
WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022



WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

GLENDALE, ARIZONA

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

Issued by:
Business and Finance Department

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

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INTRODUCTORY SECTION

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Administrative Services

4650 W. Sweetwater Ave. • Glendale, AZ 85304
602-347-2600 • Fax: 602-347-2720 • wesdschools.org

December 14, 2022

Citizens and Governing Board
Washington Elementary School District No. 6
4650 West Sweetwater Avenue
Glendale, Arizona 85304

State law mandates that school districts are required to undergo an annual single audit, publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Washington Elementary School District No. 6 (District) for the fiscal year ended June 30, 2022.

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

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

Governing Board: Tee Lambert, President • Nikkie Whaley, Vice President
Jenni Abbott-Bayardi, Member • Bill Adams, Member • Lindsey Peterson, Member

Dr. Paul Stanton, Superintendent

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

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

PROFILE OF THE DISTRICT

The Washington Elementary School District No. 6 was established in 1891 and is one of 58 public school districts located in Maricopa County, Arizona. It is the largest elementary district in the state of Arizona and provides a program of public education from Pre-Kindergarten through grade eight. Other supplemental programs are offered such as Head Start, early childhood and daycare programs providing services before and after school, and other community-based education programs.

Washington Elementary School District operates 32 school sites and three District administrative sites. The District currently maintains 264 buildings totaling nearly three million square feet. The average age of buildings in the District is over 40 years. The District consistently evaluates buildings to determine the need for general repair, renovation, or rebuild – based on building system age, condition and ongoing issues that occur. A plan for scope and funding options for major renovations and/or rebuilds is under continuous review and revision. The District allocates specific budget capacity to address older, large building system needs such as roofing, heating, ventilation, and air conditioning. The District consistently accesses state grant opportunities to supplement bond and capital funding.

The District serves approximately 19,999 students in north central Phoenix and eastern Glendale. Typical annual projections indicate that enrollment should remain relatively constant with slight fluctuations up or down each year. Our schools continue to offer a variety of choice to parents related to the education of their children including a K-8 traditional school option. The District continues to expand STEM, Gifted, robotics and early childhood enrichment programs at many schools. The District has prioritized the identification of high needs, high potential students for gifted Pre-K through 8th grade opportunities. The District continues to evaluate input received by parents to consider the feasibility of increasing more childhood opportunities and other alternatives within the District that would best support our students and families.

Washington Elementary School District has embarked on a system-wide program that encourages and expects continuous improvement for all aspects of the District. Each school and department develops action plans that reflect what goals they will address in the immediate future related to the four areas of focus for the District. These areas include: Staff Retention and Recruitment, Instructional Improvement, Climate and Culture, and Family and Community Engagement. To facilitate community outreach and increase transparency, the District works with several committees and has begun to incorporate multiple web based applications and programs to increase public awareness. Links to applications such as School Locator Tool, Bond Project Status, Peachjar flyer distribution, Budget Reports and many more allow anyone to see progress and developments in the WESD as it pertains to the District as a whole and on a smaller school-focused level as well.

The Business Advisory and Budget Committees provide opportunities for the District to ensure a common purpose with our stakeholders and create a better understanding of district educational and business practices. These committees also provide a platform for stakeholders to provide feedback and suggestions to the District. As the District continues to focus on the whole child, the Climate and Culture Committee encourages dialogue and action in order to increase positive and productive learning environments for all campuses. The Family and Community Engagement Committee increases opportunities for family and community to be involved in improving academic and social emotional growth and outcomes for all students.

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

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, component units combined with the District for financial statement purposes and the District are not included in any other governmental 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, nutrition services, and extracurricular functions.

For fiscal year 2021-22, the District experienced a 6.1 percent increase in its primary assessed valuation. The economy of the District is representative of the economies of the cities that overlap the District. Approximately 92 percent of the District lies within the boundaries of the City of Phoenix with only 8 percent falling within the boundaries of the City of Glendale.

BUDGETARY SYSTEMS AND CONTROLS

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

The Washington Elementary School District utilizes a "Student-Based Budget Process", meaning that schools and students are budget priorities. The budget for staffing and other resources is based on the number of students enrolled at each site and funds are allocated for these needs prior to evaluating the needs for departments. These budgets are set each year based on consistent standards and rubrics adopted by the Governing Board. Standards are developed and recommended to the Governing Board after receiving input from committees consisting of staff and other stakeholders involved in each particular area. In fiscal year 2023-24, the District will be implementing a new financial system that will bring more efficient budgeting and staffing control for the District.

The Governing Board annually reviews any budget items that are outside the general state budget limits, e.g. Adjacent Ways, Desegregation. These items are approved individually after consideration of defined needs of the District and evaluation of any proposed impact to taxpayers in the District. The Governing Board has approved a Debt Management and Special Levy Policy to provide guidance for staff to consider when evaluating the need for additional levies or long-term debt such as bonds.

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

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

The City of Phoenix is the Capitol and largest city of Arizona and is the county seat as well. Phoenix is also the fifth largest city in the nation by population, with more than 1.7 million residents and growing. The city encompasses an area approximately 519 square miles. The Phoenix metropolitan area is the population and economic activity center of the entire state. Phoenix is one of the leaders in the economics of the Southwestern area of the United States.

Maricopa County has a very wide range of economic sectors supporting its substantial growth. As of June 2022, the unemployment rate in the Phoenix area and Maricopa County was approximately 3.4 percent, less than 0.2 lower than the national average of 3.6 percent. Washington Elementary School District is working with city leaders to create policies that encourage job creation and affordable housing within our boundaries. However, increased rent and home values present a challenge to school districts such as ours with a population of varied demographics.

For several years, the economic downturn greatly affected the State of Arizona, but statewide revenues have been performing far above projections over the last few years. How the pandemic will affect long-term state revenues is yet to be seen, however, original revenue shortfall estimates have recently been adjusted to reflect a much more positive picture for the state in 2022 than expected. An increase in public awareness related to education funding has provided a new focus on developing a sustainable funding system for the future. A voter initiative approved in May 2016 provides a consistent factor for an inflation increase up to two percent for school district budgets each year. Additional operational funding was also provided with this initiative through fiscal year 2025. The State of Arizona has continued to approve a budget that favors K-12 education by providing funds to increase teacher salaries by twenty percent and restore capital funding that has been reduced for several years.

Long-term Financial Planning. The District incorporates shared-decision making processes into every aspect of District management and planning. The shared-decision making process allows the input of stakeholders (to include parents, employees and community members) into the decision-making and financial planning of the District. From these processes, advisory committees are formed to evaluate and make recommendations to the Superintendent in regard to the needs of the District. Committees related to bonds, overrides, business and community interests are just some of the progressive groups WESD has established to further successful planning for our District.

One such committee is the Bond Task Force. The District has recently evaluated all elements in its school buildings using a comprehensive tiered structure software and determined the condition of these elements as well as projected replacement date and cost to replace. Future capital plans have been updated to account for this information and changes in projected enrollment, based on demographic studies. Although demographic studies illustrate a further decrease in student enrollment over the next few years, the capital plan continues to address aging facilities to meet the needs of all grade configurations, and is consistent with the vision of the learning environment embraced by the stakeholders of the District.

With annual budgets and funding now based on current year student enrollment, it is necessary to build reasonable reserves to offset the anticipated fluctuation in student average daily membership over the course of the next three to five years. The Governing Board at Washington Elementary School District supports this approach and understands the need to balance staff and student needs with conservative budget strategies.

AWARDS AND ACKNOWLEDGMENTS

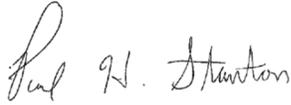
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2021. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2022 certificates.

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

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

Respectfully submitted,



Dr. Paul Stanton
Superintendent



Daniel O'Brien
Executive Director of Business Services



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Washington Elementary School District 6

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

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



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

William A. Sutter
President

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

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Washington Elementary School District No. 6
Arizona**

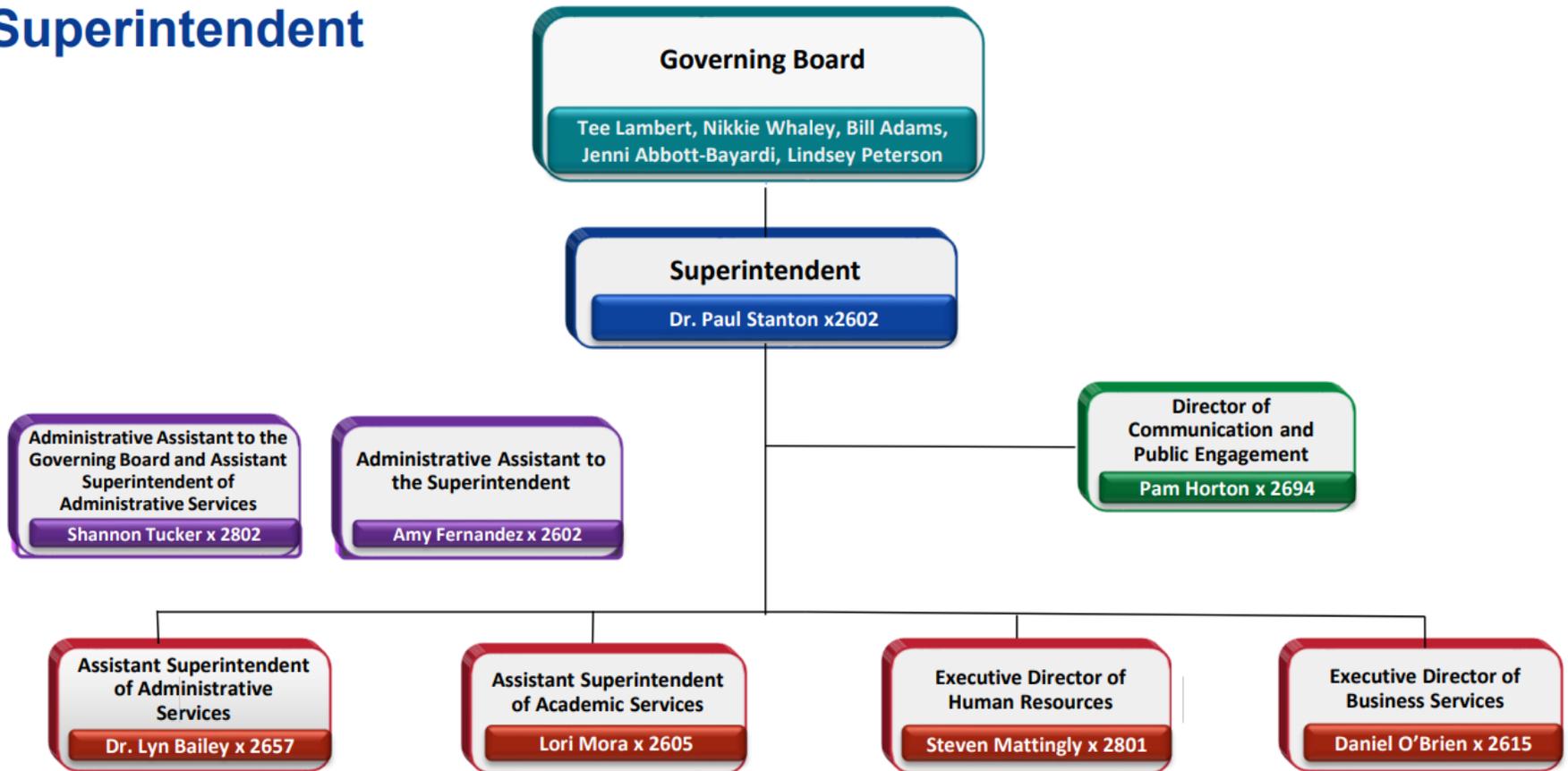
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

Superintendent



WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Tee Lambert, President

Nikkie Whaley, Vice President

Jenni Abbott-Bayardi, Member

Bill Adams, Member

Lindsey Peterson, Member

ADMINISTRATIVE STAFF

Paul Stanton, Ed.D., Superintendent

Daniel O'Brien, Executive Director of Business Services

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FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Washington Elementary School District No. 6

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington Elementary School District No. 6 (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 the Washington Elementary School District No. 6, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Washington Elementary School District No. 6 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.

Change in Accounting Principle

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and net pension liability information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on other work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2022, on our consideration of Washington Elementary School District No. 6's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Washington Elementary School District No. 6's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washington Elementary School District No. 6's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 14, 2022

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

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**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

As management of the Washington Elementary School District No. 6 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$28.5 million which represents an 27 percent increase from the prior fiscal year as a result of a decrease in the net pension liability of \$50.1 million.
- General revenues accounted for \$190.5 million in revenue, or 70 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$80.0 million or 30 percent of total current fiscal year revenues.
- The District had approximately \$242.0 million in expenses related to governmental activities, an increase of two percent from the prior fiscal year.
- Among major funds, the General Fund had \$159.7 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$152.0 million in expenditures. The General Fund's fund balance increased from \$46.1 million at the prior fiscal year end, to \$56.3 million at the end of the current fiscal year.
- The Bond Building Fund's fund balance decreased \$10.7 million due to various school renovation projects.
- Net position for the Internal Service Funds decreased \$380,033 from the prior fiscal year. Operating expenses of \$20.8 million exceeded operating revenues of \$20.4 million at the end of the current fiscal year.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, 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. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

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, Other Federal Projects, Food Service, Debt Service, and Bond Building Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary funds. The District maintains one type of proprietary fund. The internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for its Employee Benefit Trust, Workers' Compensation, and Property and Casualty Insurance. Although legally separate component units, they function for all employees of the District and therefore have been included as internal service funds. In addition, the Print Shop Fund accounts for charges to other departments for printing and copying services. Because these activities predominately benefit governmental functions, they have been included within governmental activities in the government-wide financial statements.

The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$135.2 million at the current fiscal year end.

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

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

	As of June 30, 2022	As of June 30, 2021
Current assets	\$ 150,263,171	\$ 132,656,500
Capital assets, net	285,377,958	282,521,260
Total assets	<u>435,641,129</u>	<u>415,177,760</u>
 Deferred outflows	 <u>37,514,147</u>	 <u>37,306,733</u>
 Current liabilities	 20,645,037	 8,766,506
Long-term liabilities	<u>267,234,216</u>	<u>334,556,387</u>
Total liabilities	<u>287,879,253</u>	<u>343,322,893</u>
 Deferred inflows	 <u>50,105,176</u>	 <u>2,509,033</u>
 Net position:		
Net investment in capital assets	188,260,029	183,319,267
Restricted	56,388,186	41,575,591
Unrestricted	<u>(109,477,368)</u>	<u>(118,242,291)</u>
Total net position	<u>\$ 135,170,847</u>	<u>\$ 106,652,567</u>

At the end of the current fiscal year, the District reported positive balances in two categories of net position for governmental. Governmental activities unrestricted net position, which is normally used to meet the District's mission reported a deficit of \$109.5 million. The deficit is due to the District's proportionate share of the state pension plan's unfunded liability.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 \$11.2 million in general obligation bonds.
- The decrease in pension liabilities of \$50.1 million.
- The addition of \$14.4 million in capital assets.

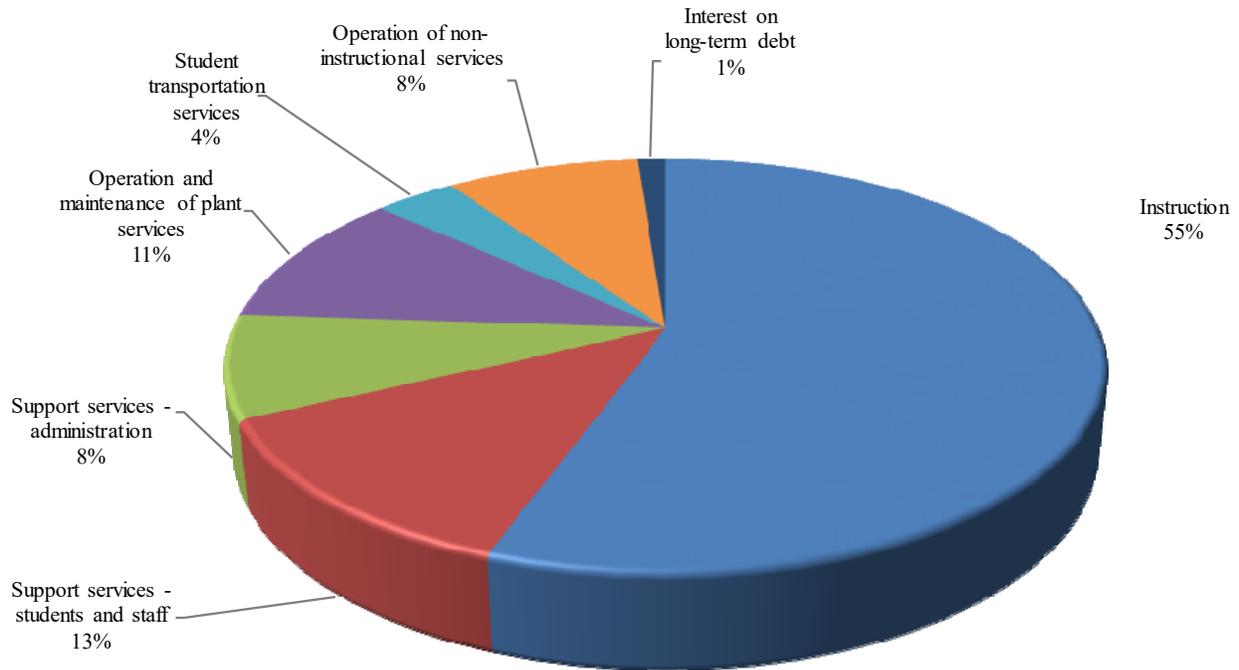
Changes in net position. The District's total revenues for the current fiscal year were \$270.5 million. The total cost of all programs and services was \$242.0 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	<u>Fiscal Year Ended June 30, 2022</u>	<u>Fiscal Year Ended June 30, 2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 4,125,249	\$ 2,442,846
Operating grants and contributions	72,417,721	63,026,670
Capital grants and contributions	3,475,578	3,483,523
General revenues:		
Property taxes	62,442,238	60,627,307
Investment income	688,580	815,406
Unrestricted county aid	9,381,280	9,739,655
Unrestricted state aid	115,205,153	106,771,627
Unrestricted federal aid	2,748,227	1,976,913
Total revenues	<u>270,484,026</u>	<u>248,883,947</u>
Expenses:		
Instruction	134,402,441	125,586,285
Support services - students and staff	30,443,312	33,354,944
Support services - administration	19,316,290	18,668,255
Operation and maintenance of plant services	25,711,438	32,241,554
Student transportation services	8,644,106	7,038,491
Operation of non-instructional services	20,471,116	17,166,233
Interest on long-term debt	2,977,043	2,836,951
Total expenses	<u>241,965,746</u>	<u>236,892,713</u>
Changes in net position	28,518,280	11,991,234
Net position, beginning	<u>106,652,567</u>	<u>94,661,333</u>
Net position, ending	<u>\$ 135,170,847</u>	<u>\$ 106,652,567</u>

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Expenses - Fiscal Year 2022



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

- Operating grants and contributions increased \$9.4 million primarily due to increased grant funding related to the COVID-19 pandemic.
- Unrestricted state aid increased \$8.4 million primarily due to an overall increase in the base support level and funding for Classroom Site Fund.
- Instruction expenses increased \$8.8 million primarily due to salary increases for teachers and the purchase of instruction related technology needs.

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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2022		Year Ended June 30, 2021	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 134,402,441	\$ (99,384,624)	\$ 125,586,285	\$(103,481,512)
Support services - students and staff	30,443,312	(19,574,331)	33,354,944	(21,130,456)
Support services - administration	19,316,290	(18,118,412)	18,668,255	(16,990,658)
Operation and maintenance of plant services	25,711,438	(21,358,105)	32,241,554	(17,093,214)
Student transportation services	8,644,106	(8,150,061)	7,038,491	(6,540,881)
Operation of non-instructional services	20,471,116	7,615,378	17,166,233	133,998
Interest on long-term debt	2,977,043	(2,977,043)	2,836,951	(2,836,951)
Total	\$ 241,965,746	\$(161,947,198)	\$ 236,892,713	\$(167,939,674)

- The cost of all governmental activities this year was \$242.0 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$80.0 million.
- Net cost of governmental activities of \$161.9 million was financed by general revenues, which are made up of primarily property taxes of \$62.4 million and state and county aid of \$124.6 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$104.6 million, an increase of \$9.1 million due primarily to an increase in state funding.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 54 percent of the total fund balance. Approximately \$38.8 million, or 69 percent of the General Fund's fund balance is unassigned. Fund balance increased \$10.3 million to \$56.3 million as of the end of the fiscal year.

The fund balance in the Other Federal Projects Fund decreased \$1.6 million due primarily to the timing of reimbursements for grants received related to the COVID-19 pandemic.

Fund balance in the Food Service Fund increased by \$5.3 million to \$20.0 million primarily due to increased federal funding related for food service operations.

The fund balance for the Debt Service Fund decreased \$753,344 as a result of debt service requirements.

Fund balance in the Bond Building Fund decreased \$10.7 million due to various school renovation projects.

Proprietary funds. Total net position of the Internal Service Funds at the end of the fiscal year amounted to \$5.9 million. Net position for the Internal Service Funds decreased \$380,033.

BUDGETARY 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 \$4.3 million, which was primarily due to a decrease in the District's student count.

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

- The favorable variance of \$14.6 million in instruction was primarily due to the number of vacant/unfilled positions and the reduction in expenditures due to supply chain issues.
- The favorable variance of \$6.1 million in support services – students and staff was primarily due to the number of vacant/unfilled positions.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District's investment in capital assets totaled \$480.6 million. The investment in capital assets includes school buildings, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$12.1 million from the prior fiscal year, primarily due to the completion of various school renovation projects. Total depreciation expense for the current fiscal year was \$10.7 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2022 and June 30, 2021.

	As of June 30, 2022	As of June 30, 2021
Capital assets - non-depreciable	\$ 11,642,137	\$ 6,640,008
Capital assets - depreciable, net	273,735,821	275,881,252
Total	\$ 285,377,958	\$ 282,521,260

The estimated cost to complete current construction projects is \$8.8 million.

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

Debt Administration. At year end, the District had \$114.4 million in long-term debt outstanding, \$9.9 million due within one year. Long-term debt decreased by \$12.4 million primarily due to the repayment of debt according to the District's debt agreements.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$361.6 million and the Class B debt limit is \$241.0 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 9 and 10.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

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:

- An estimated budget balance carryforward of \$19.1 million in the Maintenance and Operation budget for the 2021-22 fiscal year.
- An increase in assessed values by 6.1 percent for the 2021 tax year due to improved economic conditions in the Phoenix metro area. Projections indicate that the assessed values will continue to slowly increase through fiscal year 2022.
- An increase in employee health insurance costs.
- An average 2 percent increase in employee salaries due to increased revenue from the state.
- A one-time lump sum payment to be awarded to continuing employees with an aggregate cost of approximately \$9.0 million by utilizing ESSER III grant funds.
- Continued commitment to provide full-day kindergarten. The State Legislature funds for half-day kindergarten. The District funds the remaining half-day with a voter approved override.
- Considered ongoing inflation increase for minimum wage.
- The utilization of bond funds to renovate facilities in accordance with the Bond Master Plan.
- The rising cost of building materials, equipment and technology infrastructure, which affects the number of projects that can be completed in the Bond Master Plan.
- The utilization of Adjacent Ways funds for eligible projects in the Bond Master Plan.
- The utilization of bond funds and E-Rate funds to update technology infrastructure and technology devices for students and employees.
- The utilization of the capital equipment replacement plan to prioritize the replacement of capital assets.
- Continuation of a district-wide energy conservation plan to reduce energy costs.
- An increased focus on recruitment and retention strategies due to a statewide and nationwide teacher shortage and hard to fill classified positions.
- Decrease in projected student enrollment based on student mobility and historical trends.
- Increased cost of living in the surrounding area causing families to move.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- An increased focus to maximize the budget balance carryforward in order to allow for budget adjustments without affecting operations in anticipation that student enrollment will decrease due to unforeseen effects of the COVID-19 pandemic.
- Approved grants that will help address additional expenses in response to the COVID-19 pandemic.

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

Budgeted expenditures in the General Fund increased eight percent to \$181.5 million in fiscal year 2022-23 due to the increase in the base support level. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2022-23 budget.

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 and Finance Department, Washington Elementary School District No. 6, 4650 West Sweetwater Avenue, Glendale, Arizona 85304.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 108,005,373
Property taxes receivable	1,057,194
Accounts receivable	839,610
Due from governmental entities	38,866,792
Prepaid items	82,301
Inventory	1,411,901
Total current assets	150,263,171
Noncurrent assets:	
Capital assets not being depreciated	11,642,137
Capital assets, net of accumulated depreciation	273,735,821
Total noncurrent assets	285,377,958
Total assets	435,641,129
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension plan items	37,514,147
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	10,320,034
Claims payable	3,270,811
Accrued payroll and employee benefits	1,120,417
Compensated absences payable	854,476
Accrued interest payable	1,974,563
Unearned revenues	3,959,212
Bonds payable	9,870,000
Total current liabilities	31,369,513
Noncurrent liabilities:	
Non-current portion of long-term obligations	256,509,740
Total noncurrent liabilities	256,509,740
Total liabilities	287,879,253
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension plan items	50,105,176
 <u>NET POSITION</u>	
Net investment in capital assets	188,260,029
Restricted for:	
Instruction	16,149,949
Food service	19,989,114
Non-instructional purposes	2,171,207
Debt service	1,272,995
Capital outlay	16,804,921
Unrestricted	(109,477,368)
Total net position	\$ 135,170,847

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
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	\$ 134,402,441	\$ 501,567	\$ 33,524,862	\$ 991,388	\$ (99,384,624)
Support services - students and staff	30,443,312		10,868,981		(19,574,331)
Support services - administration	19,316,290		1,197,878		(18,118,412)
Operation and maintenance of plant services	25,711,438	83,776	1,785,367	2,484,190	(21,358,105)
Student transportation services	8,644,106		494,045		(8,150,061)
Operation of non-instructional services	20,471,116	3,539,906	24,546,588		7,615,378
Interest on long-term debt	2,977,043				(2,977,043)
Total governmental activities	<u>\$ 241,965,746</u>	<u>\$ 4,125,249</u>	<u>\$ 72,417,721</u>	<u>\$ 3,475,578</u>	<u>(161,947,198)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	48,508,575
Property taxes, levied for debt service	12,990,715
Property taxes, levied for capital outlay	942,948
Investment income	688,580
Unrestricted county aid	9,381,280
Unrestricted state aid	115,205,153
Unrestricted federal aid	2,748,227

Total general revenues

190,465,478

Changes in net position

28,518,280

Net position, beginning of year

106,652,567

Net position, end of year

\$ 135,170,847

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

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FUND FINANCIAL STATEMENTS

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Other Federal Projects	Food Service
<u>ASSETS</u>			
Cash and investments	\$ 26,195,550	\$ 133,742	\$ 19,473,133
Property taxes receivable	838,788		
Due from governmental entities	26,460,290	7,222,250	455,479
Due from other funds	3,690,476		
Inventory	1,202,780		209,121
Total assets	\$ 58,387,884	\$ 7,355,992	\$ 20,137,733
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 1,239,082	\$ 5,509,706	\$ 110,249
Due to other funds			
Accrued payroll and employee benefits	407,153	479,206	38,370
Unearned revenues		771,369	
Bonds payable			
Bond interest payable			
Total liabilities	1,646,235	6,760,281	148,619
Deferred inflows of resources:			
Unavailable revenues - property taxes	412,505		
Unavailable revenues - intergovernmental		6,458,900	
Total deferred inflows of resources	412,505	6,458,900	
Fund balances (deficits):			
Nonspendable	1,202,780		209,121
Restricted	16,280,786	595,812	19,779,993
Unassigned	38,845,578	(6,459,001)	
Total fund balances	56,329,144	(5,863,189)	19,989,114
 Total liabilities, deferred inflows of resources and fund balances	 \$ 58,387,884	 \$ 7,355,992	 \$ 20,137,733

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

<u>Debt Service</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 12,899,152 218,406	\$ 20,098,261	\$ 21,108,485 4,728,773	\$ 99,908,323 1,057,194 38,866,792 3,690,476 1,411,901
<u>\$ 13,117,558</u>	<u>\$ 20,098,261</u>	<u>\$ 25,837,258</u>	<u>\$ 144,934,686</u>
\$	\$ 2,858,443	\$ 528,122 3,690,476 195,688 3,187,843	\$ 10,245,602 3,690,476 1,120,417 3,959,212 9,870,000 1,974,563
9,870,000 1,974,563 <u>11,844,563</u>	<u>2,858,443</u>	<u>7,602,129</u>	<u>30,860,270</u>
104,214		2,465,023	516,719
<u>104,214</u>		<u>2,465,023</u>	<u>8,923,923</u> <u>9,440,642</u>
1,168,781	17,239,818	18,249,479 (2,479,373)	1,411,901 73,314,669 29,907,204
<u>1,168,781</u>	<u>17,239,818</u>	<u>15,770,106</u>	<u>104,633,774</u>
<u>\$ 13,117,558</u>	<u>\$ 20,098,261</u>	<u>\$ 25,837,258</u>	<u>\$ 144,934,686</u>

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WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total governmental fund balances		\$ 104,633,774
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 479,671,901	
Less accumulated depreciation	<u>(194,503,706)</u>	285,168,195
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	516,719	
Intergovernmental	<u>8,923,923</u>	9,440,642
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	37,514,147	
Deferred inflows of resources related to pensions	<u>(50,105,176)</u>	(12,591,029)
<p>The Internal Service Funds are used by management to charge the cost of insurance and other services to the individual funds. The assets and liabilities of the Internal Service Funds are included in the Statement of Net Position.</p>		
		5,883,481
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences payable	(2,425,925)	
Net pension liability	(150,450,544)	
Bonds payable	<u>(104,487,747)</u>	<u>(257,364,216)</u>
Net position of governmental activities		<u><u>\$ 135,170,847</u></u>

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Other Federal Projects	Food Service
Revenues:			
Other local	\$ 10,314,278	\$	\$ 318,376
Property taxes	48,972,396		
State aid and grants	97,695,820		
Federal aid, grants and reimbursements	2,748,227	20,834,591	22,076,365
Total revenues	159,730,721	20,834,591	22,394,741
Expenditures:			
Current -			
Instruction	85,234,512	16,001,878	
Support services - students and staff	19,907,858	2,276,597	
Support services - administration	17,277,944	396,377	307
Operation and maintenance of plant services	18,974,275	1,001,945	102,067
Student transportation services	7,065,796	421,624	
Operation of non-instructional services	458,844	1,992,808	15,474,843
Capital outlay	2,682,314	209,033	4,850
Debt service -			
Principal retirement	369,190		
Interest and fiscal charges	13,512		
Total expenditures	151,984,245	22,300,262	15,582,067
Excess (deficiency) of revenues over expenditures	7,746,476	(1,465,671)	6,812,674
Other financing sources (uses):			
Transfers in	2,573,423		
Transfers out		(167,850)	(1,500,000)
Total other financing sources (uses)	2,573,423	(167,850)	(1,500,000)
Changes in fund balances	10,319,899	(1,633,521)	5,312,674
Fund balances (deficits), beginning of year	46,066,555	(4,229,668)	14,644,753
Increase (decrease) in reserve for inventory	(57,310)		31,687
Fund balances (deficits), end of year	\$ 56,329,144	\$ (5,863,189)	\$ 19,989,114

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

<u>Debt Service</u>	<u>Bond Building</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 15,693	\$ 248,151	\$ 3,713,355	\$ 14,609,853
13,014,376		942,920	62,929,692
		24,269,109	121,964,929
		22,780,418	68,439,601
<u>13,030,069</u>	<u>248,151</u>	<u>51,705,802</u>	<u>267,944,075</u>
		27,364,559	128,600,949
		8,599,359	30,783,814
		591,031	18,265,659
		1,014,617	21,092,904
		108,771	7,596,191
		2,292,815	20,219,310
	10,688,159	4,293,408	17,877,764
9,870,000			10,239,190
4,161,564			4,175,076
<u>14,031,564</u>	<u>10,688,159</u>	<u>44,264,560</u>	<u>258,850,857</u>
<u>(1,001,495)</u>	<u>(10,440,008)</u>	<u>7,441,242</u>	<u>9,093,218</u>
248,151			2,821,574
	(248,151)	(905,573)	(2,821,574)
<u>248,151</u>	<u>(248,151)</u>	<u>(905,573)</u>	
<u>(753,344)</u>	<u>(10,688,159)</u>	<u>6,535,669</u>	<u>9,093,218</u>
1,922,125	27,927,977	9,234,437	95,566,179
			(25,623)
<u>\$ 1,168,781</u>	<u>\$ 17,239,818</u>	<u>\$ 15,770,106</u>	<u>\$ 104,633,774</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Changes in fund balances - total governmental funds **\$ 9,093,218**

Amounts reported for *governmental activities* in the Statement of Activities are different because:

Governmental funds report the portion of capital outlay for capitalized assets as expenditures.

However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capitalized assets	\$ 14,344,160	
Less current year depreciation	<u>(10,671,280)</u>	3,672,880

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

Property taxes	(487,454)	
Intergovernmental	<u>2,978,596</u>	2,491,142

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Financed purchase principal retirement	369,190	
Bond principal retirement	<u>9,870,000</u>	10,239,190

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.

Current year pension contributions	15,638,326	
Pension expense	<u>(12,976,842)</u>	2,661,484

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

Inventory	(25,623)	
Loss on disposal of assets	(798,439)	
Amortization of deferred bond items	1,198,033	
Compensated absences	<u>366,428</u>	740,399

The Internal Service Funds are used by management to charge the cost of insurance and other services to the individual funds. The changes in net position of the Internal Service Funds are reported with governmental activities in the Statement of Activities.

(380,033)

Changes in net position in governmental activities **\$ 28,518,280**

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Governmental Activities: Internal Service Funds
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 8,097,050
Accounts receivable	839,610
Prepaid items	82,301
Total current assets	9,018,961
Noncurrent assets:	
Capital assets, net of accumulated depreciation	209,763
Total noncurrent assets	209,763
Total assets	9,228,724
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	74,432
Claims payable	3,270,811
Total current liabilities	3,345,243
Total liabilities	3,345,243
<u>NET POSITION</u>	
Investment in capital assets	209,763
Unrestricted	5,673,718
Total net position	\$ 5,883,481

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities: Internal Service Funds
Operating revenues:	
Contributions	\$ 20,092,447
Charges for services	261,655
Total operating revenues	<u>20,354,102</u>
Operating expenses:	
Claims	14,733,054
Premiums	3,285,240
Administrative and other	2,365,871
Cost of services	324,494
Depreciation	74,285
Total operating expenses	<u>20,782,944</u>
Operating income (loss)	<u>(428,842)</u>
Nonoperating revenues (expenses):	
Investment income	48,809
Total nonoperating revenues (expenses)	<u>48,809</u>
Changes in net position	<u>(380,033)</u>
Total net position, beginning of year	6,263,514
Total net position, end of year	<u>\$ 5,883,481</u>

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Governmental Activities: Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 20,426,131
Cash received for services	261,655
Cash payments to suppliers for goods and services	(5,893,082)
Cash payments for claims	(15,595,550)
Net cash provided by/used for operating activities	(800,846)
Cash flows from capital and related financing activities:	
Acquisition of capital assets	(56,542)
Net cash provided by/used for capital and related financing activities	(56,542)
Cash flows from investing activities:	
Investment income	48,809
Net cash provided by/used for investing activities	48,809
Net increase/decrease in cash and cash equivalents	(808,579)
Cash and cash equivalents, beginning of year	8,905,629
Cash and cash equivalents, end of year	\$ 8,097,050
 <u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ (428,842)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Depreciation	74,285
Changes in assets and liabilities:	
Increase/decrease in accounts receivable	333,684
Increase/decrease in prepaid items	8,091
Increase/decrease in accounts payable	74,432
Increase/decrease in claims payable	(862,496)
Total adjustments	(372,004)
Net cash provided by/used for operating activities	\$ (800,846)

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Washington Elementary School District No. 6 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2022, the District implemented the provisions of GASB Statement No. 87, *Leases*. This Statement increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District's analysis of contracts and agreements in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

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

A. Reporting Entity

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

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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Furthermore, component units combined with the District for financial statement presentation purposes, and the District, are 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.

Blended Component Unit – Blended component units, although legally separate entities, are, in substance, part of the District's operations. The Washington Elementary School District No. 6 Employee Benefit Trust (Employee Benefit Trust), the Washington Elementary School District No. 6 Workers' Compensation Trust (Workers' Compensation Trust), and the Washington Elementary School District No. 6 Property and Casualty Insurance Trust (Casualty Trust) are responsible for providing health, workers' compensation and property and casualty insurance for the District and its employees. The District's Governing Board appoints the Board of Directors for each of the Trusts boards. The Trusts provide services entirely to the District and therefore have been included as Internal Service Funds in accordance with the criteria established by GASB.

Separate financial statements are prepared monthly for each of the component units and may be obtained at the Washington Elementary School District No. 6's administrative offices – 4650 West Sweetwater Avenue, Glendale, Arizona 85304.

B. Government-Wide and Fund Financial Statements

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period.

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service funds are presented in a single column on the face of the proprietary fund statements.

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 the Medicaid Reimbursement, School Plant, Auxiliary Operations, Gifts and Donations, Insurance Proceeds, Litigation Recovery, Indirect Costs, Advertisement, and Unrestricted Capital Outlay Funds. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

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

Food Service Fund – The Food Service Fund accounts for the financial activity of school activities that have as their purpose the preparation and serving of regular and incidental meals and snacks in connection with school functions.

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.

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.

Additionally, the District reports the following fund types:

Proprietary Funds – The Proprietary Funds are Internal Service Funds that account for activities related to (1) the District’s self-insurance program for employee benefits, (2) the District’s self-insurance program to pay for workers’ compensation, (3) the District’s self-insurance program to pay for property and casualty insurance, and (4) charges to other departments for printing and copying services.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Proprietary Fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges to other funds for health and welfare benefits and for goods and services. Operating expenses for the internal service funds include the cost of claims, insurance premiums, administrative expenses and cost of goods and services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were cash in bank, cash held by trustee and cash, investments held by the County Treasurer.

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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

H. Inventory

General warehouse inventories are valued at cost using the average cost method. Food service inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements.

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

I. 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.

J. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment; construction in progress; and intangible right-to-use assets, 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 using the straight-line method over the estimated useful life of the asset. Intangible right-to use assets are amortized over the shorter of the lease term or the underlying asset's useful life. The estimated useful lives and amortization periods are as follows:

Land improvements	20 – 80 years
Buildings and improvements	5 – 80 years
Vehicles, furniture and equipment	5 – 40 years

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

K. Deferred Outflows/Inflows of Resources

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

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

L. 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.

M. Pensions

For purposes of measuring the net pension liability, related deferred outflows of resources and deferred inflows of resources, and pension expense, information about the pension plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund 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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

O. 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 and after nonoperating revenues/expenses in proprietary funds.

P. Net Position Flow Assumption

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

Q. 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.

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

Committed. The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action of the Governing Board. Those committed amounts cannot be used for any other purpose unless the Governing Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. 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 Governing Board has delegated the authority to assign fund balance to the Executive Director of Business Services. No assigned fund balance amounts are reported.

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – FUND BALANCE CLASSIFICATIONS

The table below provides detail of the major components of the District’s fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds.

	General Fund	Other Federal Projects Fund	Food Service Fund	Debt Service Fund	Bond Building Fund	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	\$ 1,202,780		\$ 209,121			\$
Restricted:						
Debt service				1,168,781		
Capital projects	15,635,280					1,169,641
Bond building projects					17,239,818	
Voter approved initiatives						5,833,383
Federal and state projects		595,812				7,708,957
Food service			19,779,993			
Community school						2,110,815
Extracurricular activities						1,159,811
Gifts and donations	645,506					
Other purposes						266,872
Unassigned	38,845,578	(6,459,001)				(2,479,373)
Total fund balances	<u>\$56,329,144</u>	<u>\$(5,863,189)</u>	<u>\$19,989,114</u>	<u>\$1,168,781</u>	<u>\$17,239,818</u>	<u>\$ 15,770,106</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Fund	
Other Federal Projects	\$ 5,863,189
Non-Major Governmental Funds:	
Title I Grants	976,092
Professional Development and Technology Grants	32,363
Title IV Grants	228,561
Limited English & Immigrant Students	6,861
Indian Education	10,293
Special Education Grants	687,871
Homeless Education	20,674
Other State Projects	2,304
Building Renewal Grant	514,354

The deficits arose because of pending grant reimbursements. Additional revenues received in fiscal year 2022-23 are expected to eliminate the deficits.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess Expenditures Over Budget – At year end, the District had expenditures in three funds that exceeded the budget, however, this does not constitute a violation of any legal provisions.

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District’s deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District’s deposits was \$1,369,776 and the bank balance was \$2,952,186. At year end, \$2,452,186 of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name. Additionally, the District had \$2,100 of cash on hand at year end.

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

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 participants’ position in the County Treasurer investment pool approximates the value of the participants’ shares in the pool and the participants’ shares are not identified with specific investments. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	623 days	\$ 106,633,497

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.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – CASH AND INVESTMENTS

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

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

NOTE 5 – RECEIVABLES

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

	General Fund	Other Federal Projects Fund	Food Service Fund	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$ 225,666	\$ 7,222,250	\$ 455,479	\$ 3,801,146
Due from state government	26,234,624			927,627
Net due from governmental entities	\$ 26,460,290	\$ 7,222,250	\$ 455,479	\$ 4,728,773

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 – CAPITAL ASSETS

A summary of capital asset activity for the current fiscal year follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 4,411,347	\$	\$	\$ 4,411,347
Construction in progress	2,228,661	13,698,669	8,696,540	7,230,790
Total capital assets, not being depreciated	<u>6,640,008</u>	<u>13,698,669</u>	<u>8,696,540</u>	<u>11,642,137</u>
Capital assets, being depreciated:				
Land improvements	44,228,311	3,053,787		47,282,098
Buildings and improvements	372,992,542	5,823,746		378,816,288
Vehicles, furniture and equipment	44,626,094	521,040	2,313,538	42,833,596
Total capital assets being depreciated	<u>461,846,947</u>	<u>9,398,573</u>	<u>2,313,538</u>	<u>468,931,982</u>
Less accumulated depreciation for:				
Land improvements	(18,604,875)	(1,836,928)		(20,441,803)
Buildings and improvements	(140,319,426)	(6,799,466)		(147,118,892)
Vehicles, furniture and equipment	(27,041,394)	(2,109,171)	(1,515,099)	(27,635,466)
Total accumulated depreciation	<u>(185,965,695)</u>	<u>(10,745,565)</u>	<u>(1,515,099)</u>	<u>(195,196,161)</u>
Total capital assets, being depreciated, net	<u>275,881,252</u>	<u>(1,346,992)</u>	<u>798,439</u>	<u>273,735,821</u>
Governmental activities capital assets, net	<u>\$282,521,260</u>	<u>\$12,351,677</u>	<u>\$9,494,979</u>	<u>\$285,377,958</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 4,272,596
Support services – students and staff	54,680
Support services – administration	630,131
Operation and maintenance of plant services	4,372,589
Student transportation services	1,103,794
Operation of non-instructional services	311,775
Total depreciation expense	<u>\$ 10,745,565</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the renovation of buildings. At year end the District had spent \$7.2 million on the projects and had estimated remaining contractual commitments of \$8.8 million. These projects are being funded with bond proceeds and monies from the Arizona School Facilities Board.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – REVOLVING LINE OF CREDIT

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$20.0 million in unused line of credit.

NOTE 8 – FINANCED PURCHASES PAYABLE

The District has acquired copiers under the provisions of a contract classified as a financed purchase payable. In accordance with GASB Statement No. 87 *Leases*, contracts previously recorded as capital leases have been reclassified as financed purchases payable in the fiscal year. Revenues from the General Fund are used to pay the debt obligation. The final payment of \$369,190 was made during fiscal year 2022.

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$361.6 million and the available margin is \$249.6 million.

Principal requirements at year end, were as follows:

<u>Purpose</u>	<u>Original Amount Issued</u>	<u>Interest Rates</u>	<u>Remaining Maturities</u>	<u>Outstanding Principal June 30, 2022</u>	<u>Due Within One Year</u>
Governmental activities:					
General obligation bonds:					
School Improvement Bonds, Project 2010, Series B	\$ 20,000,000	3.0-4.0%	7/1/22-26	\$ 16,365,000	\$ 1,715,000
School Improvement Bonds, Project 2010, Series E	25,500,000	2.0-3.0%	7/1/22-26	13,150,000	4,400,000
School Improvement Bonds, Project 2016, Series A	33,555,000	3.0-5.0%	7/1/22-29	23,675,000	680,000
School Improvement Bonds, Project 2016, Series B	36,000,000	3.0-5.0%	7/1/22-31	30,350,000	1,500,000
School Improvement Bonds, Project 2016, Series C	18,900,000	2.0-4.0%	7/1/23-32	18,900,000	
Private placement general obligation bonds:					
Refunding Bonds, Series 2020	3,900,000	1.5%	7/1/22	<u>1,575,000</u>	<u>1,575,000</u>
Total				<u>\$ 104,015,000</u>	<u>\$ 9,870,000</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 – GENERAL OBLIGATION BONDS PAYABLE

Annual debt service requirements to maturity on all bonds at year end are summarized as follows:

Year ending June 30:	Governmental Activities			
	General Obligation Bonds		Private Placement General Obligation Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 8,295,000	\$ 3,796,100	\$ 1,575,000	\$ 11,813
2024	10,180,000	3,459,700		
2025	10,605,000	3,054,100		
2026	10,945,000	2,655,550		
2027	11,380,000	2,245,150		
2028-32	48,085,000	4,261,150		
2033	2,950,000	29,500		
Total	<u>\$ 102,440,000</u>	<u>\$ 19,501,250</u>	<u>\$ 1,575,000</u>	<u>\$ 11,813</u>

NOTE 10 – 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:					
Bonds payable:					
General obligation bonds	\$ 111,320,000	\$	\$ 8,880,000	\$102,440,000	\$ 8,295,000
Private placement general obligation bonds	3,900,000		2,325,000	1,575,000	1,575,000
Premium	11,540,780		1,198,033	10,342,747	
Total bonds payable	<u>126,760,780</u>		<u>12,403,033</u>	<u>114,357,747</u>	<u>9,870,000</u>
Financed purchases payable	369,190		369,190		
Net pension liability	200,500,757		50,050,213	150,450,544	
Compensated absences payable	2,792,353	1,075,939	1,442,367	2,425,925	854,476
Governmental activity long-term liabilities	<u>\$ 330,423,080</u>	<u>\$ 1,075,939</u>	<u>\$ 64,264,803</u>	<u>\$267,234,216</u>	<u>\$10,724,476</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds – At year end, several funds had negative cash balances in the Treasurer’s pooled cash accounts of \$3,690,476. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfers out	Transfers in		
	General Fund	Debt Service Fund	Total
Other Federal Projects Fund	\$ 167,850	\$	\$ 167,850
Food Service Fund	1,500,000		1,500,000
Bond Building Fund		248,151	248,151
Non-Major Governmental Funds	905,573		905,573
Total	\$ 2,573,423	\$ 248,151	\$ 2,821,574

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund, and (2) to move federal grant funds restricted for indirect costs.

NOTE 12 – CONTINGENT LIABILITIES

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

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain insurance at a cost it considered to be economically justifiable. Therefore, the District established the following self-insurance funds.

The District has established an Employee Benefit Trust Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to employee health and accidents. Under this program, the Employee Benefit Trust Fund provides coverage for up to a maximum of \$200,000 for each claim, not to exceed an aggregate specific deductible amount of \$450,000.

The District has established a Workers' Compensation Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to claims for on-the-job injuries to employees. Beginning in fiscal year 2021-22, 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 has established a Property and Casualty Insurance Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to property and liability claims. Under this program, the Property and Casualty Insurance Fund provides coverage for each property claim and general liability claim dependent on the maximum coverage outlined in the insurance policy. The District obtains coverage through the Arizona School risk Retention Trust (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.

An excess coverage insurance policy covers individual claims in excess of the amounts specified above for the Employee Benefit and Workers' Compensation Funds. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – RISK MANAGEMENT

For the Employee Benefit Trust and the Workers’ Compensation Trust, liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

Changes in the balances of claims liabilities for all self-insurance funds during the past two years are as follows:

	<u>Claims Payable Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Payable at End of Year</u>
<u>Employee Benefit Trust</u>				
2021-22	\$ 2,640,000	\$ 14,142,413	\$ 14,959,313	\$ 1,823,100
2020-21	3,146,000	13,237,398	13,743,398	2,640,000
<u>Workers’ Compensation</u>				
2021-22	1,453,134	446,262	451,685	1,447,711
2020-21	1,354,981	652,491	554,338	1,453,134
<u>Property and Casualty Insurance</u>				
2021-22	40,173	144,379	184,552	
2020-21	94,253	125,622	179,702	40,173
<u>Total</u>				
2021-22	4,133,307	14,733,054	15,595,550	3,270,811
2020-21	4,595,234	14,015,511	14,477,438	4,133,307

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

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

The ASRS OPEB plans are not further disclosed because of their relative insignificance to the District’s financial statements.

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

	Retirement Initial Membership Date:	
	Before July 1, 2011	On or After July 1, 2011
Years of service and age required to receive benefit	Sum of years and age equals 80 10 years, age 62 5 years, age 50* Any years, age 65	30 years, age 55 25 years, age 60 10 years, age 62 5 years, age 50* Any years, age 65
Final average salary is based on	Highest 36 months of last 120 months	Highest 60 months of last 120 months
Benefit percent per year of service	2.1% to 2.3%	2.1% to 2.3%
	*With actuarially reduced benefits	

Retirement benefits for members who joined the ASRS prior to September 13, 2013, are subject to automatic cost-of-living adjustments based on excess investment earnings. Members with a membership date on or after September 13, 2013, are not eligible for cost-of-living adjustments. Survivor benefits are payable upon a member’s death. For retired members, the survivor benefit is determined by the retirement benefit option chosen. For all other members, the beneficiary is entitled to the member’s account balance that includes the member’s contributions and employer’s contributions, plus interest earned.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2022 were \$15,638,326.

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

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

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

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 150,450,544	1.145	(0.012)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2022 was \$12,976,842.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,293,480	\$
Changes of assumptions or other inputs	19,582,341	
Net difference between projected and actual earnings on pension investments		47,668,025
Changes in proportion and differences between contributions and proportionate share of contributions		2,437,151
Contributions subsequent to the measurement date	15,638,326	
Total	\$ 37,514,147	\$ 50,105,176

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

Year Ending June 30:		
2023	\$	(1,243,034)
2024		(51,205)
2025		(10,508,357)
2026		(16,426,759)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

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

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

The long-term expected rate of return on ASRS plan investments was determined to be 7.0 percent using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, excluding any expected inflation.

The target allocation and best estimates of geometric real rates of return for each major asset class 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%
Credit	20	5.20
Interest rate sensitive bonds	10	0.70
Real estate	20	5.70
Total	<u>100%</u>	

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 14 – PENSIONS

Discount Rate. The discount rate used to measure the total pension liability was 7.0 percent. The discount rate was lowered in the roll forward for the year June 30, 2021 from 7.5 percent, which was used for the actuarial assumptions at the valuation date. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 236,646,105	\$ 150,450,544	\$ 78,587,296

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

NOTE 15 – SUBSEQUENT EVENT

In November 2022, voters authorized the issuance of \$135.0 million in Class B Bonds for safety projects, building system upgrades and replacements, concrete/asphalt upgrades, new construction, technology and student transportation vehicles.

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REQUIRED SUPPLEMENTARY INFORMATION

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WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 8,740,606	\$ 8,740,606
Property taxes			48,972,368	48,972,368
State aid and grants			90,674,827	90,674,827
Total revenues			<u>148,387,801</u>	<u>148,387,801</u>
Expenditures:				
Current -				
Instruction	100,280,861	98,584,417	83,980,176	14,604,241
Support services - students and staff	25,003,571	25,783,532	19,651,078	6,132,454
Support services - administration	16,775,153	16,324,370	15,437,353	887,017
Operation and maintenance of plant services	20,693,002	19,977,162	18,690,007	1,287,155
Student transportation services	9,832,715	7,629,341	7,047,382	581,959
Operation of non-instructional services	434,470	434,013	457,500	(23,487)
Total expenditures	<u>173,019,772</u>	<u>168,732,835</u>	<u>145,263,496</u>	<u>23,469,339</u>
Changes in fund balances	<u>(173,019,772)</u>	<u>(168,732,835)</u>	<u>3,124,305</u>	<u>171,857,140</u>
Fund balances, beginning of year			25,116,693	25,116,693
Increase (decrease) in reserve for inventory			(57,310)	(57,310)
Fund balances (deficits), end of year	<u>\$ (173,019,772)</u>	<u>\$ (168,732,835)</u>	<u>\$ 28,183,688</u>	<u>\$ 196,916,523</u>

See accompanying notes to this schedule.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues:				
Federal aid, grants and reimbursements	\$	\$	\$ 20,834,591	\$ 20,834,591
Total revenues			<u>20,834,591</u>	<u>20,834,591</u>
Expenditures:				
Current -				
Instruction	93,732,775	58,233,818	16,001,878	42,231,940
Support services - students and staff	3,000,000	3,000,000	2,276,597	723,403
Support services - administration	500,000	500,000	396,377	103,623
Operation and maintenance of plant services	2,000,000	2,000,000	1,001,945	998,055
Student transportation services	500,000	500,000	421,624	78,376
Operation of non-instructional services	2,000,000	2,000,000	1,992,808	7,192
Capital outlay	500,000	500,000	209,033	290,967
Total expenditures	<u>102,232,775</u>	<u>66,733,818</u>	<u>22,300,262</u>	<u>44,433,556</u>
Excess (deficiency) of revenues over expenditures	<u>(102,232,775)</u>	<u>(66,733,818)</u>	<u>(1,465,671)</u>	<u>65,268,147</u>
Other financing sources (uses):				
Transfers out			(167,850)	(167,850)
Total other financing sources (uses)			<u>(167,850)</u>	<u>(167,850)</u>
Changes in fund balances	<u>(102,232,775)</u>	<u>(66,733,818)</u>	<u>(1,633,521)</u>	<u>65,100,297</u>
Fund balances (deficits), beginning of year			(4,229,668)	(4,229,668)
Fund balances (deficits), end of year	<u>\$ (102,232,775)</u>	<u>\$ (66,733,818)</u>	<u>\$ (5,863,189)</u>	<u>\$ 60,870,629</u>

See accompanying notes to this schedule.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOOD SERVICE
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Other local	\$	\$ 318,376	\$ 318,376
Federal aid, grants and reimbursements		22,076,365	22,076,365
Total revenues		<u>22,394,741</u>	<u>22,394,741</u>
Expenditures:			
Current -			
Support services - administration	1,000	307	693
Operation and maintenance of plant services	200,000	102,067	97,933
Operation of non-instructional services	31,735,000	15,474,843	16,260,157
Capital outlay	10,000	4,850	5,150
Total expenditures	<u>31,946,000</u>	<u>15,582,067</u>	<u>16,363,933</u>
Excess (deficiency) of revenues over expenditures	<u>(31,946,000)</u>	<u>6,812,674</u>	<u>38,758,674</u>
Other financing sources (uses):			
Transfers out		(1,500,000)	(1,500,000)
Total other financing sources (uses)		<u>(1,500,000)</u>	<u>(1,500,000)</u>
Changes in fund balances	<u>(31,946,000)</u>	<u>5,312,674</u>	<u>37,258,674</u>
Fund balances, beginning of year		14,644,753	14,644,753
Increase (decrease) in reserve for inventory		31,687	31,687
Fund balances (deficits), end of year	<u>\$ (31,946,000)</u>	<u>\$ 19,989,114</u>	<u>\$ 51,935,114</u>

See accompanying notes to this schedule.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net pension (assets) liability	1.15%	1.16%	1.18%	1.16%
District's proportionate share of the net pension (assets) liability	\$ 150,450,544	\$ 200,500,757	\$ 172,031,131	\$ 161,300,812
District's covered payroll	\$ 128,569,494	\$ 126,264,402	\$ 124,331,869	\$ 114,864,523
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	117.02%	158.79%	138.36%	140.43%
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%

SCHEDULE OF PENSION CONTRIBUTIONS
ARIZONA STATE RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 15,638,326	\$ 14,978,346	\$ 14,457,274	\$ 13,900,303
Contributions in relation to the actuarially determined contribution	<u>15,638,326</u>	<u>14,978,346</u>	<u>14,457,274</u>	<u>13,900,303</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 130,210,874	\$ 128,569,494	\$ 126,264,402	\$ 124,331,869
Contributions as a percentage of covered payroll	12.01%	11.65%	11.45%	11.18%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

See accompanying notes to this schedule.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
1.18%	1.16%	1.18%	1.18%
\$ 183,643,409	\$ 187,285,690	\$ 183,789,475	\$ 174,862,945
\$ 115,687,579	\$ 108,540,249	\$ 108,407,585	\$ 106,490,897
158.74%	172.55%	169.54%	164.20%
69.92%	67.06%	68.35%	69.49%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 12,520,233	\$ 12,471,121	\$ 11,776,617	\$ 11,805,586
<u>12,520,233</u>	<u>12,471,121</u>	<u>11,776,617</u>	<u>11,805,586</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 114,864,523	\$ 115,687,579	\$ 108,540,249	\$ 108,407,585
10.90%	10.78%	10.85%	10.89%

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.
- Other activity.

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in		
Fund Balances – Governmental Funds	\$ 151,984,245	\$56,329,144
Activity budgeted as special revenue funds	(1,166,495)	(11,928,832)
Activity budgeted as capital projects funds	(5,536,084)	(15,635,280)
Employee insurance account	(18,170)	(179,939)
Other activity	(401,405)	(401,405)
Schedule of Revenues, Expenditures and Changes in Fund		
Balances – Budget and Actual – General Fund	\$ 145,263,496	\$ 28,183,688

NOTE 2 – PENSION PLAN SCHEDULES

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2020, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

**COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS
AND SCHEDULES**

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GOVERNMENTAL FUNDS

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2022

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 19,938,844	\$ 1,169,641	\$ 21,108,485
Due from governmental entities	<u>4,211,752</u>	<u>517,021</u>	<u>4,728,773</u>
Total assets	<u><u>\$ 24,150,596</u></u>	<u><u>\$ 1,686,662</u></u>	<u><u>\$ 25,837,258</u></u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 320,616	\$ 207,506	\$ 528,122
Due to other funds	3,368,887	321,589	3,690,476
Accrued payroll and employee benefits	195,688		195,688
Unearned revenues	<u>3,187,843</u>		<u>3,187,843</u>
Total liabilities	<u><u>7,073,034</u></u>	<u><u>529,095</u></u>	<u><u>7,602,129</u></u>
Deferred inflows of resources:			
Unavailable revenues - intergovernmental	<u>1,962,743</u>	<u>502,280</u>	<u>2,465,023</u>
Fund balances (deficits):			
Restricted	17,079,838	1,169,641	18,249,479
Unassigned	<u>(1,965,019)</u>	<u>(514,354)</u>	<u>(2,479,373)</u>
Total fund balances	<u><u>15,114,819</u></u>	<u><u>655,287</u></u>	<u><u>15,770,106</u></u>
 Total liabilities, deferred inflows of resources and fund balances	 <u><u>\$ 24,150,596</u></u>	 <u><u>\$ 1,686,662</u></u>	 <u><u>\$ 25,837,258</u></u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2022

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
Revenues:			
Other local	\$ 3,709,528	\$ 3,827	\$ 3,713,355
Property taxes		942,920	942,920
State aid and grants	22,287,199	1,981,910	24,269,109
Federal aid, grants and reimbursements	22,780,418		22,780,418
Total revenues	<u>48,777,145</u>	<u>2,928,657</u>	<u>51,705,802</u>
Expenditures:			
Current -			
Instruction	27,364,559		27,364,559
Support services - students and staff	8,599,359		8,599,359
Support services - administration	591,031		591,031
Operation and maintenance of plant services	1,014,617		1,014,617
Student transportation services	108,771		108,771
Operation of non-instructional services	2,292,815		2,292,815
Capital outlay	829,108	3,464,300	4,293,408
Total expenditures	<u>40,800,260</u>	<u>3,464,300</u>	<u>44,264,560</u>
Excess (deficiency) of revenues over expenditures	<u>7,976,885</u>	<u>(535,643)</u>	<u>7,441,242</u>
Other financing sources (uses):			
Transfers out	(905,573)		(905,573)
Total other financing sources (uses)	<u>(905,573)</u>		<u>(905,573)</u>
Changes in fund balances	<u>7,071,312</u>	<u>(535,643)</u>	<u>6,535,669</u>
Fund balances, beginning of year	8,043,507	1,190,930	9,234,437
Fund balances, end of year	<u>\$ 15,114,819</u>	<u>\$ 655,287</u>	<u>\$ 15,770,106</u>

SPECIAL REVENUE FUNDS

Classroom Site - to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

Instructional Improvement - to account for the activity of monies received from gaming revenue.

Title I Grants - to account for financial assistance received for the purpose of improving the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards.

Professional Development and Technology Grants - to account for financial assistance received to increase student academic achievement through improving teacher quality.

Title IV Grants - to account for financial assistance received for 21st Century after school educational programs.

Limited English & Immigrant Students - to account for financial assistance received for educational services and costs for limited English and immigrant children.

Indian Education - to account for financial assistance received for Indian education at preschool, elementary, secondary and adult levels.

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

Homeless Education - to account for financial assistance received for the education of homeless students.

Medicaid Reimbursement - to account for reimbursements related to specific health services provided to eligible students.

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

Results-based Funding - to account for financial assistance received for academic performance results in accordance with A.R.S. §15-249.08.

Other State Projects - to account for financial assistance received for other state projects.

School Plant - to account for proceeds from the sale or lease of school property.

Civic Center - to account for monies received from the rental of school facilities for civic activities.

Community School - to account for activity related to academic and skill development for all citizens.

Auxiliary Operations - to account for activity arising from bookstore, athletic and miscellaneous District related operations.

Extracurricular Activities Fees Tax Credit - to account for activity related to monies collected in support of extracurricular activities to be taken as a tax credit by the tax payer in accordance with A.R.S. §43-1089.01.

Gifts and Donations - to account for activity related to gifts, donations, bequests and private grants made to the District.

Insurance Proceeds - to account for the monies received from insurance claims.

Textbooks - to account for monies received from students to replace or repair lost or damaged textbooks.

Litigation Recovery - to account for monies received for and derived from litigation.

Indirect Costs - to account for monies received from federal projects for administrative costs.

Grants and Gifts to Teachers - to account for grants and gifts under \$1,500 received from private sources that are designated for use by a teacher for instructional purposes.

Advertisement - to account for monies received from the sale of advertising.

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022**

	Classroom Site	Instructional Improvement	Title I Grants
<u>ASSETS</u>			
Cash and investments	\$ 4,263,149	\$ 1,218,410	\$
Due from governmental entities		351,824	1,499,220
Total assets	\$ 4,263,149	\$ 1,570,234	\$ 1,499,220
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 91,098
Due to other funds			1,368,891
Accrued payroll and employee benefits			39,231
Unearned revenues			
Total liabilities			1,499,220
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			976,092
Fund balances (deficits):			
Restricted	4,263,149	1,570,234	
Unassigned			(976,092)
Total fund balances	4,263,149	1,570,234	(976,092)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 4,263,149	 \$ 1,570,234	 \$ 1,499,220

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Homeless Education</u>
\$ 90,537	\$ 678,140	\$ 60,056	\$ 79,541	\$ 1,347,919	\$ 45,733
<u>\$ 90,537</u>	<u>\$ 678,140</u>	<u>\$ 60,056</u>	<u>\$ 79,541</u>	<u>\$ 1,347,919</u>	<u>\$ 45,733</u>
\$ 90,537	\$ 31,085 553,838 93,217	\$ 60,056	\$ 9,984 69,615	\$ 146,764 1,185,218 15,937	\$ 5,001 40,732
<u>90,537</u>	<u>678,140</u>	<u>60,056</u>	<u>79,599</u>	<u>1,347,919</u>	<u>45,733</u>
<u>32,363</u>	<u>228,561</u>	<u>6,861</u>	<u>10,235</u>	<u>687,871</u>	<u>20,674</u>
<u>(32,363)</u>	<u>(228,561)</u>	<u>(6,861)</u>	<u>(10,293)</u>	<u>(687,871)</u>	<u>(20,674)</u>
<u>(32,363)</u>	<u>(228,561)</u>	<u>(6,861)</u>	<u>(10,293)</u>	<u>(687,871)</u>	<u>(20,674)</u>
<u>\$ 90,537</u>	<u>\$ 678,140</u>	<u>\$ 60,056</u>	<u>\$ 79,541</u>	<u>\$ 1,347,919</u>	<u>\$ 45,733</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	E-Rate	Results-based Funding	Other State Projects
<u>ASSETS</u>			
Cash and investments	\$ 1,883,213	\$ 5,828,524	\$ 3,140,193
Due from governmental entities			58,782
Total assets	\$ 1,883,213	\$ 5,828,524	\$ 3,198,975
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 2,780	\$ 13,350
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			3,187,843
Total liabilities		2,780	3,201,193
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			86
Fund balances (deficits):			
Restricted	1,883,213	5,825,744	
Unassigned			(2,304)
Total fund balances	1,883,213	5,825,744	(2,304)
 Total liabilities, deferred inflows of resources and fund balances	\$ 1,883,213	\$ 5,828,524	\$ 3,198,975

<u>Civic Center</u>	<u>Community School</u>	<u>Extracurricular Activities Fees Tax Credit</u>	<u>Textbooks</u>	<u>Grants and Gifts to Teachers</u>	<u>Student Activities</u>
\$ 60,392	\$ 2,178,672	\$ 1,159,811	\$ 41,736	\$ 7,198	\$ 157,546
<u>\$ 60,392</u>	<u>\$ 2,178,672</u>	<u>\$ 1,159,811</u>	<u>\$ 41,736</u>	<u>\$ 7,198</u>	<u>\$ 157,546</u>
\$	\$ 20,554	\$	\$	\$	\$
	47,303				
	<u>67,857</u>				
60,392	2,110,815	1,159,811	41,736	7,198	157,546
<u>60,392</u>	<u>2,110,815</u>	<u>1,159,811</u>	<u>41,736</u>	<u>7,198</u>	<u>157,546</u>
<u>\$ 60,392</u>	<u>\$ 2,178,672</u>	<u>\$ 1,159,811</u>	<u>\$ 41,736</u>	<u>\$ 7,198</u>	<u>\$ 157,546</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022**

	Totals
<u>ASSETS</u>	
Cash and investments	\$ 19,938,844
Due from governmental entities	<u>4,211,752</u>
Total assets	<u><u>\$ 24,150,596</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	
Liabilities:	
Accounts payable	\$ 320,616
Due to other funds	3,368,887
Accrued payroll and employee benefits	195,688
Unearned revenues	<u>3,187,843</u>
Total liabilities	<u>7,073,034</u>
Deferred inflows of resources:	
Unavailable revenues - intergovernmental	<u>1,962,743</u>
Fund balances (deficits):	
Restricted	17,079,838
Unassigned	<u>(1,965,019)</u>
Total fund balances	<u>15,114,819</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 24,150,596</u></u>

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WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Classroom Site	Instructional Improvement	Title I Grants
Revenues:			
Other local	\$ 34,946	\$ 4,212	\$
State aid and grants	16,397,548	1,111,785	
Federal aid, grants and reimbursements			10,339,983
Total revenues	16,432,494	1,115,997	10,339,983
Expenditures:			
Current -			
Instruction	11,746,844	356,476	6,207,915
Support services - students and staff	802,901	12,224	4,357,958
Support services - administration		36,163	2,222
Operation and maintenance of plant services			
Student transportation services			3,000
Operation of non-instructional services			
Capital outlay			
Total expenditures	12,549,745	404,863	10,571,095
Excess (deficiency) of revenues over expenditures	3,882,749	711,134	(231,112)
Other financing sources (uses):			
Transfers out			(418,045)
Total other financing sources (uses)			(418,045)
Changes in fund balances	3,882,749	711,134	(649,157)
Fund balances (deficits), beginning of year	380,400	859,100	(326,935)
Fund balances (deficits), end of year	\$ 4,263,149	\$ 1,570,234	\$ (976,092)

<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English & Immigrant Students</u>	<u>Indian Education</u>	<u>Special Education Grants</u>	<u>Homeless Education</u>
\$	\$	\$	\$	\$	\$
<u>951,723</u>	<u>3,373,064</u>	<u>530,816</u>	<u>206,841</u>	<u>5,786,951</u>	<u>113,518</u>
<u>951,723</u>	<u>3,373,064</u>	<u>530,816</u>	<u>206,841</u>	<u>5,786,951</u>	<u>113,518</u>
	1,927,777		141,758	5,233,843	7,616
842,789	756,772	307,818	90	777,731	78,148
	170,066	170			77
	28,290			27	
	32,936			28,175	40,212
					1,054
<u>842,789</u>	<u>2,915,841</u>	<u>307,988</u>	<u>141,848</u>	<u>8,666</u> <u>6,048,442</u>	<u>127,107</u>
<u>108,934</u>	<u>457,223</u>	<u>222,828</u>	<u>64,993</u>	<u>(261,491)</u>	<u>(13,589)</u>
<u>(39,865)</u>	<u>(134,921)</u>	<u>(14,560)</u>	<u>(6,489)</u>	<u>(285,681)</u>	<u>(6,012)</u>
<u>(39,865)</u>	<u>(134,921)</u>	<u>(14,560)</u>	<u>(6,489)</u>	<u>(285,681)</u>	<u>(6,012)</u>
<u>69,069</u>	<u>322,302</u>	<u>208,268</u>	<u>58,504</u>	<u>(547,172)</u>	<u>(19,601)</u>
<u>(101,432)</u>	<u>(550,863)</u>	<u>(215,129)</u>	<u>(68,797)</u>	<u>(140,699)</u>	<u>(1,073)</u>
<u>\$ (32,363)</u>	<u>\$ (228,561)</u>	<u>\$ (6,861)</u>	<u>\$ (10,293)</u>	<u>\$ (687,871)</u>	<u>\$ (20,674)</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	<u>E-Rate</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>
Revenues:			
Other local	\$ 13,688	\$	\$
State aid and grants		2,692,238	2,085,628
Federal aid, grants and reimbursements	1,477,522		
Total revenues	<u>1,491,210</u>	<u>2,692,238</u>	<u>2,085,628</u>
Expenditures:			
Current -			
Instruction		1,442,721	162,082
Support services - students and staff		89,490	560,064
Support services - administration	377,394		
Operation and maintenance of plant services			981,007
Student transportation services			
Operation of non-instructional services			290,803
Capital outlay	773,689		
Total expenditures	<u>1,151,083</u>	<u>1,532,211</u>	<u>1,993,956</u>
Excess (deficiency) of revenues over expenditures	<u>340,127</u>	<u>1,160,027</u>	<u>91,672</u>
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>340,127</u>	<u>1,160,027</u>	<u>91,672</u>
Fund balances (deficits), beginning of year	1,543,086	4,665,717	(93,976)
Fund balances (deficits), end of year	<u>\$ 1,883,213</u>	<u>\$ 5,825,744</u>	<u>\$ (2,304)</u>

Civic Center	Community School	Extracurricular Activities Fees Tax Credit	Textbooks	Grants and Gifts to Teachers	Student Activities
\$ 20,511	\$ 3,350,341	\$ 220,123	\$ 4,686	\$ 20,234	\$ 40,787
<u>20,511</u>	<u>3,350,341</u>	<u>220,123</u>	<u>4,686</u>	<u>20,234</u>	<u>40,787</u>
	7,801	109,460		20,092	174
	1,141	6,140	3,750	2,343	
	4,939				
3,759	212	822		500	
		4,448			
54,211	1,900,513				46,234
		41,753			5,000
<u>57,970</u>	<u>1,914,606</u>	<u>162,623</u>	<u>3,750</u>	<u>22,935</u>	<u>51,408</u>
<u>(37,459)</u>	<u>1,435,735</u>	<u>57,500</u>	<u>936</u>	<u>(2,701)</u>	<u>(10,621)</u>
<u>(37,459)</u>	<u>1,435,735</u>	<u>57,500</u>	<u>936</u>	<u>(2,701)</u>	<u>(10,621)</u>
97,851	675,080	1,102,311	40,800	9,899	168,167
<u>\$ 60,392</u>	<u>\$ 2,110,815</u>	<u>\$ 1,159,811</u>	<u>\$ 41,736</u>	<u>\$ 7,198</u>	<u>\$ 157,546</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Totals
Revenues:	
Other local	\$ 3,709,528
State aid and grants	22,287,199
Federal aid, grants and reimbursements	22,780,418
Total revenues	48,777,145
Expenditures:	
Current -	
Instruction	27,364,559
Support services - students and staff	8,599,359
Support services - administration	591,031
Operation and maintenance of plant services	1,014,617
Student transportation services	108,771
Operation of non-instructional services	2,292,815
Capital outlay	829,108
Total expenditures	40,800,260
Excess (deficiency) of revenues over expenditures	7,976,885
Other financing sources (uses):	
Transfers out	(905,573)
Total other financing sources (uses)	(905,573)
Changes in fund balances	7,071,312
Fund balances (deficits), beginning of year	8,043,507
Fund balances, end of year	\$ 15,114,819

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WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Classroom Site		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 34,946	\$ 34,946
State aid and grants		16,397,548	16,397,548
Federal aid, grants and reimbursements			
Total revenues		16,432,494	16,432,494
Expenditures:			
Current -			
Instruction	16,454,533	11,746,844	4,707,689
Support services - students and staff	278,205	802,901	(524,696)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	16,732,738	12,549,745	4,182,993
Excess (deficiency) of revenues over expenditures	(16,732,738)	3,882,749	20,615,487
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(16,732,738)	3,882,749	20,615,487
Fund balances (deficits), beginning of year		380,400	380,400
Fund balances (deficits), end of year	\$ (16,732,738)	\$ 4,263,149	\$ 20,995,887

Instructional Improvement			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 4,212 1,111,785	\$ 4,212 1,111,785	\$	\$	\$
	<u>1,115,997</u>	<u>1,115,997</u>		<u>10,339,983</u> <u>10,339,983</u>	<u>10,339,983</u> <u>10,339,983</u>
1,318,846	356,476	962,370	6,082,818	6,207,915	(125,097)
50,000	12,224	37,776	4,400,000	4,357,958	42,042
50,000	36,163	13,837		2,222	(2,222)
				3,000	(3,000)
<u>1,418,846</u>	<u>404,863</u>	<u>1,013,983</u>	<u>10,482,818</u>	<u>10,571,095</u>	<u>(88,277)</u>
<u>(1,418,846)</u>	<u>711,134</u>	<u>2,129,980</u>	<u>(10,482,818)</u>	<u>(231,112)</u>	<u>10,251,706</u>
				<u>(418,045)</u>	<u>(418,045)</u>
				<u>(418,045)</u>	<u>(418,045)</u>
<u>(1,418,846)</u>	<u>711,134</u>	<u>2,129,980</u>	<u>(10,482,818)</u>	<u>(649,157)</u>	<u>9,833,661</u>
	859,100	859,100		(326,935)	(326,935)
<u>\$ (1,418,846)</u>	<u>\$ 1,570,234</u>	<u>\$ 2,989,080</u>	<u>\$ (10,482,818)</u>	<u>\$ (976,092)</u>	<u>\$ 9,506,726</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		951,723	951,723
Total revenues		951,723	951,723
Expenditures:			
Current -			
Instruction			
Support services - students and staff	1,062,376	842,789	219,587
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	1,062,376	842,789	219,587
Excess (deficiency) of revenues over expenditures	(1,062,376)	108,934	1,171,310
Other financing sources (uses):			
Transfers in			
Transfers out		(39,865)	(39,865)
Total other financing sources (uses)		(39,865)	(39,865)
Changes in fund balances	(1,062,376)	69,069	1,131,445
Fund balances (deficits), beginning of year		(101,432)	(101,432)
Fund balances (deficits), end of year	\$ (1,062,376)	\$ (32,363)	\$ 1,030,013

Title IV Grants			Limited English & Immigrant Students		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	3,373,064	3,373,064		530,816	530,816
	3,373,064	3,373,064		530,816	530,816
2,595,215	1,927,777	667,438			
800,000	756,772	43,228	461,378	307,818	153,560
200,000	170,066	29,934	200	170	30
50,000	28,290	21,710			
50,000	32,936	17,064			
<u>3,695,215</u>	<u>2,915,841</u>	<u>779,374</u>	<u>461,578</u>	<u>307,988</u>	<u>153,590</u>
<u>(3,695,215)</u>	<u>457,223</u>	<u>4,152,438</u>	<u>(461,578)</u>	<u>222,828</u>	<u>684,406</u>
	(134,921)	(134,921)		(14,560)	(14,560)
	(134,921)	(134,921)		(14,560)	(14,560)
<u>(3,695,215)</u>	<u>322,302</u>	<u>4,017,517</u>	<u>(461,578)</u>	<u>208,268</u>	<u>669,846</u>
	(550,863)	(550,863)		(215,129)	(215,129)
<u>\$ (3,695,215)</u>	<u>\$ (228,561)</u>	<u>\$ 3,466,654</u>	<u>\$ (461,578)</u>	<u>\$ (6,861)</u>	<u>\$ 454,717</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Indian Education		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		206,841	206,841
Total revenues		206,841	206,841
Expenditures:			
Current -			
Instruction	157,654	141,758	15,896
Support services - students and staff	100	90	10
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	157,754	141,848	15,906
Excess (deficiency) of revenues over expenditures	(157,754)	64,993	222,747
Other financing sources (uses):			
Transfers in			
Transfers out		(6,489)	(6,489)
Total other financing sources (uses)		(6,489)	(6,489)
Changes in fund balances	(157,754)	58,504	216,258
Fund balances (deficits), beginning of year		(68,797)	(68,797)
Fund balances (deficits), end of year	\$ (157,754)	\$ (10,293)	\$ 147,461

Special Education Grants			Homeless Education		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	5,786,951	5,786,951		113,518	113,518
	5,786,951	5,786,951		113,518	113,518
5,718,343	5,233,843	484,500		7,616	(7,616)
1,000,000	777,731	222,269	75,000	78,148	(3,148)
				77	(77)
1,000	27	973			
50,000	28,175	21,825		40,212	(40,212)
				1,054	(1,054)
10,000	8,666	1,334			
6,779,343	6,048,442	730,901	75,000	127,107	(52,107)
(6,779,343)	(261,491)	6,517,852	(75,000)	(13,589)	61,411
	(285,681)	(285,681)		(6,012)	(6,012)
	(285,681)	(285,681)		(6,012)	(6,012)
(6,779,343)	(547,172)	6,232,171	(75,000)	(19,601)	55,399
	(140,699)	(140,699)		(1,073)	(1,073)
\$ (6,779,343)	\$ (687,871)	\$ 6,091,472	\$ (75,000)	\$ (20,674)	\$ 54,326

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Medicaid Reimbursement		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		2,748,227	2,748,227
Total revenues		2,748,227	2,748,227
Expenditures:			
Current -			
Instruction	4,028,378	54,712	3,973,666
Support services - students and staff	50,000	22,402	27,598
Support services - administration	100,000	80,562	19,438
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay	10,000	7,828	2,172
Total expenditures	4,188,378	165,504	4,022,874
Excess (deficiency) of revenues over expenditures	(4,188,378)	2,582,723	6,771,101
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(4,188,378)	2,582,723	6,771,101
Fund balances (deficits), beginning of year		4,946,184	4,946,184
Fund balances (deficits), end of year	\$ (4,188,378)	\$ 7,528,907	\$ 11,717,285

E-Rate			Results-based Funding		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 13,688	\$ 13,688	\$	\$ 2,692,238	\$ 2,692,238
	1,477,522	1,477,522		2,692,238	2,692,238
	1,491,210	1,491,210		2,692,238	2,692,238
890,297	377,394	512,903	1,588,666	1,442,721	145,945
			100,000	89,490	10,510
1,000,000	773,689	226,311			
1,890,297	1,151,083	739,214	1,688,666	1,532,211	156,455
(1,890,297)	340,127	2,230,424	(1,688,666)	1,160,027	2,848,693
(1,890,297)	340,127	2,230,424	(1,688,666)	1,160,027	2,848,693
	1,543,086	1,543,086		4,665,717	4,665,717
\$ (1,890,297)	\$ 1,883,213	\$ 3,773,510	\$ (1,688,666)	\$ 5,825,744	\$ 7,514,410

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		2,085,628	2,085,628
Federal aid, grants and reimbursements			
Total revenues		2,085,628	2,085,628
Expenditures:			
Current -			
Instruction	200,000	162,082	37,918
Support services - students and staff	600,000	560,064	39,936
Support services - administration			
Operation and maintenance of plant services	4,264,508	981,007	3,283,501
Student transportation services			
Operation of non-instructional services	400,000	290,803	109,197
Capital outlay			
Total expenditures	5,464,508	1,993,956	3,470,552
Excess (deficiency) of revenues over expenditures	(5,464,508)	91,672	5,556,180
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(5,464,508)	91,672	5,556,180
Fund balances (deficits), beginning of year		(93,976)	(93,976)
Fund balances (deficits), end of year	\$ (5,464,508)	\$ (2,304)	\$ 5,462,204

School Plant			Civic Center		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 85,345	\$ 85,345	\$	\$ 20,511	\$ 20,511
	<u>85,345</u>	<u>85,345</u>		<u>20,511</u>	<u>20,511</u>
50,000	13,489	36,511			
			10,000	3,759	6,241
			140,000	54,211	85,789
<u>450,000</u>	<u>148,914</u>	<u>301,086</u>	<u>150,000</u>	<u>57,970</u>	<u>92,030</u>
<u>500,000</u>	<u>162,403</u>	<u>337,597</u>	<u>150,000</u>	<u>57,970</u>	<u>92,030</u>
<u>(500,000)</u>	<u>(77,058)</u>	<u>422,942</u>	<u>(150,000)</u>	<u>(37,459)</u>	<u>112,541</u>
<u>(500,000)</u>	<u>(77,058)</u>	<u>422,942</u>	<u>(150,000)</u>	<u>(37,459)</u>	<u>112,541</u>
	256,659	256,659		97,851	97,851
<u>\$ (500,000)</u>	<u>\$ 179,601</u>	<u>\$ 679,601</u>	<u>\$ (150,000)</u>	<u>\$ 60,392</u>	<u>\$ 210,392</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Community School		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 3,350,341	\$ 3,350,341
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>3,350,341</u>	<u>3,350,341</u>
Expenditures:			
Current -			
Instruction	10,000	7,801	2,199
Support services - students and staff	10,000	1,141	8,859
Support services - administration	10,000	4,939	5,061
Operation and maintenance of plant services	1,000	212	788
Student transportation services			
Operation of non-instructional services	3,614,328	1,900,513	1,713,815
Capital outlay			
Total expenditures	<u>3,645,328</u>	<u>1,914,606</u>	<u>1,730,722</u>
Excess (deficiency) of revenues over expenditures	<u>(3,645,328)</u>	<u>1,435,735</u>	<u>5,081,063</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(3,645,328)</u>	<u>1,435,735</u>	<u>5,081,063</u>
Fund balances (deficits), beginning of year		675,080	675,080
Fund balances (deficits), end of year	<u>\$ (3,645,328)</u>	<u>\$ 2,110,815</u>	<u>\$ 5,756,143</u>

Auxiliary Operations			Extracurricular Activities Fees Tax Credit		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 413,606	\$ 413,606	\$	\$ 220,123	\$ 220,123
	<u>413,606</u>	<u>413,606</u>		<u>220,123</u>	<u>220,123</u>
1,299,000	211,086	1,087,914	1,170,000	109,460	1,060,540
10,000	7,314	2,686	10,000	6,140	3,860
100,000	69,458	30,542			
20,000	17,392	2,608	10,000	822	9,178
10,000	8,861	1,139	10,000	4,448	5,552
10,000	1,137	8,863			
1,000	32	968	50,000	41,753	8,247
<u>1,450,000</u>	<u>315,280</u>	<u>1,134,720</u>	<u>1,250,000</u>	<u>162,623</u>	<u>1,087,377</u>
<u>(1,450,000)</u>	<u>98,326</u>	<u>1,548,326</u>	<u>(1,250,000)</u>	<u>57,500</u>	<u>1,307,500</u>
<u>(1,450,000)</u>	<u>98,326</u>	<u>1,548,326</u>	<u>(1,250,000)</u>	<u>57,500</u>	<u>1,307,500</u>
	898,505	898,505		1,102,311	1,102,311
<u>\$ (1,450,000)</u>	<u>\$ 996,831</u>	<u>\$ 2,446,831</u>	<u>\$ (1,250,000)</u>	<u>\$ 1,159,811</u>	<u>\$ 2,409,811</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Gifts and Donations		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 250,538	\$ 250,538
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		<u>250,538</u>	<u>250,538</u>
Expenditures:			
Current -			
Instruction	1,070,000	127,214	942,786
Support services - students and staff	60,000	42,259	17,741
Support services - administration	5,000	1,348	3,652
Operation and maintenance of plant services	5,000	1,412	3,588
Student transportation services	5,000	318	4,682
Operation of non-instructional services	5,000	207	4,793
Capital outlay	50,000	18,374	31,626
Total expenditures	<u>1,200,000</u>	<u>191,132</u>	<u>1,008,868</u>
Excess (deficiency) of revenues over expenditures	<u>(1,200,000)</u>	<u>59,406</u>	<u>1,259,406</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(1,200,000)</u>	<u>59,406</u>	<u>1,259,406</u>
Fund balances (deficits), beginning of year		859,756	859,756
Fund balances (deficits), end of year	<u>\$ (1,200,000)</u>	<u>\$ 919,162</u>	<u>\$ 2,119,162</u>

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 104	\$ 104	\$	\$ 4,686	\$ 4,686
	<u>104</u>	<u>104</u>		<u>4,686</u>	<u>4,686</u>
36,600		36,600	53,000	3,750	49,250
<u>36,600</u>	<u></u>	<u>36,600</u>	<u>53,000</u>	<u>3,750</u>	<u>49,250</u>
<u>(36,600)</u>	<u>104</u>	<u>36,704</u>	<u>(53,000)</u>	<u>936</u>	<u>53,936</u>
<u>(36,600)</u>	<u>104</u>	<u>36,704</u>	<u>(53,000)</u>	<u>936</u>	<u>53,936</u>
	23,970	23,970		40,800	40,800
<u>\$ (36,600)</u>	<u>\$ 24,074</u>	<u>\$ 60,674</u>	<u>\$ (53,000)</u>	<u>\$ 41,736</u>	<u>\$ 94,736</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Litigation Recovery		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 55	\$ 55
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		55	55
Expenditures:			
Current -			
Instruction	12,800		12,800
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	12,800		12,800
Excess (deficiency) of revenues over expenditures	(12,800)	55	12,855
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(12,800)	55	12,855
Fund balances (deficits), beginning of year		12,774	12,774
Fund balances (deficits), end of year	\$ (12,800)	\$ 12,829	\$ 25,629

Indirect Costs			Grants and Gifts to Teachers		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,683	\$ 2,683	\$	\$ 20,234	\$ 20,234
	<u>2,683</u>	<u>2,683</u>		<u>20,234</u>	<u>20,234</u>
20,000	20,000		26,800	20,092	6,708
5,687,724	309,374	5,378,350	5,000	2,343	2,657
1,000	280	720	500	500	
<u>5,000</u>	<u>2,522</u>	<u>2,478</u>	<u>32,300</u>	<u>22,935</u>	<u>9,365</u>
<u>5,713,724</u>	<u>332,176</u>	<u>5,381,548</u>	<u>32,300</u>	<u>22,935</u>	<u>9,365</u>
<u>(5,713,724)</u>	<u>(329,493)</u>	<u>5,384,231</u>	<u>(32,300)</u>	<u>(2,701)</u>	<u>29,599</u>
	2,573,423	2,573,423			
	<u>2,573,423</u>	<u>2,573,423</u>			
<u>(5,713,724)</u>	<u>2,243,930</u>	<u>7,957,654</u>	<u>(32,300)</u>	<u>(2,701)</u>	<u>29,599</u>
	9,248	9,248		9,899	9,899
<u>\$ (5,713,724)</u>	<u>\$ 2,253,178</u>	<u>\$ 7,966,902</u>	<u>\$ (32,300)</u>	<u>\$ 7,198</u>	<u>\$ 39,498</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Advertisement		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$ 62	\$ 62
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		62	62
Expenditures:			
Current -			
Instruction	22,275		22,275
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	22,275		22,275
Excess (deficiency) of revenues over expenditures	(22,275)	62	22,337
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(22,275)	62	22,337
Fund balances (deficits), beginning of year		14,188	14,188
Fund balances (deficits), end of year	\$ (22,275)	\$ 14,250	\$ 36,525

Student Activities			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 40,787	\$ 40,787	\$	\$ 4,461,921	\$ 4,461,921
				22,287,199	22,287,199
				25,528,645	25,528,645
	<u>40,787</u>	<u>40,787</u>		<u>52,277,765</u>	<u>52,277,765</u>
2,000	174	1,826	41,863,928	27,791,060	14,072,868
			9,025,059	8,671,334	353,725
			7,043,221	1,051,773	5,991,448
			4,363,008	1,033,701	3,329,307
			125,000	117,950	7,050
210,000	46,234	163,766	4,379,328	2,294,159	2,085,169
50,000	5,000	45,000	1,626,000	1,006,778	619,222
<u>262,000</u>	<u>51,408</u>	<u>210,592</u>	<u>68,425,544</u>	<u>41,966,755</u>	<u>26,458,789</u>
<u>(262,000)</u>	<u>(10,621)</u>	<u>251,379</u>	<u>(68,425,544)</u>	<u>10,311,010</u>	<u>78,736,554</u>
				2,573,423	2,573,423
				(905,573)	(905,573)
				<u>1,667,850</u>	<u>1,667,850</u>
<u>(262,000)</u>	<u>(10,621)</u>	<u>251,379</u>	<u>(68,425,544)</u>	<u>11,978,860</u>	<u>80,404,404</u>
	168,167	168,167		15,064,791	15,064,791
<u>\$ (262,000)</u>	<u>\$ 157,546</u>	<u>\$ 419,546</u>	<u>\$ (68,425,544)</u>	<u>\$ 27,043,651</u>	<u>\$ 95,469,195</u>

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DEBT SERVICE FUND

Debt Service - to account for the accumulation of resources for, and the payment of, long-term debt principal, interest and related costs.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Debt Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 15,693	\$ 15,693
Property taxes		13,014,376	13,014,376
Total revenues		<u>13,030,069</u>	<u>13,030,069</u>
Expenditures:			
Debt service -			
Principal retirement	9,870,000	9,870,000	
Interest and fiscal charges	5,430,000	4,161,564	1,268,436
Total expenditures	<u>15,300,000</u>	<u>14,031,564</u>	<u>1,268,436</u>
Excess (deficiency) of revenues over expenditures	<u>(15,300,000)</u>	<u>(1,001,495)</u>	<u>14,298,505</u>
Other financing sources (uses):			
Transfers in		248,151	248,151
Total other financing sources (uses)		<u>248,151</u>	<u>248,151</u>
Changes in fund balances	<u>(15,300,000)</u>	<u>(753,344)</u>	<u>14,546,656</u>
Fund balances, beginning of year		1,922,125	1,922,125
Fund balances (deficits), end of year	<u>\$ (15,300,000)</u>	<u>\$ 1,168,781</u>	<u>\$ 16,468,781</u>

CAPITAL PROJECTS FUNDS

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

Adjacent Ways - to account for monies received to finance improvements of public ways adjacent to school property.

Bond Building - to account 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.

Energy and Water Savings - to account for capital investment monies, energy related rebates, or grant monies, and monies from other funding sources to fund energy or water savings projects in school facilities in accordance with A.R.S. §15-910.02.

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022

	Adjacent Ways	Energy and Water Savings	Building Renewal Grant
<u>ASSETS</u>			
Cash and investments	\$ 948,545	\$ 221,096	\$
Due from governmental entities			517,021
Total assets	\$ 948,545	\$ 221,096	\$ 517,021
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$ 207,506
Due to other funds			321,589
Total liabilities			529,095
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			502,280
Fund balances (deficits):			
Restricted	948,545	221,096	
Unassigned			(514,354)
Total fund balances	948,545	221,096	(514,354)
 Total liabilities, deferred inflows of resources and fund balances	\$ 948,545	\$ 221,096	\$ 517,021

Totals

\$	1,169,641
	<u>517,021</u>
\$	<u><u>1,686,662</u></u>

\$	207,506
	<u>321,589</u>
	<u>529,095</u>

502,280

	1,169,641
	<u>(514,354)</u>
	<u>655,287</u>

\$	<u><u>1,686,662</u></u>
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WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Adjacent Ways</u>	<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>
Revenues:			
Other local	\$ 2,874	\$ 953	\$
Property taxes	942,920		
State aid and grants			1,981,910
Total revenues	<u>945,794</u>	<u>953</u>	<u>1,981,910</u>
Expenditures:			
Capital outlay	968,449		2,495,851
Total expenditures	<u>968,449</u>		<u>2,495,851</u>
Changes in fund balances	<u>(22,655)</u>	<u>953</u>	<u>(513,941)</u>
Fund balances (deficits), beginning of year	971,200	220,143	(413)
Fund balances (deficits), end of year	<u>\$ 948,545</u>	<u>\$ 221,096</u>	<u>\$ (514,354)</u>

Totals

\$ 3,827
942,920
1,981,910
2,928,657

3,464,300
3,464,300

(535,643)

1,190,930

\$ 655,287

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Unrestricted Capital Outlay		
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 835,861	\$ 835,861
Property taxes		28	28
State aid and grants		7,020,993	7,020,993
Total revenues		7,856,882	7,856,882
Expenditures:			
Current -			
Instruction	14,796,140	827,835	13,968,305
Support services - students and staff	212,800	184,805	27,995
Support services - administration	1,674,904	1,361,679	313,225
Operation and maintenance of plant services	964,234	265,184	699,050
Student transportation services	22,234	9,235	12,999
Capital outlay	3,199,687	2,504,644	695,043
Debt service -			
Principal retirement	369,190	369,190	
Interest and fiscal charges	13,512	13,512	
Total expenditures	21,252,701	5,536,084	15,716,617
Excess (deficiency) of revenues over expenditures	(21,252,701)	2,320,798	23,573,499
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(21,252,701)	2,320,798	23,573,499
Fund balances (deficits), beginning of year		13,314,482	13,314,482
Fund balances (deficits), end of year	\$ (21,252,701)	\$ 15,635,280	\$ 36,887,981

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,874 942,920	\$ 2,874 942,920	\$	\$ 248,151	\$ 248,151
	<u>945,794</u>	<u>945,794</u>		<u>248,151</u>	<u>248,151</u>
1,914,119	968,449	945,670	18,811,685	10,688,159	8,123,526
<u>1,914,119</u>	<u>968,449</u>	<u>945,670</u>	<u>18,811,685</u>	<u>10,688,159</u>	<u>8,123,526</u>
<u>(1,914,119)</u>	<u>(22,655)</u>	<u>1,891,464</u>	<u>(18,811,685)</u>	<u>(10,440,008)</u>	<u>8,371,677</u>
				<u>(248,151)</u>	<u>(248,151)</u>
				<u>(248,151)</u>	<u>(248,151)</u>
<u>(1,914,119)</u>	<u>(22,655)</u>	<u>1,891,464</u>	<u>(18,811,685)</u>	<u>(10,688,159)</u>	<u>8,123,526</u>
	971,200	971,200		27,927,977	27,927,977
<u>\$ (1,914,119)</u>	<u>\$ 948,545</u>	<u>\$ 2,862,664</u>	<u>\$ (18,811,685)</u>	<u>\$ 17,239,818</u>	<u>\$ 36,051,503</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Energy and Water Savings		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 953	\$ 953
Property taxes			
State aid and grants			
Total revenues		953	953
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Capital outlay	1,226,000		1,226,000
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	1,226,000		1,226,000
Excess (deficiency) of revenues over expenditures	(1,226,000)	953	1,226,953
Other financing sources (uses):			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(1,226,000)	953	1,226,953
Fund balances (deficits), beginning of year		220,143	220,143
Fund balances (deficits), end of year	\$ (1,226,000)	\$ 221,096	\$ 1,447,096

Building Renewal Grant			Totals		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,981,910	1,981,910		1,087,839	1,087,839
	1,981,910	1,981,910		942,948	942,948
				9,002,903	9,002,903
				11,033,690	11,033,690
			14,796,140	827,835	13,968,305
			212,800	184,805	27,995
			1,674,904	1,361,679	313,225
			964,234	265,184	699,050
			22,234	9,235	12,999
1,697,021	2,495,851	(798,830)	26,848,512	16,657,103	10,191,409
			369,190	369,190	
			13,512	13,512	
1,697,021	2,495,851	(798,830)	44,901,526	19,688,543	25,212,983
(1,697,021)	(513,941)	1,183,080	(44,901,526)	(8,654,853)	36,246,673
				(248,151)	(248,151)
				(248,151)	(248,151)
(1,697,021)	(513,941)	1,183,080	(44,901,526)	(8,903,004)	35,998,522
	(413)	(413)		42,433,389	42,433,389
\$ (1,697,021)	\$ (514,354)	\$ 1,182,667	\$ (44,901,526)	\$ 33,530,385	\$ 78,431,911

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INTERNAL SERVICE FUNDS

Employee Benefit Trust - to account for the financial activity associated with the District's self-insurance program.

Workers' Compensation - to account for the financial activity associated with the self-insurance program for employee workers' compensation.

Property and Casualty Insurance - to account for the financial activity associated with the self-insurance program for property and casualty losses.

Print Shop - to account for charges to other departments for printing and copying services.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF NET POSITION -
ALL INTERNAL SERVICE FUNDS
JUNE 30, 2022

	Employee Benefit Trust	Workers' Compensation	Property and Casualty Insurance
<u>ASSETS</u>			
Current assets:			
Cash and investments	\$ 6,397,949	\$ 1,590,023	\$ 60,056
Accounts receivable	839,610		
Prepaid items			82,301
Total current assets	7,237,559	1,590,023	142,357
Noncurrent assets:			
Capital assets, net of accumulated depreciation			
Total noncurrent assets	7,237,559	1,590,023	142,357
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	26,556		35,376
Claims payable	1,823,100	1,447,711	
Total current liabilities	1,849,656	1,447,711	35,376
<u>NET POSITION</u>			
Investment in capital assets			
Unrestricted	5,387,903	142,312	106,981
Total net position	\$ 5,387,903	\$ 142,312	\$ 106,981

<u>Print Shop</u>	<u>Totals</u>
\$ 49,022	\$ 8,097,050
	839,610
	82,301
<u>49,022</u>	<u>9,018,961</u>
<u>209,763</u>	<u>209,763</u>
<u>209,763</u>	<u>209,763</u>
<u>258,785</u>	<u>9,228,724</u>
12,500	74,432
	3,270,811
<u>12,500</u>	<u>3,345,243</u>
<u>12,500</u>	<u>3,345,243</u>
209,763	209,763
36,522	5,673,718
<u>\$ 246,285</u>	<u>\$ 5,883,481</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
ALL INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Employee Benefit Trust</u>	<u>Workers' Compensation</u>	<u>Property and Casualty Insurance</u>
Operating revenues:			
Contributions	\$ 17,989,266	\$ 1,089,353	\$ 1,013,828
Charges for services			
Total operating revenues	<u>17,989,266</u>	<u>1,089,353</u>	<u>1,013,828</u>
Operating expenses:			
Claims	14,142,413	446,262	144,379
Premiums	1,449,122	844,628	991,490
Administrative and other	2,213,019	103,221	49,631
Cost of services			
Depreciation			
Total operating expenses	<u>17,804,554</u>	<u>1,394,111</u>	<u>1,185,500</u>
Operating income (loss)	<u>184,712</u>	<u>(304,758)</u>	<u>(171,672)</u>
Nonoperating revenues (expenses):			
Investment income	<u>37,196</u>	<u>10,482</u>	<u>372</u>
Total nonoperating revenues (expenses)	<u>37,196</u>	<u>10,482</u>	<u>372</u>
Changes in net position	<u>221,908</u>	<u>(294,276)</u>	<u>(171,300)</u>
Total net position, beginning of year	5,165,995	436,588	278,281
Total net position, end of year	<u>\$ 5,387,903</u>	<u>\$ 142,312</u>	<u>\$ 106,981</u>

<u>Print Shop</u>	<u>Totals</u>
\$	\$
261,655	20,092,447
<u>261,655</u>	<u>261,655</u>
	<u>20,354,102</u>
	14,733,054
	3,285,240
	2,365,871
324,494	324,494
74,285	74,285
<u>398,779</u>	<u>20,782,944</u>
<u>(137,124)</u>	<u>(428,842)</u>
759	48,809
<u>759</u>	<u>48,809</u>
<u>(136,365)</u>	<u>(380,033)</u>
382,650	6,263,514
<u>\$ 246,285</u>	<u>\$ 5,883,481</u>

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Employee Benefit Trust</u>	<u>Workers' Compensation</u>	<u>Property and Casualty Insurance</u>
<u>Increase/Decrease in Cash and Cash Equivalents</u>			
Cash flows from operating activities:			
Cash received from contributions	\$ 18,322,950	\$ 1,089,353	\$ 1,013,828
Cash received for services			
Cash payments to suppliers for goods and services	(3,635,585)	(947,849)	(997,654)
Cash payments for claims	<u>(14,959,313)</u>	<u>(451,685)</u>	<u>(184,552)</u>
Net cash provided by/used for operating activities	<u>(271,948)</u>	<u>(310,181)</u>	<u>(168,378)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets			
Net cash provided by/used for capital and related financing activities			
Cash flows from investing activities:			
Investment income	<u>37,196</u>	<u>10,482</u>	<u>372</u>
Net cash provided by/used for investing activities	<u>37,196</u>	<u>10,482</u>	<u>372</u>
Net increase/decrease in cash and cash equivalents	<u>(234,752)</u>	<u>(299,699)</u>	<u>(168,006)</u>
Cash and cash equivalents, beginning of year	<u>6,632,701</u>	<u>1,889,722</u>	<u>228,062</u>
Cash and cash equivalents, end of year	<u>\$ 6,397,949</u>	<u>\$ 1,590,023</u>	<u>\$ 60,056</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>			
Operating income/loss	\$ 184,712	\$ (304,758)	\$ (171,672)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:			
Depreciation			
Changes in assets and liabilities:			
Increase/decrease in accounts receivable	333,684		
Increase/decrease in prepaid items			8,091
Increase/decrease in accounts payable	26,556		35,376
Increase/decrease in claims payable	<u>(816,900)</u>	<u>(5,423)</u>	<u>(40,173)</u>
Total adjustments	<u>(456,660)</u>	<u>(5,423)</u>	<u>3,294</u>
Net cash provided by/used for operating activities	<u>\$ (271,948)</u>	<u>\$ (310,181)</u>	<u>\$ (168,378)</u>

<u>Print Shop</u>	<u>Totals</u>
\$	\$
261,655	20,426,131
(311,994)	261,655
	(5,893,082)
	<u>(15,595,550)</u>
<u>(50,339)</u>	<u>(800,846)</u>
<u>(56,542)</u>	<u>(56,542)</u>
<u>(56,542)</u>	<u>(56,542)</u>
<u>759</u>	<u>48,809</u>
<u>759</u>	<u>48,809</u>
<u>(106,122)</u>	<u>(808,579)</u>
<u>155,144</u>	<u>8,905,629</u>
\$ <u><u>49,022</u></u>	\$ <u><u>8,097,050</u></u>
\$ (137,124)	\$ (428,842)
74,285	74,285
	333,684
	8,091
12500.00	74,432
	<u>(862,496)</u>
<u>86,785</u>	<u>(372,004)</u>
\$ <u><u>(50,339)</u></u>	\$ <u><u>(800,846)</u></u>

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STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Governmental activities:					
Net investment in capital assets	\$ 188,260,029	\$ 183,319,267	\$ 178,061,599	\$ 169,329,032	\$ 171,036,125
Restricted	56,388,186	41,575,591	38,427,365	34,007,077	31,646,079
Unrestricted	<u>(109,477,368)</u>	<u>(118,242,291)</u>	<u>(121,827,631)</u>	<u>(120,782,949)</u>	<u>(136,128,787)</u>
Total governmental activities net position	<u><u>\$ 135,170,847</u></u>	<u><u>\$ 106,652,567</u></u>	<u><u>\$ 94,661,333</u></u>	<u><u>\$ 82,553,160</u></u>	<u><u>\$ 66,553,417</u></u>
Business-type activities:					
Net investment in capital assets	\$	\$	\$	\$ 1,085,590	\$ 1,324,248
Restricted					
Unrestricted				80,146	(88,070)
Total business-type activities net position	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$ 1,165,736</u></u>	<u><u>\$ 1,236,178</u></u>
Primary government:					
Net investment in capital assets	\$ 188,260,029	\$ 183,319,267	\$ 178,061,599	\$ 170,414,622	\$ 172,360,373
Restricted	56,388,186	41,575,591	38,427,365	34,007,077	31,646,079
Unrestricted	<u>(109,477,368)</u>	<u>(118,242,291)</u>	<u>(121,827,631)</u>	<u>(120,702,803)</u>	<u>(136,216,857)</u>
Total net position	<u><u>\$ 135,170,847</u></u>	<u><u>\$ 106,652,567</u></u>	<u><u>\$ 94,661,333</u></u>	<u><u>\$ 83,718,896</u></u>	<u><u>\$ 67,789,595</u></u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental activities:					
Net investment in capital assets	\$ 164,180,762	\$ 152,225,774	\$ 147,843,966	\$ 140,651,648	\$ 134,338,769
Restricted	27,324,624	31,413,624	25,808,205	23,121,936	16,387,192
Unrestricted	(142,843,970)	(149,818,084)	(158,118,288)	27,173,827	38,585,487
Total governmental activities net position	\$ 48,661,416	\$ 33,821,314	\$ 15,533,883	\$ 190,947,411	\$ 189,311,448
Business-type activities:					
Net investment in capital assets	\$ 1,323,160	\$ 1,404,559	\$ 1,517,228	\$ 1,413,714	\$ 1,422,509
Restricted					
Unrestricted	23,330	162,316	56,297	786,635	913,615
Total business-type activities net position	\$ 1,346,490	\$ 1,566,875	\$ 1,573,525	\$ 2,200,349	\$ 2,336,124
Primary government:					
Net investment in capital assets	\$ 165,503,922	\$ 153,630,333	\$ 149,361,194	\$ 142,065,362	\$ 135,761,278
Restricted	27,324,624	31,413,624	25,808,205	23,121,936	16,387,192
Unrestricted	(142,820,640)	(149,655,768)	(158,061,991)	27,960,462	39,499,102
Total net position	\$ 50,007,906	\$ 35,388,189	\$ 17,107,408	\$ 193,147,760	\$ 191,647,572

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

Note: The business-type activities were discontinued at the end of fiscal year 2019.

(Concluded)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses					
Governmental activities:					
Instruction	\$ 134,402,441	\$ 125,586,285	\$ 124,392,296	\$ 115,423,800	\$ 105,181,329
Support services - students and staff	30,443,312	33,354,944	29,168,417	27,007,035	27,358,008
Support services - administration	19,316,290	18,668,255	18,079,753	18,138,223	16,094,942
Operation and maintenance of plant services	25,711,438	32,241,554	23,355,872	22,794,221	22,058,166
Student transportation services	8,644,106	7,038,491	9,665,851	9,885,626	8,601,342
Operation of non-instructional services	20,471,116	17,166,233	21,409,309	22,187,887	20,537,365
Interest on long-term debt	2,977,043	2,836,951	3,433,190	3,353,529	3,196,178
Total governmental activities	<u>241,965,746</u>	<u>236,892,713</u>	<u>229,504,688</u>	<u>218,790,321</u>	<u>203,027,330</u>
Business-type activities:					
Private school consortium				1,177,029	1,124,241
Alternative fuel				105,015	97,859
Total business-type activities				<u>1,282,044</u>	<u>1,222,100</u>
Total expenses	<u>241,965,746</u>	<u>236,892,713</u>	<u>229,504,688</u>	<u>220,072,365</u>	<u>204,249,430</u>
Program Revenues					
Governmental activities:					
Charges for services					
Instruction	501,567	267,651	927,037	859,248	799,325
Operation of non-instructional services	3,539,906	2,073,304	3,319,077	4,063,950	3,789,825
Other activities	83,776	101,891	103,752	134,524	101,531
Operating grants and contributions	72,417,721	63,026,670	45,909,658	47,990,738	43,691,986
Capital grants and contributions	3,475,578	3,483,523	1,726,427	271,618	1,720,923
Total governmental activities	<u>80,018,548</u>	<u>68,953,039</u>	<u>51,985,951</u>	<u>53,320,078</u>	<u>50,103,590</u>
Business-type activities:					
Charges for services					
Private school consortium				1,110,398	1,024,812
Alternative fuel				86,683	80,326
Total business-type activities				<u>1,197,081</u>	<u>1,105,138</u>
Total program revenues	<u>80,018,548</u>	<u>68,953,039</u>	<u>51,985,951</u>	<u>54,517,159</u>	<u>51,208,728</u>
Net (Expense)/Revenue	<u>\$ (161,947,198)</u>	<u>\$ (167,939,674)</u>	<u>\$ (177,518,737)</u>	<u>\$ (165,555,206)</u>	<u>\$ (153,040,702)</u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Governmental activities:					
Instruction	\$ 106,648,242	\$ 102,834,169	\$ 99,473,480	\$ 99,497,671	\$ 96,287,120
Support services - students and staff	27,816,395	27,153,837	25,259,949	25,400,733	24,437,353
Support services - administration	16,477,056	16,019,927	16,863,927	19,545,606	16,847,819
Operation and maintenance of plant services	21,380,529	20,967,936	20,573,400	21,755,307	21,464,307
Student transportation services	8,825,125	8,685,581	8,931,677	8,921,262	10,322,705
Operation of non-instructional services	21,168,721	19,204,711	20,757,679	20,672,728	19,580,110
Interest on long-term debt	2,343,635	2,556,097	3,184,743	3,527,782	4,451,926
Total governmental activities	<u>204,659,703</u>	<u>197,422,258</u>	<u>195,044,855</u>	<u>199,321,089</u>	<u>193,391,340</u>
Business-type activities:					
Private school consortium	1,006,566	825,441	760,335	813,384	971,139
Alternative fuel	91,469	94,244	107,874	146,965	81,577
Total business-type activities	<u>1,098,035</u>	<u>919,685</u>	<u>868,209</u>	<u>960,349</u>	<u>1,052,716</u>
Total expenses	<u>205,757,738</u>	<u>198,341,943</u>	<u>195,913,064</u>	<u>200,281,438</u>	<u>194,444,056</u>
Program Revenues					
Governmental activities:					
Charges for services					
Instruction	818,477	834,514	857,280	755,459	860,809
Operation of non-instructional services	3,637,223	3,556,652	3,640,577	3,986,380	3,294,615
Other activities	356,744	106,743	64,020	103,159	164,133
Operating grants and contributions	42,887,352	41,811,603	39,616,244	37,619,978	38,718,810
Capital grants and contributions	2,244,306	1,712,149	95,728	106,271	
Total governmental activities	<u>49,944,102</u>	<u>48,021,661</u>	<u>44,273,849</u>	<u>42,571,247</u>	<u>43,038,367</u>
Business-type activities:					
Charges for services					
Private school consortium	810,918	842,479	854,194	670,617	778,214
Alternative fuel	61,667	66,466	81,532	150,775	164,943
Total business-type activities	<u>872,585</u>	<u>908,945</u>	<u>935,726</u>	<u>821,392</u>	<u>943,157</u>
Total program revenues	<u>50,816,687</u>	<u>48,930,606</u>	<u>45,209,575</u>	<u>43,392,639</u>	<u>43,981,524</u>
Net (Expense)/Revenue	<u>\$ (154,941,051)</u>	<u>\$ (149,411,337)</u>	<u>\$ (150,703,489)</u>	<u>\$ (156,888,799)</u>	<u>\$ (150,462,532)</u>

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

Note: The business-type activities were discontinued at the end of fiscal year 2019.

(Concluded)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2022	2021	2020	2019	2018
Net (Expense)/Revenue	\$ (161,947,198)	\$ (167,939,674)	\$ (177,518,737)	\$ (165,555,206)	\$ (153,040,702)
General Revenues:					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	48,508,575	46,361,579	36,726,592	42,433,833	44,183,867
Property taxes, levied for debt service	12,990,715	13,699,246	14,189,996	14,915,494	14,421,219
Property taxes, levied for capital outlay	942,948	566,482	8,454,747	3,618,256	
Investment income	688,580	815,406	1,717,046	1,686,275	896,899
Unrestricted county aid	9,381,280	9,739,655	9,688,387	9,599,586	9,685,188
Unrestricted state aid	115,205,153	106,771,627	115,461,000	107,195,752	99,673,014
Unrestricted federal aid	2,748,227	1,976,913	1,897,068	2,020,790	1,927,651
Total governmental activities	190,465,478	179,930,908	188,134,836	181,469,986	170,787,838
General Revenues:					
Business-type activities:					
Investment income				14,521	6,650
Total business-type activities				14,521	6,650
Changes in Net Position	\$ 28,518,280	\$ 11,991,234	\$ 10,616,099	\$ 15,929,301	\$ 17,753,786

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)**

	Fiscal Year Ended June 30				
	2017	2016	2015	2014	2013
Net (Expense)/Revenue	\$ (154,941,051)	\$ (149,411,337)	\$ (150,703,489)	\$ (156,888,799)	\$ (150,462,532)
General Revenues:					
Governmental activities:					
Taxes:					
Property taxes, levied for general purposes	42,324,539	40,734,144	40,529,370	41,086,061	51,976,289
Property taxes, levied for debt service	14,619,586	16,204,896	15,992,162	16,105,036	
Property taxes, levied for capital outlay	3,213,058	1,554,523	2,911,214	2,569,357	
Investment income	480,040	333,876	208,981	360,314	250,924
Unrestricted county aid	9,376,533	9,213,359	8,780,891	8,061,126	7,786,874
Unrestricted state aid	97,832,022	97,860,492	93,009,088	89,230,772	83,833,717
Unrestricted federal aid	1,709,925	1,786,738	640,647	973,139	606,560
Total general revenues	169,555,703	167,688,028	162,072,353	158,385,805	144,454,364
Net (Expense)/Revenue					
Business-type activities:					
Investment income	5,065	4,090	3,073	3,182	3,737
Total business-type activities	5,065	4,090	3,073	3,182	3,737
Changes in Net Position	\$ 14,619,717	\$ 18,280,781	\$ 11,371,937	\$ 1,500,188	\$ (6,004,431)

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

Note 1: Prior to fiscal year 2014 property tax revenue detail is not available.

Note 2: The business-type activities were discontinued at the end of fiscal year 2019.

(Concluded)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund:					
Nonspendable	\$ 1,202,780	\$ 1,260,090	\$ 820,260	\$ 672,932	\$ 638,005
Restricted	16,280,786	13,906,854	12,052,027	8,413,650	9,681,337
Committed					
Assigned					
Unassigned	38,845,578	30,899,611	29,747,365	26,105,977	23,528,106
Total General Fund	\$ 56,329,144	\$ 46,066,555	\$ 42,619,652	\$ 35,192,559	\$ 33,847,448
All Other Governmental Funds:					
Nonspendable	\$ 209,121	\$ 177,434	\$ 326,316	\$ 175,713	\$ 188,933
Restricted	57,033,883	55,100,594	41,321,261	67,616,257	47,946,273
Committed					
Assigned					
Unassigned	(8,938,374)	(5,778,404)	(1,287,113)	(1,180,820)	(2,565,217)
Total all other governmental funds	\$ 48,304,630	\$ 49,499,624	\$ 40,360,464	\$ 66,611,150	\$ 45,569,989

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nonspendable	\$ 693,334	\$ 1,094,793	\$ 704,702	\$ 672,748	\$ 606,151
Restricted	6,567,759	8,202,561	4,566,212	4,142,611	259,946
Committed					
Assigned					695,977
Unassigned	20,967,868	17,358,336	10,439,133	9,747,586	15,450,753
Total General Fund	<u>\$ 28,228,961</u>	<u>\$ 26,655,690</u>	<u>\$ 15,710,047</u>	<u>\$ 14,562,945</u>	<u>\$ 17,012,827</u>
All Other Governmental Funds:					
Nonspendable	\$ 147,429	\$ 133,406	\$ 138,187	\$ 120,475	\$ 123,416
Restricted	67,229,496	45,807,388	26,002,278	23,118,195	21,794,618
Committed					
Assigned					
Unassigned	(100,801)	(121,156)	(40,728)		
Total all other governmental funds	<u>\$ 67,276,124</u>	<u>\$ 45,819,638</u>	<u>\$ 26,099,737</u>	<u>\$ 23,238,670</u>	<u>\$ 21,918,034</u>

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

(Concluded)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Federal sources:					
Federal grants	\$ 46,363,236	\$ 42,669,780	\$ 24,758,228	\$ 25,138,948	\$ 22,649,954
National School Lunch Program	22,076,365	13,757,117	17,578,656	19,981,278	18,744,599
Total federal sources	<u>68,439,601</u>	<u>56,426,897</u>	<u>42,336,884</u>	<u>45,120,226</u>	<u>41,394,553</u>
State sources:					
State equalization assistance	97,695,820	95,463,680	103,718,838	95,575,111	88,885,938
State grants	4,777,866	4,629,450	6,079,413	3,832,679	2,624,792
School Facilities Board	1,981,910	2,583,951	239,029	1,749,490	200,436
Other revenues	17,509,333	11,307,947	11,742,162	11,620,641	10,787,076
Total state sources	<u>121,964,929</u>	<u>113,985,028</u>	<u>121,779,442</u>	<u>112,777,921</u>	<u>102,498,242</u>
Local sources:					
Property taxes	62,929,692	61,182,711	61,042,901	61,379,413	58,754,113
County aid	9,381,280	9,739,655	9,688,387	9,599,586	9,685,188
Food service sales	195,367	20,459	162,635	219,941	204,100
Investment income	639,771	744,234	1,625,988	1,606,138	846,583
Other revenues	4,393,435	2,909,954	4,930,206	5,642,410	5,465,267
Total local sources	<u>77,539,545</u>	<u>74,597,013</u>	<u>77,450,117</u>	<u>78,447,488</u>	<u>74,955,251</u>
Total revenues	<u><u>\$ 267,944,075</u></u>	<u><u>\$ 245,008,938</u></u>	<u><u>\$ 241,566,443</u></u>	<u><u>\$ 236,345,635</u></u>	<u><u>\$ 218,848,046</u></u>

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 26,546,492	\$ 24,952,307	\$ 22,715,570	\$ 21,117,016	\$ 21,427,638
National School Lunch Program	18,923,117	18,714,302	16,967,915	15,118,150	14,550,077
Total federal sources	<u>45,469,609</u>	<u>43,666,609</u>	<u>39,683,485</u>	<u>36,235,166</u>	<u>35,977,715</u>
State sources:					
State equalization assistance	88,507,150	88,642,833	84,341,877	80,526,567	86,982,842
State grants	159,999	188,186	174,932	804,741	7,368,386
School Facilities Board	100,125	138,378			
Other revenues	9,324,872	9,217,659	8,667,211	8,704,205	
Total state sources	<u>98,092,146</u>	<u>98,187,056</u>	<u>93,184,020</u>	<u>90,035,513</u>	<u>94,351,228</u>
Intergovernmental					
Local sources:					
Property taxes	60,419,448	59,774,527	59,342,671	59,004,911	52,278,031
County aid	9,376,533	9,213,359	8,780,891	8,061,126	
Food service sales	307,393	510,560	725,566	883,187	982,965
Investment income	433,484	299,089	212,054	330,333	219,265
Other revenues	5,424,755	4,914,355	4,880,569	4,812,307	4,936,669
Total local sources	<u>75,961,613</u>	<u>74,711,890</u>	<u>73,941,751</u>	<u>73,091,864</u>	<u>58,416,930</u>
Total revenues	<u><u>\$ 219,523,368</u></u>	<u><u>\$ 216,565,555</u></u>	<u><u>\$ 206,809,256</u></u>	<u><u>\$ 199,362,543</u></u>	<u><u>\$ 188,745,873</u></u>

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

(Concluded)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenditures:					
Current -					
Instruction	\$ 128,600,949	\$ 119,634,940	\$ 116,784,309	\$ 115,560,803	\$ 103,279,316
Support services - students and staff	30,783,814	33,000,904	28,769,744	28,926,361	28,212,618
Support services - administration	18,265,659	17,800,732	16,730,600	16,679,812	15,554,205
Operation and maintenance of plant services	21,092,904	26,905,070	19,719,995	20,055,084	19,541,280
Student transportation services	7,596,191	5,929,144	8,117,995	8,210,346	7,784,249
Operation of non-instructional services	20,219,310	16,524,399	20,893,851	22,195,616	20,491,207
Capital outlay	17,877,764	15,698,937	33,832,142	27,010,402	24,072,075
Debt service -					
Interest and fiscal charges	4,175,076	3,732,362	4,368,260	3,819,829	3,662,478
Principal retirement	10,239,190	15,480,098	12,629,848	12,699,050	12,324,441
Bond issuance costs		337,889	43,950	427,799	
Total expenditures	<u>\$ 258,850,857</u>	<u>\$ 255,044,475</u>	<u>\$ 261,890,694</u>	<u>\$ 255,585,102</u>	<u>\$ 234,921,869</u>
Expenditures for capitalized assets	\$ 14,434,160	\$ 12,445,129	\$ 32,397,428	\$ 22,014,231	\$ 22,329,644
Debt service as a percentage of noncapital expenditures	6%	8%	7%	7%	8%

(Continued)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 103,756,910	\$ 96,624,633	\$ 96,153,216	\$ 93,717,118	\$ 93,736,675
Support services - students and staff	28,574,859	27,339,907	25,232,512	24,034,750	24,748,411
Support services - administration	15,967,810	15,341,259	16,057,968	15,536,516	15,300,720
Operation and maintenance of plant services	18,582,265	17,661,743	17,133,331	18,381,447	18,880,306
Student transportation services	8,150,047	7,870,766	8,161,998	7,601,273	9,066,412
Operation of non-instructional services	21,057,220	19,027,664	20,573,969	19,809,292	19,401,013
Capital outlay	17,871,595	11,662,549	6,555,118	14,422,452	18,384,635
Debt service -					
Interest and fiscal charges	2,588,254	2,708,821	3,337,467	3,680,506	4,192,759
Principal retirement	18,257,051	14,748,350	14,121,124	13,299,276	13,437,039
Bond issuance costs	278,020	145,492	24,050	24,100	319,439
Total expenditures	<u>\$ 235,084,031</u>	<u>\$ 213,131,184</u>	<u>\$ 207,350,753</u>	<u>\$ 210,506,730</u>	<u>\$ 217,467,409</u>
Expenditures for capitalized assets	\$ 17,242,995	\$ 11,504,989	\$ 6,389,320	\$ 8,117,800	\$ 22,394,368
Debt service as a percentage of noncapital expenditures	10%	9%	9%	8%	9%

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

(Concluded)

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Excess (deficiency) of revenues over expenditures	\$ 9,093,218	\$ (10,035,537)	\$ (20,324,251)	\$ (19,239,467)	\$ (16,073,823)
Other financing sources (uses):					
General obligation bonds issued		18,900,000		36,000,000	
Refunding bonds issued			3,900,000		
Premium on sale of bonds		3,430,652	47,372	5,578,445	
Capital lease agreements					
Transfers in	2,821,574	6,203,375	3,341,770	4,246,122	2,764,464
Transfers out	(2,821,574)	(6,203,375)	(3,341,770)	(4,246,122)	(2,764,464)
Payment to refunded bond escrow agent			(3,900,000)		
Insurance recoveries			18,082	25,587	
Total other financing sources (uses)	<u> </u>	<u>22,330,652</u>	<u>65,454</u>	<u>41,604,032</u>	<u> </u>
Changes in fund balances	<u>\$ 9,093,218</u>	<u>\$ 12,295,115</u>	<u>\$ (20,258,797)</u>	<u>\$ 22,364,565</u>	<u>\$ (16,073,823)</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (15,560,663)	\$ 3,434,371	\$ (541,497)	\$ (11,144,187)	\$ (28,721,536)
Other financing sources (uses):					
General obligation bonds issued	33,555,000	25,500,000	4,500,000	5,000,000	20,000,000
Premium on sale of bonds	3,674,792	918,929			933,589
Capital lease agreements	1,748,064	426,934		5,864,900	2,412,635
Transfers in	1,920,295	3,177,753	1,895,772	1,622,419	1,753,837
Transfers out	(1,920,295)	(3,177,753)	(1,895,772)	(1,622,419)	(1,753,837)
Total other financing sources (uses)	<u>38,977,856</u>	<u>26,845,863</u>	<u>4,500,000</u>	<u>10,864,900</u>	<u>23,346,224</u>
Changes in fund balances	<u>\$ 23,417,193</u>	<u>\$ 30,280,234</u>	<u>\$ 3,958,503</u>	<u>\$ (279,287)</u>	<u>\$ (5,375,312)</u>

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

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 589,301,710	\$ 543,322,368	\$ 530,155,515	\$ 520,996,576	\$ 503,747,626
Agricultural and Vacant	17,606,287	20,563,441	19,957,732	13,037,232	14,016,698
Residential (Owner Occupied)	614,693,229	583,285,577	552,523,482	527,889,859	481,888,173
Residential (Rental)	270,905,836	258,991,429	246,043,585	226,900,557	206,976,139
Historical Property	84,220	80,208	76,390	72,751	50,813
Certain Government Property Improvements	194,630	187,385	164,068	143,856	82,366
Total	\$ 1,492,785,912	\$ 1,406,430,408	\$ 1,348,920,772	\$ 1,289,040,831	\$ 1,206,761,815
Gross Full Cash Value	\$ 23,032,152,890	\$ 20,735,660,093	\$ 18,936,310,163	\$ 17,458,814,192	\$ 15,769,241,274
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6%	7%	7%	7%	8%
Total Direct Rate	4.56	4.69	4.94	5.10	5.21

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 477,227,516	\$ 464,736,999	\$ 472,181,411	\$ 485,838,284	\$ 536,566,162
Agricultural and Vacant	12,881,777	18,838,328	17,842,349	23,067,497	27,014,320
Residential (Owner Occupied)	456,022,508	433,480,548	417,896,904	395,683,367	467,196,013
Residential (Rental)	196,732,743	185,389,793	170,725,842	151,279,607	140,976,564
Historical Property	42,142	40,341	108,115	107,971	121,435
Certain Government Property Improvements	79,022	101,399	101,963	71,136	79,365
Total	\$ 1,142,985,708	\$ 1,102,587,408	\$ 1,078,856,584	\$ 1,056,047,862	\$ 1,171,953,859
Gross Full Cash Value	\$ 14,509,954,943	\$ 13,228,634,436	\$ 10,484,096,797	\$ 9,467,272,155	\$ 10,327,375,233
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	10%	11%	11%
Total Direct Rate	5.63	5.78	5.70	6.02	4.71

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

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. Primary taxes are used for general District operations. Secondary taxes are used to service District bonded debt requirements and other voter-approved overrides.

WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 758,219,300	\$ 699,120,766	\$ 665,175,837	\$ 639,344,809	\$ 604,216,777
Agricultural and Vacant	29,976,733	34,928,256	30,455,631	20,756,983	20,264,718
Residential (Owner Occupied)	1,026,945,624	950,970,420	862,087,632	807,633,854	717,074,405
Residential (Rental)	594,915,093	489,838,177	446,188,456	379,246,069	329,833,257
Historical Property	117,295	118,975	110,165	117,730	80,355
Certain Government Property Improvements	256,102	261,967	213,126	192,167	103,842
Total	\$ 2,410,430,147	\$ 2,175,238,561	\$ 2,004,230,847	\$ 1,847,291,612	\$ 1,671,573,354
Gross Full Cash Value	\$ 23,032,152,890	\$ 20,735,660,093	\$ 18,936,310,163	\$ 17,458,814,192	\$ 15,769,241,274
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	11%	11%	11%
Estimated Net Full Cash Value	\$ 20,056,059,981	\$ 18,012,899,160	\$ 16,533,996,053	\$ 15,143,430,277	\$ 13,591,332,804
Total Direct Rate	4.56	4.69	4.94	5.10	5.21

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 540,833,512	\$ 482,548,361	\$ 477,395,349	\$ 486,699,613	\$ 537,112,888
Agricultural and Vacant	17,044,596	21,105,862	18,691,974	23,256,358	27,227,906
Residential (Owner Occupied)	677,123,813	635,669,446	453,825,849	396,879,515	468,675,857
Residential (Rental)	294,898,987	264,011,064	191,757,548	154,128,545	141,505,000
Historical Property	67,775	63,665	314,954	320,400	349,360
Certain Government Property Improvements	95,055	107,594	103,652	71,136	
Total	\$ 1,530,063,738	\$ 1,403,505,992	\$ 1,142,089,326	\$ 1,061,355,567	\$ 1,174,950,376
Gross Full Cash Value	\$ 14,509,954,943	\$ 13,228,634,436	\$ 10,484,096,797	\$ 9,467,272,155	\$ 10,327,375,233
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	\$ 12,489,262,212	\$ 11,338,332,132	\$ 8,791,063,652	\$ 7,912,752,725	\$ 8,716,991,986
Total Direct Rate	5.63	5.78	5.70	6.02	4.71

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	14	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	18 %	19 %	19 %	20 %	20 %
Agricultural and Vacant	15	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	16	15	15

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

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State	County	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Glendale	Primary	Secondary	Total
	Equalization									
2022	0.43	1.35	0.18	1.23	0.14	2.12	1.73	2.46	2.11	4.56
2021	0.44	1.40	0.18	1.29	0.14	2.13	1.80	2.35	2.34	4.69
2020	0.46	1.40	0.18	1.33	0.14	2.13	1.86	2.46	2.48	4.94
2019	0.47	1.40	0.18	1.38	0.14	2.14	1.98	2.10	3.00	5.10
2018	0.49	1.40	0.18	1.41	0.14	2.16	2.08	2.57	2.64	5.21
2017	0.50	1.40	0.18	1.47	0.14	2.17	2.15	2.83	2.80	5.63
2016	0.51	1.36	0.16	1.49	0.14	1.82	2.19	2.82	2.96	5.78
2015	0.51	1.32	0.14	1.52	0.14	1.82	2.15	2.92	2.78	5.70
2014	0.51	1.28	0.14	1.53	0.14	1.82	2.29	3.05	2.97	6.02
2013	0.47	1.24	0.18	1.38	0.10	1.82	1.90	2.04	2.67	4.71

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2022</u>		<u>2013</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Arizona Public Service Company	\$ 161,074,526	10.79 %	\$ 104,342,538	8.88 %
Vaseo Apartments LP	7,503,368	0.50		
Southwest Gas Corporation (T&D)	7,225,855	0.48		
Qwest Corporation	7,189,996	0.48	15,705,364	1.34
Canyon Corporate Office LLC	6,976,063	0.47	7,275,000	0.62
VHS of Phoenix Inc	6,583,726	0.44	9,056,443	0.77
Bay Pacific Phoenix Corporate Center LLC	5,546,401	0.37	4,825,368	0.41
Walmart Stores Inc	5,033,767	0.34		
BTC Owner LLC	4,305,949	0.29		
Covington Fee Owner LLC	3,774,073	0.25		
PDG America Properties LLC			6,194,639	0.53
Carlyle Er Metro LLC			6,000,000	0.51
1600 North 28th Ave Holdings LLC			4,803,469	0.41
M2 Phoenix 1222 LLC			4,619,160	0.39
Ari Rmbc LLC/Ari Rmbc 1-34 LLC			4,228,646	0.36
Total	<u>\$ 215,213,724</u>	<u>14.41 %</u>	<u>\$ 167,050,627</u>	<u>14.22 %</u>

Source: The source of this information is the Maricopa County Treasurer.

Note: On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Adopted Taxes Levied for the Fiscal Year	Adjusted Tax Levy 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	\$ 68,120,773	\$ 67,699,061	\$ 65,412,992	96.03 %	\$	\$ 65,412,992	96.03 %
2021	65,862,853	65,590,901	63,402,460	96.26	2,161,192	65,563,652	99.55
2020	66,076,679	65,842,925	63,358,691	95.89	2,471,256	65,829,947	99.63
2019	66,228,169	65,936,795	63,568,490	95.98	2,373,147	65,941,637	99.57
2018	62,904,606	62,681,619	60,471,626	96.13	2,198,130	62,669,756	99.63
2017	64,598,260	64,302,573	61,845,672	95.74	2,452,250	64,297,922	99.54
2016	63,865,622	63,598,846	62,526,782	97.90	1,066,809	63,593,591	99.57
2015	63,385,373	62,817,245	60,878,648	96.05	1,919,834	62,798,482	99.07
2014	63,427,847	62,801,530	60,695,060	95.69	2,104,606	62,799,666	99.01
2013	55,507,371	54,669,376	53,174,793	95.80	1,493,468	54,668,261	98.49

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

Notes: 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.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases and Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2022	\$ 114,357,747	\$ 1,272,995	\$ 113,084,752	0.49 %	\$ 446	\$	\$ 114,357,747	0.50 %	\$ 451	N/A %
2021	126,760,780	2,050,000	124,710,780	0.60	498	369,190	127,129,970	0.61	507	0.05
2020	117,255,539	1,795,599	115,459,940	0.61	485	4,644,288	121,899,827	0.64	512	0.05
2019	130,168,237	2,674,245	127,493,992	0.73	555	5,344,136	135,512,373	0.78	590	0.06
2018	100,561,092	1,304,957	99,256,135	0.63	439	6,018,186	106,579,278	0.68	471	0.05
2017	114,067,392	1,130,117	112,937,275	0.78	493	6,837,627	120,905,019	0.83	527	0.07
2016	95,068,169	5,589,720	89,478,449	0.68	363	6,386,614	101,454,783	0.77	412	0.06
2015	82,277,915	4,761,843	77,516,072	0.74	332	6,808,030	89,085,945	0.85	382	0.05
2014	90,871,590	4,810,140	86,061,450	0.91	368	7,619,154	98,490,744	1.04	421	0.06
2013	86,190,265	4,852,770	81,337,495	0.79	366	2,278,530	88,468,795	0.86	398	0.06

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

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2013-2021 information within this column relates to the transactions previously designated as capital leases.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Net Full Cash Assessed Value</u>	<u>Net Limited Assessed Value</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:					
State of Arizona	\$ None	\$ 97,282,221,465	\$ 74,200,233,397	N/A %	\$ None
Maricopa County	None	67,535,008,138	48,724,126,672	2.81	None
Maricopa Community College District	184,715,000	67,535,008,138	48,724,126,672	2.81	5,190,492
Maricopa County Fire District Assistance Tax	N/A	67,535,008,138	48,724,126,672	N/A	N/A
Maricopa County Special Healthcare District	640,695,000	67,535,008,138	48,724,126,672	2.81	18,003,530
Maricopa County Library District	N/A	67,535,008,138	48,724,126,672	N/A	N/A
Maricopa County Flood Control District	N/A	N/A	44,882,715,452	N/A	N/A
Central Arizona Water Conservation District	N/A	67,535,008,138	48,724,126,672	N/A	N/A
City of Glendale	98,230,000	2,395,003,746	1,582,239,446	2.29	2,249,467
City of Phoenix	918,905,000	21,780,880,732	14,800,877,416	8.99	82,609,560
Glendale Union High School District No. 205	135,580,000	3,046,038,535	1,838,146,442	74.16	100,546,128
Western Maricopa Education Center District	144,220,000	25,357,420,221	18,085,233,843	7.64	11,018,408
Subtotal, Overlapping Debt					<u>219,617,585</u>
Direct:					
Washington Elementary School District No. 6					<u>114,357,747</u>
Total Direct and Overlapping Governmental Activities Debt					<u>\$ 333,975,332</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation	7.58	%
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,313	
As a Percentage of Net Limited Assessed Valuation	22.29	%
As a Percentage of Gross Full Cash Value	1.44	%

Source: The source of this information is the District's records and the State and County Abstract of the Assessment Roll, the Maricopa County Treasurer and the applicable governmental unit.

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
 - 2) Outstanding debt as of June 30, 2021 is presented for the overlapping governments as this is the most recent available information.
 - 3) N/A indicates that the information is not available.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

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

Net full cash assessed valuation	\$ 2,410,430,147
Debt limit (10% of assessed value)	241,043,015
Debt applicable to limit	<u>111,917,870</u>
Legal debt margin	<u>\$ 129,125,145</u>

Total Legal Debt Margin Calculation for Fiscal Year 2022:

Net full cash assessed valuation	\$ 2,410,430,147
Debt limit (15% of assessed value)	361,564,522
Debt applicable to limit	<u>111,917,870</u>
Legal debt margin	<u>\$ 249,646,652</u>

Fiscal Year Ended June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt Limit	\$ 361,564,522	\$ 326,285,784	\$ 300,634,627	\$ 277,093,742	\$ 250,736,003
Total net debt applicable to limit	<u>111,917,870</u>	<u>123,471,157</u>	<u>114,861,342</u>	<u>127,402,758</u>	<u>99,225,000</u>
Legal debt margin	<u>\$ 249,646,652</u>	<u>\$ 202,814,627</u>	<u>\$ 185,773,285</u>	<u>\$ 149,690,984</u>	<u>\$ 151,511,003</u>
Total net debt applicable to the limit as a percentage of debt limit	31%	38%	38%	46%	40%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 229,509,561	\$ 210,525,899	\$ 171,313,399	\$ 159,203,335	\$ 176,242,556
Total net debt applicable to limit	<u>112,265,000</u>	<u>89,165,000</u>	<u>80,895,000</u>	<u>89,170,000</u>	<u>44,859,378</u>
Legal debt margin	<u>\$ 117,244,561</u>	<u>\$ 121,360,899</u>	<u>\$ 90,418,399</u>	<u>\$ 70,033,335</u>	<u>\$ 131,383,178</u>
Total net debt applicable to the limit as a percentage of debt limit	49%	42%	47%	56%	25%

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

- Notes:**
- 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
 - 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2021	4,507,419	\$ N/A	\$ N/A	3.4 %	253,355
2020	4,439,220	245,077,753	53,521	6.6	250,530
2019	4,367,835	222,943,072	49,704	9.8	238,185
2018	4,294,460	210,370,180	47,694	4.6	229,580
2017	4,221,684	196,286,191	45,573	4.2	226,136
2016	4,137,076	185,111,698	43,628	4.6	229,248
2015	4,076,438	175,437,829	42,092	5.3	246,256
2014	4,087,191	168,483,421	41,222	5.9	233,511
2013	4,013,164	160,537,029	40,003	6.0	234,177
2012	3,942,868	159,384,756	40,424	7.1	222,464

Sources: The source of the estimated District population is the City of Phoenix and the Maricopa Association of Government.

The source of personal income, per capita and population information is the US Department of Commerce, Bureau of Economic Analysis, Regional Income Division.

The source of the unemployment rate is the Bureau of Labor Statistics.

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

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health	45,918	1.86 %	25,126	1.48 %
State of Arizona	41,606	1.68	52,076	3.07
Walmart Inc	36,995	1.50	31,837	1.88
Arizona State University	35,474	1.44	12,222	0.72
Fry's Food Stores	20,235	0.82		
City of Phoenix	16,432	0.67	14,983	0.88
University of Arizona	16,021	0.65		
Wells Fargo & Co	16,000	0.64	13,679	0.81
Dignity Health Arizona	15,403	0.62		
Maricopa County	13,648	0.55	13,308	0.78
Bank of America			12,500	0.74
Raytheon Co			11,500	0.68
JP Morgan Chase			11,407	0.67
Total	<u>257,732</u>	<u>10.43 %</u>	<u>198,638</u>	<u>11.71 %</u>
Total employment	<u>2,470,300</u>		<u>1,697,703</u>	

Source: The source of this information is the Phoenix Business Journal, December 24, 2021 and the Phoenix Business Journal Book of Lists 2013.

Note: The information presented above is Phoenix Metro Area. Percentage of Total Employment is the percent of State of Arizona employment, and not seasonally adjusted employment for the appropriate calendar year.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Supervisory					
Instructional administrators	9	11	11	12	12
Noninstructional administrators	17	18	13	12	12
Consultants/supervisors of instruction	3	5	5	5	5
Principals	28	29	32	32	32
Assistant principals	17	16	19	19	18
Total supervisory	<u>74</u>	<u>79</u>	<u>80</u>	<u>80</u>	<u>79</u>
Instruction					
Elementary classroom teachers	518	634	632	646	661
Secondary classroom teachers	221	275	185	177	183
Other teachers	287	249	525	497	485
Other professionals	162	152	119	178	187
Aides	418	464	528	519	548
Total instruction	<u>1,606</u>	<u>1,774</u>	<u>1,989</u>	<u>2,017</u>	<u>2,064</u>
Student Services					
Visiting teachers/social workers	29	29	29		30
Psychologist	23	25	27	28	26
Librarians				27	10
Other professionals (noninstructional)					
Technicians	37	29	34	32	30
Total student services	<u>89</u>	<u>83</u>	<u>90</u>	<u>87</u>	<u>96</u>
Support and Administration					
Clerical/secretarial	140	126	355	351	342
Service workers	115	114	172	177	174
Skilled crafts	142	124	99	101	104
Unskilled laborers	300	341	347	339	340
Total support and administration	<u>697</u>	<u>705</u>	<u>973</u>	<u>968</u>	<u>960</u>
Total	<u>2,466</u>	<u>2,641</u>	<u>3,132</u>	<u>3,152</u>	<u>3,199</u>

(Continued)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Supervisory					
Instructional administrators	12	11	11	11	10
Noninstructional administrators	12	18	17	15	13
Consultants/supervisors of instruction	5	12	7	11	5
Principals	32	32	32	32	32
Assistant principals	18	18	17	15	13
Total supervisory	<u>79</u>	<u>91</u>	<u>84</u>	<u>84</u>	<u>73</u>
Instruction					
Elementary classroom teachers	657	675	682	683	655
Secondary classroom teachers	181	176	174	175	175
Other teachers	479	480	473	448	449
Other professionals	185	178	176	119	113
Aides	541	561	554	560	546
Total instruction	<u>2,043</u>	<u>2,070</u>	<u>2,059</u>	<u>1,985</u>	<u>1,938</u>
Student Services					
Visiting teachers/social workers	30	28	28	28	26
Psychologist	26	25	24	24	23
Librarians	10	10	10	10	11
Other professionals (noninstructional)				49	51
Technicians	30	31	31	31	29
Total student services	<u>96</u>	<u>94</u>	<u>93</u>	<u>142</u>	<u>140</u>
Support and Administration					
Clerical/secretarial	346	331	328	314	299
Service workers	172	163	160	160	254
Skilled crafts	104	98	100	98	98
Unskilled laborers	342	324	308	314	309
Total support and administration	<u>964</u>	<u>916</u>	<u>896</u>	<u>886</u>	<u>960</u>
Total	<u>3,182</u>	<u>3,171</u>	<u>3,132</u>	<u>3,097</u>	<u>3,111</u>

Source: The District's Human Resources Department and Business and Finance Department.

- Notes:**
- 1) No Description or guidelines were provided to determine how to classify positions into each of the categories or sub-categories listed above.
 - 2) The sub-categories are very broad and do not fully represent every position.
 - 3) This data is representative of PCS as of June 30th for each year provided and includes both vacant and filled positions.
 - 4) Although the categorization file has been completed and is expected to be used in future years there are still many unanswered categorization questions. Answers to these questions may effect the categorization process for future years and as a result may create percentage increases and decreases in certain categories strictly due to the change in categorization concepts/methodologies.
 - 5) Coding of positions may differ based on interpretation.

(Concluded)

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Governmental Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2022	18,733	\$ 226,558,827	\$ 12,094	6.07 %	\$ 241,965,746	\$ 12,917	5.11 %	1,023	18.3	74.7 %
2021	19,277	219,795,189	11,402	13.90	236,892,713	12,289	12.87	1,424	13.5	74.7
2020	21,080	211,016,494	10,010	1.07	229,504,688	10,887	6.33	1,421	14.8	92.8
2019	21,367	211,628,022	9,904	10.41	218,790,321	10,240	9.56	1,425	15.0	92.8
2018	21,723	194,862,875	8,970	0.39	203,027,330	9,346	0.21	1,450	15.0	92.8
2017	21,944	196,089,111	8,936	6.36	204,659,703	9,326	3.39	1,440	15.2	92.8
2016	21,885	183,865,972	8,401	(0.36)	197,422,258	9,021	0.55	1,468	14.9	84.4
2015	21,741	183,312,994	8,432	1.80	195,044,855	8,971	(2.69)	1,418	15.3	81.7
2014	21,621	179,080,396	8,283	(3.20)	199,321,089	9,219	0.91	1,420	15.2	74.9
2013	21,168	181,133,537	8,557	3.68	193,391,340	9,136	3.51	1,403	15.1	76.9

Source: The District's Business and Finance Department.

- Notes:** 1) Operating expenditures includes expenditures of all funds except Debt Service and Capital Outlay.
2) Teaching staff includes all teaching positions filled and vacant.

**WASHINGTON ELEMENTARY SCHOOL DISTRICT NO. 6
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Schools</u>										
<u>Elementary</u>										
Sites	27	27	27	27	27	27	27	27	27	27
Square feet	2,191,219	2,191,219	2,189,303	2,181,675	2,181,389	2,186,097	2,181,703	2,177,492	2,177,492	2,171,201
Capacity	22,474	22,474	22,732	22,494	22,303	22,266	22,306	23,785	23,785	23,711
Enrollment	16,181	16,563	18,685	19,109	19,409	19,663	19,677	19,710	19,864	19,330
<u>Middle</u>										
Sites	5	5	5	5	5	5	5	5	5	5
Square feet	547,835	547,835	546,155	541,635	539,717	539,717	539,717	539,717	539,717	539,717
Capacity	5,619	5,619	5,553	5,412	5,523	5,523	5,556	5,601	5,601	5,494
Enrollment	3,818	3,835	3,966	3,917	3,879	3,930	3,886	3,749	3,716	3,797
<u>Administrative</u>										
Sites	4	4	4	4	4	4	4	4	4	4
Square feet	209,874	209,874	213,348	213,348	213,348	213,348	213,348	215,212	215,212	215,212
<u>Transportation</u>										
Garages	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car	6 bus/1 car
Buses	106	115	111	112	106	106	111	111	111	113

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

Note: Enrollment is based on 100th day figures.

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