Net Position is as follows:

**Table A-1
The District's Net Position**

	Governmental Activities	
	2021	Restated 2020
Current and Other Assets	\$ 15,520,019	\$ 15,714,409
Capital Assets	39,472,629	42,646,234
Total Assets	<u>54,992,648</u>	<u>58,360,643</u>
Deferred Outflows of Resources	5,539,633	2,654,944
Other Liabilities	3,806,600	4,786,442
Long-term Liabilities	44,758,464	42,913,510
Total Liabilities	<u>48,565,064</u>	<u>47,699,952</u>
Deferred Inflows of Resources	<u>394,930</u>	<u>2,244,050</u>
Net Position:		
Net Investment in Capital Assets	22,746,804	22,874,626
Restricted	3,792,512	4,768,020
Unrestricted	(14,967,029)	(16,571,061)
Total Net Position	<u>\$ 11,572,287</u>	<u>\$ 11,071,585</u>

At the end of the current fiscal year, the District was able to report positive balances in two of the three categories of net position. The negative unrestricted net position reported is attributable to the District's recognition of its proportionate share of the net pension liability of the Arizona State Retirement System (ASRS) plan to which the District's employees belong. The District contributes the actuarially required contributions to the ASRS plan each year sufficient to meet its current obligations and recognizes a liability for its proportional share of the unfunded pension liability of the ASRS plan. Additional information regarding the District's pension plan can be found in Note 4.B.

The District's net position increased by \$500,702 during the current fiscal year. Key elements of this increase in net position are indicated in Table A-2 as follows:

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

**Table A-2
Changes in Net Position**

	Governmental Activities			
	2021	Restated 2020	Annual Change	Percent Change
REVENUES				
Program Revenues:				
Charges for Services	\$ 493,263	\$ 808,670	\$ (315,407)	(39.0)%
Operating Grants and Contributions	8,055,659	7,001,928	1,053,731	15.0
Capital Grants and Contributions	194,266	26,343	167,923	637.4
General Revenues:				
Property Taxes	16,990,963	16,604,979	385,984	2.3
Grants and Contributions Not Restricted to Specific Programs:				
State Equalization and Additional State Aid	7,531,144	8,967,369	(1,436,225)	(16.0)
County Equalization	339,441	387,789	(48,348)	(12.5)
Federal, not Restricted	164,490	342,390	(177,900)	(52.0)
Investment Earnings	53,879	175,316	(121,437)	(69.3)
Gain on Sale of Capital Assets	1,231,782	-	1,231,782	N/A
Other	38,495	238,140	(199,645)	(83.8)
Total Revenues	<u>35,093,382</u>	<u>34,552,924</u>	<u>540,458</u>	1.6
EXPENSES				
Instruction	18,694,703	17,901,986	792,717	4.4
Support Services:				
Students and Instructional Staff	5,439,516	5,455,402	(15,886)	(0.3)
Administration	2,545,155	2,997,714	(452,559)	(0.2)
Operation and Maintenance of Plant	3,501,255	3,245,201	256,054	7.9
Student Transportation	1,539,413	1,831,489	(292,076)	(15.9)
Operation of Noninstructional Services	1,925,734	2,028,936	(103,202)	(5.1)
Interest on Long-Term Debt	946,904	1,055,018	(108,114)	(10.2)
Total Expenses	<u>34,592,680</u>	<u>34,515,746</u>	<u>76,934</u>	0.2
CHANGE IN NET POSITION	500,702	37,178	463,524	1246.8
Net Position - Beginning of Year, as Restated	11,071,585	11,034,407	37,178	0.3
NET POSITION - END OF YEAR	<u>\$ 11,572,287</u>	<u>\$ 11,071,585</u>	<u>\$ 500,702</u>	4.5 %

Program revenues which consist of charges for services, operating grants and contributions, and capital grants and contributions increased from the prior year by \$906,247. The increase was due to an increase in operating grants and contributions due to COVID-19 funding, an increase in capital grants and contributions due to building renewal monies received from the School Facility Board, offset by a decrease in charges for services due to the COVID-19 pandemic.

General revenues decreased by a net of \$365,789 driven by a \$1,436,225, or 16% decrease in state equalization revenues. The decrease in state equalization revenues is the result of a decrease in the District's share of State Equalization Aid. This decrease was offset by the gain on the sale of Gold Canyon Elementary School.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

District expenditures increased by \$76,934. This increase was largely driven by increased personnel costs for the District.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$11,297,726, an increase of \$584,208 in comparison with the prior year. Approximately 68.8% of this total amount, \$7,775,533, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable or restricted to indicate that is not available for new spending.

At June 30, 2021, fund balances were as follows:

**Table A-3
Fund Balances**

Fund	Balance	Increase (Decrease) from 2019-20
General Fund	\$ 7,775,533	\$ 1,749,861
Classroom Site Fund	1,736,896	(720,519)
Special Projects Fund	108,489	(215,954)
Debt Service Fund	745,135	(6,515)
Nonmajor Governmental Funds	931,673	(222,665)

The General Fund increased as a result of the District not expending its budget and carrying forward funds to the next year.

The Classroom Site Fund decrease was a result of increased payouts from the fund in line with the District's classroom site fund plan.

The decrease in the Special Projects Fund from the prior year is due to the District expending prior year state grants funds and having unavailable grant revenues.

The decrease in the Debt Service Fund was attributable to a decrease in property tax revenues in the current year.

The Nonmajor Governmental Funds net decrease was due primarily to the decline in revenues in the Food Service Fund due to COVID-19 and a decline in the Other Special Revenue fund balances as the District continues to use carryforward funds.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget totaled \$1,486,865. Actual General Fund expenditures were \$1,639,560 less than budget during the fiscal year. Actual expenditures were 92.0% of budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$39,472,629 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, and furniture, equipment and vehicles. The net decrease in the District's investment in capital assets for the current fiscal year was \$3,173,605 or 7.4% due to current year depreciation expense exceeding current year additions.

**Table A-4
Capital Assets (Net)**

	Governmental Activities	
	2021	2020
Land	\$ 1,821,148	\$ 2,174,301
Construction in Progress	180,403	-
Land Improvements	332,664	536,986
Buildings and Improvements	35,359,560	38,373,087
Furniture, Equipment, and Vehicles	1,778,854	1,561,860
Total Capital Assets, Net	\$ 39,472,629	\$ 42,646,234

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

Long-Term Debt

At the end of the current fiscal year, the District had total bonded debt outstanding of \$16,575,000. All of the District's bonded debt is backed by the full faith and credit of the District.

**Table A-5
Outstanding Debt**

	Governmental Activities	
	2021	2020
General Obligation Bonds	\$ 16,575,000	\$ 19,575,000

The District's bonded debt decreased by \$3,000,000 (15.3%) during the current fiscal year. This decrease was due to scheduled principal payments on the outstanding bonds during the current fiscal year.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

State statutes limit the amount of bonded debt a unified school district may issue to 30% of its net secondary assessed valuation. The current debt margin for the District is \$117,681,611, which is significantly in excess of the District's outstanding bonded debt.

Additional information on the District's long-term debt can be found in Note 3.D. of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Continued enrollment declines
- Continued changes in budget as a result of increase funding changes from the state
- Depressed economy resulting in reduced revenues

All of these factors were considered in preparing the District's budget for the 2022 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Apache Junction Unified School District No. 43 District Office, 1575 West Southern Avenue Suite 1, Apache Junction, Arizona, 85220.

BASIC FINANCIAL STATEMENTS

THIS PAGE BLANK

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 12,618,913
Receivables:	
Accounts Receivable	28,463
Property Taxes	203,793
Intergovernmental	2,528,554
Inventory	36,185
Net Other Postemployment Benefit Asset	104,111
Capital Assets:	
Nondepreciable	2,001,551
Depreciable, net	37,471,078
Total Assets	<u>54,992,648</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension Related Amounts	5,248,894
Other Postemployment Benefit Related Amounts	290,739
Total Deferred Outflows of Resources	<u>5,539,633</u>
LIABILITIES	
Accounts Payable	233,750
Accrued Wages and Benefits	104,953
Accrued Interest	467,897
Matured Debt Principal Payable	3,000,000
Long-Term Liabilities:	
Net Pension Liability	27,095,212
Net Other Postemployment Benefit Liability	114,217
Due Within One Year	3,486,263
Due in More Than One Year	14,062,772
Total Liabilities	<u>48,565,064</u>
DEFERRED INFLOWS OF RESOURCES	
Pension Related Amounts	181,441
Other Postemployment Benefit Related Amounts	213,489
Total Deferred Inflows of Resources	<u>394,930</u>
NET POSITION	
Net Investment in Capital Assets	22,746,804
Restricted for:	
Classroom Site	1,736,896
Instructional Improvements	171,380
Federal Projects	27,901
State Projects	201,670
Food Services	53,291
Debt Service	790,261
Capital Projects	69,075
Other	637,927
Other Postemployment Benefits	104,111
Unrestricted	(14,967,029)
Total Net Position	<u><u>\$ 11,572,287</u></u>

See accompanying Notes to Basic Financial Statements.

THIS PAGE BLANK

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Primary Government:					
Governmental Activities:					
Instruction	\$ 18,694,703	\$ -	\$ 4,417,611	\$ 194,266	\$ (14,082,826)
Support Services:					
Students	3,520,834	-	682,159	-	(2,838,675)
Instructional Staff	1,918,682	-	807,544	-	(1,111,138)
General Administration	647,991	-	106,517	-	(541,474)
School Administration	1,348,432	-	308,731	-	(1,039,701)
Central Services	548,732	-	2,726	-	(546,006)
Operation and Maintenance of Plant	3,501,255	133,573	496,150	-	(2,871,532)
Student Transportation	1,539,413	-	89,349	-	(1,450,064)
Operation of Noninstructional Services	1,925,734	359,690	1,144,872	-	(421,172)
Interest on Long-Term Debt	946,904	-	-	-	(946,904)
Total	\$ 34,592,680	\$ 493,263	\$ 8,055,659	\$ 194,266	(25,849,492)
General Revenues:					
					16,990,963
Property Taxes					
Grants and Contributions Not Restricted to Specific Programs:					
					7,531,144
State Equalization and Additional State Aid					
					339,441
County Equalization					
					164,490
Federal, not Restricted					
					53,879
Investment Earnings					
					38,495
Other					
					1,231,782
Gain on Sale of Capital Assets					
					26,350,194
Total General Revenues					
					500,702
Change in Net Position					
					11,071,585
Net Position - Beginning, as Restated					
					\$ 11,572,287
Net Position - Ending					

See accompanying Notes to Basic Financial Statements.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Classroom Site	Special Projects
Assets			
Cash and Investments	\$ 5,794,021	\$ 1,736,896	\$ -
Receivables:			
Accounts Receivable	13,934	-	-
Property Taxes	155,638	-	-
Intergovernmental	2,086,445	-	422,429
Due from Other Funds	167,106	-	-
Inventories	-	-	-
Total Assets	\$ 8,217,144	\$ 1,736,896	\$ 422,429
Liabilities, Deferred Inflows of Resources, and Fund Balances			
Liabilities:			
Accounts Payable	\$ 191,284	\$ -	\$ 41,551
Accrued Wages and Benefits	104,953	-	-
Accrued Interest	-	-	-
Due to Other Funds	-	-	151,307
Matured Debt Principal Payable	-	-	-
Total Liabilities	296,237	-	192,858
Deferred Inflows of Resources:			
Unavailable Revenues	145,374	-	121,082
Fund Balances:			
Nonspendable	-	-	-
Restricted	-	1,736,896	108,489
Unassigned	7,775,533	-	-
Total Fund Balances	7,775,533	1,736,896	108,489
Total Liabilities, Deferred Inflows of Resources and Fund Balances			
	\$ 8,217,144	\$ 1,736,896	\$ 422,429

See accompanying Notes to Basic Financial Statements.

<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
\$ 4,210,003	\$ 877,993	\$ 12,618,913
-	-	13,934
48,155	-	203,793
-	34,209	2,543,083
-	-	167,106
-	36,185	36,185
<u>\$ 4,258,158</u>	<u>\$ 948,387</u>	<u>\$ 15,583,014</u>

\$ -	\$ 915	\$ 233,750
-	-	104,953
467,897	-	467,897
-	15,799	167,106
3,000,000	-	3,000,000
<u>3,467,897</u>	<u>16,714</u>	<u>3,973,706</u>

45,126	-	311,582
-	36,185	36,185
745,135	895,488	3,486,008
-	-	7,775,533
<u>745,135</u>	<u>931,673</u>	<u>11,297,726</u>

<u>\$ 4,258,158</u>	<u>\$ 948,387</u>	<u>\$ 15,583,014</u>
---------------------	-------------------	----------------------

THIS PAGE BLANK

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total Fund Balances for Governmental Funds	\$ 11,297,726
<p>Total net position reported for governmental activities in the statement of net position is different because:</p>	
<p>Capital assets and other postemployment benefits (OPEB) assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>	
Governmental Capital Assets	119,390,098
Less: Accumulated Depreciation	(79,917,469)
Total	39,472,629
Net OPEB Asset	104,111
<p>Property taxes and grant revenues not collected within 60 days subsequent to fiscal year-end are unavailable in the governmental funds.</p>	
	311,582
<p>Long-term liabilities that pertain to governmental funds, including bonds payable, are not due payable in the current period and, therefore, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.</p>	
General Obligation Bonds	(16,575,000)
Capital Leases Payable	(150,825)
Compensated Absence Payable	(823,210)
Net Pension Liability	(27,095,212)
Net OPEB Liability	(114,217)
<p>Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the governmental funds.</p>	
Deferred Outflows of Resources Related to Pensions and OPEB	5,539,633
Deferred Inflows of Resources Related to Pensions and OPEB	(394,930)
Total Net Position of Governmental Activities	\$ 11,572,287

See accompanying Notes to Basic Financial Statements.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN
FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General Fund	Classroom Site	Special Projects
Revenues:			
Property Taxes	\$ 13,058,092	\$ -	\$ -
Intergovernmental	8,035,075	1,582,750	4,781,126
Food Service Sales	-	-	-
Auxiliary Operations	345,721	-	-
Contributions and Donations	204,514	-	-
Rents and Royalties	128,163	-	-
Investment Earnings	25,234	14,188	5
Other	5,046	-	-
Total Revenues	<u>21,801,845</u>	<u>1,596,938</u>	<u>4,781,131</u>
Expenditures:			
Current:			
Instruction	10,919,241	2,248,740	2,430,471
Support Services:			
Students	2,760,284	45,976	677,955
Instructional Staff	971,410	22,741	825,113
General Administration	585,995	-	110,969
School Administration	1,021,302	-	321,633
Central Services	964,894	-	2,840
Operation and Maintenance of Plant	3,025,995	-	516,885
Student Transportation	1,300,705	-	93,083
Operation of Noninstructional Services	304,534	-	1,989
Debt Service:			
Principal Retirement	45,783	-	-
Interest on Long-Term Debt	9,345	-	-
Total Expenditures	<u>21,909,488</u>	<u>2,317,457</u>	<u>4,980,938</u>
Excess (Deficiency) of Revenues Over Expenditures	(107,643)	(720,519)	(199,807)
Other Financing Sources (Uses):			
Transfers In	16,147	-	-
Transfers Out	-	-	(16,147)
Proceeds from Sale of Capital Assets	1,841,357	-	-
Total Other Financing Sources (Uses)	<u>1,857,504</u>	<u>-</u>	<u>(16,147)</u>
Net Change in Fund Balances	1,749,861	(720,519)	(215,954)
Fund Balances - Beginning of Year, as Restated	6,025,672	2,457,415	324,443
Decrease in Inventories	-	-	-
Fund Balances - End of Year	<u>\$ 7,775,533</u>	<u>\$ 1,736,896</u>	<u>\$ 108,489</u>

See accompanying Notes to Basic Financial Statements.

Debt Service	Nonmajor Governmental Funds	Totals
\$ 3,918,124	\$ 9	\$ 16,976,225
-	1,471,181	15,870,132
-	13,969	13,969
-	-	345,721
-	89,272	293,786
-	-	128,163
12,920	1,532	53,879
-	38,859	43,905
<u>3,931,044</u>	<u>1,614,822</u>	<u>33,725,780</u>
-	51,997	15,650,449
-	26,208	3,510,423
-	-	1,819,264
-	-	696,964
-	-	1,342,935
-	462	968,196
-	194,266	3,737,146
-	-	1,393,788
-	1,551,544	1,858,067
3,000,000	-	3,045,783
937,559	-	946,904
<u>3,937,559</u>	<u>1,824,477</u>	<u>34,969,919</u>
(6,515)	(209,655)	(1,244,139)
-	-	16,147
-	-	(16,147)
-	-	1,841,357
<u>-</u>	<u>-</u>	<u>1,841,357</u>
(6,515)	(209,655)	597,218
751,650	1,154,338	10,713,518
-	(13,010)	(13,010)
<u>\$ 745,135</u>	<u>\$ 931,673</u>	<u>\$ 11,297,726</u>

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGE IN FUND BALANCES – GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net Change in Fund Balances-Total Governmental Funds \$ 597,218

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

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

Expenditure for Capital Assets	743,783
Depreciation Expense	(3,307,813)
Depreciation in Excess of Capital Expenditures	(2,564,030)

The statement of activities reports gains/losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on disposal of capital assets. (609,575)

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

Principal Payments on Bonds	3,000,000
Principal Payments on Capital Leases	45,783

Governmental funds report District pension and other postemployment benefit (OPEB) contributions as expenditures when made. However, in the Statement of Activities, pension and OPEB expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions and OPEB, and the investment experience.

Pension Contributions	1,935,510
Pension Expense	(2,189,629)
OPEB Contributions	88,773
OPEB Expense	(68,443)

Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in the governmental funds. 135,820

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

Change in Compensated Absences	142,285
Change in Inventory Balances	(13,010)

Change in Net Position of Governmental Activities \$ 500,702

NOTES TO BASIC FINANCIAL STATEMENTS

THIS PAGE BLANK

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Apache Junction Unified School District No. 43 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

For the year ended June 30, 2021, the District implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities for accounting and financial reporting purposes. As a result, the District's fiduciary fund financial statements have been modified to reflect the implementation of this new guidance, including reclassifying activities previously reported in agency funds to governmental funds.

A. Reporting Entity

The District is a special purpose government that is governed by a separately elected governing body. It is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements present only the funds of those organizational entities for which its elected governing board is financially accountable.

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. The District had no fiduciary funds during the fiscal year.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 provider have been met.

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

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

The District reports the following major governmental funds:

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

The *Classroom Site Fund* is a special revenue fund and accounts for the revenues and expenditures of State apportioned education sales tax monies.

The *Special Projects Fund* is a special revenue fund and accounts for the revenues and expenditures of state and federally funded projects.

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

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

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

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

1. Deposits and Investments

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

A.R.S. require the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash in the Debt Service Fund, which is invested separately. As required by statute, interest earned by the Debt Service Fund is recorded in the Debt Service Fund.

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

Statute authorizes the District to deposit monies of Auxiliary Operations and Student Activities 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, employee insurance programs, and federal savings bonds. 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. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101% of all deposits not covered by federal depository insurance.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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

2. Receivables

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

3. Short-Term Interfund Receivables/Payables

During the course of operations, individual funds within the District's pooled cash accounts may borrow money from the other funds within the pool on a short-term basis. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements.

4. Inventories

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

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Capital Assets

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

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

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

Land Improvements	20 Years
Buildings and Improvements	30 Years
Furniture, Equipment and Vehicles	5 to 15 Years

6. Deferred Outflows of Resources

The District recognizes the consumption of net position that is applicable to a future period as deferred outflows of resources. Reported amounts in the government-wide financial statements are related to the requirements of accounting and financial reporting for pensions and other postemployment benefits (OPEB).

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Compensated Absences

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

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

9. Pension and OPEB Plans

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

10. Deferred Inflows of Resources

The District recognizes the acquisition of net position that is applicable to a future period as deferred inflows of resources. Reported amounts in the government-wide financial statements are related to the requirements of accounting and financial reporting for pensions and OPEB.

The deferred inflows of resources reported in the governmental fund financial statements represent resources that are not available to the District as of June 30, 2021 or within 60 days of fiscal year-end. The deferred inflows of resources represent a reconciling item between the governmental fund financial statements and the government-wide financial statements.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Net Position

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

12. 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, committed, assigned, and unassigned fund balance classifications.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form such as inventories, or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

Committed fund balances are self-imposed limitations approved by the District's Governing Board, which is the highest level of decision-making authority within the District. Only the District Governing Board can remove or change the constraints placed on committed fund balances.

Assigned fund balances are resources constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The District's Governing Board has not authorized an individual with the authority to assign fund balance and will, therefore, not present any assigned fund balances.

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

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

12. Fund Balance Classifications (Continued)

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the District's policy to use restricted fund balance first. For the disbursement of unrestricted fund balances, it is the District's policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The District adopts an annual operating budget for expenditures for all governmental fund types on essentially the same modified accrual basis of accounting used to record actual expenditures, except for the New School Facilities Capital Projects Fund. The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted the budget can be increased or decreased only for specific reasons set forth in the A.R.S. All appropriations lapse at year-end. An annual budget of revenue from all sources is not prepared.

Budgetary control over expenditures is exercised at the fund level. However, the General Fund is budgeted within four subsections (see preceding description of General Fund), any of which may be overexpended with the prior approval of the Governing Board at a public meeting, provided the expenditures for all subsections do not exceed the General Fund's total budget.

B. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following funds:

	<u>Amount of Overexpenditure</u>
Major Governmental Funds:	
Debt Service	\$ 1,778

Cash or receivables were available to meet the overexpenditure above.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

Deposits and investments at June 30, 2021 consist of the following:

Deposits:	
Cash in Bank	\$ 832,525
Investments:	
Cash on Deposit with Paying Agent	3,467,897
Cash on Deposit with County Treasurer	8,318,491
Total Cash and Investments	<u>\$ 12,618,913</u>

Deposits – The bank balances of the deposits at June 30, 2021 totaled \$882,229, which was fully covered by federal depository insurance or collateral held in the District’s name. In addition, the Cash on Deposit with Paying Agent was not insured or collateralized. Cash on Deposit with Paying Agent represents principal and interest payments on the District’s bonds due July 1, 2021.

Investments – At June 30, 2021, the District’s investments were reported at fair value. The District’s investment in the County Treasurer’s investment pools represents a proportionate interest in those pools’ portfolios.

Interest rate risk. The District does not have an investment policy with regard to interest rate risk. The District manages its exposure to declines in fair values by limiting its investments to monies deposited with the County Treasurer.

Custodial credit risk. For an investment, custodial credit risk is the risk that, in the event of the counterparty’s failure, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy with respect to custodial credit risk as all investments are deposited with the County Treasurer.

Credit risk. The District does not have an investment policy with respect to credit risk, however, the District’s investments are limited by state statute. In accordance with state statutes, the District only invests in the State or County Treasurer, U.S. government securities or state or local bonds. The District’s cash on deposit with the County Treasurer did not receive a quality credit rating from a national credit rating agency.

Concentration of credit risk. The District does not have an investment policy with respect to concentration of credit risk. The District’s investments consist only of cash and investments on deposit with County Treasurer.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

2. Receivables

The Pinal County Treasurer is responsible for collecting property taxes for all governmental entities within the County. The County levies the property taxes due to the District in August. Two equal installments, payable in October and March, become delinquent after the first business days in November and May. During the year, the County also levies various personal property taxes that are due the second Monday of the month following receipt of the tax notice and become delinquent 30 days later. A lien assessed against real and personal property attaches on the first day of January preceding the assessment levy.

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

Governmental funds report deferred inflows of resources for unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Unavailable
Delinquent Property Taxes Receivable:	
General Fund	\$ 145,374
Debt Service Fund	45,126
Grant Revenues:	
Special Projects Fund	121,082
Total	\$ 311,582

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

3. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,174,301	\$ -	\$ (353,153)	\$ 1,821,148
Construction in Progress	-	180,403	-	180,403
Total Capital Assets, Not Being Depreciated	2,174,301	180,403	(353,153)	2,001,551
Capital Assets Being Depreciated:				
Land Improvements	5,077,477	10,964	(544,962)	4,543,479
Buildings and Improvements	108,718,029	21,657	(4,816,880)	103,922,806
Furniture, Equipment, and Vehicles	8,719,501	530,759	(327,998)	8,922,262
Total Capital Assets Being Depreciated	122,515,007	563,380	(5,689,840)	117,388,547
Accumulated Depreciation for:				
Land Improvements	(4,540,491)	(173,946)	503,622	(4,210,815)
Buildings and Improvements	(70,344,942)	(2,820,102)	4,601,798	(68,563,246)
Furniture, Equipment, and Vehicles	(7,157,641)	(313,765)	327,998	(7,143,408)
Total Accumulated Depreciation	(82,043,074)	(3,307,813)	5,433,418	(79,917,469)
Total Capital Assets Being Depreciated, Net	40,471,933	(2,744,433)	(256,422)	37,471,078
Governmental Activities Capital Assets, Net	<u>\$ 42,646,234</u>	<u>\$ (2,564,030)</u>	<u>\$ (609,575)</u>	<u>\$ 39,472,629</u>

Governmental Activities:	
Instruction	\$ 2,972,414
Support Services:	
Instructional Staff	106,447
Business and Other Support Services	66,709
Operation and Maintenance of Plant	18,842
Student Transportation	97,629
Operation of Noninstructional Services	45,772
	<u>\$ 3,307,813</u>

The estimated cost to complete construction in progress at June 30, 2021 was \$2,009,889.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Interfund Transfers

Interfund transfers for the year ended June 30, 2021 consisted of the following:

Transfers To	Transfers From Special Projects Fund
General Fund	\$ 16,147

Transfers were made from the Special Projects Fund to the General Fund to record indirect costs transferred to the indirect cost pool for various federal and state grants.

C. Obligations Under Capital Leases

The District has entered into lease agreements as a lessee for financing the acquisition of copier equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
Furniture, Equipment and Vehicles	\$ 140,118
Less: Accumulated Depreciation	(29,098)
Total	\$ 111,020

The amortization expense of the capital lease is included in depreciation expense.

The future minimum lease payments under the capital leases, together with the present value of the net minimum lease payments as of June 30, 2021, were as follows:

Year Ending June 30,	Governmental Activities
2022	\$ 55,128
2023	55,128
2024	55,128
Total Minimum Lease Payments	165,384
Less: Amount Representing Interest	(14,559)
Present Value of Minimum Lease Payments	\$ 150,825

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Long-Term Obligations

The District had long-term bonds payable issued to provide funds for the acquisition and construction of major capital facilities. The District issued debt to refund those earlier obligations with higher interest rates. The principal and interest paid on the bonds are recorded in the Debt Service Fund. Compensated absences are paid by the applicable fund where each employee is regularly paid, primarily the General Fund.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Maturity Dates	Original Issue	Amount Outstanding
School Improvement Bonds, Series 2004 C	4.00-4.50%	7/1/18-26	8,250,000	\$ 5,575,000
Refunding Bonds, Series 2007	4.00-5.00%	7/1/18-25	17,050,000	10,250,000
School Improvement Bonds, Series 2004 D	4.00-5.25%	7/1/18-24	2,000,000	750,000
Total General Obligation Bonds Payable				<u>\$ 16,575,000</u>

Changes in long-term obligations for the year ended June 30, 2021 are as follows:

	July 1, 2020	Additions	Retirements	June 30, 2021	Due Within One Year
Governmental Activities:					
Bonds Payable:					
General Obligation Bonds	\$ 19,575,000	\$ -	\$ (3,000,000)	\$ 16,575,000	\$ 3,100,000
Capital Leases	196,608	-	(45,783)	150,825	47,959
Total Bonds and Leases Payable	19,771,608	-	(3,045,783)	16,725,825	3,147,959
Other Liabilities:					
Compensated Absences	965,495	293,506	(435,791)	823,210	338,304
Total Debt	<u>\$ 20,737,103</u>	<u>\$ 293,506</u>	<u>\$ (3,481,574)</u>	<u>\$ 17,549,035</u>	<u>\$ 3,486,263</u>

Debt service requirements on long-term debt at June 30, 2021 are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2022	\$ 3,100,000	\$ 799,531
2023	3,250,000	647,656
2024	3,400,000	487,656
2025	3,325,000	320,156
2026	3,500,000	157,500
Totals	<u>\$ 16,575,000</u>	<u>\$ 2,412,499</u>

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Fund Balance Classification of Governmental Funds

The District has classified its fund balances with the following hierarchy:

	General Fund	Classroom Site Fund	Special Projects Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Inventories	\$ -	\$ -	\$ -	\$ -	\$ 36,185	\$ 36,185
Restricted for:						
Debt Service	-	-	-	745,135	-	745,135
Capital Outlay	-	-	-	-	69,075	69,075
Teacher Compensation and Other Qualified Programs (A.R.S. 15-977)	-	1,736,896	-	-	-	1,736,896
Instructional Improvement Federal and State	-	-	-	-	171,380	171,380
Instructional	-	-	108,489	-	-	108,489
Food Services	-	-	-	-	17,106	17,106
Community Programs	-	-	-	-	42,905	42,905
Instructional Aides	-	-	-	-	3,125	3,125
Vocational Education Programs	-	-	-	-	271,127	271,127
Noninstructional Programs	-	-	-	-	320,770	320,770
Total Restricted	-	1,736,896	108,489	745,135	895,488	3,486,008
Unassigned	7,775,533	-	-	-	-	7,775,533
Total Fund Balances	<u>\$ 7,775,533</u>	<u>\$ 1,736,896</u>	<u>\$ 108,489</u>	<u>\$ 745,135</u>	<u>\$ 931,673</u>	<u>\$ 11,297,726</u>

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District's insurance protection is provided by the Arizona School Risk Retention Trust, of which the District is a participating member. The limit for basic coverage is \$5 million per occurrence on a claims made basis. Excess coverage is for an additional \$45 million per occurrence on a follow form, claims made basis. Claims have not exceeded coverage in any of the past three years and there have been no reductions in coverage.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

The Arizona School Risk Retention Trust is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow the pool to meet its expected financial obligations. The pool has the authority to assess its members additional premiums should reserves and annual premiums be insufficient to meet the pool's obligations.

The District carries commercial insurance for all other risks of loss, including workers' compensation. Settled claims from this risk have not exceeded commercial insurance coverage in any of the past three years.

B. Retirement Plans

Cost Sharing Pension Plans

The District contributes to the Arizona State Retirement System (ASRS), a cost-sharing multiple-employer defined benefit pension plan. The plan is a component unit of the state of Arizona.

At June 30, 2021, the District reported the following amounts related to its proportionate share of the ASRS pension plan:

<u>Statement of Net Position and Statement of Activities</u>	<u>Governmental Activities</u>
Net Pension Liabilities	\$ 27,095,212
Deferred Outflows of Resources	5,248,894
Deferred Inflows of Resources	181,441
Pension Expense	2,189,629

The District did not have any accrued and outstanding pension contribution amounts payable to ASRS as of June 30, 2021.

The District's financial statements present an OPEB asset and liability as it relates to the District's health insurance premium benefit plan and long-term disability plan. These balances are not significant to the District's financial statements and therefore all related disclosures have been omitted.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Arizona State Retirement System

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

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

	Retirement	
	Initial Membership Date	
	Before July 1, 2011	On or After July 1, 2011
Years of Service and Age Required to Receive Benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* any years, age 65
Final Average Salary is Based on	Highest 36 consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit Percentage per Year of Service	2.1% to 2.3%	2.1% to 2.3%

* With actuarially reduced benefits

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.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2021, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.22% (12.04% for retirement and 0.18% 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 12.22% (11.65% for requirement, 0.39% for the health insurance premium benefit, and 0.18% for long-term disability) of the active members' annual covered payroll.

In addition, the District was required by statute to contribute at the actuarially determined rate of 10.21% (10.14% for retirement and 0.07% for long-term disability) of annual covered payroll of retired members who worked for the District in positions that would typically be filled by an employee who contributes to the ASRS.

The District's contributions to the pension plan for the year ended June 30, 2021 were \$1,935,510.

During the fiscal year ended June 30, 2021, the District paid for ASRS pension and OPEB contributions as follows: 68% from the General Fund, 12% from the Classroom Site Fund, 16% from the Special Projects Fund, and 4% from other funds.

Pension Liability. At June 30, 2021, the District reported a liability of 27,095,212 for its proportionate share of the ASRS' net pension liability. The net pension liability was measured as of June 30, 2020. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2019, to the measurement date of June 30, 2020.

The District's proportion of the net pension liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the fiscal year ended June 30, 2020. The District's proportion measured as of June 30, 2020 was 0.15638%, which was an increase of 0.00462 from its proportion measured as of June 30, 2019.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Pension Expense and Deferred Outflows/Inflows of Resources. For the year ended June 30, 2021, the District recognized pension expense (income) for ASRS of \$2,189,629. At June 30, 2021, 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	\$ 245,123	\$ -
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2,613,365	-
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	454,896	181,441
District Contributions Subsequent to the Measurement Date	1,935,510	-
Total	\$ 5,248,894	\$ 181,441

The \$1,935,510 reported as deferred outflows of resources related to ASRS pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2022	\$ 361,525
2023	1,016,836
2024	945,282
2025	808,300

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

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

Actuarial Valuation Date	June 30, 2019
Actuarial Roll Forward Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Discount Rate	7.5%
Projected Salary Increases	2.7 - 7.2%
Inflation	2.3%
Permanent Benefit Increase	Included
Mortality Rates	2017 SRA Scale U-MP

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial study for the five-year period ended June 30, 2016.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.5% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflations) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of 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 %	6.39 %
Fixed Income - Credit	20	5.44
Fixed Income - Interest Rate Sensitive	10	0.22
Real Estate	20	5.85
Total	100 %	

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Retirement Plans (Continued)

Arizona State Retirement System (Continued)

Discount Rate. The discount rate used to measure the ASRS total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statutes. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
District's Proportionate Share of the Net Pension Liability	\$ 37,052,335	\$ 27,095,212	\$ 18,771,569

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

C. Change in Accounting Principle

During the year ended June 30, 2021, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. Previously, the Student Activities Fund was reported as a fiduciary fund. The fund no longer meets the definition of a fiduciary fund with the adoption of GASB Statement No. 84 and is now reported as a special revenues fund resulting in a restatement of fund balance of the governmental funds of \$96,703 (beginning fund balance of governmental funds as previously reported was \$10,616,815 to the restated balance of \$10,713,518) and a restatement of net position from \$10,974,882 to \$11,071,585.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 OTHER INFORMATION (CONTINUED)

D. Subsequent Events

Subsequent to June 30, 2021, the District purchased seven student transport buses totaling \$1,021,641. The District also entered into agreements with contractors for a weatherization project for \$1,238,805, a roofing project for \$4,985,457, and a track and field project for \$957,731.

THIS PAGE BLANK

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

THIS PAGE BLANK

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
JUNE 30, 2021

Cost-Sharing Pension Plans

Arizona State Retirement System

	Reporting Year (Measurement Date)							
	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 (2013)
District's Proportion of the Net Pension Liability	0.156380%	0.151760%	0.155680%	0.159250%	0.177860%	0.204190%	0.216926%	0.227645%
District's Proportionate Share of the Net Pension Liability	\$ 27,095,212	\$ 22,082,846	\$ 21,711,881	\$ 24,808,046	\$ 28,708,391	\$ 31,085,507	\$ 32,097,730	\$ 37,844,438
District's Covered Payroll	17,092,175	15,372,775	15,497,104	15,776,513	17,352,146	18,887,642	20,154,398	20,092,849
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	158.52%	143.65%	140.10%	157.25%	165.45%	164.58%	159.26%	188.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%	69.49%	Not Available

Schedule of Pension Contributions

Arizona State Retirement System

	Reporting Fiscal Year							
	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 1,935,510	\$ 1,957,054	\$ 1,789,391	\$ 1,686,684	\$ 1,674,478	\$ 1,806,912	\$ 2,048,087	\$ 2,092,320
District's Contribution in Relation to the Statutorily Required Contribution	1,935,510	1,957,054	1,789,391	1,686,684	1,674,478	1,806,912	2,048,087	2,092,320
District's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 16,613,820	\$ 17,092,175	\$ 15,372,775	\$ 15,497,104	\$ 15,776,513	\$ 17,352,146	\$ 18,887,642	\$ 20,154,398
District's Contributions as a Percentage of Covered Payroll	11.65%	11.45%	11.64%	10.88%	10.61%	10.41%	10.84%	10.38%

See accompanying Notes to Required Supplementary Information Other than MD&A.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ -	\$ -	\$ 12,616,784	\$ 12,616,784
Intergovernmental	-	-	7,595,246	7,595,246
Investment Earnings	-	-	8,644	8,644
Other	-	-	5,046	5,046
Total Revenues	-	-	20,225,720	20,225,720
Expenditures:				
Regular Education:				
Instruction	6,105,296	6,864,566	5,765,505	1,099,061
Support Services - Students	721,584	512,296	569,025	(56,729)
Support Services - Instructional Staff	720,192	471,787	466,297	5,490
Support Services - General Administration	308,599	368,346	386,877	(18,531)
Support Services - School Administration	1,228,085	870,293	906,090	(35,797)
Support Services - Central Services	1,043,628	858,230	884,182	(25,952)
Operation and Maintenance of Plant	3,037,879	2,852,505	2,367,575	484,930
Operation of Noninstructional Services	68,671	69,247	65,526	3,721
School Sponsored Cocurricular Activities	27,894	30,950	33,732	(2,782)
School Sponsored Athletics	154,991	107,684	107,079	605
Total Regular Education	13,416,819	13,005,904	11,551,888	1,454,016
Special Education:				
Instruction	3,595,708	3,382,263	3,509,703	(127,440)
Support Services - Students	2,458,970	2,161,695	2,041,938	119,757
Support Services - Instructional Staff	227,812	133,283	169,449	(36,166)
Support Services - School Administration	-	-	4,727	(4,727)
Operation and Maintenance of Plant	-	-	859	(859)
Total Special Education	6,282,490	5,677,241	5,726,676	(49,435)
Pupil Transportation:				
Student Transportation Services	2,058,694	1,580,832	1,371,351	209,481
K-3 Reading Program	127,552	134,713	109,215	25,498
Total Expenditures	21,885,555	20,398,690	18,759,130	1,639,560
Excess (Deficiency) of Revenue				
Over Expenditures	(21,885,555)	(20,398,690)	1,466,590	21,865,280
Fund Balance - Beginning of Year				
	-	-	1,379,128	1,379,128
Fund Balance - End of Year				
	<u>\$ (21,885,555)</u>	<u>\$ (20,398,690)</u>	<u>\$ 2,845,718</u>	<u>\$ 23,244,408</u>

See accompanying Notes to Required Supplementary Information Other than MD&A.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
CLASSROOM SITE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,582,750	\$ 1,582,750
Investment Earnings	-	-	14,188	14,188
Total Revenues	<u>-</u>	<u>-</u>	<u>1,596,938</u>	<u>1,596,938</u>
Expenditures:				
Current:				
Instruction	3,851,302	3,851,302	2,248,740	1,602,562
Support Services:				
Students	104,728	104,728	45,976	58,752
Instructional Staff	71,638	71,638	22,741	48,897
Total Expenditures	<u>4,027,668</u>	<u>4,027,668</u>	<u>2,317,457</u>	<u>1,710,211</u>
Net Change in Fund Balance	(4,027,668)	(4,027,668)	(720,519)	3,307,149
Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,457,415</u>	<u>2,457,415</u>
Fund Balance - End of Year	<u><u>\$ (4,027,668)</u></u>	<u><u>\$ (4,027,668)</u></u>	<u><u>\$ 1,736,896</u></u>	<u><u>\$ 5,764,564</u></u>

See accompanying Notes to Required Supplementary Information Other than MD&A.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 4,781,126	\$ 4,781,126
Investment Earnings (Loss)	-	-	5	5
Total Revenues	<u>-</u>	<u>-</u>	<u>4,781,131</u>	<u>4,781,131</u>
Expenditures:				
Current				
Instruction	2,256,453	6,004,337	2,430,471	3,573,866
Support Services:				
Students	629,414	1,674,848	677,955	996,893
Instructional Staff	766,036	2,038,394	825,113	1,213,281
General Administration	103,024	274,142	110,969	163,173
School Administration	298,605	794,576	321,633	472,943
Central Services	2,637	7,016	2,840	4,176
Operations and				
Maintenance of Plant	479,877	1,276,934	516,885	760,049
Student Transportation	86,418	229,956	93,083	136,873
Operations of				
Noninstructional Services	1,847	4,914	1,989	2,925
Total Expenditures	<u>4,624,310</u>	<u>12,305,117</u>	<u>4,980,938</u>	<u>7,324,179</u>
Excess (Deficiency) of Revenues Over Expenditures	(4,624,310)	(12,305,117)	(199,807)	12,105,310
Other Financing Sources (Uses)				
Transfers Out	-	-	(16,147)	(16,147)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(16,147)</u>	<u>(16,147)</u>
Net Change in Fund Balance	(4,624,310)	(12,305,117)	(215,954)	12,089,163
Fund Balance - Beginning of Year	<u>(3,088,000)</u>	<u>(3,570,719)</u>	<u>324,443</u>	<u>3,895,162</u>
Fund Balance - End of Year	<u>\$ (7,712,310)</u>	<u>\$ (15,875,836)</u>	<u>\$ 108,489</u>	<u>\$ 15,984,325</u>

See accompanying Notes to Required Supplementary Information Other than MD&A.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A
YEAR ENDED JUNE 30, 2021

A. Availability of Prior Year Pension Information

Information prior to the measurement date of June 30, 2013 was not available. GASB Statement No. 68 requires the District to present 10 years of pension information as required supplementary information. However, until a full 10 years of trend data is compiled, the District will present information for only those years for which information is available.

B. Budgetary Basis of Accounting

The District's adopted budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the following exception: fiscal year 2020-21 insurance payments were prepaid and budgeted in the fiscal year 2019-20. Consequently, the following adjustments are necessary to present actual expenditures and fund balances on a budgetary basis in order to provide a meaningful comparison. In addition, the General Fund as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances includes the District's Maintenance and Operation Fund in addition to several other District funds as required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. However, for budgetary purposes, the District prepares a separate Maintenance and Operation Fund budget. Therefore, the following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District's Maintenance and Operation Fund for budgetary purposes.

	General Fund				
	Total Revenues	Total Expenditures	Other Financing Sources/Uses	Beginning Fund Balance	Ending Fund Balance
Statement of Revenue, Expenditures and Change in Fund Balance	\$ 21,801,845	\$ 21,909,488	\$ 1,857,504	\$ 6,025,672	\$ 7,775,533
Nonmaintenance and Operations Funds Included in General Fund for GASB Statement No. 54 Purposes	(1,576,125)	(1,883,731)	(1,857,504)	(3,379,917)	(4,929,815)
Fiscal Year 2020-21 Insurance Budgeted in Fiscal Year 2019-20	-	(1,266,627)	-	(1,266,627)	-
Statement of Revenue, Expenditures and Change in Fund Balances - Budget and Actual	<u>\$ 20,225,720</u>	<u>\$ 18,759,130</u>	<u>\$ -</u>	<u>\$ 1,379,128</u>	<u>\$ 2,845,718</u>

THIS PAGE BLANK

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

THIS PAGE BLANK

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

Other Special Revenue Fund — accounts for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular activity fee tax credit, insurance refunds, litigation recovery, and textbooks.

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

CAPITAL PROJECTS FUNDS

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

Building Renewal Fund — accounts for monies received from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovation to areas, systems, or buildings that will maintain or extend their useful life.

New School Facilities Fund — accounts for monies received from the School Facilities Board that are used to purchase land, to construct new school buildings, and to pay related architectural and engineering fees.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue				Total Special Revenue Funds
	Instructional Improvement	Food Service	Other Special Revenue	Student Activities	
Assets					
Cash and Investments	\$ 171,380	\$ -	\$ 535,324	\$ 103,460	\$ 810,164
Receivables:					
Intergovernmental	-	19,680	-	-	19,680
Inventories	-	36,185	-	-	36,185
Total Assets	<u>\$ 171,380</u>	<u>\$ 55,865</u>	<u>\$ 535,324</u>	<u>\$ 103,460</u>	<u>\$ 866,029</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$ -	\$ 58	\$ 857	\$ -	\$ 915
Due to Other Funds	-	2,516	-	-	2,516
Total Liabilities	<u>-</u>	<u>2,574</u>	<u>857</u>	<u>-</u>	<u>3,431</u>
Fund Balances					
Nonspendable	-	36,185	-	-	36,185
Restricted	171,380	17,106	534,467	103,460	826,413
Total Fund Balances	<u>171,380</u>	<u>53,291</u>	<u>534,467</u>	<u>103,460</u>	<u>862,598</u>
Total Liabilities and Fund Balances	<u>\$ 171,380</u>	<u>\$ 55,865</u>	<u>\$ 535,324</u>	<u>\$ 103,460</u>	<u>\$ 866,029</u>

Capital Projects			Total Capital Projects Funds	Total Nonmajor Governmental Funds
Adjacent Ways	Building Renewal	New School Facilities		
\$ 67,780	\$ -	\$ 49	\$ 67,829	\$ 877,993
-	14,529	-	14,529	34,209
-	-	-	-	36,185
<u>\$ 67,780</u>	<u>\$ 14,529</u>	<u>\$ 49</u>	<u>\$ 82,358</u>	<u>\$ 948,387</u>
\$ -	\$ -	\$ -	\$ -	\$ 915
-	13,283	-	13,283	15,799
-	13,283	-	13,283	16,714
-	-	-	-	36,185
67,780	1,246	49	69,075	895,488
<u>67,780</u>	<u>1,246</u>	<u>49</u>	<u>69,075</u>	<u>931,673</u>
<u>\$ 67,780</u>	<u>\$ 14,529</u>	<u>\$ 49</u>	<u>\$ 82,358</u>	<u>\$ 948,387</u>

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue				Total Special Revenue Funds
	Instructional Improvement	Food Service	Other Special Revenue	Student Activities	
Revenues					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	133,952	1,142,963	-	-	1,276,915
Food Service Sales	-	13,969	-	-	13,969
Contributions and Donations	-	-	89,272	-	89,272
Investment Earnings	312	617	496	-	1,425
Other	-	-	5,894	32,965	38,859
Total Revenues	<u>134,264</u>	<u>1,157,549</u>	<u>95,662</u>	<u>32,965</u>	<u>1,420,440</u>
Expenditures					
Current:					
Instruction	51,997	-	-	-	51,997
Support Services:					
Students	-	-	-	26,208	26,208
Central Services	-	-	462	-	462
Operation and Maintenance of Plant	-	-	-	-	-
Operation of Noninstructional Services	-	1,394,081	157,463	-	1,551,544
Total Expenditures	<u>51,997</u>	<u>1,394,081</u>	<u>157,925</u>	<u>26,208</u>	<u>1,630,211</u>
Excess (Deficiency) of					
Revenue Over Expenditures	82,267	(236,532)	(62,263)	6,757	(209,771)
Fund Balances - Beginning of Year	89,113	302,833	596,730	96,703	1,085,379
Decrease in Inventories	-	(13,010)	-	-	(13,010)
Fund Balances - End of Year	<u>\$ 171,380</u>	<u>\$ 53,291</u>	<u>\$ 534,467</u>	<u>\$ 103,460</u>	<u>\$ 862,598</u>

Capital Projects				Total Nonmajor
Adjacent	Building	New School	Total Capital	Governmental
Ways	Renewal	Facilities	Projects Funds	Funds
\$ 9	\$ -	\$ -	\$ 9	\$ 9
-	194,266	-	194,266	1,471,181
-	-	-	-	13,969
-	-	-	-	89,272
107	-	-	107	1,532
-	-	-	-	38,859
<u>116</u>	<u>194,266</u>	<u>-</u>	<u>194,382</u>	<u>1,614,822</u>
-	-	-	-	51,997
-	-	-	-	26,208
-	-	-	-	462
-	194,266	-	194,266	194,266
-	-	-	-	1,551,544
<u>-</u>	<u>194,266</u>	<u>-</u>	<u>194,266</u>	<u>1,824,477</u>
116	-	-	116	(209,655)
67,664	1,246	49	68,959	1,154,338
-	-	-	-	(13,010)
<u>\$ 67,780</u>	<u>\$ 1,246</u>	<u>\$ 49</u>	<u>\$ 69,075</u>	<u>\$ 931,673</u>

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
Revenues			
Property Taxes	\$ -	\$ 3,918,124	\$ 3,918,124
Investment Earnings	-	12,920	12,920
Total Revenues	<u>-</u>	<u>3,931,044</u>	<u>3,931,044</u>
Expenditures			
Debt Service:			
Principal Retirement	3,935,781	3,000,000	935,781
Interest on Long-Term Debt	-	937,559	(937,559)
Total Expenditures	<u>3,935,781</u>	<u>3,937,559</u>	<u>(1,778)</u>
Net Change in Fund Balance	(3,935,781)	(6,515)	3,929,266
Fund Balance - Beginning of Year	<u>-</u>	<u>751,650</u>	<u>751,650</u>
Fund Balance - End of Year	<u>\$ (3,935,781)</u>	<u>\$ 745,135</u>	<u>\$ 4,680,916</u>

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
INSTRUCTIONAL IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
Revenues			
Intergovernmental	\$ -	\$ 133,952	\$ 133,952
Investment Earnings	-	312	312
Total Revenues	<u>-</u>	<u>134,264</u>	<u>134,264</u>
Expenditures			
Current:			
Instruction	<u>114,592</u>	<u>51,997</u>	<u>62,595</u>
Excess (Deficiency) of Revenue Over Expenditures	(114,592)	82,267	196,859
Fund Balance - Beginning of Year	<u>-</u>	<u>89,113</u>	<u>89,113</u>
Fund Balance - End of Year	<u>\$ (114,592)</u>	<u>\$ 171,380</u>	<u>\$ 285,972</u>

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICES FUND
YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
Revenues			
Intergovernmental	\$ -	\$ 1,142,963	\$ 1,142,963
Food Service Sales	-	13,969	13,969
Investment Earnings	-	617	617
Total Revenues	<u>-</u>	<u>1,157,549</u>	<u>1,157,549</u>
Expenditures			
Current:			
Operation of Noninstructional Services	<u>1,600,000</u>	<u>1,394,081</u>	<u>205,919</u>
Excess (Deficiency) of Revenue Over Expenditures	(1,600,000)	(236,532)	1,363,468
Fund Balance - Beginning of Year	-	302,833	302,833
Decrease in Inventories	-	(13,010)	(13,010)
Fund Balance - End of Year	<u>\$ (1,600,000)</u>	<u>\$ 53,291</u>	<u>\$ 1,653,291</u>

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
OTHER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
Revenues			
Contributions and Donations	\$ -	\$ 89,272	\$ 89,272
Investment Earnings	-	496	496
Other	-	5,894	5,894
Total Revenues	<u>-</u>	<u>95,662</u>	<u>95,662</u>
Expenditures			
Current:			
Central Services	3,354	462	2,892
Operation of Noninstructional Services	1,143,146	157,463	985,683
Total Expenditures	<u>1,146,500</u>	<u>157,925</u>	<u>988,575</u>
Excess (Deficiency) of Revenue Over Expenditures	(1,146,500)	(62,263)	1,084,237
Fund Balance - Beginning of Year	<u>-</u>	<u>596,730</u>	<u>596,730</u>
Fund Balance - End of Year	<u>\$ (1,146,500)</u>	<u>\$ 534,467</u>	<u>\$ 1,680,967</u>

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
STUDENT ACTIVITIES FUND
YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
Revenue			
Other	\$ -	\$ 32,965	\$ 32,965
Total Revenue	<u>-</u>	<u>32,965</u>	<u>32,965</u>
Expenditures			
Current			
Support Services			
Students	180,000	26,208	26,208
Total Expenditures	<u>180,000</u>	<u>26,208</u>	<u>26,208</u>
Net Change in Fund Balance	(180,000)	6,757	6,757
Fund Balance, Beginning of Year	-	96,703	96,703
Fund Balance, End of Year	<u>\$ (180,000)</u>	<u>\$ 103,460</u>	<u>\$ 103,460</u>

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
ADJACENT WAYS FUND
YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
Revenue			
Property Taxes	\$ -	\$ 9	\$ 9
Investment Earnings	-	107	107
Total Revenue	<u>-</u>	<u>116</u>	<u>116</u>
Expenditures			
Facilities Acquisition	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total Expenditures	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Net Change in Fund Balance	(50,000)	116	50,116
Fund Balance - Beginning of Year	<u>-</u>	<u>67,664</u>	<u>67,664</u>
Fund Balance - End of Year	<u>\$ (50,000)</u>	<u>\$ 67,780</u>	<u>\$ 117,780</u>

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
BUILDING RENEWAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue				
Intergovernmental	\$ -	\$ -	\$ 194,266	\$ 194,266
Expenditures				
Current				
Operation and Maintenance of Plant	30,000	200,000	194,266	5,734
Excess (Deficiency) of Revenue Over Over Expenditures	(30,000)	(200,000)	-	200,000
Fund Balance - Beginning of Year	-	-	1,246	1,246
Fund Balance - End of Year	<u>\$ (30,000)</u>	<u>\$ (200,000)</u>	<u>\$ 1,246</u>	<u>\$ 201,246</u>

STATISTICAL SECTION (UNAUDITED)

This section of the Apache Junction Unified School District No. 43's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

THIS PAGE BLANK

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
Net Investment in										
Capital Assets	\$ 24,846,376	\$ 25,115,740	\$ 25,457,603	\$ 26,357,117	\$ 24,776,075	\$ 24,327,203	\$ 23,406,766	\$ 23,379,863	\$ 22,874,626	\$ 22,746,804
Restricted	4,169,969	3,818,301	3,232,638	3,617,639	3,986,921	4,513,680	5,064,752	5,309,387	4,671,317	3,792,512
Unrestricted	3,764,595	1,664,208	2,586,079	(30,774,335)	(27,273,792)	(22,869,340)	(20,804,299)	(17,743,444)	(16,571,061)	(14,967,029)
Total Governmental										
Activities Net Position	<u>\$ 32,780,940</u>	<u>\$ 30,598,249</u>	<u>\$ 31,276,320</u>	<u>\$ (799,579)</u>	<u>\$ 1,489,204</u>	<u>\$ 5,971,543</u>	<u>\$ 7,667,219</u>	<u>\$ 10,945,806</u>	<u>\$ 10,974,882</u>	<u>\$ 11,572,287</u>

Source: District's Business and Finance Department.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
Instruction	\$ 22,914,939	\$ 22,461,927	\$ 21,437,408	\$ 20,350,281	\$ 18,238,286	\$ 16,527,162	\$ 16,971,227	\$ 15,611,482	\$ 17,901,986	\$ 18,694,703
Support Services:										
Students and Staff	4,794,388	5,019,422	4,477,319	4,077,763	3,619,932	3,319,940	3,712,946	5,008,735	5,366,368	5,439,516
Administration	2,891,469	3,115,489	2,704,319	2,599,539	2,445,552	2,300,838	2,388,515	2,245,195	2,997,714	2,545,155
Operation and										
Maintenance of Plant	3,796,725	3,867,218	3,763,665	3,541,614	3,795,647	3,126,440	3,178,279	3,041,991	3,245,201	3,501,255
Student Transportation	2,004,489	1,997,515	1,849,640	1,682,889	1,857,594	1,506,747	1,496,944	1,835,492	1,831,489	1,539,413
Operation of Noninstructional										
Services	2,317,959	2,128,053	2,309,620	2,409,087	1,914,856	1,801,118	1,617,952	2,113,616	2,028,936	1,925,734
Interest on Long-term Debt	2,350,643	2,157,005	1,950,380	1,715,771	1,501,557	1,399,128	1,292,092	1,183,810	1,055,018	946,904
Total Governmental Activities	<u>\$ 41,070,612</u>	<u>\$ 40,746,629</u>	<u>\$ 38,492,351</u>	<u>\$ 36,376,944</u>	<u>\$ 33,373,424</u>	<u>\$ 29,981,373</u>	<u>\$ 30,657,955</u>	<u>\$ 31,040,321</u>	<u>\$ 34,426,712</u>	<u>\$ 34,592,680</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
Instruction	\$ 301,183	\$ 370,953	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operation and										
Maintenance of Plant	114,954	114,112	111,102	98,577	224,778	178,081	140,492	176,940	169,930	133,573
Operation of										
Noninstructional Services	1,060,422	1,009,068	994,129	1,102,596	762,313	762,797	758,232	908,997	63,840	359,690
Other Activities	-	-	-	-	-	-	-	-	-	-
Operating Grants and										
Contributions	5,731,499	6,925,832	6,558,285	6,314,414	6,251,584	6,260,262	6,637,839	7,068,684	7,001,928	8,055,659
Capital Grants and										
Contributions	-	-	29,174	432	-	11,000	-	-	26,343	194,266
Total Governmental Activities	<u>\$ 7,208,058</u>	<u>\$ 8,419,965</u>	<u>\$ 7,692,690</u>	<u>\$ 7,516,019</u>	<u>\$ 7,238,675</u>	<u>\$ 7,212,140</u>	<u>\$ 7,536,563</u>	<u>\$ 8,154,621</u>	<u>\$ 7,262,041</u>	<u>\$ 8,743,188</u>
Program Revenues	<u>\$ 7,208,058</u>	<u>\$ 8,419,965</u>	<u>\$ 7,692,690</u>	<u>\$ 7,516,019</u>	<u>\$ 7,238,675</u>	<u>\$ 7,212,140</u>	<u>\$ 7,536,563</u>	<u>\$ 8,154,621</u>	<u>\$ 7,262,041</u>	<u>\$ 8,743,188</u>

(Continued)

(Concluded)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental Activities	<u>\$ (33,862,554)</u>	<u>\$ (32,326,664)</u>	<u>\$ (30,799,661)</u>	<u>\$ (28,860,925)</u>	<u>\$ (26,134,749)</u>	<u>\$ (22,769,233)</u>	<u>\$ (23,121,392)</u>	<u>\$ (22,885,700)</u>	<u>\$ (26,589,771)</u>	<u>\$ (25,849,492)</u>
General Revenues and Other										
Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 18,111,277	\$ 18,531,821	\$ 19,881,126	\$ 20,969,735	\$ 16,798,736	\$ 17,127,173	\$ 16,156,354	\$ 16,651,549	\$ 16,604,979	\$ 16,990,963
Unrestricted Grants and Contributions	12,920,717	11,267,839	11,183,172	11,174,083	11,348,179	9,997,269	8,493,373	9,241,733	9,697,548	8,035,075
Investment Earnings	38,585	52,036	19,247	34,196	63,171	93,743	161,812	198,819	175,316	53,879
Other	267,684	292,277	394,187	359,130	213,446	33,387	5,529	72,186	141,004	38,495
Gain on Sale of Capital Assets	-	-	-	-	-	-	-	-	-	1,231,782
Total Governmental Activities	<u>\$ 31,338,263</u>	<u>\$ 30,143,973</u>	<u>\$ 31,477,732</u>	<u>\$ 32,537,144</u>	<u>\$ 28,423,532</u>	<u>\$ 27,251,572</u>	<u>\$ 24,817,068</u>	<u>\$ 26,164,287</u>	<u>\$ 26,618,847</u>	<u>\$ 26,350,194</u>
Change in Net Position										
Governmental Activities	<u>\$ (2,524,291)</u>	<u>\$ (2,182,691)</u>	<u>\$ 678,071</u>	<u>\$ 3,676,219</u>	<u>\$ 2,288,783</u>	<u>\$ 4,482,339</u>	<u>\$ 1,695,676</u>	<u>\$ 3,278,587</u>	<u>\$ 29,076</u>	<u>\$ 500,702</u>

Source: The District's Business and Finance Department.

THIS PAGE BLANK

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 379,439	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	4,528,687	2,634,257	3,608,618	5,534,190	7,432,427	9,331,663	7,386,338	6,200,173	6,025,672	7,775,533
Total General Fund	<u>\$ 4,528,687</u>	<u>\$ 2,634,257</u>	<u>\$ 3,608,618</u>	<u>\$ 5,534,190</u>	<u>\$ 7,811,866</u>	<u>\$ 9,331,663</u>	<u>\$ 7,386,338</u>	<u>\$ 6,200,173</u>	<u>\$ 6,025,672</u>	<u>\$ 7,775,533</u>
All Other Governmental Funds:										
Nonspendable	\$ 23,901	\$ 31,541	\$ 16,432	\$ 35,068	\$ 29,490	\$ 30,910	\$ 32,925	\$ 39,124	\$ 49,195	\$ 36,185
Restricted	3,887,422	3,654,833	3,089,229	3,492,757	3,892,630	4,421,874	4,899,027	5,176,303	4,541,948	3,486,008
Total All Other Governmental Funds	<u>\$ 3,911,323</u>	<u>\$ 3,686,374</u>	<u>\$ 3,105,661</u>	<u>\$ 3,527,825</u>	<u>\$ 3,922,120</u>	<u>\$ 4,452,784</u>	<u>\$ 4,931,952</u>	<u>\$ 5,215,427</u>	<u>\$ 4,591,143</u>	<u>\$ 3,522,193</u>

Source: The District's Business and Finance Department.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
CHANGE IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Property Taxes	\$ 18,178,909	\$ 18,835,140	\$ 19,920,859	\$ 21,084,424	\$ 16,808,805	\$ 17,136,591	\$ 16,214,363	\$ 16,672,285	\$ 16,601,950	\$ 16,976,225
Intergovernmental:										
Federal Aid and Grants	2,887,668	3,523,564	3,085,626	2,838,093	2,442,199	2,790,593	2,933,349	2,635,761	3,263,081	2,368,548
State Aid and Grants	15,151,749	14,091,875	14,150,984	14,133,830	14,427,613	12,673,337	11,504,760	12,786,205	12,752,427	13,174,600
County Aid and Grants	612,799	578,232	534,021	517,006	541,930	453,323	372,038	383,946	376,970	326,984
Tuition	301,183	370,953	-	-	-	-	-	-	-	-
Food Service Sales	430,232	376,132	326,268	357,527	258,887	265,780	279,233	313,682	211,888	13,969
Auxiliary Operations	606,410	610,145	626,860	705,753	501,015	497,017	478,999	595,315	426,852	345,721
Investment Earnings	38,585	52,035	19,249	34,194	63,172	93,743	161,812	198,819	175,316	53,879
Other	406,418	429,181	546,291	497,025	628,656	562,746	467,086	753,631	644,275	465,854
Total Revenues	38,613,953	38,867,257	39,210,158	40,167,852	35,672,277	34,473,130	32,411,640	34,339,644	34,452,759	33,725,780
Expenditures:										
Current:										
Instruction	19,259,474	18,861,793	17,399,611	17,216,800	15,419,761	14,892,467	16,110,170	14,834,594	15,620,112	15,650,449
Support Services:										
Students	4,837,169	4,947,231	4,531,512	4,082,470	3,662,303	4,160,530	3,962,952	5,384,075	5,453,893	5,329,687
General Administration	2,863,703	3,022,496	2,646,659	2,625,322	2,524,461	2,604,575	2,827,879	2,743,593	3,128,899	3,008,095
Operation/Maintenance of Plant	3,771,951	3,812,545	3,724,977	3,559,067	3,846,186	3,301,358	3,430,543	3,342,996	3,349,181	3,737,146
Student Transportation	1,608,165	1,588,620	1,454,265	1,427,810	1,671,943	1,619,611	1,735,381	2,645,256	1,834,007	1,393,788
Operation of Noninstructional Services	2,367,802	2,134,586	2,273,994	2,619,805	1,887,479	1,894,295	1,879,742	2,320,694	2,177,113	1,858,067
Capital Outlay:										
Facilities Acquisition	2,105	-	-	16,541	19,501	13,396	-	-	-	-
Debt Service:										
Principal	4,120,000	4,470,000	4,820,000	4,781,126	2,461,537	2,538,729	2,641,053	2,793,515	2,895,128	3,045,783
Interest and Fiscal Charges	2,350,643	2,157,005	1,950,380	1,715,771	1,501,557	1,399,128	1,292,092	1,183,810	1,055,018	946,904
Total Expenditures	41,181,012	40,994,276	38,801,398	38,044,712	32,994,728	32,424,089	33,879,812	35,248,533	35,513,351	34,969,919

(Continued)

(Concluded)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Excess of Revenues										
Over (Under) Expenditures	\$ (2,567,059)	\$ (2,127,019)	\$ 408,760	\$ 2,123,140	\$ 2,677,549	\$ 2,049,041	\$ (1,468,172)	\$ (908,889)	\$ (1,060,592)	\$ (1,244,139)
Other Financing Sources (Uses)										
Proceeds from Capital Leases	-	-	-	205,960	-	-	-	-	251,736	-
Transfer In	22,790	43,668	127,144	118,536	86,451	123,866	17,035	16,976	12,955	16,147
Transfer Out	(22,790)	(43,668)	(127,144)	(118,536)	(86,451)	(123,866)	(17,035)	(16,976)	(12,955)	(16,147)
Proceeds from Sale of Capital Assets	-	-	-	-	-	-	-	-	-	1,841,357
Total Other Financing Sources (Uses)	-	-	-	205,960	-	-	-	-	251,736	1,841,357
Net Change in Fund Balance	<u>\$ (2,567,059)</u>	<u>\$ (2,127,019)</u>	<u>\$ 408,760</u>	<u>\$ 2,329,100</u>	<u>\$ 2,677,549</u>	<u>\$ 2,049,041</u>	<u>\$ (1,468,172)</u>	<u>\$ (908,889)</u>	<u>\$ (808,856)</u>	<u>\$ 597,218</u>
Debt Service as a Percentage of Noncapital Expenditures	15.71%	16.17%	17.45%	17.08%	12.02%	12.15%	11.66%	11.54%	11.21%	11.67%

Source: The District's Business and Finance Department.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Secondary Assessed Value</u>	<u>Total Direct Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Assessed Value as a Percentage of Actual Value</u>
2012	\$ 403,452,027	5.4925	\$ 3,652,541,669	11.05%
2013	382,152,109	5.9838	3,477,809,511	10.99%
2014	361,621,758	6.6000	3,312,627,865	10.92%
2015	352,855,793	6.5934	3,380,819,211	10.44%
2016	359,759,046	5.3864	3,487,299,864	10.32%
2017	365,101,081	5.3862	3,592,835,271	10.16%
2018	382,217,265	4.8484	3,758,667,559	10.17%
2019	399,340,699	4.7754	3,923,667,780	10.18%
2020	419,941,861	4.5594	4,113,133,466	10.21%
2021	445,038,254	4.4362	4,338,885,042	10.26%

Source: Arizona Department of Revenue.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	District Direct Rates			Overlapping Rates				
	Primary	Secondary	Total	Pinal County	County Library District	Community College District	County Fire District	East Valley Institute of Technology
2012	3.8636	1.6289	5.4925	3.5776	0.0970	1.4700	0.0544	0.0500
2013	4.3638	1.6200	5.9838	3.8000	0.0970	1.8800	0.0544	0.0500
2014	4.7694	1.8306	6.6000	3.7999	0.0970	2.2507	0.0688	0.0500
2015	4.7503	1.8431	6.5934	3.9999	0.0970	2.6498	0.0674	0.0500
2016	4.3459	1.0405	5.3864	3.9999	0.0970	2.6498	0.0655	0.0500
2017	4.3455	1.0407	5.3862	3.8699	0.0965	2.6269	0.0657	0.0500
2018	3.8758	0.9726	4.8484	3.8699	0.0965	2.5429	0.0644	0.0500
2019	3.8323	0.9431	4.7754	3.8300	0.0965	2.3623	0.0643	0.0500
2020	3.6804	0.8790	4.5594	3.7900	0.0965	2.2132	0.0615	0.0500
2021	3.5843	0.8519	4.4362	3.7500	0.0965	2.3029	0.0591	0.0500

Source: The Pinal County Treasurer

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
 PRINCIPAL PROPERTY TAXPAYERS
 DIRECT AND OVERLAPPING GOVERNMENTS
 2021 AND NINE YEARS PRIOR
 (UNAUDITED)**

Taxpayer	2019*		2009*	
	Taxable Assessed Value	Percentage of Taxable Assessed Value	Taxable Assessed Value	Percentage of Taxable Assessed Value
Arizona Water Company	\$ 4,335,680	1.09 %	\$ 4,288,545	0.70 %
Qwest Corporation	2,147,536	0.54	4,670,903	0.76
Walmart Stores, Inc.	1,944,831	0.49	2,869,960	0.47
Gold Canyon Sewer Company	1,511,100	0.38	1,139,190	0.19
JSH Time, LLC	1,430,715	0.36	-	-
Roberts Properties, LTD	1,353,626	0.34	1,414,241	0.23
Gilligan Gold Canyon, LLC	1,359,630	0.34	1,728,506	0.28
Southwest Gas Corporation	1,211,666	0.30	2,077,662	0.34
The Northwestern Mutual Life Insurance Co.	1,175,441	0.29	-	-
Empire Southwest, LLC	1,018,639	0.26	-	-
Superstition Mountain Properties, Inc.	-	-	3,379,607	0.55
GCG Holdings LLC	677,400	0.17	1,134,934	0.18
Karno, Norton S	-	-	1,125,427	0.18
Totals	<u>\$ 18,166,264</u>	4.55	<u>\$ 23,828,975</u>	3.87

Source: The Pinal County Assessor.

*Latest available information.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	Taxes Levied for the Fiscal Year	Current Collections		Collections in Subsequent Years	Collections to Date	
		Current Tax Collections	Percent of Current Taxes Collected		Total to Date	Percentage of Levy
2012	\$ 16,536,918	\$ 15,871,842	95.98 %	\$ 664,992	\$ 16,536,834	100.00 %
2013	16,976,550	16,506,601	97.23	469,949	16,976,550	100.00
2014	17,787,243	17,305,976	97.29	481,267	17,787,243	100.00
2015	17,900,727	17,513,684	97.84	386,594	17,900,278	100.00
2016	14,817,486	14,533,039	98.08	283,950	14,816,989	100.00
2017	15,117,792	14,807,482	97.95	310,204	15,117,686	100.00
2018	14,304,394	14,147,272	98.90	157,122	14,304,394	100.00
2019	14,750,515	14,519,652	98.43	230,863	14,750,515	100.00
2020	14,721,134	14,504,274	98.53	216,860	14,721,134	100.00
2021	15,153,689	14,958,627	98.71	-	14,958,627	98.71

Source: The Pinal County Treasurer.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
RATIO OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year	General Obligation Bonds							Total Outstanding Debt			
	General Obligation Bonds (Note)	Less: Matured Bonds Payable	Long-Term General Obligation Bonds	Percentage of Estimated Actual Value	Percentage of Personal Income	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value	Percentage of Personal Income	Per Capita
2012	\$ 50,835,000	\$ 4,120,000	\$ 46,715,000	1.28 %	0.06 %	\$ 1,265	\$ -	\$ 46,715,000	1.28 %	0.06 %	\$ 1,265
2013	46,715,000	4,470,000	42,245,000	1.21	0.05	1,134	-	42,245,000	1.21	0.05	1,134
2014	42,245,000	4,820,000	37,425,000	1.13	0.05	994	-	37,425,000	1.13	0.05	994
2015	37,425,000	4,735,000	32,690,000	0.97	0.04	850	159,834	32,849,834	0.97	0.04	855
2016	32,690,000	2,425,000	30,265,000	0.87	0.03	772	123,297	30,388,297	0.87	0.03	775
2017	30,265,000	2,500,000	27,765,000	0.77	0.03	695	84,568	27,849,568	0.78	0.03	697
2018	27,765,000	2,600,000	25,165,000	0.67	0.02	629	43,515	25,208,515	0.67	0.02	630
2019	25,165,000	2,750,000	22,415,000	0.57	0.02	625	-	22,415,000	0.57	0.02	625
2020	22,415,000	2,840,000	19,575,000	0.48	0.01	500	196,608	19,771,608	0.48	0.01	505
2021	19,575,000	3,000,000	16,575,000	0.40	0.01	423	150,825	16,725,825	0.41	0.01	427

Source: The District's Business and Finance Department for long-term debt. Population and personal income prepared in cooperation with the U.S. Department of Labor and Bureau of Labor Statistics.

Note: The General Obligation Bond amount includes matured bonds payable due July 1 of the following fiscal year.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2021
(UNAUDITED)**

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes	\$ -	100.00 %	\$ -
Other Debt:			
State of Arizona	-	100.00	-
Pinal County	299,325,000	33.73	100,971,733
Central Arizona Community College	120,061,553	22.17	26,612,784
Superstition Fire and Medical District	7,358,025	0.56	41,305
East Valley Institute of Technology	-	0.44	-
Total Other Debt			<u>127,625,822</u>
Direct Debt:			
Apache Junction Unified School District No. 43		100.00	<u>16,575,000</u>
Total Direct and Overlapping Debt			<u><u>\$ 144,200,822</u></u>

(1) Proportion applicable to the Apache Junction Unified School District No. 43 is computed on the ratio of secondary assessed valuation for 2020-21.

Source: The Pinal County Treasurer.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 121,035,608	\$ 114,645,633	\$ 108,486,527	\$ 105,856,738	\$ 107,927,714	\$ 109,530,324	\$ 114,665,180	\$ 119,802,210	\$ 125,982,558	\$ 133,511,476
Total Applicable to Limit	45,847,514	41,806,980	37,121,398	32,063,501	29,661,408	24,564,887	24,433,812	21,641,603	18,823,350	15,829,865
Legal Debt Margin	<u>\$ 75,188,094</u>	<u>\$ 72,838,653</u>	<u>\$ 71,365,129</u>	<u>\$ 73,793,237</u>	<u>\$ 78,266,306</u>	<u>\$ 84,965,437</u>	<u>\$ 90,231,368</u>	<u>\$ 98,160,607</u>	<u>\$ 107,159,208</u>	<u>\$ 117,681,611</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	37.88%	36.47%	34.22%	30.29%	27.48%	22.43%	21.31%	18.06%	14.94%	11.86%

Source: The District's Business and Finance Department.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
 CALCULATION OF LEGAL DEBT MARGIN
 JUNE 30, 2021
 (UNAUDITED)**

Net Secondary Assessed Value		\$ 445,038,254
Legal Debt Margin:		
Debt Limitation - 30% of Assessed Value		133,511,476
Amount of Debt Applicable to Debt Limit:		
General Obligation and Refunding Bonds Outstanding	\$ 16,575,000	
Less: Assets in Debt Service Fund Available for Payment of Principal	<u>745,135</u>	
Total Amount of Debt Applicable to Debt Limit		<u>15,829,865</u>
Legal Debt Margin		<u><u>\$ 117,681,611</u></u>

Source: Pinal County Assessor's Office.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS
 (UNAUDITED)**

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (in Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2012	36,928	\$ 786,862	\$ 21,308	11.10 %
2013	37,246	793,898	21,315	9.60
2014	37,639	763,959	20,297	8.20
2015	38,437	817,603	21,271	8.70
2016	39,200	883,029	22,526	7.60
2017	39,954	953,115	23,855	6.60
2018	40,030	1,119,399	27,964	4.70
2019	35,840	1,317,873	36,771	5.90
2020	39,146	1,501,445	38,355	9.90
2021	39,981	N/A	45,653	8.40

Sources: Bureau of Economic Analysis; US Department of Labor

This data is for the County as data for the District is unavailable.

N/A – information was not available.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
PRINCIPAL EMPLOYERS
2021 AND NINE YEARS PRIOR
(UNAUDITED)**

<u>Employer</u>	<u>2021</u>		<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Apache Junction Unified School District	451	2.18 %	750	4.44 %
City of Apache Junction	280	1.79	239	1.59
Wal-Mart Supercenter Store #1831	220	1.41	370	2.46
Horizon Health & Wellness	130	0.83	220	1.46
Western Industrial Resources Corporation	130	0.83	-	-
Central Arizona College - Superstition Mountain Campus	130	0.83	112	0.74
Fry's Food and Drug	110	0.70	143	0.95
United States Postal Service	100	0.64	89	0.59
Safeway	80	0.51	70	0.46
Superstition Fire and Medical District	60	0.38	85	0.56
Total	<u>1,691</u>	<u>10.10 %</u>	<u>2,078</u>	<u>13.25 %</u>

Source: Apache Junction, Arizona Official Website

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	Full-Time Equivalent Employees									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Supervisory:										
Consultants/Supervisors of Instruction	7	7	8	8	5	5	5	5	5	5
Principals	6	6	6	6	5	5	5	5	5	5
Assistant Principals	5	5	5	5	3	3	3	3	3	3
Total Supervisory	18	18	19	19	13	13	13	13	13	13
Instruction:										
Classroom Teachers	266	264	262	246	248	220	209	191	177	168
Aides	74	80	83	83	65	75	68	61	58	58
Total Instruction	340	344	345	329	313	295	277	252	235	226
Student Services:										
Librarians	6	6	6	6	5	4	4	4	4	4
Technicians	6	6	6	6	5	5	5	5	5	5
Total Student Services	12	12	12	12	10	9	9	9	9	9
Support and Administration:										
Service Workers	220	206	202	207	162	179	178	177	193	208
Total	590	580	577	567	498	496	477	451	450	456

Source: Arizona Department of Education SDER Report.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Total Expenditures</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil-Teacher Ratio</u>	<u>Percentage of Students Receiving Free or Reduced Meals</u>
2012	4,515	\$ 34,708,264	\$ 7,687	(7.32)%	\$ 41,181,012	\$ 9,121	7.63 %	349.00	12.94	57.00 %
2013	4,459	34,367,271	7,707	0.26	40,994,276	9,194	0.80	344.00	12.96	62.00
2014	4,391	32,031,018	7,295	(5.35)	38,801,398	8,837	(3.88)	344.00	12.76	62.00
2015	4,337	31,531,274	7,270	(0.33)	38,044,712	8,772	(0.73)	344.00	12.61	62.00
2016	3,813	29,012,133	7,609	4.66	32,994,728	8,654	(1.35)	313.20	12.17	62.00
2017	3,626	28,472,836	7,852	3.20	32,424,089	8,942	3.33	295.00	12.29	62.00
2018	3,482	29,946,667	8,600	9.53	33,879,812	9,730	8.81	277.00	12.57	62.00
2019	3,304	31,271,208	9,465	10.05	35,248,533	10,668	9.64	252.00	13.11	62.00
2020	3,131	31,563,205	10,081	6.51	35,513,351	11,342	6.32	235.00	13.32	62.00
2021	2,814	30,977,232	11,008	9.20	34,969,919	12,427	9.56	226.00	12.45	100.00

Source: Data for Operating Expenditures is Total Expenditures less Debt Service and Facilities Acquisition and Construction.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Schools</u>										
<u>Elementary</u>										
Buildings	33	33	33	33	33	33	33	33	33	21
Square Feet	217,507	217,507	217,507	217,507	217,507	217,507	217,507	217,507	217,507	162,503
Capacity	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,800	2,112
Enrollment	2,410	2,343	2,324	2,308	1,901	1,756	1,776	1,596	1,573	1,385
<u>Middle</u>										
Buildings	19	19	19	19	19	19	19	19	19	19
Square Feet	171,672	171,672	171,672	171,672	171,672	171,672	171,672	171,672	171,672	171,672
Capacity	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
Enrollment	838	760	765	772	756	739	728	710	584	555
<u>High</u>										
Buildings	24	24	24	24	24	24	24	24	24	24
Square Feet	171,672	171,672	171,672	171,672	171,672	171,672	171,672	171,672	171,672	171,672
Capacity	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875	1,875
Enrollment	1,472	1,374	1,319	1,268	1,159	1,130	1,065	998	974	874
<u>Administrative</u>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square Feet	27,895	27,895	27,895	27,895	27,895	27,895	27,895	27,895	27,895	27,895
<u>Transportation</u>										
Garages	3	3	3	3	3	3	3	3	3	3
Buses	68	68	68	64	64	60	55	54	54	56
<u>Athletics</u>										
Soccer Fields	3	3	3	3	3	3	3	3	3	3
Football Fields	3	3	3	3	3	3	3	3	3	3
Running Tracks	1	1	1	1	1	1	1	1	1	1
Baseball/Softball	12	12	12	12	12	12	12	12	12	12
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	10	10	10	10	10	10	10	10	10	9

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SINGLE AUDIT ACT REPORTS
YEAR ENDED JUNE 30, 2021



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE	3
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	
SUMMARY OF AUDITORS' RESULTS	6
FINANCIAL STATEMENT FINDINGS	7
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS	8
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	9
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	10



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

Governing Board
Apache Junction Unified School District No. 43
Apache Junction, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Apache Junction Unified School District No. 43 (District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise District's basic financial statements, and have issued our report thereon dated June 27, 2022.

Internal Control Over Financial Reporting

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

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

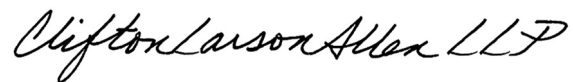
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Phoenix, Arizona
June 27, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Governing Board
Apache Junction Unified School District No. 43
Apache Junction, Arizona

Report on Compliance for Each Major Federal Program

We have audited the Apache Junction Unified School District No. 43 (District)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, Apache Junction Unified School District No. 43 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

Apache Junction Unified School District No. 43's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Apache Junction Unified School District No. 43's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a deficiency in internal control over compliance, as described in the accompanying schedule of findings and questions costs as item 2021-001 that we consider to be a significant deficiency.

The District's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Apache Junction Unified School District No. 43 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Apache Junction Unified School District No. 43's basic financial statements. We issued our report thereon dated June 27, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Phoenix, Arizona
June 27, 2022

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued: *Unmodified*
 Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified not considered to be material weakness? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? X yes _____ none reported

Type of auditors’ report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ X yes _____ no

Identification of major federal programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
21.019	COVID-19 Enrollment Stabilization Grant
84.425D	COVID-19 Elementary & Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? _____ X yes _____ no

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

SECTION II – FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2021-001:

Federal Agency: U.S. Department of Education

Federal Program Title: Title I - LEA

CFDA Numbers: 84.010

Passed Through the Arizona Department of Education

Pass Through Number: S010A190003

Award Period: July 1, 2020 – June 30, 2021

Type of Finding: Reporting – Compliance (Other Matters) and Significant Deficiency in Internal Control over Compliance

Criteria: Financial completion reports should be filed within 90 days of the end of the grant period.

Condition/Context: The District did not submit the completion report by the due date.

Questioned Costs: None.

Cause: Management oversight and weakness in internal control.

Effect: Noncompliance with reporting requirements and internal control weakness.

Repeat Finding: Yes. 2020-001.

Recommendation: In order to comply with federal regulations and strengthen internal controls over compliance, the District should establish procedures for reporting requirements to ensure that deadlines are properly met.

Views of Responsible Officials: The District concurs with this recommendation.

Contact Person: Angela Terry, Executive Director of Business Services

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
U.S. Department of Education				
Passed through State of Arizona, Department of Education				
Title I - LEA	84.010	S010A190003	\$ 1,435,001	\$ -
Targeted Support and Improvement Grant	84.010	S010A190003	30,000	-
Total Assistance Listing No. 84.010			1,465,001	-
Title III LEP	84.365	S365A190003	5,138	-
Title II - Improving Teacher Quality	84.367	S367A190049	206,209	-
Title IV-A Student Support and Academic Enrichment (SSAE) Program	84.424	S424A190003	104,865	-
COVID-19 Elementary & Secondary School Emergency Relief Fund (ESSER)	84.425D	21FESSII-111457-01A	814,758	-
Rural and Low-Income Schools	84.358	S358B190003	24,710	-
Special Education Cluster				
Special Education - Children with Disabilities	84.027	H027A190007	665,149	-
Special Education - Preschool Grant	84.173	H173A190003	18,487	-
Total Special Education Cluster - Assistance Listing No. 84.027 and 84.173			683,636	-
Total U.S. Department of Education			3,304,317	-
U.S. Department of Agriculture				
Passed through State of Arizona, Department of Education				
Child Nutrition Cluster:				
Noncash Assistance (Commodities)				
National School Lunch Programs	10.555	7AZ300AZ3	410,164	-
Cash Assistance				
National School Lunch Programs	10.555	7AZ300AZ3	151,374	-
Total National School Lunch Programs - Total Assistance Listing No. 10.555			561,538	-
School Breakfast Programs	10.553	7AZ300AZ3	75,984	-
Summer Food Service Programs	10.559	7AZ300AZ3	505,441	-
Total U.S. Department of Agriculture			1,142,963	-
U.S. Department of Defense				
Direct Program:				
ROTC	12.000	N/A	61,398	-
U.S. Department of Treasury				
Passed through Arizona Governor's Office				
COVID-19 Enrollment Stabilization Grant	21.019	ERMT-21-2037	1,065,710	-
Total Expenditures of Federal Awards			\$ 5,574,388	\$ -

See accompanying Notes to Schedule of Expenditures of Federal Awards.

APACHE JUNCTION UNIFIED SCHOOL DISTRICT NO. 43
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

NOTE 1 GENERAL

The purpose of the schedule of expenditures of federal awards (the Schedule) is to present a summary of those activities of Apache Junction Unified School District No. 4343 (the District) that have been financed by the U.S. government (federal awards). Federal awards received directly from federal agencies are included in the Schedule. Additionally, all federal awards passed through from other entities have been included in the Schedule.

The information in the Schedule is presented in accordance with requirements of Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

NOTE 2 BASIS OF ACCOUNTING

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards with the exception of Assistance Listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement.

Commodities are valued at fair value as provided by the U.S. Department of Agriculture.

NOTE 3 INDIRECT COST

The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.



Business Office

1575 West Southern Avenue
Apache Junction, AZ 85120
Phone: 480-982-1110 x2015
Fax: 480-671-0191

CORRECTIVE ACTION PLAN

U.S. Department of Education

Apache Junction Unified School District respectfully submits the following corrective action plan for the year ended June 30, 2021.

Audit period: July 1, 2020 – June 30, 2021

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

None noted.

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

2021-001- Title I - Grants Management

Type of Finding: Reporting – Compliance (Other Matters) and Significant Deficiency in Internal Control over Compliance

Condition: The District did not submit the completion report by the due date.

Planned completion date for corrective action plan: June 30, 2022

Corrective Action Plan: The District will review its current procedures and update its internal controls over the filing of financial completion reports.

Name of the contact person responsible for corrective action: Angie Terry, Executive Director of Business Services

If the U.S. Department of Education has questions regarding this plan, please call Angie Terry, Executive Director of Business Services at 480-982-1110 ext. 2017.



Business Office

1575 West Southern Avenue
Apache Junction, AZ 85120
Phone: 480-982-1110 x2015
Fax: 480-671-0191

PRIOR YEAR FINDINGS

Apache Junction Unified School District No. 43 respectfully submits the following prior year findings for the reported findings for the fiscal year ended June 30, 2021.

The findings are numbered consistently with the numbers assigned in the June 30, 2020 single audit report.

FINANCIAL STATEMENT FINDINGS

There were no financial statement findings in the prior year.

FEDERAL AWARD FINDINGS

2020-001- Title I – Grants Management

Type of Finding: Reporting – Compliance (Other Matters) and Significant Deficiency in Internal Control over Compliance

Condition: The District did not submit the completion report by the due date.

Status: Not corrected. See current year finding 2021-001.

Reason for finding's recurrence: The District had personnel changes during the year and did not complete the report submission within the 90 days of the end of grant period.

Name of the contact person responsible for corrective action: Angie Terry, Executive Director of Business Services