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**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**BLACK CANYON CITY, ARIZONA**

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**ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2022**



**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
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**YEAR ENDED JUNE 30, 2022**

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Governing Board  
Cañon Elementary School District No. 50  
Black Canyon City, Arizona

### **Opinions**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cañon Elementary School District No. 50 (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 Cañon Elementary School District No. 50, 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.

**Emphasis of a Matter**

For the year ended June 30, 2022, net position was restated in the statement of net position for an error in the previously reported capital assets balance. Disposals were made in a prior year and those corresponding assets were not disposed of within the District's financial software. See Note 10 for further information on this restatement. Our auditors' opinion was not modified with respect to these restatements.

**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.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 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  
April 12, 2023

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

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As management of the Cañon Elementary School District No. 50, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022.

**FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities increased \$744,671. This represents a 31% increase from fiscal year 2021.
- General revenues accounted for \$1,627,585 in revenue, or 47% of all fiscal year 2022 revenues. Program specific revenues in the form of grants and contributions accounted for \$1,811,586 or 53% of total fiscal year 2022 revenues.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,007,967, an increase of \$6,770 in comparison with the prior year.
- At the end of fiscal year 2022, unassigned fund balance for the General Fund was \$767,124, or 45% of total General Fund expenditures.

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains the required 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 of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

The government-wide financial statements outline 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, and operation of non-instructional services.

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

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

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**Fund Financial Statements**

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

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

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

The District maintains eight 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 Building Renewal Grant Fund which are considered major funds. Information for the other five funds are consolidated as Nonmajor Governmental Funds.

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General Fund and major special revenue 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 - 31 of this report.

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

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

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 the Special Projects Fund budgetary comparison schedules as RSI other than the MD&A which can be found starting on page 32 of this report. 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 34. Notes to the RSI are presented on page 35.

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,157,858 at the close of the most recent fiscal year.

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

	<b>Governmental Activities</b>		
	<b>2022</b>	<b>2021</b>	<b>Net Change</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Current and other assets	\$ 1,238,777	\$ 1,112,915	\$ 125,862
Capital assets, as restated	3,382,476	2,559,260	823,216
Deferred outflows	415,410	338,274	77,136
<b>Total Assets and Deferred Outflows</b>	<b>5,036,663</b>	<b>4,010,449</b>	<b>1,026,214</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>			
Current liabilities	163,598	31,637	131,961
Long-term liabilities	1,294,982	1,549,009	(254,027)
Deferred inflows	420,225	16,614	403,611
<b>Total Liabilities and Deferred Inflows</b>	<b>1,878,805</b>	<b>1,597,260</b>	<b>281,545</b>
<b>NET POSITION</b>			
Investment in capital assets, as restated	3,382,476	2,559,259	823,217
Restricted	240,843	224,815	16,028
Unrestricted	(465,461)	(370,887)	(94,574)
<b>Total Net Position</b>	<b>\$ 3,157,858</b>	<b>\$ 2,413,187</b>	<b>\$ 744,671</b>

By far the largest portion of the District's net position reflects unrestricted net position, which can be used to support the operations of the District. The District also reported a position balance in its investment in capital assets (e.g., land, buildings and improvements, vehicles, furniture, and equipment), less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the District was able to report positive balances in two categories of net position. The category with a negative was due to the pension/OPEB liability.

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

**Changes in net position.** The District's total revenues for the fiscal years ended June 30, 2022 and 2021, were \$3,439,171 and \$2,258,575, respectively. The total cost of all programs and services for the fiscal years ended June 30, 2022 and 2021 were \$3,439,171 and \$2,258,575, respectively. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and 2021.

	<b>Governmental Activities</b>		
	<b>2022</b>	<b>2021</b>	<b>Net Change</b>
<b>REVENUES</b>			
Program revenues:			
Charges for services	\$ 581	\$ 943	\$ (362)
Operating grants and contributions	1,149,755	541,430	608,325
Capital grants and contributions	661,250	71,280	589,970
General revenues:			
Property taxes	596,763	634,367	(37,604)
State equalization and additional state aid	814,894	761,420	53,474
Federal aid unrestricted	17,073	12,243	4,830
County equalization	188,120	209,347	(21,227)
Interest and other	10,735	27,545	(16,810)
<b>Total Revenues</b>	<b>3,439,171</b>	<b>2,258,575</b>	<b>1,180,596</b>
<b>EXPENSES</b>			
Instruction	1,385,644	1,312,826	72,818
Support Services:			
Students and instructional staff	421,908	188,203	233,705
General and administration	348,668	320,040	28,628
Operation and maintenance of plant	253,406	270,947	(17,541)
Operation of noninstructional services	131,089	189,855	(58,766)
Student transportation	153,785	121,542	32,243
<b>Total Expenses</b>	<b>2,694,500</b>	<b>2,403,413</b>	<b>291,087</b>
<b>Change in net position</b>	<b>744,671</b>	<b>(144,838)</b>	<b>889,509</b>
<b>Net Position - Beginning, as restated</b>	<b>2,413,187</b>	<b>2,558,025</b>	<b>(144,838)</b>
<b>Net Position - Ending</b>	<b>\$ 3,157,858</b>	<b>\$ 2,413,187</b>	<b>\$ 744,671</b>

**Program Revenues**

Charges for services decreased \$362 which was not considered significant.

Operating grants and contributions increased \$608,325 due to increases in federal funding from COVID-19 related grants.

Capital grants and contributions increased \$589,970 due to continued School Facilities Board projects.

**General Revenues**

Property taxes decreased \$37,604 due to decreases in net assessed property tax valuations.

State equalization and additional state aid increased \$53,474 due to changes in the State's budget formula and increases in enrollment for the fiscal year.

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

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Federal aid, unrestricted, increased \$4,830 which was not considered significant.

County equalization decreased \$21,227 (10%) due to changes in the county's budget formula.

The interest and other income decreased \$16,810 (61%) due to decreases in interest revenue from a decrease in cash balances and miscellaneous revenue.

The District incurred a 12% increase in expenses in the current year. The increase was mainly due to salaries and benefits increases and technology purchases related to COVID-19.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,007,967, an increase of \$6,770 in comparison with the prior year. Approximately 76% of this total amount (\$767,124) 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 prior year are summarized as follows:

	<b>Balance</b>	<b>Increase (Decrease) From 2020-21</b>
<b>GOVERNMENTAL FUND</b>		
General Fund	\$ 767,124	\$ (9,258)
Special Projects Fund	37,602	12,999
Building Renewal Grant Fund	833	-
Nonmajor Governmental Funds	202,408	3,029
<b>Total Fund Balance</b>	<b>1,007,967</b>	<b>6,770</b>

The General Fund decrease of \$9,258 was mainly due to increases in salaries and benefits expenditures in the current year.

The Special Projects Fund increase of \$12,999 was primarily due to intergovernmental revenues received during the current year that were not expended.

The change in the Building Renewal Grant fund was not significant.

The Nonmajor Funds increase of \$3,029 was primarily due to increases in classroom site fund revenue and food service reimbursement revenue.

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

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**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District can revise the annual General Fund expenditure budget. 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. Differences between the original and the final amended General Fund budget represented a 17% decrease. The \$132,345 decrease was due to the decrease in instruction costs, operations and maintenance of plant, and operations of noninstructional services offset by increases to special education - instruction. Actual General Fund expenditures were \$281,851 less than budget during the fiscal year. The District expended below budget largely due to regular and special education instruction expenditures falling below budget by \$168,228, in total.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund and the Special Projects Fund are provided in this report as required supplementary information.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$3,382,476 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements; building and building improvements; and vehicles, equipment, and furniture. The net increase in the District's investment in capital assets for the current fiscal year was \$823,217. This increase was mainly due to Building Renewal Grant Fund projects that were ongoing during the current year.

The more significant capital additions during the current year are as follows:

- Roof improvements
- Weatherization
- Gym upgrades

Changes in capital assets from the previous year are as follows:

	<b>Governmental Activities</b>		
	<b>2022</b>	<b>(Restated) 2021</b>	<b>Net Change</b>
<b>CAPITAL ASSETS</b>			
Land	\$ 44,000	\$ 44,000	\$ -
Construction in progress	660,241	-	660,241
Land improvements	93,228	102,127	(8,899)
Buildings & improvements	2,070,842	2,126,587	(55,745)
Vehicles, equipment, and furniture	514,165	286,545	227,620
<b>Total Capital Assets</b>	<b>\$ 3,382,476</b>	<b>\$ 2,559,259</b>	<b>\$ 823,217</b>

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

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2022**

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**Debt Administration**

The District did not have any outstanding bonds or other long-term debt other than pensions, other post-employment benefits, and compensated absences. Further information on the District's compensated absences can be found in Note 7. More information related to the District's pension/OPEB liability and assets are presented on Note 9.

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

The following factors were considered in the preparation of the District's 2022-22 budget:

- Decreased enrollment.
- IDEA grant spending.
- Costs related to maintaining the District's technology.
- Federal and state budget funding in relation to COVID-19.

**REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Cañon Elementary School District No. 50, 34630 South School Loop Road, Black Canyon City, Arizona 85324. The District can also be contacted via the District website, [www.canon50.org](http://www.canon50.org).

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

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	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 763,487
Property taxes receivable	31,769
Intergovernmental receivable	391,313
Deposits	7,482
Net OPEB asset	44,726
Capital assets, not depreciated	704,241
Capital assets, net of accumulated depreciation	2,678,235
<b>Total Assets</b>	<u>4,621,253</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	406,860
Deferred outflows related to OPEB	8,550
<b>Total Deferred Outflows of Resources</b>	<u>415,410</u>
<b>LIABILITIES</b>	
Accounts payable	156,489
Accrued wages and benefits	7,109
Long-term liabilities:	
Due within one year	8,688
Due in more than one year	78,188
Net OPEB liability	1,895
Net pension liability	1,206,211
<b>Total Liabilities</b>	<u>1,458,580</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	382,170
Deferred inflows related to OPEB	38,055
<b>Total Deferred Inflows of Resources</b>	<u>420,225</u>
<b>NET POSITION</b>	
Investment in capital assets	3,382,476
Restricted:	
Teacher compensation and other qualified programs (A.R.S 15-977)	84,244
Instructional improvement programs	45,985
Federal and state instructional programs	37,602
Food service	55,579
Community programs	5,565
Extracurricular activities	5,996
Capital projects	833
Student activities	5,039
Unrestricted	(465,461)
<b>Total Net Position</b>	<u>\$ 3,157,858</u>

See accompanying Notes to the Basic Financial Statements

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2022**

Function/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
<b>Primary Government:</b>					
Governmental Activities:					
Instruction	\$ 1,385,644	\$ -	\$ 575,043	\$ -	\$ (810,601)
Support services:					
Students	306,454	-	297,451	-	(9,003)
Instructional staff	115,454	-	168,928	-	53,474
General administration	158,657	-	5,333	-	(153,324)
School administration	51,133	-	16,348	-	(34,785)
Business and other support services	138,878	-	14,217	-	(124,661)
Operation and maintenance of plant	253,406	-	50,212	661,250	458,056
Student transportation	153,785	-	18,669	-	(135,116)
Operation of noninstructional services	131,089	581	3,554	-	(126,954)
<b>Total</b>	<b>\$ 2,694,500</b>	<b>\$ 581</b>	<b>\$ 1,149,755</b>	<b>\$ 661,250</b>	<b>(882,914)</b>
General revenues:					
Property taxes					596,763
Grants and contributions not restricted to specific programs:					
State equalization and additional state aid					814,894
County equalization					188,120
Federal aid not restricted					17,073
Investment earnings					2,318
Other					8,417
Total general revenues					1,627,585
Change in net position					744,671
Net position - beginning, as restated					2,413,187
Net position - ending					\$ 3,157,858

See accompanying Notes to the Basic Financial Statements

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

	<b>General Fund</b>	<b>Special Projects Fund</b>	<b>Building Renewal Grant Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ 471,802	\$ -	\$ 96,759	\$ 194,926	\$ 763,487
Receivables:					
Property taxes	31,769	-	-	-	31,769
Intergovernmental	-	348,515	42,798	-	391,313
Deposits	-	-	-	7,482	7,482
Due from other funds	303,782	-	-	-	303,782
<b>Total Assets</b>	<b>\$ 807,353</b>	<b>\$ 348,515</b>	<b>\$ 139,557</b>	<b>\$ 202,408</b>	<b>\$ 1,497,833</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 10,634	\$ 7,131	\$ 138,724	\$ -	\$ 156,489
Accrued wages	7,109	-	-	-	7,109
Due to other funds	-	303,782	-	-	303,782
<b>Total Liabilities</b>	<b>17,743</b>	<b>310,913</b>	<b>138,724</b>	<b>-</b>	<b>467,380</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	22,486	-	-	-	22,486
<b>FUND BALANCES</b>					
Restricted	-	37,602	833	202,408	240,843
Unassigned	767,124	-	-	-	767,124
<b>Total Fund Balances</b>	<b>767,124</b>	<b>37,602</b>	<b>833</b>	<b>202,408</b>	<b>1,007,967</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 807,353</b>	<b>\$ 348,515</b>	<b>\$ 139,557</b>	<b>\$ 202,408</b>	<b>\$ 1,497,833</b>

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF**  
**NET POSITION**  
**JUNE 30, 2022**

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**Total Fund Balance - Governmental Funds** \$ 1,007,967

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	\$ 5,225,643	
Accumulated depreciation	<u>(1,843,167)</u>	3,382,476

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

22,486

Net OPEB asset:

In governmental funds, postretirement benefits costs are recognized as expenditures in the period they are paid. In the government-wide statements, they are recognized in the period they are incurred. The net OPEB asset at the end of the period was:

44,726

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	(1,206,211)	
Net OPEB liability	(1,895)	
Compensated absences	<u>(86,876)</u>	(1,294,982)

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:	406,860	
Deferred inflows of resources relating to pensions:	(382,170)	
Deferred outflows of resources relating to OPEB:	8,550	
Deferred inflows of resources relating to OPEB:	<u>(38,055)</u>	(4,815)

**Total Net Position - Governmental Activities** \$ 3,157,858

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2022**

	General Fund	Special Projects Fund	Building Renewal Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 654,357	\$ -	\$ -	\$ -	\$ 654,357
Intergovernmental	1,020,530	914,166	661,250	217,163	2,813,109
Food services sales	-	-	-	581	581
Student activities	-	-	-	2,699	2,699
Contributions and donations	15,383	-	-	2,600	17,983
Investment earnings	1,682	40	-	596	2,318
Other	4,859	-	-	859	5,718
<b>Total Revenues</b>	<b>1,696,811</b>	<b>914,206</b>	<b>661,250</b>	<b>224,498</b>	<b>3,496,765</b>
<b>EXPENDITURES</b>					
Current					
Instruction	998,517	275,104	-	69,614	1,343,235
Support services:					
Students	81,861	158,202	-	67,076	307,139
Instructional staff	766	114,927	-	-	115,693
General administration	122,119	3,628	-	-	125,747
School administration	40,252	11,122	-	-	51,374
Business and other support services	129,418	9,672	-	-	139,090
Operations and maintenance of plant	197,978	34,161	661,250	-	893,389
Student transportation	99,952	12,701	-	-	112,653
Operations of noninstructional services	35,206	2,418	-	84,779	122,403
Capital outlay:					
Facilities acquisition	-	279,272	-	-	279,272
<b>Total Expenditures</b>	<b>1,706,069</b>	<b>901,207</b>	<b>661,250</b>	<b>221,469</b>	<b>3,489,995</b>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over Expenditures</b>	(9,258)	12,999	-	3,029	6,770
<b>Fund Balance - Beginning</b>	<b>776,382</b>	<b>24,603</b>	<b>833</b>	<b>199,379</b>	<b>1,001,197</b>
<b>Fund Balance - Ending</b>	<b>\$ 767,124</b>	<b>\$ 37,602</b>	<b>\$ 833</b>	<b>\$ 202,408</b>	<b>\$ 1,007,967</b>

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2022**

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**Net Change in Fund Balances - Governmental Funds** \$ 6,770

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:	\$ 941,291	
Depreciation expense:	<u>(118,074)</u>	823,217

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	(57,594)
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Governmental funds report pension/OPEB contributions as expenditures when made. However, in the statement of activities, pension/OPEB expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions/OPEB.

Pension contributions	147,202
Pension expense	(155,104)
Other post employment benefits contributions	4,773
Other post employment benefits expense	8,553

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

Net decrease(increase) in compensated absences	<u>(33,146)</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$ <u>744,671</u></b>

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

The accompanying financial statements of the Cañon Elementary School District No. 50 (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.

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

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

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.

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. General capital assets are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

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

Property taxes, intergovernmental grants and aid, 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.).

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

The *Building Renewal Grant Fund* is a capital projects fund used to account for revenues and expenditures of state funding from the School Facilities Board (SFB).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

**Deposits and Investments**

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 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.

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

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

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**

Yavapai 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. However, a lien against real and personal property assessments attaches on the first day of January preceding assessment and levy thereof.

**Deposits**

Deposits in the amount of \$7,482 represents cash deposits with Mohave Educational Services in the food service cooperative.

**Intergovernmental Receivable**

Intergovernmental receivables are comprised of federal grants (\$348,515) and building renewal grant funding from the School Facilities Board (\$42,798).

**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.

**Capital Assets (Continued)**

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

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

<b>Asset Class</b>	<b>Years</b>
Land improvements	20-30 years
Building and improvements	10-75 years
Vehicles, equipment, furniture	5-25 years

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**Assets, Deferred Outflows of resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (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 a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

**Compensated Absences**

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

**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.

**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.

**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: net investment in capital assets; restricted net position; and unrestricted net position. The net 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 accounts for the portion of net position restricted by parties outside the District. Unrestricted net position is the remaining net position not included in the previous two categories.

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**Assets, Deferred Outflows of resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (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 the 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 the 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.

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**Assets, Deferred Outflows of resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance (Continued)**

**Fund Balance (Continued)**

The fund balance classifications of the governmental funds as of June 30, 2022, were as follows:

	<b>General Fund</b>	<b>Special Projects Fund</b>	<b>Building Renewal Grant Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Activities</b>
<b>Restricted</b>					
Teacher compensation and other qualified programs (A.R.S. 15-977)	\$ -	\$ -	\$ -	\$ 84,244	\$ 84,244
Instructional improvement programs	-	-	-	45,985	45,985
Federal and state instructional programs	-	37,602	-	-	37,602
Food service	-	-	-	55,579	55,579
Community programs	-	-	-	5,565	5,565
Extracurricular activities	-	-	-	5,996	5,996
Capital projects	-	-	833	-	833
Student activities	-	-	-	5,039	5,039
Total restricted	-	37,602	833	202,408	240,843
<b>Unassigned</b>	767,124	-	-	-	767,124
<b>Total</b>	<b>\$ 767,124</b>	<b>\$ 37,602</b>	<b>\$ 833</b>	<b>\$ 202,408</b>	<b>\$ 1,007,967</b>

**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.

The District did not have any over-expenditures during the current year.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

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

Deposits:	
Cash in bank	\$ 12,883
Investments:	
Cash on deposit with county treasurer	750,604
Total cash and investments	<u>\$ 763,487</u>

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

**Deposits**

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of bank failure, the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. On June 30, 2022, the carrying amount of the District’s deposits was \$12,883 and the bank balance was \$12,883. On June 30, 2022, the entire bank balance was covered by Federal Depository Insurance.

**Investments**

At June 30, 2022, the District’s investments consisted of investment in the County Treasurer’s Investment pool. The State Board of Investment provides oversight for the State Treasurer’s pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant’s position in the pool approximates the value of that participant’s pool shares and the participant’s shares are not identified with specific investments. No comparable oversight is provided for the County Treasurer’s investment pool, and that pool’s structure does not provide for shares.

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

Credit Risk – The District has no investment policy that would further limit its investment choices. As of June 30, 2022, the District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

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

**NOTE 4 – UNAVAILABLE REVENUE**

Property taxes are recognized as revenues in the fiscal year when 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 June 30, 2022, deferred inflows of resources reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable:	
General Fund	\$ 22,486

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 5 – CAPITAL ASSETS**

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

	(Restated)			Balance June 30, 2022
	Balance July 01, 2021	Additions	Deductions	
Capital assets not being depreciated				
Land	\$ 44,000	\$ -	\$ -	\$ 44,000
Construction in progress	-	660,241	-	660,241
Total capital assets not being depreciated	44,000	660,241	-	704,241
Capital assets being depreciated				
Land improvements	225,122	-	-	225,122
Buildings and improvements	3,287,580	-	-	3,287,580
Vehicles, equipment, and furniture	727,650	281,050	-	1,008,700
Total capital assets being depreciated	4,240,352	281,050	-	4,521,402
Less accumulated depreciation				
Land improvements	(122,995)	(8,899)	-	(131,894)
Buildings and improvements	(1,160,993)	(55,745)	-	(1,216,738)
Vehicles, equipment, and furniture	(441,105)	(53,430)	-	(494,535)
Total accumulated depreciation	(1,725,093)	(118,074)	-	(1,843,167)
Total capital assets, being depreciated, net	2,515,259	162,976	-	2,678,235
Governmental activities capital assets, net	\$ 2,559,259	\$ 823,217	\$ -	\$ 3,382,476

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 47,434
Support Services:	
Operations and Maintenance of Plant	20,528
Student Transportation	41,311
Operation of Noninstructional Services	8,801
	<u>\$ 118,074</u>

Construction commitments as of June 30, 2022, were as follows:

Project	Governmental activities	
	Spent-to-date	Estimated remaining
Roofing project	\$ 444,961	\$ 84,149
Weatherization	191,467	38,514
Gym Upgrades	23,813	11,595
Total	<u>\$ 660,241</u>	<u>\$ 134,258</u>

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 6 – INTERFUND RECEIVABLE AND PAYABLES**

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

	<b>Due from other funds</b>
<b>Due to other funds</b>	<u>General Fund</u>
Special Projects Fund	<u>\$ 303,782</u>

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

**NOTE 7 – LONG-TERM OBLIGATIONS**

**Compensated Absences**

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year 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
Compensated absences	\$ 53,730	\$ 49,441	\$ (16,295)	\$ 86,876	\$ 8,688

**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. 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.

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 9 – PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS**

**Cost Sharing Pension Plan**

At June 30, 2022, the District reported the following related to the pension/OPEB plan to which it contributes:

	Net Pension Liability (Asset)	Net OPEB Liability (Asset)
Net assets	\$ -	\$ (44,726)
Net liability	1,206,211	1,895
Deferred outflows of resources	406,860	8,550
Deferred inflows of resources	382,170	38,055
Expense	155,104	(8,553)
Contributions	147,202	4,773

**Arizona State Retirement System**

**Plan Description**

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

**Benefits Provided**

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

	Retirement Initial 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.*

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 9 – PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Benefits Provided (Continued)**

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.

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% (12.22% for retirement and 0.19% 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% (12.01% for retirement, 0.21% for health insurance premium benefit, and 0.19% for long-term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 10.22% (10.13% for retirement and 0.09% 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, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2022, were \$147,202, \$2,530, and \$2,243, respectively.

During fiscal year 2022, the District paid for pension and OPEB contributions as follows: 68% from the General Fund, 22% from the Special Projects Fund, and 10% from nonmajor governments funds.

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 9 – PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Pension Liability**

On June 30, 2022, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

	Net (Assets) Liability	District % Proportion	Increase (Decrease)
Pension	\$ 1,206,211	0.00918%	0.00055%
Health insurance premium benefit	(44,726)	0.00918%	0.00053%
Long-term disability	1,895	0.00918%	0.00054%

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% to 7.0% and changing the projected salary increases from 2.7–7.2% to 2.9–8.4%. The District's proportion of the net asset or 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, were as noted above.

**Expense**

For the year ended June 30, 2022, the District recognized the following pension and OPEB expense.

	Pension/OPEB Expense
Pension	\$ 155,104
Health insurance premium benefit	(12,807)
Long-term disability	4,254

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**NOTE 9 – PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Deferred Outflows/Inflows of Resources**

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

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ 18,388	\$ -	\$ 547
Changes of assumptions or other inputs	156,998	2,217	606
Changes in proportion and differences between contributions and proportionate share of contributions	84,272	-	407
Contributions subsequent to the measurement date	147,202	2,530	2,243
Total	\$ 406,860	\$ 4,747	\$ 3,803

  

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ -	\$ 15,511	\$ 154
Changes of assumptions or other inputs	-	1,808	2,388
Net difference between projected and actual earnings on pension plan investments	382,170	16,591	1,312
Changes in proportion and differences between contributions and proportionate share of contributions	-	226	65
Total	\$ 382,170	\$ 34,136	\$ 3,919

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in expenses as follows:

Year Ending June 30:	Deferred Outflows (Inflows) of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
2023	\$ 62,714	\$ (7,485)	\$ (319)
2024	30,722	(7,177)	(296)
2025	(84,249)	(7,865)	(343)
2026	(131,699)	(8,679)	(539)
2027	-	(713)	(172)
Thereafter	-	-	(690)
Total	\$ (122,512)	\$ (31,919)	\$ (2,359)

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 9 – PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

**Arizona State Retirement System (Continued)**

**Actuarial Assumptions**

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

	Health Insurance Premium		
	Pensions	Benefit	Long-Term Disability
Actuarial valuation date	June 30, 2020	June 30, 2020	June 30, 2020
Actuarial roll forward date	June 30, 2021	June 30, 2021	June 30, 2021
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Investment rate of return	7.0%	7.0%	7.0%
Projected salary increases	2.9-8.4%	Not applicable	Not applicable
Inflation rate	2.3%	2.3%	2.3%
Permanent base increases	Included	Not applicable	Not applicable
Mortality rates	2017 SRA Scale U-MP	2017 SRA Scale U-MP	Not applicable
Recovery rates	Not applicable	Not applicable	2012 GLDT

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

The long-term expected rate of return on ASRS pension/OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected	
	Target Allocation	Geometric 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 total pension/OPEB liability was 7.0%, 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.

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 9 – PENSION PLAN AND OTHER POST EMPLOYMENT BENEFITS (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.

	Proportionate share of the net liability (asset)		
	Current		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Pension	\$ 1,897,269	\$ 1,206,211	\$ 630,060
Health insurance premium benefit	(29,613)	(44,726)	(57,576)
Long-term disability	2,468	1,895	1,341

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

**NOTE 10 – RESTATEMENTS**

On June 30, 2022, the District recorded a restatement of capital assets within the statement of net position for \$103,408. This restatement was necessary as assets were disposed of in a prior fiscal year but were not disposed of within the District’s capital assets listing and financial software. Therefore, in the current year, a restatement was necessary to properly reflect the beginning balance of net position. The following table represents the change in net position of the governmental activities as of June 30, 2022:

**Governmental Activities**

	Net position as previously stated	Correction of Capital Assets	Net position as restated
Governmental Activities	\$ 2,516,595	\$ (103,408)	\$ 2,413,187

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND (BUDGETARY BASIS)**  
**YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 641,425	\$ 641,425
Intergovernmental	-	-	983,158	983,158
Investment earnings	-	-	1,212	1,212
Other	-	-	2,659	2,659
<b>Total Revenues</b>	-	-	1,628,454	1,628,454
<b>EXPENDITURES</b>				
Regular education:				
Instruction	1,036,936	951,313	829,097	122,216
Support services - students	82,000	81,650	76,607	5,043
Support services - instructional staff	203	766	766	-
Support services - general administration	135,000	122,617	120,575	2,042
Support services - school administration	46,200	43,960	40,252	3,708
Support services - central services	124,500	122,443	107,731	14,712
Operations and maintenance of plant	247,200	226,915	181,208	45,707
Operation of noninstructional services	66,000	42,000	34,891	7,109
School sponsored cocurricular activities	5,100	5,347	4,897	450
School sponsored athletics	5,000	3,528	9,544	(6,016)
<b>Total regular education</b>	<b>1,748,139</b>	<b>1,600,539</b>	<b>1,405,568</b>	<b>194,971</b>
Special education:				
Instruction	153,300	173,611	127,599	46,012
Support services - students	37,000	34,910	5,254	29,656
Support services - instructional staff	4,000	-	-	-
<b>Total special education</b>	<b>194,300</b>	<b>208,521</b>	<b>132,853</b>	<b>75,668</b>
Pupil transportation:				
Student transportation services	106,900	107,934	97,852	10,082
K-3 reading program:				
Instruction	6,000	6,000	4,870	1,130
<b>Total Expenditures</b>	<b>2,055,339</b>	<b>1,922,994</b>	<b>1,641,143</b>	<b>281,851</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(2,055,339)	(1,922,994)	(12,689)	1,910,305
<b>Fund Balance - Beginning</b>	-	-	510,238	510,238
<b>Fund Balance - Ending</b>	\$ (2,055,339)	\$ (1,922,994)	\$ 497,549	\$ 2,420,543

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**BUDGETARY COMPARISON SCHEDULE FOR THE SPECIAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 914,166	\$ 914,166
Investment earnings	-	-	40	40
<b>Total Revenues</b>	-	-	914,206	914,206
<b>EXPENDITURES</b>				
Regular education:				
Instruction	489,711	508,620	275,104	233,516
Support services - students	191,558	198,954	107,611	91,343
Support services - instructional staff	137,989	143,317	77,518	65,799
Support services - general administration	6,458	6,708	3,628	3,080
Support services - school administration	19,798	20,563	11,122	9,441
Support services - central services	17,217	17,882	9,672	8,210
Operations and maintenance of plant	60,810	63,158	34,161	28,997
Operation of noninstructional services	4,304	4,470	2,418	2,052
<b>Total regular education</b>	<b>927,846</b>	<b>963,672</b>	<b>521,234</b>	<b>442,438</b>
Special education:				
Support services - students	90,057	93,534	50,591	42,943
Support services - instructional staff	66,592	69,163	37,409	31,754
<b>Total special education</b>	<b>156,648</b>	<b>162,697</b>	<b>88,000</b>	<b>74,697</b>
Pupil transportation:				
Student transportation services	22,609	23,482	12,701	10,781
Capital outlay				
Facilities acquisition	497,131	516,326	279,272	237,054
<b>Total Expenditures</b>	<b>1,604,234</b>	<b>1,666,177</b>	<b>901,207</b>	<b>527,916</b>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	(1,604,234)	(1,666,177)	12,999	1,442,122
<b>Fund Balance - Beginning</b>	-	-	24,603	24,603
<b>Fund Balance - Ending</b>	\$ (1,604,234)	\$ (1,666,177)	\$ 37,602	\$ 1,703,779

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND CONTRIBUTIONS**  
**YEAR ENDED 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	0.0092%	0.0086%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Proportionate share of the net pension liability	\$ 1,206,211	\$ 1,495,279	\$ 1,167,003	\$ 1,168,715	\$ 1,311,672	\$ 1,263,841	\$ 1,196,833	\$ 1,216,756
Covered payroll	\$ 1,044,955	\$ 948,095	\$ 857,094	\$ 838,270	\$ 836,952	\$ 790,496	\$ 764,669	\$ 837,094
Proportionate share of the net pension liability as a percentage of its covered payroll	115.43%	157.71%	136.16%	139.42%	156.72%	159.88%	156.52%	145.35%
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	\$ 147,202	\$ -	\$ 107,891	\$ 95,514	\$ 90,744	\$ 88,562	\$ 84,309	\$ 82,128
Contributions in relation to the actuarially determined contribution	147,202	-	107,891	95,514	90,744	88,562	84,309	82,128
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,228,426	\$ 1,044,955	\$ 948,095	\$ 857,094	\$ 838,270	\$ 836,952	\$ 790,496	\$ 764,669
Contributions as a percentage of covered payroll	11.98%	0.00%	11.38%	11.14%	10.83%	10.58%	10.67%	10.74%

*See accompanying Notes to Required Supplementary Information*

**CAÑON ELEMENTARY SCHOOL DISTRICT NO. 50**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2022**

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

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

**NOTE 2 – BUDGETARY BASIS OF ACCOUNTING**

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.

Consequently, the following adjustments are necessary to present the General Fund actual revenues, expenditures, other financing sources (uses), and fund balance at June 30, 2022 on a budgetary basis in order to provide a meaningful comparison.

	General Fund			
	Total Revenues	Total Expenditures	Fund balance beginning of year	Fund balance end of year
Statement of revenues, expenditures and changes in fund balance	\$ 1,696,811	\$ 1,706,069	\$ 776,382	\$ 767,124
Non-maintenance and operation activity included in the General Fund	(68,357)	(64,926)	(266,144)	(269,575)
Schedule of revenues, expenditures, and changes in fund balance - budget to actual	<u>\$ 1,628,454</u>	<u>\$ 1,641,143</u>	<u>\$ 510,238</u>	<u>\$ 497,549</u>