
DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022



1132 E. 12th Street ▪ Douglas, Arizona 85607

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

DOUGLAS, ARIZONA

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

Issued by:
Business and Finance Department

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

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INTRODUCTORY SECTION

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DOUGLAS UNIFIED SCHOOL DISTRICT # 27

Administrative Offices ~ 1132 12th Street

Douglas, Arizona 85607

(520) 364-2447 ~ Fax: (520) 224-2470

Ana Samaniego
Superintendent

Cesar Soto
Chief Financial & Operations Officer

Denise Cox
Assistant Superintendent

January 17, 2023

Citizens and Governing Board
Douglas Unified School District No. 27
1132 12th St.
Douglas, AZ 85607

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 of America 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 Douglas Unified School District No. 27 (District) for the fiscal year ended June 30, 2022.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2022, are free of material misstatement.

Working together, raising standards, and developing leaders.

Douglas Unified School District #27 does not discriminate against any individual on the basis of race, color, religion, sex, age, disability or national origin in its educational and employment practices or programs.

El Distrito Escolar #27 de Douglas no discriminara a ninguna persona por motivos de raza, color, religión, sexo, edad, discapacidad u origen nacional en sus centros de enseñanza y las prácticas de empleo o programas.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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 24 public school districts located in Cochise County, Arizona. It provides a program of public education from preschool through grade twelve with an estimated current enrollment of 3,655 students for fiscal year 2022-23.

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, bookstore and athletic functions.

Douglas lies in a southeastern corner of Arizona on the border with Agua Prieta, Sonora, Mexico, at an elevation of nearly 3,990 feet. Its citizens enjoy a quiet, rural lifestyle and one of the best climates in the nation.

The population of Douglas is approximately 16,000 people, and the population of Agua Prieta is over 155,000. The two cities, separated by a chain link fence, share an interdependent economy and culture.

The Douglas area is composed of a population in which approximately 88% of the people are Hispanic. The Douglas Unified School District serves 3,860 students, 15% of whom are considered English Language Learners (ELL). The District has developed a strong English As A Second Language (ESL) program to serve these students. The District also has a Free and Reduced Lunch student population of 85%, which allows for eligibility for Federal grant funding.

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy. Douglas, on the Mexican border, is 118 miles southeast of Tucson, and is reached via Interstate 10 to U.S. 80. Across the border from Douglas is Agua Prieta, Sonora, Mexico. Douglas, at an elevation of 3,990 feet, was founded in 1901 as a site for a copper smelter and was incorporated in 1905. However, the smelter curtailed operations in 1987. Originally, it was an annual round-up spot for ranchers. Agriculture and ranching are still important segments of the area's economy.

Because of its location on the U.S.-Mexico border, international commerce is an important part of the local economy. Douglas has three manufacturing plants; and Agua Prieta has 23, many of the latter operating under the twin-plant concept. The lure of shopping and sight-seeing in “Old Mexico” and the nearness to several outdoor recreation areas have made tourism and retirement significant to Douglas’ economy.

Major private employers include Advance Call Center Technologies, Walmart Stores, Inc., Chiricahua Community Health Center. Major public employers include Cochise County, Arizona Department of Corrections, Douglas Unified School District No. 27, U.S. Border Patrol, Cochise College, City of Douglas, U.S. Customs, and Homeland Security: Field Operations.

Long-term Financial Planning. By planning for long range goals of maintaining facilities, the District is able to optimize the use of building renewal money to upgrade and maintain existing buildings in an ongoing plan. Systematic improvements allow the District to improve sites to minimize utility usage and provide a safe and upgraded environment for student learning. The average age of school buildings is 75 years.

By benefiting from a 90 percent E-Rate funded technology, the District is upgrading technology to students and staff. Communication systems throughout the District are being upgraded to allow for prompt and efficient communications between classrooms, offices and the public.

After seeing enrollment of approximately 3,650 during the 2021-22 school year, the District is projecting enrollment to increase to 3,655 for 2022-23.

AWARDS AND ACKNOWLEDGMENTS

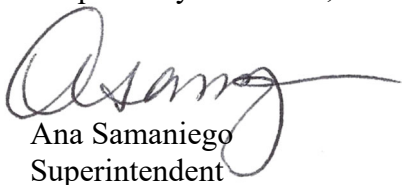
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the seventeenth consecutive year that the District received this prestigious award. In addition, the District has not yet received notification from the Government Finance Officers Association (GFOA) regarding the Certificate of Achievement for Excellence in Financial Reporting for the annual comprehensive financial report for the fiscal year ended June 30, 2021. The District believes the prior year annual comprehensive financial report meets the Certificate of Achievement Program’s requirements. If awarded, this would be the seventeenth consecutive year that the District has achieved this prestigious award as well. In order to be awarded these certificates, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.


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

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

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

Respectfully submitted,


Ana Samaniego
Superintendent


Cesar Soto
Chief Financial & Operations Officer

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ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Douglas Unified School District 27

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

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



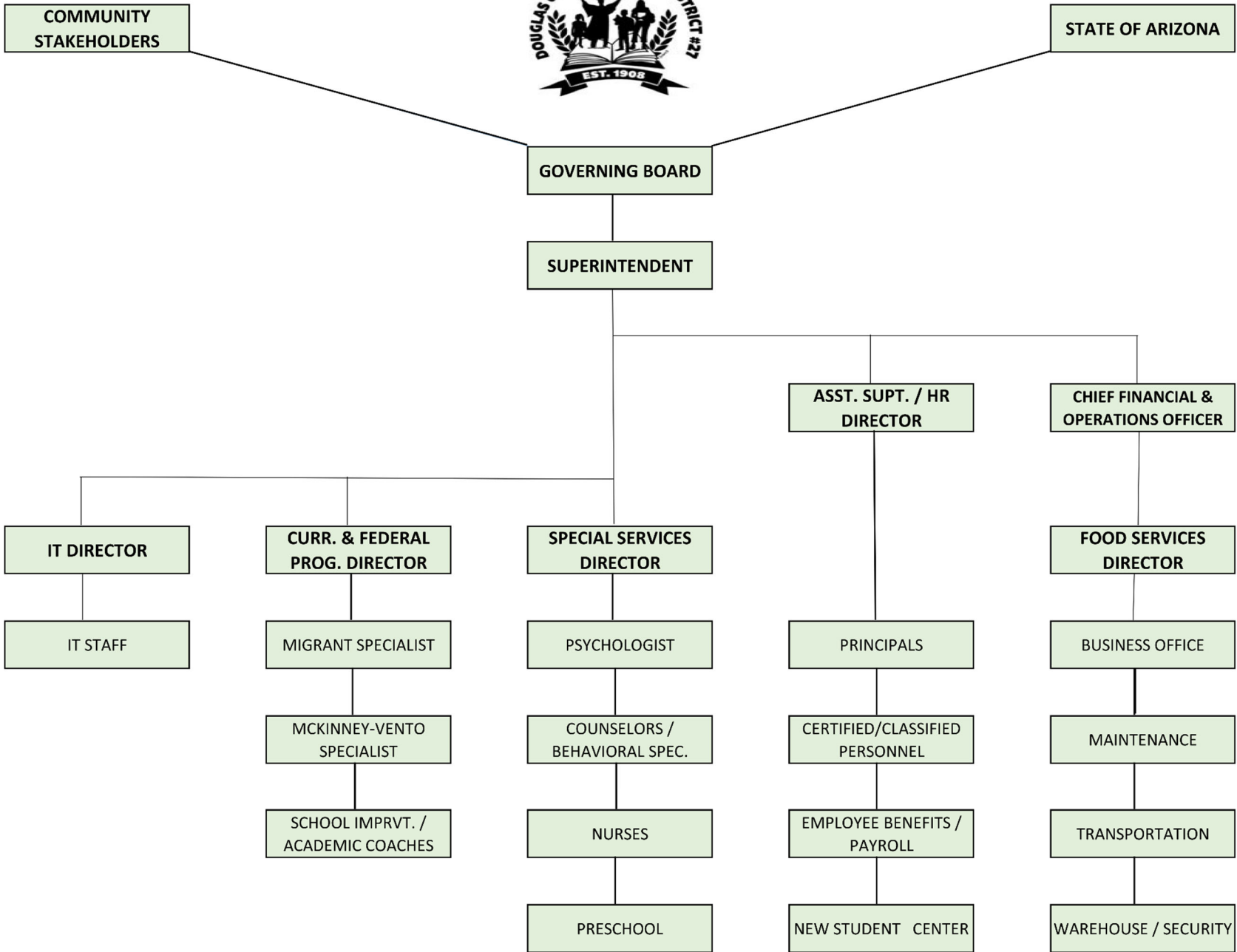
A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

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

David J. Lewis
Executive Director

Douglas Unified School District No. 27
Organizational Chart 2021-22



DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Ray Borane, President

Mitch Lindemann, Member

Jana Selchow, Member

Dr. Ed Gomez, Member

Mario Ramos, Sr., Member

ADMINISTRATIVE STAFF

Ana Samaniego, Superintendent

Denise Cox, Human Resources Director/Assistant Superintendent

Cesar Soto, Chief Financial & Operations Officer

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FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Douglas Unified School District No. 27

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Douglas Unified School District No. 27 (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Douglas Unified School District No. 27, as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Douglas Unified School District No. 27 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2023, on our consideration of Douglas Unified School District No. 27'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 Douglas Unified School District No. 27'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 Douglas Unified School District No. 27's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
January 17, 2023

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

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022

As management of the Douglas Unified School District No. 27 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$13.6 million which represents a 71 percent increase from the prior fiscal year as a result of an increase in federal COVID grant funding and state funding for the Douglas High School additions.
- General revenues accounted for \$28.4 million in revenue, or 51 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$26.3 million or 49 percent of total current fiscal year revenues.
- The District had approximately \$41.1 million in expenses related to governmental activities, an increase of 12 percent from the prior fiscal year primarily due to an increase in salaries and related benefits.
- Among major funds, the General Fund had \$23.7 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$23.9 million in expenditures. The General Fund's fund balance increase from \$12.7 million at the prior fiscal year end to \$12.8 million at the end of the current fiscal year was primarily due to increases in the base support level.
- The Other Federal Projects Fund had \$5.8 million in current year revenues, which primarily consisted of federal COVID grant monies, and \$5.7 million in expenditures.
- The Career Technical Education Fund had \$1.2 million in current year revenues, which consisted of local revenues, and \$942,298 in expenditures.
- The Building Renewal Grant Fund had \$317,804 in current year revenues, which consisted of School Facilities Board funding for building improvements, and \$640,288 in expenditures.
- The New School Facilities Fund had \$11.3 million of revenue and \$12.4 million total expenditures. The New School Facilities Fund's fund balance decreased from a fund balance of \$10,282 at the prior fiscal year to a deficit fund balance of \$1.1 million due to the construction of additional classrooms at Douglas High School.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$32.8 million at the current fiscal year end.

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Although the District's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

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

	As of June 30, 2022	As of June 30, 2021
Current and other assets	\$ 25,744,375	\$ 20,666,277
Capital assets, net	38,919,017	27,275,752
Total assets	<u>64,663,392</u>	<u>47,942,029</u>
Deferred outflows	<u>5,771,999</u>	<u>5,526,006</u>
Current liabilities	4,581,633	1,415,984
Long-term liabilities	24,752,825	32,833,180
Total liabilities	<u>29,334,458</u>	<u>34,249,164</u>
Deferred inflows	<u>8,264,394</u>	<u></u>
Net position:		
Net investment in capital assets	34,954,102	22,842,922
Restricted	7,588,940	5,803,195
Unrestricted	<u>(9,706,503)</u>	<u>(9,427,246)</u>
Total net position	<u>\$ 32,836,539</u>	<u>\$ 19,218,871</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$9.6 million as a result of an unfunded pension liability. Positive net position was reported in the other two categories.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

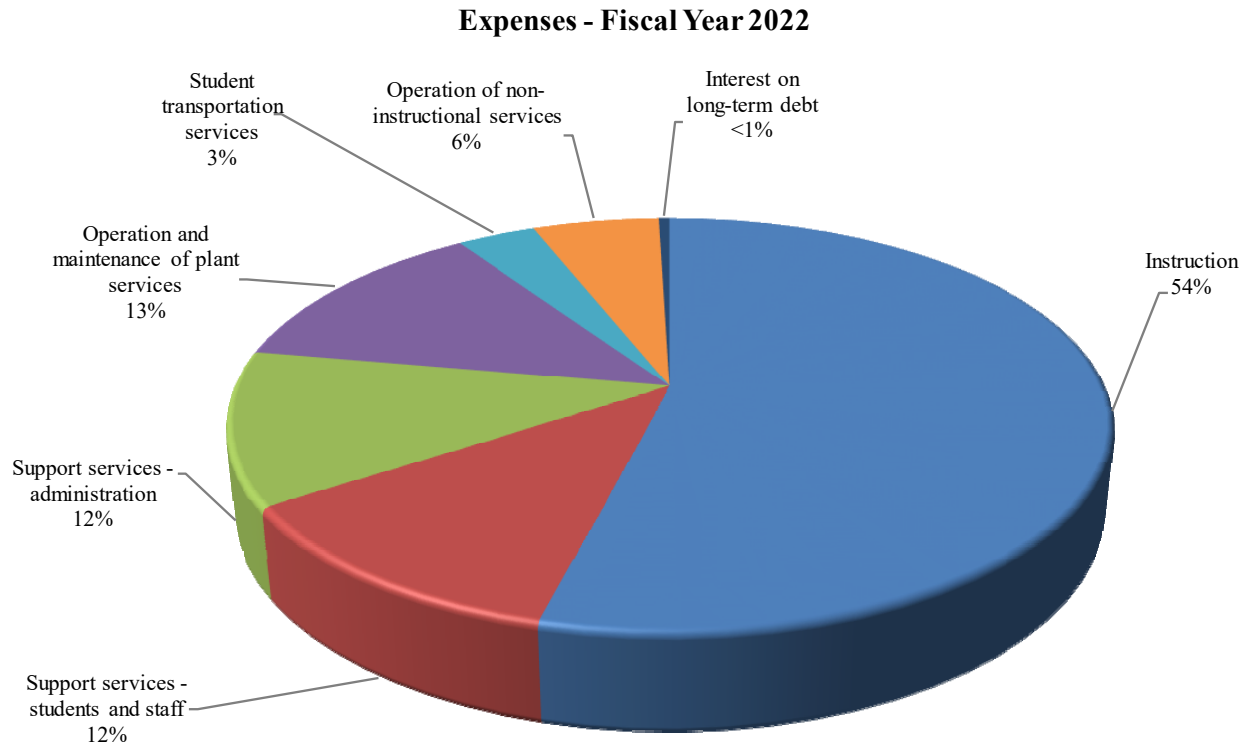
- The decrease of \$7.6 million in pension liabilities.
- The addition of \$1.9 million in accumulated depreciation.
- The addition of \$13.6 million in capital assets through the construction of a new space at Douglas High School, school improvements and purchases of vehicles, furniture and equipment.
- The principal retirement of \$405,000 of bonds.

Changes in net position. The District's total revenues for the current fiscal year were \$54.7 million. The total cost of all programs and services was \$41.1 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	Fiscal Year Ended June 30, 2022	Fiscal Year Ended June 30, 2021
Revenues:		
Program revenues:		
Charges for services	\$ 1,882,882	\$ 1,028,553
Operating grants and contributions	10,008,060	7,988,116
Capital grants and contributions	14,388,015	2,882,896
General revenues:		
Property taxes	3,224,652	3,893,642
Investment income	55,932	67,517
Unrestricted county aid	1,182,838	1,204,183
Unrestricted state aid	23,492,501	20,920,803
Unrestricted federal aid	478,457	269,349
Total revenues	54,713,337	38,255,059
Expenses:		
Instruction	22,182,575	19,729,339
Support services - students and staff	4,880,177	4,319,528
Support services - administration	4,918,678	5,150,502
Operation and maintenance of plant services	5,239,199	4,596,249
Student transportation services	1,419,642	980,859
Operation of non-instructional services	2,266,038	1,821,404
Interest on long-term debt	189,360	220,444
Total expenses	41,095,669	36,818,325
Changes in net position	13,617,668	1,436,734
Net position, beginning	19,218,871	17,782,137
Net position, ending	\$ 32,836,539	\$ 19,218,871

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- The increase of \$854,329 in charges for services was primarily due to student programs resuming after the COVID-19 pandemic.
- Instruction expense increased \$2.5 million primarily due to increases in salaries and related benefits.
- The \$11.5 million increase in capital grants and contributions was due to an increase in New School Facilities projects for the Douglas High School addition.

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2022		Year Ended June 30, 2021	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 22,182,575	\$ (731,007)	\$ 19,729,339	\$ (13,216,283)
Support services - students and staff	4,880,177	(3,978,018)	4,319,528	(2,732,207)
Support services - administration	4,918,678	(4,737,428)	5,150,502	(3,639,198)
Operation and maintenance of plant services	5,239,199	(4,139,073)	4,596,249	(3,700,012)
Student transportation services	1,419,642	(1,408,186)	980,859	(980,859)
Operation of non-instructional Services	2,266,038	366,360	1,821,404	(429,757)
Interest on long-term debt	189,360	(189,360)	220,444	(220,444)
Total	\$ 41,095,669	\$ (14,816,712)	\$ 36,818,325	\$ (24,918,760)

- The cost of all governmental activities this year was \$41.1 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$26.3 million.
- Net cost of governmental activities of \$14.8 million was financed by general revenues, which are made up of primarily property taxes of \$3.2 million and state and county aid of \$24.7 million. Investment earnings accounted for \$55,932 of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$18.8 million, an increase of \$526,839 due primarily to an increase in federal and state grant funding.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 68 percent of the total fund balance. Approximately \$12.7 million, or 99 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance increased \$164,484 in the General Fund to \$12.8 million as of fiscal year end. General Fund revenues increased \$937,659 as a result of an increase in state equalization funding. General Fund expenditures increased \$2.6 million as a result of increases of salaries and related benefits.

The Other Federal Projects Fund's fund balance increased \$2,154 to a deficit of \$46,406 as of fiscal year end. Other Federal Projects Fund revenues increased \$2.7 million, and expenditures increased \$2.5 million as a result of an increase in federal COVID grant funding.

The Career Technical Education Fund's fund balance increased \$260,532 to \$2.9 million as of fiscal year end.

The Building Renewal Grant Fund's fund balance decreased \$322,484 to a deficit of \$312,202 as of fiscal year end primarily due to several school improvement projects.

The New School Facilities Fund's fund balance decreased \$1.1 million to a deficit of \$1.1 million as of fiscal year end primarily due to the construction of a new space at Douglas High school.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in average daily membership. The difference between the original budget and the final amended budget was a \$354,203 increase, or one percent.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. The overall favorable variance in expenditures of \$2.1 million was a result of budgeting the maximum budget limit to maximize budget carryforward to provide capacity for future years.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$76.0 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$13.3 million from the prior fiscal year, primarily due to the addition of a new space at Douglas High School. Total depreciation expense for the current fiscal year was \$1.9 million.

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

	As of June 30, 2022	As of June 30, 2021
Capital assets - non-depreciable	\$ 14,524,278	\$ 1,503,270
Capital assets - depreciable, net	24,394,739	25,772,482
Total	\$ 38,919,017	\$ 27,275,752

The estimated cost to complete current construction projects is \$12.7 million.

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

Debt Administration. At year end, the District had \$4.0 million in long-term debt outstanding, \$489,043 due within one year.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$24.5 million and the Class B debt limit is \$16.3 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 9 through 11.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2022-23 budget. Among them:

- Fiscal year 2021-22 budget balance carry forward.
- District student population.
- Employee salary and benefit rates.

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

Budgeted expenditures in the General Fund increased six percent to \$26.2 million in fiscal year 2022-23. Student growth, and increased payroll and employee benefit costs are the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2022-23 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Douglas Unified School District No. 27, 1132 12th Street, Douglas, Arizona 85607.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 15,208,572
Property taxes receivable	487,091
Due from governmental entities	8,627,796
Prepaid items	69,560
Inventory	114,820
Leases receivable	1,176,318
Other assets	60,218
Total current assets	25,744,375
Noncurrent assets:	
Capital assets not being depreciated	14,524,278
Capital assets, net of accumulated depreciation	24,394,739
Total noncurrent assets	38,919,017
Total assets	64,663,392
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	5,771,999
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	3,316,083
Accrued payroll and employee benefits	1,111,962
Compensated absences payable	327,447
Accrued interest payable	89,847
Unearned revenues	63,741
Financed purchases payable	69,044
Bonds payable	420,000
Total current liabilities	5,398,124
Noncurrent liabilities:	
Non-current portion of long-term obligations	23,936,334
Total noncurrent liabilities	23,936,334
Total liabilities	29,334,458
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	7,095,688
Leases	1,168,706
Total deferred inflows of resources	8,264,394
<u>NET POSITION</u>	
Net investment in capital assets	34,954,102
Restricted for:	
Instruction	5,214,985
Food service	712,630
Non-instructional purposes	82,309
Debt service	337,855
Capital outlay	1,241,161
Unrestricted	(9,706,503)
Total net position	\$ 32,836,539

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 22,182,575	\$ 1,661,801	\$ 5,719,556	\$ 14,070,211	\$ (731,007)
Support services - students and staff	4,880,177		902,159		(3,978,018)
Support services - administration	4,918,678		181,250		(4,737,428)
Operation and maintenance of plant services	5,239,199	182,937	599,385	317,804	(4,139,073)
Student transportation services	1,419,642		11,456		(1,408,186)
Operation of non-instructional services	2,266,038	38,144	2,594,254		366,360
Interest on long-term debt	189,360				(189,360)
Total governmental activities	<u>\$ 41,095,669</u>	<u>\$ 1,882,882</u>	<u>\$ 10,008,060</u>	<u>\$ 14,388,015</u>	<u>(14,816,712)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	2,467,317
Property taxes, levied for debt service	635,336
Property taxes, levied for capital outlay	121,999
Investment income	55,932
Unrestricted county aid	1,182,838
Unrestricted state aid	23,492,501
Unrestricted federal aid	478,457

Total general revenues 28,434,380

Changes in net position 13,617,668

Net position, beginning of year 19,218,871

Net position, end of year \$ 32,836,539

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

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FUND FINANCIAL STATEMENTS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Other Federal Projects	Career Technical Education
<u>ASSETS</u>			
Cash and investments	\$ 7,813,923	\$	\$ 2,757,039
Property taxes receivable	373,388		
Due from governmental entities	4,928,529	741,485	219,531
Due from other funds	956,771		
Prepaid items	42,795	300	
Inventory	114,820		
Leases receivable	1,176,318		
Other assets			
Total assets	\$ 15,406,544	\$ 741,785	\$ 2,976,570
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 278,518	\$ 428,451	\$ 7,922
Due to other funds		178,744	
Accrued payroll and employee benefits	812,965	85,072	42,785
Unearned revenues		49,452	
Bonds payable			
Bond interest payable			
Total liabilities	1,091,483	741,719	50,707
Deferred inflows of resources:			
Unavailable revenues - property taxes	320,401		
Unavailable revenues - intergovernmental		46,472	
Leases	1,168,706		
Total deferred inflows of resources	1,489,107	46,472	
Fund balances (deficits):			
Nonspendable	157,615	300	
Restricted			2,925,863
Unassigned	12,668,339	(46,706)	
Total fund balances	12,825,954	(46,406)	2,925,863
 Total liabilities, deferred inflows of resources and fund balances	 \$ 15,406,544	 \$ 741,785	 \$ 2,976,570

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

<u>Building Renewal Grant</u>	<u>New School Facilities</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$ 4,637,610	\$ 15,208,572
		113,703	487,091
562,886	1,276,723	898,642	8,627,796
		26,465	956,771
			69,560
			114,820
			1,176,318
		60,218	60,218
<u>\$ 562,886</u>	<u>\$ 1,276,723</u>	<u>\$ 5,736,638</u>	<u>\$ 26,701,146</u>
\$ 71,033	\$ 2,378,769	\$ 151,390	\$ 3,316,083
533,973		244,054	956,771
		171,140	1,111,962
		14,289	63,741
		420,000	420,000
		89,847	89,847
<u>605,006</u>	<u>2,378,769</u>	<u>1,090,720</u>	<u>5,958,404</u>
		100,770	421,171
270,082		175	316,729
			1,168,706
<u>270,082</u>	<u></u>	<u>100,945</u>	<u>1,906,606</u>
		26,465	184,380
		4,535,542	7,461,405
(312,202)	(1,102,046)	(17,034)	11,190,351
<u>(312,202)</u>	<u>(1,102,046)</u>	<u>4,544,973</u>	<u>18,836,136</u>
\$ 562,886	\$ 1,276,723	\$ 5,736,638	\$ 26,701,146

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total governmental fund balances **\$ 18,836,136**

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

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

Governmental capital assets	\$ 76,043,812	
Less accumulated depreciation	<u>(37,124,795)</u>	38,919,017

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

Property taxes	421,171	
Intergovernmental	<u>316,729</u>	737,900

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

Deferred outflows of resources related to pensions	5,771,999	
Deferred inflows of resources related to pensions	<u>(7,095,688)</u>	(1,323,689)

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

Compensated absences payable	(391,377)	
Financed purchases payable	(69,044)	
Net pension liability	(20,396,533)	
Bonds payable	<u>(3,475,871)</u>	<u>(24,332,825)</u>

Net position of governmental activities **\$ 32,836,539**

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Other Federal Projects	Career Technical Education
Revenues:			
Other local	\$ 1,698,979	\$	\$ 1,202,830
Property taxes	2,527,478		
State aid and grants	18,952,337		
Federal aid, grants and reimbursements	478,457	5,845,880	
Total revenues	23,657,251	5,845,880	1,202,830
Expenditures:			
Current -			
Instruction	12,337,865	1,935,823	736,115
Support services - students and staff	2,802,573	262,787	111,407
Support services - administration	4,100,630	238,450	40,783
Operation and maintenance of plant services	3,832,239	514,766	1,184
Student transportation services	653,929	16,532	
Operation of non-instructional services	100,751	81,535	
Capital outlay	62,213	2,660,153	52,809
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	23,890,200	5,710,046	942,298
Excess (deficiency) of revenues over expenditures	(232,949)	135,834	260,532
Other financing sources (uses):			
Transfer in	373,570		
Transfer out		(133,980)	
Proceeds from sale of capital assets	391		
Total other financing sources (uses)	373,961	(133,980)	
Changes in fund balances	141,012	1,854	260,532
Fund balances (deficits), beginning of year	12,661,470	(48,560)	2,665,331
Increase (decrease) in reserve for prepaid items	37,276	300	
Increase (decrease) in reserve for inventory	(13,804)		
Fund balances (deficits), end of year	\$ 12,825,954	\$ (46,406)	\$ 2,925,863

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

<u>Building Renewal Grant</u>	<u>New School Facilities</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$	\$	\$ 280,969	\$ 3,182,778
		760,102	3,287,580
317,804	11,258,285	5,064,307	35,592,733
		6,123,614	12,447,951
<u>317,804</u>	<u>11,258,285</u>	<u>12,228,992</u>	<u>54,511,042</u>
		5,048,269	20,058,072
		1,693,683	4,870,450
		64,868	4,444,731
		57,547	4,405,736
		5,179	675,640
		1,960,194	2,142,480
640,288	12,360,331	973,319	16,749,113
		486,362	486,362
		185,914	185,914
<u>640,288</u>	<u>12,360,331</u>	<u>10,475,335</u>	<u>54,018,498</u>
<u>(322,484)</u>	<u>(1,102,046)</u>	<u>1,753,657</u>	<u>492,544</u>
			373,570
		(239,590)	(373,570)
			391
		<u>(239,590)</u>	<u>391</u>
<u>(322,484)</u>	<u>(1,102,046)</u>	<u>1,514,067</u>	<u>492,935</u>
10,282		3,020,774	18,309,297
		10,132	47,708
			(13,804)
<u>\$ (312,202)</u>	<u>\$ (1,102,046)</u>	<u>\$ 4,544,973</u>	<u>\$ 18,836,136</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Changes in fund balances - total governmental funds **\$ 492,935**

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

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

Expenditures for capitalized assets	\$ 13,581,405	
Less current year depreciation	<u>(1,938,140)</u>	11,643,265

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

Property taxes	(62,928)	
Intergovernmental	<u>264,832</u>	201,904

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

Financed purchase principal retirement	66,362	
Bond principal retirement	<u>420,000</u>	486,362

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	2,658,509	
Pension expense	<u>(1,931,070)</u>	727,439

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

Prepaid items	47,708	
Inventory	(13,804)	
Amortization of deferred bond items	(3,446)	
Compensated absences	<u>35,305</u>	<u>65,763</u>

Changes in net position in governmental activities **\$ 13,617,668**

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Douglas Unified School District No. 27 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

A. Reporting Entity

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

The membership of the Governing Board consists of 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.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District.

Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities or fiduciary activities.

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

The District reports the following major governmental funds:

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Career Technical Education Fund – The Career Technical Education Fund accounts for monies received from Career Technical Education Districts for vocational education programs.

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

New School Facilities Fund – The New School Facilities Fund accounts for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites.

D. Cash and Investments

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Inventory

All inventories are valued at cost using the average cost method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

I. Prepaid Items

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

J. Capital Assets

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

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

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

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

Land improvements	15 – 50 years
Buildings and improvements	7 – 50 years
Vehicles, furniture and equipment	3 – 20 years

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

M. Leases

As lessor, the District recognizes lease receivables with an initial, individual value of \$5,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The District's estimated incremental borrowing rate is calculated based on the applicable federal rate.

N. Pensions

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

O. Long-term Obligations

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

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

P. Interfund Activity

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

Q. Net Position Flow Assumption

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

R. Estimates

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

	General Fund	Other Federal Projects Fund	Career Technical Education Fund	Building Renewal Grant	New School Facilities	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	\$ 114,820					
Prepaid items	42,795	300				26,465
Restricted:						
Debt service						270,901
Capital projects						1,204,964
Voter approved initiatives						1,178,447
Federal and state projects						820,110
Food service						712,630
Civic center						20,871
Community school						61,438
Extracurricular activities						96,167
Career technical education			2,925,863			
Student activities						128,650
Other purposes						41,364
Unassigned	12,668,339	(46,706)		(312,202)	(1,102,046)	(17,034)
Total fund balances	\$ 12,825,954	\$ (46,406)	\$ 2,925,863	\$(312,202)	\$(1,102,046)	\$ 4,544,973

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Governmental Funds:	
Other Federal Projects	\$ 46,406
Building Renewal Grant	312,202
New School Facilities	1,102,046
Non-Major Governmental Fund:	
Title IV Grants	175

The deficits arose because of operations during the year. Additional revenues received in fiscal year 2022-23 are expected to eliminate the deficits.

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$1,357,346 and the bank balance was \$1,445,011. At year end, \$445,011 of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

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

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

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	197 days	\$ 13,851,226

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 – RECEIVABLES

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

	General Fund	Other Federal Projects Fund	Career Technical Education Fund	Building Renewal Grant Fund	New School Facilities Fund	Non-Major Governmental Funds
Due from other governmental entities:						
Due from federal government	\$ 35,403	\$ 741,485	\$	\$	\$	\$ 574,275
Due from state government	4,893,126			562,886	1,276,723	324,367
Due from other districts			219,531			
Net due from governmental entities	<u>\$ 4,928,529</u>	<u>\$ 741,485</u>	<u>\$ 219,531</u>	<u>\$ 562,886</u>	<u>\$ 1,276,723</u>	<u>\$ 898,642</u>

NOTE 6 – LEASES RECEIVABLE

The District leases land and a building under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$165,231 and related interest revenue of \$5,769 are recorded as other local revenue in the General Fund.

Future minimum lease payments to be received under the leases agreements at year end are summarized as follows:

Year ending June 30:		
	2023	\$ 171,000
	2024	171,000
	2025	171,300
	2026	134,550
	2027	19,800
	2028-32	103,290
	2033-37	113,619
	2038-42	124,981
	2043-47	137,479
	2048-50	82,136
Total		<u>\$ 1,229,155</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – CAPITAL ASSETS

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 523,503	\$	\$	\$ 523,503
Construction in progress	979,767	13,021,008		14,000,775
Total capital assets, not being depreciated	<u>1,503,270</u>	<u>13,021,008</u>		<u>14,524,278</u>
Capital assets, being depreciated:				
Land improvements	2,411,981	5,830		2,417,811
Buildings and improvements	51,887,736	30,875		51,918,611
Vehicles, furniture and equipment	6,894,447	523,692	235,027	7,183,112
Total capital assets being depreciated	<u>61,194,164</u>	<u>560,397</u>	<u>235,027</u>	<u>61,519,534</u>
Less accumulated depreciation for:				
Land improvements	(1,750,038)	(100,827)		(1,850,865)
Buildings and improvements	(28,944,759)	(1,476,824)		(30,421,583)
Vehicles, furniture and equipment	(4,726,885)	(360,489)	(235,027)	(4,852,347)
Total accumulated depreciation	<u>(35,421,682)</u>	<u>(1,938,140)</u>	<u>(235,027)</u>	<u>(37,124,795)</u>
Total capital assets, being depreciated, net	<u>25,772,482</u>	<u>(1,377,743)</u>		<u>24,394,739</u>
Governmental activities capital assets, net	<u>\$ 27,275,752</u>	<u>\$ 11,643,265</u>	<u>\$</u>	<u>\$ 38,919,017</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,089,930
Support services – students and staff	30,160
Support services – administration	3,678
Operation and maintenance of plant services	632,318
Student transportation services	154,784
Operation of non-instructional services	27,270
Total depreciation expense – governmental activities	<u>\$ 1,938,140</u>

Construction Commitments – At year end, the District had contractual commitments related to the construction of a new space at Douglas High School for additional classrooms and weatherization and structural repairs. At year end the District had spent \$14.0 million on the project and had estimated remaining contractual commitments of \$12.7 million. This project is being funded by the School Facilities Board.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – SHORT TERM DEBT – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$5.0 million in unused line of credit.

NOTE 9 – FINANCED PURCHASES PAYABLE

The District has acquired buses under the provisions of a contracts classified as a financed purchases payable. In accordance with GASB Statement No. 87 *Leases*, contracts previously recorded as capital leases have been reclassified as financed purchases payable in the fiscal year. Revenues from the Unrestricted Capital Outlay Fund a non-major governmental fund, are used to pay the debt obligation.

As of June 30, 2022, the governmental activities net present value principal was \$69,044, due in fiscal year 2023, and the interest due for this future minimum lease payment was \$2,789.

NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end, consisted of the following outstanding general obligation bonds. The bonds are callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$24.5 million, and the legal debt margin is \$20.6 million.

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2022</u>	<u>Due Within One Year</u>
Governmental activities:					
School Improvement Bonds, Projects of 2009, Series 2010 (Class B)	\$7,648,000	4.0-4.75%	7/1/22-29	<u>\$ 3,920,000</u>	<u>\$ 420,000</u>

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

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 420,000	\$ 171,031
2024	435,000	153,125
2025	455,000	133,929
2026	475,000	112,694
2027	500,000	89,537
2028-30	<u>1,635,000</u>	<u>118,869</u>
Total	<u>\$ 3,920,000</u>	<u>\$ 779,185</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 4,325,000	\$	\$ 405,000	\$ 3,920,000	\$ 420,000
Discount	(27,575)		(3,446)	(24,129)	
Total bonds payable	<u>4,297,425</u>		<u>401,554</u>	<u>3,895,871</u>	<u>420,000</u>
Financed purchases payable	135,406		66,362	69,044	69,044
Net pension liability	27,973,667		7,577,134	20,396,533	
Compensated absences payable	<u>426,682</u>	<u>363,623</u>	<u>398,928</u>	<u>391,377</u>	<u>327,447</u>
Governmental activity long-term liabilities	<u>\$ 32,833,180</u>	<u>\$ 363,623</u>	<u>\$ 8,443,978</u>	<u>\$24,752,825</u>	<u>\$ 816,491</u>

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, the Other Federal Projects Fund, Building Renewal Grant Fund, and several non-major governmental funds had negative cash balances of \$956,771 in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers – Transfers between funds were used to move federal grant funds of \$373,570 restricted for indirect costs.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – CONTINGENT LIABILITIES

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

NOTE 14 – RISK MANAGEMENT

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

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

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

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

The District continues to carry commercial insurance for employee vision, dental and life insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 – PENSIONS

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

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

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

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

*With actuarially reduced benefits

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 – PENSIONS

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2022 were \$2,658,509.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.22 percent (10.13 for retirement and 0.09 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

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

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 20,396,533	0.155	(0.006)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 – PENSIONS

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2022 was \$1,931,070.

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	\$ 310,926	\$
Changes of assumptions or other inputs	2,654,772	
Net difference between projected and actual earnings on pension investments		6,462,339
Changes in proportion and differences between contributions and proportionate share of contributions	147,792	633,349
Contributions subsequent to the measurement date	2,658,509	
Total	\$ 5,771,999	\$ 7,095,688

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2023	\$	(103,849)
2024		(226,763)
2025		(1,424,615)
2026		(2,226,971)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 – PENSIONS

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 15 – PENSIONS

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The discount rate was lowered in the roll forward for the year June 30, 2021 from 7.5 percent, which was used for the actuarial assumptions at the valuation date. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 32,082,038	\$ 20,396,533	\$ 10,654,055

Contributions payable. The District’s accrued payroll and employee benefits included \$84,268 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2022.

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

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REQUIRED SUPPLEMENTARY INFORMATION

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 1,199,089	\$ 1,199,089
Property taxes			2,527,478	2,527,478
State aid and grants			18,952,337	18,952,337
Total revenues			<u>22,678,904</u>	<u>22,678,904</u>
Expenditures:				
Current -				
Instruction	12,782,280	12,326,958	11,720,416	606,542
Support services - students and staff	2,845,091	3,189,885	2,714,420	475,465
Support services - administration	4,092,835	4,355,436	3,724,168	631,268
Operation and maintenance of plant services	3,889,340	4,088,271	3,731,877	356,394
Student transportation services	676,753	700,681	642,967	57,714
Operation of non-instructional services	124,111	103,382	94,940	8,442
Total expenditures	<u>24,410,410</u>	<u>24,764,613</u>	<u>22,628,788</u>	<u>2,135,825</u>
Changes in fund balances	<u>(24,410,410)</u>	<u>(24,764,613)</u>	<u>50,116</u>	<u>24,814,729</u>
Fund balances, beginning of year			9,770,090	9,770,090
Increase (decrease) in reserve for prepaid items			462,182	462,182
Increase (decrease) in reserve for inventory			(13,804)	(13,804)
Fund balances (deficits), end of year	<u>\$ (24,410,410)</u>	<u>\$ (24,764,613)</u>	<u>\$ 10,268,584</u>	<u>\$ 35,033,197</u>

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 5,845,880	\$ 5,845,880
Total revenues			5,845,880	5,845,880
Expenditures:				
Current -				
Instruction			1,935,823	(1,935,823)
Support services - students and staff			262,787	(262,787)
Support services - administration			238,450	(238,450)
Operation and maintenance of plant services			514,766	(514,766)
Student transportation services			16,532	(16,532)
Operation of non-instructional services			81,535	(81,535)
Capital outlay	25,904,356	27,984,869	2,660,153	25,324,716
Total expenditures	25,904,356	27,984,869	5,710,046	22,274,823
Excess (deficiency) of revenues over expenditures	(25,904,356)	(27,984,869)	135,834	28,120,703
Other financing sources (uses):				
Transfer out			(133,980)	(133,980)
Total other financing sources (uses)			(133,980)	(133,980)
Changes in fund balances	(25,904,356)	(27,984,869)	1,854	27,986,723
Fund balances (deficits), beginning of year			(48,560)	(48,560)
Increase (decrease) in reserve for prepaid items			300	300
Fund balances (deficits), end of year	\$ (25,904,356)	\$ (27,984,869)	\$ (46,406)	\$ 27,938,463

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CAREER TECHNICAL EDUCATION
YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other local	\$	\$	\$ 1,202,830	\$ 1,202,830
Total revenues			<u>1,202,830</u>	<u>1,202,830</u>
Expenditures:				
Current -				
Instruction	1,360,553	1,389,128	736,115	653,013
Support services - students and staff			111,407	(111,407)
Support services - administration			40,783	(40,783)
Operation and maintenance of plant services			1,184	(1,184)
Capital outlay			52,809	(52,809)
Total expenditures	<u>1,360,553</u>	<u>1,389,128</u>	<u>942,298</u>	<u>446,830</u>
Changes in fund balances	<u>(1,360,553)</u>	<u>(1,389,128)</u>	<u>260,532</u>	<u>1,649,660</u>
Fund balances, beginning of year			2,665,331	2,665,331
Fund balances (deficits), end of year	<u>\$ (1,360,553)</u>	<u>\$ (1,389,128)</u>	<u>\$ 2,925,863</u>	<u>\$ 4,314,991</u>

See accompanying notes to this schedule.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net pension (assets) liability	0.16%	0.16%	0.16%	0.15%
District's proportionate share of the net pension (assets) liability	\$ 20,396,533	\$ 27,973,667	\$ 23,030,126	\$ 21,367,403
District's covered payroll	\$ 17,430,627	\$ 17,611,127	\$ 16,605,000	\$ 15,197,771
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	117.02%	158.84%	138.69%	140.60%
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 2,658,509	\$ 2,030,668	\$ 2,016,474	\$ 1,856,439
Contributions in relation to the actuarially determined contribution	<u>2,658,509</u>	<u>2,030,668</u>	<u>2,016,474</u>	<u>1,856,439</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 22,135,795	\$ 17,430,627	\$ 17,611,127	\$ 16,605,000
Contributions as a percentage of covered payroll	12.01%	11.65%	11.45%	11.18%

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

See accompanying notes to this schedule.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.15%	0.16%	0.17%	0.17%
\$ 23,348,382	\$ 25,846,591	\$ 25,960,142	\$ 25,597,438
\$ 14,591,327	\$ 14,440,848	\$ 14,863,802	\$ 14,957,084
160.02%	178.98%	174.65%	171.14%
69.92%	67.06%	68.35%	69.49%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,656,557	\$ 1,572,994	\$ 1,566,832	\$ 1,618,668
<u>1,656,557</u>	<u>1,572,994</u>	<u>1,566,832</u>	<u>1,618,668</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 15,197,771	\$ 14,591,327	\$ 14,440,848	\$ 14,863,802
10.90%	10.78%	10.85%	10.89%

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 23,890,200	\$ 12,825,954
Activity budgeted as special revenue funds	(1,321,615)	(1,689,703)
Current-year prepaid items	430,856	
Prior-year prepaid items	(367,031)	
Employee insurance account	(3,622)	(867,667)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 22,628,788	\$ 10,268,584

NOTE 2 – PENSION PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

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

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GOVERNMENTAL FUNDS

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2022

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 2,904,953	\$ 767,815	\$ 964,842
Property taxes receivable		79,887	33,816
Due from governmental entities	641,109		257,533
Prepaid items	24,084		2,381
Other assets	60,218		
Total assets	<u>\$ 3,630,364</u>	<u>\$ 847,702</u>	<u>\$ 1,258,572</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 133,979	\$	\$ 17,411
Due to other funds	244,054		
Accrued payroll and employee benefits	171,140		
Unearned revenues	14,289		
Bonds payable		420,000	
Bond interest payable		89,847	
Total liabilities	<u>563,462</u>	<u>509,847</u>	<u>17,411</u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		66,954	33,816
Unavailable revenues - intergovernmental	175		
Total deferred inflows of resources	<u>175</u>	<u>66,954</u>	<u>33,816</u>
Fund balances (deficits):			
Nonspendable	24,084		2,381
Restricted	3,059,677	270,901	1,204,964
Unassigned	(17,034)		
Total fund balances	<u>3,066,727</u>	<u>270,901</u>	<u>1,207,345</u>
Total liabilities, deferred inflows of resources			
and fund balances	<u>\$ 3,630,364</u>	<u>\$ 847,702</u>	<u>\$ 1,258,572</u>

Total Non-Major
Governmental
Funds

\$ 4,637,610
113,703
898,642
26,465
60,218
\$ 5,736,638

\$ 151,390
244,054
171,140
14,289
420,000
89,847
1,090,720

100,770
175
100,945

26,465
4,535,542
(17,034)
4,544,973

\$ 5,736,638

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2022

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 219,798	\$ 2,029	\$ 59,142
Property taxes		621,309	138,793
State aid and grants	4,080,549		983,758
Federal aid, grants and reimbursements	6,123,614		
Total revenues	<u>10,423,961</u>	<u>623,338</u>	<u>1,181,693</u>
Expenditures:			
Current -			
Instruction	5,048,269		
Support services - students and staff	1,693,683		
Support services - administration	64,868		
Operation and maintenance of plant services	57,547		
Student transportation services	5,179		
Operation of non-instructional services	1,960,194		
Capital outlay	190,704		782,615
Debt service -			
Principal retirement		420,000	66,362
Interest and fiscal charges		180,444	5,470
Total expenditures	<u>9,020,444</u>	<u>600,444</u>	<u>854,447</u>
Excess (deficiency) of revenues over expenditures	<u>1,403,517</u>	<u>22,894</u>	<u>327,246</u>
Other financing sources (uses):			
Transfer out	(239,590)		
Total other financing sources (uses)	<u>(239,590)</u>		
Changes in fund balances	<u>1,163,927</u>	<u>22,894</u>	<u>327,246</u>
Fund balances, beginning of year	1,878,716	248,007	894,051
Increase (decrease) in reserve for prepaid items	24,084		(13,952)
Fund balances, end of year	<u>\$ 3,066,727</u>	<u>\$ 270,901</u>	<u>\$ 1,207,345</u>

Total Non-Major
Governmental
Funds

\$ 280,969
760,102
5,064,307
6,123,614
12,228,992

5,048,269
1,693,683
64,868
57,547
5,179
1,960,194
973,319

486,362
185,914
10,475,335

1,753,657

(239,590)
(239,590)

1,514,067

3,020,774

10,132

\$ 4,544,973

SPECIAL REVENUE FUNDS

Classroom Site - to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

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

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

English Language Learner - to account for monies received to provide for the incremental cost of instruction to English language learners.

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

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

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

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

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

Vocational Education - to account for financial assistance received for preparation of individuals for employment or advancement in a career not requiring a baccalaureate or advanced degree.

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

National Forest Fees - to account for monies allocated for the purposes of benefiting public schools and public roads in counties where national forests are situated.

Taylor Grazing Fees - to account for financial assistance received for the purpose of protecting public lands by preventing over-grazing and soil deterioration and to provide for orderly use, improvement and development, and stabilization of the livestock industry.

E-Rate - to account for monies received to reimburse the District for broadband internet and telecommunications costs.

State Vocational Education - to account for financial assistance received for the preparation of individuals for employment.

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

College Credit Exam Incentives - to account for financial assistance received for college credit exams.

Results-based Funding - to account for financial assistance received for academic performance results in accordance with A.R.S. §15-249.08.

Rural Assistance - to account for state assistance received to assist homeless or special needs pupils.

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

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

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

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

Community School - to account for activity related to academic and skill development for all citizens.

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

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

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

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

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

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

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

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

Advertisement - to account for monies received from the sale of advertising.

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Classroom Site	Instructional Improvement	County, City, and Town Grants
<u>ASSETS</u>			
Cash and investments	\$ 1,000,902	\$ 108,624	\$ 315
Due from governmental entities		73,208	
Prepaid items			
Other assets			
Total assets	\$ 1,000,902	\$ 181,832	\$ 315
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits		4,287	
Unearned revenues			
Total liabilities	\$	\$ 4,287	\$
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			
Restricted	1,000,902	177,545	315
Unassigned			
Total fund balances	1,000,902	177,545	315
 Total liabilities, deferred inflows of resources and fund balances	 \$ 1,000,902	 \$ 181,832	 \$ 315

<u>English Language Learner</u>	<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Special Education Grants</u>
\$ 6,374	\$ 325,302 12,259	\$ 15,623 4,600	\$ 30,040	\$ 18,757	\$ 80,900
<u>\$ 6,374</u>	<u>\$ 337,561</u>	<u>\$ 20,223</u>	<u>\$ 30,040</u>	<u>\$ 18,757</u>	<u>\$ 80,900</u>
\$ 6,374	\$ 96,150 142,769 98,642	\$ 9,062 7,208 3,953	\$ 16,517 13,523	\$ 4,619 5,462 8,676	\$ 44,441 36,459
<u>6,374</u>	<u>337,561</u>	<u>20,223</u>	<u>30,040</u>	<u>18,757</u>	<u>80,900</u>
			<u>175</u>		
	12,259	4,600			
	<u>(12,259)</u>	<u>(4,600)</u>	<u>(175)</u>		
			<u>(175)</u>		
<u>\$ 6,374</u>	<u>\$ 337,561</u>	<u>\$ 20,223</u>	<u>\$ 30,040</u>	<u>\$ 18,757</u>	<u>\$ 80,900</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	E-Rate	College Credit Exam Incentives	Results-based Funding
<u>ASSETS</u>			
Cash and investments	\$	\$ 297	\$ 571,634
Due from governmental entities	51,091		
Prepaid items			7,225
Other assets			
Total assets	\$ 51,091	\$ 297	\$ 578,859
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 4,316
Due to other funds	30,651		
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities	30,651		4,316
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Nonspendable			7,225
Restricted	20,440	297	567,318
Unassigned			
Total fund balances	20,440	297	574,543
 Total liabilities, deferred inflows of resources and fund balances	 \$ 51,091	 \$ 297	 \$ 578,859

<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Textbooks</u>
\$ 246,344	\$ 628,662 39,814	\$ 20,871	\$ 61,438	\$ 96,167	\$ 38,998
	60,218				
<u>\$ 246,344</u>	<u>\$ 728,694</u>	<u>\$ 20,871</u>	<u>\$ 61,438</u>	<u>\$ 96,167</u>	<u>\$ 38,998</u>
\$	\$ 3,315	\$	\$	\$	\$
	12,749				
14,289					
<u>14,289</u>	<u>16,064</u>				
232,055	712,630	20,871	61,438	96,167	38,998
<u>232,055</u>	<u>712,630</u>	<u>20,871</u>	<u>61,438</u>	<u>96,167</u>	<u>38,998</u>
<u>\$ 246,344</u>	<u>\$ 728,694</u>	<u>\$ 20,871</u>	<u>\$ 61,438</u>	<u>\$ 96,167</u>	<u>\$ 38,998</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Grants and Gifts to Teachers	Student Activities	Totals
<u>ASSETS</u>			
Cash and investments	\$ 2,051	\$ 128,650	\$ 2,904,953
Due from governmental entities			641,109
Prepaid items			24,084
Other assets			60,218
Total assets	\$ 2,051	\$ 128,650	\$ 3,630,364
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 133,979
Due to other funds			244,054
Accrued payroll and employee benefits			171,140
Unearned revenues			14,289
Total liabilities			563,462
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			175
Fund balances (deficits):			
Nonspendable			24,084
Restricted	2,051	128,650	3,059,677
Unassigned			(17,034)
Total fund balances	2,051	128,650	3,066,727
 Total liabilities, deferred inflows of resources and fund balances	 \$ 2,051	 \$ 128,650	 \$ 3,630,364

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Classroom Site	Instructional Improvement	County, City, and Town Grants
Revenues:			
Other local	\$	\$	\$
State aid and grants	3,334,622	221,784	
Federal aid, grants and reimbursements			
Total revenues	3,334,622	221,784	
Expenditures:			
Current -			
Instruction	2,764,015	92,392	
Support services - students and staff	310,009	14,383	
Support services - administration			
Operation and maintenance of plant services		32,339	
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	3,074,024	139,114	
Excess (deficiency) of revenues over expenditures	260,598	82,670	
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	260,598	82,670	
Fund balances (deficits), beginning of year	740,304	94,875	315
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ 1,000,902	\$ 177,545	\$ 315

English Language Learner	Title I Grants	Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Special Education Grants
\$ 107,438	\$ 2,520,412	\$ 163,413	\$ 54,545	\$ 159,643	\$ 724,311
<u>107,438</u>	<u>2,520,412</u>	<u>163,413</u>	<u>54,545</u>	<u>159,643</u>	<u>724,311</u>
107,438	1,201,871	58,534	46,389	24,037	606,379
	874,986	82,378	1,040	128,668	101,782
	39,110	18,316			
	213,292	316			
	55,664		5,210		
<u>107,438</u>	<u>2,384,923</u>	<u>159,544</u>	<u>52,639</u>	<u>152,705</u>	<u>708,161</u>
	135,489	3,869	1,906	6,938	16,150
	(145,286)	(7,975)	(2,081)	(6,623)	(16,150)
	<u>(145,286)</u>	<u>(7,975)</u>	<u>(2,081)</u>	<u>(6,623)</u>	<u>(16,150)</u>
	(9,797)	(4,106)	(175)	315	
	(2,462)	(494)		(315)	
	12,259	4,600			
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (175)</u>	<u>\$</u>	<u>\$</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Vocational Education	E-Rate	State Vocational Education
Revenues:			
Other local	\$	\$	\$
State aid and grants			32,564
Federal aid, grants and reimbursements	11,833	51,086	
Total revenues	11,833	51,086	32,564
Expenditures:			
Current -			
Instruction	9,876	10,087	10,772
Support services - students and staff	790	34,858	3,282
Support services - administration			
Operation and maintenance of plant services	356		
Student transportation services			
Operation of non-instructional services			
Capital outlay	503	84,165	18,510
Total expenditures	11,525	129,110	32,564
Excess (deficiency) of revenues over expenditures	308	(78,024)	
Other financing sources (uses):			
Transfer out	(308)		
Total other financing sources (uses)	(308)		
Changes in fund balances		(78,024)	
Fund balances (deficits), beginning of year		98,464	
Increase (decrease) in reserve for prepaid items			
Fund balances, end of year	\$	\$ 20,440	\$

<u>College Credit Exam Incentives</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>	<u>Civic Center</u>	<u>Community School</u>
\$ 3,150	\$ 231,945	\$ 149,046	\$ 37,532	\$ 950	\$ 41,969
<u>3,150</u>	<u>231,945</u>	<u>149,046</u>	<u>2,438,371</u>	<u>950</u>	<u>41,969</u>
			<u>2,475,903</u>		
3,794	9,992		911		31,315
	32,937	33,690	14,446	10,406	1,555
	6,531				
	18,212		1,746,586		
<u>3,794</u>	<u>67,672</u>	<u>33,690</u>	<u>7,575</u>	<u>865</u>	<u>32,870</u>
			<u>1,769,518</u>	<u>11,271</u>	
<u>(644)</u>	<u>164,273</u>	<u>115,356</u>	<u>706,385</u>	<u>(10,321)</u>	<u>9,099</u>
			<u>(61,167)</u>		
			<u>(61,167)</u>		
<u>(644)</u>	<u>164,273</u>	<u>115,356</u>	<u>645,218</u>	<u>(10,321)</u>	<u>9,099</u>
941	403,045	116,699	67,412	31,192	52,339
	7,225				
<u>\$ 297</u>	<u>\$ 574,543</u>	<u>\$ 232,055</u>	<u>\$ 712,630</u>	<u>\$ 20,871</u>	<u>\$ 61,438</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Extracurricular Activities Fees Tax Credit	Textbooks	Grants and Gifts to Teachers
Revenues:			
Other local	\$ 10,915	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	10,915		
Expenditures:			
Current -			
Instruction	1,940		
Support services - students and staff	190		
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	2,130		
Excess (deficiency) of revenues over expenditures	8,785		
Other financing sources (uses):			
Transfer out			
Total other financing sources (uses)			
Changes in fund balances	8,785		
Fund balances (deficits), beginning of year	87,382	38,998	2,051
Increase (decrease) in reserve for prepaid items			
Fund balances, end of year	\$ 96,167	\$ 38,998	\$ 2,051

<u>Student Activities</u>	<u>Totals</u>
\$ 128,432	\$ 219,798
	4,080,549
	6,123,614
<u>128,432</u>	<u>10,423,961</u>
69,438	5,048,269
73,135	1,693,683
	64,868
	57,547
5,179	5,179
	1,960,194
	190,704
<u>147,752</u>	<u>9,020,444</u>
<u>(19,320)</u>	<u>1,403,517</u>
	(239,590)
	<u>(239,590)</u>
<u>(19,320)</u>	<u>1,163,927</u>
147,970	1,878,716
	24,084
<u>\$ 128,650</u>	<u>\$ 3,066,727</u>

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		3,334,622	3,334,622
Federal aid, grants and reimbursements			
Total revenues		<u>3,334,622</u>	<u>3,334,622</u>
Expenditures:			
Current -			
Instruction	3,713,010	2,764,015	948,995
Support services - students and staff	522,378	310,009	212,369
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>4,235,388</u>	<u>3,074,024</u>	<u>1,161,364</u>
Excess (deficiency) of revenues over expenditures	<u>(4,235,388)</u>	<u>260,598</u>	<u>4,495,986</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(4,235,388)</u>	<u>260,598</u>	<u>4,495,986</u>
Fund balances (deficits), beginning of year		740,304	740,304
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (4,235,388)</u>	<u>\$ 1,000,902</u>	<u>\$ 5,236,290</u>

Instructional Improvement			County, City, and Town Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 221,784	\$ 221,784	\$	\$	\$
	<u>221,784</u>	<u>221,784</u>			
352,000	92,392	259,608			
	14,383	(14,383)			
	32,339	(32,339)			
<u>352,000</u>	<u>139,114</u>	<u>212,886</u>			
<u>(352,000)</u>	<u>82,670</u>	<u>434,670</u>			
<u>(352,000)</u>	<u>82,670</u>	<u>434,670</u>			
	94,875	94,875		315	315
<u>\$ (352,000)</u>	<u>\$ 177,545</u>	<u>\$ 529,545</u>	<u>\$</u>	<u>\$ 315</u>	<u>\$ 315</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	English Language Learner		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		107,438	107,438
Federal aid, grants and reimbursements			
Total revenues		<u>107,438</u>	<u>107,438</u>
Expenditures:			
Current -			
Instruction	111,596	107,438	4,158
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>111,596</u>	<u>107,438</u>	<u>4,158</u>
Excess (deficiency) of revenues over expenditures	<u>(111,596)</u>		<u>111,596</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(111,596)</u>		<u>111,596</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (111,596)</u>	<u>\$</u>	<u>\$ 111,596</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	<u>2,520,412</u>	<u>2,520,412</u>		<u>163,413</u>	<u>163,413</u>
	<u>2,520,412</u>	<u>2,520,412</u>		<u>163,413</u>	<u>163,413</u>
6,395,660	1,201,871	5,193,789		58,534	(58,534)
	874,986	(874,986)	569,442	82,378	487,064
	39,110	(39,110)		18,316	(18,316)
	213,292	(213,292)		316	(316)
	55,664	(55,664)			
<u>6,395,660</u>	<u>2,384,923</u>	<u>4,010,737</u>	<u>569,442</u>	<u>159,544</u>	<u>409,898</u>
<u>(6,395,660)</u>	<u>135,489</u>	<u>6,531,149</u>	<u>(569,442)</u>	<u>3,869</u>	<u>573,311</u>
	(145,286)	(145,286)		(7,975)	(7,975)
	<u>(145,286)</u>	<u>(145,286)</u>		<u>(7,975)</u>	<u>(7,975)</u>
<u>(6,395,660)</u>	<u>(9,797)</u>	<u>6,385,863</u>	<u>(569,442)</u>	<u>(4,106)</u>	<u>565,336</u>
	(2,462)	(2,462)		(494)	(494)
	12,259	12,259		4,600	4,600
<u>\$ (6,395,660)</u>	<u>\$</u>	<u>\$ 6,395,660</u>	<u>\$ (569,442)</u>	<u>\$</u>	<u>\$ 569,442</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Title IV Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		54,545	54,545
Total revenues		<u>54,545</u>	<u>54,545</u>
Expenditures:			
Current -			
Instruction	349,252	46,389	302,863
Support services - students and staff		1,040	(1,040)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		5,210	(5,210)
Total expenditures	<u>349,252</u>	<u>52,639</u>	<u>296,613</u>
Excess (deficiency) of revenues over expenditures	<u>(349,252)</u>	<u>1,906</u>	<u>351,158</u>
Other financing sources (uses):			
Transfer in			
Transfer out		(2,081)	(2,081)
Proceeds from sale of capital assets			
Total other financing sources (uses)		<u>(2,081)</u>	<u>(2,081)</u>
Changes in fund balances	<u>(349,252)</u>	<u>(175)</u>	<u>349,077</u>
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (349,252)</u>	<u>\$ (175)</u>	<u>\$ 349,077</u>

Limited English & Immigrant Students			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	159,643	159,643		724,311	724,311
	159,643	159,643		724,311	724,311
362,949	24,037 128,668	(24,037) 234,281	1,009,095	606,379 101,782	402,716 (101,782)
362,949	152,705	210,244	1,009,095	708,161	300,934
(362,949)	6,938	369,887	(1,009,095)	16,150	1,025,245
	(6,623)	(6,623)		(16,150)	(16,150)
	(6,623)	(6,623)		(16,150)	(16,150)
(362,949)	315	363,264	(1,009,095)		1,009,095
	(315)	(315)			
\$ (362,949)	\$	\$ 362,949	\$ (1,009,095)	\$	\$ 1,009,095

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Vocational Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		11,833	11,833
Total revenues		11,833	11,833
Expenditures:			
Current -			
Instruction	267,015	9,876	257,139
Support services - students and staff		790	(790)
Support services - administration			
Operation and maintenance of plant services		356	(356)
Student transportation services			
Operation of non-instructional services			
Capital outlay		503	(503)
Total expenditures	267,015	11,525	255,490
Excess (deficiency) of revenues over expenditures	(267,015)	308	267,323
Other financing sources (uses):			
Transfer in			
Transfer out		(308)	(308)
Proceeds from sale of capital assets			
Total other financing sources (uses)		(308)	(308)
Changes in fund balances	(267,015)		267,015
Fund balances (deficits), beginning of year			
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (267,015)	\$	\$ 267,015

Medicaid Reimbursement			National Forest Fees		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	458,893	458,893		18,396	18,396
	458,893	458,893		18,396	18,396
381,974	266,506	115,468			
	27,009	(27,009)			
	42,599	(42,599)			
	22,048	(22,048)			
	10,064	(10,064)			
	17,513	(17,513)			
381,974	385,739	(3,765)			
(381,974)	73,154	455,128		18,396	18,396
	(244)	(244)			
	(244)	(244)			
(381,974)	72,910	454,884		18,396	18,396
	628,954	628,954		57,652	57,652
	5,950	5,950			
\$ (381,974)	\$ 707,814	\$ 1,089,788	\$	\$ 76,048	\$ 76,048

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Taylor Grazing Fees		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,168	1,168
Total revenues		<u>1,168</u>	<u>1,168</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures		<u>1,168</u>	<u>1,168</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances		<u>1,168</u>	<u>1,168</u>
Fund balances (deficits), beginning of year		9,811	9,811
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$</u>	<u>\$ 10,979</u>	<u>\$ 10,979</u>

E-Rate			State Vocational Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	51,086	51,086		32,564	32,564
	51,086	51,086		32,564	32,564
	10,087	(10,087)		10,772	(10,772)
	34,858	(34,858)		3,282	(3,282)
720,354	84,165	636,189	64,177	18,510	45,667
720,354	129,110	591,244	64,177	32,564	31,613
(720,354)	(78,024)	642,330	(64,177)		64,177
(720,354)	(78,024)	642,330	(64,177)		64,177
	98,464	98,464			
\$ (720,354)	\$ 20,440	\$ 740,794	\$ (64,177)	\$	\$ 64,177

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	College Credit Exam Incentives		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants		3,150	3,150
Federal aid, grants and reimbursements			
Total revenues	(50,000)	3,150	3,150
Expenditures:			
Current -			
Instruction	50,000	3,794	46,206
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	50,000	3,794	46,206
Excess (deficiency) of revenues over expenditures	(50,000)	(644)	49,356
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	(50,000)	(644)	49,356
Fund balances (deficits), beginning of year		941	941
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (50,000)	\$ 297	\$ 50,297

Results-based Funding			Rural Assistance		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 231,945	\$ 231,945	\$	\$	\$
	<u>231,945</u>	<u>231,945</u>			
400,000	9,992	(9,992)			
	32,937	367,063			
	6,531	(6,531)			
	<u>18,212</u>	<u>(18,212)</u>			
<u>400,000</u>	<u>67,672</u>	<u>332,328</u>			
<u>(400,000)</u>	<u>164,273</u>	<u>564,273</u>			
<u>(400,000)</u>	<u>164,273</u>	<u>564,273</u>			
	403,045	403,045		5,461	5,461
	7,225	7,225			
<u>\$ (400,000)</u>	<u>\$ 574,543</u>	<u>\$ 974,543</u>	<u>\$</u>	<u>\$ 5,461</u>	<u>\$ 5,461</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		149,046	149,046
Federal aid, grants and reimbursements			
Total revenues		<u>149,046</u>	<u>149,046</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff	294,650	33,690	260,960
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>294,650</u>	<u>33,690</u>	<u>260,960</u>
Excess (deficiency) of revenues over expenditures	<u>(294,650)</u>	<u>115,356</u>	<u>410,006</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(294,650)</u>	<u>115,356</u>	<u>410,006</u>
Fund balances (deficits), beginning of year		116,699	116,699
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (294,650)</u>	<u>\$ 232,055</u>	<u>\$ 526,705</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 198,224	\$ 198,224	\$	\$ 37,532	\$ 37,532
				2,438,371	2,438,371
	<u>198,224</u>	<u>198,224</u>		<u>2,475,903</u>	<u>2,475,903</u>
	2,097	(2,097)			
865,273	75,938	789,335		911	(911)
				15,458	(15,458)
			2,460,000	1,746,586	713,414
	40,063	(40,063)		7,575	(7,575)
<u>865,273</u>	<u>118,098</u>	<u>747,175</u>	<u>2,460,000</u>	<u>1,770,530</u>	<u>689,470</u>
<u>(865,273)</u>	<u>80,126</u>	<u>945,399</u>	<u>(2,460,000)</u>	<u>705,373</u>	<u>3,165,373</u>
				(61,167)	(61,167)
	141	141			
	<u>141</u>	<u>141</u>		<u>(61,167)</u>	<u>(61,167)</u>
<u>(865,273)</u>	<u>80,267</u>	<u>945,540</u>	<u>(2,460,000)</u>	<u>644,206</u>	<u>3,104,206</u>
	328,254	328,254		67,412	67,412
				1,012	1,012
<u>\$ (865,273)</u>	<u>\$ 408,521</u>	<u>\$ 1,273,794</u>	<u>\$ (2,460,000)</u>	<u>\$ 712,630</u>	<u>\$ 3,172,630</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Civic Center		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 950	\$ 950
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>950</u>	<u>950</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services	68,153	10,406	57,747
Student transportation services			
Operation of non-instructional services			
Capital outlay		865	(865)
Total expenditures	<u>68,153</u>	<u>11,271</u>	<u>56,882</u>
Excess (deficiency) of revenues over expenditures	<u>(68,153)</u>	<u>(10,321)</u>	<u>57,832</u>
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	<u>(68,153)</u>	<u>(10,321)</u>	<u>57,832</u>
Fund balances (deficits), beginning of year		31,192	31,192
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	<u>\$ (68,153)</u>	<u>\$ 20,871</u>	<u>\$ 89,024</u>

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 41,969	\$ 41,969	\$	\$ 244,544	\$ 244,544
	<u>41,969</u>	<u>41,969</u>		<u>244,544</u>	<u>244,544</u>
46,571	31,315 1,555	15,256 (1,555)	450,000	120,491 50,683 80 100 398 1,157 4,637	329,509 (50,683) (80) (100) (398) (1,157) (4,637)
<u>46,571</u>	<u>32,870</u>	<u>13,701</u>	<u>450,000</u>	<u>177,546</u>	<u>272,454</u>
<u>(46,571)</u>	<u>9,099</u>	<u>55,670</u>	<u>(450,000)</u>	<u>66,998</u>	<u>516,998</u>
<u>(46,571)</u>	<u>9,099</u>	<u>55,670</u>	<u>(450,000)</u>	<u>66,998</u>	<u>516,998</u>
	52,339	52,339		190,364	190,364
<u>\$ (46,571)</u>	<u>\$ 61,438</u>	<u>\$ 108,009</u>	<u>\$ (450,000)</u>	<u>\$ 257,362</u>	<u>\$ 707,362</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 10,915	\$ 10,915
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	250,000	2,130	247,870
Expenditures:			
Current -			
Instruction	250,000	1,940	248,060
Support services - students and staff		190	(190)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	250,000	2,130	247,870
Excess (deficiency) of revenues over expenditures	(250,000)	8,785	258,785
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)	(250,000)	8,785	258,785
Changes in fund balances	(250,000)	8,785	258,785
Fund balances (deficits), beginning of year		87,382	87,382
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (250,000)	\$ 96,167	\$ 346,167

Gifts and Donations			Insurance Proceeds		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 50,602	\$ 50,602	\$	\$	\$
	<u>50,602</u>	<u>50,602</u>			
304,240	68,397 2,607	235,843 (2,607)			
			70,000	500	69,500
<u>304,240</u>	<u>71,004</u>	<u>233,236</u>	<u>70,000</u>	<u>500</u>	<u>69,500</u>
<u>(304,240)</u>	<u>(20,402)</u>	<u>283,838</u>	<u>(70,000)</u>	<u>(500)</u>	<u>69,500</u>
				250	250
				<u>250</u>	<u>250</u>
<u>(304,240)</u>	<u>(20,402)</u>	<u>283,838</u>	<u>(70,000)</u>	<u>(250)</u>	<u>69,750</u>
	121,343	121,343		114,887	114,887
<u>\$ (304,240)</u>	<u>\$ 100,941</u>	<u>\$ 405,181</u>	<u>\$ (70,000)</u>	<u>\$ 114,637</u>	<u>\$ 184,637</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	60,000		60,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	60,000		60,000
Excess (deficiency) of revenues over expenditures	(60,000)		60,000
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	(60,000)		60,000
Fund balances (deficits), beginning of year		38,998	38,998
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (60,000)	\$ 38,998	\$ 98,998

Litigation Recovery			Indirect Costs		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 6,520	\$ 6,520	\$	\$	\$
	<u>6,520</u>	<u>6,520</u>			
307,382	159,958	147,424			
	2,771	(2,771)	363,333	7,854	(7,854)
	4,654	(4,654)		393,491	(30,158)
<u>307,382</u>	<u>167,383</u>	<u>139,999</u>	<u>363,333</u>	<u>401,345</u>	<u>(38,012)</u>
<u>(307,382)</u>	<u>(160,863)</u>	<u>146,519</u>	<u>(363,333)</u>	<u>(401,345)</u>	<u>(38,012)</u>
				373,814	373,814
				<u>373,814</u>	<u>373,814</u>
<u>(307,382)</u>	<u>(160,863)</u>	<u>146,519</u>	<u>(363,333)</u>	<u>(27,531)</u>	<u>335,802</u>
	167,328	167,328		27,681	27,681
<u>\$ (307,382)</u>	<u>\$ 6,465</u>	<u>\$ 313,847</u>	<u>\$ (363,333)</u>	<u>\$ 150</u>	<u>\$ 363,483</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Grants and Gifts to Teachers		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	6,000		6,000
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	6,000		6,000
Excess (deficiency) of revenues over expenditures	(6,000)		6,000
Other financing sources (uses):			
Transfer in			
Transfer out			
Proceeds from sale of capital assets			
Total other financing sources (uses)			
Changes in fund balances	(6,000)		6,000
Fund balances (deficits), beginning of year		2,051	2,051
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (6,000)	\$ 2,051	\$ 8,051

Advertisement			Student Activities		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 128,432	\$ 128,432
				128,432	128,432
14,039		14,039	270,000	69,438	(69,438)
				73,135	196,865
				5,179	(5,179)
14,039		14,039	270,000	147,752	122,248
(14,039)		14,039	(270,000)	(19,320)	250,680
(14,039)		14,039	(270,000)	(19,320)	250,680
	1,325	1,325		147,970	147,970
\$ (14,039)	\$ 1,325	\$ 15,364	\$ (270,000)	\$ 128,650	\$ 398,650

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Totals		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 719,688	\$ 719,688
State aid and grants		4,080,549	4,080,549
Federal aid, grants and reimbursements		6,602,071	6,602,071
Total revenues		<u>11,402,308</u>	<u>11,402,308</u>
Expenditures:			
Current -			
Instruction	14,067,834	5,665,718	8,402,116
Support services - students and staff	2,419,419	1,781,836	637,583
Support services - administration	363,333	501,038	(137,705)
Operation and maintenance of plant services	933,426	159,416	774,010
Student transportation services	70,000	16,141	53,859
Operation of non-instructional services	2,460,000	1,966,005	493,995
Capital outlay	784,531	252,917	531,614
Total expenditures	<u>21,098,543</u>	<u>10,343,071</u>	<u>10,755,472</u>
Excess (deficiency) of revenues over expenditures	<u>(21,098,543)</u>	<u>1,059,237</u>	<u>22,157,780</u>
Other financing sources (uses):			
Transfer in		373,814	373,814
Transfer out		(239,834)	(239,834)
Proceeds from sale of capital assets		391	391
Total other financing sources (uses)		<u>134,371</u>	<u>134,371</u>
Changes in fund balances	<u>(21,098,543)</u>	<u>1,193,608</u>	<u>22,292,151</u>
Fund balances (deficits), beginning of year		3,531,776	3,531,776
Increase (decrease) in reserve for prepaid items		31,046	31,046
Fund balances (deficits), end of year	<u>\$ (21,098,543)</u>	<u>\$ 4,756,430</u>	<u>\$ 25,854,973</u>

DEBT SERVICE FUND

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 2,029	\$ 2,029
Property taxes		621,309	621,309
Total revenues		623,338	623,338
Expenditures:			
Debt service -			
Principal retirement	420,000	420,000	
Interest and fiscal charges	675,741	180,444	495,297
Total expenditures	1,095,741	600,444	495,297
Changes in fund balances	(1,095,741)	22,894	1,118,635
Fund balances, beginning of year		248,007	248,007
Fund balances (deficits), end of year	\$ (1,095,741)	\$ 270,901	\$ 1,366,642

CAPITAL PROJECTS FUNDS

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

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

Gifts and Donations – Capital - to account for gifts and donations to be expended for capital acquisitions.

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

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

New School Facilities – to account for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022

	Unrestricted Capital Outlay	Adjacent Ways	Totals
<u>ASSETS</u>			
Cash and investments	\$ 752,788	\$ 212,054	\$ 964,842
Property taxes receivable	33,816		33,816
Due from governmental entities	257,533		257,533
Prepaid items	2,381		2,381
Total assets	\$ 1,046,518	\$ 212,054	\$ 1,258,572
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 17,411	\$	\$ 17,411
Total liabilities	17,411		17,411
Deferred inflows of resources:			
Unavailable revenues - property taxes	33,816		33,816
Fund balances:			
Nonspendable	2,381		2,381
Restricted	992,910	212,054	1,204,964
Total fund balances	995,291	212,054	1,207,345
 Total liabilities, deferred inflows of resources and fund balances	 \$ 1,046,518	 \$ 212,054	 \$ 1,258,572

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Unrestricted Capital Outlay	Adjacent Ways	Totals
Revenues:			
Other local	\$ 59,142	\$	\$ 59,142
Property taxes	138,638	155	138,793
State aid and grants	983,758		983,758
Total revenues	1,181,538	155	1,181,693
Expenditures:			
Capital outlay	782,615		782,615
Debt service -			
Principal retirement	66,362		66,362
Interest and fiscal charges	5,470		5,470
Total expenditures	854,447		854,447
Changes in fund balances	327,091	155	327,246
Fund balances, beginning of year	682,152	211,899	894,051
Increase (decrease) in reserve for prepaid items	(13,952)		(13,952)
Fund balances, end of year	\$ 995,291	\$ 212,054	\$ 1,207,345

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 59,142	\$ 59,142
Property taxes		138,638	138,638
State aid and grants		983,758	983,758
Total revenues		1,181,538	1,181,538
Expenditures:			
Capital outlay	2,162,689	782,615	1,380,074
Debt service -			
Principal retirement	66,362	66,362	
Interest and fiscal charges	5,470	5,470	
Total expenditures	2,234,521	854,447	1,380,074
Changes in fund balances	(2,234,521)	327,091	2,561,612
Fund balances, beginning of year		682,152	682,152
Increase (decrease) in reserve for prepaid items		(13,952)	(13,952)
Fund balances (deficits), end of year	\$ (2,234,521)	\$ 995,291	\$ 3,229,812

Adjacent Ways			Gifts and Donations - Capital		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 155	\$ 155	\$	\$	\$
	155	155			
			78,500		78,500
			78,500		78,500
	155	155	(78,500)		78,500
	211,899	211,899			
\$	\$ 212,054	\$ 212,054	\$ (78,500)	\$	\$ 78,500

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Building Renewal Grant		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants		317,804	317,804
Total revenues		317,804	317,804
Expenditures:			
Capital outlay	837,026	640,288	196,738
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	837,026	640,288	196,738
Changes in fund balances	(837,026)	(322,484)	514,542
Fund balances, beginning of year		10,282	10,282
Increase (decrease) in reserve for prepaid items			
Fund balances (deficits), end of year	\$ (837,026)	\$ (312,202)	\$ 524,824

New School Facilities			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 59,142	\$ 59,142
				138,793	138,793
	11,258,285	11,258,285		12,559,847	12,559,847
	11,258,285	11,258,285		12,757,782	12,757,782
27,868,438	12,360,331	15,508,107	30,946,653	13,783,234	17,163,419
			66,362	66,362	
			5,470	5,470	
27,868,438	12,360,331	15,508,107	31,018,485	13,855,066	17,163,419
(27,868,438)	(1,102,046)	26,766,392	(31,018,485)	(1,097,284)	29,921,201
				904,333	904,333
				(13,952)	(13,952)
\$ (27,868,438)	\$ (1,102,046)	\$ 26,766,392	\$ (31,018,485)	\$ (206,903)	\$ 30,811,582

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Position:					
Net investment in capital assets	\$ 34,954,102	\$ 22,842,922	\$ 22,522,948	\$ 23,745,876	\$ 24,446,779
Restricted	7,588,940	5,803,195	5,286,187	5,380,838	5,302,349
Unrestricted	<u>(9,706,503)</u>	<u>(9,427,246)</u>	<u>(10,026,998)</u>	<u>(12,726,133)</u>	<u>(17,621,694)</u>
Total net position	<u><u>\$ 32,836,539</u></u>	<u><u>\$ 19,218,871</u></u>	<u><u>\$ 17,782,137</u></u>	<u><u>\$ 16,400,581</u></u>	<u><u>\$ 12,127,434</u></u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 24,339,352	\$ 26,079,048	\$ 27,173,428	\$ 28,197,425	\$ 28,343,182
Restricted	4,873,312	3,337,150	3,096,515	3,728,258	2,954,030
Unrestricted	<u>(21,054,991)</u>	<u>(24,407,317)</u>	<u>(29,968,585)</u>	<u>(2,130,930)</u>	<u>3,608,836</u>
Total net position	<u><u>\$ 8,157,673</u></u>	<u><u>\$ 5,008,881</u></u>	<u><u>\$ 301,358</u></u>	<u><u>\$ 29,794,753</u></u>	<u><u>\$ 34,906,048</u></u>

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

Note: Negative unrestricted net position was due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 in fiscal year 2014-15.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses					
Instruction	\$ 22,182,575	\$ 19,729,339	\$ 19,555,391	\$ 16,301,580	\$ 14,636,826
Support services - students and staff	4,880,177	4,319,528	4,313,585	3,882,718	3,936,132
Support services - administration	4,918,678	5,150,502	4,258,087	3,863,047	3,536,346
Operation and maintenance of plant services	5,239,199	4,596,249	4,372,630	4,044,739	3,910,843
Student transportation services	1,419,642	980,859	958,634	796,432	736,796
Operation of non-instructional services	2,266,038	1,821,404	2,196,496	2,245,668	1,964,082
Interest on long-term debt	189,360	220,444	249,962	265,074	288,011
Total expenses	<u>41,095,669</u>	<u>36,818,325</u>	<u>35,904,785</u>	<u>31,399,258</u>	<u>29,009,036</u>
Program Revenues					
Charges for services:					
Instruction	1,661,801	859,040	1,849,612	1,319,407	1,409,331
Operation of non-instructional services	38,144	4,714	48,912	437,882	145,780
Other activities	182,937	164,799	4,027	161,101	168,935
Operating grants and contributions	10,008,060	7,988,116	5,975,754	5,944,812	5,724,558
Capital grants and contributions	14,388,015	2,882,896	622,395	565,358	1,031,855
Total program revenues	<u>26,278,957</u>	<u>11,899,565</u>	<u>8,500,700</u>	<u>8,428,560</u>	<u>8,480,459</u>
Net (Expense)/Revenue	<u>\$ (14,816,712)</u>	<u>\$ (24,918,760)</u>	<u>\$ (27,404,085)</u>	<u>\$ (22,970,698)</u>	<u>\$ (20,528,577)</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Instruction	\$ 14,414,084	\$ 14,184,255	\$ 14,603,571	\$ 15,416,389	\$ 15,561,057
Support services - students and staff	4,200,858	4,334,854	4,421,951	4,021,817	4,146,037
Support services - administration	3,442,635	3,553,594	3,369,234	3,827,620	3,937,840
Operation and maintenance of plant services	3,724,968	3,711,337	3,803,705	3,737,948	3,809,971
Student transportation services	654,557	624,845	682,905	702,835	685,326
Operation of non-instructional services	1,981,581	1,847,568	1,797,067	1,810,894	1,878,777
Interest on long-term debt	310,499	329,405	349,651	363,294	386,430
Total expenses	<u>28,729,182</u>	<u>28,585,858</u>	<u>29,028,084</u>	<u>29,880,797</u>	<u>30,405,438</u>
Program Revenues					
Charges for services:					
Instruction	1,771,316	1,269,788	998,254	1,211,936	963,143
Operation of non-instructional services	143,253	133,857	374,908	319,818	409,732
Other activities	3,049	3,477	38,451	33,565	38,669
Operating grants and contributions	6,683,983	6,639,895	6,460,157	6,517,034	6,846,685
Capital grants and contributions	429,285	863,929	421,555	124,658	488,268
Total program revenues	<u>9,030,886</u>	<u>8,910,946</u>	<u>8,293,325</u>	<u>8,207,011</u>	<u>8,746,497</u>
Net (Expense)/Revenue	<u>\$ (19,698,296)</u>	<u>\$ (19,674,912)</u>	<u>\$ (20,734,759)</u>	<u>\$ (21,673,786)</u>	<u>\$ (21,658,941)</u>

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net (Expense)/Revenue	\$ (14,816,712)	\$ (24,918,760)	\$ (27,404,085)	\$ (22,970,698)	\$ (20,528,577)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	2,467,317	3,214,831	3,679,858	3,712,526	3,083,047
Property taxes, levied for debt service	635,336	501,727	507,916	643,263	742,879
Property taxes, levied for capital outlay	121,999	177,084		404,742	785,430
Investment income	55,932	67,517	191,839	139,502	69,846
Unrestricted county aid	1,182,838	1,204,183	1,113,835	1,117,758	1,149,733
Unrestricted state aid	23,492,501	20,920,803	22,165,570	20,892,668	18,425,438
Unrestricted federal aid	478,457	269,349	334,914	333,386	238,687
Total general revenues	<u>28,434,380</u>	<u>26,355,494</u>	<u>27,993,932</u>	<u>27,243,845</u>	<u>24,495,060</u>
Changes in Net Position	<u>\$ 13,617,668</u>	<u>\$ 1,436,734</u>	<u>\$ 589,847</u>	<u>\$ 4,273,147</u>	<u>\$ 3,966,483</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (19,698,296)	\$ (19,674,912)	\$ (20,734,759)	\$ (21,673,786)	\$ (21,658,941)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	3,410,932	4,157,202	3,157,083	667,556	1,163,447
Property taxes, levied for debt service	754,209	608,127	585,112	605,881	378,410
Property taxes, levied for capital outlay	599,123	7,608	9,458		370,988
Investment income	20,530	13,935	11,340	7,161	19,895
Unrestricted county aid	1,104,427	1,163,335	1,226,277	1,402,326	1,124,042
Unrestricted state aid	16,807,375	18,328,825	14,343,367	13,822,775	14,638,011
Unrestricted federal aid	150,492	103,403	161,956	56,792	54,104
Total general revenues	<u>22,847,088</u>	<u>24,382,435</u>	<u>19,494,593</u>	<u>16,562,491</u>	<u>17,748,897</u>
Changes in Net Position	<u>\$ 3,148,792</u>	<u>\$ 4,707,523</u>	<u>\$ (1,240,166)</u>	<u>\$ (5,111,295)</u>	<u>\$ (3,910,044)</u>

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund:					
Nonspendable	\$ 157,615	\$ 134,143	\$ 124,115	\$ 100,984	\$ 81,141
Unassigned	12,668,339	12,527,327	11,072,047	8,506,329	5,939,505
Total General Fund	<u>\$ 12,825,954</u>	<u>\$ 12,661,470</u>	<u>\$ 11,196,162</u>	<u>\$ 8,607,313</u>	<u>\$ 6,020,646</u>
All Other Governmental Funds:					
Nonspendable	\$ 26,765	\$ 16,333	\$ 2,717	\$	\$
Restricted	7,461,405	5,683,325	5,189,105	5,183,275	5,120,366
Unassigned	(1,477,988)	(51,831)	(28,290)	(30,816)	(24,009)
Total all other governmental funds	<u>\$ 6,010,182</u>	<u>\$ 5,647,827</u>	<u>\$ 5,163,532</u>	<u>\$ 5,152,459</u>	<u>\$ 5,096,357</u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nondisposable	\$ 429,498	\$ 464,757	\$ 465,559	\$ 138,991	\$ 323,988
Unassigned	3,786,335	2,492,089	(1,845,526)	(1,137,939)	3,120,729
Total General Fund	<u>\$ 4,215,833</u>	<u>\$ 2,956,846</u>	<u>\$ (1,379,967)</u>	<u>\$ (998,948)</u>	<u>\$ 3,444,717</u>
All Other Governmental Funds:					
Nondisposable	\$	\$	\$ 10,403	\$ 132,413	\$
Restricted	4,659,811	3,207,581	2,993,990	3,487,452	2,845,152
Unassigned		(5,300)		(139,778)	(46,372)
Total all other governmental funds	<u>\$ 4,659,811</u>	<u>\$ 3,202,281</u>	<u>\$ 3,004,393</u>	<u>\$ 3,480,087</u>	<u>\$ 2,798,780</u>

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Federal sources:					
Federal grants	\$ 10,009,580	\$ 7,649,684	\$ 4,038,673	\$ 4,390,704	\$ 3,986,382
National School Lunch Program	2,438,371	1,386,933	1,854,576	2,134,380	1,977,957
Total federal sources	<u>12,447,951</u>	<u>9,036,617</u>	<u>5,893,249</u>	<u>6,525,084</u>	<u>5,964,339</u>
State sources:					
State equalization assistance	19,936,095	18,652,666	19,780,629	18,620,388	16,506,324
State grants	524,143	462,500	823,093	84,532	175,831
School Facilities Board	11,576,089	1,166,358	195,609	91,750	537,065
Other revenues	3,556,406	2,678,795	2,384,941	2,368,252	1,919,114
Total state sources	<u>35,592,733</u>	<u>22,960,319</u>	<u>23,184,272</u>	<u>21,164,922</u>	<u>19,138,334</u>
Local sources:					
Property taxes	3,287,580	3,945,506	4,256,042	4,778,615	4,689,903
County aid	1,182,838	1,204,183	1,113,835	1,117,758	1,149,733
Food service sales	38,144	4,714	48,912	168,210	145,780
Investment income	55,932	67,517	191,839	139,502	69,846
Other revenues	1,905,864	1,033,161	1,878,956	1,789,591	1,606,121
Total local sources	<u>6,470,358</u>	<u>6,255,081</u>	<u>7,489,584</u>	<u>7,993,676</u>	<u>7,661,383</u>
Total revenues	<u><u>\$ 54,511,042</u></u>	<u><u>\$ 38,252,017</u></u>	<u><u>\$ 36,567,105</u></u>	<u><u>\$ 35,683,682</u></u>	<u><u>\$ 32,764,056</u></u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 4,296,814	\$ 5,135,478	\$ 4,761,213	\$ 4,689,544	\$ 5,584,171
National School Lunch Program	1,936,391	1,851,900	1,812,507	1,761,029	1,679,849
Total federal sources	<u>6,233,205</u>	<u>6,987,378</u>	<u>6,573,720</u>	<u>6,450,573</u>	<u>7,264,020</u>
State sources:					
State equalization assistance	15,091,910	16,660,276	12,845,463	12,220,975	13,324,991
State grants	440,253	185,787	95,380	185,160	111,699
Other revenues	1,715,465	1,668,549	1,799,445	1,601,800	1,304,650
Total state sources	<u>17,290,678</u>	<u>18,883,842</u>	<u>14,740,288</u>	<u>14,007,935</u>	<u>14,741,340</u>
Local sources:					
Property taxes	4,752,949	4,503,261	3,597,918	1,365,118	1,962,618
County aid	1,104,427	1,163,335	1,226,277	1,402,326	1,124,042
Food service sales	143,253	133,857	146,310	148,002	165,190
Investment income	20,530	13,935	11,340	7,161	19,895
Other revenues	2,287,537	1,338,097	1,338,330	1,480,068	1,268,062
Total local sources	<u>8,308,696</u>	<u>7,152,485</u>	<u>6,320,175</u>	<u>4,402,675</u>	<u>4,539,807</u>
Total revenues	<u>\$ 31,832,579</u>	<u>\$ 33,023,705</u>	<u>\$ 27,634,183</u>	<u>\$ 24,861,183</u>	<u>\$ 26,545,167</u>

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenditures:					
Current -					
Instruction	\$ 20,058,072	\$ 17,189,719	\$ 17,961,882	\$ 16,126,018	\$ 14,332,830
Support services - students and staff	4,870,450	4,087,121	4,184,379	4,130,305	4,201,122
Support services - administration	4,444,731	4,763,543	4,056,726	3,893,119	3,353,608
Operation and maintenance of plant services	4,405,736	3,807,900	3,680,564	3,539,773	3,387,413
Student transportation services	675,640	486,091	621,323	569,038	531,336
Operation of non-instructional services	2,142,480	1,653,891	2,119,861	2,264,009	1,981,439
Capital outlay	16,749,113	3,503,595	1,271,278	1,991,674	1,611,415
Debt service -					
Interest, premium and fiscal charges	185,914	216,998	246,516	261,628	284,565
Principal retirement	486,362	631,361	602,443	587,331	490,612
Total expenditures	<u>\$ 54,018,498</u>	<u>\$ 36,340,219</u>	<u>\$ 34,744,972</u>	<u>\$ 33,362,895</u>	<u>\$ 30,174,340</u>
 Expenditures for capitalized assets	 \$ 13,581,405	 \$ 1,729,669	 \$ 278,148	 \$ 1,075,442	 \$ 826,773
 Debt service as a percentage of noncapital expenditures	 2%	 2%	 2%	 3%	 3%

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 13,658,476	\$ 13,312,125	\$ 13,312,255	\$ 13,762,080	\$ 13,806,716
Support services - students and staff	4,288,864	4,385,165	4,233,189	4,043,262	4,112,269
Support services - administration	3,617,764	3,570,018	3,680,435	3,496,732	3,804,782
Operation and maintenance of plant services	3,141,233	3,123,650	3,232,004	3,213,774	3,194,046
Student transportation services	519,194	507,007	506,557	564,413	551,958
Operation of non-instructional services	1,984,391	1,828,766	1,761,234	1,772,586	1,831,798
Capital outlay	1,092,408	900,477	1,113,539	1,092,574	931,233
Debt service -					
Interest, premium and fiscal charges	307,053	325,959	346,205	359,848	372,786
Principal retirement	471,420	524,632	510,036	495,993	400,683
Total expenditures	<u>\$ 29,080,803</u>	<u>\$ 28,477,799</u>	<u>\$ 28,695,454</u>	<u>\$ 28,801,262</u>	<u>\$ 29,006,271</u>
 Expenditures for capitalized assets	 \$ 367,676	 \$ 586,445	 \$ 385,977	 \$ 559,158	 \$ 596,419
 Debt service as a percentage of noncapital expenditures	 3%	 3%	 3%	 3%	 3%

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Excess (deficiency) of revenues over expenditures	\$ 492,544	\$ 1,911,798	\$ 1,822,133	\$ 2,320,787	\$ 2,589,716
Other financing sources (uses):					
Capital lease agreements				332,330	
Transfers in	373,570	59,839	184,360	183,855	212,506
Transfers out	(373,570)	(59,839)	(184,360)	(183,855)	(212,506)
Proceeds from sale of capital assets	391	14,161			
Total other financing sources (uses)	391	14,161		332,330	
Changes in fund balances	\$ 492,935	\$ 1,925,959	\$ 1,822,133	\$ 2,653,117	\$ 2,589,716
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ 2,751,776	\$ 4,545,906	\$ (1,061,271)	\$ (3,940,079)	\$ (2,461,104)
Other financing sources (uses):					
Capital lease agreements				230,305	
Transfers in	1,299,752	453,794	283,261	1,016,702	271,038
Transfers out	(1,299,752)	(453,794)	(283,261)	(1,016,702)	(271,038)
Total other financing sources (uses)				230,305	
Changes in fund balances	\$ 2,751,776	\$ 4,545,906	\$ (1,061,271)	\$ (3,709,774)	\$ (2,461,104)

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 28,473,710	\$ 24,732,788	\$ 24,638,035	\$ 24,737,499	\$ 22,857,936
Agricultural and Vacant	7,527,133	7,705,769	7,701,367	8,112,505	8,163,805
Residential (Owner Occupied)	28,323,114	28,013,607	26,530,862	24,983,402	23,399,871
Residential (Rental)	13,323,748	13,817,181	13,054,206	12,967,999	12,972,213
Historical Property	65,851	64,329	61,416	58,672	60,347
Certain Government Property Improvements	12,969	12,969	12,969	12,969	12,969
Total	\$ 77,726,525	\$ 74,346,643	\$ 71,998,855	\$ 70,873,046	\$ 67,467,141
Gross Full Cash Value	\$ 779,214,045	\$ 749,883,303	\$ 731,280,627	\$ 702,088,789	\$ 655,315,495
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Total Direct Rate	4.71	5.85	6.85	8.04	8.43

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 21,585,065	\$ 22,678,308	\$ 23,144,013	\$ 23,596,186	\$ 24,929,998
Agricultural and Vacant	8,264,511	8,790,296	8,732,829	9,150,657	9,242,515
Residential (Owner Occupied)	23,688,569	23,181,063	23,513,949	25,956,258	26,185,770
Residential (Rental)	12,956,444	12,450,746	12,559,231	13,370,678	13,125,265
Historical Property	60,347	58,866	58,866	68,231	68,231
Certain Government Property Improvements	12,969	12,969	12,969	12,969	11,465
Total	\$ 66,567,905	\$ 67,172,248	\$ 68,021,857	\$ 72,154,979	\$ 73,563,244
Gross Full Cash Value	\$ 654,235,820	\$ 640,811,628	\$ 641,632,122	\$ 679,973,106	\$ 688,509,192
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	11%	11%	11%
Total Direct Rate	8.42	8.18	6.19	2.00	3.01

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 29,423,133	\$ 24,892,950	\$ 24,759,825	\$ 24,868,262	\$ 23,092,269
Agricultural and Vacant	7,614,986	7,739,435	7,734,626	8,130,165	8,184,980
Residential (Owner Occupied)	29,994,599	29,878,265	28,765,228	26,384,293	23,421,194
Residential (Rental)	14,526,777	15,062,985	14,017,939	13,666,413	12,991,976
Historical Property	66,968	65,845	63,595	60,793	60,347
Certain Government Property Improvements	12,969	12,969	12,969	12,969	12,969
Total	\$ 81,639,432	\$ 77,652,449	\$ 75,354,182	\$ 73,122,895	\$ 67,763,735
Gross Full Cash Value	\$ 779,214,045	\$ 749,883,303	\$ 731,280,627	\$ 702,088,789	\$ 655,315,495
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	645,139,520	621,268,472	601,960,718	579,404,982	534,460,070
Total Direct Rate	4.71	5.85	6.85	8.04	8.43

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 21,587,934	\$ 22,684,730	\$ 23,156,027	\$ 23,631,939	\$ 25,139,136
Agricultural and Vacant	8,301,922	8,851,713	8,832,932	9,474,420	10,031,488
Residential (Owner Occupied)	23,697,093	23,206,679	23,519,372	25,969,064	26,226,198
Residential (Rental)	12,967,910	12,462,057	12,561,184	13,376,856	13,184,541
Historical Property	60,347	58,866	58,866	68,231	68,231
Certain Government Property Improvements	12,969	12,969	12,969	12,969	12,969
Total	\$ 66,628,175	\$ 67,277,014	\$ 68,141,350	\$ 72,533,479	\$ 74,662,563
Gross Full Cash Value	\$ 654,235,820	\$ 640,811,628	\$ 641,632,122	\$ 679,973,106	\$ 688,509,192
Ratio of Net Full Cash Value to Gross Full Cash Value	10%	10%	11%	11%	11%
Estimated Net Full Cash Value	533,760,267	519,775,973	523,247,501	559,467,389	568,899,591
Total Direct Rate	8.42	8.18	6.19	2.00	3.01

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

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

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

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

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Overlapping Rates									District Direct Rates		
	State	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Joint Technology District	City of Douglas	Primary	Secondary	Total	
	Equalization	County	Library	District	District	Assistance	District	Douglas	Primary	Secondary	Total	
2022	0.43	2.67	0.15	0.26	2.44	0.10	0.05	1.16	4.13	0.59	4.72	
2021	0.44	2.67	0.15	0.26	2.40	0.10	0.05	1.16	5.19	0.67	5.85	
2020	0.46	2.67	0.15	0.26	2.45	0.10	0.05	1.18	6.12	0.73	6.85	
2019	0.47	2.67	0.15	0.26	2.40	0.10	0.05	1.19	7.11	0.94	8.04	
2018	0.00	2.67	0.15	0.26	2.37	0.10	0.05	1.19	7.29	1.14	8.43	
2017	0.00	2.63	0.15	0.26	2.29	0.10	0.05	1.19	7.29	1.13	8.42	
2016	0.00	2.63	0.15	0.26	2.18	0.10	0.05	1.18	7.29	0.89	8.18	
2015	0.00	2.63	0.15	0.26	2.03	0.10	0.05	1.15	5.32	0.87	6.19	
2014	0.00	2.63	0.15	0.26	1.85	0.09	0.05	1.08	1.14	0.86	2.00	
2013	0.00	2.63	0.15	0.26	1.73	0.09	0.05	1.05	2.48	0.53	3.01	

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

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2022</u>		<u>2013</u>	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Valuation
Arizona Public Service Company	\$ 5,585,303	7.19 %	\$ 3,794,587	5.08 %
Southwest Valley Constructors	3,907,243	5.03		
Wal-Mart Stores Inc.	2,090,371	2.69	2,162,111	2.90
Southwest Gas Corporation	1,687,414	2.17	545,329	0.73
Phelps Dodge Corp	816,916	1.05	797,065	1.07
El Paso Natural Gas Corporation	761,718	0.98	537,164	0.72
DHD LLC	586,845	0.76	618,852	0.83
SFP Pool Five Shopping Centers LLC	465,363	0.60	465,790	0.62
BH Properties LLC			440,700	0.59
Qwest Corporation	375,824	0.48	618,051	0.83
Hillcrest Apartments LLC	388,613	0.50		
Safeway			518,204	0.69
Total	<u>\$ 16,665,610</u>	<u>21.45 %</u>	<u>\$ 10,497,853</u>	<u>14.06 %</u>

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2022	\$ 2,974,481	\$ 2,735,291	91.96 %	\$	\$ 2,735,291	91.96 %
2021	3,691,222	3,396,556	92.02	263,660	3,660,216	99.16
2020	4,092,209	3,754,675	91.75	306,298	4,060,973	99.24
2019	4,658,160	4,181,462	89.77	443,296	4,624,758	99.28
2018	4,796,063	4,336,152	90.41	426,316	4,762,468	99.30
2017	4,825,089	4,320,860	89.55	471,794	4,792,654	99.33
2016	4,688,928	4,209,359	89.77	448,465	4,657,824	99.34
2015	3,673,948	3,308,359	90.05	343,753	3,652,112	99.41
2014	1,283,355	1,130,385	88.08	146,250	1,276,635	99.48
2013	1,961,938	1,763,680	89.89	189,699	1,953,379	99.56

Source: The source of this information is the 2022 Cochise County Treasurer's records.

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases and Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2022	\$ 3,895,871	\$ 337,855	\$ 3,558,016	0.46 %	\$ 219	\$ 69,044	\$ 3,964,915	0.51 %	\$ 244	0.06 %
2021	4,297,425	300,934	3,996,491	0.53	245	135,406	4,432,831	0.59	272	0.08
2020	4,683,979	397,744	4,286,235	0.59	263	361,767	5,045,746	0.69	310	0.10
2019	5,055,533	479,123	4,576,410	0.65	279	574,210	5,629,743	0.80	343	0.11
2018	5,412,087	428,055	4,984,032	0.76	300	454,211	5,866,298	0.90	353	0.12
2017	5,758,641	279,984	5,478,657	0.84	322	584,823	6,343,464	0.97	373	0.13
2016	6,090,195	127,537	5,962,658	0.93	351	706,243	6,796,438	1.06	400	0.14
2015	6,416,749	114,836	6,301,913	0.98	371	895,875	7,312,624	1.14	430	0.16
2014	6,733,303	130,819	6,602,484	0.97	389	1,075,911	7,809,214	1.15	461	0.16
2013	7,039,857	127,451	6,912,406	1.00	384	1,021,599	8,061,456	1.17	448	0.17

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
City of Douglas	10,951,731	100.00 %	<u>\$ 10,951,731</u>
Subtotal, Overlapping Debt			<u>10,951,731</u>
Direct:			
Douglas Unified School District No. 27			<u>3,964,915</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 14,916,646</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		4.58 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 892	
As a Percentage of Net Limited Assessed Valuation		18.67 %
As a Percentage of Gross Full Cash Value		1.86 %

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

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

Net full cash assessed valuation	\$ 81,639,432
Debt limit (20% of assessed value)	16,327,886
Debt applicable to limit	<u>3,920,000</u>
Legal debt margin	<u><u>\$ 12,407,886</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2022:

Net full cash assessed valuation	\$ 81,639,432
Debt limit (30% of assessed value)	24,491,830
Debt applicable to limit	<u>3,920,000</u>
Legal debt margin	<u><u>\$ 20,571,830</u></u>

Fiscal Year Ended June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt Limit	\$ 24,491,830	\$ 23,295,735	\$ 22,606,254	\$ 21,936,869	\$ 20,329,121
Total net debt applicable to limit	<u>3,920,000</u>	<u>4,325,000</u>	<u>4,715,000</u>	<u>5,090,000</u>	<u>5,450,000</u>
Legal debt margin	<u><u>\$ 20,571,830</u></u>	<u><u>\$ 18,970,735</u></u>	<u><u>\$ 17,891,254</u></u>	<u><u>\$ 16,846,869</u></u>	<u><u>\$ 14,879,121</u></u>
Total net debt applicable to the limit as a percentage of debt limit	16%	19%	21%	23%	27%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 19,988,453	\$ 20,183,104	\$ 20,442,405	\$ 21,760,044	\$ 22,398,736
Total net debt applicable to limit	<u>5,800,000</u>	<u>6,135,000</u>	<u>6,416,749</u>	<u>6,733,303</u>	<u>7,039,857</u>
Legal debt margin	<u><u>\$ 14,188,453</u></u>	<u><u>\$ 14,048,104</u></u>	<u><u>\$ 14,025,656</u></u>	<u><u>\$ 15,026,741</u></u>	<u><u>\$ 15,358,879</u></u>
Total net debt applicable to the limit as a percentage of debt limit	29%	30%	31%	31%	31%

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2021	126,463	\$ 6,188,571	\$ 49,096	4.8 %	16,275
2020	131,694	5,835,484	45,786	6.9	16,300
2019	130,808	5,259,219	41,766	5.2	16,300
2018	130,319	5,109,813	40,308	5.6	16,400
2017	128,383	4,902,154	39,294	5.6	16,600
2016	128,343	4,900,244	38,962	6.1	17,000
2015	129,112	4,821,097	38,133	7.4	17,000
2014	139,372	4,679,941	36,720	8.4	17,000
2013	130,906	4,740,219	36,612	8.8	16,953
2012	130,752	4,837,759	36,467	8.2	18,000

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics.

**DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Principal Industries</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
United States Department of the Army	11,720	26.14 %		%
Bureau of Customs and Border Protection	1,070	2.39		
Joyson Safety Systems Acquisition LLC	1,000	2.23		
Cochise County	880	1.96	64	1.11
Wal-Mart Stores, Inc.	820	1.83	295	5.13
State of Arizona	800	1.78		
Aegis Communications Group Llc	720	1.61		
Rehpsierra Vista Inc	650	1.45		
Sierra Vista Public Schools Unified District 68	580	1.29		
Advanced Call Ceter Technologies, L.L.C.	500	1.12	537	9.35
Douglas Unified School District			516	8.98
Cochise College			218	3.79
City of Douglas			197	3.43
Basha's Inc.			62	1.08
Southeast Arizona Medical Center			77	1.34
Chiricahua Community Health Center			106	1.85
Arizona State Prison Complex			648	11.28
Total	<u>18,740</u>	<u>41.80 %</u>	<u>2,720</u>	<u>47.34 %</u>
 Total employment	 <u>44,830</u>		 <u>5,745</u>	

Source: The source of this information is the Arizona Commerce Authority prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics and Arizona Office of Economic Opportunity.

Note: In prior years, the District presented information for the Douglas area only, which was obtained from the annual Economic Outlook report compiled by the Cochise College Center for Economic Research; however, that report is no longer prepared by the entity. There is no comparable report prepared by any other organization for the Douglas area. The information presented above is related to the region defined as: Cochise County - Sierra Vista, Douglas MSA.

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	1	1	1	1	1
Consultants/supervisors of instruction	1	1	1	1	1
Principals	8	8	8	8	8
Assistant principals	4	4	4	4	4
Total supervisory	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>	<u>15</u>
Instruction					
Teachers	203	201	200	198	192
Other professionals (instructional)	11	11	11	11	13
Aides	131	129	132	125	121
Total instruction	<u>345</u>	<u>341</u>	<u>343</u>	<u>334</u>	<u>326</u>
Student Services					
Nurses	3	3	4	4	4
Counselors/Advisors	9	8	8	8	8
Librarians			1	1	1
Technicians	8	7	7	7	7
Total student services	<u>20</u>	<u>18</u>	<u>20</u>	<u>20</u>	<u>20</u>
Support and Administration					
Clerical workers	45	45	45	45	45
Maintenance workers	18	15	17	17	16
Bus drivers	8	6	8	8	7
Service workers	3	3	4	4	4
Unskilled laborers	60	61	64	64	61
Total support and administration	<u>134</u>	<u>130</u>	<u>138</u>	<u>138</u>	<u>133</u>
Total	<u><u>514</u></u>	<u><u>504</u></u>	<u><u>516</u></u>	<u><u>507</u></u>	<u><u>494</u></u>

(Continued)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents				1	1
Consultants/supervisors of instruction	1	1	1	1	1
Principals	8	8	8	8	8
Assistant principals	4	4	4	4	4
Total supervisory	<u>14</u>	<u>14</u>	<u>14</u>	<u>15</u>	<u>15</u>
Instruction					
Teachers	183	184	184	197	188
Other professionals (instructional)	14	15	15	16	16
Aides	106	107	107	99	115
Total instruction	<u>303</u>	<u>306</u>	<u>306</u>	<u>312</u>	<u>319</u>
Student Services					
Nurses	4	4	4	4	4
Counselors/Advisors	8	8	8	8	7
Librarians	1	1	1	1	1
Technicians	6	6	6	6	6
Total student services	<u>19</u>	<u>19</u>	<u>19</u>	<u>19</u>	<u>18</u>
Support and Administration					
Clerical workers	23	23	23	24	24
Maintenance workers	16	16	16	16	16
Bus drivers	7	7	8	8	7
Service workers	4	4	4	4	4
Unskilled laborers	74	74	74	74	75
Total support and administration	<u>124</u>	<u>124</u>	<u>125</u>	<u>126</u>	<u>126</u>
Total	<u><u>460</u></u>	<u><u>463</u></u>	<u><u>464</u></u>	<u><u>472</u></u>	<u><u>478</u></u>

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

(Concluded)

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2022	3,651	\$ 36,597,109	\$ 10,024	14.13 %	\$ 41,095,669	\$ 11,256	11.35 %	345	10.6	90.4 %
2021	3,642	31,988,265	8,783	3.38	36,818,325	10,109	8.12	341	10.7	90.0
2020	3,840	32,624,735	8,496	9.78	35,904,785	9,350	17.45	343	11.2	90.0
2019	3,944	30,522,262	7,739	7.86	31,399,258	7,961	6.28	334	11.8	85.0
2018	3,873	27,787,748	7,175	(2.57)	29,009,036	7,491	(3.67)	326	11.9	87.0
2017	3,695	27,209,922	7,365	(0.01)	28,729,182	7,776	(1.29)	303	12.2	88.0
2016	3,629	26,726,731	7,365	(0.01)	28,585,858	7,878	(1.54)	306	11.9	88.0
2015	3,628	26,725,674	7,367	(1.43)	29,028,084	8,001	(3.79)	306	11.9	88.0
2014	3,593	26,852,847	7,474	0.77	29,880,797	8,316	0.68	312	11.5	86.7
2013	3,681	27,301,569	7,417	6.26	30,405,438	8,260	6.02	319	11.5	85.4

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

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

DOUGLAS UNIFIED SCHOOL DISTRICT NO. 27
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Schools</u>										
Elementary										
Buildings	22	22	22	22	22	22	22	22	22	22
Square feet	183,257	183,257	183,257	183,257	183,257	180,233	180,233	180,233	180,233	180,233
Capacity	1,977	2,242	2,242	2,242	2,242	2,315	2,315	2,315	2,251	2,251
Enrollment	1,376	1,542	1,763	1,682	1,475	1,546	1,441	1,441	1,591	1,616
Middle										
Buildings	14	25	25	25	25	14	14	14	14	14
Square feet	139,636	140,000	140,000	139,636	139,636	135,538	135,538	135,538	135,538	135,538
Capacity	1,409	1,409	1,409	1,409	1,409	1,365	1,365	1,365	1,694	1,694
Enrollment	851	847	926	911	829	925	884	884	859	940
High										
Buildings	27	24	24	24	24	23	23	23	23	23
Square feet	185,892	174,052	174,052	174,052	174,052	158,775	158,775	158,775	157,335	157,335
Capacity	1,534	1,509	1,509	1,507	1,507	1,478	1,478	1,478	1,967	1,967
Enrollment	1,428	1,415	1,545	1,506	1,475	1,324	1,310	1,310	1,267	1,353
Other										
Buildings	3	3	3	3	3	4	4	4	4	4
Square feet	45,708	43,703	43,703	43,703	43,703	28,561	28,561	28,561	28,561	28,561
Capacity		352	352	352	352	352	352	532	352	352
Enrollment		92	92	92	92	95	90	90	90	147
<u>Administrative</u>										
Buildings	3	3	3	3	3	3	3	3	3	3
Square feet	48,400	48,400	48,400	48,400	48,400	48,400	48,400	48,400	48,400	48,400
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	16	15	15	15	13	13	14	14	14	16
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	7	7	7	7	7	7	7	7	7	7
Swimming pools	1	1	1	1	1	1	1	1	1	1
Playgrounds	18	18	18	18	18	18	18	18	18	18

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

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