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# **PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**

## **PHOENIX, ARIZONA**

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### **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30,2022**



1817 N 7<sup>th</sup> Street | Phoenix, AZ 85006

Issued by: Business and Finance Department

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
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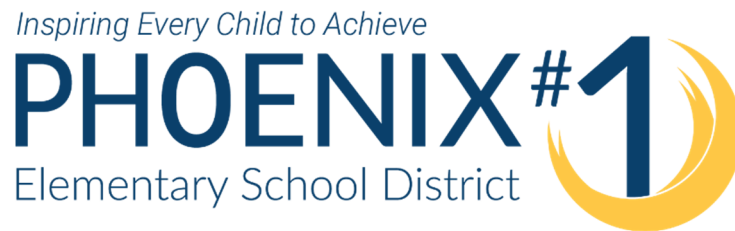
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## **INTRODUCTORY SECTION**

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March 30, 2023

Citizens and Governing Board  
Phoenix Elementary School District No. 1  
1817 North 7th Street  
Phoenix, Arizona 85006

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants in the State of Arizona Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Phoenix Elementary School District No. 1 (District) for the fiscal year ended June 30, 2022.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the District. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework, which is designed both to protect the government'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 GAAP. Because the cost of internal controls should not outweigh the benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The annual comprehensive financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the District's organization chart and a list of principal officials as of June 30, 2022. The financial section includes management's discussion and analysis; basic financial statements, combining and individual fundfinancial statements and schedules, as well as the auditors' report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District's financial statements have been audited by the audit firm CWDL, Certified Public Accountants. 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with Generally Accepted Accounting Principles. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District is part of a broader, federally mandated as required by the provisions of the Single Audit Act Amendments of 1992 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 audited government'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 the District's separately issued Single Audit Report.

GAAP requires 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 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 auditor.

### **PROFILE OF THE DISTRICT**

Phoenix Elementary School District No. 1 is located in the central portion of Maricopa County, Arizona. The District encompasses an area of approximately sixteen- and one-half square miles. The District lies within the City of Phoenix. The U.S. Census Bureau population of the District was estimated to be approximately 60,165 residents in 2017.

The District's boundary surrounds the downtown Phoenix business area but is primarily a residential area. No employment figures are available for the District; however, figures provided by the Arizona Department of Economic Security indicate that the average annual employment for the City of Phoenix was 720,693 in 2003 as compared with the average annual employment for the City of Phoenix of 716,821 in 2015. The Arizona Office of Economic Opportunity indicates that employment in Arizona is projected to increase from 3,015,241 to 3,180,933 over a two-year period. This represents growth of 165,691 jobs or 2.7% annualized growth.

In 2019, the Arizona Department of Administration, Office of Employment and Population Statistics, CES/LAUS Unit reported the average unemployment rate as of 4<sup>th</sup> quarter as 3.7% for the Metro Phoenix Area. According to the Office of Economic Opportunity, Arizona Labor Statistics, the average employment for Phoenix in 2019 was 846,337.

This report includes the funds of all organizational entities over which the District's Governing Board is financially accountable. The District provides a full range of services. These services include education, pupil transportation, construction and maintenance of District facilities, technology, child nutrition, as well as activities associated with community and student organizations.

## **PROFILE OF THE DISTRICT (CONTINUED)**

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds. Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. The expenditure budget can be revised annually, per Arizona Revised Statutes. The District is not required to prepare an annual budget of revenue; therefore, a deficit fund balance may be presented. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management.

## **BUDGETING SYSTEMS AND CONTROLS**

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

The District utilizes a "Performance-Based Budget Process", meaning that schools and students are budget priorities. The budget for staffing and other resources is based on the number of students enrolled at each site and funds are allocated for these needs prior to evaluating the needs for departments. These budgets are set each year based on consistent standards adopted by the Governing Board. Standards are developed and recommended to the Governing Board after receiving input from committees consisting of staff and other stakeholders involved in each particular area.

The District's proposed expenditure budget is presented to the Governing Board for review prior to June 15. The Governing Board is required to hold a public hearing on the proposed budget and to adopt the final budget by no later than July 15. The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General and some Special Revenue and Capital Project Funds. The level of budgetary control is established at the individual fund level for all funds. The Governing Board has given staff authorization to exceed subsections of a budget, if needed, with the stipulation that expenditures never exceed the total appropriated budget in a particular fund.

In order to ensure compliance with the legal provisions applicable to the annual appropriated budget, the District maintains several budgetary controls. Budget-controlled funds are monitored consistently to ensure that schools and departments stay within their allocated budgets, and that expenditures are proper for the designated fund. The Finance Director can at any time reallocate budget capacity between accounts within a fund or from the contingency fund designated for emergencies and other needs that were not identified previously. The workflow for approval of purchases, budget transfers and Journal entries has several levels for review before being posted. Budgets for cash-controlled funds are updated automatically within the financial system as revenue is received and these funds are reconciled throughout the year to ensure that cash available is sufficient to meet the appropriated budget.

The District's administration is charged with the responsibility of supervising the protection of the District's assets by employing various risk management techniques and procedures to reduce, absorb, minimize or transfer risk. The District carries insurance for general liability, auto liability and workers' compensation. The administration is also responsible for directing the District's benefits program, which includes the administration of health, life and other benefits for all full- time and some part-time employees.

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

### Local Economy

The City of Phoenix enjoys a highly diversified economic base consisting of manufacturing, agriculture, tourism, construction, education, distribution centers, finance, and retailing. Tourism is an important income producer. Many world-class hotels and resorts cater to visitors. The city's light rail system offers a convenient transportation link from the airport to downtown Phoenix, with stops at the convention center and several downtown hotels. The greater Phoenix area serves as a hub for innovation and entrepreneurs by providing international access for aerospace, high-technology, bioscience, advanced business services and sustainable technologies companies.

The City of Phoenix is the Capitol and largest city of Arizona and is the county seat as well. In 2022, Phoenix ranked as the fifth largest city in the nation, with more than 1.65 million residents. The city encompasses an area approximately 519 square miles. The Phoenix metropolitan area is the population and economic activity center of the entire State. Phoenix is one of the leaders in the economics of the Southwestern area of the United States.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Mesa, Glendale, Scottsdale, Tempe, Chandler, Peoria, and Gilbert. The County's population is estimated at 4,586,431 or about 62 percent of the total population of the state. Maricopa County has a very wide range of economic sectors supporting its substantial growth. As of January 2022, the unemployment rate in Arizona and Maricopa County was approximately 3.7 and 3.6 percent, respectively.

### Long-term Financial Planning

The District incorporates shared-decision making processes into every aspect of District management and planning. The shared decision making process allows the input of stakeholders (to include parents, employees and community members) into the planning of the District. From these processes, advisory committees are formed to evaluate and make recommendations to the Superintendent in regard to the needs of the District.

Although demographic studies illustrate a leveling of student growth over the next few years, fiscal planning continues to address aging facilities and buses to meet the needs of all grade configurations and is consistent with the vision of the learning environment embraced by the stakeholders of the District.

Average Daily Membership (ADM) for the District is the following: 2013 (6,680), 2014 (6,769), 2015 (6,697), 2016 (6,385), 2017 (6,250), 2018 (6,059), 2019 (5,917), 2020 (5,559), 2021 (5,166) and in 2022 it was 4897. Based on the above data, the District is currently experiencing decreased enrollment within the District's attendance area with a 26% decline over the past 10 years.



The District continues to offer an attractive open enrollment program where students outside the District are eligible to attend Phoenix Elementary School District No. 1. A long-term strategic plan was developed and identifies ways to take advantage of the many efforts to revitalize the Downtown Phoenix area. The Arizona State University programs (Nursing, Public Programs) in the Mercado are directly inside the District's boundaries.

The District continues to effectively manage expenditures, while maintaining its current operating status and providing adequate, student learning focused, facilities. By a 75% majority from the voters, the District passed a Bond for fifty-nine and one-half (\$59.5) million dollars in November 2015. Voters authorized the District to procure facility improvements to include developing a classroom of the future, upgrades to technology and pupil transportation vehicles. Bond authorization expires in 2025. The Governing Board approved a \$24 million sale of School Improvement Bonds, Project of 2015, series Con September 27, 2018. By a 73% majority from the voters, the District passed a continuation of its existing Capital Override for twenty-one million dollars (\$21M) in November 2019. Voters authorized the District to procure; instructional and supplemental materials, technology, buses and upgrades to existing facilities. In November 2019, voters approved the continuation of the District's existing Maintenance and Operations Override by a majority vote of 74%. In November 2020, the voters approved a continuation of the current Maintenance and Operations Override.

The District's financial planning process is primarily driven by the budget process. This process includes the annual Maintenance & Operation Budget which is prepared on a modified zero-base budgeting process. This includes an annual base budget for all schools and departments that is subjected to a review and is increased or decreased based on revenue and expenditure forecasts. To ensure proper accountability and financial stability, the District continues to review all of its current positions and develop staffing models and job descriptions to restructure and reduce its workforce when needed, without harming the educational needs of its students. In addition, the District reviews all of its programs and long-term contracts to ensure efficiencies are being maintained. The budget process includes input from the schools, departments, and employee groups, and is formally adopted by the Governing Board for the following year at the end of June.

In March of 2020, the COVID-19 pandemic began impacting the District. Due to the pandemic, the District shut down its operations in order to maintain a safe working environment for all staff, students and the community in general. The District began offering Distance Learning and online instruction to our students. The District returned to in person learning after Spring Break in 2021. Today the 2022-2023 school year remains in person with no plans to change operations.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Association of School Business Officials International (ASBOI) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year that ended June 30, 2021. In addition, the Government Finance Officers Association of the United States and Canada (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. While enrollment has a declining trend, that trend is flattening. The District has addressed this with several initiatives. The District has streamlined enrollment processes, including creating online enrollment options. The District has restructured its cabinet, highlighted a cabinet level marketing and communications position. The District has focused on creating and establishing robust preschool options at each school site, with refreshed furniture and robust curriculum to attract and retain preschool to kindergarten students. In addition, expanded housing options for school aged children are opening this summer, with more in the planning and zoning stages with the City of Phoenix.

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 International and GFOA to determine its eligibility for the fiscal year 2021-2022 certificates.

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

In closing, we would like to extend our appreciation to the Governing Board for their leadership and support in attaining the highest standards of professionalism regarding the management of the District's finances.

Respectfully submitted,



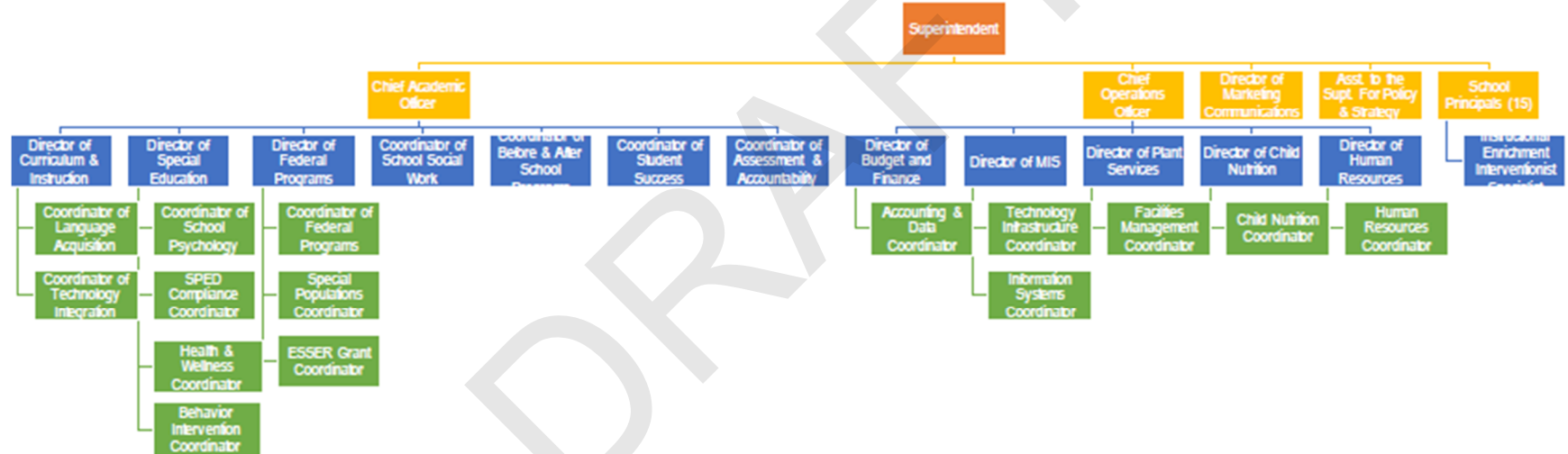
Michael Mannelly  
Chief Financial Officer

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**ORGANIZATIONAL CHART**  
**YEAR ENDED JUNE 30, 2022**

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**Leadership Team**



**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**LIST OF PRINCIPAL AND ELECTED OFFICIALS**  
**YEAR ENDED JUNE 30, 2022**

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**GOVERNING BOARD**

Carmen Trujillo  
*President*

Jessica Bueno  
*Vice President*

Regional A. Carrillo  
*Member*

Erika De La Rosa  
*Member*

Dr. Alicia Vink  
*Member*

**ADMINISTRATIVE STAFF**

Dr. Ibi Dávila Haghighat  
*Superintendent*

Mike Mannelly  
*Chief Financial Officer*

Dr. Deborah Gonzalez  
*Chief Academic Officer*



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Phoenix Elementary School District 1**

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

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



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

**William A. Sutter**  
**President**

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

**David J. Lewis**  
**Executive Director**



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Phoenix Elementary School District No. 1  
Arizona**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Governing Board  
Phoenix Elementary School District No. 1  
Phoenix, Arizona

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Phoenix Elementary School District No. 1 (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Phoenix Elementary School District No. 1, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the District 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.

#### **Responsibilities of Management for the Financial Statements**

The District's 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 twelve months 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 GAAS 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 GAAS 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.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, and budgetary comparison information, as listed within 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 nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are 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 comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the 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 30, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Scottsdale, Arizona  
March 30, 2023

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2022**

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As management of the Phoenix Elementary School District No. 1 (District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 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 assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$38,847,106 (net position). The District's total net position decreased by \$977,803.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$41,706,172, a decrease of \$2,208,473 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$24,834,048, or 43% of total General Fund expenditures.
- The District's net capital assets decreased \$160,931,554 as a result of bond-funded construction projects, school buildings, athletic facilities, and other equipment during the current year.
- The District's long-term liabilities decreased by \$6,742,798 due to the current year payments on the District's bonds.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic 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 statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows 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 to 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 distinguish functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, operation of non-instructional services, and interest on long-term debt.

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

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2022**

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**Fund Financial Statements**

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

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

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

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

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

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

The basic governmental fund financial statements can be found on pages 13 - 16 of this report.

**Notes to Basic Financial Statements**

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 17 - 33 of this report.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2022**

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**Required Supplementary Information Other than MD&A**

The District reports a multi-year schedule of the District's proportionate share of net pension liability and contributions to its cost-sharing pension plan on page 35.

Governments have the option of reporting the General Fund and major special revenue budgetary statements as part of the basic financial statements or as required supplementary information (RSI) other than the MD&A. The District has elected to present the General Fund and Special Projects Fund budgetary comparison schedules as RSI other than the MD&A which can be found starting on page 35 of this report. Notes to the RSI are presented after the budgetary comparison schedules on page 37.

**Other information**

The combining statements in connection with nonmajor governmental funds are presented immediately following the required supplementary information other than the MD&A. Combining and individual fund statements and schedules can be found on pages 38 - 48 of this report.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The statistical section can be found on pages 50 - 72 of this report.

**Government-Wide Financial Analysis**

As noted earlier, 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 of resources exceeded liabilities and deferred inflows of resources by \$38,847,106 at the close of the most recent fiscal year.

A summary of the District's statement of net position is presented below:

|   | <b>Governmental Activities</b> |                      |                     |
|---|--------------------------------|----------------------|---------------------|
|   | <b>2022</b>                    | <b>2021</b>          | <b>Net Change</b>   |
| <b>ASSETS AND DEFERRED OUTFLOWS</b>           |                                |                      |                     |
| Current and other assets                      | \$ 58,057,980                  | \$ 58,711,302        | \$ (653,322)        |
| Capital assets                                | 100,534,123                    | 108,342,832          | (7,808,709)         |
| Deferred outflows                             | 13,382,118                     | 13,099,366           | 282,752             |
| <b>Total Assets and Deferred Outflows</b>     | <b>171,974,221</b>             | <b>180,153,500</b>   | <b>(8,179,279)</b>  |
| <b>LIABILITIES AND DEFERRED INFLOWS</b>       |                                |                      |                     |
| Current liabilities                           | 8,487,147                      | 4,316,251            | 4,170,896           |
| Long-term liabilities                         | 100,185,418                    | 135,032,937          | (34,847,519)        |
| Deferred inflows                              | 24,454,550                     | 979,403              | 23,475,147          |
| <b>Total Liabilities and Deferred Inflows</b> | <b>133,127,115</b>             | <b>140,328,591</b>   | <b>(7,201,476)</b>  |
| <b>NET POSITION</b>                           |                                |                      |                     |
| Net investment in capital assets              | 54,967,896                     | 54,769,187           | 198,709             |
| Restricted                                    | 12,728,183                     | 28,640,099           | (15,911,916)        |
| Unrestricted                                  | (28,848,973)                   | (43,584,377)         | 14,735,404          |
| <b>Total Net Position</b>                     | <b>\$ 38,847,106</b>           | <b>\$ 39,824,909</b> | <b>\$ (977,803)</b> |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2022**

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

At the end of the current fiscal year, the District was able to report positive balances in the investment in capital assets and restricted net position. The District reported a negative balance in unrestricted net position due to the District's reporting of its proportionate share of the net pension liability for its pension plan required under Governmental Accounting Standards Board (GASB) Statements No. 68. Additional information on the District's net pension liability can be found in Note 10 of this report.

Overall, net position decreased \$977,803 or 2%. Key elements of this increase are indicated as follows:

|   | <b>Governmental Activities</b> |                      |                     |
|---|--------------------------------|----------------------|---------------------|
|   | <b>2022</b>                    | <b>2021</b>          | <b>Net Change</b>   |
| <b>REVENUES</b>                             |                                |                      |                     |
| Program revenues:                           |                                |                      |                     |
| Charges for services                        | \$ 1,085,160                   | \$ 2,303,679         | \$ (1,218,519)      |
| Operating grants and contributions          | 30,914,335                     | 23,953,579           | 6,960,756           |
| Capital grants and contributions            | -                              | 525,082              | (525,082)           |
| General revenues:                           |                                |                      |                     |
| Property taxes                              | 42,461,500                     | 47,368,742           | (4,907,242)         |
| State equalization and additional state aid | 13,778,104                     | 14,199,537           | (421,433)           |
| County equalization                         | 1,281,295                      | 1,384,307            | (103,012)           |
| Interest and other                          | 458,828                        | 543,862              | (85,034)            |
| <b>Total Revenues</b>                       | <b>91,434,301</b>              | <b>90,278,788</b>    | <b>1,155,513</b>    |
| <b>EXPENSES</b>                             |                                |                      |                     |
| Instruction                                 | 45,216,454                     | 48,420,362           | (3,203,908)         |
| Support Services:                           |                                |                      |                     |
| Students and instructional staff            | 16,212,482                     | 15,749,441           | 463,041             |
| Administration                              | 9,041,621                      | 9,268,982            | (227,361)           |
| Operation and maintenance of plant          | 14,008,462                     | 12,610,078           | 1,398,384           |
| Operation of noninstructional services      | 3,941,063                      | 3,284,008            | 657,055             |
| Student transportation                      | 2,553,278                      | 1,935,125            | 618,153             |
| Other                                       | 43,804                         | -                    | 43,804              |
| Interest on long-term debt                  | 1,394,940                      | 1,670,864            | (275,924)           |
| <b>Total Expenses</b>                       | <b>92,412,104</b>              | <b>92,938,860</b>    | <b>(526,756)</b>    |
| <b>Change in net position</b>               | <b>(977,803)</b>               | <b>(2,660,072)</b>   | <b>1,682,269</b>    |
| <b>Net Position - Beginning</b>             | <b>39,824,909</b>              | <b>42,484,981</b>    | <b>(2,660,072)</b>  |
| <b>Net Position - Ending</b>                | <b>\$ 38,847,106</b>           | <b>\$ 39,824,909</b> | <b>\$ (977,803)</b> |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2022**

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The District reported a decrease in charges for services of \$1,218,519 (53%). This decrease was mainly due to decreases in rental revenue, food service sales, student activities, and auxiliary operations revenue during the current year due to the COVID-19 pandemic.

Operating grants and contributions increased \$6,960,756 (29%). This increase was mainly due to increases in federal and state funding from COVID-19 grants.

The District experienced a decrease in property tax revenue of \$4,907,242 as a result of a decrease in property values and tax rates.

State and county equalization and additional state aid decreased \$421,433 (3%) due to decreases in enrollment.

The changes in interest and other revenue were not considered significant.

The District incurred a 1% decrease in expenses in the current year. The District's mission is to provide an appropriate and outstanding educational experience for every student served within budget constraints. The decrease was mainly due to cost savings relating to COVID-19 related shutdowns.

**FINANCIAL ANALYSIS OF THE GOVERNMENT 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 a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$41,706,172, a decrease of \$2,208,473 in comparison with the prior year. Approximately 60% of this total amount (\$24,834,048) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance is restricted to indicate that it is not available for new spending.

Fund balances as of June 30, 2022, and the changes in fund balances from the prior year are summarized below:

| <b>GOVERNMENTAL FUND</b>    | <b>Increase<br/>(Decrease)</b> |                     |
|-----------------------------|--------------------------------|---------------------|
|                             | <b>Balance</b>                 | <b>From 2020-21</b> |
| General Fund                | \$ 25,205,920                  | \$ (2,786,005)      |
| Special Projects Fund       | 903,520                        | 239,338             |
| Debt Service Fund           | (67,878)                       | (520,265)           |
| Nonmajor Governmental Funds | 15,664,610                     | 858,459             |



**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2022**

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The General Fund is the chief operating fund of Phoenix Elementary School District No. 1. It is comprised of the District's Maintenance and Operations, Medicaid, Gifts and Donations, Insurance Proceeds, Litigation Recovery, Indirect Costs, Unemployment Insurance, Unrestricted Capital Outlay, Energy and Water Savings, and IGA funds. As a measure of the General Fund's liquidity, it may be useful to compare both the fund balance of the General Fund and total fund balance to total fund expenditures. The fund balance of the General Fund represents 25% of total General Fund expenditures. The General Fund experienced a decrease of \$2,786,005 in the current year. This decrease was primarily due to the decrease in state and county aid due to the decrease in current year enrollment.

The \$239,338 increase in the Special Projects Fund was due to current year grant funding that will be used for subsequent year expenditures.

The Debt Service Fund had a decrease in fund balance of \$520,265 due to current year principal payments.

The increase of \$858,459 in the Nonmajor Governmental Funds was mainly due to increases in federal grants, and intergovernmental revenues.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget totaled \$53,625,129. In Arizona, school districts build their original "adopted" budget based on a projection of the coming fiscal year's 100th day average daily attendance. In May, the District is allowed to increase or decrease its budget for differences between expected and actual student growth. The \$53,625,129 was allocated among various line items, mostly to regular education - operations and maintenance of plant, special education - instruction, and pupil transportation. Budgetary basis General Fund expenditures were \$4,591,772 less than budget during the fiscal year. Budgetary basis expenditures were within 0.1% of the budget.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$100,534,123 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, vehicles, furniture, and equipment. The net decrease in the District's investment in capital assets for the current fiscal year was 62%.

Major capital asset events during the current fiscal year included the following projects:

- Purchase of school buses
- School renovations
- Athletic field renovations
- Energy conservation equipment

Additional information on the District's capital assets can be found in Note 5 of this report.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2022**

Capital asset activity as of June 30, 2022, is summarized below:

|                                    | Governmental Activities |                       |                         |
|------------------------------------|-------------------------|-----------------------|-------------------------|
|                                    | 2022                    | 2021                  | Net Change              |
| <b>CAPITAL ASSETS</b>              |                         |                       |                         |
| Land                               | \$ 3,511,348            | \$ 3,511,348          | \$ -                    |
| Construction in progress           | -                       | 2,783,068             | (2,783,068)             |
| Land improvements                  | 5,576,238               | 11,164,844            | (5,588,606)             |
| Buildings & improvements           | 86,731,291              | 230,527,247           | (143,795,956)           |
| Vehicles, equipment, and furniture | 4,715,246               | 13,479,170            | (8,763,924)             |
| <b>Total Capital Assets</b>        | <b>\$ 100,534,123</b>   | <b>\$ 261,465,677</b> | <b>\$ (160,931,554)</b> |

**Long-Term Debt**

At end of the current fiscal year, the District's debt included compensated absences, capital leases, bonds payable, and the net pension liability. Compensated absences decreased \$762,200 during the current year due to policy changes in sick leave. Bonds payable decreased by a net \$5,980,598 due to principal payments during the current year.

|                                    | Governmental Activities |                      |                       |
|------------------------------------|-------------------------|----------------------|-----------------------|
|                                    | 2022                    | 2021                 | Net Change            |
| <b>LONG-TERM LIABILITIES</b>       |                         |                      |                       |
| General obligation bonds           | \$ 45,566,227           | \$ 51,546,825        | (5,980,598)           |
| Compensated absences               | 1,858,618               | 2,620,818            | (762,200)             |
| <b>Total Long-term Liabilities</b> | <b>\$ 47,424,845</b>    | <b>\$ 54,167,643</b> | <b>\$ (6,742,798)</b> |

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- FY22/23 enrollment projections. Given the recent history of declines in student enrollment, projecting this decline for FY22/23 was most critical.
- Consideration of FTEs as enrollment projects decline.
- Determining the anticipated M&O carry-forward from FY22.
- The impact of the base support level in terms of the new per pupil amount.
- Consideration of the District Additional Assistance (DAA) and whether it would be moved in the M&O budget based on the remaining and new Capital Override funds combined with the fall 2022 Bond election for capital improvements.

The above factors were considered in preparing the District's budget for the 2022-23 fiscal year.

**REQUEST FOR INFORMATION**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Phoenix Elementary School District No. 1, 1817 North 7th Street, Phoenix, Arizona 85006. More information about the District can be found at [www.phxschools.org](http://www.phxschools.org).

# **BASIC FINANCIAL STATEMENTS**

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

|  | <b>Governmental<br/>Activities</b> |
|--|------------------------------------|
| <b>ASSETS</b>  |                                    |
| Cash and investments   | \$ 39,988,241                      |
| Property taxes receivable  | 2,281,145                          |
| Intergovernmental receivable                                     | 9,332,067                          |
| Lease Receivable   | 5,824,614                          |
| Deposits   | 190,713                            |
| Inventory  | 441,200                            |
| Capital assets, not depreciated                                  | 3,511,348                          |
| Capital assets, net of accumulated depreciation                  | 97,022,775                         |
| <b>Total Assets</b>  | <b>158,592,103</b>                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                            |                                    |
| Deferred outflows related to pensions                            | 13,382,118                         |
| <b>LIABILITIES</b>   |                                    |
| Accounts payable   | 1,504,095                          |
| Accrued wages and benefits                                       | 604,308                            |
| Matured principal payable  | 5,385,000                          |
| Interest payable   | 993,744                            |
| Long-term liabilities:   |                                    |
| Due within one year  | 7,062,814                          |
| Due in more than one year  | 40,362,031                         |
| Net pension liability  | 52,760,573                         |
| <b>Total Liabilities</b>   | <b>108,672,565</b>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                             |                                    |
| Deferred inflows related to pensions                             | 18,629,936                         |
| Deferred inflows related to leases                               | 5,824,614                          |
| <b>Total Deferred Inflows of Resources</b>                       | <b>24,454,550</b>                  |
| <b>NET POSITION</b>  |                                    |
| Net investment in capital assets                                 | 54,967,896                         |
| Restricted:  |                                    |
| Teacher compensation and other qualified programs (A.R.S 15-977) | 4,104,993                          |
| Instructional improvement programs                               | 811,941                            |
| Federal and state instructional programs                         | 903,520                            |
| Community programs   | 392,787                            |
| Extracurricular activities                                       | 700,569                            |
| Student activities   | 85,858                             |
| Capital projects   | 5,728,515                          |
| Unrestricted   | (28,848,973)                       |
| <b>Total Net Position</b>  | <b>\$ 38,847,106</b>               |

*See accompanying Notes to the Basic Financial Statements*

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED JUNE 30, 2022**

| Function/Programs   | Expenses             | Program Revenues        |                                       |                                     | Net (Expense)<br>Revenue and Changes<br>in Net Position |
|---|----------------------|-------------------------|---------------------------------------|-------------------------------------|---|
|   |                      | Charges for<br>Services | Operating Grants<br>and Contributions | Capital Grants<br>and Contributions |   |
| <b>Primary Government:</b>                                    |                      |                         |                                       |                                     |   |
| Governmental Activities:                                      |                      |                         |                                       |                                     |   |
| Instruction   | 45,216,454           | \$ 504,682              | \$ 16,200,807                         | \$ -                                | \$ (28,510,965)   |
| Support services:   |                      |                         |                                       |                                     |   |
| Students  | 9,333,202            | 136,338                 | 2,773,354                             | -                                   | (6,423,510)   |
| Instructional staff   | 6,879,280            | 61,700                  | 4,073,643                             | -                                   | (2,743,937)   |
| General administration  | 1,913,017            | 22,170                  | 364,278                               | -                                   | (1,526,569)   |
| School administration   | 3,034,197            | 54,049                  | 187,200                               | -                                   | (2,792,948)   |
| Business and other support services                           | 4,094,407            | 72,328                  | 287,597                               | -                                   | (3,734,482)   |
| Operation and maintenance of plant                            | 14,008,462           | 173,191                 | 971,437                               | -                                   | (12,863,834)  |
| Student transportation  | 2,553,278            | 40,560                  | 192,733                               | -                                   | (2,319,985)   |
| Other   | 43,804               | 824                     | -                                     | -                                   | (42,980)  |
| Operation of noninstructional services                        | 3,941,063            | 19,318                  | 5,863,286                             | -                                   | 1,941,541   |
| Interest on long-term debt                                    | 1,394,940            | -                       | -                                     | -                                   | (1,394,940)   |
| <b>Total</b>  | <b>\$ 92,412,104</b> | <b>\$ 1,085,160</b>     | <b>\$ 30,914,335</b>                  | <b>\$ -</b>                         | <b>\$ (60,412,609)</b>                                  |
| <b>General revenues:</b>                                      |                      |                         |                                       |                                     |   |
| Property taxes  |                      |                         |                                       |                                     | 42,461,500  |
| Grants and contributions not restricted to specific programs: |                      |                         |                                       |                                     |   |
| State equalization and additional state aid                   |                      |                         |                                       |                                     | 13,778,104  |
| County equalization   |                      |                         |                                       |                                     | 1,281,295   |
| Federal aid not restricted                                    |                      |                         |                                       |                                     | 1,455,079   |
| Investment earnings   |                      |                         |                                       |                                     | 375,255   |
| Other   |                      |                         |                                       |                                     | 83,573  |
| Total general revenues  |                      |                         |                                       |                                     | 59,434,806  |
| Change in net position  |                      |                         |                                       |                                     | (977,803)   |
| Net position - beginning                                      |                      |                         |                                       |                                     | 39,824,909  |
| Net position - ending   |                      |                         |                                       |                                     | \$ 38,847,106   |

See accompanying Notes to the Basic Financial Statements

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

|  | General Fund         | Special Projects Fund | Debt Service Fund   | Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|-----------------------|---------------------|------------------------------|--------------------------|
| <b>ASSETS</b>  |                      |                       |                     |                              |                          |
| Cash and investments   | \$ 18,024,036        | \$ -                  | \$ 6,269,677        | \$ 15,694,528                | \$ 39,988,241            |
| Receivables:   |                      |                       |                     |                              |                          |
| Property taxes   | 2,015,815            | -                     | 265,330             | -                            | 2,281,145                |
| Intergovernmental  | 4,083,487            | 5,206,896             | -                   | 41,684                       | 9,332,067                |
| Deposits   | -                    | -                     | -                   | 190,713                      | 190,713                  |
| Due from other funds   | 4,128,856            | -                     | -                   | -                            | 4,128,856                |
| Inventory  | 371,872              | -                     | -                   | 69,328                       | 441,200                  |
| <b>Total Assets</b>  | <b>\$ 28,624,066</b> | <b>\$ 5,206,896</b>   | <b>\$ 6,535,007</b> | <b>\$ 15,996,253</b>         | <b>\$ 56,362,222</b>     |
| <b>LIABILITIES</b>   |                      |                       |                     |                              |                          |
| Accounts payable   | \$ 1,130,426         | \$ 57,176             | \$ -                | \$ 316,493                   | \$ 1,504,095             |
| Accrued wages  | 471,814              | 117,344               | -                   | 15,150                       | 604,308                  |
| Due to other funds   | -                    | 4,128,856             | -                   | -                            | 4,128,856                |
| Matured principal payable  | -                    | -                     | 5,385,000           | -                            | 5,385,000                |
| Interest payable   | -                    | -                     | 993,744             | -                            | 993,744                  |
| <b>Total Liabilities</b>   | <b>1,602,240</b>     | <b>4,303,376</b>      | <b>6,378,744</b>    | <b>331,643</b>               | <b>12,616,003</b>        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                       |                      |                       |                     |                              |                          |
| Unavailable revenues   | 1,815,906            | -                     | 224,141             | -                            | 2,040,047                |
| <b>FUND BALANCES</b>   |                      |                       |                     |                              |                          |
| Nonspendable   | 371,872              | -                     | -                   | 69,328                       | 441,200                  |
| Restricted   | -                    | 903,520               | -                   | 15,595,282                   | 16,498,802               |
| Unassigned   | 24,834,048           | -                     | (67,878)            | -                            | 24,766,170               |
| <b>Total Fund Balances</b>   | <b>25,205,920</b>    | <b>903,520</b>        | <b>(67,878)</b>     | <b>15,664,610</b>            | <b>41,706,172</b>        |
| <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b> | <b>\$ 28,624,066</b> | <b>\$ 5,206,896</b>   | <b>\$ 6,535,007</b> | <b>\$ 15,996,253</b>         | <b>\$ 56,362,222</b>     |

*See accompanying Notes to the Basic Financial Statements*

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

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**Total Fund Balance - Governmental Funds**

\$ 41,706,172

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

|                          |                      |             |
|--------------------------|----------------------|-------------|
| Capital assets           | \$ 264,188,211       |             |
| Accumulated depreciation | <u>(163,654,088)</u> | 100,534,123 |

Property tax revenue not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources in the governmental funds:

2,040,047

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported.

Long-term liabilities relating to governmental activities consist of:

|                       |                     |               |
|-----------------------|---------------------|---------------|
| Net pension liability | (52,760,573)        |               |
| Compensated absences  | <u>(47,424,845)</u> | (100,185,418) |

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

|   |                     |             |
|---|---------------------|-------------|
| Deferred outflows of resources relating to pensions | 13,382,118          |             |
| Deferred inflows of resources relating to pensions  | <u>(18,629,936)</u> | (5,247,818) |

**Total Net Position - Governmental Activities**

\$ 38,847,106

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

|  | General Fund         | Special Projects Fund | Debt Service Fund  | Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|-----------------------|--------------------|------------------------------|--------------------------|
| <b>REVENUES</b>  |                      |                       |                    |                              |                          |
| Property taxes   | \$ 35,637,681        | \$ -                  | \$ 6,769,710       | \$ 3                         | \$ 42,407,394            |
| Intergovernmental  | 17,114,755           | 20,227,426            | -                  | 10,233,444                   | 47,575,625               |
| Food sales   | -                    | -                     | -                  | 4,884                        | 4,884                    |
| Student activities                                       | -                    | -                     | -                  | 11,571                       | 11,571                   |
| Rental Income  | 1,068,705            | -                     | -                  | -                            | 1,068,705                |
| Contributions and donations                              | 126,821              | -                     | -                  | 141,702                      | 268,523                  |
| Investment earnings                                      | 190,138              | -                     | 84,013             | 101,104                      | 375,255                  |
| Other  | 49,338               | 78                    | -                  | 34,157                       | 83,573                   |
| <b>Total Revenues</b>                                    | <b>54,187,438</b>    | <b>20,227,504</b>     | <b>6,853,723</b>   | <b>10,526,865</b>            | <b>91,795,530</b>        |
| <b>EXPENDITURES</b>                                      |                      |                       |                    |                              |                          |
| Current  |                      |                       |                    |                              |                          |
| Instruction  | 26,844,776           | 11,091,803            | -                  | 3,573,797                    | 41,510,376               |
| Support services:  |                      |                       |                    |                              |                          |
| Students   | 7,251,975            | 2,275,382             | -                  | 201,807                      | 9,729,164                |
| Instructional staff                                      | 3,281,915            | 3,504,754             | -                  | 321,867                      | 7,108,536                |
| General administration                                   | 1,179,240            | 343,558               | -                  | -                            | 1,522,798                |
| School administration                                    | 2,874,949            | 176,552               | -                  | -                            | 3,051,501                |
| Business and other support services                      | 3,847,215            | 265,845               | -                  | 3,334                        | 4,116,394                |
| Operations and maintenance of plant                      | 9,212,262            | 912,945               | -                  | 127,982                      | 10,253,189               |
| Student transportation                                   | 2,157,415            | 171,890               | -                  | 4,177                        | 2,333,482                |
| Operations of noninstructional services                  | 152,298              | 213,016               | -                  | 3,404,343                    | 3,769,657                |
| Other  | 43,804               | -                     | -                  | -                            | 43,804                   |
| Debt service:  |                      |                       |                    |                              |                          |
| Principal  | -                    | -                     | 5,385,000          | -                            | 5,385,000                |
| Interest   | -                    | -                     | 1,987,488          | -                            | 1,987,488                |
| Fiscal charges   | -                    | -                     | 1,500              | 1,550                        | 3,050                    |
| Capital outlay:  |                      |                       |                    |                              |                          |
| Facilities acquisition                                   | 1,038,856            | 121,159               | -                  | 2,029,549                    | 3,189,564                |
| <b>Total Expenditures</b>                                | <b>57,884,705</b>    | <b>19,076,904</b>     | <b>7,373,988</b>   | <b>9,668,406</b>             | <b>94,004,003</b>        |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b> | <b>(3,697,267)</b>   | <b>1,150,600</b>      | <b>(520,265)</b>   | <b>858,459</b>               | <b>(2,208,473)</b>       |
| <b>Other Financing Sources (Uses)</b>                    |                      |                       |                    |                              |                          |
| Transfers in   | 911,262              | -                     | -                  | -                            | 911,262                  |
| Transfers out  | -                    | (911,262)             | -                  | -                            | (911,262)                |
| <b>Net Financing Sources (Uses)</b>                      | <b>911,262</b>       | <b>(911,262)</b>      | <b>-</b>           | <b>-</b>                     | <b>-</b>                 |
| <b>NET CHANGE IN FUND BALANCE</b>                        | <b>(2,786,005)</b>   | <b>239,338</b>        | <b>(520,265)</b>   | <b>858,459</b>               | <b>(2,208,473)</b>       |
| <b>Fund Balance - Beginning</b>                          | <b>27,982,826</b>    | <b>664,182</b>        | <b>452,387</b>     | <b>14,859,380</b>            | <b>43,958,775</b>        |
| <b>Increase/(decrease) in inventories</b>                | <b>9,099</b>         | <b>-</b>              | <b>-</b>           | <b>(53,229)</b>              | <b>(44,130)</b>          |
| <b>Fund Balance - Ending</b>                             | <b>\$ 25,205,920</b> | <b>\$ 903,520</b>     | <b>\$ (67,878)</b> | <b>\$ 15,664,610</b>         | <b>\$ 41,706,172</b>     |

See accompanying Notes to the Basic Financial Statements



**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**Net Change in Fund Balances - Governmental Funds** \$ (2,208,473)

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

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense.

|                                  |                     |             |
|----------------------------------|---------------------|-------------|
| Expenditures for capital outlay: | \$ 2,722,534        |             |
| Depreciation expense:            | <u>(10,531,243)</u> | (7,808,709) |

Some revenues reported in the governmental funds that did not provide current financial resources in prior years have been recognized previously in the statement of activities and therefore are not reported as revenues in the statement of activities.

|                            |  |           |
|----------------------------|--|-----------|
| Property taxes             |  | 54,106    |
| Intergovernmental revenues |  | (415,335) |

Governmental funds report pension contributions as expenditures when made. However, in the statement of activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions.

|                       |  |             |
|-----------------------|--|-------------|
| Pension contributions |  | 5,636,770   |
| Pension expense       |  | (2,934,830) |

The issuance of long-term debt (e.g. bonds, financed purchases) provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position.

|   |  |           |
|---|--|-----------|
| Principal payment on general obligation bonds |  | 5,385,000 |
| Amortization of deferred bond items           |  | 595,598   |

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

|   |  |                 |
|---|--|-----------------|
| Net decrease (increase) in compensated absences |  | 762,200         |
| Change in inventories balances                  |  | <u>(44,130)</u> |

|  |  |                            |
|--|--|----------------------------|
| <b>Change in Net Position of Governmental Activities</b> |  | <b><u>\$ (977,803)</u></b> |
|--|--|----------------------------|

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Phoenix Elementary School District No. 1 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows. During the year ended June 30, 2022, the District implemented the provisions of GASB Statement No. 87, *Leases*, as amended, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result, the District's financial statements have been modified to reflect the recognition of certain lease assets that were previously classified as operating leases and recognized the deferred inflows of resources based on the contract payment provisions.

**Reporting Entity**

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

**Government-Wide and Fund Financial Statements**

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

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available.

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

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

The District reports the following major governmental funds:

*Major Governmental Funds*

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

The *Special Projects Fund* accounts for the revenues and expenditures of state and federally funded projects.

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

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

**Deposits and Investments**

Arizona Revised Statutes (A.R.S.) requires the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash in the Debt Service and Bond Building Funds, which are invested separately. As required by statute, interest earned by the Bond Building Fund is recorded in the Debt Service Fund.

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

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

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of monies at 102% of all deposits not covered by federal depository insurance.

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

**Property Taxes Receivables**

The Maricopa 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. A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

The District does not report a reserve for uncollectible property taxes as they are considered 100 percent collectible due to the County attaching a lien against all amounts past due as noted above.

**Intergovernmental Receivable**

Intergovernmental receivables are comprised of state and federal grants (\$5,376,921), state equalization and unrestricted state aid (\$3,955,146),

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**Short-Term Interfund Receivables and Payables**

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

**Deposits**

Deposits in the amount of \$190,713 represents cash deposits with Mohave Educational Services in the food service cooperative.

**Inventories and Prepaids**

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental activities are recorded as expenses when consumed rather than when purchased and are recorded as expenditures when purchased rather than when consumed in the governmental funds. Prepaids represent amounts paid by the District for a future benefit. Prepaids are recognized as an expense/expenditure in the governmental activities/government funds when the benefit is received.

**Leases**

As a lessor, the District recognizes lease receivables with an initial individual value of \$25,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The District's estimated incremental borrowing rate is the rate at which the District can acquire financing for future spending.

**Capital Assets**

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

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

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

| <b>Asset Class</b>             | <b>Years</b> |
|--------------------------------|--------------|
| Land improvements              | 5-30 years   |
| Building and improvements      | 5-50 years   |
| Vehicles, equipment, furniture | 5-20 years   |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**Deferred Outflows 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 an acquisition of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**Compensated Absences**

The District's employee vacation and PTO policies generally provide for granting vacation and PTO leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and 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.

**Pension and Other Postemployment Benefit Plans**

For purposes of measuring the net pension and total other postemployment benefit (OPEB) liabilities, related deferred outflows of resources and deferred inflows of resources, and related expenses, information about the pension and OPEB plans' fiduciary net position and additions to/deductions from the plans' 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.

**Deferred Inflows of Resources**

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.

**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.

**Net Position**

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

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**Fund Balance**

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

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

Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations. The committed fund balances are self-imposed limitations approved by the District's Governing Board, which is the highest level of decision-making authority within the District. Only the District Governing Board can remove or change the constraints placed on committed fund balances through formal board action at a public meeting. Fund balances must be committed prior to fiscal year-end. Assigned fund balances are resources constrained by the District's intent to be used for specific purposes but are neither restricted nor committed. The District's Governing Board has not authorized any management officials to make assignments of resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned. The District has not adopted a spending priority policy. When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, in accordance with GASB 54, the District uses restricted fund balance first. For the disbursement of unrestricted fund balances, the District follows the spending policy described in GASB 54 to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts. The District has classified its fund balances as follows:

|   | General Fund  | Special Projects Fund | Debt Service Fund | Non-Major Governmental Funds | Total Governmental Activities |
|---|---------------|-----------------------|-------------------|------------------------------|-------------------------------|
| <b>Nonspendable</b>   |               |                       |                   |                              |                               |
| Inventory   | \$ 371,872    | \$ -                  | \$ -              | 69,328                       | 441,200                       |
| <b>Restricted</b>   |               |                       |                   |                              |                               |
| Teacher compensation and other qualified programs (A.R.S. 15-977) | -             | -                     | -                 | 4,104,993                    | 4,104,993                     |
| Instructional improvement programs                                | -             | -                     | -                 | 811,941                      | 811,941                       |
| Federal and state instructional programs                          | -             | 903,520               | -                 | -                            | 903,520                       |
| Food service  | -             | -                     | -                 | 3,770,619                    | 3,770,619                     |
| Community programs  | -             | -                     | -                 | 392,787                      | 392,787                       |
| Extracurricular activities  | -             | -                     | -                 | 700,569                      | 700,569                       |
| Student activities  | -             | -                     | -                 | 85,858                       | 85,858                        |
| Capital projects  | -             | -                     | -                 | 5,728,515                    | 5,728,515                     |
| Total restricted  | -             | 903,520               | -                 | 15,595,282                   | 16,498,802                    |
| <b>Unassigned</b>   | 24,834,048    | -                     | (67,878)          | -                            | 24,766,170                    |
| <b>Total</b>  | \$ 25,205,920 | \$ 903,520            | \$ (67,878)       | \$ 15,664,610                | \$ 41,706,172                 |



**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The District adopts an annual operating budget for expenditures for all governmental fund types on essentially the same modified accrual basis of accounting used to record actual expenditures (See Notes to Required Supplementary Information for exceptions). The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted the budget can be increased or decreased only for specific reasons set forth in the A.R.S. All appropriations lapse at year-end.

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

An annual budget of revenue from all sources for the fiscal year is not prepared. In addition, a budget is not prepared for the Gifts and Donations Capital Fund or Energy Water Savings Fund.

Budget capacity was available in other General Fund budget subsections to make up for the special education excess. Additionally, cash was available to cover the excess in the Civic Center and Bond Building Funds.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

Deposits and investments at June 30, 2022 consist of the following:

|                                       |                      |
|---------------------------------------|----------------------|
| Deposits:                             |                      |
| Cash in bank                          | \$ 303,053           |
| Investments:                          |                      |
| Cash on deposit with county treasurer | 39,685,188           |
| Total deposits and investments        | <u>\$ 39,988,241</u> |

**Deposits**

*Custodial Credit Risk* – This is the risk that, in the event of a failure by a counterparty, the District will not be able to recover its deposits or collateralized securities that are in the possession of an outside party. The District had a carrying value of \$9,085,394 for cash on deposit with a local financial institution and a bank balance of \$9,085,990 at June 30, 2022. The District does not have a formal policy regarding custodial credit risk. However, of the \$9,085,990 bank balance, \$500,000 was insured by federal depository insurance and \$8,585,990 collateralized by the State of Arizona Pooled Collateral Program.

**Investments**

At June 30, 2022, the District's investments were reported at fair value. The District's investments consisted of only cash on deposit with the County Treasurer.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)**

*Custodial Credit Risk* – The District’s investment in the County Treasurer’s investment pools represents a proportionate interest in those pools’ portfolios; however, the District’s portion is not identified with any specific investment and is not subject to custodial credit risk.

*Interest Rate Risk* – The District does not have a formal investment policy regarding interest rate risk; however, the District manages its exposure to declines in fair values by limiting the average maturity of its investment portfolio to one year or less.

*Credit Risk* – The District does not have a formal investment policy regarding credit risk. However, the District is prohibited by state law from investing in investments other than State and County Treasurer’s investment pools, U.S. Treasury obligations, specified state and local government bonds and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements. The District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

**NOTE 4 – UNAVAILABLE REVENUE**

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

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

|                                       | <b>Unavailable</b>  |
|---------------------------------------|---------------------|
| Delinquent property taxes receivable: |                     |
| General Fund                          | \$ 1,815,906        |
| Debt Service Fund                     | 224,141             |
| <b>Total</b>                          | <b>\$ 2,040,047</b> |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022 was as follows:

|  | Balance<br>July 01, 2021 | Additions      | Deductions     | Balance<br>June 30, 2022 |
|--|--------------------------|----------------|----------------|--------------------------|
| Capital assets not being depreciated         |                          |                |                |                          |
| Land   | \$ 3,511,348             | \$ -           | \$ -           | \$ 3,511,348             |
| Construction in progress                     | 2,783,068                | 852,320        | (3,635,388)    | -                        |
| Total capital assets not being depreciated   | 6,294,416                | 852,320        | (3,635,388)    | 3,511,348                |
| Capital assets being depreciated             |                          |                |                |                          |
| Land improvements                            | 11,164,844               | 896,991        | -              | 12,061,835               |
| Buildings and improvements                   | 230,527,247              | 4,241,899      | -              | 234,769,146              |
| Vehicles, equipment, and furniture           | 13,479,170               | 366,712        | -              | 13,845,882               |
| Total capital assets being depreciated       | 255,171,261              | 5,505,602      | -              | 260,676,863              |
| Less accumulated depreciation                |                          |                |                |                          |
| Land improvements                            | (5,888,602)              | (596,995)      | -              | (6,485,597)              |
| Buildings and improvements                   | (138,882,115)            | (9,155,740)    | -              | (148,037,855)            |
| Vehicles, equipment, and furniture           | (8,352,128)              | (778,508)      | -              | (9,130,636)              |
| Total accumulated depreciation               | (153,122,845)            | (10,531,243)   | -              | (163,654,088)            |
| Total capital assets, being depreciated, net | 102,048,416              | (5,025,641)    | -              | 97,022,775               |
| Governmental activities capital assets, net  | \$ 108,342,832           | \$ (4,173,321) | \$ (3,635,388) | \$ 100,534,123           |

Depreciation expenses was charged to governmental functions as follows:

|  |                      |
|--|----------------------|
| Governmental Activities:               |                      |
| Instruction                            | \$ 6,028,304         |
| Support Services:                      |                      |
| Students                               | 992                  |
| Instructional Staff                    | 598                  |
| General Administration                 | 502,208              |
| School Administration                  | 123,667              |
| Business and Other Support Services    | 188,464              |
| Operations and Maintenance of Plant    | 3,164,483            |
| Student Transportation                 | 284,497              |
| Operation of Noninstructional Services | 238,030              |
|  | <u>\$ 10,531,243</u> |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

As of June 30, 2022, interfund receivables and payables were as follows:

| <u>Due to other funds</u> | <u>Due from other funds</u> |           |
|---------------------------|-----------------------------|-----------|
|                           | General Fund                |           |
| Special Projects Fund     | \$                          | 4,128,856 |

The above interfund receivable and payable are due to cash shortfalls at June 30, 2022. Cash will be received subsequent to June 30, 2022 to repay the short-term borrowing in the Special Projects Fund.

Interfund transfers for the year ended June 30, 2022 consisted of the following:

| <u>Transfer to</u> | <u>Transfer from</u>  |         |
|--------------------|-----------------------|---------|
|                    | Special Projects Fund |         |
| General fund       | \$                    | 911,262 |

The transfer from the Special Projects Fund to the General Fund in the amount of \$911,262 was made to record the District's indirect costs on grants passed through the Arizona Department of Education. The District did not exceed the approved indirect cost rate on any grants.

**NOTE 7 – LONG-TERM OBLIGATIONS**

**Bonds Payable**

Bonds payable at year-end consisted of the following outstanding general obligation bonds payable issued to provide funds for the acquisition and construction of major capital facilities. The bonds are noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

General obligation bonds currently outstanding are as following at June 30, 2022:

| Purpose                         | Interest Rate | Maturity  | Original Issue       | Balance              |
|---------------------------------|---------------|-----------|----------------------|----------------------|
| <b>Governmental Activities:</b> |               |           |                      |                      |
| School Improvement Bonds,       |               |           |                      |                      |
| Project 2010, Series A (2010)   | 3.5-3.9%      | 7/1/23-24 | \$ 2,480,000         | \$ 980,000           |
| Project 2015, Series A (2016)   | 1.8-4.0%      | 7/1/23-29 | 15,260,000           | 11,490,000           |
| Project 2015, Series B (2016)   | 2.0-5.0%      | 7/1/23-29 | 9,795,000            | 8,350,000            |
| Project 2015, Series C (2018)   | 4.0-5.0%      | 7/1/23/36 | 22,530,000           | 21,155,000           |
|                                 |               |           | <u>\$ 50,065,000</u> | <u>\$ 41,975,000</u> |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 7 – LONG-TERM OBLIGATIONS (CONTINUED)**

**Bonds Payable (Continued)**

Debt service requirements on long-term debt on June 30, 2022 are as follows:

| Year ended, June 30, | Governmental Activities |               |
|----------------------|-------------------------|---------------|
|                      | Principal               | Interest      |
| 2023                 | \$ 5,390,000            | \$ 1,814,988  |
| 2024                 | 5,430,000               | 1,602,363     |
| 2025                 | 4,090,000               | 1,382,950     |
| 2026                 | 3,335,000               | 1,220,950     |
| 2027                 | 2,875,000               | 1,070,200     |
| 2028-2032            | 11,980,000              | 3,590,800     |
| 2033-2036            | 8,875,000               | 1,098,750     |
| Total                | \$ 41,975,000           | \$ 11,781,001 |

**Compensated Absences**

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year ended June 30, 2022, the District paid for compensated absences from the General Fund.

Changes in long-term liabilities for the year ended June 30, 2022 are as follows:

|                          | Balance<br>July 01, 2021 | Additions  | Deductions     | Balance<br>June 30, 2022 | Due Within<br>One Year |
|--------------------------|--------------------------|------------|----------------|--------------------------|------------------------|
| General obligation bonds | \$ 47,360,000            | \$ -       | \$ (5,385,000) | \$ 41,975,000            | \$ 5,390,000           |
| Unamortized premium      | 4,186,825                | -          | (595,598)      | 3,591,227                | -                      |
| Compensated absences     | 2,620,818                | 969,539    | (1,731,739)    | 1,858,618                | 1,672,814              |
| Total                    | \$ 54,167,643            | \$ 969,539 | \$ (7,712,337) | \$ 47,424,845            | \$ 7,062,814           |

**NOTE 8 – 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 is a member of the Arizona School Risk Retention Trust, Inc (ASRRT), together with other school districts in the state. ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for member school districts. 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.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 8 – RISK MANAGEMENT (CONTINUED)**

For employee health insurance, the District is a member of the Arizona School Boards Association Insurance Trust (ASBAIT), together with other school districts. ASBAIT was established in 1981 by the Arizona School Board Association. Its formation was in response to Arizona school administrators desire to obtain comprehensive health benefits at reasonable costs. ASBAIT operates by an "Agreement and Declaration of Trust" in accordance with the laws of the State of Arizona, including, without limitation, §15-382 A.R.S. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

The District is a member of the Arizona School Alliance for Workers' Compensation, Inc. (the Alliance). The Alliance was established in 1996 and is structured as a self-insurance pool that is owned and governed by its members. The agreement provides that the Alliance will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior fiscal years.

**NOTE 9 – CONTINGENT LIABILITIES**

*Federal grants* - In the normal course of operations, the District receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of audits of grant funds is not believed by District officials to be material.

*Litigation* - Each year the District receives notices of claims for damages occurring generally from negligence, bodily injury, breach of contract, and other legal matters. The filing of such claims commences a statutory period for initiating a lawsuit against the District arising therefrom. The District has comprehensive general liability insurance with the ASRRT. The District is not aware of any litigation that might result in a materially adverse outcome.

**NOTE 10 – PENSION PLAN**

**Cost Sharing Pension Plan**

At June 30, 2022, the District reported the following related to pensions to which it contributes:

|              | Liability     | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | Expense      |
|--------------|---------------|-----------------------------------|----------------------------------|--------------|
| Pension plan | \$ 52,760,573 | \$ 13,382,118                     | \$ 18,629,936                    | \$ 2,934,830 |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 10 – PENSION PLAN (CONTINUED)**

**Arizona State Retirement System**

**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); and a cost-sharing, multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2, and 2.1. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its Web site at [www.azasrs.gov](http://www.azasrs.gov).

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

|  | Retirement Initial<br>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                   | 30 years, age 55                                 |
|  | 10 years, age 62                                 | 25 years, age 60                                 |
|  | 5 years, age 50*                                 | 10 years, age 62                                 |
|  | Any years, age 65                                | 5 years, age 50*                                 |
|  |  | Any years, age 65                                |
| Final average salary is based on                     | Highest 36 consecutive months of last 120 months | Highest 60 consecutive months of last 120 months |
| Benefit 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 earning. 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 retirement benefit option chosen determines the survivor benefit. 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.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 10 – PENSION PLAN (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Benefits Provided (Continued)**

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

**Contributions**

In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2022, statute required active ASRS members 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 statute required the District 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. If the District also made alternative contributions for retired members who returned to work, add the following sentence: In addition, the District was required by statute to contribute at the actuarially determined rate of 10.22 percent (10.13 percent for retirement and 0.09 percent for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension plan for the year ended June 30, 2022, was \$5,636,770.

During fiscal year 2022, the District paid for pension contributions as follows: 80% from the General Fund, 10% from Special Projects Funds, and 10% from nonmajor governmental funds.

**Pension Liability**

On June 30, 2022, the District reported a liability of \$52,760,573 for its proportionate share of the ASRS' net pension liability.

The net asset and net liabilities were measured as of June 30, 2021. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2020, to the measurement date of 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. The District's proportion of the net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2021, and the change from its proportions measured as of June 30, 2020, was a decrease of .0185%.



**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 10 – PENSION PLAN (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Pension Expense**

For the year ended June 30, 2022 the District recognized pension expense for ASRS of \$2,934,830.

**Deferred Outflows/Inflows of Resources**

On June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 804,286                        | \$ -                             |
| Changes of assumptions or other inputs  | 6,867,210                         | -                                |
| Net difference between projected and actual earnings on<br>pension plan investments                     | -                                 | 16,716,406                       |
| Changes in proportion and differences between<br>contributions and proportionate share of contributions | 73,852                            | 1,913,530                        |
| Contributions subsequent to the measurement date  | 5,636,770                         | -                                |
| Total   | <u>\$ 13,382,118</u>              | <u>\$ 18,629,936</u>             |

The amounts reported as deferred outflows of resources related to ASRS pensions resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions will be recognized in expenses as follows:

| Year Ending June 30: | Deferred Outflows<br>(Inflows) of<br>Resources |
|----------------------|--|
| 2023                 | \$ (721,932)                                   |
| 2024                 | (716,946)                                      |
| 2025                 | (3,685,111)                                    |
| 2026                 | (5,760,599)                                    |
| Total                | <u>\$ (10,884,588)</u>                         |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 10 – PENSION PLAN (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Actuarial Assumptions**

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

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

Actuarial assumptions used in the June 30, 2020; valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS pension plan investments was determined to be 7.0% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class                            | Target Allocation | Long-Term Expected Real Rate of Return |
|--|-------------------|--|
| Equity                                 | 50%               | 4.90%                                  |
| Fixed income - credit                  | 20%               | 5.20%                                  |
| Fixed income - interest rate sensitive | 10%               | 0.70%                                  |
| Real Estate                            | 20%               | 5.70%                                  |
| Total                                  | 100%              |  |

**Discount Rate**

On June 30, 2021, the discount rate used to measure the ASRS net pension liability was 7.0 percent, which was a decrease of 0.5 from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statutes. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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**NOTE 10 – PENSION PLAN (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Sensitivity of the District's Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate**

The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate.

|  | 1% Decrease<br>(6.0%) | Current<br>Discount Rate<br>(7.0%) | 1% Increase<br>(8.0%) |
|--|-----------------------|------------------------------------|-----------------------|
| Proportionate share of the net pension liability | \$ 82,987,963         | \$ 52,760,573                      | \$ 27,559,294         |

**NOTE 11 – RESTATEMENT OF FUND BALANCES**

At June 30, 2022, the District recorded a restatement of fund balance to correct an error for the fund balance classification of the Unrestricted Capital Outlay Fund. In the previous year, this fund was recorded as a Special Revenue Fund. However, this fund has no external restrictions as to how the monies can be spent and will be grouped within the General Fund in accordance with the *Uniform System of Financial Records (USFR)*. Other Non-Major Governmental Funds were reclassified based on the USFR into the General Fund.

The net effects of the restatements on the Governmental Activities and Governmental Funds and are as follows:

**Governmental Funds**

|                                  | Fund balance as<br>previously stated | Fund balance<br>reclassification | Fund balance<br>as restated |
|----------------------------------|--------------------------------------|----------------------------------|-----------------------------|
| General Fund                     | \$ 9,315,262                         | \$ 18,667,564                    | \$ 27,982,826               |
| Unrestricted Capital Outlay Fund | 14,277,952                           | (14,277,952)                     | -                           |
| Special Projects Fund            | 664,182                              | -                                | 664,182                     |
| Debt Service Fund                | 452,387                              | -                                | 452,387                     |
| Non-Major Governmental Funds     | 19,248,992                           | (4,389,612)                      | 14,859,380                  |
| Total governmental funds         | \$ 43,958,775                        | \$ -                             | \$ 43,958,775               |

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**REQUIRED SUPPLEMENTARY INFORMATION OTHER  
THAN MD&A**

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**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS**  
**COST-SHARING PENSION PLAN**  
**JUNE 30, 2022**

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

|   | Reporting Fiscal Year<br>(Measurement Date) |                |                |                |                |                |                |                |
|---|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2022<br>(2021)                              | 2021<br>(2020) | 2020<br>(2019) | 2019<br>(2018) | 2018<br>(2017) | 2017<br>(2016) | 2016<br>(2015) | 2015<br>(2014) |
| Proportion of the net pension liability   | 0.4015%                                     | 0.4200%        | 0.4200%        | 0.4400%        | 0.4300%        | 0.4400%        | 0.4400%        | 0.4300%        |
| Proportionate share of the net pension liability  | \$ 52,760,573                               | \$ 72,830,264  | \$ 60,922,811  | \$ 61,349,174  | \$ 66,332,898  | \$ 70,426,431  | \$ 69,263,472  | \$ 64,231,444  |
| Covered payroll   | \$ 45,361,278                               | \$ 46,157,418  | \$ 44,544,796  | \$ 44,241,021  | \$ 41,827,910  | \$ 41,125,193  | \$ 41,702,664  | \$ 39,684,817  |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 116.31%                                     | 157.79%        | 136.77%        | 138.67%        | 158.59%        | 171.25%        | 166.09%        | 161.85%        |
| Plan fiduciary net position as a percentage of the total pension liability              | 78.58%                                      | 69.33%         | 73.24%         | 73.40%         | 69.92%         | 67.06%         | 68.35%         | 69.49%         |

**SCHEDULE OF CONTRIBUTIONS**

|  | Reporting Fiscal Year |               |               |               |               |               |               |               |
|--|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 2022                  | 2021          | 2020          | 2019          | 2018          | 2017          | 2016          | 2015          |
| Actuarially determined contribution                                  | \$ 5,636,770          | \$ 5,260,011  | \$ 5,296,197  | \$ 4,936,720  | \$ 4,768,841  | \$ 4,238,879  | \$ 4,168,749  | \$ 4,247,115  |
| Contributions in relation to the actuarially determined contribution | 5,636,770             | 5,260,011     | 5,296,197     | 4,936,720     | 4,768,841     | 4,238,879     | 4,168,749     | 4,247,115     |
| Contribution deficiency (excess)                                     | \$ -                  | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| District's covered payroll   | \$ 47,221,914         | \$ 45,361,278 | \$ 46,157,418 | \$ 44,544,796 | \$ 44,241,021 | \$ 41,827,910 | \$ 41,125,193 | \$ 41,702,664 |
| Contributions as a percentage of covered payroll                     | 11.94%                | 11.60%        | 11.47%        | 11.08%        | 10.78%        | 10.13%        | 10.14%        | 10.18%        |

*See accompanying Notes to Required Supplementary Information*

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL GENERAL FUND – BUDGETARY BASIS**  
**YEAR ENDED JUNE 30, 2022**

|   | Budgeted Amounts       |                        | Actual              | Variances -          |
|---|------------------------|------------------------|---------------------|----------------------|
|   | Original               | Final                  | (Budgetary Basis)   | Final to Actual      |
| <b>REVENUES</b>                           |                        |                        |                     |                      |
| Property taxes                            | \$ -                   | \$ -                   | \$ 32,799,487       | \$ 32,799,487        |
| Intergovernmental                         | -                      | -                      | 14,857,118          | 14,857,118           |
| Investment earnings                       | -                      | -                      | 99,614              | 99,614               |
| Other                                     | -                      | -                      | 3,816               | 3,816                |
| <b>Total Revenues</b>                     | -                      | -                      | 47,760,035          | 47,760,035           |
| <b>EXPENDITURES</b>                       |                        |                        |                     |                      |
| Regular education:                        |                        |                        |                     |                      |
| Instruction                               | 13,032,724             | 13,571,359             | 11,914,656          | 1,656,703            |
| Support services - students               | 3,246,700              | 3,147,080              | 3,310,476           | (163,396)            |
| Support services - instructional staff    | 2,505,000              | 2,476,902              | 2,307,509           | 169,393              |
| Support services - general administration | 1,210,000              | 1,110,380              | 1,010,304           | 100,076              |
| Support services - school administration  | 2,432,234              | 2,332,614              | 2,432,974           | (100,360)            |
| Support services - central services       | 2,795,000              | 2,695,380              | 1,815,772           | 879,608              |
| Operations and maintenance of plant       | 6,342,200              | 6,242,577              | 4,770,013           | 1,472,564            |
| Operation of noninstructional services    | 60,000                 | 60,000                 | 150,918             | (90,918)             |
| School sponsored cocurricular activities  | 48,200                 | 48,200                 | 42,498              | 5,702                |
| <b>Total regular education</b>            | <b>31,672,058</b>      | <b>31,684,492</b>      | <b>27,755,120</b>   | <b>3,929,372</b>     |
| Special education:                        |                        |                        |                     |                      |
| Instruction                               | 4,972,897              | 4,972,897              | 4,796,549           | 176,348              |
| Support services - students               | 2,869,050              | 2,869,050              | 2,833,667           | 35,383               |
| Support services - instructional staff    | 170,200                | 170,200                | 50,008              | 120,192              |
| Support services - central services       | -                      | -                      | 1,071               | (1,071)              |
| Operations and maintenance of plant       | -                      | -                      | 4                   | (4)                  |
| <b>Total special education</b>            | <b>8,012,147</b>       | <b>8,012,147</b>       | <b>7,681,299</b>    | <b>330,848</b>       |
| Pupil transportation:                     |                        |                        |                     |                      |
| Student transportation services           | 2,489,422              | 2,489,422              | 2,157,869           | 331,553              |
| Desegregation:                            |                        |                        |                     |                      |
| Instruction                               | 11,101,530             | 11,101,530             | 8,264,943           | 2,836,587            |
| Support services - students               | -                      | -                      | 671,899             | (671,899)            |
| Support services - instructional staff    | -                      | -                      | 727,225             | (727,225)            |
| Support services - general administration | -                      | -                      | 151,599             | (151,599)            |
| Support services - school administration  | -                      | -                      | 396,101             | (396,101)            |
| Support services - central services       | -                      | -                      | 265,993             | (265,993)            |
| Operations and maintenance of plant       | -                      | -                      | 539,006             | (539,006)            |
| Operation of noninstructional services    | -                      | -                      | 920                 | (920)                |
| <b>Total desegregation</b>                | <b>11,101,530</b>      | <b>11,101,530</b>      | <b>11,017,686</b>   | <b>623,770</b>       |
| K-3 reading program:                      |                        |                        |                     |                      |
| Instruction                               | 337,538                | 337,538                | 337,539             | (1)                  |
| <b>Total Expenditures</b>                 | <b>53,612,695</b>      | <b>53,625,129</b>      | <b>48,949,513</b>   | <b>4,591,772</b>     |
| <b>Excess (Deficiency) of Revenues</b>    |                        |                        |                     |                      |
| <b>Over Expenditures</b>                  | (53,612,695)           | (53,625,129)           | (1,189,478)         | 52,351,807           |
| <b>Fund Balance - Beginning</b>           | -                      | -                      | 10,783,729          | 10,783,729           |
| <b>Fund Balance - Ending</b>              | <b>\$ (53,612,695)</b> | <b>\$ (53,625,129)</b> | <b>\$ 9,603,350</b> | <b>\$ 63,228,479</b> |

See accompanying Notes to Required Supplementary Information

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL SPECIAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2022**

|  | Budgeted Amounts       |                        | Actual            | Variances -<br>Final to Actual |
|--|------------------------|------------------------|-------------------|--------------------------------|
|  | Original               | Final                  |                   |                                |
| <b>REVENUES</b>  |                        |                        |                   |                                |
| Intergovernmental  | \$ -                   | \$ -                   | \$ 20,227,426     | \$ 20,227,426                  |
| <b>EXPENDITURES</b>                                      |                        |                        |                   |                                |
| Regular education:                                       |                        |                        |                   |                                |
| Instruction  | 36,291,079             | 36,291,079             | 9,968,779         | 26,322,300                     |
| Support services - students                              | 6,202,352              | 6,202,352              | 1,703,721         | 4,498,631                      |
| Support services - instructional staff                   | 12,334,311             | 12,334,311             | 3,388,106         | 8,946,205                      |
| Support services - general administration                | 1,250,714              | 1,250,714              | 343,558           | 907,156                        |
| Support services - school administration                 | 642,733                | 642,733                | 176,552           | 466,181                        |
| Support services - central services                      | 928,547                | 928,547                | 255,062           | 673,485                        |
| Operations and maintenance of plant                      | 3,316,970              | 3,316,970              | 911,137           | 2,405,833                      |
| Operation of noninstructional services                   | 775,479                | 775,479                | 213,016           | 562,463                        |
| Total regular education                                  | 61,742,184             | 61,742,184             | 16,959,931        | 44,782,253                     |
| Special education:                                       |                        |                        |                   |                                |
| Instruction  | 4,088,339              | 4,088,339              | 1,123,024         | 2,965,315                      |
| Support services - students                              | 2,081,117              | 2,081,117              | 571,661           | 1,509,456                      |
| Support services - instructional staff                   | 424,654                | 424,654                | 116,648           | 308,006                        |
| Support services - central services                      | 39,255                 | 39,255                 | 10,783            | 28,472                         |
| Total special education                                  | 6,639,948              | 6,639,948              | 1,823,924         | 4,816,024                      |
| Pupil transportation:                                    |                        |                        |                   |                                |
| Student transportation services                          | 625,761                | 625,761                | 171,890           | 453,871                        |
| Capital outlay   |                        |                        |                   |                                |
| Facilities acquisition                                   | 441,076                | 441,076                | 121,159           | 319,917                        |
| <b>Total Expenditures</b>                                | <b>69,448,969</b>      | <b>69,448,969</b>      | <b>19,076,904</b> | <b>50,372,065</b>              |
| <b>Excess (Deficiency) of Revenues Over Expenditures</b> | <b>(69,448,969)</b>    | <b>(69,448,969)</b>    | <b>1,150,600</b>  | <b>70,599,569</b>              |
| <b>Other Financing Sources (Uses):</b>                   |                        |                        |                   |                                |
| Transfers out  | -                      | -                      | (911,262)         | (911,262)                      |
| <b>NET CHANGE IN FUND BALANCE</b>                        | <b>(69,448,969)</b>    | <b>(69,448,969)</b>    | <b>239,338</b>    | <b>69,688,307</b>              |
| <b>Fund Balance - Beginning</b>                          | <b>-</b>               | <b>-</b>               | <b>664,182</b>    | <b>664,182</b>                 |
| <b>Fund Balance - Ending</b>                             | <b>\$ (69,448,969)</b> | <b>\$ (69,448,969)</b> | <b>\$ 903,520</b> | <b>\$ 70,352,489</b>           |

See accompanying Notes to Required Supplementary Information

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NOTES TO THE REQUIRED**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2022**

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**NOTE 1 – AVAILABILITY OF PRIOR YEAR PENSION INFORMATION**

Information prior to the measurement date of June 30, 2014, was not available. GASB Statement No. 68 requires the District to present 10 years of pension information as required supplementary information. However, until a full 10 years of trend data is compiled, the District will present information for only those years for which information is available.

**NOTE 2 – BUDGETARY BASIS OF ACCOUNTING**

The District's adopted budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the following exception:

- 1) The General Fund as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances includes the District's Maintenance and Operation Fund in addition to several other District funds as required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; however, for budgetary purposes, the District prepares a separate Maintenance and Operation Fund budget.

The following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District's Maintenance and Operation Fund for budgetary purposes.

|  | General Fund  |               |             |               |               |
|--|---------------|---------------|-------------|---------------|---------------|
|  | Total         | Total         | Other       | Fund balance  | Fund balance  |
|  | Revenues      | Expenditures  | Financing   | beginning of  | end of year   |
|  |               |               | Sources and | year          |               |
|  |               |               | Uses        |               |               |
| Statement of revenues, expenditures and changes in fund balance                    | \$ 54,187,438 | \$ 57,884,705 | \$ 920,361  | \$ 27,982,826 | \$ 25,205,920 |
| Non-maintenance and operation activity included in the General Fund                | (6,427,403)   | (8,935,192)   | (911,262)   | (17,199,097)  | (15,602,570)  |
| Schedule of revenues, expenditures, and changes in fund balance - budget to actual | \$ 47,760,035 | \$ 48,949,513 | \$ 9,099    | \$ 10,783,729 | \$ 9,603,350  |



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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

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**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FUND DESCRIPTIONS**  
**JUNE 30, 2022**

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**SPECIAL REVENUE FUNDS**

*Classroom Site Fund* – accounts for the revenues and expenditures of State apportioned educational sales tax monies.

*Instructional Improvement Fund* - accounts for revenues and expenditures for State apportioned Indian Gaming monies.

*Other Special Revenue Fund* - accounts for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular activity fee tax credit, fingerprinting, textbooks, and grants and gifts to teachers.

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

*Student Activities Fund* – accounts for monies raised by students to finance student clubs and organizations.

**CAPITAL PROJECTS FUND**

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

*Bond Building Fund* - accounts for monies received from District bond issues that are used to acquire sites, construct school buildings, supply school buildings with furniture and apparatus, improve schoolgrounds, and purchase pupil transportation vehicles.

*Gifts and Donations Fund* - accounts for gifts and donations to be expended for capital acquisition.

*Energy and Water Savings Fund* - accounts for capital investment monies, energy-related rebate or grant monies, and monies from other funding sources, including clean renewable energy bonds, to fund energy or water saving projects in school facilities.

*Emergency Deficiencies Correction Fund* - Accounts for monies received from the School Facilities Board or Maricopa County to correct emergency deficiencies.

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

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

|                                     | Special Revenue Funds |                                |                            |                   |                         | Capital Project Funds |                    |                     |                      |                                   |                        |                              |  |
|-------------------------------------|-----------------------|--------------------------------|----------------------------|-------------------|-------------------------|-----------------------|--------------------|---------------------|----------------------|-----------------------------------|------------------------|------------------------------|--|
|                                     | Classroom Site Fund   | Instructional Improvement Fund | Other Special Revenue Fund | Food Service Fund | Student Activities Fund | Adjacent Ways Fund    | Bond Building Fund | Gifts and Donations | Energy Water Savings | Emergency Deficiencies Correction | Building Renewal Grant | Non-Major Governmental Funds |  |
| ASSETS                              |                       |                                |                            |                   |                         |                       |                    |                     |                      |                                   |                        |                              |  |
| Cash and investments                | \$ 4,105,074          | \$ 811,941                     | \$ 1,101,184               | \$ 3,568,222      | \$ 89,805               | \$ 1,854,036          | \$ 4,112,630       | \$ 5,952            | \$ 41,401            | \$ 244                            | \$ 4,039               | \$ 15,694,528                |  |
| Receivables:                        |                       |                                |                            |                   |                         |                       |                    |                     |                      |                                   |                        |                              |  |
| Intergovernmental                   | -                     | -                              | -                          | 41,684            | -                       | -                     | -                  | -                   | -                    | -                                 | -                      | 41,684                       |  |
| Deposits                            | -                     | -                              | -                          | 190,713           | -                       | -                     | -                  | -                   | -                    | -                                 | -                      | 190,713                      |  |
| Inventory                           | -                     | -                              | -                          | 69,328            | -                       | -                     | -                  | -                   | -                    | -                                 | -                      | 69,328                       |  |
| Total Assets                        | \$ 4,105,074          | \$ 811,941                     | \$ 1,101,184               | \$ 3,869,947      | \$ 89,805               | \$ 1,854,036          | \$ 4,112,630       | \$ 5,952            | \$ 41,401            | \$ 244                            | \$ 4,039               | \$ 15,996,253                |  |
| LIABILITIES                         |                       |                                |                            |                   |                         |                       |                    |                     |                      |                                   |                        |                              |  |
| Accounts payable                    | \$ -                  | \$ -                           | \$ 7,828                   | \$ 14,931         | \$ 3,947                | \$ -                  | \$ 289,787         | \$ -                | \$ -                 | \$ -                              | -                      | \$ 316,493                   |  |
| Accrued wages                       | 81                    | -                              | -                          | 15,069            | -                       | -                     | -                  | -                   | -                    | -                                 | -                      | 15,150                       |  |
| Total Liabilities                   | 81                    | -                              | 7,828                      | 30,000            | 3,947                   | -                     | 289,787            | -                   | -                    | -                                 | -                      | 331,643                      |  |
| FUND BALANCES                       |                       |                                |                            |                   |                         |                       |                    |                     |                      |                                   |                        |                              |  |
| Nonspendable                        | -                     | -                              | -                          | 69,328            | -                       | -                     | -                  | -                   | -                    | -                                 | -                      | 69,328                       |  |
| Restricted                          | 4,104,993             | 811,941                        | 1,093,356                  | 3,770,619         | 85,858                  | 1,854,036             | 3,822,843          | 5,952               | 41,401               | 244                               | 4,039                  | 15,595,282                   |  |
| Total Fund Balances                 | 4,104,993             | 811,941                        | 1,093,356                  | 3,839,947         | 85,858                  | 1,854,036             | 3,822,843          | 5,952               | 41,401               | 244                               | 4,039                  | 15,664,610                   |  |
| Total Liabilities and Fund Balances | \$ 4,105,074          | \$ 811,941                     | \$ 1,101,184               | \$ 3,869,947      | \$ 89,805               | \$ 1,854,036          | \$ 4,112,630       | \$ 5,952            | \$ 41,401            | \$ 244                            | \$ 4,039               | \$ 15,996,253                |  |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

|  | Special Revenue Funds  |                                      |                               |                      |                            | Capital Project Funds |                       |                        |                         |   |                           | Non-Major<br>Governmental<br>Funds |
|--|------------------------|--------------------------------------|-------------------------------|----------------------|----------------------------|-----------------------|-----------------------|------------------------|-------------------------|---|---------------------------|------------------------------------|
|  | Classroom Site<br>Fund | Instructional<br>Improvement<br>Fund | Other Special<br>Revenue Fund | Food Service<br>Fund | Student<br>Activities Fund | Adjacent Ways<br>Fund | Bond Building<br>Fund | Gifts and<br>Donations | Energy Water<br>Savings | Emergency<br>Deficiencies<br>Correction | Building<br>Renewal Grant |                                    |
| <b>REVENUES</b>                              |                        |                                      |                               |                      |                            |                       |                       |                        |                         |   |                           |                                    |
| Property taxes                               | \$ -                   | \$ -                                 | \$ -                          | \$ -                 | \$ -                       | \$ 3                  | \$ -                  | \$ -                   | \$ -                    | \$ -                                    | \$ -                      | \$ 3                               |
| Intergovernmental                            | 4,389,628              | 203,628                              | -                             | 5,640,188            | -                          | -                     | -                     | -                      | -                       | -                                       | -                         | 10,233,444                         |
| Food Services Sales                          | -                      | -                                    | -                             | 4,884                | -                          | -                     | -                     | -                      | -                       | -                                       | -                         | 4,884                              |
| Student Activities                           | -                      | -                                    | -                             | -                    | 11,571                     | -                     | -                     | -                      | -                       | -                                       | -                         | 11,571                             |
| Contributions and donations                  | -                      | -                                    | 141,702                       | -                    | -                          | -                     | -                     | -                      | -                       | -                                       | -                         | 141,702                            |
| Investment earnings                          | 32,377                 | -                                    | 20,414                        | 13,241               | 10,361                     | 15,179                | -                     | -                      | -                       | 562                                     | 8,970                     | 101,104                            |
| Other  | 21                     | -                                    | 33,305                        | 831                  | -                          | -                     | -                     | -                      | -                       | -                                       | -                         | 34,157                             |
| <b>Total Revenues</b>                        | <b>4,422,026</b>       | <b>203,628</b>                       | <b>195,421</b>                | <b>5,659,144</b>     | <b>21,932</b>              | <b>15,182</b>         | <b>-</b>              | <b>-</b>               | <b>-</b>                | <b>562</b>                              | <b>8,970</b>              | <b>10,526,865</b>                  |
| <b>EXPENDITURES</b>                          |                        |                                      |                               |                      |                            |                       |                       |                        |                         |   |                           |                                    |
| Current                                      |                        |                                      |                               |                      |                            |                       |                       |                        |                         |   |                           |                                    |
| Instruction                                  | 3,492,826              | 1,265                                | 45,381                        | -                    | -                          | -                     | 34,325                | -                      | -                       | -                                       | -                         | 3,573,797                          |
| Support services:                            |                        |                                      |                               |                      |                            |                       |                       |                        |                         |   |                           |                                    |
| Students                                     | 137,209                | 49,600                               | 3,897                         | -                    | 11,101                     | -                     | -                     | -                      | -                       | -                                       | -                         | 201,807                            |
| Instructional staff                          | 321,867                | -                                    | -                             | -                    | -                          | -                     | -                     | -                      | -                       | -                                       | -                         | 321,867                            |
| Business and other support services          | -                      | -                                    | 1,178                         | 1,673                | -                          | -                     | -                     | -                      | -                       | 37                                      | 446                       | 3,334                              |
| Operations and maintenance of plant          | -                      | -                                    | 1,369                         | -                    | -                          | -                     | 126,613               | -                      | -                       | -                                       | -                         | 127,982                            |
| Student transportation                       | -                      | -                                    | 4,177                         | -                    | -                          | -                     | -                     | -                      | -                       | -                                       | -                         | 4,177                              |
| Operations of noninstructional services      | -                      | -                                    | -                             | 3,404,343            | -                          | -                     | -                     | -                      | -                       | -                                       | -                         | 3,404,343                          |
| Fiscal charges                               | -                      | -                                    | -                             | -                    | -                          | -                     | 1,550                 | -                      | -                       | -                                       | -                         | 1,550                              |
| Capital outlay:                              |                        |                                      |                               |                      |                            |                       |                       |                        |                         |   |                           |                                    |
| Facilities acquisition                       | -                      | -                                    | 500                           | 6,200                | -                          | -                     | 2,022,849             | -                      | -                       | -                                       | -                         | 2,029,549                          |
| <b>Total Expenditures</b>                    | <b>3,951,902</b>       | <b>50,865</b>                        | <b>56,502</b>                 | <b>3,412,216</b>     | <b>11,101</b>              | <b>-</b>              | <b>2,185,337</b>      | <b>-</b>               | <b>-</b>                | <b>37</b>                               | <b>446</b>                | <b>9,668,406</b>                   |
| <b>Excess (Deficiency) of Revenues</b>       |                        |                                      |                               |                      |                            |                       |                       |                        |                         |   |                           |                                    |
| <b>Over Expenditures</b>                     | <b>470,124</b>         | <b>152,763</b>                       | <b>138,919</b>                | <b>2,246,928</b>     | <b>10,831</b>              | <b>15,182</b>         | <b>(2,185,337)</b>    | <b>-</b>               | <b>-</b>                | <b>525</b>                              | <b>8,524</b>              | <b>858,459</b>                     |
| <b>Fund Balance - Beginning, as restated</b> | <b>3,634,869</b>       | <b>659,178</b>                       | <b>954,437</b>                | <b>1,646,248</b>     | <b>75,027</b>              | <b>1,838,854</b>      | <b>6,008,180</b>      | <b>5,952</b>           | <b>41,401</b>           | <b>(281)</b>                            | <b>(4,485)</b>            | <b>14,859,380</b>                  |
| <b>Fund Balance - Ending</b>                 | <b>\$ 4,104,993</b>    | <b>\$ 811,941</b>                    | <b>\$ 1,093,356</b>           | <b>\$ 3,839,947</b>  | <b>\$ 85,858</b>           | <b>\$ 1,854,036</b>   | <b>\$ 3,822,843</b>   | <b>\$ 5,952</b>        | <b>\$ 41,401</b>        | <b>\$ 244</b>                           | <b>\$ 4,039</b>           | <b>\$ 15,664,610</b>               |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**CLASSROOM SITE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2022**

|  | Budgeted Amounts |                | Actual       | Variances -     |
|--|------------------|----------------|--------------|-----------------|
|  | Original         | Final          |              | Final to Actual |
| <b>REVENUES</b>                        |                  |                |              |                 |
| Intergovernmental                      | \$ -             | \$ -           | \$ 4,389,628 | \$ 4,389,628    |
| Investment earnings                    | -                | -              | 32,377       | 32,377          |
| <b>Total Revenues</b>                  | -                | -              | 4,422,026    | 4,422,026       |
| <b>EXPENDITURES</b>                    |                  |                |              |                 |
| Regular education:                     |                  |                |              |                 |
| Instruction                            | 5,393,779        | 5,738,458      | 3,040,523    | 2,697,935       |
| Support services - students            | 605,000          | 605,000        | 95,947       | 509,053         |
| Support services - instructional staff | 1,452,000        | 1,452,000      | 321,459      | 1,130,541       |
| Total regular education                | 7,450,779        | 7,795,458      | 3,457,929    | 4,337,529       |
| Special education:                     |                  |                |              |                 |
| Instruction                            | -                | -              | 413,724      | (413,724)       |
| Support services - students            | -                | -              | 41,262       | (41,262)        |
| Support services - instructional staff | -                | -              | 408          | (408)           |
| Total special education                | -                | -              | 455,394      | (455,394)       |
| K-3 reading program:                   |                  |                |              |                 |
| Instruction                            | -                | -              | 38,579       | (38,579)        |
| <b>Total Expenditures</b>              | 7,450,779        | 7,795,458      | 3,951,902    | 3,843,556       |
| <b>Excess (Deficiency) of Revenues</b> |                  |                |              |                 |
| <b>Over Expenditures</b>               | (7,450,779)      | (7,795,458)    | 470,124      | 8,265,582       |
| <b>Fund Balance - Beginning</b>        | -                | -              | 3,634,869    | 3,634,869       |
| <b>Fund Balance - Ending</b>           | \$ (7,450,779)   | \$ (7,795,458) | \$ 4,104,993 | \$ 11,900,451   |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**INSTRUCTIONAL IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2022**

|  | <b>Budgeted Amounts</b>   |                   | <b>Variances -</b>     |
|--|---------------------------|-------------------|------------------------|
|  | <b>Original and Final</b> | <b>Actual</b>     | <b>Final to Actual</b> |
| <b>REVENUES</b>                        |                           |                   |                        |
| Intergovernmental                      | \$ -                      | \$ 203,628        | \$ 203,628             |
| <b>EXPENDITURES</b>                    |                           |                   |                        |
| Regular education:                     |                           |                   |                        |
| Instruction                            | 12,435                    | 1,265             | 11,170                 |
| Support services - students            | 487,565                   | 49,600            | 437,965                |
| <b>Total Expenditures</b>              | <b>500,000</b>            | <b>50,865</b>     | <b>449,135</b>         |
| <b>Excess (Deficiency) of Revenues</b> |                           |                   |                        |
| <b>Over Expenditures</b>               | <b>(500,000)</b>          | <b>152,763</b>    | <b>652,763</b>         |
| <b>Fund Balance - Beginning</b>        | <b>-</b>                  | <b>659,178</b>    | <b>659,178</b>         |
| <b>Fund Balance - Ending</b>           | <b>\$ (500,000)</b>       | <b>\$ 811,941</b> | <b>\$ 1,311,941</b>    |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**OTHER SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2022**

|  | <b>Budgeted Amounts</b>   |               | <b>Variances -</b>     |
|--|---------------------------|---------------|------------------------|
|  | <b>Original and Final</b> | <b>Actual</b> | <b>Final to Actual</b> |
| <b>REVENUES</b>                          |                           |               |                        |
| Contributions and donations              | \$ -                      | \$ 141,702    | 141,702                |
| Investment earnings                      | -                         | 20,414        | 20,414                 |
| Other                                    | -                         | 33,305        | 33,305                 |
| <b>Total Revenues</b>                    | -                         | 195,421       | 195,421                |
| <b>EXPENDITURES</b>                      |                           |               |                        |
| Regular education:                       |                           |               |                        |
| Instruction                              | 16,102                    | 990           | 15,112                 |
| Support services - central services      | 19,160                    | 1,178         | 17,982                 |
| Operations and maintenance of plant      | 22,267                    | 1,369         | 20,898                 |
| School sponsored cocurricular activities | 772,177                   | 47,475        | 724,702                |
| School sponsored athletics               | 13,223                    | 813           | 12,410                 |
| Total regular education                  | 842,929                   | 51,825        | 791,104                |
| Pupil transportation:                    |                           |               |                        |
| Student transportation services          | 67,939                    | 4,177         | 63,762                 |
| Capital Outlay:                          |                           |               |                        |
| Facilities acquisition                   | 8,132                     | 500           | 7,632                  |
| <b>Total Expenditures</b>                | 919,000                   | 56,502        | 862,498                |
| <b>Excess (Deficiency) of Revenues</b>   |                           |               |                        |
| <b>Over Expenditures</b>                 | (919,000)                 | 138,919       | 1,057,919              |
| <b>Fund Balance - Beginning</b>          | -                         | 954,437       | 954,437                |
| <b>Fund Balance - Ending</b>             | \$ (919,000)              | \$ 1,093,356  | \$ 2,012,356           |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**FOOD SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2022**

|  | <u>Budgeted Amounts</u>   |               | <u>Variances -</u>     |  |
|--|---------------------------|---------------|------------------------|--|
|  | <u>Original and Final</u> | <u>Actual</u> | <u>Final to Actual</u> |  |
| <b>REVENUES</b>                        |                           |               |                        |  |
| Intergovernmental                      | \$ -                      | \$ 5,640,188  | \$ 5,640,188           |  |
| Food service sales                     | -                         | 4,884         | 4,884                  |  |
| Investment earnings                    | -                         | 13,241        | 13,241                 |  |
| Other                                  | -                         | 831           | 831                    |  |
| <b>Total Revenues</b>                  | -                         | 5,659,144     | 5,659,144              |  |
| <b>EXPENDITURES</b>                    |                           |               |                        |  |
| Regular education:                     |                           |               |                        |  |
| Operation of noninstructional services | 4,090,540                 | 3,404,343     | 686,197                |  |
| Capital outlay:                        |                           |               |                        |  |
| Facilities acquisition                 | 7,450                     | 6,200         | 1,250                  |  |
| <b>Total Expenditures</b>              | 4,100,000                 | 3,412,216     | 687,784                |  |
| <b>Excess (Deficiency) of Revenues</b> |                           |               |                        |  |
| <b>Over Expenditures</b>               | (4,100,000)               | 2,246,928     | 6,346,928              |  |
| <b>Fund Balance - Beginning</b>        | -                         | 1,646,248     | 1,646,248              |  |
| <b>Fund Balance - Ending</b>           | \$ (4,100,000)            | \$ 3,839,947  | \$ 3,849,407           |  |



**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**STUDENT ACTIVITIES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2022**

|  | <u>Budgeted Amounts</u>   |               | <u>Variances -</u>     |
|--|---------------------------|---------------|------------------------|
|  | <u>Original and Final</u> | <u>Actual</u> | <u>Final to Actual</u> |
| <b>REVENUES</b>                          |                           |               |                        |
| Student activities                       | \$ -                      | 11,571        | \$ 11,571              |
| Investment earnings                      | -                         | 10,361        | 10,361                 |
| <b>Total Revenues</b>                    | -                         | 21,932        | 21,932                 |
| <b>EXPENDITURES</b>                      |                           |               |                        |
| Regular education:                       |                           |               |                        |
| School sponsored cocurricular activities | 75,000                    | 11,101        | 63,899                 |
| <b>Excess (Deficiency) of Revenues</b>   |                           |               |                        |
| <b>Over Expenditures</b>                 | (75,000)                  | 10,831        | 85,831                 |
| <b>Fund Balance - Beginning</b>          | -                         | 75,027        | 75,027                 |
| <b>Fund Balance - Ending</b>             | \$ (75,000)               | \$ 85,858     | \$ 160,858             |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**BOND BUILDING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2022**

|  | <u>Budgeted Amounts</u>   |                     | <u>Variances -</u>     |
|--|---------------------------|---------------------|------------------------|
|  | <u>Original and Final</u> | <u>Actual</u>       | <u>Final to Actual</u> |
| <b>EXPENDITURES</b>                    |                           |                     |                        |
| Regular education:                     |                           |                     |                        |
| Instruction                            | \$ 78,535                 | \$ 34,325           | \$ 44,210              |
| Support services - central services    | 3,546                     | 1,550               | 1,996                  |
| Operations and maintenance of plant    | 289,688                   | 126,613             | 163,075                |
| Total regular education                | 371,769                   | 162,488             | 209,281                |
| Capital outlay                         |                           |                     |                        |
| Facilities acquisition                 | 4,628,231                 | 2,022,849           | 2,605,382              |
| <b>Total Expenditures</b>              | <b>5,000,000</b>          | <b>2,185,337</b>    | <b>2,814,663</b>       |
| <b>Excess (Deficiency) of Revenues</b> |                           |                     |                        |
| <b>Over Expenditures</b>               | <b>(5,000,000)</b>        | <b>(2,185,337)</b>  | <b>2,814,663</b>       |
| <b>NET CHANGE IN FUND BALANCE</b>      | <b>-</b>                  | <b>(2,185,337)</b>  | <b>(2,185,337)</b>     |
| <b>Fund Balance - Beginning</b>        | <b>-</b>                  | <b>6,008,180</b>    | <b>6,008,180</b>       |
| <b>Fund Balance - Ending</b>           | <b>\$ (5,000,000)</b>     | <b>\$ 3,822,843</b> | <b>\$ 6,637,506</b>    |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**EMERGENCY DEFICIENCIES CORRECTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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|  | <u>Budgeted Amounts</u>   |               | <u>Variances -</u>     |
|--|---------------------------|---------------|------------------------|
|  | <u>Original and Final</u> | <u>Actual</u> | <u>Final to Actual</u> |
| <b>REVENUES</b>                        |                           |               |                        |
| Investment earnings                    | \$ -                      | \$ 562.00     | \$ 562.00              |
| <b>EXPENDITURES</b>                    |                           |               |                        |
| Regular education:                     |                           |               |                        |
| Support services - central services    | 10,000                    | 37            | 9,963                  |
| <b>Excess (Deficiency) of Revenues</b> |                           |               |                        |
| <b>Over Expenditures</b>               | (10,000)                  | 525           | 562                    |
| <b>Fund Balance - Beginning</b>        | -                         | (281)         | (281)                  |
| <b>Fund Balance - Ending</b>           | \$ (10,000.00)            | \$ 244.00     | \$ 281.00              |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**BUILDING RENEWAL GRANT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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|  | <u>Budgeted Amounts</u>   |               | <u>Variances -</u>     |
|--|---------------------------|---------------|------------------------|
|  | <u>Original and Final</u> | <u>Actual</u> | <u>Final to Actual</u> |
| <b>REVENUES</b>                        |                           |               |                        |
| Investment earnings                    | \$ -                      | \$ 8,970      | \$ 8,970               |
| <b>EXPENDITURES</b>                    |                           |               |                        |
| Regular education:                     |                           |               |                        |
| Support services - central services    | 500,000                   | 446           | 499,554                |
| <b>Excess (Deficiency) of Revenues</b> |                           |               |                        |
| <b>Over Expenditures</b>               | (500,000)                 | 8,524         | 8,970                  |
| <b>Fund Balance - Beginning</b>        | -                         | (4,485)       | (4,485)                |
| <b>Fund Balance - Ending</b>           | \$ (500,000)              | \$ 4,039      | \$ 4,485               |

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**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FISCAL YEAR ENDED JUNE 30, 2022**

|  | <u>Budgeted Amounts</u>   |               | <u>Variances -</u>     |
|--|---------------------------|---------------|------------------------|
|  | <u>Original and Final</u> | <u>Actual</u> | <u>Final to Actual</u> |
| <b>REVENUES</b>                        |                           |               |                        |
| Property taxes                         | \$ -                      | \$ 6,769,710  | \$ 6,769,710           |
| Investment earnings                    | -                         | 84,013        | 84,013                 |
| <b>Total Revenues</b>                  | -                         | 6,853,723     | 6,853,723              |
| <b>EXPENDITURES</b>                    |                           |               |                        |
| Debt service                           |                           |               |                        |
| Principal retirement                   | 5,477,023                 | 5,385,000     | 92,023                 |
| Interest and fiscal charges            | 2,022,977                 | 1,988,988     | 33,989                 |
| Total debt service                     | 7,500,000                 | 7,373,988     | 126,012                |
| <b>Excess (Deficiency) of Revenues</b> |                           |               |                        |
| <b>Over Expenditures</b>               | (7,500,000)               | (520,265)     | 6,887,712              |
| <b>Fund Balance - Beginning</b>        | -                         | 452,387       | 452,387                |
| <b>Fund Balance - Ending</b>           | \$ (7,500,000)            | \$ (67,878)   | \$ 3,988,984           |

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**STATISTICAL SECTION  
(UNAUDITED)**

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## STATISTICAL SECTION

This section of the Phoenix Elementary School District No. 1's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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

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

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

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

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

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

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

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|                                  |              | <b>Fiscal Year Ended June 30</b> |               |               |               |                |
|----------------------------------|--------------|----------------------------------|---------------|---------------|---------------|----------------|
| <b>Net Position:</b>             |              | <b>2022</b>                      | <b>2021</b>   | <b>2020</b>   | <b>2019</b>   | <b>2018</b>    |
| Net investment in capital assets |              | \$ 54,967,896                    | \$ 54,769,187 | \$ 56,805,425 | \$ 60,423,734 | \$ 64,485,708  |
|                                  | Restricted   | 12,728,183                       | 28,640,099    | 41,141,707    | 19,914,445    | 23,648,546     |
|                                  | Unrestricted | (28,848,973)                     | (43,584,377)  | (58,273,491)  | (36,718,272)  | (42,689,986)   |
|                                  | Total        | \$ 38,847,106                    | \$ 39,824,909 | \$ 39,673,641 | \$ 43,619,907 | \$ 45,444,268  |
|                                  |              | <b>Fiscal Year Ended June 30</b> |               |               |               |                |
| <b>Net Position:</b>             |              | <b>2017</b>                      | <b>2016</b>   | <b>2015</b>   | <b>2014</b>   | <b>2013</b>    |
| Net investment in capital assets |              | \$ 61,697,748                    | \$ 61,806,062 | \$ 63,680,149 | \$ 60,174,624 | \$ 70,578,686  |
|                                  | Restricted   | 22,956,216                       | 20,539,526    | 17,710,191    | 16,287,103    | 6,597,035      |
|                                  | Unrestricted | (43,864,813)                     | (47,566,275)  | (51,487,103)  | 19,521,500    | 25,759,398     |
|                                  | Total        | \$ 40,789,151                    | \$ 34,779,313 | \$ 29,903,237 | \$ 95,983,227 | \$ 102,935,119 |

Source: The District's financial records.



**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**EXPENSE, PROGRAM REVENUES, AND NET POSITION**  
**LAST TEN FISCAL YEARS**  
**ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

|   | Fiscal Year Ended June 30 |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|---|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|   | 2022                      | 2021                   | 2020                   | 2019                   | 2018                   | 2017                   | 2016                   | 2015                   | 2014                   | 2013                   |
| <b>Expenses:</b>                            |                           |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Instruction                                 | \$ 45,216,454             | \$ 48,420,362          | \$ 47,558,707          | \$ 46,321,751          | \$ 44,936,093          | \$ 41,924,419          | \$ 41,035,687          | \$ 40,467,183          | \$ 37,949,426          | \$ 35,826,578          |
| Support Services - students and staff       | 16,212,482                | 15,749,441             | 13,662,215             | 12,423,016             | 13,711,021             | 13,714,805             | 14,196,427             | 14,887,880             | 14,439,486             | 13,547,247             |
| Support Services - administration           | 9,041,621                 | 9,268,982              | 9,453,934              | 7,600,468              | 7,862,180              | 8,324,010              | 8,472,524              | 7,319,156              | 7,660,939              | 9,146,007              |
| Operation and Maintenance of plant services | 14,008,462                | 12,610,078             | 11,802,079             | 11,250,704             | 10,546,181             | 10,612,442             | 10,164,724             | 10,018,152             | 9,615,027              | 10,174,810             |
| Student transportation services             | 2,553,278                 | 1,935,125              | 2,709,909              | 3,317,426              | 2,477,307              | 2,570,593              | 2,306,541              | 2,376,151              | 2,572,033              | 2,337,739              |
| Operation of non-instructional services     | 3,941,063                 | 3,284,008              | 4,039,657              | 4,353,554              | 4,024,146              | 4,365,250              | 4,210,106              | 4,324,824              | 4,276,091              | 4,320,785              |
| Other                                       | 43,804                    | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Loss on sale of capital assets              | -                         | -                      | -                      | -                      | -                      | -                      | -                      | -                      | 1,267,864              | -                      |
| Interest on long-term debt                  | 1,394,940                 | 1,670,864              | 2,510,397              | 1,767,113              | 1,875,812              | 1,778,559              | 2,116,351              | 1,983,705              | 1,927,397              | 2,997,093              |
| <b>Total expenses</b>                       | <b>92,412,104</b>         | <b>92,938,860</b>      | <b>91,736,898</b>      | <b>87,034,032</b>      | <b>85,432,740</b>      | <b>83,290,078</b>      | <b>82,502,360</b>      | <b>81,377,051</b>      | <b>79,708,263</b>      | <b>78,350,259</b>      |
| <b>Program revenues:</b>                    |                           |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Charges for services:                       |                           |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Instruction                                 | 504,682                   | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Students                                    | 136,338                   | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Instructional staff                         | 61,700                    | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| General administration                      | 22,170                    | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| School administration                       | 54,049                    | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Business and other support services         | 72,328                    | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Operation and maintenance of plant          | 173,191                   | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Transportation                              | 40,560                    | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | 109,145                |
| Other                                       | 824                       | 2,174                  | -                      | -                      | -                      | -                      | 94                     | 42                     | 1,837                  | 9,901                  |
| Operation of non-instructional services     | 19,318                    | 2,301,505              | 1,151,016              | 830,607                | 1,074,780              | 1,288,338              | 1,279,948              | 1,330,898              | 1,254,891              | 117,393                |
| Other Activities                            | -                         | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      | -                      |
| Operating grants and contributions          | 30,914,335                | 23,953,579             | 19,830,365             | 17,854,106             | 24,269,199             | 23,568,725             | 22,839,424             | 21,721,514             | 16,957,652             | 20,615,183             |
| Capital grants and contributions            | -                         | 525,082                | 686,109                | 272,036                | 649,401                | 53,217                 | 151,585                | 41,864                 | -                      | 18,407                 |
| <b>Total program revenues</b>               | <b>31,999,495</b>         | <b>26,782,340</b>      | <b>21,667,490</b>      | <b>18,956,749</b>      | <b>25,993,380</b>      | <b>24,910,280</b>      | <b>24,271,051</b>      | <b>23,094,318</b>      | <b>18,214,380</b>      | <b>20,760,884</b>      |
| <b>Net expense</b>                          | <b>\$ (60,412,609)</b>    | <b>\$ (66,156,520)</b> | <b>\$ (70,069,408)</b> | <b>\$ (68,077,283)</b> | <b>\$ (59,439,360)</b> | <b>\$ (58,379,798)</b> | <b>\$ (58,231,309)</b> | <b>\$ (58,282,733)</b> | <b>\$ (61,493,883)</b> | <b>\$ (57,589,375)</b> |

Source: The District's financial records.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

|                                | Fiscal Year Ended June 30 |                       |                       |                       |                     |                     |                     |                     |                       |                     |
|--------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|
|                                | 2022                      | 2021                  | 2020                  | 2019                  | 2018                | 2017                | 2016                | 2015                | 2014                  | 2013                |
| <b>Net Expense</b>             | \$ (60,412,609)           | \$ (66,156,520)       | \$ (70,069,408)       | \$ (68,077,283)       | \$ (59,439,360)     | \$ (58,379,798)     | \$ (58,231,309)     | \$ (58,282,733)     | \$ (61,493,883)       | \$ (57,480,230)     |
| <b>General revenues:</b>       |                           |                       |                       |                       |                     |                     |                     |                     |                       |                     |
| Property taxes                 | 39,731,550                | 44,282,023            | 44,716,769            | 43,764,177            | 44,539,017          | 42,931,430          | 41,712,467          | 40,139,227          | 42,042,391            | 44,480,256          |
| Revenue in lieu of taxes       | 2,729,950                 | 3,086,719             | 2,386,570             | 2,320,386             | 1,390,340           | 1,378,783           | 1,313,112           | -                   | -                     | -                   |
| Investment Income and Other    | 375,255                   | 536,384               | 1,047,809             | 1,241,670             | 583,566             | 234,250             | 157,753             | 129,245             | 98,717                | 92,617              |
| Unrestricted County Aid        | 1,281,295                 | 1,384,307             | 1,660,061             | 1,739,272             | 1,740,867           | 1,885,826           | 1,787,925           | 1,392,080           | 1,433,638             | -                   |
| Unrestricted State Aid         | 13,778,104                | 14,199,537            | 16,307,005            | 17,182,273            | 15,826,896          | 17,951,804          | 18,130,814          | 17,079,269          | 16,020,121            | 18,044,927          |
| Unrestricted Federal Aid       | 1,455,079                 | -                     | -                     | -                     | -                   | -                   | -                   | -                   | -                     | -                   |
| Other                          | 83,573                    | 7,478                 | 4,928                 | 5,144                 | 13,791              | 7,543               | 5,314               | 1,352,442           | 156,009               | 800,950             |
| <b>Total general revenues</b>  | <b>59,434,806</b>         | <b>63,496,448</b>     | <b>66,123,142</b>     | <b>66,252,922</b>     | <b>64,094,477</b>   | <b>64,389,636</b>   | <b>63,107,385</b>   | <b>60,092,263</b>   | <b>59,750,876</b>     | <b>63,418,750</b>   |
| <b>Changes in net position</b> | <b>\$ (977,803)</b>       | <b>\$ (2,660,072)</b> | <b>\$ (3,946,266)</b> | <b>\$ (1,824,361)</b> | <b>\$ 4,655,117</b> | <b>\$ 6,009,838</b> | <b>\$ 4,876,076</b> | <b>\$ 1,809,530</b> | <b>\$ (1,743,007)</b> | <b>\$ 5,938,520</b> |

Source: The District's financial records.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

|   | Fiscal Year Ended June 30 |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2022                      | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 | 2013                 |
| <b>General Fund</b>                       |                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                              | \$ 371,872                | \$ 362,773           | \$ 388,888           | \$ 332,154           | \$ 362,047           | \$ 368,982           | \$ 374,561           | \$ 373,765           | \$ 380,521           | \$ 309,260           |
| Unassigned                                | 24,834,048                | 8,952,489            | 6,291,020            | 16,208,874           | 15,559,696           | 13,588,642           | 10,123,267           | 7,663,120            | 9,251,957            | 19,816,372           |
| <b>Total General Fund</b>                 | <b>25,205,920</b>         | <b>9,315,262</b>     | <b>6,679,908</b>     | <b>16,541,028</b>    | <b>15,921,743</b>    | <b>13,957,624</b>    | <b>10,497,828</b>    | <b>8,036,885</b>     | <b>9,632,478</b>     | <b>20,125,632</b>    |
| <b>All other governmental funds:</b>      |                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                              | 69,328                    | 122,557              | 178,926              | 97,511               | 715,992              | 585,590              | 86,040               | 82,335               | 93,078               | 63,195               |
| Restricted                                | 16,498,802                | 34,525,722           | 40,962,781           | 40,815,967           | 35,449,666           | 30,455,559           | 39,000,002           | 19,370,834           | 17,889,742           | 6,040,508            |
| Assigned                                  | -                         | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 3,399,785            | -                    |
| Unassigned                                | -                         | (4,766)              | (463,548)            | (1,032,438)          | (123,484)            | (316,331)            | (294)                | -                    | (41,831)             | -                    |
| <b>Total all other governmental funds</b> | <b>16,568,130</b>         | <b>34,643,513</b>    | <b>40,678,159</b>    | <b>39,881,040</b>    | <b>36,042,174</b>    | <b>30,724,818</b>    | <b>39,085,748</b>    | <b>19,453,169</b>    | <b>21,340,774</b>    | <b>6,103,703</b>     |
| <b>Total all governmental funds</b>       | <b>\$ 41,774,050</b>      | <b>\$ 43,958,775</b> | <b>\$ 47,358,067</b> | <b>\$ 56,422,068</b> | <b>\$ 51,963,917</b> | <b>\$ 44,682,442</b> | <b>\$ 49,583,576</b> | <b>\$ 27,490,054</b> | <b>\$ 30,973,252</b> | <b>\$ 26,229,335</b> |

Source: The District's financial records.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**REVENUES – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

|                               | Fiscal Year Ended June 30 |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|-------------------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                               | 2022                      | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 | 2013                 |
| <b>Federal sources:</b>       |                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Federal aid and grants        | \$ 21,614,724             | \$ 17,451,592        | \$ 3,824,971         | \$ 9,892,381         | \$ 16,183,788        | \$ 14,869,778        | \$ 14,205,951        | \$ 17,949,374        | \$ 15,947,500        | \$ 21,218,683        |
| National school lunch program | 5,640,188                 | 3,146,545            | 11,756,704           | 4,200,314            | 4,254,003            | 4,711,914            | 4,584,826            | -                    | -                    | -                    |
| <b>Total federal sources:</b> | <b>27,254,912</b>         | <b>20,598,137</b>    | <b>15,581,675</b>    | <b>14,092,695</b>    | <b>20,437,791</b>    | <b>19,581,692</b>    | <b>18,790,777</b>    | <b>17,949,374</b>    | <b>15,947,500</b>    | <b>21,218,683</b>    |
| <b>States sources:</b>        |                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| State aid and grants          | 14,446,162                | 13,803,558           | 16,016,794           | 16,915,760           | 15,554,244           | 21,475,933           | 21,831,503           | 20,528,051           | 16,690,907           | 13,295,561           |
| Other revenues                | 4,593,256                 | 3,657,034            | 4,776,722            | 3,898,014            | 4,289,925            | -                    | -                    | -                    | -                    | -                    |
| <b>Total state sources</b>    | <b>19,039,418</b>         | <b>17,460,592</b>    | <b>20,793,516</b>    | <b>20,813,774</b>    | <b>19,844,169</b>    | <b>21,475,933</b>    | <b>21,831,503</b>    | <b>20,528,051</b>    | <b>16,690,907</b>    | <b>13,295,561</b>    |
| <b>Local sources</b>          |                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Property taxes                | 42,407,394                | 43,285,172           | 44,917,820           | 43,814,235           | 44,722,946           | 42,774,512           | 41,872,812           | 40,385,253           | 43,264,130           | 46,707,860           |
| County equalization           | 1,281,295                 | 1,384,307            | 1,660,061            | 1,739,272            | 1,740,867            | 1,885,826            | 1,787,925            | 1,392,080            | 1,424,472            | 2,068,300            |
| Food service sales            | 4,884                     | 13,055               | 37,779               | 66,882               | 82,764               | 63,213               | 52,227               | 77,346               | 131,016              | 117,393              |
| Contributions and donations   | 268,523                   | 85,562               | 177,673              | 181,242              | 214,558              | 260,901              | 146,372              | 144,901              | 279,714              | 282,247              |
| Investment income             | 375,255                   | 536,384              | 1,047,809            | 1,241,670            | 583,566              | 234,249              | 157,753              | 129,245              | 98,717               | 80,692               |
| Other revenues                | 1,163,849                 | 5,522,749            | 3,755,994            | 3,309,959            | 2,645,125            | 2,866,672            | 2,921,846            | 2,826,357            | 1,350,539            | 919,996              |
| <b>Total local sources</b>    | <b>45,501,200</b>         | <b>50,827,229</b>    | <b>51,597,136</b>    | <b>50,353,260</b>    | <b>49,989,826</b>    | <b>48,085,373</b>    | <b>46,938,935</b>    | <b>44,955,182</b>    | <b>46,548,588</b>    | <b>50,176,488</b>    |
| <b>Total revenues</b>         | <b>\$ 91,795,530</b>      | <b>\$ 88,885,958</b> | <b>\$ 87,972,327</b> | <b>\$ 85,259,729</b> | <b>\$ 90,271,786</b> | <b>\$ 89,142,998</b> | <b>\$ 87,561,215</b> | <b>\$ 83,432,607</b> | <b>\$ 79,186,995</b> | <b>\$ 84,690,732</b> |

Source: The District's financial records.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST TEN FISCAL YEARS**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

|   | Fiscal Year Ended June 30 |                      |                      |                       |                      |                      |                      |                      |                      |                      |
|---|---------------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2022                      | 2021                 | 2020                 | 2019                  | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 | 2013                 |
| <b>Expenditures:</b>                                    |                           |                      |                      |                       |                      |                      |                      |                      |                      |                      |
| Current:  |                           |                      |                      |                       |                      |                      |                      |                      |                      |                      |
| Instruction   | \$ 41,510,376             | \$ 41,617,154        | \$ 40,608,112        | \$ 41,415,977         | \$ 39,942,951        | \$ 36,225,171        | \$ 35,047,499        | \$ 35,044,522        | \$ 32,538,162        | \$ 31,416,479        |
| Support services - students and staff                   | 16,837,700                | 15,511,763           | 13,696,427           | 13,115,647            | 14,313,258           | 13,921,486           | 14,246,613           | 14,979,238           | 14,421,348           | 13,544,641           |
| Support services - administration                       | 8,690,693                 | 8,231,647            | 8,215,168            | 6,784,601             | 6,901,990            | 7,418,344            | 7,526,462            | 6,422,199            | 6,628,700            | 6,645,364            |
| Operation and maintenance of plant services             | 10,253,189                | 9,540,446            | 9,481,219            | 8,529,680             | 8,963,156            | 9,659,436            | 8,742,435            | 8,656,049            | 8,214,452            | 8,262,114            |
| Student transportation services                         | 2,333,482                 | 1,627,090            | 2,379,659            | 3,065,560             | 2,355,913            | 2,419,087            | 2,180,715            | 2,261,758            | 2,469,491            | 2,254,918            |
| Operation of non-instructional services                 | 3,769,657                 | 3,056,876            | 3,991,454            | 4,322,545             | 4,111,850            | 4,223,781            | 4,196,660            | 4,266,340            | 4,242,239            | 4,256,490            |
| Other   | 43,804                    | -                    | -                    | -                     | -                    | -                    | -                    | -                    | -                    | -                    |
| Capital outlay  | 3,189,564                 | 4,990,900            | 7,250,633            | 16,469,240            | 10,627,715           | 10,201,109           | 4,831,657            | 5,274,335            | 3,257,553            | 5,498,853            |
| Debt Service:   |                           |                      |                      |                       |                      |                      |                      |                      |                      |                      |
| Principal retirement                                    | 5,385,000                 | 8,171,768            | 8,742,833            | 8,844,723             | 8,864,117            | 8,530,621            | 8,434,117            | 7,915,883            | 7,590,379            | 7,285,000            |
| Interest, premium and fiscal charges                    | 1,990,538                 | 2,266,462            | 2,808,972            | 2,431,490             | 2,055,845            | 1,939,068            | 2,276,860            | 2,077,982            | 2,010,283            | 2,348,564            |
| Bond Issuance Costs                                     | -                         | -                    | -                    | -                     | 268,590              | -                    | -                    | -                    | -                    | 202,547              |
| <b>Total expenditures</b>                               | <b>\$ 94,004,003</b>      | <b>\$ 95,014,106</b> | <b>\$ 97,174,477</b> | <b>\$ 104,979,463</b> | <b>\$ 98,405,385</b> | <b>\$ 94,538,103</b> | <b>\$ 87,483,018</b> | <b>\$ 86,898,306</b> | <b>\$ 81,372,607</b> | <b>\$ 81,714,970</b> |
| Debt service as a percentage of noncapital expenditures | 8.1%                      | 11.6%                | 12.8%                | 12.7%                 | 12.4%                | 12.4%                | 13.0%                | 12.2%                | 12.3%                | 12.6%                |

Source: The District's financial records.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

|  | Fiscal Year Ended June 30 |                |                |                 |                |                |               |                |                |              |
|--|---------------------------|----------------|----------------|-----------------|----------------|----------------|---------------|----------------|----------------|--------------|
|  | 2022                      | 2021           | 2020           | 2019            | 2018           | 2017           | 2016          | 2015           | 2014           | 2013         |
| <b>Excess (deficiency) of revenues over expenditures</b> | \$ (2,208,473)            | \$ (6,128,148) | \$ (9,202,150) | \$ (19,719,734) | \$ (8,133,599) | \$ (5,395,105) | \$ 78,197     | \$ (3,465,699) | \$ (2,185,612) | \$ 2,975,762 |
| Over financing sources (uses):                           |                           |                |                |                 |                |                |               |                |                |              |
| Issuance of Bonds  | -                         | -              | -              | 22,530,000      | 19,325,000     | -              | 20,000,000    | -              | 5,400,000      | 21,760,000   |
| Premium on Sale of Bond                                  | -                         | -              | -              | 2,296,259       | 2,697,691      | -              | 927,252       | -              | 102,517        | 2,420,025    |
| Capital lease agreements                                 | -                         | -              | -              | -               | -              | -              | 1,083,572     | -              | 1,325,868      | 450,000      |
| Refunded bond escrow                                     | -                         | -              | -              | -               | (6,731,084)    | -              | -             | -              | -              | (23,977,478) |
| Transfers in   | 107,053                   | 46,190         | 1,590,597      | 1,144,120       | 1,370,251      | 230,269        | 1,419,128     | 1,488,645      | 4,450,374      | 1,175,572    |
| Transfers out  | (107,053)                 | (46,190)       | (1,590,597)    | (1,144,120)     | (1,370,251)    | (230,269)      | (1,419,128)   | (1,488,645)    | (4,450,374)    | (1,175,572)  |
| <b>Total other financing sources (uses)</b>              | (2,208,473)               | -              | -              | 24,826,259      | 15,291,607     | -              | 22,010,824    | -              | 6,828,385      | 652,547      |
| <b>Changes in fund balances</b>                          | \$ (4,416,946)            | \$ (6,128,148) | \$ (9,202,150) | \$ 5,106,525    | \$ 7,158,008   | \$ (5,395,105) | \$ 22,089,021 | \$ (3,465,699) | \$ 4,642,773   | \$ 3,628,309 |

Source: The District's financial records.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**FULL CASH VALUE BY PROPERTY CLASSIFICATION**  
**LAST TEN FISCAL YEARS**  
**MODIFIED ACCRUAL BASIS OF ACCOUNTING**  
**(UNAUDITED)**

| Property Classification (a)                  | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|------|------|------|------|------|------|------|------|------|------|
| Mining, utilities, commercial and industrial | 18%  | 18%  | 18%  | 18%  | 18%  | 18%  | 19%  | 19%  | 20%  | 20%  |
| Agriculture and vacant land                  | 15%  | 15%  | 15%  | 15%  | 15%  | 15%  | 16%  | 16%  | 16%  | 16%  |
| Owner occupied residential                   | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  |
| Leased or rented residential                 | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  |
| Railroad, private car company, and airline   | 15%  | 15%  | 15%  | 14%  | 15%  | 14%  | 15%  | 16%  | 15%  | 15%  |
| Historic property                            | 5%   | 5%   | 5%   | 5%   | 5%   | 5%   | 5%   | 5%   | 5%   | 5%   |

| Net Full Cash Value  |                  |                  |                  |                  |                  |                  |                  |                 |                 |                  |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|------------------|
| Class  | 2022             | 2021             | 2020             | 2019             | 2018             | 2017             | 2016             | 2015            | 2014            | 2013             |
| Commercial, Industrial, Utilities and Mining                 | \$ 811,197,186   | \$ 756,088,774   | \$ 692,478,881   | \$ 621,990,591   | \$ 589,629,392   | \$ 534,531,264   | \$ 507,435,207   | \$ 481,150,770  | \$ 473,924,359  | \$ 545,300,367   |
| Agricultural and Vacant                                      | 121,377,359      | 38,048,092       | 30,064,845       | 28,646,154       | 61,230,893       | 21,972,438       | 20,028,974       | 19,174,844      | 23,688,285      | 27,197,648       |
| Residential (Owner Occupied)                                 | 130,498,121      | 121,103,671      | 105,471,440      | 92,649,705       | 77,659,280       | 70,019,682       | 63,311,559       | 46,377,152      | 37,214,779      | 48,003,016       |
| Residential (Rental)   | 200,341,401      | 185,320,950      | 151,984,095      | 137,371,173      | 99,306,584       | 76,936,597       | 63,587,354       | 52,190,088      | 33,542,877      | 32,367,138       |
| Railroad, Private Cars and Airlines                          | 8,800,251        | 8,185,265        | 8,520,042        | 7,915,310        | 8,099,386        | 7,279,164        | 7,586,568        | 8,050,338       | 7,296,568       | 7,858,999        |
| Historical Property  | 49,275,238       | 46,550,610       | 42,093,082       | 39,553,098       | 35,582,950       | 32,951,074       | 30,368,456       | 23,928,836      | 19,844,327      | 20,857,494       |
| Commerical historical property                               | 5,681,288        | 5,398,023        | 4,023,999        | 4,028,711        | 2,558,417        | 1,581,620        | 1,450,486        | 2,386,772       | 2,308,149       | 2,715,071        |
| Certain government property improvements                     | 103,116          | 22,592           | 22,373           | 21,280           | 23,438           | -                | 4,104            | -               | -               | 15,163           |
| Totals   | \$ 1,327,273,960 | \$1,160,717,977  | \$ 1,034,658,757 | \$932,176,022    | \$874,090,340    | \$745,271,839    | \$693,772,708    | \$633,258,800   | \$597,819,344   | \$684,314,896    |
| Ratio of net full cash assessed values to Gross Total Value  | \$17,742,395,838 | \$16,465,510,153 | \$14,628,401,760 | \$13,212,499,893 | \$12,547,488,830 | \$11,700,247,273 | \$10,620,325,172 | \$9,227,924,180 | \$9,612,859,728 | \$10,077,686,199 |
| Ratio of Net Limited Assessed Value to Gross Full Cash Value | 7.48%            | 7.05%            | 7.07%            | 7.06%            | 6.97%            | 6.37%            | 6.53%            | 6.86%           | 6.22%           | 6.79%            |
| Total Direct Rate  | 3.46%            | 3.46%            | 3.65%            | 3.91%            | 3.83%            | 3.72%            | 3.62%            | 3.32%           | 3.38%           | 3.20%            |

Source: The State and County Abstract of the Assessment Roll from the Arizona Department of Revenue.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

| <b>Fiscal Year<br/>Ended June 30</b> | <b>District Direct Rates</b> |                  |              | <b>Overlapping Rates</b>      |               |   |                            | <b>Phoenix Union<br/>High School<br/>District No.<br/>210</b> |
|--------------------------------------|------------------------------|------------------|--------------|-------------------------------|---------------|---|----------------------------|---|
|                                      | <b>Primary</b>               | <b>Secondary</b> | <b>Total</b> | <b>State<br/>Equalization</b> | <b>County</b> | <b>Community<br/>College<br/>District</b> | <b>City of<br/>Phoenix</b> |   |
| 2022                                 | 3.18                         | 1.72             | 4.89         | 0.43                          | 1.35          | 1.23                                      | 2.12                       | 4.72  |
| 2021                                 | 3.39                         | 2.20             | 5.59         | 0.46                          | 1.40          | 1.29                                      | 2.13                       | 4.83  |
| 2020                                 | 3.62                         | 2.51             | 6.14         | 0.46                          | 1.40          | 1.33                                      | 2.13                       | 4.99  |
| 2019                                 | 2.13                         | 4.60             | 6.43         | 0.47                          | 1.40          | 1.38                                      | 2.14                       | 5.20  |
| 2018                                 | 4.27                         | 2.73             | 7.00         | 0.49                          | 1.40          | 1.41                                      | 2.16                       | 5.03  |
| 2017                                 | 4.27                         | 2.96             | 7.22         | 0.50                          | 1.40          | 1.47                                      | 2.17                       | 5.07  |
| 2016                                 | 4.27                         | 2.92             | 7.19         | 0.51                          | 1.36          | 1.49                                      | 1.82                       | 4.96  |
| 2015                                 | 3.95                         | 2.77             | 6.72         | 0.51                          | 3.37          | 1.52                                      | 1.82                       | 4.62  |
| 2014                                 | 4.48                         | 2.84             | 7.32         | 0.51                          | 3.34          | 1.53                                      | 1.82                       | 4.82  |
| 2013                                 | 4.55                         | 2.47             | 7.01         | 0.47                          | 3.13          | 1.38                                      | 1.82                       | 4.27  |

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



**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**FISCAL YEAR ENDED JUNE 30, 2022, AND 2013**  
**(UNAUDITED)**

| Taxpayer                                      | 2022   |  | 2013   |  |
|---|--|--|--|--|
|   | Net Assessed<br>Property Value for<br>Secondary Tax Purposes | Percentage of Net<br>Assessed Property Value<br>for Secondary Tax Purposes | Net Assessed<br>Property Value for<br>Secondary Tax Purposes | Percentage of Net<br>Assessed Property Value<br>for Secondary Tax Purposes |
| Arizona Public Service Company                | \$ 76,272,509  | 16.55%   | \$ 65,256,885  | 20.06%   |
| Southwest Gas Company (T&D)                   | 55,131,731   | 11.96%   | 46,908,216   | 14.42%   |
| TGA Cactus DCL LLC                            | 10,567,852   | 2.29%  | 8,886,158  | 2.73%  |
| C1337 S 59th LLC/Stealth S 59th LLC/SBSS S 59 | 8,162,123  | 1.77%  |  |  |
| Prologis LP                                   | 6,886,768  | 1.49%  |  |  |
| Generation 3 Investments I LLC                | 6,004,615  | 1.30%  | 4,215,394  | 1.30%  |
| Dawson Logistics Assets LLC                   | 5,918,716  | 1.28%  |  |  |
| Amazon.com Services LLC                       | 4,864,972  | 1.06%  | 6,106,876  | 1.88%  |
| Icon Owner Pool 1 West/Southwest LLC          | 4,574,599  | 0.99%  |  |  |
| L/S Five Crescent Drive LP                    | 4,397,704  | 0.95%  |  |  |
| Roadway Package Systems Inc                   |  |  | 2,799,459  | 0.86%  |
| Kinder Morgan Energy Partners LP              |  |  | 7,084,507  | 2.18%  |
| BRE/DP AZ LLC                                 |  |  | 3,235,923  | 0.99%  |
| Duke Realty Limited Partnership               |  |  | 2,972,425  | 0.91%  |
| MIREF Riverside LLC                           |  |  | 2,694,472  | 0.83%  |
| Totals  | \$ 182,781,589   | 40.50%   | \$ 150,160,315   | 46.16%   |

Source: Maricopa County Assessor's Office.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

| Fiscal Year Ended June 30 | Current Collections              |               |                                       | Delinquent Tax Collections | Total Collections | Collections as a Percentage of the Levy | Outstanding Tax Collections | Outstanding Collections as a Percentage of Levy |
|---------------------------|----------------------------------|---------------|---------------------------------------|----------------------------|-------------------|---|-----------------------------|---|
|                           | Taxes Levied for the Fiscal Year | Amount        | Percentage of Current Taxes Collected |                            |                   |   |                             |   |
| 2022                      | \$ 40,278,882                    | \$ 39,363,763 | 97.73%                                | -                          | 39,363,763        | 97.73%                                  | \$ 915,118                  | 2.27%   |
| 2021                      | 43,932,563                       | 42,927,755    | 97.71%                                | 976,462                    | 43,904,217        | 99.94%                                  | 28,346                      | 0.06%   |
| 2020                      | 45,771,387                       | 44,426,109    | 97.06%                                | 1,333,115                  | 45,759,224        | 99.97%                                  | 12,163                      | 0.03%   |
| 2019                      | 44,298,891                       | 43,117,219    | 97.33%                                | 1,104,951                  | 44,222,170        | 99.83%                                  | 76,721                      | 0.17%   |
| 2018                      | 45,048,772                       | 44,025,092    | 97.73%                                | 943,912                    | 44,969,004        | 99.82%                                  | 79,768                      | 0.18%   |
| 2017                      | 42,237,733                       | 42,143,530    | 99.78%                                | 94,203                     | 42,237,733        | 100.00%                                 | -                           | 0.00%   |
| 2016                      | 42,742,776                       | 41,675,678    | 97.50%                                | 1,028,203                  | 42,703,881        | 99.91%                                  | 38,895                      | 0.09%   |
| 2015                      | 40,795,433                       | 39,510,337    | 96.85%                                | 1,283,051                  | 40,793,388        | 99.99%                                  | 2,045                       | 0.01%   |
| 2014                      | 43,791,803                       | 41,554,302    | 94.89%                                | 2,234,866                  | 43,789,168        | 99.99%                                  | 2,635                       | 0.01%   |
| 2013                      | 48,241,548                       | 46,444,086    | 96.27%                                | 1,797,462                  | 48,241,548        | 100.00%                                 | -                           | 0.00%   |

Source: Coconino County Treasurer's records and District records.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

| Fiscal Year<br>Ended June 30 | General Obligation Bonds    |                |               |                   |            |                       | Total Outstanding Debt |                         |            |                 |
|------------------------------|-----------------------------|----------------|---------------|-------------------|------------|-----------------------|------------------------|-------------------------|------------|-----------------|
|                              | General Obligation<br>Bonds | Less: Amount   |               | As Percentage of  |            | Financed<br>Purchases | Total                  | Percentage of           |            | Percentage of   |
|                              |                             | Restricted for | Total         | Estimated Actual  | Per Capita |                       |                        | Estimated Actual        | Per Capita |                 |
|                              |                             | Principal      |               | Value of Property |            |                       |                        | Value (Full Cash Value) |            | Personal Income |
| 2022                         | \$ 45,566,227               | \$ (67,878)    | \$ 45,634,105 | 7.81%             | \$ 702     | \$ -                  | \$ 45,566,227          | 0.26%                   | \$ 701     | 0.02%           |
| 2021                         | 59,581,825                  | 452,387        | 59,129,438    | 0.36%             | 983        | -                     | 59,581,825             | 0.44%                   | 1,217      | 0.03%           |
| 2020                         | 68,692,423                  | 1,090,782      | 67,601,641    | 0.41%             | 1,214      | 136,768               | 68,829,191             | 0.54%                   | 1,425      | 0.04%           |
| 2019                         | 77,913,021                  | 1,264,138      | 76,648,883    | 0.47%             | 1,419      | 364,601               | 78,277,622             | 0.68%                   | 1,101      | 0.03%           |
| 2018                         | 58,102,041                  | 518,889        | 57,583,152    | 0.39%             | 1,090      | 584,324               | 58,686,365             | 0.56%                   | 942        | 0.03%           |
| 2017                         | 55,610,715                  | 704,651        | 54,906,064    | 0.42%             | 924        | 1,068,441             | 56,679,156             | 0.58%                   | 1,215      | 0.04%           |
| 2016                         | 63,939,562                  | 863,190        | 63,076,372    | 0.50%             | 1,188      | 1,484,061             | 65,423,623             | 0.72%                   | 883        | 0.03%           |
| 2015                         | 51,156,157                  | 323,958        | 50,832,199    | 0.43%             | 865        | 1,069,606             | 52,225,763             | 0.58%                   | 1,059      | 0.04%           |
| 2014                         | 58,873,772                  | 372,566        | 58,501,206    | 0.55%             | 1,035      | 1,405,489             | 60,279,261             | 0.58%                   | 970        | 0.03%           |
| 2013                         | 53,857,478                  | 765,345        | 53,092,133    | 0.58%             | 961        | 450,000               | 54,307,478             | 0.50%                   | 1,069      | 4.00%           |

Source: The District's financial records.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2022**  
**(UNAUDITED)**

| <b>Fiscal Year Ended June 30</b>                     | <b>Debt<br/>Outstanding</b> | <b>Estimate Percentage<br/>Applicable to<br/>School District</b> | <b>Estimated Amount<br/>Applicable to<br/>School District</b> |
|--|-----------------------------|--|---|
| Debt repaid with property taxes:                     |                             |  |   |
| Maricopa County Community College District           | \$ 184,715,000              | 1.72%  | \$ 3,177,098  |
| Maricopa County Special Health Care District         | 640,695,000                 | 1.72%  | 11,019,954  |
| City of Phoenix                                      | 918,905,000                 | 5.61%  | 51,550,571  |
| Phoenix Union High School District No. 210           | 424,569,343                 | 14.19%   | 60,246,390  |
| Subtotal, Overlapping Debt                           |                             |  | <u>\$ 125,994,012</u>   |
| Direct:  |                             |  |   |
| Phoenix Elementary School District No. 1 direct debt | \$ 59,581,825               | 100%   | <u>\$ 45,566,227</u>  |
| Total direct and overlapping debt                    |                             |  | <u><u>\$ 171,560,239</u></u>                                  |

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIO**

|   |          |
|---|----------|
| Net directed general obligation bonded debt                               |          |
| Per Capita  | \$ 702   |
| As a Percentage of Net Assessed Property Value for Secondary Tax Purposes | 7.81%    |
| As a Percentage of Net Full Cash Value                                    | 3.43%    |
| Net direct and overlapping general bonded debt                            |          |
| per capita  | \$ 2,639 |
| as a percentage of net assessed property value for secondary tax purposes | 22.53%   |
| as a percentage of net full cash value                                    | 3.95%    |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

**Legal Debt Margin Calculation:**

|                                    |                  |
|------------------------------------|------------------|
| Net full cash assessed value       | \$ 1,327,273,960 |
|                                    | 10%              |
| Debt limit (10% of assessed value) | 132,727,396      |
| Less: Net debt applicable to limit | 47,360,000       |
| Legal debt margin                  | \$ 85,367,396    |

**Class B Bond Legal Debt Margin Calculation:**

|                                    |                  |
|------------------------------------|------------------|
| Net full cash assessed value       | \$ 1,327,273,960 |
|                                    | 15%              |
| Debt limit (15% of assessed value) | 199,091,094      |
| Less: Net debt applicable to limit | 47,360,000       |
| Legal debt margin                  | \$ 151,731,094   |

Fiscal Year Ended June 30

|   | 2022           | 2021           | 2020           | 2019           | 2018           |
|---|----------------|----------------|----------------|----------------|----------------|
| Debt Limit  | \$ 199,091,094 | \$ 174,107,697 | \$ 155,198,814 | \$ 139,826,403 | \$ 131,113,551 |
| Less: Net debt applicable to limit                                | (47,360,000)   | (55,395,000)   | (63,910,000)   | (72,535,000)   | (54,195,000)   |
| Legal debt margin   | \$ 151,731,094 | \$ 118,712,697 | \$ 91,288,814  | \$ 67,291,403  | \$ 76,918,551  |
| Total debt applicable to the limit<br>as percentage of debt limit | 23.8%          | 31.8%          | 41.2%          | 51.9%          | 41.3%          |

Fiscal Year Ended June 30

|   | 2017           | 2016           | 2015          | 2014          | 2013           |
|---|----------------|----------------|---------------|---------------|----------------|
| Debt Limit  | \$ 111,790,776 | \$ 104,065,906 | \$ 94,988,820 | \$ 89,667,952 | \$ 102,647,235 |
| Less: Net debt applicable to limit                                | (53,430,000)   | (61,195,000)   | (48,775,000)  | (55,995,000)  | (53,857,478)   |
| Legal debt margin   | \$ 58,360,776  | \$ 42,870,906  | \$ 46,213,820 | \$ 33,672,952 | \$ 48,789,757  |
| Total debt applicable to the limit<br>as percentage of debt limit | 47.8%          | 58.8%          | 51.3%         | 62.4%         | 52.5%          |

Source: District records and the State and County Abstract of the Assessment Roll from the Arizona Department of Revenue.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

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| <b>Maricopa County</b> |                   |                        |                   |                          |                                      |
|------------------------|-------------------|------------------------|-------------------|--------------------------|--------------------------------------|
| <b>Year</b>            | <b>Population</b> | <b>Personal Income</b> | <b>Per Capita</b> | <b>Unemployment Rate</b> | <b>Estimated District Population</b> |
| 2022                   | 4,496,588         | \$ 268,711,602         | 59,759            | 3.4%                     | 65,000                               |
| 2021                   | 4,420,568         | 245,077,753            | 55,440            | 6.6%                     | 60,623                               |
| 2020                   | 4,485,414         | 222,943,017            | 49,704            | 4.3%                     | 56,571                               |
| 2019                   | 4,410,824         | 210,370,180            | 47,694            | 3.7%                     | 54,923                               |
| 2018                   | 4,221,684         | 196,286,191            | 46,495            | 4.1%                     | 53,323                               |
| 2017                   | 3,944,859         | 175,437,829            | 41,222            | 4.7%                     | 60,165                               |
| 2016                   | 4,076,438         | 175,437,829            | 40,003            | 5.1%                     | 53,838                               |
| 2015                   | 4,087,191         | 178,871,199            | 40,424            | 5.2%                     | 59,138                               |
| 2014                   | 4,055,178         | 168,483,421            | 38,411            | 6.0%                     | 56,909                               |
| 2013                   | 4,013,164         | 160,537,029            | 36,643            | 6.7%                     | 56,015                               |

Source: The U.S. Bureau of Labor Statistics, the U.S. Census Bureau, and the Arizona Office of Employment and Population Statistics.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1  
PRINCIPAL EMPLOYERS – MARICOPA COUNTY  
FISCAL YEAR ENDING JUNE 30, 2022, AND 2013  
(UNAUDITED)**

| <b>Employer</b>          | <b>2022</b>                      |             |                                | <b>2013</b>                      |             |                                |
|--------------------------|----------------------------------|-------------|--------------------------------|----------------------------------|-------------|--------------------------------|
|                          | <b>Approximate<br/>Number of</b> | <b>Rank</b> | <b>Percentage of<br/>Total</b> | <b>Approximate<br/>Number of</b> | <b>Rank</b> | <b>Percentage of<br/>Total</b> |
| Banner Health Systems    | 45,918                           | 1           | 2.08%                          | 25,126                           | 3           | 1.45%                          |
| State of Arizona         | 41,606                           | 2           | 1.88%                          | 52,076                           | 1           | 2.91%                          |
| Wal-Mart Stores Inc.     | 36,995                           | 3           | 1.67%                          | 31,837                           | 2           | 1.79%                          |
| Arizona State University | 35,474                           | 4           | 1.60%                          | 12,222                           | 8           | 0.65%                          |
| Fry's Food Services      | 20,235                           | 5           | 0.92%                          | -                                |             |                                |
| City of Phoenix          | 16,432                           | 6           | 0.74%                          | 14,983                           | 4           | 0.88%                          |
| University of Arizona    | 16,021                           | 7           | 0.74%                          | -                                |             |                                |
| Wells Fargo & Co.        | 16,000                           | 8           | 0.72%                          | 13,679                           | 5           | 0.80%                          |
| Dignity Health Arizona   | 15,403                           | 9           | 0.70%                          | -                                |             |                                |
| Maricopa County          | 13,648                           | 10          | 0.62%                          | 13,308                           | 6           | 0.78%                          |
| Bank of America          | -                                |             |                                | 12,500                           | 7           | 0.73%                          |
| JPMorgan/Chase           | -                                |             |                                | 11,407                           | 9           | 0.67%                          |
| Intel Corporation        | -                                |             |                                | 11,000                           | 10          | 0.64%                          |
| Total                    | 257,732                          |             | 11.67%                         | 198,138                          |             | 11.30%                         |
| Total Employment         | 1,731,840                        |             |                                | 1,710,000                        |             |                                |

Source: Phoenix Business Journal Book of Lists and the Greater Phoenix Economic Council.

Note: Top employers in Maricopa County. Employee counts noted above include total Arizona employees.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEE BY TYPE**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

|   | Fiscal Year Ended June 30 |            |              |              |              |              |              |              |              |              |
|---|---------------------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 2022                      | 2021       | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         | 2013         |
| <b>Supervisory</b>                          |                           |            |              |              |              |              |              |              |              |              |
| Instructional administrators                | 8                         | 6          | 5            | 6            | 11           | 10           | 9            | 9            | 8            | 4            |
| Noninstructional administrators             | 10                        | 9          | 9            | 10           | 9            | 9            | 8            | 9            | 9            | 11           |
| Consultants/supervisors of instruction      | 52                        | 42         | 46           | 38           | 42           | 40           | 33           | 46           | 3            | 24           |
| Principals                                  | 14                        | 14         | 14           | 14           | 14           | 13           | 13           | 15           | 16           | 14           |
| Assistant principals                        | 11                        | 13         | 14           | 13           | 13           | 13           | 13           | 16           | 14           | 8            |
| <b>Total supervisory</b>                    | <b>95</b>                 | <b>84</b>  | <b>88</b>    | <b>81</b>    | <b>89</b>    | <b>85</b>    | <b>76</b>    | <b>95</b>    | <b>50</b>    | <b>61</b>    |
| <b>Instruction</b>                          |                           |            |              |              |              |              |              |              |              |              |
| Teachers                                    | 359                       | 365        | 395          | 384          | 381          | 380          | 380          | 402          | 393          | 440          |
| Aides                                       | 138                       | 114        | 136          | 128          | 124          | 133          | 115          | 120          | 105          | 15           |
| <b>Total instruction</b>                    | <b>497</b>                | <b>479</b> | <b>531</b>   | <b>512</b>   | <b>505</b>   | <b>513</b>   | <b>495</b>   | <b>521</b>   | <b>498</b>   | <b>455</b>   |
| <b>Student services</b>                     |                           |            |              |              |              |              |              |              |              |              |
| Guidance counselors                         | -                         | -          | -            | 1            | 1            | 1            | -            | 1            | -            | 1            |
| Visiting teachers/social workers            | 21                        | 21         | 20           | 16           | 16           | 16           | 16           | 19           | 17           | 14           |
| Psychologist                                | 11                        | 10         | 14           | 13           | 13           | 11           | 11           | 14           | 11           | 9            |
| Librarians                                  | -                         | -          | -            | -            | -            | -            | -            | -            | -            | 21           |
| Other professionals (noninstructional)      | 30                        | 23         | 40           | 41           | 43           | 42           | 41           | 41           | 85           | 39           |
| <b>Total student services</b>               | <b>62</b>                 | <b>54</b>  | <b>74</b>    | <b>71</b>    | <b>73</b>    | <b>70</b>    | <b>68</b>    | <b>75</b>    | <b>113</b>   | <b>84</b>    |
| <b>Support and administration</b>           |                           |            |              |              |              |              |              |              |              |              |
| Clerical/secretarial                        | 53                        | 45         | 58           | 59           | 60           | 61           | 61           | 64           | 62           | 66           |
| Service workers                             | 244                       | 280        | 320          | 328          | 334          | 335          | 340          | 365          | 363          | 401          |
| <b>Total support and administration</b>     | <b>297</b>                | <b>325</b> | <b>378</b>   | <b>387</b>   | <b>394</b>   | <b>396</b>   | <b>401</b>   | <b>429</b>   | <b>425</b>   | <b>467</b>   |
| <b>Total full-time equivalent employees</b> | <b>951</b>                | <b>942</b> | <b>1,071</b> | <b>1,051</b> | <b>1,061</b> | <b>1,064</b> | <b>1,040</b> | <b>1,121</b> | <b>1,086</b> | <b>1,067</b> |

Source: The District's financial records.



**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**AVERAGE DAILY MEMBERSHIP**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

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| <u>Fiscal Year</u> | <u>Average<br/>Daily<br/>Membership</u> |
|--------------------|---|
| 2021-22            | 4,897                                   |
| 2020-21            | 5,166                                   |
| 2019-20            | 5,559                                   |
| 2018-19            | 5,917                                   |
| 2017-18            | 6,059                                   |
| 2016-17            | 6,250                                   |
| 2015-16            | 6,385                                   |
| 2014-15            | 6,817                                   |
| 2013-14            | 6,891                                   |
| 2012-13            | 6,807                                   |
| 2011-12            | 7,014                                   |

Source: The Arizona Department of Education.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

| Fiscal Year<br>Ended<br>June 30 | (Note 1)      |              |          |          |               |          |          |          |         |          |
|---------------------------------|---------------|--------------|----------|----------|---------------|----------|----------|----------|---------|----------|
|                                 | 100 Day Count | Governmental |          |          |               |          |          |          |         | % of     |
|                                 | Average       | Funds        |          | % Change |               |          |          |          |         | Free &   |
|                                 | Daily         | Operating    | Cost per | Cost per | District-wide | Cost per | % Change | Teaching | Pupil-  | Reduced  |
|                                 | Membership    | Expenditures | Pupil    | Pupil    | Expenses      | Pupil    |          | Staff    | Teacher | Students |
| 2022                            | 4,897         | 83,438,901   | 17,039   | 11%      | 94,004,003    | 19,196   | 6.7%     | 497      | 9.9     | 81.9%    |
| 2021                            | 5,166         | 79,584,976   | 15,406   | 9%       | 92,938,860    | 17,990   | 9.0%     | 365      | 14.2    | 82.0%    |
| 2020                            | 5,559         | 78,372,039   | 14,098   | 8%       | 91,736,898    | 16,502   | 12.2%    | 395      | 14.1    | 81.9%    |
| 2019                            | 5,917         | 77,234,010   | 13,053   | 3%       | 87,034,032    | 14,709   | 4.3%     | 384      | 15.4    | 84.5%    |
| 2018                            | 6,059         | 76,589,118   | 12,641   | 7%       | 85,432,740    | 14,100   | 5.8%     | 381      | 15.9    | 85.7%    |
| 2017                            | 6,250         | 73,867,305   | 11,819   | 5%       | 83,290,078    | 13,326   | 3.1%     | 380      | 16.4    | 88.9%    |
| 2016                            | 6,385         | 71,940,384   | 11,267   | 5%       | 82,502,360    | 12,921   | 6.3%     | 380      | 16.8    | 86.5%    |
| 2015                            | 6,697         | 71,630,106   | 10,696   | 6%       | 81,377,051    | 12,151   | 3.2%     | 402      | 16.7    | 80.5%    |
| 2014                            | 6,769         | 68,514,392   | 10,122   | 1%       | 79,708,263    | 11,775   | -0.6%    | 393      | 17.2    | 80.4%    |
| 2013                            | 6,612         | 66,380,006   | 10,039   | -6%      | 78,350,259    | 11,850   | -4.0%    | 440      | 15.0    | 66.5%    |
|                                 | 6,547         | 69,628,979   | 10,635   | 14%      | 80,783,492    | 12,339   | 14.8%    | 386      | 17.0    | 67.9%    |

Source: The District's financial records.

Note 1: Operating expenditures are total expenditures less debt service and capital outlay.

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**CAPITAL ASSET INFORMATION**  
**LAST TEN FISCAL YEARS**

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|                        | Fiscal Year Ended June 30 |        |        |        |        |        |        |        |        |        |
|------------------------|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                        | 2022                      | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   |
| <b><u>Schools:</u></b> |                           |        |        |        |        |        |        |        |        |        |
| <b>Bethune</b>         |                           |        |        |        |        |        |        |        |        |        |
| Square feet            | 62,942                    | 62,942 | 62,942 | 62,942 | 62,942 | 62,942 | 62,942 | 62,942 | 62,942 | 62,942 |
| Capacity               | 759                       | 759    | 759    | 759    | 759    | 759    | 759    | 759    | 759    | 759    |
| Enrollment             | 377                       | 381    | 440    | 441    | 415    | 435    | 484    | 487    | 487    | 488    |
| <b>Capitol</b>         |                           |        |        |        |        |        |        |        |        |        |
| Square feet            | 75,185                    | 75,185 | 75,185 | 75,185 | 75,185 | 75,185 | 75,185 | 75,185 | 75,185 | 75,185 |
| Capacity               | 656                       | 656    | 656    | 656    | 656    | 656    | 656    | 656    | 656    | 656    |
| Enrollment             | 460                       | 431    | 518    | 543    | 574    | 588    | 659    | 643    | 643    | 595    |
| <b>Dunbar</b>          |                           |        |        |        |        |        |        |        |        |        |
| Square feet            | 53,271                    | 53,271 | 53,271 | 53,271 | 53,271 | 53,271 | 53,271 | 53,271 | 53,271 | 53,271 |
| Capacity               | 651                       | 651    | 651    | 651    | 651    | 651    | 651    | 651    | 651    | 651    |
| Enrollment             | 257                       | 254    | 286    | 327    | 319    | 288    | 292    | 281    | 281    | 267    |
| <b>Edison</b>          |                           |        |        |        |        |        |        |        |        |        |
| Square feet            | 73,584                    | 73,584 | 73,584 | 73,584 | 73,584 | 73,584 | 73,584 | 73,584 | 73,584 | 73,584 |
| Capacity               | 800                       | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    | 800    |
| Enrollment             | 449                       | 481    | 569    | 581    | 626    | 581    | 609    | 606    | 606    | 631    |
| <b>Emerson</b>         |                           |        |        |        |        |        |        |        |        |        |
| Square feet            | 59,815                    | 59,815 | 59,815 | 59,815 | 59,815 | 59,815 | 59,815 | 59,815 | 59,815 | 59,815 |
| Capacity               | 770                       | 770    | 770    | 770    | 770    | 770    | 770    | 770    | 770    | 770    |
| Enrollment             | 296                       | 298    | 341    | 397    | 428    | 453    | 403    | 419    | 419    | 487    |
| <b>Faith North</b>     |                           |        |        |        |        |        |        |        |        |        |
| Square feet            | 44,430                    | 44,430 | 44,430 | 44,430 | 44,430 | 44,430 | 44,430 | 44,430 | 44,430 | 44,430 |
| Capacity               | 252                       | 252    | 252    | 252    | 252    | 252    | 252    | 252    | 252    | 252    |
| Enrollment             | 119                       | 21     | 140    | 177    | 294    | 294    | 294    | 294    | 294    | 293    |
| <b>Garfield</b>        |                           |        |        |        |        |        |        |        |        |        |
| Square feet            | 62,942                    | 62,942 | 62,942 | 62,942 | 62,942 | 62,942 | 62,942 | 62,942 | 62,942 | 62,942 |
| Capacity               | 759                       | 759    | 759    | 759    | 759    | 759    | 759    | 759    | 759    | 759    |
| Enrollment             | 443                       | 480    | 555    | 603    | 620    | 584    | 434    | 428    | 428    | 473    |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**CAPITAL ASSET INFORMATION (CONTINUED)**  
**LAST TEN FISCAL YEARS**

|                 |                   | Fiscal Year Ended June 30 |        |        |        |        |        |        |        |        |        |
|-----------------|-------------------|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                 |                   | 2022                      | 2021   | 2020   | 2019   | 2018   | 2017   | 2016   | 2015   | 2014   | 2013   |
| <b>Schools:</b> | <b>Heard</b>      |                           |        |        |        |        |        |        |        |        |        |
|                 | Square feet       | 73,308                    | 73,308 | 73,308 | 73,308 | 73,308 | 73,308 | 73,308 | 73,308 | 73,308 | 73,308 |
|                 | Capacity          | 848                       | 848    | 848    | 848    | 848    | 848    | 848    | 848    | 848    | 848    |
|                 | Enrollment        | 442                       | 423    | 509    | 489    | 556    | 559    | 641    | 686    | 686    | 687    |
|                 | <b>Herrera</b>    |                           |        |        |        |        |        |        |        |        |        |
|                 | Square feet       | 68,933                    | 68,933 | 68,933 | 68,933 | 68,933 | 68,933 | 68,933 | 68,933 | 68,933 | 68,933 |
|                 | Capacity          | 875                       | 875    | 875    | 875    | 875    | 875    | 875    | 875    | 875    | 875    |
|                 | Enrollment        | 483                       | 435    | 499    | 544    | 585    | 588    | 695    | 691    | 691    | 677    |
|                 | <b>Kenilworth</b> |                           |        |        |        |        |        |        |        |        |        |
|                 | Square feet       | 76,798                    | 76,798 | 76,798 | 76,798 | 76,798 | 76,798 | 76,798 | 76,798 | 76,798 | 76,798 |
|                 | Capacity          | 793                       | 793    | 793    | 793    | 793    | 793    | 793    | 793    | 793    | 793    |
|                 | Enrollment        | 466                       | 476    | 509    | 530    | 520    | 475    | 550    | 631    | 631    | 542    |
|                 | <b>Lowell</b>     |                           |        |        |        |        |        |        |        |        |        |
|                 | Square feet       | 60,370                    | 60,370 | 60,370 | 60,370 | 60,370 | 60,370 | 60,370 | 60,370 | 60,370 | 60,370 |
|                 | Capacity          | 839                       | 839    | 839    | 839    | 839    | 839    | 839    | 839    | 839    | 839    |
|                 | Enrollment        | 338                       | 389    | 481    | 526    | 552    | 506    | 610    | 630    | 630    | 663    |
|                 | <b>Magnet</b>     |                           |        |        |        |        |        |        |        |        |        |
|                 | Square feet       | 50,502                    | 50,502 | 50,502 | 50,502 | 50,502 | 50,502 | 50,502 | 50,502 | 50,502 | 50,502 |
|                 | Capacity          | 706                       | 706    | 706    | 706    | 706    | 706    | 706    | 706    | 706    | 706    |
|                 | Enrollment        | 376                       | 398    | 433    | 467    | 476    | 476    | 524    | 529    | 529    | 434    |
|                 | <b>Monterey</b>   |                           |        |        |        |        |        |        |        |        |        |
|                 | Square feet       | 12,090                    | 12,090 | 12,090 | 12,090 | 12,090 | 12,090 | 12,090 | 12,090 | 12,090 | 12,090 |
|                 | Capacity          | 155                       | 155    | 155    | 155    | 155    | 155    | 155    | 155    | 155    | 155    |
|                 | Enrollment        | Note 1                    | Note 1 | Note 1 | Note 1 | Note 1 | Note 1 | Note 1 | Note 1 | Note 1 | Note 1 |
|                 | <b>Ott Ann</b>    |                           |        |        |        |        |        |        |        |        |        |
|                 | Square feet       | 54,276                    | 54,276 | 54,276 | 54,276 | 54,276 | 54,276 | 54,276 | 54,276 | 54,276 | 54,276 |
|                 | Capacity          | 543                       | 543    | 543    | 543    | 543    | 543    | 543    | 543    | 543    | 543    |
|                 | Enrollment        | Note 2                    | Note 2 | Note 2 | Note 2 | Note 2 | Note 2 | Note 2 | Note 2 | Note 2 | Note 2 |

**PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1**  
**CAPITAL ASSET INFORMATION (CONTINUED)**  
**LAST TEN FISCAL YEARS**

|                        |                 | Fiscal Year Ended June 30 |         |         |         |         |         |         |         |         |         |
|------------------------|-----------------|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|                        |                 | 2022                      | 2021    | 2020    | 2019    | 2018    | 2017    | 2016    | 2015    | 2014    | 2013    |
| <b><u>Schools:</u></b> | <b>Shaw</b>     |                           |         |         |         |         |         |         |         |         |         |
|                        | Square feet     | 66,664                    | 66,664  | 66,664  | 66,664  | 66,664  | 66,664  | 66,664  | 66,664  | 66,664  | 66,664  |
|                        | Capacity        | 708                       | 708     | 708     | 708     | 708     | 708     | 708     | 708     | 708     | 708     |
|                        | Enrollment      | 446                       | 302     | 341     | 343     | 326     | 280     | 277     | 386     | 386     | 339     |
|                        | <b>Whittier</b> |                           |         |         |         |         |         |         |         |         |         |
|                        | Square feet     | 70,172                    | 70,172  | 70,172  | 70,172  | 70,172  | 70,172  | 70,172  | 70,172  | 70,172  | 70,172  |
|                        | Capacity        | 580                       | 580     | 580     | 580     | 580     | 580     | 580     | 580     | 580     | 580     |
|                        | Enrollment      | 366                       | 400     | 447     | 451     | 420     | 397     | 504     | 482     | 482     | 434     |
|                        | <b>Prep</b>     |                           |         |         |         |         |         |         |         |         |         |
|                        | Square feet     | 169,898                   | 169,898 | 169,898 | 169,898 | 169,898 | 169,898 | 169,898 | 169,898 | 169,898 | 169,898 |
|                        | Capacity        | 2,046                     | 2,046   | 2,046   | 2,046   | 2,046   | 2,046   | 2,046   | 2,046   | 2,046   | 2,046   |
|                        | Enrollment      | Note 2                    | Note 2  | Note 2  | Note 2  | Note 2  | Note 2  | Note 2  | Note 2  | Note 2  | Note 2  |

Source: The District's financial records.

**Note 1:** Monterey Monterey Park School is used for the District's gifted program.

**Note 2:** Ott Ann ar Ott Ann and Prep are leased to a party outside the District.