
PHOENIX ELEMENTARY SCHOOL DISTRICT NO. 1
PHOENIX, ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30,2022



1817 N 7th Street | Phoenix, AZ 85006

Issued by: Business and Finance Department

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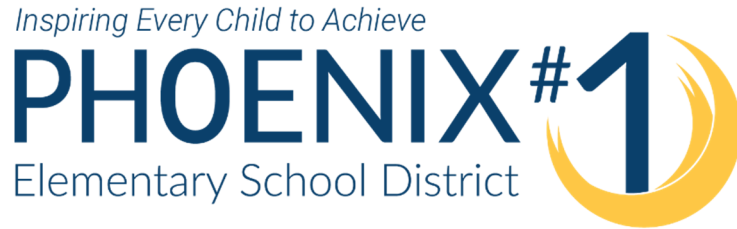
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INTRODUCTORY SECTION



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 Single Audit, 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 4th 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. 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.

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

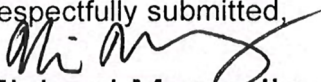
The Association of School Business Officials International (ASBOI) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year that ended June 30, 2021. In addition, the Government Finance Officers Association of the United 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.

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,

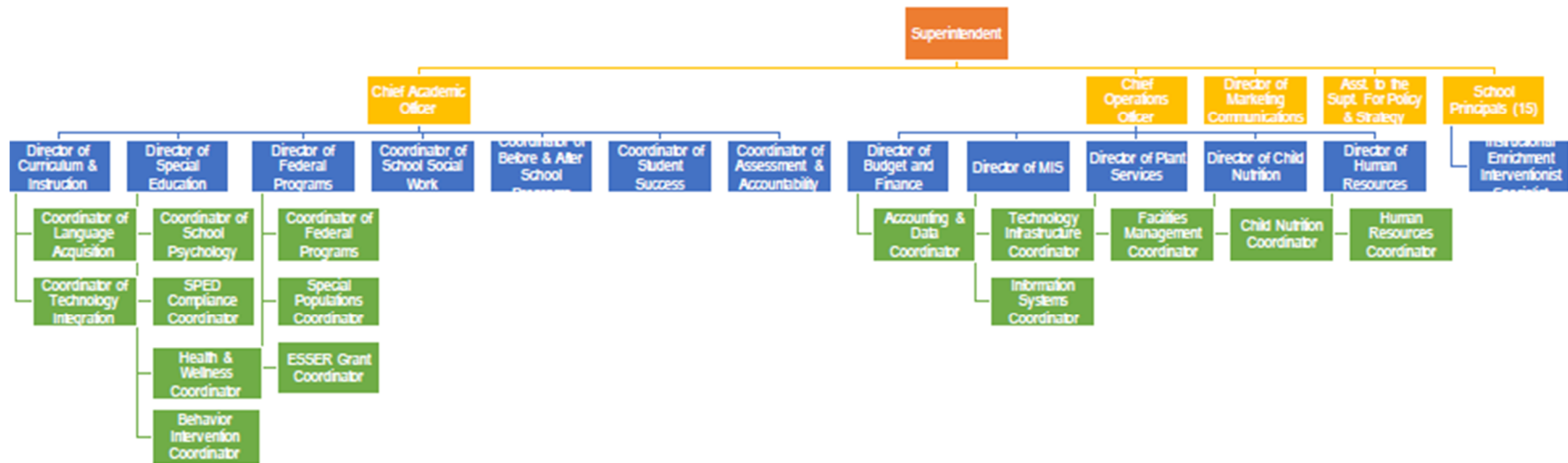


Michael Mannelly
Chief Financial Officer

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



Leadership Team



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

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 Haghghat
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. Morrill

Executive Director/CEO

FINANCIAL SECTION



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

REQUIRED SUPPLEMENTARY INFORMATION

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

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**

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 eleven 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**

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:

	Governmental Activities		
	2022	2021	Net Change
ASSETS AND DEFERRED OUTFLOWS			
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
Total Assets and Deferred Outflows	171,974,221	180,153,500	(8,179,279)
LIABILITIES AND DEFERRED INFLOWS			
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
Total Liabilities and Deferred Inflows	133,127,115	140,328,591	(7,201,476)
NET POSITION			
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
Total Net Position	\$ 38,847,106	\$ 39,824,909	\$ (977,803)

**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:

	Governmental Activities		
	2022	2021	Net Change
REVENUES			
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)
Total Revenues	91,434,301	90,278,788	1,155,513
EXPENSES			
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)
Total Expenses	92,412,104	92,938,860	(526,756)
Change in net position	(977,803)	(2,660,072)	1,682,269
Net Position - Beginning	39,824,909	42,484,981	(2,660,072)
Net Position - Ending	\$ 38,847,106	\$ 39,824,909	\$ (977,803)

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

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:

GOVERNMENTAL FUND	Increase (Decrease)	
	Balance	From 2020-21
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**

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
CAPITAL ASSETS			
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)
Total Capital Assets	\$ 100,534,123	\$ 261,465,677	\$ (160,931,554)

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

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.

BASIC FINANCIAL STATEMENTS

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

	Governmental Activities
ASSETS	
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
Total Assets	<u>158,592,103</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>13,382,118</u>
LIABILITIES	
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
Total Liabilities	<u>108,672,565</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	18,629,936
Deferred inflows related to leases	5,824,614
Total Deferred Inflows of Resources	<u>24,454,550</u>
NET POSITION	
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)
Total Net Position	<u>\$ 38,847,106</u>

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) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
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)
Total	\$ 92,412,104	\$ 1,085,160	\$ 30,914,335	\$ -	\$(60,412,609)
General revenues:					
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

	Special Projects			Non-Major	Total
	General Fund	Fund	Debt Service Fund	Governmental Funds	Governmental Funds
ASSETS					
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
Total Assets	\$ 28,624,066	\$ 5,206,896	\$ 6,535,007	\$ 15,996,253	\$ 56,362,222
LIABILITIES					
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
Total Liabilities	1,602,240	4,303,376	6,378,744	331,643	12,616,003
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	1,815,906	-	224,141	-	2,040,047
FUND BALANCES					
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
Total Fund Balances	25,205,920	903,520	(67,878)	15,664,610	41,706,172
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,624,066	\$ 5,206,896	\$ 6,535,007	\$ 15,996,253	\$ 56,362,222

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**

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
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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		<u>\$ 38,847,106</u>
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**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
REVENUES					
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
Total Revenues	54,187,438	20,227,504	6,853,723	10,526,865	91,795,530
EXPENDITURES					
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
Total Expenditures	57,884,705	19,076,904	7,373,988	9,668,406	94,004,003
Excess (Deficiency) of Revenues Over Expenditures	(3,697,267)	1,150,600	(520,265)	858,459	(2,208,473)
Other Financing Sources (Uses)					
Transfers in	911,262	-	-	-	911,262
Transfers out	-	(911,262)	-	-	(911,262)
Net Financing Sources (Uses)	911,262	(911,262)	-	-	-
NET CHANGE IN FUND BALANCE	(2,786,005)	239,338	(520,265)	858,459	(2,208,473)
Fund Balance - Beginning	27,982,826	664,182	452,387	14,859,380	43,958,775
Increase/(decrease) in inventories	9,099	-	-	(53,229)	(44,130)
Fund Balance - Ending	\$ 25,205,920	\$ 903,520	\$ (67,878)	\$ 15,664,610	\$ 41,706,172

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**

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	<u>(415,335)</u>

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	<u>(2,934,830)</u>

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	<u>595,598</u>

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>

Change in Net Position of Governmental Activities \$ (977,803)

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

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

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

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:

Asset Class	Years
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

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
Nonspendable					
Inventory	\$ 371,872	\$ -	\$ -	69,328	441,200
Restricted					
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
Unassigned	24,834,048	-	(67,878)	-	24,766,170
Total	\$ 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

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

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:

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

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			Balance
	July 01, 2021	Additions	Deductions	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

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

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

	Due from other funds
Due to other funds	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:

	Transfer from
Transfer to	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
Governmental Activities:				
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 July 01, 2021	Additions	Deductions	Balance June 30, 2022	Due Within 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

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 of Resources	Deferred Inflows 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

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.

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

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

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

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 of Resources	Deferred Inflows 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 pension plan investments	-	16,716,406
Changes in proportion and differences between contributions and proportionate share of contributions	73,852	1,913,530
Contributions subsequent to the measurement date	5,636,770	-
Total	\$ 13,382,118	\$ 18,629,936

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 (Inflows) of Resources
2023	\$ (721,932)
2024	(716,946)
2025	(3,685,111)
2026	(5,760,599)
Total	\$ (10,884,588)

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

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

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 (6.0%)	Current Discount Rate (7.0%)	1% Increase (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 previously stated	Fund balance reclassification	Fund balance 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	<u>\$ 43,958,775</u>	<u>\$ -</u>	<u>\$ 43,958,775</u>

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

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 (Measurement Date)							
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (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 (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
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
Total Revenues	-	-	47,760,035	47,760,035
EXPENDITURES				
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
Total regular education	31,672,058	31,684,492	27,755,120	3,929,372
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)
Total special education	8,012,147	8,012,147	7,681,299	330,848
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)
Total desegregation	11,101,530	11,101,530	11,017,686	623,770
K-3 reading program:				
Instruction	337,538	337,538	337,539	(1)
Total Expenditures	53,612,695	53,625,129	48,949,513	4,591,772
Excess (Deficiency) of Revenues				
Over Expenditures	(53,612,695)	(53,625,129)	(1,189,478)	52,351,807
Fund Balance - Beginning	-	-	10,783,729	10,783,729
Fund Balance - Ending	\$ (53,612,695)	\$ (53,625,129)	\$ 9,603,350	\$ 63,228,479

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 - Final to Actual
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 20,227,426	\$ 20,227,426
EXPENDITURES				
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
Total Expenditures	69,448,969	69,448,969	19,076,904	50,372,065
Excess (Deficiency) of Revenues Over Expenditures	(69,448,969)	(69,448,969)	1,150,600	70,599,569
Other Financing Sources (Uses):				
Transfers out	-	-	(911,262)	(911,262)
NET CHANGE IN FUND BALANCE	(69,448,969)	(69,448,969)	239,338	69,688,307
Fund Balance - Beginning	-	-	664,182	664,182
Fund Balance - Ending	\$ (69,448,969)	\$ (69,448,969)	\$ 903,520	\$ 70,352,489

See accompanying Notes to Required Supplementary Information

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

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 Revenues	Total Expenditures	Other Financing Sources and Uses	Fund balance beginning of year	Fund balance end of year
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

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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

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							Non-Major Governmental 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		
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 Governmental 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
REVENUES												
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
Total Revenues	4,422,026	203,628	195,421	5,659,144	21,932	15,182	-	-	-	562	8,970	10,526,865
EXPENDITURES												
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
Total Expenditures	3,951,902	50,865	56,502	3,412,216	11,101	-	2,185,337	-	-	37	446	9,668,406
Excess (Deficiency) of Revenues												
Over Expenditures	470,124	152,763	138,919	2,246,928	10,831	15,182	(2,185,337)	-	-	525	8,524	858,459
Fund Balance - Beginning, as restated	3,634,869	659,178	954,437	1,646,248	75,027	1,838,854	6,008,180	5,952	41,401	(281)	(4,485)	14,859,380
Fund Balance - Ending	\$ 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

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
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,389,628	\$ 4,389,628
Investment earnings	-	-	32,377	32,377
Total Revenues	-	-	4,422,026	4,422,026
EXPENDITURES				
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)
Total Expenditures	7,450,779	7,795,458	3,951,902	3,843,556
Excess (Deficiency) of Revenues				
Over Expenditures	(7,450,779)	(7,795,458)	470,124	8,265,582
Fund Balance - Beginning	-	-	3,634,869	3,634,869
Fund Balance - Ending	\$ (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**

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

**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**

	<u>Budgeted Amounts</u>		<u>Variances -</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final to Actual</u>
REVENUES			
Contributions and donations	\$ -	\$ 141,702	141,702
Investment earnings	-	20,414	20,414
Other	-	33,305	33,305
Total Revenues	-	195,421	195,421
EXPENDITURES			
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
Total Expenditures	919,000	56,502	862,498
Excess (Deficiency) of Revenues			
Over Expenditures	(919,000)	138,919	1,057,919
Fund Balance - Beginning	-	954,437	954,437
Fund Balance - Ending	\$ (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>	
REVENUES				
Intergovernmental	\$ -	\$ 5,640,188	\$	5,640,188
Food service sales	-	4,884		4,884
Investment earnings	-	13,241		13,241
Other	-	831		831
Total Revenues	-	5,659,144		5,659,144
EXPENDITURES				
Regular education:				
Operation of noninstructional services	4,090,540	3,404,343		686,197
Capital outlay:				
Facilities acquisition	7,450	6,200		1,250
Total Expenditures	4,100,000	3,412,216		687,784
Excess (Deficiency) of Revenues				
Over Expenditures	(4,100,000)	2,246,928		6,346,928
Fund Balance - Beginning	-	1,646,248		1,646,248
Fund Balance - Ending	\$ (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>	
REVENUES				
Student activities	\$ -	11,571	\$	11,571
Investment earnings	-	10,361		10,361
Total Revenues	-	21,932		21,932
EXPENDITURES				
Regular education:				
School sponsored cocurricular activities	75,000	11,101		63,899
Excess (Deficiency) of Revenues				
Over Expenditures	(75,000)	10,831		85,831
Fund Balance - Beginning	-	75,027		75,027
Fund Balance - Ending	\$ (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>	
EXPENDITURES				
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	
Total Expenditures	5,000,000	2,185,337	2,814,663	
Excess (Deficiency) of Revenues				
Over Expenditures	(5,000,000)	(2,185,337)	2,814,663	
NET CHANGE IN FUND BALANCE	-	(2,185,337)	(2,185,337)	
Fund Balance - Beginning	-	6,008,180	6,008,180	
Fund Balance - Ending	\$ (5,000,000)	\$ 3,822,843	\$ 6,637,506	

**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**

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

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

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>
REVENUES			
Property taxes	\$ -	\$ 6,769,710	\$ 6,769,710
Investment earnings	-	84,013	84,013
Total Revenues	-	6,853,723	6,853,723
EXPENDITURES			
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
Excess (Deficiency) of Revenues			
Over Expenditures	(7,500,000)	(520,265)	6,887,712
Fund Balance - Beginning	-	452,387	452,387
Fund Balance - Ending	\$ (7,500,000)	\$ (67,878)	\$ 3,988,984

**STATISTICAL SECTION
(UNAUDITED)**

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)**

Net Position:	Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
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

Net Position:	Fiscal Year Ended June 30				
	2017	2016	2015	2014	2013
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
ACCRAUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
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
Total expenses	92,412,104	92,938,860	91,736,898	87,034,032	85,432,740	83,290,078	82,502,360	81,377,051	79,708,263	78,350,259
Program revenues:										
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
Total program revenues	31,999,495	26,782,340	21,667,490	18,956,749	25,993,380	24,910,280	24,271,051	23,094,318	18,214,380	20,760,884
Net expense	\$ (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)	\$ (57,589,375)

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
Net Expense	\$ (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)
General revenues:										
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
Total general revenues	59,434,806	63,496,448	66,123,142	66,252,922	64,094,477	64,389,636	63,107,385	60,092,263	59,750,876	63,418,750
Changes in net position	\$ (977,803)	\$ (2,660,072)	\$ (3,946,266)	\$ (1,824,361)	\$ 4,655,117	\$ 6,009,838	\$ 4,876,076	\$ 1,809,530	\$ (1,743,007)	\$ 5,938,520

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)**

General Fund	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
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
Total General Fund	25,205,920	9,315,262	6,679,908	16,541,028	15,921,743	13,957,624	10,497,828	8,036,885	9,632,478	20,125,632
All other governmental funds:										
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)	-
Total all other governmental funds	16,568,130	34,643,513	40,678,159	39,881,040	36,042,174	30,724,818	39,085,748	19,453,169	21,340,774	6,103,703
Total all governmental funds	\$ 41,774,050	\$ 43,958,775	\$ 47,358,067	\$ 56,422,068	\$ 51,963,917	\$ 44,682,442	\$ 49,583,576	\$ 27,490,054	\$ 30,973,252	\$ 26,229,335

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
Federal sources:										
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	-	-	-
Total federal sources:	27,254,912	20,598,137	15,581,675	14,092,695	20,437,791	19,581,692	18,790,777	17,949,374	15,947,500	21,218,683
States sources:										
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	-	-	-	-	-
Total state sources	19,039,418	17,460,592	20,793,516	20,813,774	19,844,169	21,475,933	21,831,503	20,528,051	16,690,907	13,295,561
Local sources										
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
Total local sources	45,501,200	50,827,229	51,597,136	50,353,260	49,989,826	48,085,373	46,938,935	44,955,182	46,548,588	50,176,488
Total revenues	\$ 91,795,530	\$ 88,885,958	\$ 87,972,327	\$ 85,259,729	\$ 90,271,786	\$ 89,142,998	\$ 87,561,215	\$ 83,432,607	\$ 79,186,995	\$ 84,690,732

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
Expenditures:										
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
Total expenditures	\$ 94,004,003	\$ 95,014,106	\$ 97,174,477	\$ 104,979,463	\$ 98,405,385	\$ 94,538,103	\$ 87,483,018	\$ 86,898,306	\$ 81,372,607	\$ 81,714,970
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
Excess (deficiency) of revenues over expenditures	\$ (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)
Total other financing sources (uses)	(2,208,473)	-	-	24,826,259	15,291,607	-	22,010,824	-	6,828,385	652,547
Changes in fund balances	\$ (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)**

Fiscal Year Ended June 30	District Direct Rates			Overlapping Rates				
	Primary	Secondary	Total	State Equalization	County	Community College District	City of Phoenix	Phoenix Union High School District No. 210
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 Property Value for Secondary Tax Purposes	Percentage of Net Assessed Property Value for Secondary Tax Purposes	Net Assessed Property Value for Secondary Tax Purposes	Percentage of Net Assessed Property Value 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%
CI337 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 Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amount		As Percentage of		Financed Purchases	Total	Percentage of		Percentage of	
		Restricted for Principal	Total	Estimated Actual Value of Property	Per Capita			Estimated Actual Value (Full Cash Value)	Per Capita		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)**

<u>Fiscal Year Ended June 30</u>	<u>Debt Outstanding</u>	<u>Estimate Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
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%	<u>60,246,390</u>
Subtotal, Overlapping Debt			\$ 125,994,012
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:		Class B Bond Legal Debt Margin Calculation:	
Net full cash assessed value	\$ 1,327,273,960	Net full cash assessed value	\$ 1,327,273,960
	<u>10%</u>		<u>15%</u>
Debt limit (10% of assessed value)	132,727,396	Debt limit (15% of assessed value)	199,091,094
Less: Net debt applicable to limit	<u>47,360,000</u>	Less: Net debt applicable to limit	<u>47,360,000</u>
Legal debt margin	\$ 85,367,396	Legal debt margin	\$ 151,731,094

	<u>Fiscal Year Ended June 30</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt Limit	\$ 199,091,094	\$ 174,107,697	\$ 155,198,814	\$ 139,826,403	\$ 131,113,551
Less: Net debt applicable to limit	<u>(47,360,000)</u>	<u>(55,395,000)</u>	<u>(63,910,000)</u>	<u>(72,535,000)</u>	<u>(54,195,000)</u>
Legal debt margin	<u>\$ 151,731,094</u>	<u>\$ 118,712,697</u>	<u>\$ 91,288,814</u>	<u>\$ 67,291,403</u>	<u>\$ 76,918,551</u>
Total debt applicable to the limit as percentage of debt limit	23.8%	31.8%	41.2%	51.9%	41.3%

	<u>Fiscal Year Ended June 30</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 111,790,776	\$ 104,065,906	\$ 94,988,820	\$ 89,667,952	\$ 102,647,235
Less: Net debt applicable to limit	<u>(53,430,000)</u>	<u>(61,195,000)</u>	<u>(48,775,000)</u>	<u>(55,995,000)</u>	<u>(53,857,478)</u>
Legal debt margin	<u>\$ 58,360,776</u>	<u>\$ 42,870,906</u>	<u>\$ 46,213,820</u>	<u>\$ 33,672,952</u>	<u>\$ 48,789,757</u>
Total debt applicable to the limit 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)**

Maricopa County						
Year	Population	Personal Income	Per Capita	Unemployment Rate	Estimated District Population	
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)**

Employer	2022			2013		
	Approximate Number of	Rank	Percentage of Total	Approximate Number of	Rank	Percentage of Total
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
Supervisory										
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
Total supervisory	95	84	88	81	89	85	76	95	50	61
Instruction										
Teachers	359	365	395	384	381	380	380	402	393	440
Aides	138	114	136	128	124	133	115	120	105	15
Total instruction	497	479	531	512	505	513	495	521	498	455
Student services										
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
Total student services	62	54	74	71	73	70	68	75	113	84
Support and administration										
Clerical/secretarial	53	45	58	59	60	61	61	64	62	66
Service workers	244	280	320	328	334	335	340	365	363	401
Total support and administration	297	325	378	387	394	396	401	429	425	467
Total full-time equivalent employees	951	942	1,071	1,051	1,061	1,064	1,040	1,121	1,086	1,067

Source: The District's financial records.

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

<u>Fiscal Year</u>	<u>Average Daily 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 Ended June 30	100 Day Count Average Daily Membership	(Note 1)	Cost per Pupil	% Change Cost per Pupil	District-wide Expenses	Cost per Pupil	% Change	Teaching Staff	Pupil- Teacher Ratio	% of Free & Reduced Students
		Governmental Funds Operating Expenditures								
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

	Fiscal Year Ended June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Schools:</u>										
Bethune										
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
Capitol										
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
Dunbar										
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
Edison										
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
Emerson										
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
Faith North										
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
Garfield										
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
Schools: Heard											
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
Herrera											
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
Kenilworth											
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
Lowell											
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
Magnet											
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
Monterey											
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
Ott Ann											
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
Schools: Shaw											
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
Whittier											
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
Prep											
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.