
SANDERS UNIFIED SCHOOL DISTRICT NO. 18

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022



SANDERS UNIFIED SCHOOL DISTRICT NO. 18

SANDERS, ARIZONA

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

Issued by:
Finance Department

SANDERS UNIFIED SCHOOL DISTRICT NO. 18

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INTRODUCTORY SECTION

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SANDERS UNIFIED SCHOOL DISTRICT #18

P.O. Box 250
Sanders, Arizona 86512

Office: (928) 688-4750

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Website: www.sandersusd.net

Kim J. Pearce, Superintendent

Barbara Baca, Business Manager

March 29, 2023

Citizens and Governing Board
Sanders Unified School District No. 18
P.O. Box 250
Sanders, Arizona 86512

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Sanders Unified School District No. 18 (District) for the fiscal year ended June 30, 2022.

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

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

Arnold Goodluck
Board President

Daisy Slim
Board Clerk

Anita Watchman
Board Member

Marlene Apachee
Board Member

Lomardo Aseret
Board Member

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

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

PROFILE OF THE DISTRICT

The District is one of 11 public school districts located in Apache County, Arizona. It provides a program of public education from pre-school through grade 12, with an average daily membership (ADM) of 582 students for fiscal year 2021-22. The average age of the District's school buildings is 23 years. Projected enrollment for 2022-23 is 590 students.

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 purpose, 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, and athletic functions.

The Sanders Unified School District No. 18 is located in Apache County in northeastern Arizona and is encompassed by the 14.7 million acre Navajo Indian Reservation. It is comprised of a conglomerate of small population centers including the communities of Navajo, Chambers, Sanders, Houck, Lupton, Wide Ruins, Rural Community, East Mill, Middle Wells, Hard Scrabble and Barth Lake. Just south of Sanders along U.S. Highway 191 is the area set aside for the relocation of approximately 500 to 550 families from the Hopi Partitioned Lands, mandated by Public Law 93-531, the Navajo-Hopi Land Settlement Act of 1974, and Public Law 96-306, the Navajo and Hopi Indian Relocation Amendments Act of 1980. Relocation has been administered by the Office of Navajo Hopi Indian Relocation (ONHIR) and had originally planned for the development of the infrastructure, economic development and educational services for this community and the nearby communities.

The actual population of the District is unknown; however, current information supplied by the Apache County Recorder indicates approximately 4,500 registered voters in the District voting precincts compiled with District surveys showing an estimated population of 15,208 people. Fifty-five percent of the Navajo population is estimated to be below the poverty line according to the 1990 Census (1993 Figures).

The economy of the District is predominately based upon Navajo tribal, State or Federal services with the District being the largest employer in the area. Agriculture, mining and tourism provide limited employment opportunities. While the overall unemployment rate for Arizona is 5.2 percent, the Navajo Nation unemployment rate is 42 percent. The Apache County unemployment rate averaged 13.7 percent, much higher than the State average for the proceeding twelve months.

In the late 1980's and early 1990's, the District enjoyed a 33 percent growth in student population due to the Navajo Hopi Indian Relocation Act. Most recently, over the last three years, the District has been in declining status, losing an average of 30 student K-12 each year. During fiscal year 2019-20, student enrollment decreased significantly with 68 less students and is projected to decrease and is projected to decrease slightly due to the pandemic. A small shopping center opened during the 2018-19 school year, adding economic growth and job opportunities for incoming families.

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 statement is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy. The economy of the District and its principal communities of Houck, Lupton, Wide Ruins, New Land and Sanders are derived from public services, government and education. The community is experiencing a reduction in population primarily attributed to the lack of employment opportunities. High unemployment rates force individuals to seek employment off the Navajo Reservation. The population decline also impacts the District negatively resulting in declining enrollment.

Long-Term Financial Planning. In the coming years, the District is looking at mostly facility upgrades and repairs, and new vehicles including the following:

- Digital Scoreboard and LED Stadium Lights at the Valley High School Football Field
- Repair and Upgrades to Sanders Middle School Football Field including a sprinkler system
- New modular classroom for the Alternative Learning Program
- Replace the entire roof at Valley High School

The above projects estimate cost is \$1 million in capital needs.

With the onset of NCLB, AZLearns, maintenance of electronic documentation, and IDEA04, the District continues to struggle to meet the additional requirements of unfunded mandates and requirements from the federal and state government. Non-instructional staff are needed to assist with accountability and compliance data gathering, reporting, recording, and storage.

Arizona continues to spend the least amount per pupil in the nation, keeping smaller rural districts like Sanders Unified from being able to compete with teacher salaries, making recruiting of highly qualified staff difficult. Rural areas continue to spend more money for transportation, special education services, and utilities than their counterparts in the populated areas of the state. With the elimination of excess utility funds in 2009, the District's ability to fund needed staff and programs was impaired.

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 27th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States 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 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,



Kim Pearce
Superintendent



Barbara Baca
Business Manager



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Sanders Unified School District No.18

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, appearing to read 'William A. Sutter'. The signature is written in a cursive style.

William A. Sutter
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'. The signature is written in a cursive style.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Sanders Unified School District No. 18
Arizona**

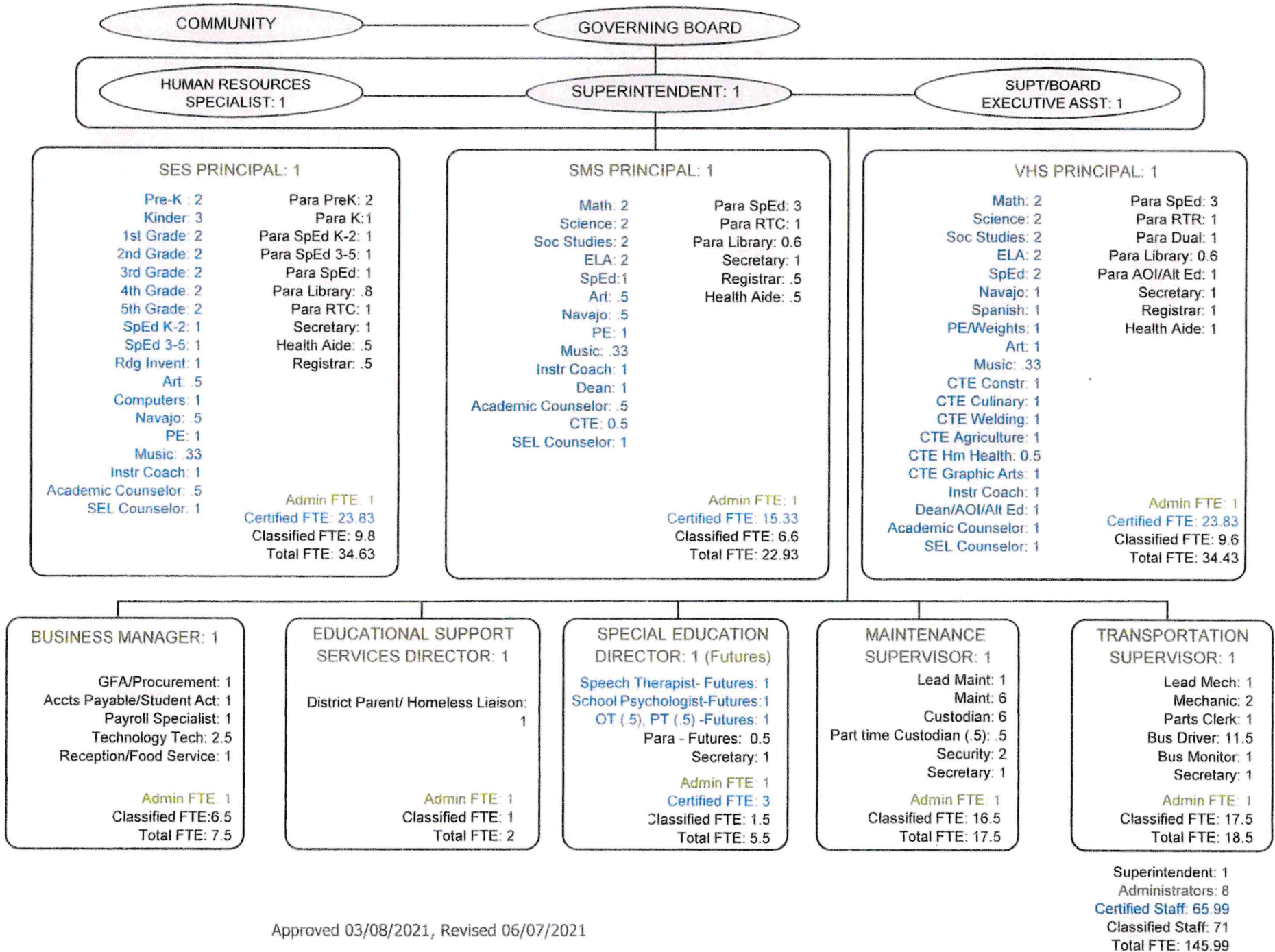
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

SANDERS UNIFIED SCHOOL DIST 18 ORGANIZATIONAL CHART 2021-2022



Approved 03/08/2021, Revised 06/07/2021

SANDERS UNIFIED SCHOOL DISTRICT NO. 18

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Arnold Goodluck, President

Daisy Slim, Clerk

Lomardo Aseret, Member

Marlene Apachee, Member

Jackie Yazzie, Jr., Member

ADMINISTRATIVE STAFF

Kim Pearce, Superintendent

Barbara Baca, Business Manager

Wanda Burton, Elementary & Middle School Principal

Peter Balibay, Valley High School Principal

Verlynn Goldtooth, Federal Programs Director/Education Support Services

Shanicey Pinto, Special Education Director

Jones Joe, Maintenance Supervisor

Lydia Hill, Transportation Supervisor

Leah Barney, IT Specialist

Robert Plutchak, IT Specialist

Jarvisson King, IT Specialist

Gabriel Garner, GFA/Procurement Specialist

Delphine James, Accounts Payable/Student Auxiliary Specialist

Yolanda Nelson, Payroll Specialist

Dolores Shirley, Impact Aid

Maria Hernandez, Human Resource Specialist

Rozanne Joe, Student Registrar – High School

Darlene Martinez, Student Registrar – Middle School

Yvonne Thompson, Student Registrar – Elementary School

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FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Sanders Unified School District No. 18

Report on Audit of Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Sanders Unified School District No. 18 (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.

Qualified Opinion on the Governmental Activities and the General Fund

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the General Fund of the Sanders Unified School District No. 18, 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.

Unmodified Opinions on Indian Education Fund, Other Federal Projects Fund and the Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above presenting fairly, in all material respects, the respective financial position of the Indian Education Fund, Other Federal Projects Fund and the aggregate remaining fund information of the Sanders Unified School District No. 18, as of June 30, 2022 and the respective changes in financial position thereof for the year ended in accordance with accounting principles general accepted in the United States of America.

Basis for Qualified and Unmodified 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 Sanders Unified School District No. 18 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.

Matter Giving Rise to Qualified Opinion on the Governmental Activities and the General Fund

We were unable to obtain sufficient appropriate audit evidence for the District's inventory balance due to a lack of adequate records.

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 March 29, 2023, on our consideration of Sanders Unified School District No. 18'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 Sanders Unified School District No. 18'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 Sanders Unified School District No. 18's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
March 29, 2023

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

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**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

As management of the Sanders Unified School District No. 18 (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 decreased \$565,469 which represents a two percent decrease from the prior fiscal year.
- General revenues accounted for \$9.9 million in revenue, or 69 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$4.5 million or 31 percent of total current fiscal year revenues.
- The District had approximately \$14.9 million in expenses related to governmental activities, an increase of six percent from the prior fiscal year primarily due to additional salaries and benefits as schools resumed in-person operations.
- Among major funds, the General Fund had \$9.2 million current fiscal year revenues, which primarily consisted of federal and state aid, and \$9.6 million in expenditures. The General Fund’s fund balance decrease from \$10 million at the prior fiscal year end to \$9.6 million at the end of the current fiscal year was primarily due to a decrease in state funding.

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.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Indian Education, and Other Federal 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 benefit 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 \$36.5 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 improvements, buildings and improvements, and vehicles, and furniture and equipment). The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. The District had no related debt. 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.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	As of June 30, 2022	As of June 30, 2021
Current and other assets	\$ 11,469,566	\$ 10,442,127
Capital assets, net	32,854,545	33,767,210
Total assets	<u>44,324,111</u>	<u>44,209,337</u>
Deferred outflows	<u>1,624,430</u>	<u>1,462,297</u>
Current and other liabilities	658,756	275,981
Long-term liabilities	6,342,426	8,279,017
Total liabilities	<u>7,001,182</u>	<u>8,554,998</u>
Deferred inflows	<u>2,413,122</u>	<u>1,066,566</u>
Net position:		
Net investment in capital assets	32,854,545	33,767,210
Restricted	1,256,686	1,135,812
Unrestricted	2,423,006	1,147,048
Total net position	<u>\$ 36,534,237</u>	<u>\$ 36,050,070</u>

At the end of the current fiscal year, the District reported positive balances in all three categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a surplus of \$2,423,006.

The District's financial position is the product of several financial transactions including the net results of activities, 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 net increase in accumulated depreciation of \$928,928 primarily due to current year depreciation expense.
- The addition of \$691,340 in capital assets due to purchases of vehicles, furniture, and equipment.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

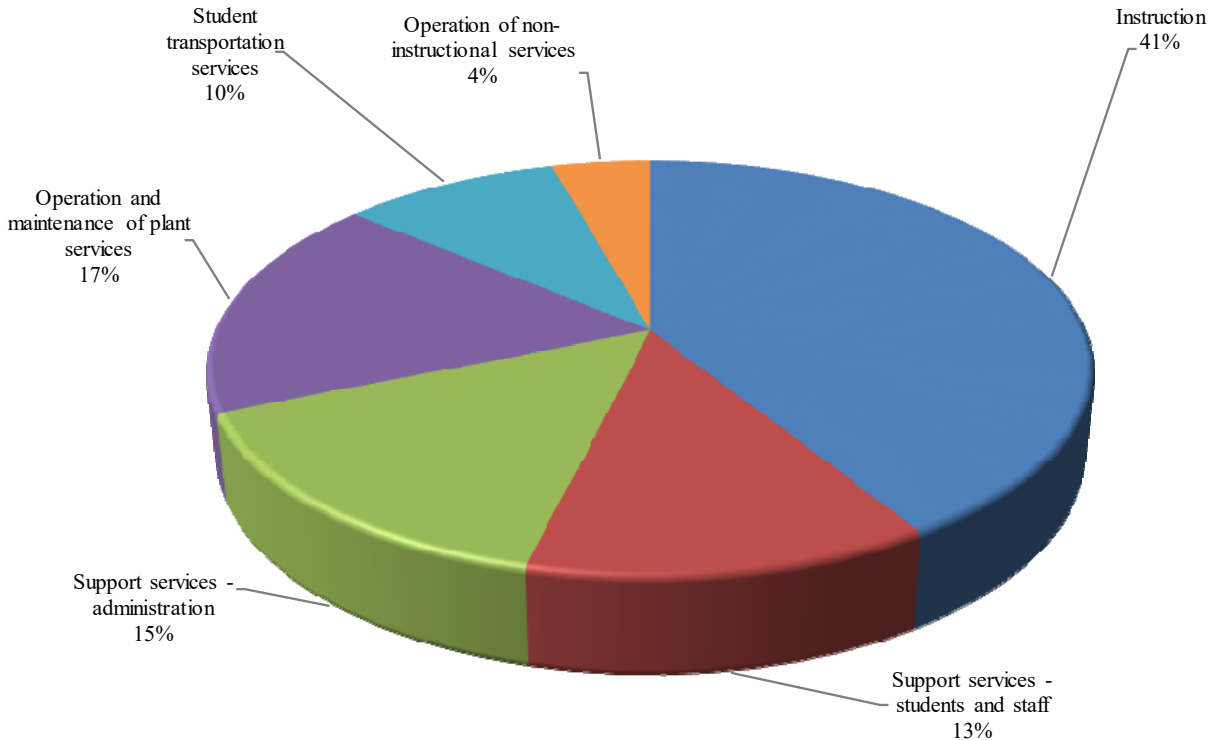
Changes in net position. The District's total revenues for the current fiscal year were \$14.4 million. The total cost of all programs and services was \$14.9 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 289,114	\$ 244,738
Operating grants and contributions	4,063,959	3,291,276
Capital grants and contributions	130,015	289,977
General revenues:		
Property taxes	158	252
Investment income	11,514	19,341
Unrestricted county aid	263,866	243,650
Unrestricted state aid	4,611,791	5,010,978
Unrestricted federal aid	5,002,406	5,303,086
Total revenues	<u>14,372,823</u>	<u>14,403,298</u>
Expenses:		
Instruction	6,147,568	6,309,863
Support services - students and staff	1,890,700	1,865,075
Support services - administration	2,238,567	1,690,567
Operation and maintenance of plant services	2,602,903	2,538,625
Student transportation services	1,418,467	1,177,430
Operation of non-instructional services	640,087	449,589
Total expenses	<u>14,938,292</u>	<u>14,031,149</u>
Changes in net position	(565,469)	372,149
Net position, beginning, as restated	<u>37,099,706</u>	<u>35,677,921</u>
Net position, ending	<u>\$ 36,534,237</u>	<u>\$ 36,050,070</u>

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2022



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

- Decrease in unrestricted state aid of \$399,187, primarily due to decrease in funding due to a reduced average daily membership for the District.
- Increase in operating grants and contributions of \$590,642, primarily due to COVID-19 related grants.

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.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 6,147,568	\$ (2,810,060)	\$ 6,309,863	\$ (5,213,082)
Support services - students and staff	1,890,700	(1,597,705)	1,865,075	(1,234,566)
Support services - administration	2,238,567	(2,124,693)	1,690,567	(1,071,006)
Operation and maintenance of plant services	2,602,903	(2,481,001)	2,538,625	(1,320,949)
Student transportation services	1,418,467	(1,414,554)	1,177,430	(1,138,761)
Operation of non-instructional services	640,087	(27,191)	449,589	(226,794)
Total	\$ 14,938,292	\$ (10,455,204)	\$ 14,031,149	\$ (10,205,158)

- The cost of all governmental activities this year was \$14.9 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$4.5 million.
- Net cost of governmental activities of \$10.5 million was financed by general revenues, which are made up of primarily property taxes of \$158, state and county aid of \$4.9 million and federal aid of \$5.0 million. Investment earnings accounted for \$11,514 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 \$10.0 million, a decrease of \$1.0 million due primarily to decreased average daily membership and decrease in state funds.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 96 percent of the total fund balance. Approximately \$8.2 million, or 86 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The fund balance decreased \$428,815 in the General Fund to \$9.6 million as of the current fiscal year end. General Fund revenues decreased \$778,626 or eight percent, as a result of decreased state aid. General Fund expenditures increased \$1.2 million, or fourteen percent, as a result of higher student transportation costs, increases in salaries and benefits, and hiring of additional administrative personnel.

The fund balance of the Indian Education increased \$4,263 as of the current fiscal year end.

The fund balance of Other Federal Projects decreased \$481,648 as of the current fiscal year end as a result of timing of federal grant reimbursements.

BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in student counts. The difference between the original budget and the final amended budget was a \$223,915 decrease due to a decrease in average daily membership.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The favorable variance of \$1.9 million in instruction expenditures was a result of lower than anticipated costs of employee salaries and benefits.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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 \$69.7 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$16,263 from the prior fiscal year. Total depreciation expense for the current fiscal year was \$1.6 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	\$ 24,805	\$ 24,805
Capital assets - depreciable, net	32,829,740	33,742,405
Total	\$ 32,854,545	\$ 33,767,210

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

Debt Administration. At fiscal year end, the District had no long-term debt outstanding.

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 (estimated \$2 million).
- District student population (estimated 594).
- Employee salaries (estimated \$5.9 million).

Also considered in the development of the budget is the local economy and inflation of the surrounding area, as well as the possible negative impacts of COVID-19 related closures and expenditures.

Budgeted expenditures in the General Fund increased \$368,027, or five percent, to \$7.8 million due primarily to an increase in average daily membership, as well as an increase in state funding. Federal and state aid are expected to be the primary funding sources. No new programs were added to the 2022-23 budget.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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 Finance Department, Sanders Unified School District No. 18, P.O. Box 250, Sanders, Arizona 86512.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 9,109,827
Due from governmental entities	1,001,197
Prepaid items	410,932
Inventory	947,610
Total current assets	11,469,566
Noncurrent assets:	
Capital assets not being depreciated	24,805
Capital assets, net of accumulated depreciation	32,829,740
Total noncurrent assets	32,854,545
Total assets	44,324,111
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	1,624,430
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	462,510
Compensated absences payable	40,000
Unearned revenues	196,246
Total current liabilities	698,756
Noncurrent liabilities:	
Non-current portion of long-term obligations	6,302,426
Total noncurrent liabilities	6,302,426
Total liabilities	7,001,182
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	2,413,122
 <u>NET POSITION</u>	
Investment in capital assets	32,854,545
Restricted for:	
Instruction	858,504
Food service	74,599
Other local initiatives	10,197
Debt service	4,075
Capital outlay	309,311
Unrestricted	2,423,006
Total net position	\$ 36,534,237

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 6,147,568	\$ 145,172	\$ 3,062,321	\$ 130,015	\$ (2,810,060)
Support services - students and staff	1,890,700		292,995		(1,597,705)
Support services - administration	2,238,567	17,513	96,361		(2,124,693)
Operation and maintenance of plant services	2,602,903	121,469	433		(2,481,001)
Student transportation services	1,418,467		3,913		(1,414,554)
Operation of non-instructional services	640,087	4,960	607,936		(27,191)
Total governmental activities	<u>\$ 14,938,292</u>	<u>\$ 289,114</u>	<u>\$ 4,063,959</u>	<u>\$ 130,015</u>	<u>(10,455,204)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	124
Property taxes, levied for debt service	34
Investment income	11,514
Unrestricted county aid	263,866
Unrestricted state aid	4,611,791
Unrestricted federal aid	5,002,406
Total general revenues	<u>9,889,735</u>

Changes in net position (565,469)

Net position, beginning of year, as restated 37,099,706

Net position, end of year \$ 36,534,237

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

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FUND FINANCIAL STATEMENTS

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Indian Education	Other Federal Projects
<u>ASSETS</u>			
Cash and investments	\$ 7,605,568	\$	\$
Due from governmental entities		139,632	751,849
Due from other funds	778,551		
Prepaid items	410,932		
Inventory	947,610		
Total assets	\$ 9,742,661	\$ 139,632	\$ 751,849
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 162,361	\$	\$ 185,402
Due to other funds		139,632	566,447
Unearned revenues			
Total liabilities	162,361	139,632	751,849
Deferred inflows of resources:			
Unavailable revenues - intergovernmental		109,566	682,995
Fund balances (deficits):			
Nonspendable	1,358,542		
Restricted			
Unassigned	8,221,758	(109,566)	(682,995)
Total fund balances	9,580,300	(109,566)	(682,995)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 9,742,661	 \$ 139,632	 \$ 751,849

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,504,259	\$ 9,109,827
109,716	1,001,197
	778,551
	410,932
	947,610
<u>\$ 1,613,975</u>	<u>\$ 12,248,117</u>
\$ 114,747	\$ 462,510
72,472	778,551
196,246	196,246
<u>383,465</u>	<u>1,437,307</u>
<u>28,673</u>	<u>821,234</u>
1,256,686	1,358,542
(54,849)	1,256,686
<u>1,201,837</u>	<u>7,374,348</u>
	<u>9,989,576</u>
<u>\$ 1,613,975</u>	<u>\$ 12,248,117</u>

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SANDERS UNIFIED SCHOOL DISTRICT NO. 18
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total governmental fund balances		\$ 9,989,576
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 69,652,270	
Less accumulated depreciation	<u>(36,797,725)</u>	32,854,545
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Intergovernmental	<u>821,234</u>	821,234
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	1,624,430	
Deferred inflows of resources related to pensions	<u>(2,413,122)</u>	(788,692)
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(228,591)	
Net pension liability	<u>(6,113,835)</u>	<u>(6,342,426)</u>
Net position of governmental activities		<u><u>\$ 36,534,237</u></u>

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>General</u>	<u>Indian Education</u>	<u>Other Federal Projects</u>
Revenues:			
Other local	\$ 465,477	\$	\$
Property taxes	124		
State aid and grants	3,723,924		
Federal aid, grants and reimbursements	5,002,406	67,561	1,741,911
Total revenues	<u>9,191,931</u>	<u>67,561</u>	<u>1,741,911</u>
Expenditures:			
Current -			
Instruction	3,768,141	63,298	354,206
Support services - students and staff	923,656		166,204
Support services - administration	1,668,730		66,558
Operation and maintenance of plant services	2,073,781		142,748
Student transportation services	1,045,807		52,111
Operation of non-instructional services	24,869		
Capital outlay	129,662		1,392,732
Total expenditures	<u>9,634,646</u>	<u>63,298</u>	<u>2,174,559</u>
Excess (deficiency) of revenues over expenditures	<u>(442,715)</u>	<u>4,263</u>	<u>(432,648)</u>
Other financing sources (uses):			
Transfers in	100,595		
Transfers out			(49,000)
Insurance proceeds	1,795		
Total other financing sources (uses)	<u>102,390</u>		<u>(49,000)</u>
Changes in fund balances	<u>(340,325)</u>	<u>4,263</u>	<u>(481,648)</u>
Fund balances (deficits), beginning of year, as restated	9,997,624	(113,829)	(201,347)
Increase (decrease) in reserve for prepaid items	(76,999)		
Fund balances (deficits), end of year	<u>\$ 9,580,300</u>	<u>\$ (109,566)</u>	<u>\$ (682,995)</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 120,368	\$ 585,845
34	158
1,017,297	4,741,221
1,827,785	8,639,663
<u>2,965,484</u>	<u>13,966,887</u>
891,487	5,077,132
775,328	1,865,188
264,922	2,000,210
85,006	2,301,535
9,599	1,107,517
473,601	498,470
328,350	1,850,744
<u>2,828,293</u>	<u>14,700,796</u>
<u>137,191</u>	<u>(733,909)</u>
	100,595
(51,595)	(100,595)
	1,795
<u>(51,595)</u>	<u>1,795</u>
<u>85,596</u>	<u>(732,114)</u>
1,116,241	10,798,689
	(76,999)
<u>\$ 1,201,837</u>	<u>\$ 9,989,576</u>

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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 **\$ (732,114)**

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	\$ 691,340	
Less current year depreciation	<u>(1,604,005)</u>	(912,665)

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

Intergovernmental	<u>404,141</u>	404,141
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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	735,465	
Pension expense	<u>75,088</u>	810,553

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	(76,999)	
Compensated absences	<u>(58,385)</u>	<u>(135,384)</u>

Changes in net position in governmental activities **\$ (565,469)**

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Sanders Unified School District No. 18 (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.⁹

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.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Property taxes, federal, state and county aid, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and 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.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Indian Education Fund – The Indian Education Fund accounts for financial assistance received for Indian education at preschool, elementary, secondary and adult levels.

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

D. Cash and Investments

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

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

E. Investment Income

Investment income is composed of interest, dividends and net changes in the fair value of applicable investments. Investment income is included in other local revenue in the 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 are shown net of an allowance for uncollectibles.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

G. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) 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.

The United States Department of Agriculture (USDA) commodity portion of the food services inventory consists of food donated by the USDA. It is valued at estimated market prices paid by the USDA.

H. Prepaid Items

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

I. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; 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.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Land improvements	15 - 50 years
Buildings and improvements	5 - 50 years
Vehicles, furniture and equipment	5 - 20 years

J. Deferred Outflows/Inflows of Resources

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

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

K. Compensated Absences

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

L. 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.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Long-term Obligations

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

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

N. Interfund Activity

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

O. Net Position Flow Assumption

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

P. Estimates

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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 been restricted, committed, or assigned.

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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. Voter approved initiatives include monies restricted the Classroom Site and Instructional Improvement Funds.

	General Fund	Indian Education Fund	Other Federal Programs Fund	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 947,610		\$	\$
Prepaid items	410,932			
Restricted:				
Debt service				4,075
Capital projects				309,311
Voter approved initiatives				798,051
Food service				74,599
Civic center				65
Community school				3,119
Extracurricular activities				10,844
Insurance refund				7,013
Career and technical education				21,847
Student activities				26,053
Other purposes				1,709
Unassigned	8,210,267	(109,566)	(682,995)	(54,849)
Total fund balances	\$ 9,568,809	\$(109,566)	\$ (682,995)	\$ 1,201,837

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Fund:	
Indian Education	\$ 109,566
Other Federal Projects	682,995
Non-Major Governmental Funds:	
Professional Development and Technology Grants	7,673
Title IV Grants	2
Special Education Grants	20,998
E-Rate	26,176

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Funds:	
Indian Education	\$ 109,566
Other Federal Projects	682,995
Non-Major Governmental Funds:	
Professional Development and Technology Grants	7,673
Title IV Grants	2
Special Education Grants	20,998
E-Rate	26,176

The deficits arose because of pending grant reimbursements. 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 budgets. This does not constitute a violation of any legal provisions.

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$67,656 and the bank balance was \$70,305.

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – CASH AND INVESTMENTS

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

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

	Average Maturities	Fair Value
County Treasurer’s investment pool	2.72 years	\$ 9,042,171

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.

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:

	Indian Education Fund	Other Federal Projects Fund	Non-Major Governmental Funds
Due from other governmental entities			
Due from federal government	\$ 139,632	\$ 751,849	\$ 98,314
Due from state government			11,402
Net due from governmental entities	\$ 139,632	\$ 751,849	\$ 109,716

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 – 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	\$ 24,805	\$	\$	\$ 24,805
Total capital assets, not being depreciated	<u>24,805</u>			<u>24,805</u>
Capital assets, being depreciated:				
Land improvements	12,605,667			12,605,667
Buildings and improvements	50,325,178		80,668	50,244,510
Vehicles, furniture and equipment	6,680,357	691,340	594,409	6,777,288
Total capital assets being depreciated	<u>69,611,202</u>	<u>691,340</u>	<u>675,077</u>	<u>69,627,465</u>
Less accumulated depreciation for:				
Land improvements	(6,866,756)	(265,254)		(7,132,010)
Buildings and improvements	(23,723,127)	(1,078,815)	(80,668)	(24,721,274)
Vehicles, furniture and equipment	(5,278,914)	(259,936)	(594,409)	(4,944,441)
Total accumulated depreciation	<u>(35,868,797)</u>	<u>(1,604,005)</u>	<u>(675,077)</u>	<u>(36,797,725)</u>
Total capital assets, being depreciated, net	<u>33,742,405</u>	<u>(912,665)</u>		<u>32,829,740</u>
Governmental activities capital assets, net	<u>\$33,767,210</u>	<u>\$ (912,665)</u>	<u>\$</u>	<u>\$32,854,545</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 846,654
Support services – students and staff	100,816
Support services – administration	136,449
Operation and maintenance of plant services	260,812
Student transportation services	164,033
Operation of non-instructional services	95,241
Total depreciation expense – governmental activities	<u>\$ 1,604,005</u>

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – 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:					
Net pension liability	\$ 8,108,811	\$	\$ 1,994,976	\$ 6,113,835	\$
Compensated absences payable	<u>170,206</u>	<u>252,201</u>	<u>193,816</u>	<u>228,591</u>	<u>40,000</u>
Governmental activity long-term liabilities	<u>\$ 8,279,017</u>	<u>\$ 252,201</u>	<u>\$ 2,188,792</u>	<u>\$ 6,342,426</u>	<u>\$ 40,000</u>

NOTE 8 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

	<u>General Fund</u>
Indian Education	\$ 139,632
Other Federal Projects	566,447
Non-Major Governmental Funds	<u>72,472</u>
Total Due from Other Funds	<u>\$ 778,551</u>

At year end, several funds had negative cash balances in the Treasurer’s pooled cash accounts, respectively. 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:

<u>Transfers out</u>	<u>General Fund</u>
Other Federal Projects	\$ 49,000
Non-Major Governmental Funds	<u>51,595</u>
Total	<u>\$ 100,595</u>

Transfers between funds were used to move federal grant funds restricted for indirect costs to the General Fund.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – CONTINGENT LIABILITIES

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

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

NOTE 10 – PRIOR PERIOD ADJUSTMENTS

The July 1, 2021, government-wide net position and the fund balance of the General, Indian Education, and Non-Major Governmental Funds do not agree to the prior year financial statements due to correction of several errors. The District maintained material amounts of inventory; however, the inventory was not recorded. The Indian Education Fund had amounts recorded in incorrect funds in prior years. The Building Renewal Grant Fund, a non-major government fund, had a deficit balance, which was reclassified to the General Fund. The E-Rate Fund, a non-major governmental fund, had revenue in a prior year that was recorded after the general ledger was finalized.

	Statement of Activities	Governmental Funds		
		General Fund	Indian Education Fund	Non-Major Governmental Funds
Net Position/fund balance, June 30, 2021, as previously reported	\$36,050,070	\$9,066,891	\$ (137,555)	\$ 1,021,064
Inventory not previously recorded	947,610	947,610		
Activity not previously recorded	102,026		23,726	78,300
Reclassification of funds		(16,877)		16,877
Net position/fund balance, July 1, 2021, as restated	<u>\$37,099,706</u>	<u>\$ 9,997,624</u>	<u>\$ (113,829)</u>	<u>\$ 1,116,241</u>

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – 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 joined the Rural Schools of Northern Arizona Trust (RSNA) in October 1987. RSNA is a public entity risk pool currently operating as a common risk management and insurance program for six member school districts. The District pays an annual premium to RSNA for its general insurance coverage. The agreement provides that RSNA 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 all other risks of loss, including short-term disability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – 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.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – 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 \$735,465.

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

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

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – PENSIONS

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 6,113,835	0.047	(0.000)

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 \$(75,088).

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	\$ 93,200	\$
Changes of assumptions or other inputs	795,765	
Net difference between projected and actual earnings on pension investments		1,937,078
Changes in proportion and differences between contributions and proportionate share of contributions		476,044
Contributions subsequent to the measurement date	735,465	
Total	\$ 1,624,430	\$ 2,413,122

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – PENSIONS

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	\$	(438,324)
2024		8,725
2025		(427,026)
2026		(667,532)

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.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – PENSIONS

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

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

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	\$ 9,616,551	\$ 6,113,835	\$ 3,193,540

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$	\$	\$ 259,886	\$ 259,886
Property taxes			124	124
State aid and grants			3,723,693	3,723,693
Total revenues			<u>3,983,703</u>	<u>3,983,703</u>
Expenditures:				
Current -				
Instruction	5,962,185	5,609,963	3,701,019	1,908,944
Support services - students and staff	670,100	769,300	762,184	7,116
Support services - administration	100	18,900	68,814	(49,914)
Operation and maintenance of plant services		17,000	19,142	(2,142)
Student transportation services	961,000	985,200	1,045,689	(60,489)
Operation of non-instructional services	20,000	20,000	20,000	
Total expenditures	<u>7,613,385</u>	<u>7,420,363</u>	<u>5,616,848</u>	<u>1,803,515</u>
Excess (deficiency) of revenues over expenditures	<u>(7,613,385)</u>	<u>(7,420,363)</u>	<u>(1,633,145)</u>	<u>5,787,218</u>
Other financing sources (uses):				
Transfers in			1,831,248	1,831,248
Total other financing sources (uses)			<u>1,831,248</u>	<u>1,831,248</u>
Changes in fund balances	<u>(7,613,385)</u>	<u>(7,420,363)</u>	<u>198,103</u>	<u>7,618,466</u>
Fund balances, beginning of year, as restated			3,785,646	3,785,646
Increase (decrease) in reserve for prepaid items			(76,999)	(76,999)
Fund balances (deficits), end of year	<u>\$ (7,613,385)</u>	<u>\$ (7,420,363)</u>	<u>\$ 3,906,750</u>	<u>\$ 11,327,113</u>

See accompanying notes to this schedule.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
INDIAN EDUCATION
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Federal aid, grants and reimbursements	\$	\$ 67,561	\$ 67,561
Total revenues	<u></u>	<u>67,561</u>	<u>67,561</u>
Expenditures:			
Current -			
Instruction		63,298	(63,298)
Total expenditures		<u>63,298</u>	<u>(63,298)</u>
Changes in fund balances		<u>4,263</u>	<u>4,263</u>
Fund balances (deficits), beginning of year, as restated		(113,829)	(113,829)
Fund balances (deficits), end of year	<u>\$</u>	<u>(109,566)</u>	<u>\$ (109,566)</u>

See accompanying notes to this schedule.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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 Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 1,741,911	\$ 1,741,911
Total revenues			<u>1,741,911</u>	<u>1,741,911</u>
Expenditures:				
Current -				
Instruction			354,206	(354,206)
Support services - students and staff			166,204	(166,204)
Support services - administration			66,558	(66,558)
Operation and maintenance of plant services			142,748	(142,748)
Student transportation services			52,111	(52,111)
Capital outlay	5,933,098	389,676	1,392,732	(1,003,056)
Total expenditures	<u>5,933,098</u>	<u>389,676</u>	<u>2,174,559</u>	<u>(1,784,883)</u>
Excess (deficiency) of revenues over expenditures	<u>(5,933,098)</u>	<u>(389,676)</u>	<u>(432,648)</u>	<u>(42,972)</u>
Other financing sources (uses):				
Transfers out			(49,000)	(49,000)
Total other financing sources (uses)			<u>(49,000)</u>	<u>(49,000)</u>
Changes in fund balances	<u>(5,933,098)</u>	<u>(389,676)</u>	<u>(481,648)</u>	<u>(91,972)</u>
Fund balances (deficits), beginning of year			(201,347)	(201,347)
Fund balances (deficits), end of year	<u>\$ (5,933,098)</u>	<u>\$ (389,676)</u>	<u>\$ (682,995)</u>	<u>\$ (293,319)</u>

See accompanying notes to this schedule.

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SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	0.05%	0.05%	0.06%	0.06%
District's proportionate share of the net pension (assets) liability	\$ 6,113,835	\$ 8,108,811	\$ 8,196,670	\$ 8,220,056
District's covered payroll	\$ 5,208,884	\$ 5,750,585	\$ 5,901,664	\$ 5,835,963
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	117.37%	141.01%	138.89%	140.85%
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	\$ 735,465	\$ 606,835	\$ 658,442	\$ 659,806
Contributions in relation to the actuarially determined contribution	<u>735,465</u>	<u>606,835</u>	<u>658,442</u>	<u>659,806</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 6,123,772	\$ 5,208,884	\$ 5,750,585	\$ 5,901,664
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
0.06%	0.06%	0.07%	0.07%
\$ 9,161,452	\$ 10,097,812	\$ 10,365,344	\$ 10,222,592
\$ 5,615,102	\$ 5,881,880	\$ 5,982,470	\$ 6,095,206
163.16%	171.68%	173.26%	167.72%
69.92%	67.06%	68.35%	69.49%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 636,120	\$ 605,308	\$ 638,184	\$ 652,187
<u>636,120</u>	<u>605,308</u>	<u>638,184</u>	<u>652,187</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 5,835,963	\$ 5,615,102	\$ 5,881,880	\$ 5,982,470
10.90%	10.78%	10.85%	10.90%

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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.
- 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:

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 9,634,646	\$ 9,580,300
Activity budgeted as special revenue funds	(4,017,798)	(5,388,845)
Employee insurance account		(284,705)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 5,616,848	\$ 3,906,750

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 1,182,251	\$ 4,075	\$ 317,933
Due from governmental entities	109,716		
Total assets	<u>\$ 1,291,967</u>	<u>\$ 4,075</u>	<u>\$ 317,933</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 106,125	\$	\$ 8,622
Due to other funds	72,472		
Unearned revenues	196,246		
Total liabilities	<u>374,843</u>		<u>8,622</u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>28,673</u>		
Fund balances (deficits):			
Restricted	943,300	4,075	309,311
Unassigned	(54,849)		
Total fund balances	<u>888,451</u>	<u>4,075</u>	<u>309,311</u>
 Total liabilities, deferred inflows of resources and fund balances	 <u>\$ 1,291,967</u>	 <u>\$ 4,075</u>	 <u>\$ 317,933</u>

Total Non-Major
Governmental
Funds

\$ 1,504,259
109,716
\$ 1,613,975

\$ 114,747
72,472
196,246
383,465

28,673

1,256,686
(54,849)
1,201,837

\$ 1,613,975

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 102,819	\$ 2,021	\$ 15,528
Property taxes		34	
State aid and grants	818,710		198,587
Federal aid, grants and reimbursements	1,827,785		
Total revenues	<u>2,749,314</u>	<u>2,055</u>	<u>214,115</u>
Expenditures:			
Current -			
Instruction	891,487		
Support services - students and staff	775,328		
Support services - administration	264,922		
Operation and maintenance of plant services	85,006		
Student transportation services	9,599		
Operation of non-instructional services	473,601		
Capital outlay	190,120		138,230
Total expenditures	<u>2,690,063</u>	<u> </u>	<u>138,230</u>
Excess (deficiency) of revenues over expenditures	<u>59,251</u>	<u>2,055</u>	<u>75,885</u>
Other financing sources (uses):			
Transfers out	(51,595)		
Total other financing sources (uses)	<u>(51,595)</u>	<u> </u>	<u> </u>
Changes in fund balances	<u>7,656</u>	<u>2,055</u>	<u>75,885</u>
Fund balances, beginning of year, as restated	880,795	2,020	233,426
Fund balances, end of year	<u>\$ 888,451</u>	<u>\$ 4,075</u>	<u>\$ 309,311</u>

Total Non-Major
Governmental
Funds

\$ 120,368
34
1,017,297
1,827,785
2,965,484

891,487
775,328
264,922
85,006
9,599
473,601
328,350
2,828,293

137,191

(51,595)
(51,595)

85,596

1,116,241

\$ 1,201,837

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.

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.

Flexibility and Accountability- To account for Federal funds to the programs and activities that most effectively address the unique needs of States and localities.

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

Johnson-O'Malley Fund – to account for financial assistance received to meet the unique educational needs of eligible Indian 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.

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

Impact Aid - to account for financial assistance to local educational agencies that are financially burdened by federal activities.

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

Rural Assistance - to account for state assistance distributed to school districts located in a county with a population of less than 500,000.

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.

Career and Technical Education Projects - to account for activity related to the production and subsequent sale of items produced in an instructional program by career and technical education pupils.

Fingerprint - to account for activity of fingerprinting employees as mandated by the State.

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.

Teacherage - to account for the operations of District housing facilities provided for employees of the District exclusively on Indian and federal lands.

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

Career Technical Education - to account for monies received from Career Technical Education Districts for vocational education programs.

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Classroom Site	Instructional Improvement	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 676,600	\$ 110,049	\$
Due from governmental entities		11,402	43,799
Total assets	\$ 676,600	\$ 121,451	\$ 43,799
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			43,799
Unearned revenues			
Total liabilities			43,799
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	676,600	121,451	
Unassigned			
Total fund balances	676,600	121,451	
 Total liabilities, deferred inflows of resources and fund balances	 \$ 676,600	 \$ 121,451	 \$ 43,799

Professional Development and Technology Grants	Title IV Grants	Special Education Grants	Johnson O'Malley	Vocational Education	E-Rate
\$ 7,673	\$ 2	\$ 20,998	\$ 16,241	\$ 476	\$ 58,604
<u>\$ 7,673</u>	<u>\$ 2</u>	<u>\$ 20,998</u>	<u>\$ 16,241</u>	<u>\$ 476</u>	<u>\$ 58,604</u>
\$ 7,673	\$ 2	\$ 20,998	\$ 16,241	\$ 476	\$ 84,780
<u>7,673</u>	<u>2</u>	<u>20,998</u>	<u>16,241</u>	<u>476</u>	<u>84,780</u>
<u>7,673</u>	<u>2</u>	<u>20,998</u>			
<u>(7,673)</u>	<u>(2)</u>	<u>(20,998)</u>			<u>(26,176)</u>
<u>(7,673)</u>	<u>(2)</u>	<u>(20,998)</u>			<u>(26,176)</u>
<u>\$ 7,673</u>	<u>\$ 2</u>	<u>\$ 20,998</u>	<u>\$ 16,241</u>	<u>\$ 476</u>	<u>\$ 58,604</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Other State Projects	Food Service	Civic Center
<u>ASSETS</u>			
Cash and investments	\$ 179,529	\$ 69,663	\$ 65
Due from governmental entities		25,842	
Total assets	\$ 179,529	\$ 95,505	\$ 65
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 20,906	\$
Due to other funds			
Unearned revenues	179,529		
Total liabilities	179,529	20,906	
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	_____	_____	_____
Fund balances (deficits):			
Restricted		74,599	65
Unassigned			
Total fund balances	_____	74,599	65
 Total liabilities, deferred inflows of resources and fund balances	\$ 179,529	\$ 95,505	\$ 65

<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Career and Technical Education Projects</u>	<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Career Technical Education</u>
\$ 3,119	\$ 10,844	\$ 828	\$ 881	\$ 7,013	\$ 21,847
<u>\$ 3,119</u>	<u>\$ 10,844</u>	<u>\$ 828</u>	<u>\$ 881</u>	<u>\$ 7,013</u>	<u>\$ 21,847</u>
\$	\$	\$	\$	\$	\$
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
3,119	10,844	828	881	7,013	21,847
<u>3,119</u>	<u>10,844</u>	<u>828</u>	<u>881</u>	<u>7,013</u>	<u>21,847</u>
<u>\$ 3,119</u>	<u>\$ 10,844</u>	<u>\$ 828</u>	<u>\$ 881</u>	<u>\$ 7,013</u>	<u>\$ 21,847</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	<u>Student Activities</u>	<u>Totals</u>
<u>ASSETS</u>		
Cash and investments	\$ 26,492	\$ 1,182,251
Due from governmental entities		109,716
Total assets	\$ 26,492	\$ 1,291,967
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>		
<u>AND FUND BALANCES</u>		
Liabilities:		
Accounts payable	\$ 439	\$ 106,125
Due to other funds		72,472
Unearned revenues		196,246
Total liabilities	439	374,843
Deferred inflows of resources:		
Unavailable revenues - intergovernmental		28,673
Fund balances (deficits):		
Restricted	26,053	943,300
Unassigned		(54,849)
Total fund balances	26,053	888,451
 Total liabilities, deferred inflows of resources and fund balances	 \$ 26,492	 \$ 1,291,967

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SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Classroom Site	Instructional Improvement	English Language Learner
Revenues:			
Other local	\$ 3,156	\$ 423	\$ 24
State aid and grants	654,068	35,212	6,294
Federal aid, grants and reimbursements			
Total revenues	657,224	35,635	6,318
Expenditures:			
Current -			
Instruction	605,124	8,840	6,294
Support services - students and staff	45,504	5,707	
Support services - administration		2,827	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	650,628	17,374	6,294
Excess (deficiency) of revenues over expenditures	6,596	18,261	24
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	6,596	18,261	24
Fund balances (deficits), beginning of year, as restated	670,004	103,190	(24)
Fund balances (deficits), end of year	\$ 676,600	\$ 121,451	\$

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Special Education Grants</u>	<u>Johnson O'Malley</u>
\$	\$	\$	\$	\$	\$
747,370	88,921	85,021	763	210,608	70,897
<u>747,370</u>	<u>88,921</u>	<u>85,021</u>	<u>763</u>	<u>210,608</u>	<u>70,897</u>
119,438		12,142		5,679	4,114
292,679	84,230	9,250		198,629	
228,094	6,857				1,440
9,599					
60,899		46,918		22,198	
<u>710,709</u>	<u>91,087</u>	<u>68,310</u>		<u>226,506</u>	<u>5,554</u>
36,661	(2,166)	16,711	763	(15,898)	65,343
(36,661)	(2,492)	(3,641)		(5,100)	(2,701)
<u>(36,661)</u>	<u>(2,492)</u>	<u>(3,641)</u>		<u>(5,100)</u>	<u>(2,701)</u>
	(4,658)	13,070	763	(20,998)	62,642
	(3,015)	(13,072)	(763)		(62,642)
<u>\$</u>	<u>\$ (7,673)</u>	<u>\$ (2)</u>	<u>\$</u>	<u>\$ (20,998)</u>	<u>\$</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$	\$ 227	\$
State aid and grants			8,079
Federal aid, grants and reimbursements	37,662		
Total revenues	37,662	227	8,079
Expenditures:			
Current -			
Instruction	10,413		8,079
Support services - students and staff	25,187		
Support services - administration			
Operation and maintenance of plant services	1,062	81,780	
Student transportation services			
Operation of non-instructional services			
Capital outlay		4,568	
Total expenditures	36,662	86,348	8,079
Excess (deficiency) of revenues over expenditures	1,000	(86,121)	
Other financing sources (uses):			
Transfers out	(1,000)		
Total other financing sources (uses)	(1,000)		
Changes in fund balances		(86,121)	
Fund balances (deficits), beginning of year, as restated		59,945	
Fund balances (deficits), end of year	\$	\$ (26,176)	\$

Other State Projects	Food Service	Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Career and Technical Education Projects
\$ 115,057	\$ 5,076	\$	\$ 13	\$ 1,399	\$
<u>115,057</u>	<u>586,543</u>	<u></u>	<u>13</u>	<u>1,399</u>	<u></u>
	<u>591,619</u>	<u></u>	<u></u>	<u></u>	<u></u>
6,266		13		1,441	9,517
108,791					270
	976				
	473,601				
	48,561				
<u>115,057</u>	<u>523,138</u>	<u>13</u>	<u></u>	<u>1,441</u>	<u>9,787</u>
	<u>68,481</u>	<u>(13)</u>	<u>13</u>	<u>(42)</u>	<u>(9,787)</u>
	<u>68,481</u>	<u>(13)</u>	<u>13</u>	<u>(42)</u>	<u>(9,787)</u>
	6,118	78	3,106	10,886	10,615
<u>\$</u>	<u>\$ 74,599</u>	<u>\$ 65</u>	<u>\$ 3,119</u>	<u>\$ 10,844</u>	<u>\$ 828</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Fingerprint	Textbooks	Insurance Refund
Revenues:			
Other local	\$	\$ 374	\$ 136
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	_____	374	136
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	1,405		21,819
Operation and maintenance of plant services			1,188
Student transportation services			
Operation of non-instructional services			
Capital outlay			6,672
Total expenditures	1,405	_____	29,679
Excess (deficiency) of revenues over expenditures	(1,405)	374	(29,543)
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)	_____	_____	_____
Changes in fund balances	(1,405)	374	(29,543)
Fund balances (deficits), beginning of year, as restated	1,405	507	36,556
Fund balances, end of year	\$ _____	\$ 881	\$ 7,013

<u>Career Technical Education</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 88,095	\$ 3,896	\$ 102,819
		818,710
		1,827,785
<u>88,095</u>	<u>3,896</u>	<u>2,749,314</u>
89,360	4,767	891,487
5,351		775,328
2,210		264,922
		85,006
		9,599
		473,601
304		190,120
<u>97,225</u>	<u>4,767</u>	<u>2,690,063</u>
<u>(9,130)</u>	<u>(871)</u>	<u>59,251</u>
		(51,595)
		<u>(51,595)</u>
<u>(9,130)</u>	<u>(871)</u>	<u>7,656</u>
30,977	26,924	880,795
<u>\$ 21,847</u>	<u>\$ 26,053</u>	<u>\$ 888,451</u>

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$	\$ 3,156	\$ 3,156
State aid and grants		654,068	654,068
Federal aid, grants and reimbursements			
Total revenues		<u>657,224</u>	<u>657,224</u>
Expenditures:			
Current -			
Instruction	1,102,567	605,124	497,443
Support services - students and staff	210,000	45,504	164,496
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>1,312,567</u>	<u>650,628</u>	<u>661,939</u>
Excess (deficiency) of revenues over expenditures	<u>(1,312,567)</u>	<u>6,596</u>	<u>1,319,163</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance proceeds			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,312,567)</u>	<u>6,596</u>	<u>1,319,163</u>
Fund balances (deficits), beginning of year, as restated		670,004	670,004
Fund balances (deficits), end of year	<u>\$ (1,312,567)</u>	<u>\$ 676,600</u>	<u>\$ 1,989,167</u>

Instructional Improvement			English Language Learner		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 423 35,212	\$ 423 35,212	\$	\$ 24 6,294	\$ 24 6,294
	<u>35,635</u>	<u>35,635</u>		<u>6,318</u>	<u>6,318</u>
109,103	8,840 5,707 2,827	100,263 (5,707) (2,827)	8,006	6,294	1,712
<u>109,103</u>	<u>17,374</u>	<u>91,729</u>	<u>8,006</u>	<u>6,294</u>	<u>1,712</u>
<u>(109,103)</u>	<u>18,261</u>	<u>127,364</u>	<u>(8,006)</u>	<u>24</u>	<u>8,030</u>
<u>(109,103)</u>	<u>18,261</u>	<u>127,364</u>	<u>(8,006)</u>	<u>24</u>	<u>8,030</u>
	103,190	103,190		(24)	(24)
<u>\$ (109,103)</u>	<u>\$ 121,451</u>	<u>\$ 230,554</u>	<u>\$ (8,006)</u>	<u>\$</u>	<u>\$ 8,006</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Title I Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		747,370	747,370
Total revenues		<u>747,370</u>	<u>747,370</u>
Expenditures:			
Current -			
Instruction		119,438	(119,438)
Support services - students and staff		292,679	(292,679)
Support services - administration	933,767	228,094	705,673
Operation and maintenance of plant services			
Student transportation services		9,599	(9,599)
Operation of non-instructional services			
Capital outlay		60,899	(60,899)
Total expenditures	<u>933,767</u>	<u>710,709</u>	<u>223,058</u>
Excess (deficiency) of revenues over expenditures	<u>(933,767)</u>	<u>36,661</u>	<u>970,428</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(36,661)	(36,661)
Insurance proceeds			
Total other financing sources (uses)		<u>(36,661)</u>	<u>(36,661)</u>
Changes in fund balances	<u>(933,767)</u>		<u>933,767</u>
Fund balances (deficits), beginning of year, as restated			
Fund balances (deficits), end of year	<u>\$ (933,767)</u>	<u>\$</u>	<u>\$ 933,767</u>

Professional Development and Technology Grants			Title IV Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	88,921	88,921		85,021	85,021
	88,921	88,921		85,021	85,021
160,247	84,230	76,017		12,142	(12,142)
	6,857	(6,857)		9,250	(9,250)
			77,909	46,918	30,991
160,247	91,087	69,160	77,909	68,310	9,599
(160,247)	(2,166)	158,081	(77,909)	16,711	94,620
	(2,492)	(2,492)		(3,641)	(3,641)
	(2,492)	(2,492)		(3,641)	(3,641)
(160,247)	(4,658)	155,589	(77,909)	13,070	90,979
	(3,015)	(3,015)		(13,072)	(13,072)
\$ (160,247)	\$ (7,673)	\$ 152,574	\$ (77,909)	\$ (2)	\$ 77,907

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Limited English and Immigrant Students		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		763	763
Total revenues		763	763
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		763	763
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance proceeds			
Total other financing sources (uses)			
Changes in fund balances		763	763
Fund balances (deficits), beginning of year, as restated		(763)	(763)
Fund balances (deficits), end of year	\$	\$	\$

Flexibility and Accountability			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				210,608	210,608
				210,608	210,608
134,000		134,000	209,515	5,679	(5,679)
				198,629	10,886
				22,198	(22,198)
134,000		134,000	209,515	226,506	(16,991)
(134,000)		134,000	(209,515)	(15,898)	193,617
				(5,100)	(5,100)
				(5,100)	(5,100)
(134,000)		134,000	(209,515)	(20,998)	188,517
\$ (134,000)	\$	\$ 134,000	\$ (209,515)	\$ (20,998)	\$ 188,517

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Johnson O'Malley		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		70,897	70,897
Total revenues		<u>70,897</u>	<u>70,897</u>
Expenditures:			
Current -			
Instruction	53,291	4,114	49,177
Support services - students and staff			
Support services - administration		1,440	(1,440)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>53,291</u>	<u>5,554</u>	<u>47,737</u>
Excess (deficiency) of revenues over expenditures	<u>(53,291)</u>	<u>65,343</u>	<u>118,634</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(2,701)	(2,701)
Insurance proceeds			
Total other financing sources (uses)		<u>(2,701)</u>	<u>(2,701)</u>
Changes in fund balances	<u>(53,291)</u>	<u>62,642</u>	<u>115,933</u>
Fund balances (deficits), beginning of year, as restated		(62,642)	(62,642)
Fund balances (deficits), end of year	<u>\$ (53,291)</u>	<u>\$</u>	<u>\$ 53,291</u>

Vocational Education			E-Rate		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$ 227	\$ 227
	37,662	37,662		227	227
	37,662	37,662			
49,267	10,413 25,187	(10,413) 24,080			
	1,062	(1,062)	84,780	81,780	3,000
				4,568	(4,568)
49,267	36,662	12,605	84,780	86,348	(1,568)
(49,267)	1,000	50,267	(84,780)	(86,121)	(1,341)
	(1,000)	(1,000)			
	(1,000)	(1,000)			
(49,267)		49,267	(84,780)	(86,121)	(1,341)
				59,945	59,945
\$ (49,267)	\$	\$ 49,267	\$ (84,780)	\$ (26,176)	\$ 58,604

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Impact Aid		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		5,002,406	5,002,406
Total revenues		<u>5,002,406</u>	<u>5,002,406</u>
Expenditures:			
Current -			
Instruction		45,388	(45,388)
Support services - students and staff		159,818	(159,818)
Support services - administration		1,526,703	(1,526,703)
Operation and maintenance of plant services	4,980,906	1,963,512	3,017,394
Student transportation services			
Operation of non-instructional services			
Capital outlay		26,483	(26,483)
Total expenditures	<u>4,980,906</u>	<u>3,721,904</u>	<u>1,259,002</u>
Excess (deficiency) of revenues over expenditures	<u>(4,980,906)</u>	<u>1,280,502</u>	<u>6,261,408</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(1,831,248)	(1,831,248)
Insurance proceeds			
Total other financing sources (uses)		<u>(1,831,248)</u>	<u>(1,831,248)</u>
Changes in fund balances	<u>(4,980,906)</u>	<u>(550,746)</u>	<u>4,430,160</u>
Fund balances (deficits), beginning of year, as restated		5,638,224	5,638,224
Fund balances (deficits), end of year	<u>\$ (4,980,906)</u>	<u>\$ 5,087,478</u>	<u>\$ 10,068,384</u>

State Vocational Education			Rural Assistance		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 8,079	\$ 8,079	\$	\$ 231	\$ 231
	<u>8,079</u>	<u>8,079</u>		<u>231</u>	<u>231</u>
8,079	8,079			231	(231)
<u>8,079</u>	<u>8,079</u>			<u>231</u>	<u>(231)</u>
<u>(8,079)</u>		<u>8,079</u>			
<u>(8,079)</u>		<u>8,079</u>			
				231	231
<u>\$ (8,079)</u>	<u>\$</u>	<u>\$ 8,079</u>	<u>\$</u>	<u>\$ 231</u>	<u>\$ 231</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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		115,057	115,057
Federal aid, grants and reimbursements			
Total revenues		<u>115,057</u>	<u>115,057</u>
Expenditures:			
Current -			
Instruction		6,266	(6,266)
Support services - students and staff	276,549	108,791	167,758
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>276,549</u>	<u>115,057</u>	<u>161,492</u>
Excess (deficiency) of revenues over expenditures	<u>(276,549)</u>		<u>276,549</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance proceeds			
Total other financing sources (uses)			
Changes in fund balances	<u>(276,549)</u>		<u>276,549</u>
Fund balances (deficits), beginning of year, as restated			
Fund balances (deficits), end of year	<u>\$ (276,549)</u>	<u>\$</u>	<u>\$ 276,549</u>

School Plant			Food Service		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 21,253	\$ 21,253	\$	\$ 5,076	\$ 5,076
				586,543	586,543
	<u>21,253</u>	<u>21,253</u>		<u>591,619</u>	<u>591,619</u>
	3,047	(3,047)			
				976	(976)
			600,000	473,601	126,399
<u>30,000</u>	<u>11,940</u>	<u>18,060</u>		<u>48,561</u>	<u>(48,561)</u>
<u>30,000</u>	<u>14,987</u>	<u>15,013</u>	<u>600,000</u>	<u>523,138</u>	<u>76,862</u>
<u>(30,000)</u>	<u>6,266</u>	<u>36,266</u>	<u>(600,000)</u>	<u>68,481</u>	<u>668,481</u>
<u>(30,000)</u>	<u>6,266</u>	<u>36,266</u>	<u>(600,000)</u>	<u>68,481</u>	<u>668,481</u>
	27,764	27,764		6,118	6,118
<u>\$ (30,000)</u>	<u>\$ 34,030</u>	<u>\$ 64,030</u>	<u>\$ (600,000)</u>	<u>\$ 74,599</u>	<u>\$ 674,599</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction	78	13	65
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	78	13	65
Excess (deficiency) of revenues over expenditures	(78)	(13)	65
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance proceeds			
Total other financing sources (uses)			
Changes in fund balances	(78)	(13)	65
Fund balances (deficits), beginning of year, as restated		78	78
Fund balances (deficits), end of year	\$ (78)	\$ 65	\$ 143

Community School			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 13	\$ 13	\$	\$ 21,778	\$ 21,778
	<u>13</u>	<u>13</u>		<u>21,778</u>	<u>21,778</u>
3,113		3,113	4,903	13,640	(8,737)
				58	(58)
<u>3,113</u>	<u></u>	<u>3,113</u>	<u>4,903</u>	<u>13,698</u>	<u>(8,795)</u>
<u>(3,113)</u>	<u>13</u>	<u>3,126</u>	<u>(4,903)</u>	<u>8,080</u>	<u>12,983</u>
<u>(3,113)</u>	<u>13</u>	<u>3,126</u>	<u>(4,903)</u>	<u>8,080</u>	<u>12,983</u>
	3,106	3,106		16,929	16,929
<u>\$ (3,113)</u>	<u>\$ 3,119</u>	<u>\$ 6,232</u>	<u>\$ (4,903)</u>	<u>\$ 25,009</u>	<u>\$ 29,912</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$	\$ 1,399	\$ 1,399
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	1,742	1,441	301
Expenditures:			
Current -			
Instruction	1,742	1,441	301
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	1,742	1,441	301
Excess (deficiency) of revenues over expenditures	(1,742)	(42)	1,700
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance proceeds			
Total other financing sources (uses)			
Changes in fund balances	(1,742)	(42)	1,700
Fund balances (deficits), beginning of year, as restated		10,886	10,886
Fund balances (deficits), end of year	\$ (1,742)	\$ 10,844	\$ 12,586

Gifts and Donations			Career and Technical Education Projects		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 21,455	\$ 21,455	\$	\$	\$
	<u>21,455</u>	<u>21,455</u>			
	4,799	(4,799)	20,632	9,517	11,115
				270	(270)
	4,869	(4,869)			
<u>11,761</u>	<u>19,653</u>	<u>(7,892)</u>	<u>20,632</u>	<u>9,787</u>	<u>10,845</u>
<u>11,761</u>	<u>29,321</u>	<u>(17,560)</u>	<u>20,632</u>	<u>9,787</u>	<u>10,845</u>
<u>(11,761)</u>	<u>(7,866)</u>	<u>3,895</u>	<u>(20,632)</u>	<u>(9,787)</u>	<u>10,845</u>
<u>(11,761)</u>	<u>(7,866)</u>	<u>3,895</u>	<u>(20,632)</u>	<u>(9,787)</u>	<u>10,845</u>
	19,928	19,928		10,615	10,615
<u>\$ (11,761)</u>	<u>\$ 12,062</u>	<u>\$ 23,823</u>	<u>\$ (20,632)</u>	<u>\$ 828</u>	<u>\$ 21,460</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Fingerprint		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	1,405	1,405	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,405	1,405	
Excess (deficiency) of revenues over expenditures	(1,405)	(1,405)	
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance proceeds			
Total other financing sources (uses)			
Changes in fund balances	(1,405)	(1,405)	
Fund balances (deficits), beginning of year, as restated		1,405	1,405
Fund balances (deficits), end of year	\$ (1,405)	\$	\$ 1,405

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 100	\$ 100	\$	\$ 374	\$ 374
	<u>100</u>	<u>100</u>		<u>374</u>	<u>374</u>
			507		507
	4,377	(4,377)			
	118	(118)			
<u>50,191</u>	<u>47,591</u>	<u>2,600</u>	<u>507</u>		<u>507</u>
<u>50,191</u>	<u>52,086</u>	<u>(1,895)</u>			
<u>(50,191)</u>	<u>(51,986)</u>	<u>(1,795)</u>	<u>(507)</u>	<u>374</u>	<u>881</u>
	1,795	1,795			
	<u>1,795</u>	<u>1,795</u>			
<u>(50,191)</u>	<u>(50,191)</u>		<u>(507)</u>	<u>374</u>	<u>881</u>
	50,191	50,191		507	507
<u>\$ (50,191)</u>	<u>\$</u>	<u>\$ 50,191</u>	<u>\$ (507)</u>	<u>\$ 881</u>	<u>\$ 1,388</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 20	\$ 20
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues	9,097	9,117	(20)
Expenditures:			
Current -			
Instruction		17	(17)
Support services - students and staff			
Support services - administration		3,560	(3,560)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	9,097	5,540	3,557
Total expenditures	9,097	9,117	(20)
Excess (deficiency) of revenues over expenditures	(9,097)	(9,097)	
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance proceeds			
Total other financing sources (uses)			
Changes in fund balances	(9,097)	(9,097)	
Fund balances (deficits), beginning of year, as restated		9,097	9,097
Fund balances (deficits), end of year	\$ (9,097)	\$	\$ 9,097

Indirect Costs			Teacherage		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 18,057	\$ 18,057	\$	\$ 121,783	\$ 121,783
	<u>18,057</u>	<u>18,057</u>		<u>121,783</u>	<u>121,783</u>
250,000	1,654 69,445	(1,654) 180,555	235,000	150 86,750	(150) 148,250
<u>250,000</u>	<u>3,270</u> <u>74,369</u>	<u>(3,270)</u> <u>175,631</u>	<u>235,000</u>	<u>15,185</u> <u>102,085</u>	<u>(15,185)</u> <u>132,915</u>
<u>(250,000)</u>	<u>(56,312)</u>	<u>193,688</u>	<u>(235,000)</u>	<u>19,698</u>	<u>254,698</u>
	100,595	100,595			
	<u>100,595</u>	<u>100,595</u>			
<u>(250,000)</u>	<u>44,283</u>	<u>294,283</u>	<u>(235,000)</u>	<u>19,698</u>	<u>254,698</u>
	118,306	118,306		47,748	47,748
<u>\$ (250,000)</u>	<u>\$ 162,589</u>	<u>\$ 412,589</u>	<u>\$ (235,000)</u>	<u>\$ 67,446</u>	<u>\$ 302,446</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Insurance Refund		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 136	\$ 136
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>136</u>	<u>136</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration	36,556	21,819	14,737
Operation and maintenance of plant services		1,188	(1,188)
Student transportation services			
Operation of non-instructional services			
Capital outlay		6,672	(6,672)
Total expenditures	<u>36,556</u>	<u>29,679</u>	<u>6,877</u>
Excess (deficiency) of revenues over expenditures	<u>(36,556)</u>	<u>(29,543)</u>	<u>7,013</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Insurance proceeds			
Total other financing sources (uses)			
Changes in fund balances	<u>(36,556)</u>	<u>(29,543)</u>	<u>7,013</u>
Fund balances (deficits), beginning of year, as restated		36,556	36,556
Fund balances (deficits), end of year	<u>\$ (36,556)</u>	<u>\$ 7,013</u>	<u>\$ 43,569</u>

Career Technical Education			Student Activities		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 88,095	\$ 88,095	\$	\$ 3,896	\$ 3,896
	<u>88,095</u>	<u>88,095</u>		<u>3,896</u>	<u>3,896</u>
27,253	89,360	(62,107)	65,000	4,767	60,233
	5,351	(5,351)			
	2,210	(2,210)			
	304	(304)			
<u>27,253</u>	<u>97,225</u>	<u>(69,972)</u>	<u>65,000</u>	<u>4,767</u>	<u>60,233</u>
<u>(27,253)</u>	<u>(9,130)</u>	<u>18,123</u>	<u>(65,000)</u>	<u>(871)</u>	<u>64,129</u>
<u>(27,253)</u>	<u>(9,130)</u>	<u>18,123</u>	<u>(65,000)</u>	<u>(871)</u>	<u>64,129</u>
	30,977	30,977		26,924	26,924
<u>\$ (27,253)</u>	<u>\$ 21,847</u>	<u>\$ 49,100</u>	<u>\$ (65,000)</u>	<u>\$ 26,053</u>	<u>\$ 91,053</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$	\$ 307,265	\$ 307,265
State aid and grants		818,941	818,941
Federal aid, grants and reimbursements		6,830,191	6,830,191
Total revenues		<u>7,956,397</u>	<u>7,956,397</u>
Expenditures:			
Current -			
Instruction	1,538,274	958,609	579,665
Support services - students and staff	905,578	936,800	(31,222)
Support services - administration	1,221,728	1,864,838	(643,110)
Operation and maintenance of plant services	5,300,686	2,139,645	3,161,041
Student transportation services		9,717	(9,717)
Operation of non-instructional services	600,000	478,470	121,530
Capital outlay	178,958	319,782	(140,824)
Total expenditures	<u>9,745,224</u>	<u>6,707,861</u>	<u>3,037,363</u>
Excess (deficiency) of revenues over expenditures	<u>(9,745,224)</u>	<u>1,248,536</u>	<u>10,993,760</u>
Other financing sources (uses):			
Transfers in		100,595	100,595
Transfers out		(1,882,843)	(1,882,843)
Insurance proceeds		1,795	1,795
Total other financing sources (uses)		<u>(1,780,453)</u>	<u>(1,780,453)</u>
Changes in fund balances	<u>(9,745,224)</u>	<u>(531,917)</u>	<u>9,213,307</u>
Fund balances (deficits), beginning of year, as restated		6,809,213	6,809,213
Fund balances (deficits), end of year	<u>\$ (9,745,224)</u>	<u>\$ 6,277,296</u>	<u>\$ 16,022,520</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.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$	\$ 2,021	\$ 2,021
Property taxes		34	34
Total revenues		<u>2,055</u>	<u>2,055</u>
Expenditures:			
Debt service -			
Interest and fiscal charges	264		264
Total expenditures	<u>264</u>		<u>264</u>
Changes in fund balances	<u>(264)</u>	<u>2,055</u>	<u>2,319</u>
Fund balances, beginning of year, as restated		2,020	2,020
Fund balances (deficits), end of year	<u>\$ (264)</u>	<u>\$ 4,075</u>	<u>\$ 4,339</u>

CAPITAL PROJECTS FUNDS

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

Federal Impact Aid - Construction - to account for transactions relating to the construction projects funded with the District's Federal Impact Aid.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUND
JUNE 30, 2022

	Unrestricted Capital Outlay
<u>ASSETS</u>	
Cash and investments	\$ 317,933
Total assets	\$ 317,933
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities:	
Accounts payable	\$ 8,622
Total liabilities	8,622
Fund balances:	
Restricted	309,311
Total fund balances	309,311
 Total liabilities and fund balances	 \$ 317,933

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Unrestricted Capital Outlay	Federal Impact Aid - Construction	Totals
Revenues:			
Other local	\$ 15,522	\$ 6	\$ 15,528
State aid and grants	198,587		198,587
Total revenues	<u>214,109</u>	<u>6</u>	<u>214,115</u>
Expenditures:			
Capital outlay	136,737	1,493	138,230
Total expenditures	<u>136,737</u>	<u>1,493</u>	<u>138,230</u>
Changes in fund balances	<u>77,372</u>	<u>(1,487)</u>	<u>75,885</u>
Fund balances, beginning of year, as restated	231,939	1,487	233,426
Fund balances, end of year	<u>\$ 309,311</u>	<u>\$</u>	<u>\$ 309,311</u>

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 15,522	\$ 15,522
State aid and grants		198,587	198,587
Total revenues		214,109	214,109
Expenditures:			
Capital outlay	939,643	136,737	802,906
Total expenditures	939,643	136,737	802,906
Changes in fund balances	(939,643)	77,372	1,017,015
Fund balances, beginning of year, as restated		231,939	231,939
Fund balances (deficits), end of year	\$ (939,643)	\$ 309,311	\$ 1,248,954

Federal Impact Aid - Construction			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 6	\$ 6	\$	\$ 15,528	\$ 15,528
				198,587	198,587
	6	6		214,115	214,115
	1,493	(1,493)	939,643	138,230	801,413
	1,493	(1,493)	939,643	138,230	801,413
	(1,487)	(1,487)	(939,643)	75,885	1,015,528
	1,487	1,487		233,426	233,426
\$	\$	\$	\$ (939,643)	\$ 309,311	\$ 1,248,954

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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. The District did not levy property taxes in fiscal years 2009-2018.

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 5 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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SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 32,854,545	\$ 33,767,210	\$ 35,312,245	\$ 36,735,065	\$ 38,237,859
Restricted	1,256,686	1,135,812	1,345,757	1,178,531	1,588,395
Unrestricted	2,423,006	1,147,048	(980,081)	(2,938,538)	(5,274,929)
Total net position	\$ 36,534,237	\$ 36,050,070	\$ 35,677,921	\$ 34,975,058	\$ 34,551,325
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 40,108,633	\$ 41,095,085	\$ 42,814,994	\$ 42,704,288	\$ 44,753,306
Restricted	2,018,552	2,550,194	2,300,711	2,678,483	2,425,469
Unrestricted	(7,134,480)	(8,372,750)	(8,229,047)	3,414,647	4,481,978
Total net position	\$ 34,992,705	\$ 35,272,529	\$ 36,886,658	\$ 48,797,418	\$ 51,660,753

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 6,147,568	\$ 6,309,863	\$ 5,542,628	\$ 5,303,818	\$ 5,252,079
Support services - students and staff	1,890,700	1,865,075	1,553,642	1,612,101	1,767,521
Support services - administration	2,238,567	1,690,567	1,573,544	1,745,833	1,701,630
Operation and maintenance of plant services	2,602,903	2,538,625	2,208,798	2,307,338	2,229,103
Student transportation services	1,418,467	1,177,430	1,074,374	1,026,194	971,619
Operation of non-instructional services	640,087	449,589	607,647	643,847	633,151
Total expenses	<u>14,938,292</u>	<u>14,031,149</u>	<u>12,560,633</u>	<u>12,639,131</u>	<u>12,555,103</u>
Program Revenues					
Charges for services:					
Instruction	145,172	103,070	204,296	87,827	54,168
Operation of non-instructional services	4,960	782	5,294	10,707	72,563
Other activities	138,982	140,886	125,078	119,737	119,352
Operating grants and contributions	4,063,959	3,291,276	1,722,555	1,997,385	2,103,037
Capital grants and contributions	130,015	289,977	273,414	236,920	40,195
Total program revenues	<u>4,483,088</u>	<u>3,825,991</u>	<u>2,330,637</u>	<u>2,452,576</u>	<u>2,389,315</u>
Net (Expense)/Revenue	<u><u>\$ (10,455,204)</u></u>	<u><u>\$ (10,205,158)</u></u>	<u><u>\$ (10,229,996)</u></u>	<u><u>\$ (10,186,555)</u></u>	<u><u>\$ (10,165,788)</u></u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 5,535,041	\$ 5,804,000	\$ 6,072,800	\$ 6,692,913	\$ 6,121,100
Support services - students and staff	1,507,987	2,143,345	2,636,706	2,432,860	2,345,849
Support services - administration	1,718,052	1,640,429	1,604,431	1,970,398	1,861,740
Operation and maintenance of plant services	2,336,320	2,436,318	2,394,982	2,648,839	2,582,440
Student transportation services	905,738	967,396	1,206,704	1,190,249	1,209,064
Operation of non-instructional services	613,625	669,183	681,892	761,809	755,989
Total expenses	<u>12,616,763</u>	<u>13,660,671</u>	<u>14,597,515</u>	<u>15,697,068</u>	<u>14,876,182</u>
Program Revenues					
Charges for services:					
Instruction	82,049	133,649	169,428	216,754	83,667
Operation of non-instructional services	55,266	54,591	114,607	77,696	93,622
Other activities	103,922	108,500	42,630	125,803	
Operating grants and contributions	2,138,637	2,478,959	2,739,404	3,005,410	2,867,572
Capital grants and contributions	258,337	87,614	138,726	605,478	441,399
Total program revenues	<u>2,638,211</u>	<u>2,863,313</u>	<u>3,204,795</u>	<u>4,031,141</u>	<u>3,486,260</u>
Net (Expense)/Revenue	<u>\$ (9,978,552)</u>	<u>\$ (10,797,358)</u>	<u>\$ (11,392,720)</u>	<u>\$ (11,665,927)</u>	<u>\$ (11,389,922)</u>

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

(Concluded)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ (10,455,204)	\$ (10,205,158)	\$ (10,229,996)	\$ (10,186,555)	\$ (10,165,788)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	124				
Property taxes, levied for debt service	34	252	94	115	260
Investment income	11,514	19,341	25,625	120,833	19,971
Unrestricted county aid	263,866	243,650	268,807	242,904	223,404
Unrestricted state aid	4,611,791	5,010,978	5,476,197	4,743,725	4,349,445
Unrestricted federal aid	5,002,406	5,303,086	5,133,048	5,502,711	5,130,000
Total general revenues	9,889,735	10,577,307	10,903,771	10,610,288	9,723,080
Changes in Net Position	\$ (565,469)	\$ 372,149	\$ 673,775	\$ 423,733	\$ (442,708)

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ (9,978,552)	\$ (10,797,358)	\$ (11,392,720)	\$ (11,665,927)	\$ (11,389,922)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes			20		
Property taxes, levied for debt service	127	1,015	3,575		
Investment income	25,239	11,749	20,963	41,394	69,912
Unrestricted county aid	297,871	319,996	325,525	294,066	319,484
Unrestricted state aid	5,207,835	4,669,137	4,695,562	4,319,029	4,613,119
Unrestricted federal aid	4,405,157	4,181,332	5,357,135	4,148,103	4,766,067
Total general revenues	<u>9,936,229</u>	<u>9,183,229</u>	<u>10,402,780</u>	<u>8,802,592</u>	<u>9,768,582</u>
Changes in Net Position	<u>\$ (42,323)</u>	<u>\$ (1,614,129)</u>	<u>\$ (989,940)</u>	<u>\$ (2,863,335)</u>	<u>\$ (1,621,340)</u>

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

(Concluded)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 1,358,542	\$ 487,931	\$ 492,905	\$ 398,977	\$ 427,554
Restricted					
Unassigned	8,210,267	8,578,960	6,884,252	5,201,250	3,416,205
Total General Fund	\$ 9,568,809	\$ 9,066,891	\$ 7,377,157	\$ 5,600,227	\$ 3,843,759
All Other Governmental Funds:					
Restricted	\$ 1,256,686	\$ 1,135,812	\$ 1,345,757	\$ 1,178,531	\$ 1,588,395
Unassigned	(847,410)	(453,650)	(128,486)	(110,400)	(89,819)
Total all other governmental funds	\$ 409,276	\$ 682,162	\$ 1,217,271	\$ 1,068,131	\$ 1,498,576

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nonspendable	\$ 617,757	\$ 606,962	\$ 629,037	\$ 550,785	\$ 550,785
Unassigned	\$ 2,642,501	\$ 1,777,804	\$ 2,243,017	\$ 3,017,842	\$ 4,055,030
Total General Fund	<u>\$ 3,335,658</u>	<u>\$ 2,384,766</u>	<u>\$ 2,872,054</u>	<u>\$ 3,568,627</u>	<u>\$ 4,605,815</u>
All Other Governmental Funds:					
Restricted	\$ 1,939,398	\$ 2,431,451	\$ 2,165,464	\$ 2,435,339	\$ 2,425,469
Unassigned			(60,928)	(26,957)	(4,373)
Total all other governmental funds	<u>\$ 1,939,398</u>	<u>\$ 2,431,451</u>	<u>\$ 2,104,536</u>	<u>\$ 2,408,382</u>	<u>\$ 2,421,096</u>

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

(Concluded)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Federal sources:					
Federal grants	\$ 3,050,714	\$ 2,934,242	\$ 1,293,548	\$ 1,479,575	\$ 1,469,261
Impact Aid	5,002,406	5,303,086	5,053,828	5,870,714	4,761,997
National School Lunch Program	586,543	217,790	533,584	548,774	512,793
Total federal sources	<u>8,639,663</u>	<u>8,455,118</u>	<u>6,880,960</u>	<u>7,899,063</u>	<u>6,744,051</u>
State sources:					
State equalization assistance	3,922,280	4,253,036	5,011,459	4,309,536	3,937,868
State grants	129,661	89,712	225,704	7,761	7,507
School Facilities Board				181,996	29,768
Other revenues	689,280	784,384	464,738	434,004	411,577
Total state sources	<u>4,741,221</u>	<u>5,127,132</u>	<u>5,701,901</u>	<u>4,933,297</u>	<u>4,386,720</u>
Local sources:					
Property taxes	158	252	94	115	260
County aid	263,866	243,650	268,807	242,904	223,404
Food service sales	4,960	782	5,294	10,707	21,629
Investment income	11,514	19,341	25,625	120,833	19,971
Other revenues	305,505	257,995	331,727	212,281	231,127
Total local sources	<u>586,003</u>	<u>522,020</u>	<u>631,547</u>	<u>586,840</u>	<u>496,391</u>
Total revenues	<u><u>\$ 13,966,887</u></u>	<u><u>\$ 14,104,270</u></u>	<u><u>\$ 13,214,408</u></u>	<u><u>\$ 13,419,200</u></u>	<u><u>\$ 11,627,162</u></u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 1,625,371	\$ 2,000,266	\$ 2,449,208	\$ 2,749,627	\$ 2,733,216
State Fiscal Stabilization (ARRA) Education Jobs					
Impact Aid	4,405,157	4,181,332	5,357,135	4,241,190	4,765,604
National School Lunch Program	526,360	542,119	488,603	549,945	526,236
Total federal sources	<u>6,556,888</u>	<u>6,723,717</u>	<u>8,294,946</u>	<u>7,540,762</u>	<u>8,025,056</u>
State sources:					
State equalization assistance	4,590,350	4,292,321	4,326,850	3,943,985	4,282,665
State grants	10,262	18,511	7,855	11,870	12,948
Other revenues	488,004	397,797	368,712	375,044	330,454
Total state sources	<u>5,326,117</u>	<u>4,708,929</u>	<u>4,703,417</u>	<u>4,330,899</u>	<u>4,626,067</u>
Local sources:					
Property taxes	127	1,015	3,595		
County aid	297,871	319,996	325,525	294,066	319,484
Food service sales	20,148	23,254	31,801	48,225	55,142
Investment income	25,239	11,749	20,963	41,394	69,912
Other revenues	225,538	274,386	335,225	335,243	244,356
Total local sources	<u>568,923</u>	<u>630,400</u>	<u>717,109</u>	<u>718,928</u>	<u>688,894</u>
Total revenues	<u>\$ 12,451,928</u>	<u>\$ 12,063,046</u>	<u>\$ 13,715,472</u>	<u>\$ 12,590,589</u>	<u>\$ 13,340,017</u>

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

(Concluded)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 5,077,132	\$ 5,051,648	\$ 4,591,344	\$ 4,579,384	\$ 4,242,533
Support services - students and staff	1,865,188	1,790,210	1,425,496	1,613,765	1,767,004
Support services - administration	2,000,210	1,398,476	1,390,920	1,639,619	1,609,668
Operation and maintenance of plant services	2,301,535	2,173,650	1,870,860	2,016,964	1,940,354
Student transportation services	1,107,517	868,965	875,261	869,769	829,765
Operation of non-instructional services	498,470	304,445	488,131	519,674	523,475
Capital outlay	1,850,744	1,360,698	769,342	825,425	488,046
Total expenditures	<u>\$ 14,700,796</u>	<u>\$ 12,948,092</u>	<u>\$ 11,411,354</u>	<u>\$ 12,064,600</u>	<u>\$ 11,400,845</u>
Expenditures for capitalized assets	\$ 691,340	\$ 76,518	\$ 320,155	\$ 220,694	\$ 50,858
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 4,675,664	\$ 4,830,666	\$ 4,896,363	\$ 5,004,523	\$ 5,194,400
Support services - students and staff	1,430,183	1,834,093	2,144,993	1,862,911	1,786,702
Support services - administration	1,566,253	1,513,099	1,429,391	1,738,516	1,658,148
Operation and maintenance of plant services	2,025,657	2,128,826	2,019,033	2,130,158	2,081,942
Student transportation services	775,199	810,414	1,000,968	908,766	961,364
Operation of non-instructional services	508,232	557,928	565,304	630,359	626,271
Capital outlay	1,022,696	526,318	2,738,091	1,365,258	1,163,754
Total expenditures	<u>\$ 12,003,884</u>	<u>\$ 12,201,344</u>	<u>\$ 14,794,143</u>	<u>\$ 13,640,491</u>	<u>\$ 13,472,581</u>
Expenditures for capitalized assets	\$ 808,241	\$ 314,908	\$ 2,320,872	\$ 370,089	\$ 412,236
Debt service as a percentage of noncapital expenditures	0%	0%	0%	0%	0%

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

(Concluded)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ (733,909)	\$ 1,156,178	\$ 1,803,054	\$ 1,354,600	\$ 226,317
Other financing sources (uses):					
Transfers in	100,595	172,147	50,147	138,354	99,007
Transfers out	(100,595)	(172,147)	(50,147)	(138,354)	(99,007)
Insurance proceeds	1,795	3,169			31,165
Total other financing sources (uses)	1,795	3,169			31,165
Changes in fund balances	\$ (732,114)	\$ 1,159,347	\$ 1,803,054	\$ 1,354,600	\$ 257,482
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ 448,044	\$ (138,298)	\$ (1,078,671)	\$ (1,049,902)	\$ (132,564)
Other financing sources (uses):					
Transfers in	368,661	68,138	137,290	80,321	36,633
Transfers out	(368,661)	(68,138)	(137,290)	(80,321)	(36,633)
Total other financing sources (uses)					
Changes in fund balances	\$ 448,044	\$ (138,298)	\$ (1,078,671)	\$ (1,049,902)	\$ (132,564)

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

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 5,828,683	\$ 8,275,757	\$ 7,571,110	\$ 9,272,758	\$ 7,626,553
Agricultural and Vacant	1,853,603	1,797,825	1,833,874	1,969,960	2,967,082
Residential (Owner Occupied)	473,079	456,697	441,854	403,989	495,205
Residential (Rental)	558,078	528,447	541,807	553,323	389,662
Railroad, Private Cars and Airlines	9,118,983	7,106,258	7,608,976	7,892,704	7,187,602
Total	\$ 17,832,426	\$ 18,164,984	\$ 17,997,621	\$ 20,092,734	\$ 18,666,104
Gross Full Cash Value	\$ 198,048,721	\$ 194,091,691	\$ 182,949,291	\$ 211,747,692	\$ 188,050,021
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	9%	10%	9%	10%
Total District Rate	N/A	N/A	N/A	N/A	N/A

<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	\$ 7,926,829	\$ 7,937,800	\$ 6,842,362	\$ 6,022,416	\$ 5,774,874
Agricultural and Vacant	3,883,694	4,347,210	4,353,217	4,227,620	4,203,105
Residential (Owner Occupied)	483,549	586,050	632,613	642,189	733,751
Residential (Rental)	316,858	319,833	328,406	291,872	187,641
Railroad, Private Cars and Airlines	6,214,777	6,036,743	6,295,889	5,586,302	5,235,879
Total	\$ 18,825,707	\$ 19,227,636	\$ 18,452,487	\$ 16,770,399	\$ 16,135,250
Gross Full Cash Value	\$ 175,569,375	\$ 160,828,820	\$ 154,101,050	\$ 146,912,029	\$ 143,236,783
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	12%	12%	11%	11%
Total District Rate	N/A	N/A	N/A	N/A	N/A

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

- Note:** 1) On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. Primary taxes are used for general District operations. Secondary taxes are used to service District bonded debt requirements and other voter-approval overrides.
- 2) The District no longer levies property taxes.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$ 6,139,191	\$ 8,589,462	\$ 8,005,345	\$ 9,702,856	\$ 8,025,759
Agricultural and Vacant	2,174,647	2,100,618	2,029,943	2,184,568	3,202,151
Residential (Owner Occupied)	551,081	551,801	529,642	483,308	583,292
Residential (Rental)	692,104	679,161	662,980	687,866	485,802
Railroad, Private Cars and Airlines	<u>10,659,015</u>	<u>8,267,372</u>	<u>8,820,244</u>	<u>8,983,394</u>	<u>8,055,577</u>
Total	<u>\$ 20,216,038</u>	<u>\$ 20,188,414</u>	<u>\$ 20,048,154</u>	<u>\$ 22,041,992</u>	<u>\$ 20,352,581</u>
Gross Full Cash Value	\$ 198,048,721	\$ 194,091,691	\$ 182,949,291	\$ 211,747,692	\$ 188,050,021
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	11%	10%	11%
Estimated Net Full Cash Value	11,964,714	12,233,159	12,796,461	13,767,631	13,073,567
Total District Rate	N/A	N/A	N/A	N/A	N/A

<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	\$ 8,313,358	\$ 8,253,274	\$ 6,842,690	\$ 6,023,260	\$ 5,775,955
Agricultural and Vacant	4,035,394	4,419,138	4,426,365	4,396,926	4,494,876
Residential (Owner Occupied)	557,092	623,749	638,530	652,002	743,869
Residential (Rental)	365,058	411,947	330,725	292,584	197,634
Railroad, Private Cars and Airlines	<u>6,525,899</u>	<u>6,121,185</u>	<u>6,344,119</u>	<u>5,629,436</u>	<u>5,317,220</u>
Total	<u>\$ 19,796,801</u>	<u>\$ 19,829,293</u>	<u>\$ 18,582,429</u>	<u>\$ 16,994,208</u>	<u>\$ 16,529,554</u>
Gross Full Cash Value	\$ 175,569,375	\$ 160,828,820	\$ 154,101,050	\$ 146,912,029	\$ 143,236,783
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	12%	12%	12%	12%
Estimated Net Full Cash Value	129,491,305	123,521,743	113,590,706	105,091,105	101,544,376
Total District Rate	N/A	N/A	N/A	N/A	N/A

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

Note: 1) On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessee full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

2) The District no longer levies property taxes

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates
	State Equalization	County	County Free Library	Fire District	Puerco Fire District	Flood Control District	Secondary
2022	0.43	0.62	0.31	0.09	3.38	0.09	
2021	0.44	0.63	0.43	0.09	3.25	0.09	
2020	0.46	0.62	0.42	0.09	3.25	0.52	
2019	0.47	0.59	0.42	0.08	3.25	0.09	
2018	0.49	0.59	0.43	0.08	3.25	0.08	
2017	0.50	0.56	0.43	0.08	3.25	0.08	
2016	0.51	0.52	0.39	0.08	3.22	0.08	
2015	0.51	0.48	0.39	0.08	3.11		
2014	0.51	0.46	0.30	0.08	2.98		
2013	0.47	0.41	0.33	0.07	3.02		

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

Note: Blank spaces indicate that there was no rate.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2022</u>		<u>2013</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Burlington Northern Santa Fe	\$ 10,114,419	56.72 %	\$ 4,022,262	24.33 %
Ranger Development	476,363	2.67		
Silica Services	408,541	2.29		
Unisource Energy Corporation	1,168,460	6.55		
Enterprise Products Operating LP	488,118	2.74		
Tabletop Telephone Company, Inc.	476,519	2.67	1,099,760	6.65
Arizona Public Service Company	353,479	1.98	222,495	1.35
Raley's Arizona LLC	171,409	0.96		
Shivam Enterprise LLC	182,948	1.03		
Smith Bagley Inc				
Tucson Electric Power Company			3,296,101	19.94
AT&T Mobility LLC	154,642	0.87		
Qwest New Vector Group, Inc.			402,080	2.43
Jones-Ray Company			224,084	1.36
Fort Courage, Inc., A New Max Corporation			176,407	1.07
Speedy's Convenience, Inc.			92,176	0.56
Continental Divide Electric Power Cooperative			444,989	2.69
Indian Ruins, Inc.			88,998	0.54
Total	<u>\$ 13,994,898</u>	<u>78.48 %</u>	<u>\$ 10,069,352</u>	<u>60.92 %</u>

Source: The source of this information is the Apache 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.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Fiscal Years</u>	<u>Collected to the End of the Current Fiscal Year</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2022	\$ * \$	*	* %	* \$	*	* %
2021	*	*	*	*	*	*
2020	*	*	*	*	*	*
2019	*	*	*	*	*	*
2018	*	*	*	*	*	*
2017	*	*	*	*	*	*
2016	*	*	*	*	*	*
2015	*	*	*	*	*	*
2014	*	*	*	*	*	*
2013	*	*	*	*	*	*

* The District no longer levies property taxes.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	\$	\$	\$	%	\$	\$	\$	%	\$	%
2021										
2020										
2019										
2018										
2017										
2016										
2015										
2014										
2013										

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

Note: The District has had no outstanding debt since 2009.

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.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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:			
Apache County	\$ 15,467,048	3.82 %	\$ 590,750
Subtotal, Overlapping Debt			<u>590,750</u>
Direct:			
Sanders Unified School District No. 18			<u> </u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 590,750</u></u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		0.00 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 100	
As a Percentage of Net Limited Assessed Valuation		3.3 %
As a Percentage of Gross Full Cash Value		0.30 %

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.
 - 3) The District has had no debt since 2009.

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

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

Net full cash assessed valuation	\$ 20,216,038
Debt limit (20% of assessed value)	4,043,208
Debt applicable to limit	
Legal debt margin	<u><u>\$ 4,043,208</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2022:

Net full cash assessed valuation	\$ 20,216,038
Debt limit (30% of assessed value)	6,064,811
Debt applicable to limit	
Legal debt margin	<u><u>\$ 6,064,811</u></u>

Fiscal Year Ended June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt Limit	\$ 6,064,811	\$ 6,065,524	\$ 6,014,446	\$ 6,612,598	\$ 6,105,774
Total net debt applicable to limit					
Legal debt margin	<u><u>\$ 6,064,811</u></u>	<u><u>\$ 6,065,524</u></u>	<u><u>\$ 6,014,446</u></u>	<u><u>\$ 6,612,598</u></u>	<u><u>\$ 6,105,774</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 5,574,729	\$ 5,098,262	\$ 4,958,866	\$ 4,767,745	\$ 4,958,866
Total net debt applicable to limit					
Legal debt margin	<u><u>\$ 5,574,729</u></u>	<u><u>\$ 5,098,262</u></u>	<u><u>\$ 4,958,866</u></u>	<u><u>\$ 4,767,745</u></u>	<u><u>\$ 4,958,866</u></u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

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.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	66,411	\$ 2,997,074	\$ 45,671	9.1 %	5,929
2020	66,021	2,796,987	32,508	12.8	5,930
2019	71,808	2,529,614	35,189	9.8	5,953
2018	73,330	2,467,333	34,355	10.1	15,906
2017	71,606	2,129,348	29,737	11.0	15,208
2016	72,131	2,115,405	31,757	11.3	15,319
2015	72,215	2,137,348	29,597	14.4	15,019
2014	71,828	2,048,637	28,521	16.0	15,442
2013	71,934	1,959,884	27,271	18.7	15,442
2012	73,195	1,945,913	26,689	19.6	15,442

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.

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Chinle Unified School District No. 24	436	1.55 %	632	2.63 %
Chinle Indian Hospital	-	-	480	2.00
Navajo Nation Governments	888	3.15	500	2.08
Bureau of Indian Affairs	4,569	16.20	550	2.29
Apache County	-	-	465	1.94
Ganado Unified School District No. 20	331	1.17	391	1.63
Springerville Generating Station	350	1.24	300	1.25
Coronado Generating Station	182	0.65	300	1.25
White Mountain Regional Medical Center	-	-	200	0.83
U.S. Forest Service (Apache County)	-	-	200	0.83
Round Valley Unified School District No. 10	769	2.73	250	1.04
St. John's Unified School District No. 1	140	0.50	200	0.83
Sanders Unified School District No. 18	142	0.50	185	0.77
Arizona Department of Corrections	-	-	100	0.42
Stone Forest Industries	-	-	50	0.21
Packard-Hughes Interconnect	-	-	50	0.21
Total	<u>7,807</u>	<u>27.68 %</u>	<u>4,853</u>	<u>20.22 %</u>
Total employment	<u>28,206</u>		<u>24,000</u>	

Sources: 1) The State of Arizona Economic Security Research Administration
2) The U.S. Census Bureau
3) The Arizona Industrial Directory

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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
Principals	2	3	3	3	3
Department heads	6	5	4	5	5
Total supervisory	<u>9</u>	<u>9</u>	<u>8</u>	<u>9</u>	<u>9</u>
Instruction					
Teachers	42	48	53	56	53
Aides	19	15	18	20	17
Total instruction	<u>61</u>	<u>63</u>	<u>71</u>	<u>76</u>	<u>70</u>
Student Services					
Counselors/Advisors	5	5	2		
Librarians		2	2	3	3
Other student services	19	10	11	13	10
Total student services	<u>24</u>	<u>17</u>	<u>15</u>	<u>16</u>	<u>13</u>
Support and Administration					
Other classified	52	50	49	51	55
Total support and administration	<u>52</u>	<u>50</u>	<u>49</u>	<u>51</u>	<u>55</u>
Total	<u>146</u>	<u>139</u>	<u>143</u>	<u>152</u>	<u>147</u>

(Continued)

SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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
Principals	3	3	3	3	3
Department heads	5				
Total supervisory	<u>9</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Instruction					
Teachers	58	51	76	73	88
Aides	17				
Total instruction	<u>75</u>	<u>51</u>	<u>76</u>	<u>73</u>	<u>88</u>
Student Services					
Counselors/Advisors					
Librarians	3	3	3	3	3
Other student services	11				
Total student services	<u>14</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Support and Administration					
Other classified	60	96	96	95	89
Total support and administration	<u>60</u>	<u>96</u>	<u>96</u>	<u>95</u>	<u>89</u>
Total	<u><u>158</u></u>	<u><u>154</u></u>	<u><u>179</u></u>	<u><u>175</u></u>	<u><u>184</u></u>

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

(Concluded)

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	582	\$ 12,850,052	\$ 22,079	12.61 %	\$ 14,938,292	\$ 25,667	8.11 %	61	9.5	98.0 %
2021	591	11,587,394	19,606	21.04	14,031,149	23,741	24.18	63	9.4	98.0
2020	657	10,642,012	16,198	(5.17)	12,560,633	19,118	(0.47)	71	9.3	98.0
2019	658	11,239,175	17,081	2.68	12,639,131	19,208	0.36	76	8.7	98.0
2018	656	10,912,799	16,635	1.50	12,555,103	19,139	1.64	70	9.4	99.0
2017	670	10,981,188	16,390	1.92	12,616,763	18,831	0.08	75	9.0	98.0
2016	726	11,675,026	16,081	(3.96)	13,660,671	18,816	(7.19)	51	14.2	95.0
2015	720	12,056,052	16,745	2.99	14,597,515	20,274	(2.48)	76	9.5	97.0
2014	755	12,275,233	16,259	(0.14)	15,697,068	20,791	5.66	73	10.3	89.0
2013	756	12,308,827	16,282	85.63	14,876,182	19,677	74.70	88	8.6	89.5

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

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

**SANDERS UNIFIED SCHOOL DISTRICT NO. 18
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	10	10	10	8	12	12	12	12	12	12
Square feet	124,769	127,469	127,469	106,635	135,111	135,111	135,111	135,111	135,111	135,111
Capacity	721	721	721	1,021	721	721	721	721	721	721
Enrollment	243	258	258	261	321	315	259	326	346	302
Middle										
Buildings	5	5	5	6	5	5	5	5	5	5
Square feet	81,303	81,303	81,303	132,479	81,303	81,303	81,303	81,303	81,303	81,303
Capacity	706	706	706	987	706	706	706	706	706	706
Enrollment	162	170	170	187	131	142	216	201	218	302
High										
Buildings	8	8	8	6	7	7	7	7	7	7
Square feet	141,042	141,042	141,042	106,244	140,942	140,942	140,942	140,942	140,942	140,942
Capacity	560	560	560	753	560	560	560	560	560	560
Enrollment	195	193	193	213	204	213	251	265	255	309
<u>Administrative</u>										
Buildings	1	1	1	3	1	1	1	1	1	1
Square feet	40,000	40,000	40,000	30,146	40,000	40,000	40,000	40,000	40,000	40,000
<u>Transportation</u>										
Garages	2	2	2	2	2	2	2	2	2	2
Buses	25	25	25							
<u>Athletics</u>										
Football fields	2	2	2	2	2	2	2	2	2	2
Running tracks	2	2	2	2	2	2	2	2	1	1
Baseball/softball	4	4	4	4	4	4	4	4	4	4
Playgrounds	3	2	2	2	2	2	2	2	2	2

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

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