

**SANTA CRUZ VALLEY UNION
SCHOOL DISTRICT NO. 840**



Annual Financial Report

Fiscal Year Ended June 30, 2022

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840

ELOY, ARIZONA

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

SANTA CRUZ VALLEY UNION SCHOOL DISTRICT NO. 840

FINANCIAL STATEMENTS

Year Ended June 30, 2022

Issued by: Business Services Department

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT
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INTRODUCTORY SECTION



Santa Cruz Valley Union High School District No. 840
Organization Chart 2021-2022

Governing Board
Ms. Brandi Ogle, President
Ms. Anna Bell Saucedo, Vice President
Ms. Elizabeth Flores, Member
Mr. Richard Reyes, Member
Mr. Emilio Ysaguirre, Member

Mrs. Crystal Reyes
Superintendent

Administrative
Assistant

Sharon Rodriguez
Business Manager

Dr. Oranté Jenkins
Principal

Teachers

Office Staff

Counselor

Transportation
Drivers

Accounts Payable/
Receivables

Athletic
Supervisors

Bookstore

Guidance
Secretary

Grounds

Payroll

Coaches

CNA

Custodial

Federal Projects

Clubs/Class
Sponsors

Paraprofessionals

IT Director

Student Activity/Auxiliary

Facilities

Food Service



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Governing Board
Santa Cruz Valley Union School District No. 840
Eloy, Arizona

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz Valley Union School District No. 840 (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Santa Cruz Valley Union School District No. 840, 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 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 Auditors' 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, for the year ended June 30, 2022, the District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and OPEB information and budgetary schedules, as listed in the table of contents, are presented to supplement the basic financial statements. Such information, 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Santa Cruz Valley Union School District No. 840 basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The financial information listed as other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and was 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them."

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 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 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 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.

Baker Tilly US, LLP

Tempe, Arizona
March 23, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS



MANAGEMENT'S DISCUSSION AND ANALYSIS **For the Year Ended June 30, 2022**

As management of the Santa Cruz Valley Union High School District No. 840 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the current fiscal year.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$318,108 from the prior fiscal year.
- General revenues accounted for \$6.0 million in revenue, or 90 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$672,805 or 10 percent of total current fiscal year revenues.
- The District had approximately \$6.4 million in expenses related to governmental activities.
- Among major funds, the General Fund had \$3.6 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and had \$3.7 million in expenditures. The General Fund's fund balance decreased \$43,564 to \$1,025,916 at the end of the current fiscal year.
- The Bond Building fund balance decreased \$875,020 due to the capital outlay expenditures and debt service payments in the current year.

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.

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

The statement of net position presents information on all of the District's assets and liabilities, 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 compensated absences).

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

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

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

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

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, Title I, Special Education Grants, Unrestricted Capital Outlay, Bond Building and Debt Service Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$9.5 million at the current fiscal year end.

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

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

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Current Assets	\$ 3,949,810	\$ 4,625,258
Capital assets, net	13,978,142	13,271,921
Total assets, net	<u>17,927,952</u>	<u>17,897,179</u>
Deferred outflows of resources	<u>650,831</u>	<u>721,802</u>
Current liabilities	1,282,230	880,113
Long-term liabilities	6,569,825	8,420,805
Total liabilities	<u>7,852,055</u>	<u>9,300,918</u>
Deferred inflows of resources	<u>1,130,959</u>	<u>81,060</u>
Net position:		
Net investment in capital assets	10,396,329	10,396,329
Restricted	1,244,899	886,133
Unrestricted	<u>(2,045,459)</u>	<u>(2,045,459)</u>
Total net position	<u>\$ 9,595,769</u>	<u>\$ 9,237,003</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$2.0 million. The deficit arose due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true in the prior fiscal year.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following are significant current year transactions that had an impact on the Statement of Net Position:

- The principal retirement of \$510,000 of bonds.
- The addition of \$803,065 in capital assets through school improvements.

Changes in net position. The District's total revenues for the current fiscal year were \$6.0 million. The total cost of all programs and services was \$6.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 116,251	\$ 100,173
Operating grants and contributions	580,829	648,973
Capital grants and contributions	-	16,265
General Revenues:		
Property taxes	3,565,170	3,648,268
Unrestricted state aid	1,920,606	1,299,109
Unrestricted county aid	29,486	20,294
Investment income	18,815	25,537
Miscellaneous	473,013	477,243
Total revenues	<u>6,734,638</u>	<u>6,235,862</u>
Expenses:		
Instruction	2,195,770	2,052,551
Support services - students and staff	702,097	707,127
Support services - administration	753,870	703,545
Operation and maintenance of plant services	1,567,459	1,476,181
Student transportation services	330,410	343,013
Operation of non-instructional services	709,799	872,327
Interest of long-term debt	116,467	135,800
Total expenses	<u>6,375,872</u>	<u>6,290,544</u>
Change in net position	<u>358,766</u>	<u>(54,682)</u>
Net position, beginning of year	<u>9,237,003</u>	<u>9,291,685</u>
Net position, end of year	<u>\$ 9,595,769</u>	<u>\$ 9,237,003</u>

Total revenues increased \$474,501 from the prior year. This is largely due to an increase in state aid revenue of \$621,497. Overall expenses increased by \$101,711 from the prior year.

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

	Year ended June 30, 2022		Year ended June 30, 2021	
	Total Expenses	Net(Expense)/ Revenue	Total Expenses	Net(Expense)/ Revenue
Instruction	\$ 2,195,770	\$ (2,031,979)	\$ 2,052,551	\$ (1,961,042)
Support services - students and staff	702,097	(426,173)	707,127	(351,210)
Support services - administration	753,870	(753,870)	703,545	(703,545)
Operation and maintenance of plant services	1,567,459	(1,567,189)	1,476,181	(1,465,984)
Student transportation services	330,410	(301,103)	343,013	(297,242)
Operation of non-instructional services	709,799	(482,011)	872,327	(610,310)
Interest of long-term debt	116,467	(116,467)	135,800	(135,800)
Total expenses	<u>\$ 6,375,872</u>	<u>\$ (5,678,792)</u>	<u>\$ 6,290,544</u>	<u>\$ (5,525,133)</u>

The cost of all governmental activities this year was \$6.4 million.

- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$765,411.
- Net cost of governmental activities of \$5.7 million was financed by general revenues, which are made up of primarily property taxes of \$3.6 million and state and county aid of \$2.0 million. Investment earnings accounted for \$18,815 of funding.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The General Fund comprises 26 percent of the total fund balance. The restricted amount is \$18,815. The remaining balance of the General Fund's fund balance is unassigned.

The fund balance decreased \$43,564 in the General Fund to \$1,025,916 as of fiscal year end. General Fund revenues decreased \$68,511 as a result of a decrease in the property tax and state aid. General Fund expenditures increased \$101,711 due to additional costs in operation and maintenance of plant services.

The E-Rate Fund had \$0 in current fiscal year revenues, and \$144,373 in expenditures. The E-Rate Fund's fund balance decreased \$144,373 to \$6,885 at the current fiscal year end due to significant purchases in the current year.

The Bond Building Fund had \$832,241 in current year expenditures. The fund balance decreased from \$1,818,901 at the prior fiscal year end to \$986,660 at the current fiscal year end primarily due to capital outlay expenditures and debt service payments in the current year.

The Debt Service Fund had \$562,425 in current fiscal year revenues, and \$675,675 in expenditures. The Debt Service Fund's fund balance decreased from \$440,958 at the prior fiscal year end to \$327,048 at the current fiscal year end due to an increase in scheduled debt service requirements.

BUDGET HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$52,166 decrease, a result of a decrease in total instruction and operation/maintenance expenditures.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$24.3 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$982,209 from the prior fiscal year, primarily due to school improvements. Total depreciation expense for the current fiscal year was \$86,594

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

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

- Fiscal year 2021-22 budget balance carry forward (\$268,158)
- Changes in student population (estimated 320)

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

Budgeted expenditures in the General Fund decreased 6 percent to \$3.3 million in fiscal year 2021-22. State aid and property taxes are expected to be the primary funding sources.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business Services Department, Santa Cruz Valley Union High School District No. 840, 900 North Main Street, Eloy, Arizona 85131.



BASIC FINANCIAL STATEMENTS



GOVERNMENT-WIDE FINANCIAL STATEMENTS



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities
Assets	
Cash and investments	\$ 3,578,127
Property taxes receivable	182,221
Due from other governments	111,314
Net OPEB asset	78,148
Capital assets:	
Nondepreciable/amoritized capital assets	982,209
Other capital assets (net of accumulated depreciation/amoritization)	12,995,933
Total assets	<u>17,927,952</u>
Deferred Outflows of Resources	
Deferred outflows related to pensions and OPEB	650,831
Total deferred outflows of resources	<u>650,831</u>
Liabilities	
Accounts payable	690,908
Noncurrent liabilities:	
Due within one year:	
Compensated absences	25,642
Leases	40,680
Bonds payable	525,000
Due in more than one year:	
Compensated absences	81,197
Leases	68,884
Bonds payable	3,870,993
Net OPEB liability	3,619
Net pension liability	2,545,132
Total liabilities	<u>7,852,055</u>
Deferred Inflows of Resources	
Deferred inflows related to pensions and OPEB	1,130,959
Total deferred inflows of resources	<u>1,130,959</u>
Net Position	
Net Investment in capital assets	10,460,623
Restricted for:	
Voter approved initiatives	282,258
Federal and state projects	19,221
Food service	135,091
Joint technical education	98,902
Extracurricular activities	28,660
Other local initiatives	37,549
Debt service	296,444
Capital outlay	274,134
Unrestricted (deficit)	<u>(2,037,113)</u>
Total net position	<u>\$ 9,595,769</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	\$ 2,195,770	\$ 10,623	\$ 153,168	\$ -	\$ (2,031,979)
Support services:					
Students and staff	702,097	52,118	223,806	-	(426,173)
General administration	753,870	-	-	-	(753,870)
Operation and maintenance of plant services	1,567,459	-	270	-	(1,567,189)
Student transportation	330,410	29,307	-	-	(301,103)
Operation of non-instructional services	709,799	24,203	203,585	-	(482,011)
Interest on long-term debt	116,467	-	-	-	(116,467)
Total governmental activities	<u>\$ 6,375,872</u>	<u>\$ 116,251</u>	<u>\$ 580,829</u>	<u>\$ -</u>	<u>(5,678,792)</u>
General revenues:					
Taxes:					
					2,958,869
					538,856
					67,445
					18,815
					29,486
					1,920,606
					473,013
					<u>6,037,558</u>
					<u>358,766</u>
					<u>9,237,003</u>
					<u>\$ 9,595,769</u>

See accompanying notes.

FUND FINANCIAL STATEMENTS



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
BALANCE SHEET
June 30, 2022

	General Fund	E-Rate	Bond Building	Building Renewal Funds	Debt Service	Nonmajor Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 956,684	\$ 151,258	\$ 1,012,266	\$ 253,434	\$ 327,048	\$ 877,437	\$ 3,578,127
Receivables							
Property taxes	126,625	-	-	-	26,103	29,493	182,221
Due from other funds	374,241	-	-	-	-	-	374,241
Due from other governments	-	-	-	-	-	111,314	111,314
Total assets	\$ 1,457,550	\$ 151,258	\$ 1,012,266	\$ 253,434	\$ 353,151	\$ 1,018,244	\$ 4,245,903
LIABILITIES							
Accounts payable	\$ 216,841	144,373	\$ 24,228	\$ 265,601		\$ 39,865	\$ 690,908
Due to other funds	-	-	-	-	-	374,241	374,241
Total liabilities	216,841	144,373	24,228	265,601	-	414,106	1,065,149
DEFERRED INFLOW OF RESOURCES							
Unavailable revenue - property taxes	264,503	-	-	-	56,707	61,409	382,619
Unavailable revenue - intergovernmental	-	-	-	-	-	111,314	111,314
Total deferred inflows of resources	264,503	-	-	-	56,707	172,723	493,933
FUND BALANCES (DEFICITS)							
Restricted							
Voter approved initiatives	-	-	-	-	-	282,258	282,258
Federal and state projects	2,528	6,885	-	-	-	9,808	19,221
Food service	-	-	-	-	-	135,091	135,091
Joint technical education	-	-	-	-	-	98,902	98,902
Extracurricular activities	-	-	-	-	-	28,660	28,660
Debt service	-	-	-	-	296,444	-	296,444
Capital outlay	5,233	-	988,038	-	-	268,901	1,262,172
Other purposes	17,590	-	-	-	-	19,959	37,549
Unassigned	950,855	-	-	(12,167)	-	(412,164)	526,524
Total fund balances	976,206	6,885	988,038	(12,167)	296,444	431,415	2,686,821
Total liabilities, deferred inflow of resources and fund balance	\$ 1,457,550	\$ 151,258	\$ 1,012,266	\$ 253,434	\$ 353,151	\$ 1,018,244	\$ 4,245,903

See accompanying notes.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
 GOVERNMENTAL FUNDS
 June 30, 2021

Total governmental fund balance		\$ 2,686,821
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	\$ 25,241,237	
Less accumulated depreciation/amortization	<u>(11,263,095)</u>	13,978,142
Certain revenues earned but not received within 60 days of year-end are unavailable for the governmental statements, but are recognized as revenue for the government-wide statements.		
Grants	111,314	
Property taxes	<u>382,619</u>	493,933
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences payable	(106,839)	
Lease payable	(109,564)	
Bonds payable	(4,015,000)	
Premium Payable	(380,993)	
Net OPEB asset	78,148	
Net OPEB liability	(3,619)	
Net pension liability	<u>(2,545,132)</u>	(7,082,999)
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions/OPEB	650,831	
Deferred inflows of resources related to pensions/OPEB	<u>(1,130,959)</u>	<u>(480,128)</u>
Net position of governmental activities		<u>\$ 9,595,769</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended June 30, 2022

	General Fund	E-Rate	Bond Building	Building Renewal Funds	Debt Service	Nonmajor Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 2,791,006	\$ -	\$ -	\$ -	\$ 519,385	\$ 29,757	\$ 3,340,148
Intergovernmental grants and aid:							
Federal	-	-	-	-	-	960,295	960,295
State	379,367	-	-	637,859	-	450,665	1,467,891
Investment earnings	5,034	534	-	25	10,178	3,044	18,815
Other	484,272	-	-	-	-	126,425	610,697
Total revenues	<u>3,659,679</u>	<u>534</u>	<u>-</u>	<u>637,884</u>	<u>529,648</u>	<u>1,570,190</u>	<u>6,397,935</u>
EXPENDITURES							
Current:							
Instruction	1,072,455	144,373	-	-	-	974,193	2,191,021
Support services:							
Students and staff	311,737	-	1,744	-	-	367,511	680,992
General administration	1,091,928	-	45,154	656	-	34,688	1,172,426
Operation and maintenance of plant services	992,143	-	226,197	13,455	-	45,114	1,276,909
Student transportation	183,695	-	193,994	-	-	46,158	423,847
Operation of non-instructional services	99,864	-	-	-	-	191,718	291,582
Debt service:							
Principal	65,883	-	-	-	510,600	-	576,483
Interest and fiscal charges	7,695	-	-	-	165,075	-	172,770
Capital outlay	-	-	365,153	637,203	-	67,007	1,069,363
Total expenditures	<u>3,825,400</u>	<u>144,373</u>	<u>832,242</u>	<u>651,314</u>	<u>675,675</u>	<u>1,726,389</u>	<u>7,855,393</u>
Excess (deficiency) of revenues over expenditures	<u>(165,721)</u>	<u>(143,839)</u>	<u>(832,242)</u>	<u>(13,430)</u>	<u>(146,027)</u>	<u>(156,199)</u>	<u>(1,457,458)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	72,447	-	-	-	-	-	72,447
Transfers out	-	-	-	-	-	(72,447)	(72,447)
Total other financing sources (uses)	<u>72,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(72,447)</u>	<u>-</u>
Net change in fund balances	<u>(93,274)</u>	<u>(143,839)</u>	<u>(832,242)</u>	<u>(13,430)</u>	<u>(146,027)</u>	<u>(228,646)</u>	<u>(1,457,458)</u>
Fund balances, beginning of year	<u>1,069,480</u>	<u>150,724</u>	<u>1,820,280</u>	<u>1,263</u>	<u>442,471</u>	<u>660,061</u>	<u>4,144,279</u>
Fund balances, end of year	<u>\$ 976,206</u>	<u>\$ 6,885</u>	<u>\$ 988,038</u>	<u>\$ (12,167)</u>	<u>\$ 296,444</u>	<u>\$ 431,415</u>	<u>\$ 2,686,821</u>

See accompanying notes.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 Year Ended June 30, 2022

Net change in fund balances—total governmental funds		\$ (1,457,458)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Expenditures for capitalized assets	\$ 1,572,716	
Depreciation/amortization expense	<u>(866,595)</u>	706,121
District pension/OPEB contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension/OPEB asset/(liability) is measured a year before the District's report date. Pension/OPEB expense, which is the change in the net pension/OPEB asset/(liability) adjusted changes in deferred outflows and inflows of resources related to pension/OPEBs, is reported in the Statement of Activities		
District pension/OPEB contributions	273,771	
Pension/OPEB expense	<u>(113,964)</u>	159,807
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues received in the current year that were accrued in the Statement of Activities in prior years are reported as revenues in the funds.		
Grants	107,280	
Property taxes	<u>229,423</u>	336,703
Repayment of long-term debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Lease principal retirement	65,883	
Debt principal retirement	510,000	
Amortization of bond premiums	<u>57,003</u>	632,886
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(19,293)</u>
Change in net position of governmental activities		<u>\$ 358,766</u>



NOTES TO FINANCIAL STATEMENTS



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Santa Cruz Valley Union School District No. 840 (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

Reporting Entity

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

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools.

The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

E-Rate Fund – The E-Rate Fund accounts for financial assistance received for broadband internet and telecommunication costs.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Bond Building Fund – The Bond Building Fund accounts for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

Building Renewal Funds – The Building Renewal Funds accounts for building renewal grant monies that the District received from ADOA’s Division of School Facilities. These monies may be used for major renovations and repairs to buildings used for student instruction or other academic purposes, upgrading systems and areas that will maintain or extend buildings’ useful lives, and infrastructure costs.

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

Cash and Investments

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

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

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

Statute does not include any requirements for credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. Statute requires collateral for deposits of Bond Building and Debt Service Funds monies in interest bearing savings accounts and certificates of deposit at 101 percent of all deposits not covered by federal depository insurance.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments (Continued)

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

Investment Income

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

Receivables and Payables

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

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

Property Tax Calendar

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

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepaid Items

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

Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment; and construction in progress and those amounts that are leased by the District, are reported in the government-wide financial statements.

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

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

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

Land improvements	10 - 75 years
Buildings and improvements	10 - 50 years
Vehicles, furniture and equipment	5 - 20 years

Intangible right-to-use lease assets are amortized over the shorter of the lease term or the useful life of the underlying asset.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Lessee: As lessee, the district recognizes lease liabilities with an initial, individual value of \$5,000 or more. The district uses its estimated incremental borrowing rate to measure lease liabilities unless it can readily determine the interest rate implicit in the lease. The district's estimated incremental borrowing rate is based on the average interest rate of other financing instruments with similar terms and risks as those currently entered into by the district. The District's estimated incremental borrowing rate is calculated as described above.

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

Deferred Outflows/Inflows of Resources

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

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

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

Pensions and Other Postemployment Benefits

For purposes of measuring the net pension and other postemployment benefit (OPEB) assets and 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.

Long-term Obligations

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

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

Interfund Activity

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position Flow Assumption

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

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.

Change in Accounting Principle

For 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 liabilities and right-to-use assets for leases that were previously classified as rental expense and recognized as outflows of resources based on the contract payment provisions. The District's current lessor obligations are insignificant to the financial statements and have not been further disclosed.

NOTE 2 FUND BALANCE CLASSIFICATIONS

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

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

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 2 FUND BALANCE CLASSIFICATIONS (Continued)

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

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

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

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

NOTE 3 CASH AND INVESTMENTS

Arizona Revised Statutes require the District to deposit all cash with the County Treasurer, except as discussed below. Cash with the County Treasurer is pooled for investment purposes, except for cash in the bond building and debt service funds, which may be invested separately.

Statute authorizes the District to separately invest monies of the bond building and debt service funds in the State Treasurer's investment pool, obligations issued or guaranteed by the United States or any of its agencies or instrumentalities, specified state or local government bonds and notes, and interest-bearing savings accounts or certificates of deposit.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2022

NOTE 3 CASH AND INVESTMENTS (Continued)

Statute authorizes the District to deposit monies of the auxiliary operations and student activities funds in bank accounts. The District may also invest these monies. 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 and employee insurance programs. Some of the bank accounts may be interest bearing.

Deposits – At June 30, 2022, the carrying amount of the District's deposits was \$80,471 and the bank balance was \$84,828. The bank balance was insured under the federal depository insurance.

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

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

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

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

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

Investments – The District had total investments in the County Treasurer's investment pool of \$3,496,393 at June 30, 2022.

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 3 CASH AND INVESTMENTS (Continued)

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

County Treasurer's investment pool	<u>Average Maturities</u> 2.46 years	<u>Fair Value</u> \$2,986,041
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NOTE 4 RECEIVABLES

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

Governmental Activities:	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Non-Major Governmental Fund</u>	<u>Total</u>
Due from other governments:				
Property Tax assessments	\$ 126,625	\$ 26,103	\$ 29,493	\$ 182,221
Due from other government	-	-	111,314	111,314
Total receivables	<u>\$ 126,625</u>	<u>\$ 26,103</u>	<u>\$ 140,807</u>	<u>\$ 293,535</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 5 CAPITAL ASSETS

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

Governmental Activities	Beginning Balance (Restated)	Increases	Decreases	Ending Balance
Capital assets, not being depreciated/amortized:				
Land	\$ 240,011	\$ -	\$ -	\$ 240,011
Construction in progress	11,450	859,873	(129,125)	742,198
Total capital assets not being depreciated	251,461	859,873	(129,125)	982,209
Capital assets, being depreciated/amortized:				
Land improvements	3,670,281	181,684	-	3,851,965
Buildings and improvements	16,552,223	346,933	-	16,899,156
Vehicles, furniture and equipment	2,712,786	313,451	-	3,026,237
Right of use assets - leases				
Building Improvements	481,670	-	-	481,670
Total capital assets being depreciated/amortized	23,416,960	842,068	-	24,259,028
Less accumulated depreciation for:				
Land improvements	(1,536,837)	(152,681)	-	(1,689,518)
Buildings and improvements	(7,220,406)	(544,763)	-	(7,765,169)
Vehicles, furniture and equipment	(1,396,415)	(145,067)	-	(1,541,482)
Right of use assets - Building Improvements	(242,842)	(24,084)	-	(266,926)
Total accumulated depreciation/amortization	(10,396,500)	(866,595)	-	(11,263,095)
Total capital assets, being depreciated/amortized, net	13,020,460	(24,527)	-	12,995,933
Governmental activities capital assets, net	\$ 13,271,921	\$ 835,346	\$ (129,125)	\$ 13,978,142

Depreciation/amortization expense was charged to governmental functions as follows.

Governmental activities:

Instruction	\$ 117,595
Support services- students and staff	3,490
Support services - general administration	4,105
Operation and maintenance of plant services	540,645
Student transportation	104,793
Operation of noninstructional services	95,967
Total depreciation expense	\$ 866,595

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of school renovations. At year end, the District had spent \$930,000 on the projects and had an estimated remaining contractual commitments of \$4,156 included in Accounts Payable. These projects are primarily being funded with bond proceeds.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 6 LEASES

The District has acquired utility management equipment and school buses under the provisions of long-term lease agreements classified as leases. The lease agreements qualify as leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Revenues from the General Fund and the Bond Building Fund were used to pay the lease obligations.

For the utility management equipment lease, the Energy Services Corporation (ESCO) guarantees an annual savings of \$33,278 for implementing these energy conservation measures. If these savings are not achieved, the District will receive compensation from the ESCO for the difference between the reported savings and the lease payment. Revenues from the General Fund are transferred to the Energy and Water Savings Fund to pay the lease obligations when due. Amortization of assets recorded under leases is included with depreciation/amortization expense. The Energy and Water Savings Fund is recorded separately for budgeting purposes but does not meet the requirements of GASB 54 for Special Revenue funds and therefore is reported as part of the General Fund for the basic financial statements.

The assets acquired through leases that meet the District's capitalization threshold are as follows:

Asset	Governmental Activities
Vehicles, Furniture and equipment	\$ 481,670
Less accumulated depreciation	(266,926)
Total	<u>\$ 214,744</u>

The future minimum lease obligations and the net present value of these minimum lease payments at year end were as follows:

Year Ending, June 30	Principal	Interest
2023	40,680	7,488
2024	68,884	5,268
Present value of remaining payments	<u>\$ 109,564</u>	<u>\$ 12,756</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 7 GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$255,000 remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. At June 30, 2022, the District had unspent bond proceeds of \$988,038

Description	Original Amount Issued	Remaining Maturity	Interest Rate	Outstanding Principal June 30, 2022	Due Within One Year
Governmental activities:					
School Improvement Bonds					
of 2016, Series A, 2017	\$ 4,145,000	7/1/19 - 27	2.5 - 4.0%	\$ 1,910,000	\$ 350,000
of 2016, Series B, 2020	2,445,000	7/1/21 - 30	3.0 - 4.0%	2,105,000	175,000
Total				<u>\$ 4,015,000</u>	<u>\$ 525,000</u>

NOTE 8 CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 87,546	\$ 66,058	\$ (46,765)	\$ 106,839	\$ 25,642
Bonds payable	4,525,000	-	(510,000)	4,015,000	525,000
Premiums	437,996	-	(57,003)	380,993	-
Leases	175,347	-	(65,783)	109,564	40,680
Net OPEB liability	14,983	-	(11,364)	3,619	-
Net pension liability	3,749,495	-	(1,204,363)	2,545,132	-
Governmental activities long-term liabilities	<u>\$ 8,990,367</u>	<u>\$ 66,058</u>	<u>\$ (1,895,278)</u>	<u>\$ 7,161,147</u>	<u>\$ 591,322</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 9 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At year end, receivables and payables were as follows:

Due to/from other funds:

Fund	Receivable Amount	Payable Amount
General Fund	\$ 374,241	\$ -
Non-Major Governmental Funds	-	374,241
Total	\$ 374,241	\$ 374,241

Interfund transfers between funds were used to move federal grant funds for indirect costs.

Interfund transfers:

Fund	Transfers Out	Transfers In
General Fund	\$ -	\$ 72,447
Non-Major Governmental Funds	72,447	-
Total	\$ 72,447	\$ 72,447

NOTE 10 CONTINGENCIES

Compliance

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

Litigation

The District is contingently liable for claims and judgements resulting from lawsuits incidental to normal operations. In the opinion of the School's management, adverse decisions that might result, to the extent not covered by insurance, would not have a material effect on the financial statements. No provision has been made in the financial statements for possible losses of this nature.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 11 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

At June 30, 2022, the District reported the following aggregate amounts related to pensions and other post-employment benefits (OPEB) for all plans to which it contributes:

	Pension	OPEB
Net assets	\$ -	\$ 78,148
Net liability	2,545,132	3,619
Deferred outflows of resources	636,950	13,881
Deferred inflows of resources	1,062,690	68,269
Expense	113,812	(6,381)
Contributions	266,883	6,888

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 11 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits Provided - The ASRS provides retirement, health insurance premium supplement, long-term disability, and survivor benefits. State statute establishes benefits 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* and 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 earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member's death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

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.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 11 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 10.22 percent (10.13 percent for retirement, 0.09 percent for health insurance premium benefit, and 0.18 percent for long-term disability) of the active members' annual covered payroll. The District's contributions for the year ended June 30, 2022 were as follows:

	Pension/OPEB contributions
Pension contribution	\$ 266,883
Health insurance premium benefit	3,616
Long-term disability	3,272

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.21 percent (10.09 for retirement, 0.05 percent for health insurance premium benefit, and 0.07 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension and OPEB Assets/Liability. The net pension and OPEB assets/liability 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.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 11 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Liability – At 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 pension/OPEB (asset) liability
Pension	\$ 2,545,132
Health insurance premium benefit	(78,148)
Long-term disability	3,619

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 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:

	Proportion June 30, 2021	Increase (decrease) from June 30, 2020
Pension	0.01937%	(0.002267%)
Health insurance premium benefit	0.01604%	(0.002550%)
Long-term disability	0.01753%	(0.002223%)

Pension/OPEB Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2022, the District recognized pension and OPEB expense as follows:

	Pension/OPEB expense
Pension expense	\$ 113,812
Health insurance premium benefit	(8,827)
Long-term disability	2,446

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 11 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

The District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Pension		Health insurance premium benefit		Long-term disability	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 38,798	\$ -	\$ -	\$ 27,102	\$ 1,045	\$ 295
Changes of assumptions or other inputs	331,269	-	3,874	3,160	1,157	4,560
Net difference between projected and actual earnings on pension plan investments	-	806,387	-	28,989	-	2,506
Changes in proportion and differences between District contributions and proportionate share of contributions	-	256,303	917	34	-	1,623
District contributions subsequent to the measurement date	266,883	-	3,616	-	3,272	-
Total	<u>\$ 636,950</u>	<u>\$ 1,062,690</u>	<u>\$ 8,407</u>	<u>\$ 59,285</u>	<u>\$ 5,474</u>	<u>\$ 8,984</u>

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

Year ending June 30	Pension	Health insurance premium benefit	Long-term disability
2023	\$ (136,823)	\$ (12,797)	\$ (947)
2024	(100,146)	(12,245)	(903)
2025	(177,767)	(13,437)	(994)
2026	(277,887)	(14,875)	(1,372)
2027	-	(1,140)	(660)
Thereafter	-	-	(1,906)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 11 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

	<u>Pension/OPEB</u>
Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.00%
Projected salary increases	2.6-7.2% for pensions/not applicable for OPEB
Inflation	2.30%
Permanent benefit increase	Included for pensions/not applicable for OPEB
Mortality rates	2017 SRA Scale U-MP for pensions and health insurance premium benefit
Recovery rates	2012 GLDT for long-term disability
Healthcare cost trend rate	Not Applicable

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 for all ASRS plans are summarized in the following table:

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 11 PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate- At June 30, 2021, the discount rate used to measure the ASRS total pension/OPEB 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 statute. Based on those assumptions, the plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the Proportionate Share of the Net Pension and OPEB Asset/Liability to Changes in the Discount Rate. The following table presents the District’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0 percent, as well as what the District’s proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

District's proportionate share of the	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% increase (8.0%)
Net pension liability	\$ 4,003,279	\$ 2,545,132	\$ 1,329,440
Net health insurance premium benefit liability (asset)	(51,742)	(78,148)	(100,602)
Net long-term disability liability	4,712	3,619	2,561

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

NOTE 12 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 continues to carry commercial insurance for life insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO FINANCIAL STATEMENTS
 Year Ended June 30, 2022

NOTE 12 RISK MANAGEMENT (CONTINUED)

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

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

The District is a member of an intergovernmental agreement with Eloy Elementary School District to receive transportation services for students in which a member of the District Board is married to the Business Manager at Eloy Elementary School District. The amount spent during the year for these services was \$21,000. The member of the Board has disclosed this relationship and recuses themselves for all related decisions regarding this IGA.

NOTE 13 FUND BALANCE DEFICIT

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

Non-Major	<u>Deficit</u>
Governmental Funds:	
Title I	108,305
Professional Development & Technology	19,484
Title IV	129
Special Education	22,281
Vocational Education - Basic Gants	21,202
Elementary and Secondary School Emergency Relief	174,292
Other State Projects	12,112
Joint Technical Education	<u>16,436</u>
Total	<u>\$ 374,241</u>

The deficits arose because of operations during the year and prior years and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2022-23 are expected to eliminate the deficits.



REQUIRED SUPPLEMENTARY INFORMATION



SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Non-GAAP Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ 2,791,006	\$ 2,791,006
Intergovernmental grants and aid:				
State	-	-	379,243	379,243
Investment earnings	-	-	3,650	3,650
Other	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>3,173,899</u>	<u>3,173,899</u>
EXPENDITURES:				
Current:				
Instruction	1,680,195	1,377,118	1,055,387	321,731
Support services:				
Students and staff	292,964	301,497	306,452	(4,955)
General administration	651,139	654,414	676,582	(22,168)
Operation and maintenance of plant services	909,275	956,962	914,942	42,020
Student transportation	239,107	219,943	183,515	36,428
Operation of non-instructional services	99,751	114,596	97,343	17,253
Total expenditures	<u>3,872,431</u>	<u>3,624,530</u>	<u>3,234,221</u>	<u>390,309</u>
Excess (deficiency) of revenues over expenditures	<u>(3,872,431)</u>	<u>(3,624,530)</u>	<u>(60,322)</u>	<u>3,564,208</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(47,166)	(47,166)	(51,097)	(3,931)
Total other financing sources and uses	<u>(47,166)</u>	<u>(47,166)</u>	<u>(51,097)</u>	<u>(3,931)</u>
Net change in fund balances	<u>(3,919,597)</u>	<u>(3,671,696)</u>	<u>(111,419)</u>	<u>3,560,277</u>
Fund balance, beginning of year	-	-	893,993	893,993
Fund balance, end of year	<u>\$ (3,919,597)</u>	<u>\$ (3,671,696)</u>	<u>\$ 782,574</u>	<u>\$ 4,454,270</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
E-RATE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 534	\$ 534
Total revenues	<u>-</u>	<u>-</u>	<u>534</u>	<u>534</u>
EXPENDITURES:				
Current:				
General administration	125,000	141,756	144,373	(2,617)
Total expenditures	<u>125,000</u>	<u>141,756</u>	<u>144,373</u>	<u>(2,617)</u>
Excess (deficiency) of revenues over expenditures	<u>(125,000)</u>	<u>(141,756)</u>	<u>(143,839)</u>	<u>(2,083)</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>150,724</u>	<u>150,724</u>
Fund balance, end of year	<u>\$ (125,000)</u>	<u>\$ (141,756)</u>	<u>\$ 6,885</u>	<u>\$ 148,641</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION/OPEB LIABILITY (ASSET)
 COST-SHARING PLAN
 Year Ended June 30, 2022

	Reporting Fiscal Year (Measurement Date)								
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)	2014 through 2013
ASRS - Pension									
District's proportion of the net pension liability	0.021%	0.022%	0.022%	0.020%	0.020%	0.020%	0.020%	0.020%	Information not available
District's proportionate share of the net pension liability	\$ 2,545,132	\$ 3,749,930	\$ 3,227,448	\$ 3,001,283	\$ 3,469,232	\$ 3,544,565	\$ 3,324,000	\$ 2,902,552	
District's covered payroll	1,804,326	1,933,930	1,905,358	1,794,752	2,178,636	1,949,207	1,875,221	1,718,664	
District's proportionate share of the net pension liability as a percentage of its covered payroll	131.60%	193.90%	169.39%	167.23%	159.24%	181.85%	177.26%	168.88%	
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%	
ASRS - Health insurance premium benefit									
District's proportion of the net OPEB (asset)	0.019%	0.019%	0.019%	0.020%	0.020%	Information not available			
District's proportionate share of the net OPEB (asset)	(78,148)	\$ (13,162)	\$ (5,281)	\$ (6,892)	\$ (11,345)				
District's covered payroll	1,804,326	1,933,930	1,905,358	1,794,752	2,178,636				
District's proportionate share of the net OPEB (asset) as a percentage of its covered payroll	-0.68%	-0.68%	-0.28%	-0.38%	-0.52%				
Plan fiduciary net position as a percentage of the total OPEB (asset) liability	130.24%	104.33%	101.62%	102.20%	103.57%				

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION/OPEB LIABILITY (ASSET)
 COST-SHARING PLAN (Continued)
 Year Ended June 30, 2022

	Reporting Fiscal Year (Measurement Date)					2017 through 2013
	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	
ASRS - Long-term disability						
District's proportion of the net OPEB liability	0.020%	0.020%	0.020%	0.020%	0.020%	Information not available
District's proportionate share of the net OPEB liability	3,619	\$ 14,983	\$ 13,107	\$ 11,155	\$ 7,830	
District's covered payroll	1,804,326	1,933,930	1,905,358	1,794,752	2,178,636	
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.77%	0.77%	0.69%	0.62%	0.36%	
Plan fiduciary net position as a percentage of the total OPEB liability	90.38%	68.01%	72.85%	77.83%	84.44%	

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S PENSION/OPEB CONTRIBUTIONS
 Year Ended June 30, 2022

	Reporting Fiscal Year								2014 through 2013	
	2022	2021	2020	2019	2018	2017	2016	2015		
ASRS - Pension										
Statutorily required contribution	\$ 206,798	\$ 210,204	\$ 221,435	\$ 213,019	\$ 195,628	\$ 234,857	\$ 211,489	\$ 204,024	Information not available	
District's contributions in relation to the statutorily required contribution	266,883	260,297	269,353	262,353	233,310	234,857	211,489	204,024		
District's contribution deficiency (excess)	<u>\$ (60,085)</u>	<u>\$ (50,093)</u>	<u>\$ (47,918)</u>	<u>\$ (49,334)</u>	<u>\$ (37,682)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
District's covered payroll	\$ 1,721,882	\$ 1,804,326	\$ 1,933,930	\$ 1,905,358	\$ 1,794,752	\$ 2,178,636	\$ 1,949,207	\$ 1,875,221		
District's contributions as a percentage of covered payroll	12.01%	11.65%	11.45%	11.18%	10.90%	10.78%	10.85%	10.88%		
ASRS - Health insurance premium benefit										
Statutorily required contribution	\$ 3,616	\$ 7,037	\$ 9,476	\$ 8,765	\$ 7,897	\$ 12,270	2016 through 2013	Information not available		
District's contributions in relation to the statutorily required contribution	3,616	7,037	9,476	8,765	7,897	12,270				
District's contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
District's covered payroll	\$ 1,721,882	\$ 1,804,326	\$ 1,933,930	\$ 1,905,358	\$ 1,794,752	\$ 2,178,636				
District's contributions as a percentage of covered payroll	0.21%	0.39%	0.49%	0.46%	0.44%	0.56%				

See accompanying notes to the required supplementary information.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF DISTRICT'S PENSION/OPEB CONTRIBUTIONS (Continued)
 Year Ended June 30, 2022

ASRS - Long-term disability	Reporting Fiscal Year						2016 through 2013
	2022	2021	2020	2019	2018	2017	
Statutorily required contribution	\$ 3,272	\$ 3,248	\$ 3,288	\$ 3,049	\$ 2,872	\$ 3,067	Information not available
District's contributions in relation to the statutorily required contribution	3,272	3,248	3,288	3,049	2,872	3,067	
District's contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
District's covered payroll	\$ 1,721,882	\$ 1,804,326	\$ 1,933,930	\$ 1,905,358	\$ 1,794,752	\$ 2,178,636	
District's contributions as a percentage of covered payroll	0.19%	0.18%	0.17%	0.16%	0.16%	0.14%	

See accompanying notes to the required supplementary information.

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 Year Ended June 30, 2022

NOTE 1 - BUDGETING AND BUDGETARY CONTROL

The District adopts an annual operating budget for expenditures for all governmental fund types. 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 Arizona Revised Statutes.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

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

- Certain activities that do not meet the definition of a special revenue fund in accordance with GASB 54 are reported in the General Fund but budgeted in separate funds in accordance with Arizona Revised Statutes.
- USDA-donated commodities are not budgeted as an expenditure.

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

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Fund Balances End of Year</u>
Statement of Revenues, Expenditures and Changes in Fund Balances - General Fund	\$ 3,659,679	\$ 3,825,400	\$ 976,206
Activity budgeted as special revenue and other funds	<u>(485,780)</u>	<u>(568,698)</u>	<u>(193,632)</u>
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget & Actual - General Fund	<u>\$ 3,173,899</u>	<u>\$ 3,256,702</u>	<u>\$ 782,574</u>

NOTE 3 – PENSION AND OPEB PLAN SCHEDULES

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

Factors that Affect Trends - The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2017, actuarial valuation. The study did not include an analysis of the assumed investment rate of return.

OTHER SUPPLEMENTARY INFORMATION

MAJOR CAPITAL PROJECTS AND DEBT SERVICE FUNDS BUDGETARY COMPARISON
SCHEDULES

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND
 BALANCE
 BOND BUILDING BUDGET TO ACTUAL
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental grants and aid:				
State	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
Support services:				
Students and staff	3,866	3,866	1,744	2,122
General administration	100,091	100,091	45,154	54,937
Operation and maintenance of plant services	501,402	501,402	226,197	275,205
Student transportation	430,019	430,019	193,994	236,025
Capital outlay	<u>809,420</u>	<u>809,420</u>	<u>365,153</u>	<u>444,267</u>
Total expenditures	<u>1,844,797</u>	<u>1,844,797</u>	<u>832,242</u>	<u>1,012,555</u>
Excess (deficiency) of revenues over expenditures	<u>(1,844,797)</u>	<u>(1,844,797)</u>	<u>(832,242)</u>	<u>1,012,555</u>
Net change in fund balances	<u>(1,844,797)</u>	<u>(1,844,797)</u>	<u>(832,242)</u>	<u>1,012,555</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>1,820,280</u>	<u>1,820,280</u>
Changes in nonspendable resources:				
Increase (decrease) in inventories				
Increase (decrease) in prepaid items				
Fund balances, end of year	<u>\$ (1,844,797)</u>	<u>\$ (1,844,797)</u>	<u>\$ 988,038</u>	<u>\$ 2,832,835</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND
 BALANCE
 BUILDING RENEWAL FUNDS BUDGET TO ACTUAL
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental grants and aid:				
State	\$ -	\$ -	\$ 637,859	\$ 637,859
Investment earnings	-	-	25	25
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 637,884</u>	<u>\$ 637,884</u>
EXPENDITURES				
Current:				
Support services:				
General administration	1,344	1,344	656	688
Operation and maintenance of plant services	27,573	27,573	13,455	14,118
Capital outlay	1,305,817	1,305,817	637,203	668,614
Total expenditures	<u>1,334,735</u>	<u>1,334,735</u>	<u>651,314</u>	<u>683,421</u>
Excess (deficiency) of revenues over expenditures	<u>(1,334,735)</u>	<u>(1,334,735)</u>	<u>(13,430)</u>	<u>1,321,305</u>
Net change in fund balances	<u>(1,334,735)</u>	<u>(1,334,735)</u>	<u>(13,430)</u>	<u>1,321,305</u>
Fund balances, beginning of year	-	-	1,263	1,263
Fund balances, end of year	<u>\$ (1,334,735)</u>	<u>\$ (1,334,735)</u>	<u>\$ (12,167)</u>	<u>\$ 1,322,568</u>

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND
 BALANCE
 MAJOR DEBT SERVICE FUND BUDGET TO ACTUAL
 Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ -	\$ -	\$ 519,385	\$ 519,385
Investment earnings	-	-	10,178	10,178
Total revenues	-	-	529,648	529,648
EXPENDITURES				
Current:				
Debt service:				
Principal	690,226	690,226	510,600	179,626
Interest and other charges	223,148	223,148	165,075	58,073
Total expenditures	913,374	913,374	675,675	237,699
Net change in fund balances	(913,374)	(913,374)	(146,027)	767,347
Fund balance, beginning of year	-	-	442,471	442,471
Fund balance, end of year	\$ (913,374)	\$ (913,374)	\$ 296,444	\$ 1,209,818

NON- MAJOR SPECIAL REVENUE FUNDS
BUDGETARY COMPARISON SCHEDULES

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL
 Year Ended June 30, 2022

	Classroom Site			Instructional Improvement			County, City and Town Grants		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	365,611	365,611	-	13,451	13,451	-	-	-
Investment earnings	-	651	651	-	642	642	-	-	-
Other	-	-	-	-	-	-	-	15,000	15,000
Total revenues	<u>-</u>	<u>366,262</u>	<u>366,262</u>	<u>-</u>	<u>14,093</u>	<u>14,093</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
EXPENDITURES									
Current:									
Instruction	388,451	288,199	100,252	-	-	-	-	11,144	(11,144)
Support Services:									
Students and staff	-	-	-	-	-	-	-	-	-
General administration	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>388,451</u>	<u>288,199</u>	<u>100,252</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,144</u>	<u>(11,144)</u>
Excess (deficiency) of revenues over expenditures	<u>(388,451)</u>	<u>78,063</u>	<u>466,514</u>	<u>-</u>	<u>14,093</u>	<u>14,093</u>	<u>-</u>	<u>3,856</u>	<u>3,856</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(388,451)</u>	<u>78,063</u>	<u>466,514</u>	<u>-</u>	<u>14,093</u>	<u>14,093</u>	<u>-</u>	<u>3,856</u>	<u>3,856</u>
Fund balances, beginning of year	<u>-</u>	<u>44,877</u>	<u>44,877</u>	<u>-</u>	<u>145,225</u>	<u>145,225</u>	<u>-</u>	<u>5,379</u>	<u>5,379</u>
Fund balances, end of year	<u>\$ (388,451)</u>	<u>\$ 122,940</u>	<u>\$ 511,391</u>	<u>\$ -</u>	<u>\$ 159,318</u>	<u>\$ 159,318</u>	<u>\$ -</u>	<u>\$ 9,235</u>	<u>\$ 9,235</u>

(Continued)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2022

	Title I			Professional Development & Technology			Special Education		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ 144,979	\$ 144,979	\$ -	\$ 13,682	\$ 13,682	\$ -	\$ 68,144	\$ 68,144
State	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>144,979</u>	<u>144,979</u>	<u>-</u>	<u>13,682</u>	<u>13,682</u>	<u>-</u>	<u>68,144</u>	<u>68,144</u>
EXPENDITURES									
Current:									
Instruction	103,314	67,654	35,660	24,216	17,434	6,782	22,233	11,594	10,639
Support Services:									
Students and staff	253,560	166,042	87,518	18,030	12,980	5,050	139,671	72,834	66,837
General administration	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>356,874</u>	<u>233,696</u>	<u>123,178</u>	<u>42,246</u>	<u>30,414</u>	<u>11,832</u>	<u>161,904</u>	<u>84,428</u>	<u>77,476</u>
Excess (deficiency) of revenues over expenditures	<u>(356,874)</u>	<u>(88,717)</u>	<u>268,157</u>	<u>(42,246)</u>	<u>(16,732)</u>	<u>25,514</u>	<u>(161,904)</u>	<u>(16,284)</u>	<u>145,620</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(23,831)	23,831	-	(2,789)	2,789	-	(9,490)	9,490
Total other financing sources and uses	<u>-</u>	<u>(23,831)</u>	<u>23,831</u>	<u>-</u>	<u>(2,789)</u>	<u>2,789</u>	<u>-</u>	<u>(9,490)</u>	<u>9,490</u>
Net change in fund balances	<u>(356,874)</u>	<u>(112,548)</u>	<u>244,326</u>	<u>(42,246)</u>	<u>(19,521)</u>	<u>22,725</u>	<u>(161,904)</u>	<u>(25,774)</u>	<u>136,130</u>
Fund balances, beginning of year	<u>-</u>	<u>(12)</u>	<u>(12)</u>	<u>-</u>	<u>37</u>	<u>37</u>	<u>-</u>	<u>3,493</u>	<u>3,493</u>
Fund balances, end of year	<u>\$ (356,874)</u>	<u>\$ (112,560)</u>	<u>\$ 244,314</u>	<u>\$ (42,246)</u>	<u>\$ (19,484)</u>	<u>\$ 22,762</u>	<u>\$ (161,904)</u>	<u>\$ (22,281)</u>	<u>\$ 139,623</u>

(Continued)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2022

	Vocational Education - Basic Grants			Elementary and Secondary School Emergency Relief			Enrollment Stabilization Grant		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ 24,130	\$ 24,130	\$ -	\$ 453,903	\$ 453,903	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>24,130</u>	<u>24,130</u>	<u>-</u>	<u>453,903</u>	<u>453,903</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES									
Current:									
Instruction	74,448	35,986	38,462	477,341	445,967	31,374	-	-	-
Support Services:									
Students and staff	27,104	13,101	14,003	14,890	13,911	979	-	-	-
General administration	-	-	-	17,054	15,933	1,121	-	-	-
Operation and maintenance of plant services	-	-	-	46,659	43,592	3,067	-	-	-
Student transportation	-	-	-	4,565	4,265	300	-	-	-
Operation of non-instructional services	-	-	-	7,065	6,601	464	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	71,721	67,007	4,714	-	-	-
Total expenditures	<u>101,552</u>	<u>49,087</u>	<u>52,465</u>	<u>639,295</u>	<u>597,276</u>	<u>42,019</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(101,552)</u>	<u>(24,957)</u>	<u>76,595</u>	<u>(639,295)</u>	<u>(143,373)</u>	<u>495,922</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(3,571)	3,571	-	(31,873)	31,873	-	-	-
Total other financing sources and uses	<u>-</u>	<u>(3,571)</u>	<u>3,571</u>	<u>-</u>	<u>(31,873)</u>	<u>31,873</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(101,552)</u>	<u>(28,528)</u>	<u>73,024</u>	<u>(639,295)</u>	<u>(175,246)</u>	<u>464,049</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>5,701</u>	<u>5,701</u>	<u>-</u>	<u>(30,839)</u>	<u>(30,839)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ (101,552)</u>	<u>\$ (22,827)</u>	<u>\$ 78,725</u>	<u>\$ (639,295)</u>	<u>\$ (206,085)</u>	<u>\$ 433,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2022

	Other Federal Projects			State Vocational Education			Other State Projects		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ 32,827	\$ 32,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	9,835	9,835	-	50,622	50,622
Investment earnings	-	-	-	-	-	-	-	20	20
Other	-	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>32,827</u>	<u>32,827</u>	<u>-</u>	<u>9,835</u>	<u>9,835</u>	<u>-</u>	<u>50,642</u>	<u>50,642</u>
EXPENDITURES									
Current:									
Instruction	1,628,070	4,754	1,623,316	7,537	7,532	5	-	-	-
Support Services:									
Students and staff	-	-	-	2,372	2,370	2	90,198	68,046	22,152
General administration	29,109	85	29,024	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>1,657,179</u>	<u>4,839</u>	<u>1,652,340</u>	<u>9,909</u>	<u>9,902</u>	<u>7</u>	<u>90,198</u>	<u>68,046</u>	<u>22,152</u>
Excess (deficiency) of revenues over expenditures	<u>(1,657,179)</u>	<u>27,988</u>	<u>1,685,167</u>	<u>(9,909)</u>	<u>(67)</u>	<u>9,842</u>	<u>(90,198)</u>	<u>(17,404)</u>	<u>72,794</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(1,657,179)</u>	<u>27,988</u>	<u>1,685,167</u>	<u>(9,909)</u>	<u>(67)</u>	<u>9,842</u>	<u>(90,198)</u>	<u>(17,404)</u>	<u>72,794</u>
Fund balances, beginning of year	<u>-</u>	<u>(18,180)</u>	<u>(18,180)</u>	<u>-</u>	<u>67</u>	<u>67</u>	<u>-</u>	<u>5,292</u>	<u>5,292</u>
Fund balances, end of year	<u>\$ (1,657,179)</u>	<u>\$ 9,808</u>	<u>\$ 1,666,987</u>	<u>\$ (9,909)</u>	<u>\$ -</u>	<u>\$ 9,909</u>	<u>\$ (90,198)</u>	<u>\$ (12,112)</u>	<u>\$ 78,086</u>

(Continued)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2022

	Food Service			Civic Center			Community School		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ 213,734	\$ 213,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-
Investment earnings	-	442	442	-	4	4	-	13	13
Other	-	21,399	21,399	-	-	-	-	5,801	5,801
Total revenues	-	235,579	235,579	-	4	4	-	5,814	5,814
EXPENDITURES									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support Services:									
Students and staff	-	-	-	-	-	-	-	-	-
General administration	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant services	119	91	28	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-	-
Operation of non-instructional services	241,197	185,117	56,080	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	241,316	185,208	56,108	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	(241,316)	50,371	291,687	-	4	4	-	5,814	5,814
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-	-
Net change in fund balances	(241,316)	50,371	291,687	-	4	4	-	5,814	5,814
Fund balances, beginning of year	-	84,720	84,720	-	1,199	1,199	-	3,185	3,185
Fund balances, end of year	\$ (241,316)	\$ 135,091	\$ 376,407	\$ -	\$ 1,203	\$ 1,203	\$ -	\$ 8,999	\$ 8,999

(Continued)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2022

	<u>Extracurricular Activities Fees Tax Credit</u>			<u>Career, Technical and Vocational Education</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES						
Intergovernmental grants and aid:						
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-
Other	-	2,800	2,800	-	105	105
Total revenues	<u>-</u>	<u>2,800</u>	<u>2,800</u>	<u>-</u>	<u>105</u>	<u>105</u>
EXPENDITURES						
Current:						
Instruction	34,829	8,373	26,456	-	-	-
Support Services:						
Students and staff	-	-	-	38,745	1,794	36,951
General administration	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	<u>34,829</u>	<u>8,373</u>	<u>26,456</u>	<u>38,745</u>	<u>1,794</u>	<u>36,951</u>
Excess (deficiency) of revenues over expenditures	<u>(34,829)</u>	<u>(5,573)</u>	<u>29,256</u>	<u>(38,745)</u>	<u>(1,689)</u>	<u>37,056</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(34,829)</u>	<u>(5,573)</u>	<u>29,256</u>	<u>(38,745)</u>	<u>(1,689)</u>	<u>37,056</u>
Fund balances, beginning of year	<u>-</u>	<u>34,233</u>	<u>34,233</u>	<u>-</u>	<u>38,800</u>	<u>38,800</u>
Fund balances, end of year	<u>\$ (34,829)</u>	<u>\$ 28,660</u>	<u>\$ 63,489</u>	<u>\$ (38,745)</u>	<u>\$ 37,111</u>	<u>\$ 75,856</u>

(Continued)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2022

	Textbooks			Reinsurance Fund			Joint Technical Education		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	29,307	29,307
Total revenues	-	-	-	-	-	-	-	29,307	29,307
EXPENDITURES									
Current:									
Instruction	-	-	-	-	-	-	-	-	-
Support Services:									
Students and staff	522	-	522	-	-	-	-	4,100	(4,100)
General administration	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	41,893	(41,893)
Operation of non-instructional services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	522	-	522	-	-	-	-	45,993	(45,993)
Excess (deficiency) of revenues over expenditures	(522)	-	522	-	-	-	-	(16,686)	(16,686)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-	-
Net change in fund balances	(522)	-	522	-	-	-	-	(16,686)	(16,686)
Fund balances, beginning of year	-	522	522	-	-	-	-	-	-
Fund balances, end of year	\$ (522)	\$ 522	\$ 1,044	\$ -	\$ -	\$ -	\$ -	\$ (16,686)	\$ (16,686)

(Continued)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2022

	Student Activities			Medicaid			Taylor Grazing		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	124	124
Investment earnings	-	-	-	-	75	75	-	9	9
Other	-	52,013	52,013	-	-	-	-	-	-
Total revenues	-	52,013	52,013	-	75	75	-	133	133
EXPENDITURES									
Current:									
Instruction	-	20,070	(20,070)	-	-	-	-	-	-
Support Services:									
Students and staff	-	-	-	26,485	1,093	25,392	-	-	-
General administration	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant services	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	-	20,070	(20,070)	26,485	1,093	25,392	-	-	-
Excess (deficiency) of revenues over expenditures	-	31,943	31,943	(26,485)	(1,018)	25,467	-	133	133
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	31,943	31,943	(26,485)	(1,018)	25,467	-	133	133
Fund balances, beginning of year	-	29,848	29,848	-	20,184	20,184	-	2,395	2,395
Fund balances, end of year	\$ -	\$ 61,791	\$ 61,791	\$ (26,485)	\$ 19,166	\$ 45,651	\$ -	\$ 2,528	\$ 2,528

(Continued)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2022

	School Plant			Auxiliary Operations			Gifts and Donations		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-
Investment earnings	-	23	23	-	-	-	-	464	464
Other	-	-	-	-	270	270	-	6,167	6,167
Total revenues	<u>-</u>	<u>23</u>	<u>23</u>	<u>-</u>	<u>270</u>	<u>270</u>	<u>-</u>	<u>6,631</u>	<u>6,631</u>
EXPENDITURES									
Current:									
Instruction	-	-	-	-	-	-	3,809	860	2,949
Support Services:									
Students and staff	-	-	-	-	-	-	5,997	1,354	4,643
General administration	-	-	-	-	-	-	6,900	1,558	5,342
Operation and maintenance of plant services	-	-	-	-	-	-	-	-	-
Student transportation	-	-	-	-	-	-	797	180	617
Operation of non-instructional services	-	-	-	-	-	-	11,165	2,521	8,644
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,668</u>	<u>6,473</u>	<u>22,195</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>23</u>	<u>23</u>	<u>-</u>	<u>270</u>	<u>270</u>	<u>(28,668)</u>	<u>158</u>	<u>28,826</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>23</u>	<u>23</u>	<u>-</u>	<u>270</u>	<u>270</u>	<u>(28,668)</u>	<u>158</u>	<u>28,826</u>
Fund balances, beginning of year	<u>-</u>	<u>5,210</u>	<u>5,210</u>	<u>-</u>	<u>18,272</u>	<u>18,272</u>	<u>-</u>	<u>17,432</u>	<u>17,432</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 5,233</u>	<u>\$ 5,233</u>	<u>\$ -</u>	<u>\$ 18,542</u>	<u>\$ 18,542</u>	<u>\$ (28,668)</u>	<u>\$ 17,590</u>	<u>\$ 46,258</u>

(Continued)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2022

	Insurance Proceeds			Litigation Recovery			Indirect Costs		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State	-	-	-	-	-	-	-	-	-
Investment earnings	-	112	112	-	-	-	-	-	-
Other	-	-	-	-	4,822	4,822	-	-	-
Total revenues	-	112	112	-	4,822	4,822	-	-	-
EXPENDITURES									
Current:									
Instruction	31,975	4,614	27,361	-	-	-	-	11,594	(11,594)
Support Services:									
Students and staff	-	-	-	-	-	-	-	2,838	(2,838)
General administration	-	-	-	-	-	-	-	14,791	(14,791)
Operation and maintenance of plant services	-	-	-	-	-	-	-	77,201	(77,201)
Student transportation	-	-	-	-	-	-	-	-	-
Operation of non-instructional services	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-	-
Total expenditures	31,975	4,614	27,361	-	-	-	-	106,424	(106,424)
Excess (deficiency) of revenues over expenditures	(31,975)	(4,502)	27,473	-	4,822	4,822	-	(106,424)	(106,424)
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	72,447	(72,447)
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-	-	72,447	(72,447)
Net change in fund balances	(31,975)	(4,502)	27,473	-	4,822	4,822	-	(33,977)	(33,977)
Fund balances, beginning of year	-	27,232	27,232	-	24,720	24,720	-	48,945	48,945
Fund balances, end of year	\$ (31,975)	\$ 22,730	\$ 54,705	\$ -	\$ 29,542	\$ 29,542	\$ -	\$ 14,968	\$ 14,968

(Continued)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 NON-MAJOR SPECIAL REVENUE FUNDS BUDGET TO ACTUAL (Concluded)
 Year Ended June 30, 2022

	Energy and Water Savings			Employee Insurance Withholding			Total		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Non-GAAP Actual	Variance
REVENUES									
Intergovernmental grants and aid:									
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 960,295	\$ 960,295
State	-	-	-	-	-	-	-	439,643	439,643
Investment earnings	-	-	-	-	701	701	-	3,156	3,156
Other	-	-	-	-	473,013	473,013	-	610,697	610,697
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>473,714</u>	<u>473,714</u>	<u>-</u>	<u>2,013,795</u>	<u>2,013,795</u>
EXPENDITURES									
Current:									
Instruction	-	-	-	-	-	-	2,796,223	943,907	1,852,316
Support Services:									
Students and staff	-	-	-	-	-	-	617,574	360,463	257,111
General administration	-	-	-	560,600	398,997	161,603	613,663	431,364	182,299
Operation and maintenance of plant services	-	-	-	-	-	-	46,778	120,884	(74,106)
Student transportation	-	-	-	-	-	-	5,362	46,338	(40,976)
Operation of non-instructional services	-	-	-	-	-	-	259,427	194,239	65,188
Debt service:									
Principal	40,063	43,402	(3,339)	-	-	-	40,063	43,402	(3,339)
Interest and other charges	7,103	7,695	(592)	-	-	-	7,103	7,695	(592)
Bond issuance costs	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	71,721	67,007	4,714
Total expenditures	<u>47,166</u>	<u>51,097</u>	<u>(3,931)</u>	<u>560,600</u>	<u>398,997</u>	<u>161,603</u>	<u>4,457,914</u>	<u>2,215,299</u>	<u>2,242,615</u>
Excess (deficiency) of revenues over expenditures	<u>(47,166)</u>	<u>(51,097)</u>	<u>(3,931)</u>	<u>(560,600)</u>	<u>74,717</u>	<u>635,317</u>	<u>(4,457,914)</u>	<u>(201,504)</u>	<u>4,256,410</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	47,166	51,097	(3,931)	-	-	-	47,166	123,544	(76,378)
Transfers out	-	-	-	-	-	-	-	(70,661)	70,661
Total other financing sources and uses	<u>47,166</u>	<u>51,097</u>	<u>(3,931)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,166</u>	<u>52,883</u>	<u>(5,717)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(560,600)</u>	<u>74,717</u>	<u>635,317</u>	<u>(4,410,748)</u>	<u>(148,621)</u>	<u>4,262,127</u>
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,097</u>	<u>11,097</u>	<u>-</u>	<u>529,034</u>	<u>529,034</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (560,600)</u>	<u>\$ 85,814</u>	<u>\$ 646,414</u>	<u>\$ (4,410,748)</u>	<u>\$ 380,413</u>	<u>\$ 4,791,161</u>

(Concluded)

ALL NON-MAJOR CAPITAL PROJECTS FUNDS
BUDGETARY COMPARISON SCHEDULES

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 ALL NON-MAJOR CAPITAL PROJECTS FUNDS BUDGET TO ACTUAL
 Year Ended June 30, 2022

	Unrestricted Capital Outlay			Adjacent Ways			Gifts & Donations - Construction		
	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES									
Property taxes	\$ -	\$ 29,247	\$ 29,247	\$ -	\$ 510	\$ 510	\$ -	\$ -	\$ -
Intergovernmental grants and aid:									
State	-	11,146	11,146	-	-	-	-	-	-
Investment earnings	-	569	569	-	703	703	-	-	-
Total revenues	-	40,962	40,962	-	1,213	1,213	-	-	-
EXPENDITURES									
Instruction	60,397	47,354	13,043	-	-	-	-	-	-
Support services:									
Students and staff	15,730	12,333	3,397	-	-	-	-	-	-
General administration	23,812	18,670	5,142	-	-	-	-	-	-
Operation and maintenance of plant services	1,825	1,431	394	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	101,764	79,788	21,976	-	-	-	-	-	-
Net change in fund balances	(101,764)	(38,826)	62,938	-	1,213	1,213	-	-	-
Fund balances, beginning of year	-	145,084	145,084	-	161,430	161,430	-	-	-
Fund balances, end of year	\$ (101,764)	\$ 106,258	\$ 208,022	\$ -	\$ 162,643	\$ 162,643	\$ -	\$ -	\$ -

(Continued)

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
 ALL NON-MAJOR CAPITAL PROJECTS FUNDS BUDGET TO ACTUAL (Continued)
 Year Ended June 30, 2022

	Emergency Deficiency Correction			Total		
	Budget	Actual	Variance	Budget	Actual	Variance
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 29,757	\$ 29,757
Intergovernmental grants and aid:						
State	-	-	-	-	11,146	11,146
Investment earnings	-	-	-	-	1,272	1,272
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,175</u>	<u>42,175</u>
EXPENDITURES						
Instruction	-	-	-	60,397	47,354	13,043
Support services:						
Students and staff	-	-	-	15,730	12,333	3,397
General administration	-	-	-	23,812	18,670	5,142
Operation and maintenance of plant services	-	-	-	1,825	1,431	394
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>101,764</u>	<u>79,788</u>	<u>21,976</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,764)</u>	<u>(37,613)</u>	<u>64,151</u>
Fund balances, beginning of year	-	-	-	-	306,514	306,514
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (101,764)</u>	<u>\$ 268,901</u>	<u>\$ 370,665</u>

(Concluded)



STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

SCHEDULE 1
SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
NET LIMITED ASSESSED PROPERTY VALUE BY PROPERTY CLASSIFICATION
Last Ten Fiscal Years

Class	June 30				
	2022	2021	2020	2019	2018
Commercial, Industrial, Utilities and Mining	\$ 92,213,231	\$ 81,836,773	\$ 80,682,827	\$ 76,685,586	\$ 39,688,013
Agricultural and Vacant	22,263,596	16,874,146	16,318,611	16,766,563	48,632,745
Residential (Owner Occupied)	23,312,439	16,439,296	14,755,643	13,383,688	12,932,392
Residential (Rental)	9,908,051	6,784,201	6,584,538	6,132,040	5,266,248
Railroad Private Cars and Airlines	6,253,643	3,574,773	3,911,183	4,234,244	4,154,681
Total	\$ 153,950,960	\$ 125,509,189	\$ 122,252,802	\$ 117,202,121	\$ 110,674,079
Gross Full Cash Value	\$ 1,122,805,414	\$ 987,007,648	\$ 936,124,424	\$ 885,904,522	\$ 882,906,518
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	14%	14%	14%	13%	13%
Estimated Net Full Cash Value	\$ 968,854,454	\$ 914,217,360	\$ 871,050,662	\$ 820,220,611	\$ 815,107,087
Total Direct Rate	2.50	3.01	3.20	3.31	3.43

Source: The source of this information is the State and County Abstract of the Assessment Roll, Arizona Department of Revenue and Property Tax Rates and Assessed Values, Arizona Tax Research Association.

Note: On November 26, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution Beginning with Tax Year 2015 (Fiscal Year 2016) both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the districts binding capacity and as the ceiling for net limited assessed value.

June 30

2017	2016	2015	2014	2013
\$ 32,127,224	\$ 32,726,720	\$ 40,917,951	\$ 40,247,171	\$ 38,848,222
46,854,577	49,121,484	49,264,589	49,689,383	51,672,129
12,901,495	12,042,464	14,510,196	14,825,084	16,298,676
4,053,195	3,870,191	2,995,365	2,313,204	2,098,395
3,504,477	3,492,750	3,617,549	1,742,948	1,620,610
<u>\$ 99,440,969</u>	<u>\$ 101,253,610</u>	<u>\$ 111,305,650</u>	<u>\$ 108,817,790</u>	<u>\$ 110,538,032</u>
\$ 804,366,079	\$ 753,430,383	\$ 781,061,133	\$ 761,541,402	\$ 774,405,221
12%	13%	14%	14%	14%
<u>\$ 735,107,961</u>	<u>\$ 690,053,860</u>	<u>\$ 718,926,661</u>	<u>\$ 698,346,022</u>	<u>\$ 710,134,602</u>
4.07	4.30	4.15	4.30	4.42

SCHEDULE 2
 SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 PROPERTY TAX ASSESSMENT RATIOS
 Last Ten Fiscal Years

Class	June 30				
	2022	2021	2020	2019	2018
Commercial, Industrial, Utilities and Mining	17.5%	18%	18%	18%	18%
Agricultural and Vacant	15%	15%	15%	15%	15%
Residential (Owner Occupied)	10%	10%	10%	10%	10%
Residential (Rental)	10%	10%	10%	10%	10%
Railroad, Private Cars and Airlines	15%	15%	15%	14%	15%

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

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

30-Jun				
2017	2016	2015	2014	2013
18%	18.5%	19%	19.5%	20%
15%	16%	16%	16%	16%
10%	10%	10%	10%	10%
10%	10%	10%	10%	10%
14%	15%	16%	15%	15%

SCHEDULE 3
 SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 DIRECT AND OVERLAPPING PROPERTY TAX
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates		
	State Equalization	County-Wide	City of Eloy	Eloy Elementary School District	Picacho Elementary School District	Red Rock Elementary School District	Primary	Secondary	Total
2022	0.44	3.56	1.09	5.72	2.74	2.85	2.03	0.47	2.50
2021	0.44	3.75	1.06	5.85	2.18	2.15	2.20	0.80	3.01
2020	0.46	3.79	1.09	6.43	2.29	2.24	2.28	0.93	3.20
2019	0.47	3.83	1.12	6.15	2.36	2.28	2.34	0.96	3.31
2018	0.49	3.87	1.20	5.06	2.51	2.32	2.38	1.05	3.43
2017	0.50	3.87	1.23	5.28	2.62	2.60	2.56	1.51	4.07
2016	0.51	4.00	1.17	5.20	2.62	2.60	2.32	1.98	4.30
2015	0.51	3.80	1.15	4.93	2.62	2.60	2.28	1.87	4.15
2014	0.51	3.80	1.04	4.93	2.27	2.62	2.38	1.92	4.30
2013	0.47	3.80	1.04	4.76	1.89	2.63	2.42	2.00	4.42
2012	0.43	3.80	0.96	4.12	1.89	3.48	2.71	1.02	3.73

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

Note: N/A indicates that the information is not available.

SCHEDULE 4
SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
PROPERTY TAX LEVIED AND COLLECTED
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the end of the current fiscal year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2022	\$ 3,670,219	\$ 3,669,854	99.99%	-	\$ 3,699,854	100.00%
2021	\$ 3,649,435	\$ 3,595,577	98.52%	\$ 69,433	\$ 3,595,577	98.52%
2020	\$ 3,802,553	\$ 3,729,570	98.08%	\$ 62,931	\$ 3,792,501	99.74%
2019	\$ 3,873,153	\$ 3,799,002	98.09%	\$ 52,767	\$ 3,851,769	99.45%
2018	\$ 3,661,027	\$ 3,601,125	98.36%	\$ 77,476	\$ 3,678,601	100.00%
2017	\$ 3,916,935	\$ 3,828,325	97.74%	\$ 116,201	\$ 3,944,526	100.00%
2016	\$ 4,202,830	\$ 4,103,980	97.65%	\$ 88,730	\$ 4,192,710	99.76%
2015	\$ 4,450,375	\$ 4,342,548	97.58%	\$ 96,810	\$ 4,439,358	99.75%
2014	\$ 4,543,620	\$ 4,419,123	97.26%	\$ 112,126	\$ 4,531,249	99.73%
2013	\$ 4,714,319	\$ 4,544,354	96.39%	\$ 156,299	\$ 4,700,653	99.71%
2012	\$ 3,941,455	\$ 3,763,688	95.49%	\$ 162,965	\$ 3,926,653	99.62%

Source: The source of this information is the Pinal County Treasurer's records

Note: 1) Amounts collected are on a cash basis

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

SCHEDULE 5
 SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 PRINCIPAL PROPERTY TAXPAYERS
 Current Fiscal Year and Fiscal Year Nine Years Prior

Taxpayers	2022		2013	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
CCA Properties of Arizona Inc.	\$ 39,563,075	31.5%	\$ 28,573,248	25.3%
Arizona Public Service Company	23,711,267	18.9%	23,790,457	21.1%
Unisource Energy Corporation	10,226,460	8.1%	5,985,667	5.3%
Union Pacific Railroad	4,854,610	3.9%	1,749,816	1.5%
Southwest Gas Corporation	2,075,156	1.7%		
East Line Solar, LLC	1,967,536	1.6%		
El Paso Natural Gas Co.	1,628,173	1.3%	1,288,731	1.1%
Marana Aerospace Solutions	1,081,345	0.9%		
CoreCivic	1,023,922	0.8%	745,104	0.7%
HA Golden Compass East LLC	990,862	0.8%		
Barnes Harvesting LLC	826,296	0.7%		
Nikola Corp	621,536	0.5%		
Bayer Southern Production Co LLC			1,545,011	1.4%
Pulte Home Corporation			816,841	0.7%
Trico Electric Co-op Inc			677,808	0.6%
Anderson Clayton Corp			620,787	0.5%
TOTAL	\$ 88,570,238		\$ 65,793,470	

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

Note: On November 26, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution Beginning with Tax Year 2015 (Fiscal Year 2016) both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the districts binding capacity and as the ceiling for net limited assessed value.

SCHEDULE 6
 SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 DIRECT GENERAL OBLIGATION BONDED DEBT OUTSTANDING
 Current Fiscal Year

Issue Series	Original Amount	Purpose	Final Maturity Date (July 1)	Balance Outstanding
2017, Series A	\$ 4,145,000	School Improvements	2027	\$ 1,910,000
2020, Series B	2,445,000	School Improvements	2030	2,105,000
				<u>\$ 4,015,000</u>

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

SCHEDULE 7
 SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 CONSTITUTIONAL/STATUTORY DEBT LIMIT/UNUSED BORROWING CAPACITY AFTER
 BOND ISSUANCE
 Current Fiscal Year

2020/21 Arizona Constitutional Debt Limitation (15% of Net Full Cash Assessed Value)	\$ 20,461,995
Less: Bonds Outstanding	(4,015,000)
Less: Unamortized Original Issue Premium of Prior Bonds (a)	(340,519)
 Unused Constitutional Borrowing Capacity	 \$ 16,106,476

(a) This amount represents the unamortized premium on the District's outstanding bonds issued after August 2016, which amount reduces in equal amount the borrowing capacity of the District under State statutes and the Arizona Constitution and the principal amount of school improvement bonds authorized at the applicable bond election. Such capacity (but not authorization) will be recaptured as premium is amortized.

2020/21 Statutory Limitation on Bonds [Greater of 10% of the Net Full Cash Assessed Value (\$13,641,330) or \$1,500 per student (\$561,000)]	\$ 13,641,330
Less: Bonds Outstanding	(4,015,000)
Less: Unamortized Original Issue Premium of Prior Bonds (a)	(340,519)
 Unused Statutory Borrowing Capacity	 \$ 9,285,811

(a) This amount represents the unamortized premium on the District's outstanding bonds issued after August 2016, which amount reduces in equal amount the borrowing capacity of the District under State statutes and the Arizona Constitution and the principal amount of school improvement bonds authorized at the applicable bond election. Such capacity (but not authorization) will be recaptured as premium is amortized.

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

SCHEDULE 8
 SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 DIRECT AND OVERLAPPING GENERAL OBLIGATION BONDED DEBT
 Current Fiscal Year

Overlapping Jurisdiction	General Obligation Bonded Debt (b)	Proportion Applicable to the District (a)	
		Approximate Percent	Net Debt Amount
State of Arizona	None	0.18%	None
Pinal County	None	4.67%	None
Pinal County Community College District	\$ 65,260,000	4.67%	\$ 3,047,642
City of Eloy	None	52.89%	None
Avra Valley Fire District	2,245,000	99.66%	2,237,367
Eloy Fire District	None	52.23%	None
Eloy Elementary School District No. 11	1,005,000	100.00%	1,005,000
Picacho Elementary School District No. 33	None	100.00%	None
Red Rock Elementary School District No. 5	None	100.00%	None
Santa Cruz Valley Union High School District No. 840	4,990,000	100.00%	4,990,000
Net Direct and Overlapping General Obligation Bondede Debt			<u>\$ 11,280,009</u>

(a) Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for 2020/21.

(b) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County and city improvement districts, as the bonds of these districts are presently being paid from special assessments against property within the various improvement district.

Source: The various entities, Property Tax Rates and Assessed Values, Arizona Tax Research Association, State and County Abstract of the Assessment Roll, Arizona Department of Revenue and the Treasurer of the County.

SCHEDULE 9
 SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT NO. 840
 AVERAGE DAILY MEMBERSHIP
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Percentage Change
2022	312	-2.19%
2021	319	-14.71%
2020	374	-8.56%
2019	409	0.25%
2018	408	-8.11%
2017	444	-0.45%
2016	446	9.58%
2015	407	6.27%
2014	383	7.89%
2013	355	0.57%
2012	353	-12.62%

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

REPORT ON INTERNAL CONTROL AND COMPLIANCE





INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

To the Governing Board
Santa Cruz Valley Union School District No. 840
Eloy, Arizona

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Santa Cruz Valley Union School District No. 840, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Santa Cruz Valley Union School District No. 840's basic financial statements, and have issued our report thereon dated March 23, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Santa Cruz Valley Union School District No. 840's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Santa Cruz Valley Union School District No. 840's internal control. Accordingly, we do not express an opinion on the effectiveness of the Santa Cruz Valley Union School District No. 840's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Santa Cruz Valley Union School District No. 840's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Tempe, Arizona
March 23, 2023



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE

To the Governing Board
Santa Cruz Valley Union School District No. 840
Eloy, Arizona

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Santa Cruz Valley Union School District No. 840's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Santa Cruz Valley Union School District No. 840's major federal programs for the year ended June 30, 2022. The Santa Cruz Valley Union School District No. 840's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Santa Cruz Valley Union School District No. 840, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Santa Cruz Valley Union School District No. 840's and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Santa Cruz Valley Union School District No. 840's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Santa Cruz Valley Union School District No. 840's federal programs.

Auditors' Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Santa Cruz Valley Union School District No. 840's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Santa Cruz Valley Union School District No. 840's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Santa Cruz Valley Union School District No. 840's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Santa Cruz Valley Union School District No. 840's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz Valley Union School District No. 840's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Baker Tilly US, LLP

Tempe, Arizona
March 23, 2023

SANTA CRUZ VALLEY UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Cluster Title	Pass-through Grantor	Pass-through Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE					
Non-Cash Assistance (Commodities)					
National School Lunch Program	10.555	Child Nutrition Cluster	Arizona Department of Education	n/a	\$ 12,559
Cash Assistance:					
National School Lunch Program	10.555	Child Nutrition Cluster	Arizona Department of Education	n/a	185,208
Total Child Nutrition Cluster					<u>197,767</u>
Total U.S. Department of Agriculture					<u>197,767</u>
U.S. DEPARTMENT OF EDUCATION					
Title I, Part A - Grants to Local Education Agencies	84.010		Arizona Department of Education	22FT1TTI-211487-01A	233,696
Career and Technical Education- Basic Grants to States	84.048		Arizona Department of Education	22FCTDBG-211487-08A	49,087
Title II-Improving Teacher Quality	84.367		Arizona Department of Education	22FT1TII-211487-03A	30,414
Title III- Consortium subgrant youth, faith, family	84.365A		Arizona Department of Education	n/a	4,839
Title IV, Part A- Student support and academic enrichment grants	84.424A		Arizona Department of Education	22FT4TIV-211487-01A	8,132
COVID-19 - Elementary and Secondary School Emergency Relief (ESSER)	84.425D		Arizona Department of Education	21FESSER II/III-111487-01A	597,176 *
Special Education - Grants to States	84.027	Special Ed Cluster	Arizona Department of Education	22FESCBG-211487-09A	84,428
Total Special Education Cluster					<u>84,428</u>
Total U.S. Department of Education					<u>1,007,772</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Medical Assistance Program	93.778	Medicaid Cluster	Public Consulting Group, Inc	n/a	1,093
Total U.S. Department of Health and Human Services					<u>1,093</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS					<u>\$ 1,206,632</u>

* Denotes major program

SANTA CRUZ VALLEY UNION SCHOOL DISTRICT NO. 840
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Santa Cruz Valley Union School District No. 840 under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Santa Cruz Valley Union School District No. 840, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Santa Cruz Valley Union School District No. 840

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- B) The Santa Cruz Valley Union School District No. 840 has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

SANTA CRUZ VALLEY UNION SCHOOL DISTRICT NO. 840
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors’ report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes none reported

Noncompliance material to financial statements noted?

yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be a material weakness(es)? yes none reported

Type of auditors’ report issued on compliance for each major program listed below

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

yes no

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
84.425D	COVID-19 – Elementary and Secondary School Emergency Relief (ESSER)

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

SANTA CRUZ VALLEY UNION SCHOOL DISTRICT NO. 840
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2022

SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

None noted.

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None noted.