

**Santa Cruz Valley Union  
School District No. 840**

Eloy, Arizona



Annual Financial Report

Fiscal Year Ended June 30, 2023

**Santa Cruz Valley Union School District No. 840**



Financial Statements

Year Ended June 30, 2023

# Santa Cruz Valley Union School District No. 840

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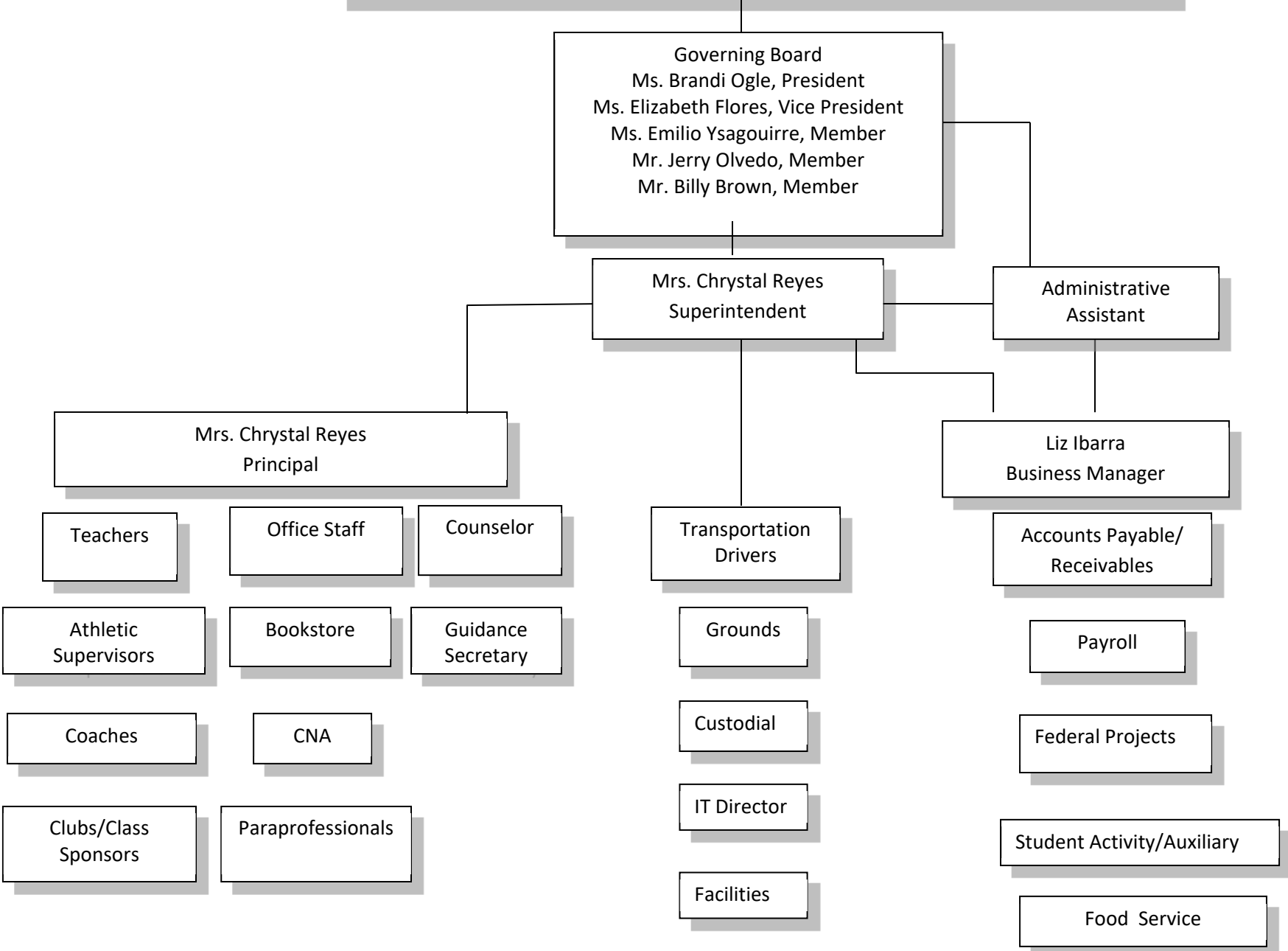
## **Introduction Section**

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**Santa Cruz Valley Union High School District No. 840**  
**Organization Chart 2022-2023**





## Financial Section

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## Independent Auditors' Report

To the Governing Board of  
Santa Cruz Valley Union School District No. 840

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Santa Cruz Valley Union School District No. 840 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 District, Arizona, as of June 30, 2023 and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

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

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS and *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary 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 identify accompanying supplementary information such as combining and individual fund financial statements, the schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and State Single Audit Guidelines as listed in the table of contents is presented for purposes of additional analysis and is 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

### ***Schedule of expenditures of federal awards***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. Such information is management's responsibility and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 U.S. generally accepted auditing standards. In our opinion, based on our audit, the procedures performed as described above, the accompanying schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Santa Cruz Valley Union School District No. 840 basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 the District's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Tempe, Arizona  
April 8, 2024





# **Management's Discussion and Analysis**

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# Santa Cruz Valley Union School District No. 840

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Management's Discussion and Analysis  
June 30, 2023

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

## Financial Highlights

- The District's total net position of governmental activities increased \$1.2 million from the prior fiscal year.
- General revenues accounted for \$6.7 million in revenue, or 88% of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$906 thousand or 12% of total current fiscal year revenues.
- The District had approximately \$6.4 million in expenses related to governmental activities.
- Among major funds, the General Fund had \$4.1 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and had \$3.5 million in expenditures. The General Fund's fund balance increased \$724,386 to \$1,700,592 at the end of the current fiscal year.
- The Bond Building fund balance decreased \$776,684 due to the capital outlay expenditures and debt service payments in the current year.

## Overview of Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

### Government-Wide Financial Statements

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

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

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

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

## Fund Financial Statements

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

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

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Title I, Special Education Grants, Unrestricted Capital Outlay, Bond Building and Debt Service Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation.

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

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

## Santa Cruz Valley Union School District No. 840

Management's Discussion and Analysis

June 30, 2023

### Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$10.8 million at the current fiscal year end.

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

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2023 and 2022:

|                                  | <u>2023</u>          | <u>2022</u>         |
|----------------------------------|----------------------|---------------------|
| Current assets                   | \$ 3,823,453         | \$ 3,949,810        |
| Capital assets, net              | <u>14,504,117</u>    | <u>13,978,142</u>   |
| Total assets, net                | <u>18,327,570</u>    | <u>17,927,952</u>   |
| Deferred outflows of resources   | <u>434,823</u>       | <u>650,831</u>      |
| Current liabilities              | 1,152,663            | 1,282,230           |
| Long-term liabilities            | <u>6,468,022</u>     | <u>6,569,825</u>    |
| Total liabilities                | <u>7,620,685</u>     | <u>7,852,055</u>    |
| Deferred inflows of resources    | <u>302,043</u>       | <u>1,130,959</u>    |
| Net position:                    |                      |                     |
| Net investment in capital assets | 10,817,597           | 10,396,329          |
| Restricted                       | 1,138,576            | 1,244,899           |
| Unrestricted                     | <u>(1,116,508)</u>   | <u>(2,045,459)</u>  |
| Total                            | <u>\$ 10,839,665</u> | <u>\$ 9,595,769</u> |

At the end of the current fiscal year, the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$1.3 million. The deficit arose due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true in the prior fiscal year.

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

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

- The principal retirement of \$510,000 of bonds.
- The addition of \$1,402,183 in capital assets through school improvements.

## Santa Cruz Valley Union School District No. 840

Management's Discussion and Analysis  
June 30, 2023

**Changes in Net Position** - The District's total revenues for the current fiscal year were \$7.6 million. The total cost of all programs and services was \$6.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and 2022:

|   | <u>2023</u>          | <u>2022</u>         |
|---|----------------------|---------------------|
| Revenues:                                   |                      |                     |
| Program revenues:                           |                      |                     |
| Changes for services                        | \$ 191,258           | \$ 116,251          |
| Operating grants and contributions          | 566,067              | 580,829             |
| Capital grants and contributions            | 148,917              | -                   |
| General revenues:                           |                      |                     |
| Property taxes                              | 3,371,931            | 3,565,170           |
| Unrestricted state aid                      | 2,818,474            | 1,951,074           |
| Unrestricted county aid                     | -                    | 29,486              |
| Investment income                           | 54,460               | 18,815              |
| Miscellaneous                               | 493,486              | 473,013             |
| Total revenues                              | <u>7,644,593</u>     | <u>6,734,638</u>    |
| Expenses:                                   |                      |                     |
| Instruction                                 | 2,168,356            | 2,195,770           |
| Support services, students and staff        | 637,066              | 702,097             |
| Support services, administration            | 293,186              | 753,870             |
| Operation and maintenance of plant services | 1,969,044            | 1,567,459           |
| Student transportation services             | 331,763              | 330,410             |
| Operation of noninstructional services      | 884,689              | 709,799             |
| Interest of long-term debt                  | 116,656              | 116,467             |
| Total expenses                              | <u>6,400,760</u>     | <u>6,375,872</u>    |
| Change in net position                      | 1,243,833            | 358,766             |
| Net Position, Beginning                     | <u>9,595,769</u>     | <u>9,237,003</u>    |
| Net Position, Ending                        | <u>\$ 10,839,602</u> | <u>\$ 9,595,769</u> |

Total revenues increased \$898 thousand from the prior year. This is largely due to an increase in state aid revenue of \$857 thousand. Overall expenses increased by \$24 thousand from the prior year.

## Santa Cruz Valley Union School District No. 840

Management's Discussion and Analysis

June 30, 2023

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 for the years ended June 30, 2023 and 2022.

|   | 2023                |                       | 2022                |                       |
|---|---------------------|-----------------------|---------------------|-----------------------|
|   | Total Expenses      | Net (Expense) Revenue | Total Expenses      | Net (Expense) Revenue |
| Instruction                                 | \$ 2,168,356        | \$ (1,801,654)        | \$ 2,195,770        | \$ (2,031,979)        |
| Support services, students and staff        | 637,066             | (443,166)             | 702,097             | (426,173)             |
| Support services, administration            | 293,186             | (293,186)             | 753,870             | (753,870)             |
| Operation and maintenance of plant services | 1,969,044           | (1,930,518)           | 1,567,459           | (1,567,189)           |
| Student transportation services             | 331,763             | (289,790)             | 330,410             | (301,103)             |
| Operation of noninstructional services      | 884,689             | (619,548)             | 709,799             | (482,011)             |
| Interest of long-term debt                  | 116,656             | (116,656)             | 116,467             | (116,467)             |
| Total expenses                              | <u>\$ 6,400,760</u> | <u>\$ (5,494,518)</u> | <u>\$ 6,375,872</u> | <u>\$ (5,678,792)</u> |

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

- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$906,242.
- Net cost of governmental activities of \$5.5 million was financed by general revenues, which are made up of primarily property taxes of \$3.3 million and state and county aid of \$2.8 million. Investment earnings accounted for \$54 thousand of funding.

### Financial Analysis of the District's Funds

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

#### Governmental Funds

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

The General Fund comprises 59% of the total fund balance. The restricted amount is \$22 thousand. The remaining balance of the General Fund's fund balance is unassigned.

The fund balance increased \$724,386 in the General Fund to \$1,700,592 as of fiscal year end. General Fund revenues increased \$428,473 as a result of an increase in state aid. General Fund expenditures decreased \$359,113 due to decreases in instructional related costs.

The Elementary and Secondary School Emergency Relief (ESSER) Fund had \$776,102 in current fiscal year revenues, and \$695,155 in related expenditures. The ESSER Fund's fund balance decreased \$10,869 to \$(195,216) at the current fiscal year end due to support services purchases in the current year.

## **Santa Cruz Valley Union School District No. 840**

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Management's Discussion and Analysis

June 30, 2023

The Unrestricted Capital Outlay Fund had \$187,249 in current year expenditures. The fund balance increased from \$106,258 at the prior fiscal year end to \$189,957 at the current fiscal year end primarily due to capital outlay expenditures and debt service payments in the current year.

The Bond Building Fund had \$776,684 in current year expenditures. The fund balance decreased from \$988,038 at the prior fiscal year end to \$211,354 at the current fiscal year end primarily due to capital outlay expenditures in the current year.

The Debt Service Fund had \$681,222 in current fiscal year revenues, and \$677,110 in expenditures. The Debt Service Fund's fund balance increased from \$296,444 at the prior fiscal year end to \$300,556 at the current fiscal year end due to an increase in scheduled debt service requirements.

### **Budget Highlights**

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$351,526 decrease, a result of a decrease in total instruction and operation/maintenance expenditures.

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

### **Capital Assets and Debt Administration**

#### **Capital Assets**

At year end, the District had invested \$26 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$561,144 from the prior fiscal year, primarily due to school improvements. Total depreciation expense for the current fiscal year was \$876,209.

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

#### **Economic Factors and Next Year's Budget And Rates**

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-24 budget. Among them:

- Fiscal year 2022-23 budget balance carry forward (\$3,243,991)
- Changes in student population (estimated 408)

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

Budgeted expenditures in the General Fund decreased 12% to \$2.9 million in fiscal year 2022-23. State aid and property taxes are expected to be the primary funding sources.

#### **Contacting the District's Financial Management**

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



# Basic Financial Statements

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# Santa Cruz Valley Union School District No. 840

## Statement of Net Position

June 30, 2023

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| <b>Assets</b>   |                                    |
| Cash and investments  | \$ 3,412,783                       |
| Property taxes receivable   | 116,606                            |
| Restricted cash and investments                                     | 211,354                            |
| Net OPEB asset  | 82,710                             |
| Capital assets:   |                                    |
| Nondepreciable/amortized capital assets                             | 561,144                            |
| Other capital assets (net of accumulated depreciation/amortization) | <u>13,942,973</u>                  |
| Total assets  | <u>18,327,570</u>                  |
| <b>Deferred Outflows of Resources</b>                               |                                    |
| Deferred outflows related to pensions and OPEB                      | <u>434,823</u>                     |
| Total deferred outflows of resources                                | <u>434,823</u>                     |
| <b>Liabilities</b>  |                                    |
| Accounts payable  | 550,078                            |
| Noncurrent liabilities:   |                                    |
| Due within one year:  |                                    |
| Compensated absences  | 24,619                             |
| Leases  | 42,966                             |
| Bonds payable   | 535,000                            |
| Due in more than one year:  |                                    |
| Compensated absences  | 77,960                             |
| Leases  | 25,918                             |
| Bonds payable   | 3,293,990                          |
| Net OPEB liability  | 1,576                              |
| Net pension liability   | <u>3,068,578</u>                   |
| Total liabilities   | <u>7,620,685</u>                   |
| <b>Deferred Inflows of Resources</b>                                |                                    |
| Deferred inflows related to pensions and OPEB                       | <u>302,043</u>                     |
| Total deferred inflows of resources                                 | <u>302,043</u>                     |
| <b>Net Position</b>   |                                    |
| Net Investment in capital assets                                    | 10,817,597                         |
| Restricted for:   |                                    |
| Voter approved initiatives  | 282,685                            |
| Federal and state projects  | 16,299                             |
| Food service  | 159,090                            |
| Joint technical education   | 37,111                             |
| Extracurricular activities  | 113,547                            |
| Other local initiatives   | 33,990                             |
| Debt service  | 335,968                            |
| Capital outlay  | 77,176                             |
| Other post-employment benefits                                      | 82,710                             |
| Unrestricted deficit  | <u>(1,116,508)</u>                 |
| Total net position  | <u>\$ 10,839,665</u>               |

See notes to financial statements

# Santa Cruz Valley Union School District No. 840

Statement of Activities  
Year Ended June 30, 2023

| Functions/Programs                          | Expenses            | Program Revenues        |  |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|---|---------------------|-------------------------|--|--|--|
|   |                     | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                 |
| Governmental activities:                    |                     |                         |  |  |  |
| Instruction                                 | \$ 2,168,356        | \$ 201                  | \$ 217,584                               | \$ 148,917                             | \$ (1,801,654)   |
| Support services:                           |                     |                         |  |  |  |
| Students and staff                          | 637,066             | 110,003                 | 83,897                                   | -                                      | (443,166)  |
| General administration                      | 293,186             | -                       | -  | -                                      | (293,186)  |
| Operation and maintenance of plant services | 1,969,044           | -                       | 38,526                                   | -                                      | (1,930,518)  |
| Student transportation                      | 331,763             | 41,973                  | -  | -                                      | (289,790)  |
| Operation of noninstructional services      | 884,689             | 39,081                  | 226,060                                  | -                                      | (619,548)  |
| Interest on long-term debt                  | 116,593             | -                       | -  | -                                      | (116,593)  |
| Total governmental activities               | <u>\$ 6,400,697</u> | <u>\$ 191,258</u>       | <u>\$ 566,067</u>                        | <u>\$ 148,917</u>                      | <u>(5,494,455)</u>   |
|   |                     |                         |  |  |  |
|   |                     | General revenues:       |  |  |  |
|   |                     | Taxes:                  |  |  |  |
|   |                     |                         |  |  | 2,546,779  |
|   |                     |                         |  |  | 654,953  |
|   |                     |                         |  |  | 170,199  |
|   |                     |                         |  |  | 54,460   |
|   |                     |                         |  |  | 2,818,474  |
|   |                     |                         |  |  | 493,486  |
|   |                     |                         |  |  | <u>6,738,351</u>   |
|   |                     |                         |  |  |  |
|   |                     |                         |  |  | Change in net position                                     |
|   |                     |                         |  |  | 1,243,896  |
|   |                     |                         |  |  |  |
|   |                     |                         |  |  | <b>Net Position, Beginning</b>                             |
|   |                     |                         |  |  | <u>9,595,769</u>   |
|   |                     |                         |  |  |  |
|   |                     |                         |  |  | <b>Net Position, Ending</b>                                |
|   |                     |                         |  |  | <u>\$ 10,839,665</u>                                       |

See notes to financial statements

# **Government-Wide Financial Statements**

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**Santa Cruz Valley Union School District No. 840**

Balance Sheet  
 Governmental Funds  
 June 30, 2023

|  | General<br>Fund     | Elementary and<br>Secondary<br>School<br>Emergency<br>Relief | Unrestricted<br>Capital<br>Outlay | Bond<br>Building  | Debt<br>Service   | Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|--|-----------------------------------|-------------------|-------------------|-------------------|--------------------------------|
| <b>Assets</b>  |                     |  |                                   |                   |                   |                   |                                |
| Cash and cash equivalents  | \$ 1,626,656        | \$ 10,869  | \$ 394,986                        | \$ 121,877        | \$ 345,374        | \$ 913,021        | \$ 3,412,783                   |
| Property taxes receivable  | 81,563              | -  | 15,025                            | -                 | 20,018            | -                 | 116,606                        |
| Due from other funds   | 487,872             | -  | -                                 | -                 | -                 | -                 | 487,872                        |
| Restricted cash and investments  | -                   | -  | -                                 | 211,354           | -                 | -                 | 211,354                        |
| <b>Total assets</b>  | <b>\$ 2,196,091</b> | <b>\$ 10,869</b>   | <b>\$ 410,011</b>                 | <b>\$ 333,231</b> | <b>\$ 365,392</b> | <b>\$ 913,021</b> | <b>\$ 4,228,615</b>            |
| <b>Liabilities</b>   |                     |  |                                   |                   |                   |                   |                                |
| Accounts payable   | \$ 250,873          | \$ -   | \$ 174,991                        | \$ 121,877        | \$ -              | \$ 2,337          | \$ 550,078                     |
| Due to other funds   | -                   | 206,085  | -                                 | -                 | -                 | 281,787           | 487,872                        |
| <b>Total liabilities</b>   | <b>250,873</b>      | <b>206,085</b>   | <b>174,991</b>                    | <b>121,877</b>    | <b>-</b>          | <b>284,124</b>    | <b>1,037,950</b>               |
| <b>Deferred Inflows of Resources</b>   |                     |  |                                   |                   |                   |                   |                                |
| Unavailable revenue, property taxes  | 107,055             | -  | 19,720                            | -                 | 29,424            | -                 | 156,199                        |
| <b>Total deferred inflows of resources</b>                                   | <b>107,055</b>      | <b>-</b>   | <b>19,720</b>                     | <b>-</b>          | <b>29,424</b>     | <b>-</b>          | <b>156,199</b>                 |
| <b>Fund Balances (Deficits)</b>  |                     |  |                                   |                   |                   |                   |                                |
| Restricted:  |                     |  |                                   |                   |                   |                   |                                |
| Voter approved initiatives   | -                   | -  | -                                 | -                 | -                 | 282,685           | 282,685                        |
| Federal and state projects   | 2,639               | -  | -                                 | -                 | -                 | 13,660            | 16,299                         |
| Food service   | -                   | -  | -                                 | -                 | -                 | 159,090           | 159,090                        |
| Joint technical education  | -                   | -  | -                                 | -                 | -                 | 37,111            | 37,111                         |
| Extracurricular activities   | -                   | -  | -                                 | -                 | -                 | 113,547           | 113,547                        |
| Debt service   | -                   | -  | -                                 | -                 | 335,968           | -                 | 335,968                        |
| Capital outlay   | 5,310               | -  | -                                 | 211,354           | -                 | 71,866            | 288,530                        |
| Other purposes   | 14,189              | -  | -                                 | -                 | -                 | 19,801            | 33,990                         |
| Unassigned   | 1,816,025           | (195,216)  | 215,300                           | -                 | -                 | (68,863)          | 1,767,246                      |
| <b>Total fund balances</b>   | <b>1,838,163</b>    | <b>(195,216)</b>   | <b>215,300</b>                    | <b>211,354</b>    | <b>335,968</b>    | <b>628,897</b>    | <b>3,034,466</b>               |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balance</b> | <b>\$ 2,196,091</b> | <b>\$ 10,869</b>   | <b>\$ 410,011</b>                 | <b>\$ 333,231</b> | <b>\$ 365,392</b> | <b>\$ 913,021</b> | <b>\$ 4,228,615</b>            |

See notes to financial statements

## Santa Cruz Valley Union School District No. 840

### Reconciliation of the Balance Sheet to the Statement of Net Position

#### Governmental Funds

Year Ended June 30, 2023

|  |                     |                                    |
|--|---------------------|------------------------------------|
| <b>Total Governmental Fund Balance</b>   |                     | <b>\$ 3,034,466</b>                |
| Amounts reported for governmental activities in the Statement of Net Position are different because:   |                     |                                    |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.   |                     |                                    |
| Governmental capital assets  | \$ 26,643,421       |                                    |
| Less accumulated depreciation/amortization   | <u>(12,139,304)</u> | 14,504,117                         |
| Certain revenues earned but not received within 60 days of year-end are unavailable for the governmental statements, but are recognized as revenue for the government-wide statements. |                     |                                    |
| Property taxes   | <u>156,199</u>      | 156,199                            |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.   |                     |                                    |
| Compensated absences payable   | (102,579)           |                                    |
| Lease payable  | (68,884)            |                                    |
| Bonds payable  | (3,505,000)         |                                    |
| Premium payable  | (323,990)           |                                    |
| Net OPEB asset   | 82,710              |                                    |
| Net OPEB liability   | (1,576)             |                                    |
| Net pension liability  | <u>(3,068,578)</u>  | (6,987,897)                        |
| Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future reporting periods and, therefore, are not reported in the funds.                          |                     |                                    |
| Deferred outflows of resources related to pensions/OPEB  | 434,823             |                                    |
| Deferred inflows of resources related to pensions/OPEB   | <u>(302,043)</u>    | <u>132,780</u>                     |
| <b>Net Position of Governmental Activities</b>   |                     | <b><u><u>\$ 10,839,665</u></u></b> |



**Santa Cruz Valley Union School District No. 840**

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2023

|  | General<br>Fund     | Elementary<br>and<br>Secondary<br>School<br>Emergency<br>Relief | Unrestricted<br>Capital<br>Outlay | Bond<br>Building  | Debt<br>Service   | Nonmajor<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|---|-----------------------------------|-------------------|-------------------|-------------------|--------------------------------|
| <b>Revenues</b>                                      |                     |   |                                   |                   |                   |                   |                                |
| Property taxes                                       | \$ 2,689,253        | \$ -  | \$ 211,888                        | \$ -              | \$ 697,192        | \$ 18             | \$ 3,598,351                   |
| Intergovernmental grants and aid:                    |                     |   |                                   |                   |                   |                   |                                |
| Federal  | 111                 | 776,092   |                                   |                   |                   | 157,354           | 933,557                        |
| State  | 946,598             | -   | 81,707                            | -                 | -                 | 1,582,059         | 2,610,364                      |
| Investment earnings                                  | 21,811              | 10  | 2,696                             | -                 | 19,442            | 10,501            | 54,460                         |
| Other  | 567,950             | -   | -                                 | -                 | -                 | 217,645           | 785,595                        |
| <b>Total revenues</b>                                | <u>4,225,723</u>    | <u>776,102</u>  | <u>296,291</u>                    | <u>-</u>          | <u>716,634</u>    | <u>1,967,577</u>  | <u>7,982,327</u>               |
| <b>Expenditures</b>                                  |                     |   |                                   |                   |                   |                   |                                |
| Current:   |                     |   |                                   |                   |                   |                   |                                |
| Instruction  | 939,997             | 439,313   | 44,639                            | -                 | -                 | 605,882           | 2,029,831                      |
| Support services:                                    |                     |   |                                   |                   |                   |                   |                                |
| Students and staff                                   | 197,686             | 79,626  | 11,459                            | -                 | -                 | 352,672           | 641,443                        |
| General administration                               | 303,673             | 1,187   | 2,500                             | -                 | -                 | 1,252             | 308,612                        |
| Operation and maintenance of plant services          | 1,200,395           | 160,032   | 24,210                            | -                 | -                 | 2,978             | 1,387,615                      |
| Student transportation                               | 195,230             | 6,558   | -                                 | -                 | -                 | 24,679            | 226,467                        |
| Operation of noninstructional services               | 580,711             | 8,439   | -                                 | 290,873           | -                 | 201,863           | 1,081,886                      |
| Capital outlay                                       | 1,429               | -   | 104,441                           | 485,811           | -                 | 642,871           | 1,234,552                      |
| Debt service:  |                     |   |                                   |                   |                   |                   |                                |
| Principal  | 40,680              | -   | -                                 | -                 | 510,000           | -                 | 550,680                        |
| Interest and fiscal charges                          | 6,486               | -   | -                                 | -                 | 167,110           | -                 | 173,596                        |
| <b>Total expenditures</b>                            | <u>3,466,287</u>    | <u>695,155</u>  | <u>187,249</u>                    | <u>776,684</u>    | <u>677,110</u>    | <u>1,832,197</u>  | <u>7,634,682</u>               |
| Excess (deficiency) of revenues<br>over expenditures | <u>759,436</u>      | <u>80,947</u>   | <u>109,042</u>                    | <u>(776,684)</u>  | <u>39,524</u>     | <u>135,380</u>    | <u>347,645</u>                 |
| <b>Other Financing Sources (Uses)</b>                |                     |   |                                   |                   |                   |                   |                                |
| Transfers in   | 102,521             | -   | -                                 | -                 | -                 | -                 | 102,521                        |
| Transfers out  | -                   | (70,078)  | -                                 | -                 | -                 | (32,443)          | (102,521)                      |
| <b>Total other financing sources (uses)</b>          | <u>102,521</u>      | <u>(70,078)</u>   | <u>-</u>                          | <u>-</u>          | <u>-</u>          | <u>(32,443)</u>   | <u>-</u>                       |
| Net change in fund balances                          | 861,957             | 10,869  | 109,042                           | (776,684)         | 39,524            | 102,937           | 347,645                        |
| <b>Fund Balances, Beginning</b>                      | <u>976,206</u>      | <u>(206,085)</u>  | <u>106,258</u>                    | <u>988,038</u>    | <u>296,444</u>    | <u>525,960</u>    | <u>2,686,821</u>               |
| <b>Fund Balances, Ending</b>                         | <u>\$ 1,838,163</u> | <u>\$ (195,216)</u>   | <u>\$ 215,300</u>                 | <u>\$ 211,354</u> | <u>\$ 335,968</u> | <u>\$ 628,897</u> | <u>\$ 3,034,466</u>            |

See notes to financial statements

## Santa Cruz Valley Union School District No. 840

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
Year Ended June 30, 2023

**Net Change in Fund Balances - Total Governmental Funds** \$ 347,645

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

Governmental funds report capital outlays as expenditures.

However, in the Statement of Activities the cost of those assets  
is allocated over their estimated useful lives as depreciation  
expense.

|                                     |                  |         |
|-------------------------------------|------------------|---------|
| Expenditures for capitalized assets | 1,402,183        |         |
| Depreciation/amortization expense   | <u>(876,209)</u> | 525,974 |

District pension/OPEB contributions are reported as expenditures  
in the governmental funds when made. However, they are reported  
as deferred outflows of resources in the Statement of Net Position  
because the reported net pension/OPEB asset/(liability) is measured  
a year before the District's report date. pension/OPEB expense,  
which is the change in the net pension/OPEB asset/(liability)  
adjusted changes in deferred outflows and inflows of resources  
related to pension/OPEBs, is reported in the Statement of Activities

|                                     |                  |         |
|-------------------------------------|------------------|---------|
| District pension/OPEB contributions | 251,244          |         |
| Pension/OPEB expense                | <u>(149,312)</u> | 101,932 |

Revenues in the Statement of Activities that do not provide current  
financial resources are not reported as revenues in the funds and  
revenues received in the current year that were accrued in the  
Statement of Activities in prior years are reported as revenues  
in the funds.

|                |                 |           |
|----------------|-----------------|-----------|
| Grants         | (111,314)       |           |
| Property taxes | <u>(38,907)</u> | (150,221) |

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

|                               |               |         |
|-------------------------------|---------------|---------|
| Lease principal retirement    | 40,680        |         |
| Debt principal retirement     | 510,000       |         |
| Amortization of bond premiums | <u>57,003</u> | 607,683 |

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

(3,334)

**Change in Net Position of Governmental Activities** \$ 1,233,083

## **Notes to Financial Statements**

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# Santa Cruz Valley Union School District No. 840

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Notes to Financial Statements

June 30, 2023

## 1. Summary of Significant Accounting Policies

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

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

### Reporting Entity

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

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

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

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

### Government-Wide and Fund Financial Statements

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

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

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

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

### **Government-Wide Financial Statements**

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

### **Fund Financial Statements**

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

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

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

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

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

**Elementary and Secondary School Emergency Relief Fund** - The ESSER Fund accounts for financial assistance received to aid in safely reopening and sustaining operations of schools in response to the COVID-19 pandemic.

## **Santa Cruz Valley Union School District No. 840**

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Notes to Financial Statements

June 30, 2023

Unrestricted Capital Outlay Funds - The Unrestricted Capital Outlay Funds accounts for transactions relating to the acquisition of items by purchase, lease-purchase (GASB Statement No. 87 reclassified contracts that transfer ownership as financed purchases), or lease as prescribed by A.R.S. §15-903(C).

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.

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

### **Cash and Investments**

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

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

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

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

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% of the public deposits, less any applicable deposit insurance. An eligible depository may not retain or accept any public deposit unless it has deposited the required collateral with a qualified escrow agent or the Administrator. The Administrator manages the pooled collateral program, including reporting on each depository's compliance with the program.

### **Investment Income**

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

# Santa Cruz Valley Union School District No. 840

Notes to Financial Statements

June 30, 2023

## 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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

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

## Property Tax Calendar

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

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

## Prepaid Items

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

## Capital Assets

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

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

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

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

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

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



**Leases**

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

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

**Subscription-Based Information Technology Arrangements**

The district recognizes subscription liabilities with an initial, individual value of \$5,000 or more. The district's estimated incremental borrowing rate is based on the average interest rate of other financing instruments with similar terms and risks as those currently entered into by the district. The district's estimated incremental borrowing rate is calculated for subscriptions above as noted for leases.

**Deferred Outflows/Inflows of Resources**

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

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

**Compensated Absences**

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

**Pensions and Other Postemployment Benefits**

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

**Long-Term Obligations**

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

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

**Interfund Activity**

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

**Net Position Flow Assumption**

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

**Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

# Santa Cruz Valley Union School District No. 840

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Notes to Financial Statements

June 30, 2023

## 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 legally or contractually required to be maintained intact.

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

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

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

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

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

## 3. Cash and Investments

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

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

## **Santa Cruz Valley Union School District No. 840**

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Notes to Financial Statements  
June 30, 2023

Statute authorizes the District to deposit monies of the auxiliary operations and student activities funds in bank accounts. The District may also invest these monies. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer, revolving accounts to pay minor disbursements and withholding accounts for taxes and employee insurance programs. Some of the bank accounts may be interest bearing.

### **Deposits**

At June 30, 2023, the carrying amount of the District's deposits was \$117,817 and the bank balance was \$122,590. The bank balance was insured under the federal depository insurance.

### **Interest Rate Risk**

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

### **Credit Risk**

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

### **Custodial Credit Risk, Investments**

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

### **Fair Value Measurements**

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

Level 1 - Inputs are quoted prices in active markets for identical assets

Level 2 - Inputs are significant other observable inputs

Level 3 - Inputs are significant unobservable inputs

# Santa Cruz Valley Union School District No. 840

Notes to Financial Statements  
June 30, 2023

## Investments

The District had total investments in the County Treasurer's investment pool of \$3,506,320 at June 30, 2023.

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

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

|                                    | <b>Average<br/>Maturities</b> | <b>Fair Value</b> |
|------------------------------------|-------------------------------|-------------------|
| County Treasurer's investment pool | 2.46 years                    | \$ 3,506,320      |

## 4. Receivables

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

|                             | <b>General<br/>Fund</b> | <b>Unrestricted<br/>Capital Outlay</b> | <b>Debt Service</b> | <b>Total</b>      |
|-----------------------------|-------------------------|--|---------------------|-------------------|
| Governmental activities:    |                         |  |                     |                   |
| Due from other governments: |                         |  |                     |                   |
| Property tax assessments    | \$ 81,563               | \$ 15,025                              | \$ 20,018           | \$ 116,606        |
| Total receivables           | <u>\$ 81,563</u>        | <u>\$ 15,025</u>                       | <u>\$ 20,018</u>    | <u>\$ 116,606</u> |

# Santa Cruz Valley Union School District No. 840

Notes to Financial Statements  
June 30, 2023

## 5. Capital Assets

Capital asset activity for the year ended June 30, 2023 is as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Increase</u>     | <u>Decreases</u>      | <u>Ending<br/>Balance</u> |
|---|------------------------------|---------------------|-----------------------|---------------------------|
| Governmental activities:                                      |                              |                     |                       |                           |
| Capital assets, not being<br>depreciated/amortized:           |                              |                     |                       |                           |
| Land  | \$ 240,011                   | \$ -                | \$ -                  | \$ 240,011                |
| Construction in progress                                      | 742,198                      | 941,173             | (1,362,238)           | 321,133                   |
| Total capital assets<br>not being<br>depreciated/amortized    | <u>982,209</u>               | <u>941,173</u>      | <u>(1,362,238)</u>    | <u>561,144</u>            |
| Capital assets, being<br>depreciated/amortized:               |                              |                     |                       |                           |
| Land improvements   | 3,851,965                    | 166,983             | -                     | 4,018,948                 |
| Buildings and improvements                                    | 16,899,156                   | 1,504,128           | -                     | 18,403,284                |
| Vehicles, furniture and<br>equipment                          | 3,026,237                    | 152,138             | -                     | 3,178,375                 |
| Right-of-use assets, leases:<br>Building improvements         | 481,670                      | -                   | -                     | 481,670                   |
| Total capital assets being<br>depreciated/amortized           | <u>24,259,028</u>            | <u>1,823,249</u>    | <u>-</u>              | <u>26,082,277</u>         |
| Less accumulated<br>depreciation/amortization for:            |                              |                     |                       |                           |
| Land improvements   | (1,689,518)                  | (161,805)           | -                     | (1,851,323)               |
| Buildings and improvements                                    | (7,765,169)                  | (547,191)           | -                     | (8,312,360)               |
| Vehicles, furniture and<br>equipment                          | (1,541,482)                  | (143,130)           | -                     | (1,684,612)               |
| Right-of-use assets, building<br>improvements                 | (266,926)                    | (24,083)            | -                     | (291,009)                 |
| Total accumulated<br>depreciation/<br>amortization            | <u>(11,263,095)</u>          | <u>(876,209)</u>    | <u>-</u>              | <u>(12,139,304)</u>       |
| Total capital assets,<br>being depreciated/<br>amortized, net | <u>12,995,933</u>            | <u>947,040</u>      | <u>-</u>              | <u>13,942,973</u>         |
| Governmental activities<br>capital assets, net                | <u>\$ 13,978,142</u>         | <u>\$ 1,888,213</u> | <u>\$ (1,362,238)</u> | <u>\$ 14,504,117</u>      |

# Santa Cruz Valley Union School District No. 840

Notes to Financial Statements

June 30, 2023

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

|   |            |
|---|------------|
| Governmental activities:                    |            |
| Instruction                                 | \$ 116,179 |
| Support services, students and staff        | 3,490      |
| Support services, general administration    | 2,971      |
| Operation and maintenance of plant services | 549,559    |
| Student transportation                      | 106,270    |
| Operation of noninstructional services      | 97,740     |
|   | <hr/>      |
| Total depreciation expense                  | \$ 876,209 |

## Construction Commitments

At year-end, the District had contractual commitments related to various capital projects for the construction of school renovations. At year-end, the District had spent \$1,398,870 on the projects. These projects are primarily being funded with bond proceeds.

## 6. Leases

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

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

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

|                                   |                                    |
|-----------------------------------|------------------------------------|
|                                   | <b>Governmental<br/>Activities</b> |
|                                   | <hr/>                              |
| Asset:                            |                                    |
| Vehicles, furniture and equipment | \$ 481,670                         |
| Less accumulated depreciation     | (291,010)                          |
|                                   | <hr/>                              |
| Total                             | \$ 190,660                         |

# Santa Cruz Valley Union School District No. 840

Notes to Financial Statements  
June 30, 2023

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

|                                     | <u>Principal</u> | <u>Interest</u> |
|-------------------------------------|------------------|-----------------|
| Years ending June 30:               |                  |                 |
| 2024                                | \$ 42,966        | \$ 4,201        |
| 2025                                | 25,918           | 1,841           |
| Present value of remaining payments | <u>\$ 68,884</u> | <u>\$ 6,042</u> |

## 7. 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.

|                                      | <u>Original<br/>Amount<br/>Issued</u> | <u>Remining<br/>Maturity</u> | <u>Interest<br/>Rate</u> | <u>Outstanding<br/>Principal<br/>June 30, 2023</u> | <u>Due Within<br/>One Year</u> |
|--------------------------------------|---------------------------------------|------------------------------|--------------------------|--|--------------------------------|
| Governmental activities:             |                                       |                              |                          |  |                                |
| School Improvement Bonds<br>of 2016: |                                       |                              |                          |  |                                |
| Series A, 2017                       | \$ 4,145,000                          | 7/1/19 - 27                  | 2.5 - 4.0 %              | \$ 1,575,000                                       | \$ 360,000                     |
| Series B, 2020                       | 2,445,000                             | 7/1/21 - 30                  | 3.0 - 4.0                | 1,930,000  | 175,000                        |
| Total                                |                                       |                              |                          | <u>\$ 3,505,000</u>                                | <u>\$ 535,000</u>              |

## 8. Changes in Long-Term Liabilities

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

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>  | <u>Reductions</u>   | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|---|------------------------------|-------------------|---------------------|---------------------------|--------------------------------|
| Governmental activities:                            |                              |                   |                     |                           |                                |
| Compensated absences                                | \$ 106,839                   | \$ 65,576         | \$ (69,836)         | \$ 102,579                | \$ 24,619                      |
| Bonds payable                                       | 4,015,000                    | -                 | (510,000)           | 3,505,000                 | 535,000                        |
| Premiums  | 380,993                      | -                 | (57,003)            | 323,990                   | -                              |
| Leases  | 109,564                      | -                 | (40,680)            | 68,884                    | 42,966                         |
| Net OPEB liability                                  | 3,619                        | -                 | (2,043)             | 1,576                     | -                              |
| Net pension liability                               | 2,545,132                    | 523,446           | -                   | 3,068,578                 | -                              |
| Governmental<br>activities long-term<br>liabilities | <u>\$ 7,161,147</u>          | <u>\$ 589,022</u> | <u>\$ (679,562)</u> | <u>\$ 7,070,607</u>       | <u>\$ 602,585</u>              |



## Santa Cruz Valley Union School District No. 840

Notes to Financial Statements

June 30, 2023

### 9. Interfund Receivables, Payables and Transfers

At year-end, receivables and payables were as follows:

Due to/from other funds:

|  | <u>Receivable<br/>Amount</u> | <u>Payable Amount</u>       |
|--|------------------------------|-----------------------------|
| Fund:  |                              |                             |
| General Fund                                     | \$ 487,872                   | \$ -                        |
| Elementary and Secondary School Emergency Relief |                              | 206,085                     |
| Non-Major Governmental Funds                     | -                            | 281,787                     |
|  | <u>                    </u>  | <u>                    </u> |
| Total  | <u>\$ 487,872</u>            | <u>\$ 487,872</u>           |

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

Interfund transfers:

|  | <u>Transfers Out</u>        | <u>Transfers In</u>         |
|--|-----------------------------|-----------------------------|
| Fund:  |                             |                             |
| General Fund                                     | \$ -                        | \$ 102,521                  |
| Elementary and Secondary School Emergency Relief | 70,078                      | -                           |
| Non-Major Governmental Funds                     | 32,443                      | -                           |
|  | <u>                    </u> | <u>                    </u> |
| Total  | <u>\$ 102,521</u>           | <u>\$ 102,521</u>           |

### 10. Contingencies

#### Compliance

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

#### Litigation

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

# Santa Cruz Valley Union School District No. 840

Notes to Financial Statements

June 30, 2023

## 11. Pensions and Other Postemployment Benefits

### Plan Description

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

At June 30, 2023, the District reported the following aggregate amounts related to pensions and other post-employment benefits (OPEB) for all plans to which it contributes:

|                                | <u>Pension</u> | <u>OPEB</u> |
|--------------------------------|----------------|-------------|
| Net assets                     | \$ -           | \$ 82,710   |
| Net liability                  | 3,068,578      | 1,576       |
| Deferred outflows of resources | 425,264        | 9,559       |
| Deferred inflows of resources  | 247,834        | 54,209      |
| Expense                        | 168,981        | (11,367)    |
| Contributions                  | 210,989        | 4,425       |

### Benefits Provided

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

|  | <u>Retirement Initial Membership Date</u>  |  |
|--|--|--|
|  | <u>Before July 1, 2011</u>   | <u>On or After July 1, 2011</u>  |
| Years of service and age required to receive benefit | Sum of years and age equals 80<br>10 years age 62<br>5 years age 50*<br>any years age 65 | 30 years age 55<br>25 years age 60<br>10 years age 62<br>5 years age 50*<br>any years age 65 |
| Final average salary is based on                     | Highest 36 consecutive months<br>of last 120 months                                      | Highest 60 consecutive months<br>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.

## Santa Cruz Valley Union School District No. 840

Notes to Financial Statements

June 30, 2023

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

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

### Contributions

In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2023, statute required active ASRS members to contribute at the actuarially determined rate of 12.17% (12.03% for retirement and 0.14% for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.17% (11.92% for retirement, 0.11% for health insurance premium benefit, and 0.14% for long-term disability) of the active members' annual covered payroll. The District's contributions for the year ended June 30, 2023 were as follows:

|                                  | <u>Pension/OPEB<br/>Contributions</u> |
|----------------------------------|---------------------------------------|
| Pension contribution             | \$ 210,989                            |
| Health insurance premium benefit | 1,947                                 |
| Long-term disability             | 2,478                                 |

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

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

### Pension and OPEB Assets/Liability

The net pension and OPEB assets/liability were measured as of June 30, 2022. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022.

# Santa Cruz Valley Union School District No. 840

Notes to Financial Statements  
June 30, 2023

## Liability

At June 30, 2023, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability.

|                                  | <b>Net<br/>Pension/OPEB<br/>(Asset) Liability</b> |
|----------------------------------|---|
| Pension                          | \$ 3,068,578                                      |
| Health insurance premium benefit | (82,710)  |
| Long-term disability             | 1,576   |

The net asset and net liabilities were measured as of June 30, 2022. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022.

The District's proportion of the net asset or net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2023, and the change from its proportions measured as of June 30, 2022, were:

|                                  | <b>Proportion<br/>June 30, 2023</b> | <b>Increase<br/>(Decrease)<br/>From<br/>June 30, 2022</b> |
|----------------------------------|-------------------------------------|---|
| Pension                          | 0.01880 %                           | (0.000571) %  |
| Health insurance premium benefit | 0.01482                             | (0.001212)  |
| Long-term disability             | 0.17062                             | (0.153087)  |

## Pension/OPEB Expense and Deferred Outflows/Inflows of Resources

The District has deferred outflows and inflows of resources related to the net pension and OPEB assets/liabilities. Certain changes in the net pension and OPEB assets/liability are recognized as pension and OPEB expense over a period of time rather than the year of occurrence. For the year ended June 30, 2023, the District recognized pension and OPEB expense as follows:

|                                  | <b>Net<br/>Pension/OPEB<br/>(Asset) Liability</b> |
|----------------------------------|---|
| Pension                          | \$ 168,981  |
| Health insurance premium benefit | (11,634)  |
| Long-term disability             | 267   |

# Santa Cruz Valley Union School District No. 840

Notes to Financial Statements

June 30, 2023

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

|   | Pension                              |                                     | Health Insurance<br>Premium Benefit  |                                     | Long-Term Disability                 |                                     |
|---|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------------|-------------------------------------|
|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
| Differences between expected and actual experience  | \$ 26,146                            | \$ -                                | \$ -                                 | \$ 42,211                           | \$ 820                               | \$ 1,468                            |
| Changes of assumptions or other inputs  | 152,299                              | -                                   | 1,342                                | 2,256                               | 858                                  | 3,846                               |
| Net difference between projected and actual earnings on pension plan investments                              | -                                    | 80,829                              | -                                    | 2,786                               | -                                    | 49                                  |
| Changes in proportion and differences between District contributions and proportionate share of contributions | -                                    | 167,005                             | 2,114                                | 9                                   | -                                    | 1,584                               |
| District contributions subsequent to the measurement date   | 246,819                              | -                                   | 1,947                                | -                                   | 2,478                                | -                                   |
| <b>Total</b>  | <b>\$ 425,264</b>                    | <b>\$ 247,834</b>                   | <b>\$ 5,403</b>                      | <b>\$ 47,262</b>                    | <b>\$ 4,156</b>                      | <b>\$ 6,947</b>                     |

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension and OPEB assets/liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and OPEB will be recognized in pension and OPEB expense as follows:

|                       | Pension   | Health<br>Insurance<br>Premium Benefit | Long-Term<br>Disability |
|-----------------------|-----------|--|-------------------------|
| Years ending June 30: |           |  |                         |
| 2024                  | \$ 5,686  | \$ (12,107)                            | \$ (608)                |
| 2025                  | (64,107)  | (13,208)                               | (695)                   |
| 2026                  | (140,339) | (14,538)                               | (1,063)                 |
| 2027                  | 129,371   | (1,857)                                | (370)                   |
| 2028                  | -         | (2,096)                                | (967)                   |
| Thereafter            | -         | -                                      | (1,566)                 |

# Santa Cruz Valley Union School District No. 840

Notes to Financial Statements

June 30, 2023

## Actuarial Assumptions

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

|                             | <u>Pension/OPEB</u>   |
|-----------------------------|---|
| Actuarial valuation date    | June 30, 2021   |
| Actuarial roll forward date | June 20, 2022   |
| Actuarial cost method       | Entry age normal  |
| Investment rate of return   | 7.0%  |
| Projected salary increases  | 2.6 - 7.2% for pensions/not applicable for OPEB   |
| Inflation                   | 2.3%  |
| Permanent benefit increase  | Included for pensions/not applicable for OPEB<br>2017 SRA Scale U-MP for pensions and health<br>insurance premium benefit |
| Mortality rates             | 2012 GLDT for long-term disability  |
| Recovery rates              | Not applicable  |
| Healthcare cost trend rate  | Not applicable  |

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2021.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class for all ASRS plans are summarized in the following table:

|                                       | <u>Target<br/>Allocation</u> | <u>Long-Term<br/>Expected<br/>Geometric<br/>Real Rate<br/>of Return</u> |
|---------------------------------------|------------------------------|---|
| Asset class:                          |                              |   |
| Equity                                | 50 %                         | 3.90 %  |
| Fixed income, credit                  | 20                           | 5.30  |
| Fixed income, interest rate sensitive | 10                           | (0.20)  |
| Real estate                           | <u>20</u>                    | 6.00  |
| Total                                 | <u>100 %</u>                 |   |

# Santa Cruz Valley Union School District No. 840

Notes to Financial Statements

June 30, 2023

## Discount Rate

At June 30, 2022, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0%, which was a decrease of 0.5% from the discount rate used as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona statute. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

## Sensitivity of the Proportionate Share of the Net Pension and OPEB Asset/Liability to Changes in the Discount Rate

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

|  | <u>1% Decrease<br/>(6.0%)</u> | <u>Current<br/>Discount Rate<br/>(7.0%)</u> | <u>1% Increase<br/>(8.0%)</u> |
|--|-------------------------------|---|-------------------------------|
| District's proportionate share of the:                 |                               |   |                               |
| Net pension liability                                  | \$ 4,527,595                  | \$ 3,068,578                                | \$ 1,851,985                  |
| Net health insurance premium benefit liability (asset) | (59,473)                      | (82,710)                                    | (102,426)                     |
| Net long-term disability liability                     | 2,612                         | 1,576                                       | 571                           |

## Pension and OPEB Plan Fiduciary Net Position

Detailed information about the pension and OPEB plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

## 12. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District continues to carry commercial insurance for life insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

# Santa Cruz Valley Union School District No. 840

Notes to Financial Statements  
June 30, 2023

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

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

The District is a member of an intergovernmental agreement with Eloy Elementary School District to receive transportation services for students in which a member of the District Board is married to the Business Manager at Eloy Elementary School District. The amount spent during the year for these services was \$30,170. The member of the Board has disclosed this relationship and recuses themselves for all related decisions regarding this IGA.

## 13. Fund Balance Deficit

### Individual Deficit Fund Balances

At year-end, the following individual non-major governmental funds reported deficits in fund balance.

|  | <u>Deficit</u>    |
|--|-------------------|
| Major:   |                   |
| Governmental Funds:                              |                   |
| Elementary and Secondary School Emergency Relief | \$ 195,216        |
| Non-Major:                                       |                   |
| Governmental Funds:                              |                   |
| Title I  | 125,624           |
| Professional Development & Technology            | 32,793            |
| Title IV   | 1,206             |
| Special Education                                | 64,149            |
| Vocational Education - Basic Grants              | 6,700             |
| Building Renewal Grant                           | <u>93,183</u>     |
| Total  | <u>\$ 487,872</u> |

The deficits arose because of operations during the year and prior years and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2023-24 are expected to eliminate the deficits.



## Required Supplementary Information

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**Santa Cruz Valley Union School District No. 840**

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

General Fund

Year Ended June 30, 2023

|  | <b>Budgeted Amounts</b> |                       | <b>Non-GAAP<br/>Actual<br/>Amounts</b> | <b>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-------------------------|-----------------------|--|---|
|  | <b>Original</b>         | <b>Final</b>          |  |   |
| <b>Revenues</b>                                      |                         |                       |  |   |
| Property taxes                                       | \$ -                    | \$ -                  | \$ 2,689,253                           | \$ 2,689,253  |
| Intergovernmental grants and aid:                    |                         |                       |  |   |
| Federal  | -                       | -                     | 111                                    | 111   |
| State  | -                       | -                     | 946,598                                | 946,598   |
| Investment earnings                                  | -                       | -                     | 21,811                                 | 21,811  |
| Other  | -                       | -                     | 567,950                                | 567,950   |
|  | <u>-</u>                | <u>-</u>              | <u>4,225,723</u>                       | <u>4,225,723</u>  |
| Total revenues                                       | -                       | -                     | 4,225,723                              | 4,225,723   |
| <b>Expenditures</b>                                  |                         |                       |  |   |
| Current:   |                         |                       |  |   |
| Instruction  | 1,382,828               | 1,734,654             | 939,997                                | 794,657   |
| Support services:                                    |                         |                       |  |   |
| Students and staff                                   | 313,556                 | 313,556               | 197,686                                | 115,870   |
| General administration                               | 675,467                 | 675,467               | 303,673                                | 371,794   |
| Operation and maintenance of plant services          | 666,754                 | 666,754               | 1,200,395                              | (533,641)   |
| Student transportation                               | 162,656                 | 162,656               | 195,230                                | (32,574)  |
| Operation of noninstructional services               | 99,578                  | 99,578                | 580,711                                | (481,133)   |
| Debt service:  |                         |                       |  |   |
| Principal  | -                       | -                     | 40,680                                 | (40,680)  |
| Interest and fiscal charges                          | -                       | -                     | 6,486                                  | (6,486)   |
| Capital outlay                                       | -                       | -                     | 1,429                                  | (1,429)   |
|  | <u>3,300,839</u>        | <u>3,652,665</u>      | <u>3,466,287</u>                       | <u>186,378</u>  |
| Total expenditures                                   | 3,300,839               | 3,652,665             | 3,466,287                              | 186,378   |
| (Deficiency) excess of revenues<br>over expenditures | <u>(3,300,839)</u>      | <u>(3,652,665)</u>    | <u>759,436</u>                         | <u>4,412,101</u>  |
| <b>Other Financing Sources (Uses)</b>                |                         |                       |  |   |
| Transfers in   | -                       | -                     | 102,521                                | 102,521   |
| Transfers out  | -                       | -                     | -                                      | -   |
|  | <u>-</u>                | <u>-</u>              | <u>102,521</u>                         | <u>102,521</u>  |
| Total other financing<br>sources and uses            | -                       | -                     | 102,521                                | 102,521   |
| Net change in fund balances                          | (3,300,839)             | (3,652,665)           | 861,957                                | 4,514,622   |
| <b>Fund Balance, Beginning</b>                       | <u>-</u>                | <u>-</u>              | <u>976,206</u>                         | <u>976,206</u>  |
| <b>Fund Balance, Ending</b>                          | <u>\$ (3,300,839)</u>   | <u>\$ (3,652,665)</u> | <u>\$ 1,838,163</u>                    | <u>\$ 5,490,828</u>   |

See notes to required supplementary information

**Santa Cruz Valley Union School District No. 840**

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

Elementary and Secondary School Emergency Relief Fund

Year Ended June 30, 2023

|  | Budgeted Amounts |       | Actual<br>Amounts | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|-------|-------------------|---|
|  | Original         | Final |                   |   |
| <b>Revenues</b>                                      |                  |       |                   |   |
| Intergovernmental grants and aid:                    |                  |       |                   |   |
| Federal  | \$ -             | \$ -  | \$ 776,092        | \$ 776,092  |
| Investment earnings                                  | -                | -     | 10                | 10  |
| Total revenues                                       | -                | -     | 776,102           | 776,102   |
| <b>Expenditures</b>                                  |                  |       |                   |   |
| Current:   |                  |       |                   |   |
| Instruction  | -                | -     | 439,313           | (439,313)   |
| Support services:                                    |                  |       |                   |   |
| Students and staff                                   | -                | -     | 79,626            | (79,626)  |
| General administration                               | -                | -     | 1,187             | (1,187)   |
| Operation and maintenance of plant                   | -                | -     | 160,032           | (160,032)   |
| Student transportation                               | -                | -     | 6,558             | (6,558)   |
| Operation of noninstructional services               | -                | -     | 8,439             | (8,439)   |
| Total expenditures                                   | -                | -     | 695,155           | (695,155)   |
| Excess (deficiency) of revenues<br>over expenditures | -                | -     | 80,947            | 80,947  |
| <b>Other Financing Sources (Uses)</b>                |                  |       |                   |   |
| Transfers in   | -                | -     | -                 | -   |
| Transfers out  | -                | -     | (70,078)          | (70,078)  |
| Total other financing sources<br>and uses            | -                | -     | (70,078)          | (70,078)  |
| Net change in fund balances                          | -                | -     | 10,869            | 10,869  |
| <b>Fund Balance, Beginning</b>                       | -                | -     | (206,085)         | (206,085)   |
| <b>Fund Balance, Ending</b>                          | \$ -             | \$ -  | \$ (195,216)      | \$ (195,216)  |

See notes to required supplementary information

**Santa Cruz Valley Union School District No. 840**

Required Supplementary Information  
 Schedule of the District's Proportionate Share of the Net Pension/OPEB Liability (Asset)  
 Cost-Sharing Plan  
 Year Ended June 30, 2023

|  | Reporting Fiscal Year<br>(Measurement Date) |                |                |                |                |                |                |                |                |        |                           |
|--|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------|---------------------------|
|  | 2023<br>(2022)                              | 2022<br>(2021) | 2021<br>(2020) | 2020<br>(2019) | 2019<br>(2018) | 2018<br>(2017) | 2017<br>(2016) | 2016<br>(2015) | 2015<br>(2014) | 2014   |                           |
| <b>ASRS - Pension</b>  |   |                |                |                |                |                |                |                |                |        |                           |
| District's proportion of the net pension liability   | 0.019%                                      | 0.021%         | 0.022%         | 0.022%         | 0.020%         | 0.020%         | 0.020%         | 0.020%         | 0.020%         | 0.020% | Information not available |
| District's proportionate share of the net pension liability  | \$ 3,068,578                                | \$ 2,545,132   | \$ 3,749,930   | \$ 3,227,448   | \$ 3,001,283   | \$ 3,469,232   | \$ 3,544,565   | \$ 3,324,000   | \$ 2,902,552   |        |                           |
| District's covered payroll   | 1,721,882                                   | 1,804,326      | 1,933,930      | 1,905,358      | 1,794,752      | 2,178,636      | 1,949,207      | 1,875,221      | 1,718,664      |        |                           |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 178.21%                                     | 131.60%        | 193.90%        | 169.39%        | 167.23%        | 159.24%        | 181.85%        | 177.26%        | 168.88%        |        |                           |
| Plan fiduciary net position as a percentage of the total pension liability                         | 74.26%                                      | 78.58%         | 69.33%         | 73.24%         | 73.40%         | 69.92%         | 67.06%         | 68.35%         | 69.49%         |        |                           |
| <b>ASRS - Health Insurance Premium Benefit</b>   |   |                |                |                |                |                |                |                |                |        |                           |
| District's proportion of the net OPEB (asset)  | 0.015%                                      | 0.019%         | 0.019%         | 0.019%         | 0.020%         | 0.020%         |                |                |                |        | Information not available |
| District's proportionate share of the net OPEB (asset)   | \$ (82,710)                                 | \$ (82,710)    | \$ (13,162)    | \$ (5,281)     | \$ (6,892)     | \$ (11,345)    |                |                |                |        |                           |
| District's covered payroll   | 1,721,882                                   | 1,804,326      | 1,933,930      | 1,905,358      | 1,794,752      | 2,178,636      |                |                |                |        |                           |
| District's proportionate share of the net OPEB (asset) as a percentage of its covered payroll      | -4.58%                                      | -0.68%         | -0.68%         | -0.28%         | -0.38%         | -0.52%         |                |                |                |        |                           |
| Plan fiduciary net position as a percentage of the total OPEB (asset) liability                    | 137.79%                                     | 130.24%        | 104.33%        | 101.62%        | 102.20%        | 103.57%        |                |                |                |        |                           |
| <b>ASRS - Long-Term Disability</b>   |   |                |                |                |                |                |                |                |                |        |                           |
| District's proportion of the net OPEB liability  | 0.171%                                      | 0.020%         | 0.020%         | 0.020%         | 0.020%         | 0.020%         |                |                |                |        | Information not available |
| District's proportionate share of the net OPEB liability   | \$ 1,576                                    | \$ 3,619       | \$ 14,983      | \$ 13,107      | \$ 11,155      | \$ 7,830       |                |                |                |        |                           |
| District's covered payroll   | 1,721,882                                   | 1,804,326      | 1,933,930      | 1,905,358      | 1,794,752      | 2,178,636      |                |                |                |        |                           |
| District's proportionate share of the net OPEB liability as a percentage of its covered payroll    | 0.20%                                       | 0.77%          | 0.77%          | 0.69%          | 0.62%          | 0.36%          |                |                |                |        |                           |
| Plan fiduciary net position as a percentage of the total OPEB liability                            | 95.40%                                      | 90.38%         | 68.01%         | 72.85%         | 77.83%         | 84.44%         |                |                |                |        |                           |

See notes to required supplementary information

**Santa Cruz Valley Union School District No. 840**

Required Supplementary Information  
 Schedule of the District's Pension/OPEB Contributions  
 Year Ended June 30, 2023

|   | Reporting Fiscal Year |                    |                    |                    |                    |                    |              |                           |                   |
|---|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------|---------------------------|-------------------|
|   | 2023                  | 2022               | 2021               | 2020               | 2019               | 2018               | 2017         | 2016                      | 2015              |
| <b>ASRS - Pension</b>   |                       |                    |                    |                    |                    |                    |              |                           |                   |
| Statutorily required contribution   | \$ 210,989            | \$ 206,798         | \$ 210,204         | \$ 221,435         | \$ 213,019         | \$ 195,628         | \$ 234,857   | \$ 211,489                | \$ 204,024        |
| District's contributions in relation to the statutorily required contribution | 246,819               | 266,883            | 260,297            | 269,353            | 262,353            | 233,310            | 234,857      | 211,489                   | 204,024           |
| District's contribution (excess) deficiency                                   | <u>\$ (35,830)</u>    | <u>\$ (60,085)</u> | <u>\$ (50,093)</u> | <u>\$ (47,918)</u> | <u>\$ (49,334)</u> | <u>\$ (37,682)</u> | <u>\$ -</u>  | <u>\$ -</u>               | <u>\$ -</u>       |
| District's covered payroll  | \$ 1,770,042          | \$ 1,721,882       | \$ 1,804,326       | \$ 1,933,930       | \$ 1,905,358       | \$ 1,794,752       | \$ 2,178,636 | \$ 1,949,207              | \$ 1,875,221      |
| District's contributions as a percentage of covered payroll                   | 11.92%                | 12.01%             | 11.65%             | 11.45%             | 11.18%             | 10.90%             | 10.78%       | 10.85%                    | 10.88%            |
| <b>ASRS - Health Insurance Premium Benefit</b>                                |                       |                    |                    |                    |                    |                    |              |                           |                   |
| Statutorily required contribution   | \$ 1,947              | \$ 3,616           | \$ 7,037           | \$ 9,476           | \$ 8,765           | \$ 7,897           | \$ 12,270    | Information not available | 2016 Through 2014 |
| District's contributions in relation to the statutorily required contribution | 1,947                 | 3,616              | 7,037              | 9,476              | 8,765              | 7,897              | 12,270       |                           |                   |
| District's contribution (excess) deficiency                                   | <u>\$ -</u>           | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>  |                           |                   |
| District's covered payroll  | \$ 1,770,042          | \$ 1,721,882       | \$ 1,804,326       | \$ 1,933,930       | \$ 1,905,358       | \$ 1,794,752       | \$ 2,178,636 |                           |                   |
| District's contributions as a percentage of covered payroll                   | 0.11%                 | 0.21%              | 0.39%              | 0.49%              | 0.46%              | 0.44%              | 0.56%        |                           |                   |
| <b>ASRS - Long-Term Disability</b>  |                       |                    |                    |                    |                    |                    |              |                           |                   |
| Statutorily required contribution   | \$ 2,478              | \$ 3,272           | \$ 3,248           | \$ 3,288           | \$ 3,049           | \$ 2,872           | \$ 3,067     | Information not available | 2016 Through 2014 |
| District's contributions in relation to the statutorily required contribution | 2,478                 | 3,272              | 3,248              | 3,288              | 3,049              | 2,872              | 3,067        |                           |                   |
| District's contribution (excess) deficiency                                   | <u>\$ -</u>           | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>        | <u>\$ -</u>  |                           |                   |
| District's covered payroll  | \$ 1,770,042          | \$ 1,721,882       | \$ 1,804,326       | \$ 1,933,930       | \$ 1,905,358       | \$ 1,794,752       | \$ 2,178,636 |                           |                   |
| District's contributions as a percentage of covered payroll                   | 0.14%                 | 0.19%              | 0.18%              | 0.17%              | 0.16%              | 0.16%              | 0.14%        |                           |                   |

See notes to required supplementary information

# Santa Cruz Valley Union School District No. 840

Notes to Required Supplementary Information  
June 30, 2023

## 1. Budgeting and Budgetary Control

The District adopts an annual operating budget for expenditures for all governmental fund types. The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted, the budget can be increased or decreased only for specific reasons set forth in Arizona Revised Statutes.

## 2. Budgetary Basis of Accounting

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

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

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

|  | <u>Total<br/>Revenues</u> | <u>Total<br/>Expenditures</u> | <u>Fund Balances<br/>End of Year</u> |
|--|---------------------------|-------------------------------|--------------------------------------|
| Statement of Revenues, Expenditures and<br>Changes in Fund Balances, General<br>Fund                   | \$ 4,088,152              | \$ 3,466,287                  | \$ 1,700,592                         |
| Activity budgeted as special revenue and<br>other funds  | <u>(1,258,610)</u>        | <u>(636,745)</u>              | <u>-</u>                             |
| Schedule of Revenues,<br>Expenditures and Changes in<br>Fund Balance, Budget & Actual,<br>General Fund | <u>\$ 2,829,542</u>       | <u>\$ 2,829,542</u>           | <u>\$ 1,700,592</u>                  |

## 3. Pension and OPEB Plan Schedules

### Actuarial Assumptions for Valuations Performed

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





## **Supplementary Information**

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### **Major Capital Projects and Debt Service Funds Budgetary Comparison Schedules**



**Santa Cruz Valley Union School District No. 840**

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

Major Debt Service

Year Ended June 30, 2023

|                                | <b>Budgeted Amounts</b> |                     | <b>Actual<br/>Amounts</b> | <b>Variance With<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--------------------------------|-------------------------|---------------------|---------------------------|---|
|                                | <b>Original</b>         | <b>Final</b>        |                           |   |
| <b>Revenues</b>                |                         |                     |                           |   |
| Property taxes                 | \$ -                    | \$ -                | \$ 697,192                | \$ 697,192  |
| Investment earnings            | -                       | -                   | 19,442                    | 19,442  |
| Total revenues                 | -                       | -                   | 716,634                   | 716,634   |
| <b>Expenditures</b>            |                         |                     |                           |   |
| Current:                       |                         |                     |                           |   |
| Debt service:                  |                         |                     |                           |   |
| Principal                      | 509,503                 | 509,503             | 510,000                   | (497)   |
| Interest and other charges     | 166,947                 | 166,947             | 167,110                   | (163)   |
| Total expenditures             | 676,450                 | 676,450             | 677,110                   | (660)   |
| Net change in fund balances    | (676,450)               | (676,450)           | 39,524                    | 715,974   |
| <b>Fund Balance, Beginning</b> | -                       | -                   | 296,444                   | 296,444   |
| <b>Fund Balance, Ending</b>    | <u>\$ (676,450)</u>     | <u>\$ (676,450)</u> | <u>\$ 335,968</u>         | <u>\$ 1,012,418</u>   |

## Santa Cruz Valley Union School District No. 840

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

Unrestricted Capital Outlay

Year Ended June 30, 2023

|   | Budgeted Amounts |             | Actual<br>Amounts | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-------------|-------------------|---|
|   | Original         | Final       |                   |   |
| <b>Revenues</b>                                   |                  |             |                   |   |
| Property taxes                                    | \$ -             | \$ -        | \$ 211,888        | \$ 211,888  |
| Intergovernmental grants and aid:                 |                  |             |                   |   |
| State   | -                | -           | 81,707            | 81,707  |
| Investment earnings                               | -                | -           | 2,696             | 2,696   |
| Total revenues                                    | -                | -           | 296,291           | 296,291   |
| <b>Expenditures</b>                               |                  |             |                   |   |
| Current:  |                  |             |                   |   |
| Instruction                                       | -                | -           | 44,639            | (44,639)  |
| Support services:                                 |                  |             |                   |   |
| Students and staff                                | -                | -           | 11,459            | (11,459)  |
| General administration                            | -                | -           | 2,500             | (2,500)   |
| Operation and maintenance of plant services       | 25,212           | 12,283      | 24,210            | (11,927)  |
| Capital outlay                                    | 108,764          | 52,988      | 104,441           | (51,453)  |
| Total expenditures                                | 133,976          | 65,271      | 187,249           | (121,978)   |
| Excess (deficiency) of revenues over expenditures | (133,976)        | (65,271)    | 109,042           | 174,313   |
| Net change in fund balances                       | (133,976)        | (65,271)    | 109,042           | 174,313   |
| <b>Fund Balances, Beginning</b>                   | -                | -           | 106,258           | 106,258   |
| <b>Fund Balances, Ending</b>                      | \$ (133,976)     | \$ (65,271) | \$ 215,300        | \$ 280,571  |

## Santa Cruz Valley Union School District No. 840

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual

Bond Building

Year Ended June 30, 2023

|   | Budgeted Amounts    |                     | Actual<br>Amounts | Variance With<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|-------------------|---|
|   | Original            | Final               |                   |   |
| <b>Revenues</b>                                   |                     |                     |                   |   |
| Intergovernmental grants and aid:                 |                     |                     |                   |   |
| State   | \$ -                | \$ -                | \$ -              | \$ -  |
| Total revenues                                    | -                   | -                   | -                 | -   |
| <b>Expenditures</b>                               |                     |                     |                   |   |
| Current:  |                     |                     |                   |   |
| Support services:                                 |                     |                     |                   |   |
| Operation and maintenance of plant services       | 72,377              | -                   | -                 | -   |
| Operation of noninstructional services            | 588,698             | 332,671             | 290,873           | 41,798  |
| Capital outlay                                    | 227,217             | 555,621             | 485,811           | 69,810  |
| Total expenditures                                | 888,292             | 888,292             | 776,684           | 111,608   |
| Excess (deficiency) of revenues over expenditures | (888,292)           | (888,292)           | (776,684)         | 111,608   |
| Net change in fund balances                       | (888,292)           | (888,292)           | (776,684)         | 111,608   |
| <b>Fund Balances, Beginning</b>                   | -                   | -                   | 988,038           | 988,038   |
| <b>Fund Balances, Ending</b>                      | <u>\$ (888,292)</u> | <u>\$ (888,292)</u> | <u>\$ 211,354</u> | <u>\$ 1,099,646</u>                                     |



# **Non-Major Governmental Funds - By Fund Type and Non-Major Special Revenue Funds**

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**Combining Balance Sheet  
Combining Statement of Revenue, Expenditures and  
Change in Fund Balance  
Combining Schedule of Revenue, Expenditures and  
Change in Fund Balance - Budget and Actual**





## Santa Cruz Valley Union High School District No. 840

Combining Balance Sheet

All Non-Major Governmental Funds - By Fund Type

June 30, 2023

|   | <u>Special<br/>Revenue</u> | <u>Capital<br/>Projects</u> | <u>Total<br/>Non-Major<br/>Funds</u> |
|---|----------------------------|-----------------------------|--------------------------------------|
| <b>Assets</b>   |                            |                             |                                      |
| Cash and cash equivalents   | \$ 747,972                 | \$ 165,049                  | \$ 913,021                           |
| Total assets  | <u>\$ 747,972</u>          | <u>\$ 165,049</u>           | <u>\$ 913,021</u>                    |
| <b>Liabilities</b>  |                            |                             |                                      |
| Accounts payable  | \$ 2,337                   | \$ -                        | \$ 2,337                             |
| Due to other funds  | <u>188,604</u>             | <u>93,183</u>               | <u>281,787</u>                       |
| Total liabilities   | <u>190,941</u>             | <u>93,183</u>               | <u>-</u>                             |
| <b>Fund Balances</b>  |                            |                             |                                      |
| Restricted:   |                            |                             |                                      |
| Voter approved initiatives  | 282,685                    | -                           | 282,685                              |
| Federal and state projects  | 13,660                     | -                           | 13,660                               |
| Food service  | 159,090                    | -                           | 159,090                              |
| Joint technical education   | 37,111                     | -                           | 37,111                               |
| Extracurricular activities  | 113,547                    | -                           | 113,547                              |
| Other local initiatives   | 19,801                     | -                           | 19,801                               |
| Capital outlay  | -                          | 71,866                      | 71,866                               |
| Unassigned  | <u>(68,863)</u>            | <u>-</u>                    | <u>(68,863)</u>                      |
| Total fund balances   | <u>557,031</u>             | <u>71,866</u>               | <u>628,897</u>                       |
| Total liabilities, deferred inflow<br>of resources and fund balance | <u>\$ 747,972</u>          | <u>\$ 165,049</u>           | <u>\$ -</u>                          |

**Santa Cruz Valley Union High School District No. 840**

Combining Statement of Revenues, Expenditures and Change in Fund Balance

All Non-Major Governmental Funds - By Fund Type

Year Ended June 30, 2023

|   | <b>Special<br/>Revenue</b> | <b>Capital<br/>Projects</b> | <b>Total<br/>Non-Major<br/>Funds</b> |
|---|----------------------------|-----------------------------|--------------------------------------|
| <b>Revenues</b>                             |                            |                             |                                      |
| Property taxes                              | \$ -                       | \$ 18                       | \$ 18                                |
| Intergovernmental grants and aid:           |                            |                             |                                      |
| Federal                                     | 157,354                    | -                           | 157,354                              |
| State                                       | 1,020,791                  | 561,268                     | 1,582,059                            |
| Investment earnings                         | 7,961                      | 2,540                       | 10,501                               |
| Other                                       | 217,645                    | -                           | 217,645                              |
|   | <u>1,403,751</u>           | <u>563,826</u>              | <u>1,967,577</u>                     |
| Total revenues                              |                            |                             |                                      |
|   | <u>1,403,751</u>           | <u>563,826</u>              | <u>1,967,577</u>                     |
| <b>Expenditures</b>                         |                            |                             |                                      |
| Current:                                    |                            |                             |                                      |
| Instruction                                 | 605,882                    | -                           | 605,882                              |
| Support services:                           |                            |                             |                                      |
| Students and staff                          | 352,672                    | -                           | 352,672                              |
| General administration                      | 1,252                      | -                           | 1,252                                |
| Operation and maintenance of plant services | 2,978                      | -                           | 2,978                                |
| Student transportation                      | 24,679                     | -                           | 24,679                               |
| Operation of noninstructional services      | 201,863                    | -                           | 201,863                              |
| Capital outlay                              | 435                        | 642,436                     | 642,871                              |
|   | <u>1,189,761</u>           | <u>642,436</u>              | <u>1,832,197</u>                     |
| Total expenditures                          |                            |                             |                                      |
|   | <u>1,189,761</u>           | <u>642,436</u>              | <u>1,832,197</u>                     |
| Net change in fund balances                 | 181,547                    | (78,610)                    | 102,937                              |
|   | <u>375,484</u>             | <u>150,476</u>              | <u>525,960</u>                       |
| <b>Fund Balances, Beginning</b>             |                            |                             |                                      |
|   | <u>375,484</u>             | <u>150,476</u>              | <u>525,960</u>                       |
| <b>Fund Balances, Ending</b>                | <u>\$ 557,031</u>          | <u>\$ 71,866</u>            | <u>\$ 628,897</u>                    |

**Santa Cruz Valley Union High School District No. 840**

Combining Balance Sheet  
 Non-Major Special Revenue Funds  
 June 30, 2023

|   | <u>Classroom<br/>Site</u> | <u>Instructional<br/>Improvement</u> | <u>County,<br/>City, and<br/>Town Grant</u> | <u>Title I</u>   | <u>Professional<br/>Development<br/>&amp; Technology</u> | <u>Title IV<br/>Grants</u> | <u>Special<br/>Education</u> | <u>Vocational<br/>Education -<br/>Basic Grants</u> | <u>E-Rate</u>     | <u>Other<br/>Federal<br/>Projects</u> |
|---|---------------------------|--------------------------------------|---|------------------|--|----------------------------|------------------------------|--|-------------------|---------------------------------------|
| <b>Assets</b>   |                           |                                      |   |                  |  |                            |                              |  |                   |                                       |
| Cash and cash equivalents   | \$ 91,776                 | \$ 190,909                           | \$ 8,934                                    | \$ -             | \$ -   | \$ -                       | \$ (41,868)                  | \$ -   | \$ 155,802        | \$ 13,880                             |
| Total assets  | <u>\$ 91,776</u>          | <u>\$ 190,909</u>                    | <u>\$ 8,934</u>                             | <u>\$ -</u>      | <u>\$ -</u>  | <u>\$ -</u>                | <u>\$ (41,868)</u>           | <u>\$ -</u>  | <u>\$ 155,802</u> | <u>\$ 13,880</u>                      |
| <b>Liabilities</b>  |                           |                                      |   |                  |  |                            |                              |  |                   |                                       |
| Accounts payable  | \$ -                      | \$ -                                 | \$ -  | \$ -             | \$ -   | \$ -                       | \$ -                         | \$ -   | \$ -              | \$ 220                                |
| Due to other funds  | -                         | -                                    | -   | 125,624          | 32,793   | 1,206                      | 22,281                       | 6,700  | -                 | -                                     |
| Total liabilities   | <u>-</u>                  | <u>-</u>                             | <u>-</u>                                    | <u>125,624</u>   | <u>32,793</u>  | <u>1,206</u>               | <u>22,281</u>                | <u>6,700</u>                                       | <u>-</u>          | <u>220</u>                            |
| <b>Deferred Inflow of Resources</b>                                 |                           |                                      |   |                  |  |                            |                              |  |                   |                                       |
| Deferred revenue, intergovernmental                                 | -                         | -                                    | -   | -                | -  | -                          | -                            | -  | -                 | -                                     |
| Total deferred inflow of resources                                  | <u>-</u>                  | <u>-</u>                             | <u>-</u>                                    | <u>-</u>         | <u>-</u>   | <u>-</u>                   | <u>-</u>                     | <u>-</u>   | <u>-</u>          | <u>-</u>                              |
| <b>Fund Balances</b>  |                           |                                      |   |                  |  |                            |                              |  |                   |                                       |
| Nonspendable  | -                         | -                                    | -   | -                | -  | -                          | -                            | -  | -                 | -                                     |
| Restricted:   |                           |                                      |   |                  |  |                            |                              |  |                   |                                       |
| Voter approved initiatives  | 91,776                    | 190,909                              | -   | -                | -  | -                          | -                            | -  | -                 | -                                     |
| Federal and state projects  | -                         | -                                    | -   | -                | -  | -                          | -                            | -  | -                 | 13,660                                |
| Food service  | -                         | -                                    | -   | -                | -  | -                          | -                            | -  | -                 | -                                     |
| Joint technical education   | -                         | -                                    | -   | -                | -  | -                          | -                            | -  | -                 | -                                     |
| Extracurricular activities  | -                         | -                                    | -   | -                | -  | -                          | -                            | -  | -                 | -                                     |
| Other local initiatives   | -                         | -                                    | 8,934                                       | -                | -  | -                          | -                            | -  | -                 | -                                     |
| Unassigned  | -                         | -                                    | -   | (125,624)        | (32,793)   | (1,206)                    | (64,149)                     | (6,700)  | 155,802           | -                                     |
| Total fund balances   | <u>91,776</u>             | <u>190,909</u>                       | <u>8,934</u>                                | <u>(125,624)</u> | <u>(32,793)</u>  | <u>(1,206)</u>             | <u>(64,149)</u>              | <u>(6,700)</u>                                     | <u>155,802</u>    | <u>13,660</u>                         |
| Total liabilities, deferred inflow<br>of resources and fund balance | <u>\$ 91,776</u>          | <u>\$ 190,909</u>                    | <u>\$ 8,934</u>                             | <u>\$ -</u>      | <u>\$ -</u>  | <u>\$ -</u>                | <u>\$ (41,868)</u>           | <u>\$ -</u>  | <u>\$ 155,802</u> | <u>\$ 13,880</u>                      |

**Santa Cruz Valley Union High School District No. 840**

Combining Balance Sheet  
 Non-Major Special Revenue Funds  
 June 30, 2023

|   | Other<br>State<br>Projects | Food<br>Service   | Civic Center    | Community<br>School | Extracurricular<br>Activities Fees<br>Tax Credit | Career,<br>Technical and<br>Vocational<br>Education | Textbooks     | Joint<br>Technical<br>Education | Student<br>Activities | Totals            |
|---|----------------------------|-------------------|-----------------|---------------------|--|---|---------------|---------------------------------|-----------------------|-------------------|
| <b>Assets</b>   |                            |                   |                 |                     |  |   |               |                                 |                       |                   |
| Cash and cash equivalents   | \$ 5,312                   | \$ 161,207        | \$ 1,221        | \$ 9,124            | \$ 31,406  | \$ 37,111   | \$ 522        | \$ 495                          | \$ 82,141             | \$ 747,972        |
| Total assets  | <u>\$ 5,312</u>            | <u>\$ 161,207</u> | <u>\$ 1,221</u> | <u>\$ 9,124</u>     | <u>\$ 31,406</u>                                 | <u>\$ 37,111</u>                                    | <u>\$ 522</u> | <u>\$ 495</u>                   | <u>\$ 82,141</u>      | <u>\$ 747,972</u> |
| <b>Liabilities</b>  |                            |                   |                 |                     |  |   |               |                                 |                       |                   |
| Accounts payable  | \$ -                       | \$ 2,117          | \$ -            | \$ -                | \$ -   | \$ -  | \$ -          | \$ -                            | \$ -                  | \$ 2,337          |
| Due to other funds  | -                          | -                 | -               | -                   | -  | -   | -             | -                               | -                     | 188,604           |
| Total liabilities   | <u>-</u>                   | <u>2,117</u>      | <u>-</u>        | <u>-</u>            | <u>-</u>   | <u>-</u>  | <u>-</u>      | <u>-</u>                        | <u>-</u>              | <u>190,941</u>    |
| <b>Deferred Inflow of Resources</b>                                 |                            |                   |                 |                     |  |   |               |                                 |                       |                   |
| Deferred revenue, intergovernmental                                 | -                          | -                 | -               | -                   | -  | -   | -             | -                               | -                     | -                 |
| Total deferred inflow of resources                                  | <u>-</u>                   | <u>-</u>          | <u>-</u>        | <u>-</u>            | <u>-</u>   | <u>-</u>  | <u>-</u>      | <u>-</u>                        | <u>-</u>              | <u>-</u>          |
| <b>Fund Balances</b>  |                            |                   |                 |                     |  |   |               |                                 |                       |                   |
| Nonspendable  | -                          | -                 | -               | -                   | -  | -   | -             | -                               | -                     | -                 |
| Restricted:   |                            |                   |                 |                     |  |   |               |                                 |                       |                   |
| Voter approved initiatives  | -                          | -                 | -               | -                   | -  | -   | -             | -                               | -                     | 282,685           |
| Federal and state projects  | -                          | -                 | -               | -                   | -  | -   | -             | -                               | -                     | 13,660            |
| Food service  | -                          | 159,090           | -               | -                   | -  | -   | -             | -                               | -                     | 159,090           |
| Joint technical education   | -                          | -                 | -               | -                   | -  | 37,111  | -             | -                               | -                     | 37,111            |
| Extracurricular activities  | -                          | -                 | -               | -                   | 31,406   | -   | -             | -                               | 82,141                | 113,547           |
| Other local initiatives   | -                          | -                 | 1,221           | 9,124               | -  | -   | 522           | -                               | -                     | 19,801            |
| Unassigned  | 5,312                      | -                 | -               | -                   | -  | -   | -             | 495                             | -                     | (68,863)          |
| Total fund balances   | <u>5,312</u>               | <u>159,090</u>    | <u>1,221</u>    | <u>9,124</u>        | <u>31,406</u>                                    | <u>37,111</u>                                       | <u>522</u>    | <u>495</u>                      | <u>82,141</u>         | <u>557,031</u>    |
| Total liabilities, deferred inflow<br>of resources and fund balance | <u>\$ 5,312</u>            | <u>\$ 161,207</u> | <u>\$ 1,221</u> | <u>\$ 9,124</u>     | <u>\$ 31,406</u>                                 | <u>\$ 37,111</u>                                    | <u>\$ 522</u> | <u>\$ 495</u>                   | <u>\$ 82,141</u>      | <u>\$ 747,972</u> |

**Santa Cruz Valley Union High School District No. 840**

Combining Statement of Revenues, Expenditures and Change in Fund Balance

Non-Major Special Revenue Funds

Year Ended June 30, 2023

|  | Classroom<br>Site | Instructional<br>Improvement | County,<br>City, and<br>Town Grant | Title I             | Professional<br>Development<br>& Technology | Title IV<br>Grants | Special<br>Education | Vocational<br>Education -<br>Basic Grants | E-Rate            | Other<br>Federal<br>Projects |
|--|-------------------|------------------------------|------------------------------------|---------------------|---|--------------------|----------------------|---|-------------------|------------------------------|
| <b>Revenues</b>                                      |                   |                              |                                    |                     |   |                    |                      |   |                   |                              |
| Intergovernmental grants and aid:                    |                   |                              |                                    |                     |   |                    |                      |   |                   |                              |
| Federal  | \$ -              | \$ -                         | \$ -                               | \$ -                | \$ -  | \$ -               | \$ -                 | \$ -                                      | \$ 148,917        | \$ 8,437                     |
| State  | 338,140           | 29,133                       | -                                  | 235,481             | 26,883                                      | 6,383              | 59,403               | 76,097                                    | -                 | -                            |
| Investment earnings                                  | 3,272             | 2,458                        | -                                  | 19                  | -   | -                  | -                    | -   | -                 | -                            |
| Other  | -                 | -                            | -                                  | -                   | -   | -                  | -                    | -   | -                 | 718                          |
| <b>Total revenues</b>                                | <b>341,412</b>    | <b>31,591</b>                | <b>-</b>                           | <b>235,500</b>      | <b>26,883</b>                               | <b>6,383</b>       | <b>59,403</b>        | <b>76,097</b>                             | <b>148,917</b>    | <b>9,155</b>                 |
| <b>Expenditures</b>                                  |                   |                              |                                    |                     |   |                    |                      |   |                   |                              |
| Current:   |                   |                              |                                    |                     |   |                    |                      |   |                   |                              |
| Instruction  | 360,723           | -                            | 136                                | 72,357              | 18,230                                      | 6,661              | 2,848                | 48,745                                    | -                 | 4,982                        |
| Support services:                                    |                   |                              |                                    |                     |   |                    |                      |   |                   |                              |
| Students and staff                                   | 11,853            | -                            | 165                                | 145,823             | 19,150                                      | -                  | 98,423               | 9,025                                     | -                 | 101                          |
| General administration                               | -                 | -                            | -                                  | 1,252               | -   | -                  | -                    | -   | -                 | -                            |
| Operation and maintenance of plant services          | -                 | -                            | -                                  | 2,500               | -   | -                  | -                    | -   | -                 | 220                          |
| Student transportation                               | -                 | -                            | -                                  | -                   | -   | -                  | -                    | -   | -                 | -                            |
| Operation of noninstructional services               | -                 | -                            | -                                  | -                   | -   | -                  | -                    | -   | -                 | -                            |
| Capital outlay                                       | -                 | -                            | -                                  | -                   | -   | -                  | -                    | -   | -                 | -                            |
| <b>Total expenditures</b>                            | <b>372,576</b>    | <b>-</b>                     | <b>301</b>                         | <b>221,932</b>      | <b>37,380</b>                               | <b>6,661</b>       | <b>101,271</b>       | <b>57,770</b>                             | <b>-</b>          | <b>5,303</b>                 |
| Excess (deficiency) of revenues<br>over expenditures | (31,164)          | 31,591                       | (301)                              | 13,568              | (10,497)                                    | (278)              | (41,868)             | 18,327                                    | 148,917           | 3,852                        |
| <b>Other Financing Sources (Uses)</b>                |                   |                              |                                    |                     |   |                    |                      |   |                   |                              |
| Transfers in   | -                 | -                            | -                                  | -                   | -   | -                  | -                    | -   | -                 | -                            |
| Transfers out  | -                 | -                            | -                                  | (26,632)            | (2,812)                                     | (799)              | -                    | (2,200)                                   | -                 | -                            |
| <b>Total other financing sources and uses</b>        | <b>-</b>          | <b>-</b>                     | <b>-</b>                           | <b>(26,632)</b>     | <b>(2,812)</b>                              | <b>(799)</b>       | <b>-</b>             | <b>(2,200)</b>                            | <b>-</b>          | <b>-</b>                     |
| <b>Net change in fund balances</b>                   | <b>(31,164)</b>   | <b>31,591</b>                | <b>(301)</b>                       | <b>(13,064)</b>     | <b>(13,309)</b>                             | <b>(1,077)</b>     | <b>(41,868)</b>      | <b>16,127</b>                             | <b>148,917</b>    | <b>3,852</b>                 |
| <b>Fund Balances, Beginning</b>                      | <b>122,940</b>    | <b>159,318</b>               | <b>9,235</b>                       | <b>(112,560)</b>    | <b>(19,484)</b>                             | <b>(129)</b>       | <b>(22,281)</b>      | <b>(22,827)</b>                           | <b>6,885</b>      | <b>9,808</b>                 |
| <b>Fund Balances, Ending</b>                         | <b>\$ 91,776</b>  | <b>\$ 190,909</b>            | <b>\$ 8,934</b>                    | <b>\$ (125,624)</b> | <b>\$ (32,793)</b>                          | <b>\$ (1,206)</b>  | <b>\$ (64,149)</b>   | <b>\$ (6,700)</b>                         | <b>\$ 155,802</b> | <b>\$ 13,660</b>             |

**Santa Cruz Valley Union High School District No. 840**

Combining Statement of Revenues, Expenditures and Change in Fund Balance

Non-Major Special Revenue Funds

Year Ended June 30, 2023

|  | Other<br>State<br>Projects | Food<br>Service   | Civic Center    | Community<br>School | Extracurricular<br>Activities Fees<br>Tax Credit | Technical and<br>Vocational<br>Education | Textbooks     | Joint<br>Technical<br>Education | Student<br>Activities | Totals            |
|--|----------------------------|-------------------|-----------------|---------------------|--|--|---------------|---------------------------------|-----------------------|-------------------|
| <b>Revenues</b>                                      |                            |                   |                 |                     |  |  |               |                                 |                       |                   |
| Intergovernmental grants and aid:                    |                            |                   |                 |                     |  |  |               |                                 |                       |                   |
| Federal  | \$ -                       | \$ -              | \$ -            | \$ -                | \$ -   | \$ -                                     | \$ -          | \$ -                            | \$ -                  | \$ 157,354        |
| State  | 85,536                     | 163,735           | -               | -                   | -  | -  | -             | -                               | -                     | 1,020,791         |
| Investment earnings                                  | -                          | 2,069             | 18              | 125                 | -  | -  | -             | -                               | -                     | 7,961             |
| Other  | -                          | 60,751            | -               | -                   | 4,200  | -  | -             | 41,973                          | 110,003               | 217,645           |
| <b>Total revenues</b>                                | <b>85,536</b>              | <b>226,555</b>    | <b>18</b>       | <b>125</b>          | <b>4,200</b>                                     | <b>-</b>                                 | <b>-</b>      | <b>41,973</b>                   | <b>110,003</b>        | <b>1,403,751</b>  |
| <b>Expenditures</b>                                  |                            |                   |                 |                     |  |  |               |                                 |                       |                   |
| Current:   |                            |                   |                 |                     |  |  |               |                                 |                       |                   |
| Instruction  | -                          | -                 | -               | -                   | 1,454  | -  | -             | 93                              | 89,653                | 605,882           |
| Support services:                                    |                            |                   |                 |                     |  |  |               |                                 |                       |                   |
| Students and staff                                   | 68,112                     | -                 | -               | -                   | -  | -  | -             | 20                              | -                     | 352,672           |
| General administration                               | -                          | -                 | -               | -                   | -  | -  | -             | -                               | -                     | 1,252             |
| Operation and maintenance of plant services          | -                          | 258               | -               | -                   | -  | -  | -             | -                               | -                     | 2,978             |
| Student transportation                               | -                          | -                 | -               | -                   | -  | -  | -             | 24,679                          | -                     | 24,679            |
| Operation of noninstructional services               | -                          | 201,863           | -               | -                   | -  | -  | -             | -                               | -                     | 201,863           |
| Capital outlay                                       | -                          | 435               | -               | -                   | -  | -  | -             | -                               | -                     | 435               |
| <b>Total expenditures</b>                            | <b>68,112</b>              | <b>202,556</b>    | <b>-</b>        | <b>-</b>            | <b>1,454</b>                                     | <b>-</b>                                 | <b>-</b>      | <b>24,792</b>                   | <b>89,653</b>         | <b>1,189,761</b>  |
| Excess (deficiency) of revenues<br>over expenditures | 17,424                     | 23,999            | 18              | 125                 | 2,746  | -  | -             | 17,181                          | 20,350                | 213,990           |
| <b>Other Financing Sources (Uses)</b>                |                            |                   |                 |                     |  |  |               |                                 |                       |                   |
| Transfers in   | -                          | -                 | -               | -                   | -  | -  | -             | -                               | -                     | -                 |
| Transfers out  | -                          | -                 | -               | -                   | -  | -  | -             | -                               | -                     | (32,443)          |
| <b>Total other financing sources and uses</b>        | <b>-</b>                   | <b>-</b>          | <b>-</b>        | <b>-</b>            | <b>-</b>   | <b>-</b>                                 | <b>-</b>      | <b>-</b>                        | <b>-</b>              | <b>(32,443)</b>   |
| Net change in fund balances                          | 17,424                     | 23,999            | 18              | 125                 | 2,746  | -  | -             | 17,181                          | 20,350                | 181,547           |
| <b>Fund Balances, Beginning</b>                      | <b>(12,112)</b>            | <b>135,091</b>    | <b>1,203</b>    | <b>8,999</b>        | <b>28,660</b>                                    | <b>37,111</b>                            | <b>522</b>    | <b>(16,686)</b>                 | <b>61,791</b>         | <b>375,484</b>    |
| <b>Fund Balances, Ending</b>                         | <b>\$ 5,312</b>            | <b>\$ 159,090</b> | <b>\$ 1,221</b> | <b>\$ 9,124</b>     | <b>\$ 31,406</b>                                 | <b>\$ 37,111</b>                         | <b>\$ 522</b> | <b>\$ 495</b>                   | <b>\$ 82,141</b>      | <b>\$ 557,031</b> |

**Santa Cruz Valley Union School District No. 840**

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual  
 Non-Major Special Revenue Funds  
 Year Ended June 30, 2023

|   | Classroom Site      |                  |                   | Instructional Improvement |                   |                   | County, City and Town Grants |                 |                 |
|---|---------------------|------------------|-------------------|---------------------------|-------------------|-------------------|------------------------------|-----------------|-----------------|
|   | Budget              | Actual           | Variance          | Budget                    | Actual            | Variance          | Budget                       | Actual          | Variance        |
| <b>Revenues</b>                                   |                     |                  |                   |                           |                   |                   |                              |                 |                 |
| Intergovernmental grants and aid:                 |                     |                  |                   |                           |                   |                   |                              |                 |                 |
| Federal   | \$ -                | \$ -             | \$ -              | \$ -                      | \$ -              | \$ -              | \$ -                         | \$ -            | \$ -            |
| State   | -                   | 338,140          | 338,140           | -                         | 29,133            | 29,133            | -                            | -               | -               |
| Investment earnings                               | -                   | 3,272            | 3,272             | -                         | 2,458             | 2,458             | -                            | -               | -               |
| Other   | -                   | -                | -                 | -                         | -                 | -                 | -                            | -               | -               |
| Total revenues                                    | -                   | 341,412          | 341,412           | -                         | 31,591            | 31,591            | -                            | -               | -               |
| <b>Expenditures</b>                               |                     |                  |                   |                           |                   |                   |                              |                 |                 |
| Current:  |                     |                  |                   |                           |                   |                   |                              |                 |                 |
| Instruction                                       | 416,902             | 360,723          | 56,179            | -                         | -                 | -                 | -                            | 136             | (136)           |
| Support services:                                 |                     |                  |                   |                           |                   |                   |                              |                 |                 |
| Students and staff                                | 13,699              | 11,853           | 1,846             | -                         | -                 | -                 | -                            | 165             | (165)           |
| General administration                            | -                   | -                | -                 | -                         | -                 | -                 | -                            | -               | -               |
| Operation and maintenance of plant services       | -                   | -                | -                 | -                         | -                 | -                 | -                            | -               | -               |
| Student transportation                            | -                   | -                | -                 | -                         | -                 | -                 | -                            | -               | -               |
| Operation of noninstructional services            | -                   | -                | -                 | -                         | -                 | -                 | -                            | -               | -               |
| Capital outlay                                    | -                   | -                | -                 | -                         | -                 | -                 | -                            | -               | -               |
| Total expenditures                                | 430,601             | 372,576          | 58,025            | -                         | -                 | -                 | -                            | 301             | (301)           |
| Excess (deficiency) of revenues over expenditures | (430,601)           | (31,164)         | 399,437           | -                         | 31,591            | 31,591            | -                            | (301)           | (301)           |
| <b>Other Financing Sources (Uses)</b>             |                     |                  |                   |                           |                   |                   |                              |                 |                 |
| Transfers out                                     | -                   | -                | -                 | -                         | -                 | -                 | -                            | -               | -               |
| Total other financing sources and uses            | -                   | -                | -                 | -                         | -                 | -                 | -                            | -               | -               |
| Net change in fund balances                       | (430,601)           | (31,164)         | 399,437           | -                         | 31,591            | 31,591            | -                            | (301)           | (301)           |
| <b>Fund Balances, Beginning</b>                   | -                   | 122,940          | 122,940           | -                         | 159,318           | 159,318           | -                            | 9,235           | 9,235           |
| <b>Fund Balances, Ending</b>                      | <u>\$ (430,601)</u> | <u>\$ 91,776</u> | <u>\$ 522,377</u> | <u>\$ -</u>               | <u>\$ 190,909</u> | <u>\$ 190,909</u> | <u>\$ -</u>                  | <u>\$ 8,934</u> | <u>\$ 8,934</u> |

**Santa Cruz Valley Union School District No. 840**

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual  
 Non-Major Special Revenue Funds  
 Year Ended June 30, 2023

|   | Title I             |                     |                   | Professional Development & Technology |                    |               | Title IV Grants |                   |                   |
|---|---------------------|---------------------|-------------------|---------------------------------------|--------------------|---------------|-----------------|-------------------|-------------------|
|   | Budget              | Actual              | Variance          | Budget                                | Actual             | Variance      | Budget          | Actual            | Variance          |
| <b>Revenues</b>                                   |                     |                     |                   |                                       |                    |               |                 |                   |                   |
| Intergovernmental grants and aid:                 |                     |                     |                   |                                       |                    |               |                 |                   |                   |
| Federal   | \$ -                | \$ -                | \$ -              | \$ -                                  | \$ -               | \$ -          | \$ -            | \$ -              | \$ -              |
| State   | -                   | 235,481             | 235,481           | -                                     | 26,883             | 26,883        | -               | 6,383             | 6,383             |
| Investment earnings                               | -                   | 19                  | 19                | -                                     | -                  | -             | -               | -                 | -                 |
| Other   | -                   | -                   | -                 | -                                     | -                  | -             | -               | -                 | -                 |
| Total revenues                                    | -                   | 235,500             | 235,500           | -                                     | 26,883             | 26,883        | -               | 6,383             | 6,383             |
| <b>Expenditures</b>                               |                     |                     |                   |                                       |                    |               |                 |                   |                   |
| Current:  |                     |                     |                   |                                       |                    |               |                 |                   |                   |
| Instruction                                       | 115,043             | 72,357              | 42,686            | 16,303                                | 18,230             | (1,927)       | -               | 6,661             | (6,661)           |
| Support services:                                 |                     |                     |                   |                                       |                    |               |                 |                   |                   |
| Students and staff                                | 231,849             | 145,823             | 86,026            | 17,126                                | 19,150             | (2,024)       | -               | -                 | -                 |
| General administration                            | 1,991               | 1,252               | 739               | -                                     | -                  | -             | -               | -                 | -                 |
| Operation and maintenance of plant services       | 3,975               | 2,500               | 1,475             | -                                     | -                  | -             | -               | -                 | -                 |
| Student transportation                            | -                   | -                   | -                 | -                                     | -                  | -             | -               | -                 | -                 |
| Operation of noninstructional services            | -                   | -                   | -                 | -                                     | -                  | -             | -               | -                 | -                 |
| Capital outlay                                    | -                   | -                   | -                 | -                                     | -                  | -             | -               | -                 | -                 |
| Total expenditures                                | 352,858             | 221,932             | 130,926           | 33,429                                | 37,380             | (3,951)       | -               | 6,661             | (6,661)           |
| Excess (deficiency) of revenues over expenditures | (352,858)           | 13,568              | 366,426           | (33,429)                              | (10,497)           | 22,932        | -               | (278)             | (278)             |
| <b>Other Financing Sources (Uses)</b>             |                     |                     |                   |                                       |                    |               |                 |                   |                   |
| Transfers out                                     | -                   | (26,632)            | 26,632            | -                                     | (2,812)            | 2,812         | -               | (799)             | 799               |
| Total other financing sources and uses            | -                   | (26,632)            | 26,632            | -                                     | (2,812)            | 2,812         | -               | (799)             | 799               |
| Net change in fund balances                       | (352,858)           | (13,064)            | 339,794           | (33,429)                              | (13,309)           | 20,120        | -               | (1,077)           | (1,077)           |
| <b>Fund Balances, Beginning</b>                   | -                   | (112,560)           | (112,560)         | -                                     | (19,484)           | (19,484)      | -               | (129)             | (129)             |
| <b>Fund Balances, Ending</b>                      | <u>\$ (352,858)</u> | <u>\$ (125,624)</u> | <u>\$ 227,234</u> | <u>\$ (33,429)</u>                    | <u>\$ (32,793)</u> | <u>\$ 636</u> | <u>\$ -</u>     | <u>\$ (1,206)</u> | <u>\$ (1,206)</u> |



**Santa Cruz Valley Union School District No. 840**

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual  
 Non-Major Special Revenue Funds  
 Year Ended June 30, 2023

|   | Special Education   |                    |                  | Vocational Education - Basic Grants |                   |                  | E-Rate      |                   |                   |
|---|---------------------|--------------------|------------------|-------------------------------------|-------------------|------------------|-------------|-------------------|-------------------|
|   | Budget              | Actual             | Variance         | Budget                              | Actual            | Variance         | Budget      | Actual            | Variance          |
| <b>Revenues</b>                                   |                     |                    |                  |                                     |                   |                  |             |                   |                   |
| Intergovernmental grants and aid:                 |                     |                    |                  |                                     |                   |                  |             |                   |                   |
| Federal   | \$ -                | \$ -               | \$ -             | \$ -                                | \$ -              | \$ -             | \$ -        | \$ 148,917        | \$ 148,917        |
| State   | -                   | 59,403             | 59,403           | -                                   | 76,097            | 76,097           | -           | -                 | -                 |
| Investment earnings                               | -                   | -                  | -                | -                                   | -                 | -                | -           | -                 | -                 |
| Other   | -                   | -                  | -                | -                                   | -                 | -                | -           | -                 | -                 |
| Total revenues                                    | -                   | 59,403             | 59,403           | -                                   | 76,097            | 76,097           | -           | 148,917           | 148,917           |
| <b>Expenditures</b>                               |                     |                    |                  |                                     |                   |                  |             |                   |                   |
| Current:  |                     |                    |                  |                                     |                   |                  |             |                   |                   |
| Instruction                                       | 2,818               | 2,848              | (30)             | 53,609                              | 48,745            | 4,864            | -           | -                 | -                 |
| Support services:                                 |                     |                    |                  |                                     |                   |                  |             |                   |                   |
| Students and staff                                | 97,381              | 98,423             | (1,042)          | 9,926                               | 9,025             | 901              | -           | -                 | -                 |
| General administration                            | -                   | -                  | -                | -                                   | -                 | -                | -           | -                 | -                 |
| Operation and maintenance of plant services       | -                   | -                  | -                | -                                   | -                 | -                | -           | -                 | -                 |
| Student transportation                            | -                   | -                  | -                | -                                   | -                 | -                | -           | -                 | -                 |
| Operation of noninstructional services            | -                   | -                  | -                | -                                   | -                 | -                | -           | -                 | -                 |
| Capital outlay                                    | -                   | -                  | -                | -                                   | -                 | -                | -           | -                 | -                 |
| Total expenditures                                | 100,199             | 101,271            | (1,072)          | 63,535                              | 57,770            | 5,765            | -           | -                 | -                 |
| Excess (deficiency) of revenues over expenditures | (100,199)           | (41,868)           | 58,331           | (63,535)                            | 18,327            | 81,862           | -           | 148,917           | 148,917           |
| <b>Other Financing Sources (Uses)</b>             |                     |                    |                  |                                     |                   |                  |             |                   |                   |
| Transfers out                                     | -                   | -                  | -                | -                                   | (2,200)           | 2,200            | -           | -                 | -                 |
| Total other financing sources and uses            | -                   | -                  | -                | -                                   | (2,200)           | 2,200            | -           | -                 | -                 |
| Net change in fund balances                       | (100,199)           | (41,868)           | 58,331           | (63,535)                            | 16,127            | 79,662           | -           | 148,917           | 148,917           |
| <b>Fund Balances, Beginning</b>                   | -                   | (22,281)           | (22,281)         | -                                   | (22,827)          | (22,827)         | -           | 6,885             | 6,885             |
| <b>Fund Balances, Ending</b>                      | <u>\$ (100,199)</u> | <u>\$ (64,149)</u> | <u>\$ 36,050</u> | <u>\$ (63,535)</u>                  | <u>\$ (6,700)</u> | <u>\$ 56,835</u> | <u>\$ -</u> | <u>\$ 155,802</u> | <u>\$ 155,802</u> |

**Santa Cruz Valley Union School District No. 840**

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual  
 Non-Major Special Revenue Funds  
 Year Ended June 30, 2023

|   | Other Federal Projects |                  |                     | State Vocational Education |             |             | Other State Projects |                 |                  |
|---|------------------------|------------------|---------------------|----------------------------|-------------|-------------|----------------------|-----------------|------------------|
|   | Budget                 | Actual           | Variance            | Budget                     | Actual      | Variance    | Budget               | Actual          | Variance         |
| <b>Revenues</b>                                   |                        |                  |                     |                            |             |             |                      |                 |                  |
| Intergovernmental grants and aid:                 |                        |                  |                     |                            |             |             |                      |                 |                  |
| Federal   | \$ -                   | \$ 8,437         | \$ 8,437            | \$ -                       | \$ -        | \$ -        | \$ -                 | \$ -            | \$ -             |
| State   | -                      | -                | -                   | -                          | -           | -           | -                    | 85,536          | 85,536           |
| Investment earnings                               | -                      | -                | -                   | -                          | -           | -           | -                    | -               | -                |
| Other   | -                      | 718              | 718                 | -                          | -           | -           | -                    | -               | -                |
| Total revenues                                    | -                      | 9,155            | 9,155               | -                          | -           | -           | -                    | 85,536          | -                |
| <b>Expenditures</b>                               |                        |                  |                     |                            |             |             |                      |                 |                  |
| Current:  |                        |                  |                     |                            |             |             |                      |                 |                  |
| Instruction                                       | 1,355,562              | 4,982            | 1,350,580           | -                          | -           | -           | -                    | -               | -                |
| Support services:                                 |                        |                  |                     |                            |             |             |                      |                 |                  |
| Students and staff                                | 27,481                 | 101              | 27,380              | -                          | -           | -           | 80,937               | 68,112          | 12,825           |
| General administration                            | -                      | -                | -                   | -                          | -           | -           | -                    | -               | -                |
| Operation and maintenance of plant services       | 59,860                 | 220              | 59,640              | -                          | -           | -           | -                    | -               | -                |
| Student transportation                            | -                      | -                | -                   | -                          | -           | -           | -                    | -               | -                |
| Operation of noninstructional services            | -                      | -                | -                   | -                          | -           | -           | -                    | -               | -                |
| Capital outlay                                    | -                      | -                | -                   | -                          | -           | -           | -                    | -               | -                |
| Total expenditures                                | 1,442,903              | 5,303            | 1,437,600           | -                          | -           | -           | 80,937               | 68,112          | 12,825           |
| Excess (deficiency) of revenues over expenditures | (1,442,903)            | 3,852            | 1,446,755           | -                          | -           | -           | (80,937)             | 17,424          | 12,825           |
| <b>Other Financing Sources (Uses)</b>             |                        |                  |                     |                            |             |             |                      |                 |                  |
| Transfers out                                     | -                      | -                | -                   | -                          | -           | -           | -                    | -               | -                |
| Total other financing sources and uses            | -                      | -                | -                   | -                          | -           | -           | -                    | -               | -                |
| Net change in fund balances                       | (1,442,903)            | 3,852            | 1,446,755           | -                          | -           | -           | (80,937)             | 17,424          | 98,361           |
| <b>Fund Balances, Beginning</b>                   | -                      | 9,808            | 9,808               | -                          | -           | -           | -                    | (12,112)        | (12,112)         |
| <b>Fund Balances, Ending</b>                      | <u>\$ (1,442,903)</u>  | <u>\$ 13,660</u> | <u>\$ 1,456,563</u> | <u>\$ -</u>                | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (80,937)</u>   | <u>\$ 5,312</u> | <u>\$ 86,249</u> |

**Santa Cruz Valley Union School District No. 840**

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual  
 Non-Major Special Revenue Funds  
 Year Ended June 30, 2023

|   | Food Service        |                   |                   | Civic Center |                 |                 | Community School |                 |                 |
|---|---------------------|-------------------|-------------------|--------------|-----------------|-----------------|------------------|-----------------|-----------------|
|   | Budget              | Actual            | Variance          | Budget       | Actual          | Variance        | Budget           | Actual          | Variance        |
| <b>Revenues</b>                                   |                     |                   |                   |              |                 |                 |                  |                 |                 |
| Intergovernmental grants and aid:                 |                     |                   |                   |              |                 |                 |                  |                 |                 |
| Federal   | \$ -                | \$ -              | \$ -              | \$ -         | \$ -            | \$ -            | \$ -             | \$ -            | \$ -            |
| State   | -                   | 163,735           | 163,735           | -            | -               | -               | -                | -               | -               |
| Investment earnings                               | -                   | 2,069             | 2,069             | -            | 18              | 18              | -                | 125             | 125             |
| Other   | -                   | 60,751            | 60,751            | -            | -               | -               | -                | -               | -               |
| Total revenues                                    | -                   | 226,555           | 226,555           | -            | 18              | 18              | -                | 125             | 125             |
| <b>Expenditures</b>                               |                     |                   |                   |              |                 |                 |                  |                 |                 |
| Current:  |                     |                   |                   |              |                 |                 |                  |                 |                 |
| Instruction                                       | -                   | -                 | -                 | -            | -               | -               | -                | -               | -               |
| Support services:                                 |                     |                   |                   |              |                 |                 |                  |                 |                 |
| Students and staff                                | -                   | -                 | -                 | -            | -               | -               | -                | -               | -               |
| General administration                            | -                   | -                 | -                 | -            | -               | -               | -                | -               | -               |
| Operation and maintenance of plant services       | 137                 | 258               | (121)             | -            | -               | -               | -                | -               | -               |
| Student transportation                            | -                   | -                 | -                 | -            | -               | -               | -                | -               | -               |
| Operation of noninstructional services            | 107,554             | 201,863           | (94,309)          | -            | -               | -               | -                | -               | -               |
| Capital outlay                                    | 232                 | 435               | (203)             | -            | -               | -               | -                | -               | -               |
| Total expenditures                                | 107,923             | 202,556           | (94,633)          | -            | -               | -               | -                | -               | -               |
| Excess (deficiency) of revenues over expenditures | (107,923)           | 23,999            | 131,922           | -            | 18              | 18              | -                | 125             | 125             |
| <b>Other Financing Sources (Uses)</b>             |                     |                   |                   |              |                 |                 |                  |                 |                 |
| Transfers out                                     | -                   | -                 | -                 | -            | -               | -               | -                | -               | -               |
| Total other financing sources and uses            | -                   | -                 | -                 | -            | -               | -               | -                | -               | -               |
| Net change in fund balances                       | (107,923)           | 23,999            | 131,922           | -            | 18              | 18              | -                | 125             | 125             |
| <b>Fund Balances, Beginning</b>                   | -                   | 135,091           | 135,091           | -            | 1,203           | 1,203           | -                | 8,999           | 8,999           |
| <b>Fund Balances, Ending</b>                      | <u>\$ (107,923)</u> | <u>\$ 159,090</u> | <u>\$ 267,013</u> | <u>\$ -</u>  | <u>\$ 1,221</u> | <u>\$ 1,221</u> | <u>\$ -</u>      | <u>\$ 9,124</u> | <u>\$ 9,124</u> |

**Santa Cruz Valley Union School District No. 840**

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual  
 Non-Major Special Revenue Funds  
 Year Ended June 30, 2023

|   | <u>Extracurricular Activities Fees Tax Credit</u> |                  |                  | <u>Career, Technical and Vocational</u> |                  |                  | <u>Textbooks</u> |               |                 |
|---|---|------------------|------------------|---|------------------|------------------|------------------|---------------|-----------------|
|   | <u>Budget</u>                                     | <u>Actual</u>    | <u>Variance</u>  | <u>Budget</u>                           | <u>Actual</u>    | <u>Variance</u>  | <u>Budget</u>    | <u>Actual</u> | <u>Variance</u> |
| <b>Revenues</b>                                   |   |                  |                  |   |                  |                  |                  |               |                 |
| Intergovernmental grants and aid:                 |   |                  |                  |   |                  |                  |                  |               |                 |
| Federal   | \$ -  | \$ -             | \$ -             | \$ -                                    | \$ -             | \$ -             | \$ -             | \$ -          | \$ -            |
| State   | -   | -                | -                | -                                       | -                | -                | -                | -             | -               |
| Investment earnings                               | -   | -                | -                | -                                       | -                | -                | -                | -             | -               |
| Other   | -   | 4,200            | 4,200            | -                                       | -                | -                | -                | -             | -               |
| Total revenues                                    | -   | 4,200            | 4,200            | -                                       | -                | -                | -                | -             | -               |
| <b>Expenditures</b>                               |   |                  |                  |   |                  |                  |                  |               |                 |
| Current:  |   |                  |                  |   |                  |                  |                  |               |                 |
| Instruction                                       | 20,039  | 1,454            | 18,585           | -                                       | -                | -                | -                | -             | -               |
| Support services:                                 |   |                  |                  |   |                  |                  |                  |               |                 |
| Students and staff                                | -   | -                | -                | -                                       | -                | -                | -                | -             | -               |
| General administration                            | -   | -                | -                | -                                       | -                | -                | -                | -             | -               |
| Operation and maintenance of plant services       | -   | -                | -                | -                                       | -                | -                | -                | -             | -               |
| Student transportation                            | -   | -                | -                | -                                       | -                | -                | -                | -             | -               |
| Operation of noninstructional services            | -   | -                | -                | -                                       | -                | -                | -                | -             | -               |
| Capital outlay                                    | -   | -                | -                | -                                       | -                | -                | -                | -             | -               |
| Total expenditures                                | 20,039  | 1,454            | 18,585           | -                                       | -                | -                | -                | -             | -               |
| Excess (deficiency) of revenues over expenditures | (20,039)  | 2,746            | 22,785           | -                                       | -                | -                | -                | -             | -               |
| <b>Other Financing Sources (Uses)</b>             |   |                  |                  |   |                  |                  |                  |               |                 |
| Transfers out                                     | -   | -                | -                | -                                       | -                | -                | -                | -             | -               |
| Total other financing sources and uses            | -   | -                | -                | -                                       | -                | -                | -                | -             | -               |
| Net change in fund balances                       | (20,039)  | 2,746            | 22,785           | -                                       | -                | -                | -                | -             | -               |
| <b>Fund Balances, Beginning</b>                   | -   | 28,660           | 28,660           | -                                       | 37,111           | 37,111           | -                | 522           | 522             |
| <b>Fund Balances, Ending</b>                      | <u>\$ (20,039)</u>                                | <u>\$ 31,406</u> | <u>\$ 51,445</u> | <u>\$ -</u>                             | <u>\$ 37,111</u> | <u>\$ 37,111</u> | <u>\$ -</u>      | <u>\$ 522</u> | <u>\$ 522</u>   |

**Santa Cruz Valley Union School District No. 840**

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual  
 Non-Major Special Revenue Funds  
 Year Ended June 30, 2023

|   | Joint Technical Education |               |                  | Student Activities |                  |                  | Total Non-GAAP        |                   |                     |
|---|---------------------------|---------------|------------------|--------------------|------------------|------------------|-----------------------|-------------------|---------------------|
|   | Budget                    | Actual        | Variance         | Budget             | Actual           | Variance         | Budget                | Actual            | Variance            |
| <b>Revenues</b>                                   |                           |               |                  |                    |                  |                  |                       |                   |                     |
| Intergovernmental grants and aid:                 |                           |               |                  |                    |                  |                  |                       |                   |                     |
| Federal   | \$ -                      | \$ -          | \$ -             | \$ -               | \$ -             | \$ -             | \$ -                  | \$ 157,354        | \$ 157,354          |
| State   | -                         | -             | -                | -                  | -                | -                | -                     | 1,020,791         | 1,020,791           |
| Investment earnings                               | -                         | -             | -                | -                  | -                | -                | -                     | 7,961             | 7,961               |
| Other   | -                         | 41,973        | 41,973           | -                  | 110,003          | 110,003          | -                     | 217,645           | 217,645             |
| Total revenues                                    | -                         | 41,973        | 41,973           | -                  | 110,003          | 110,003          | -                     | 1,403,751         | 1,403,751           |
| <b>Expenditures</b>                               |                           |               |                  |                    |                  |                  |                       |                   |                     |
| Current:  |                           |               |                  |                    |                  |                  |                       |                   |                     |
| Instruction                                       | 113                       | 93            | 20               | -                  | 89,653           | (89,653)         | 1,980,389             | 605,882           | 1,374,507           |
| Support services:                                 |                           |               |                  |                    |                  |                  |                       |                   |                     |
| Students and staff                                | 24                        | 20            | 4                | -                  | -                | -                | 478,423               | 352,672           | 125,751             |
| General administration                            | -                         | -             | -                | -                  | -                | -                | 1,991                 | 1,252             | 739                 |
| Operation and maintenance of plant services       | -                         | -             | -                | -                  | -                | -                | 63,972                | 2,978             | 60,994              |
| Student transportation                            | 29,863                    | 24,679        | 5,184            | -                  | -                | -                | 29,863                | 24,679            | 5,184               |
| Operation of noninstructional services            | -                         | -             | -                | -                  | -                | -                | 107,554               | 201,863           | (94,309)            |
| Capital outlay                                    | -                         | -             | -                | -                  | -                | -                | 232                   | 435               | (203)               |
| Total expenditures                                | 30,000                    | 24,792        | 5,208            | -                  | 89,653           | (89,653)         | 2,662,424             | 1,189,761         | 1,472,663           |
| Excess (deficiency) of revenues over expenditures | (30,000)                  | 17,181        | 47,181           | -                  | 20,350           | 20,350           | (2,662,424)           | 213,990           | 2,876,414           |
| <b>Other Financing Sources (Uses)</b>             |                           |               |                  |                    |                  |                  |                       |                   |                     |
| Transfers out                                     | -                         | -             | -                | -                  | -                | -                | -                     | (32,443)          | 32,443              |
| Total other financing sources and uses            | -                         | -             | -                | -                  | -                | -                | -                     | (32,443)          | 32,443              |
| Net change in fund balances                       | (30,000)                  | 17,181        | 47,181           | -                  | 20,350           | 20,350           | (2,662,424)           | 181,547           | 2,843,971           |
| <b>Fund Balances, Beginning</b>                   | -                         | (16,686)      | (16,686)         | -                  | 61,791           | 61,791           | -                     | 375,484           | 375,484             |
| <b>Fund Balances, Ending</b>                      | <u>\$ (30,000)</u>        | <u>\$ 495</u> | <u>\$ 30,495</u> | <u>\$ -</u>        | <u>\$ 82,141</u> | <u>\$ 82,141</u> | <u>\$ (2,662,424)</u> | <u>\$ 557,031</u> | <u>\$ 3,219,455</u> |



## **Non-Major Capital Projects Funds**

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**Combining Balance Sheet  
Combining Statement of Revenue, Expenditures and  
Change in Fund Balance  
Combining Schedule of Revenue, Expenditures and  
Change in Fund Balance - Budget and Actual**





**Santa Cruz Valley Union High School District No. 840**

Combining Balance Sheet  
 Non-Major Capital Projects Funds  
 June 30, 2023

|   | <u>Adjacent<br/>Ways</u> | <u>School Plant -<br/>Special<br/>Construction</u> | <u>Gifts &amp;<br/>Donations -<br/>Construction</u> | <u>Building<br/>Renewal<br/>Funds</u> | <u>Emergency<br/>Deficiency<br/>Correction</u> | <u>Totals</u>     |
|---|--------------------------|--|---|---------------------------------------|--|-------------------|
| <b>Assets</b>   |                          |  |   |                                       |  |                   |
| Cash and cash equivalents   | \$ 165,049               | \$ -   | \$ -  | \$ -                                  | \$ -   | \$ 165,049        |
| Receivables:  |                          |  |   |                                       |  |                   |
| Property taxes  | -                        | -  | -   | -                                     | -  | -                 |
| Total assets  | <u>\$ 165,049</u>        | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ -</u>                           | <u>\$ -</u>                                    | <u>\$ 165,049</u> |
| <b>Liabilities</b>  |                          |  |   |                                       |  |                   |
| Accounts payable  | \$ -                     | \$ -   | \$ -  | \$ -                                  | \$ -   | \$ -              |
| Due to other funds  | -                        | -  | -   | 93,183                                | -  | 93,183            |
| Total liabilities   | -                        | -  | -   | 93,183                                | -  | 93,183            |
| <b>Deferred Inflow of Resources</b>                                 |                          |  |   |                                       |  |                   |
| Deferred revenue, intergovernmental                                 | -                        | -  | -   | -                                     | -  | -                 |
| Total deferred inflow of resources                                  | -                        | -  | -   | -                                     | -  | -                 |
| <b>Fund Balances</b>  |                          |  |   |                                       |  |                   |
| Restricted:   |                          |  |   |                                       |  |                   |
| Capital outlay  | 165,049                  | -  | -   | (93,183)                              | -  | 71,866            |
| Total fund balances   | <u>165,049</u>           | <u>-</u>   | <u>-</u>  | <u>(93,183)</u>                       | <u>-</u>                                       | <u>71,866</u>     |
| Total liabilities, deferred inflow<br>of resources and fund balance | <u>\$ 165,049</u>        | <u>\$ -</u>  | <u>\$ -</u>   | <u>\$ -</u>                           | <u>\$ -</u>                                    | <u>\$ 165,049</u> |

## Santa Cruz Valley Union High School District No. 840

Combining Statement of Revenues, Expenditures and Change in Fund Balance

Non-Major Capital Projects Funds

Year Ended June 30, 2023

|  | <u>Adjacent<br/>Ways</u> | <u>Gifts &amp;<br/>Donations -<br/>Construction</u> | <u>Building<br/>Renewal<br/>Funds</u> | <u>Emergency<br/>Deficiency<br/>Correction</u> | <u>Totals</u>    |
|--|--------------------------|---|---------------------------------------|--|------------------|
| <b>Revenues</b>                                      |                          |   |                                       |  |                  |
| Property taxes                                       | \$ 18                    | \$ -  | \$ -                                  | \$ -   | \$ 18            |
| Intergovernmental grants and aid:                    |                          |   |                                       |  |                  |
| State  | -                        | -   | 561,268                               | -  | 561,268          |
| Investment earnings                                  | 2,388                    | -   | 152                                   | -  | 2,540            |
|  | <u>2,406</u>             | <u>-</u>  | <u>561,420</u>                        | <u>-</u>                                       | <u>563,826</u>   |
| Total revenues                                       | <u>2,406</u>             | <u>-</u>  | <u>561,420</u>                        | <u>-</u>                                       | <u>563,826</u>   |
| <b>Expenditures</b>                                  |                          |   |                                       |  |                  |
| Instruction  | -                        | -   | -                                     | -  | -                |
| Support services:                                    |                          |   |                                       |  |                  |
| Students and staff                                   | -                        | -   | -                                     | -  | -                |
| General administration                               | -                        | -   | -                                     | -  | -                |
| Operation and maintenance of plant services          | -                        | -   | -                                     | -  | -                |
| Capital outlay                                       | -                        | -   | 642,436                               | -  | 642,436          |
|  | <u>-</u>                 | <u>-</u>  | <u>642,436</u>                        | <u>-</u>                                       | <u>642,436</u>   |
| Total expenditures                                   | <u>-</u>                 | <u>-</u>  | <u>642,436</u>                        | <u>-</u>                                       | <u>642,436</u>   |
| Excess (deficiency) of revenues<br>over expenditures | <u>2,406</u>             | <u>-</u>  | <u>(81,016)</u>                       | <u>-</u>                                       | <u>(78,610)</u>  |
| <b>Other Financing Sources (Uses)</b>                |                          |   |                                       |  |                  |
| Transfers in   | -                        | -   | -                                     | -  | -                |
| Transfers out  | -                        | -   | -                                     | -  | -                |
|  | <u>-</u>                 | <u>-</u>  | <u>-</u>                              | <u>-</u>                                       | <u>-</u>         |
| Total other financing sources and uses               | <u>-</u>                 | <u>-</u>  | <u>-</u>                              | <u>-</u>                                       | <u>-</u>         |
| Net change in fund balances                          | 2,406                    | -   | (81,016)                              | -  | (78,610)         |
| <b>Fund Balances, Beginning</b>                      | <u>162,643</u>           | <u>-</u>  | <u>(12,167)</u>                       | <u>-</u>                                       | <u>150,476</u>   |
| <b>Fund Balances, Ending</b>                         | <u>\$ 165,049</u>        | <u>\$ -</u>   | <u>\$ (93,183)</u>                    | <u>\$ -</u>                                    | <u>\$ 71,866</u> |

**Santa Cruz Valley Union School District No. 840**

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual  
 Non-Major Capital Projects Funds  
 Year Ended June 30, 2023

|  | Adjacent Ways |                   |                   | Gifts & Donations - Construction |             |             |
|--|---------------|-------------------|-------------------|----------------------------------|-------------|-------------|
|  | Budget        | Actual            | Variance          | Budget                           | Actual      | Variance    |
| <b>Revenues</b>                                      |               |                   |                   |                                  |             |             |
| Property taxes                                       | \$ -          | \$ 18             | \$ 18             | \$ -                             | \$ -        | \$ -        |
| Intergovernmental grants and aid:                    |               |                   |                   |                                  |             |             |
| State  | -             | -                 | -                 | -                                | -           | -           |
| Investment earnings                                  | -             | 2,388             | 2,388             | -                                | -           | -           |
| <b>Total revenues</b>                                | <u>-</u>      | <u>2,406</u>      | <u>2,406</u>      | <u>-</u>                         | <u>-</u>    | <u>-</u>    |
| <b>Expenditures</b>                                  |               |                   |                   |                                  |             |             |
| Instruction  | -             | -                 | -                 | -                                | -           | -           |
| Support services:                                    |               |                   |                   |                                  |             |             |
| Students and staff                                   | -             | -                 | -                 | -                                | -           | -           |
| General administration                               | -             | -                 | -                 | -                                | -           | -           |
| Operation and maintenance of<br>plant services       | -             | -                 | -                 | -                                | -           | -           |
| Capital outlay                                       | -             | -                 | -                 | -                                | -           | -           |
| <b>Total expenditures</b>                            | <u>-</u>      | <u>-</u>          | <u>-</u>          | <u>-</u>                         | <u>-</u>    | <u>-</u>    |
| Excess (deficiency) of revenues<br>over expenditures | <u>-</u>      | <u>2,406</u>      | <u>2,406</u>      | <u>-</u>                         | <u>-</u>    | <u>-</u>    |
| Net change in fund balances                          | -             | 2,406             | 2,406             | -                                | -           | -           |
| <b>Fund Balances, Beginning</b>                      | <u>-</u>      | <u>162,643</u>    | <u>162,643</u>    | <u>-</u>                         | <u>-</u>    | <u>-</u>    |
| <b>Fund Balances, Ending</b>                         | <u>\$ -</u>   | <u>\$ 165,049</u> | <u>\$ 165,049</u> | <u>\$ -</u>                      | <u>\$ -</u> | <u>\$ -</u> |

**Santa Cruz Valley Union School District No. 840**

Combining Schedule of Revenues, Expenditures and Change in Fund Balance - Budget and Actual  
 Non-Major Capital Projects Funds  
 Year Ended June 30, 2023

|   | Building Renewal Fund |                    |                    | Emergency Deficiency Correction |             |             | Total       |                  |                  |
|---|-----------------------|--------------------|--------------------|---------------------------------|-------------|-------------|-------------|------------------|------------------|
|   | Budget                | Actual             | Variance           | Budget                          | Actual      | Variance    | Budget      | Actual           | Variance         |
| <b>Revenues</b>                                   |                       |                    |                    |                                 |             |             |             |                  |                  |
| Property taxes                                    | \$ -                  | \$ -               | \$ -               | \$ -                            | \$ -        | \$ -        | \$ -        | \$ 18            | \$ 18            |
| Intergovernmental grants and aid:                 |                       |                    |                    |                                 |             |             |             |                  |                  |
| State   | -                     | 561,268            | 561,268            | -                               | -           | -           | -           | 561,268          | 561,268          |
| Investment earnings                               | -                     | 152                | 152                | -                               | -           | -           | -           | 2,540            | 2,540            |
| <b>Total revenues</b>                             | <b>-</b>              | <b>561,420</b>     | <b>561,420</b>     | <b>-</b>                        | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>563,826</b>   | <b>563,826</b>   |
| <b>Expenditures</b>                               |                       |                    |                    |                                 |             |             |             |                  |                  |
| Instruction                                       | -                     | -                  | -                  | -                               | -           | -           | -           | -                | -                |
| Support services:                                 |                       |                    |                    |                                 |             |             |             |                  |                  |
| Students and staff                                | -                     | -                  | -                  | -                               | -           | -           | -           | -                | -                |
| General administration                            | -                     | -                  | -                  | -                               | -           | -           | -           | -                | -                |
| Operation and maintenance of plant services       | -                     | -                  | -                  | -                               | -           | -           | -           | -                | -                |
| Capital outlay                                    | 962,450               | 642,436            | 320,014            | -                               | -           | -           | -           | 642,436          | (642,436)        |
| <b>Total expenditures</b>                         | <b>962,450</b>        | <b>642,436</b>     | <b>320,014</b>     | <b>-</b>                        | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>642,436</b>   | <b>(642,436)</b> |
| Excess (deficiency) of revenues over expenditures | (962,450)             | (81,016)           | 881,434            | -                               | -           | -           | -           | (78,610)         | (78,610)         |
| Net change in fund balances                       | -                     | (81,016)           | 881,434            | -                               | -           | -           | -           | (78,610)         | (78,610)         |
| <b>Fund Balances, Beginning</b>                   | <b>-</b>              | <b>(12,167)</b>    | <b>(12,167)</b>    | <b>-</b>                        | <b>-</b>    | <b>-</b>    | <b>-</b>    | <b>150,476</b>   | <b>150,476</b>   |
| <b>Fund Balances, Ending</b>                      | <b>\$ -</b>           | <b>\$ (93,183)</b> | <b>\$ (93,183)</b> | <b>\$ -</b>                     | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 71,866</b> | <b>\$ 71,866</b> |



## **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.

**Santa Cruz Valley Union School District No. 840**

Schedule 1

Net Limited Assessed Property Value and Net Full Cash Assessed Value by Property Classification

Last Ten Fiscal Years

|   | June 30                 |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2023                    | 2022                  | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  |
| <b>Class</b>  |                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Commercial, Industrial, Utilities and Mining                          | \$ 92,548,380           | \$ 92,213,231         | \$ 81,836,773         | \$ 80,682,827         | \$ 76,685,586         | \$ 39,688,013         | \$ 32,127,224         | \$ 32,726,720         | \$ 40,917,951         | \$ 40,247,171         |
| Agricultural and Vacant   | 26,478,498              | 22,263,596            | 16,874,146            | 16,318,611            | 16,766,563            | 48,632,745            | 46,854,577            | 49,121,484            | 49,264,589            | 49,689,383            |
| Residential (Owner Occupied)  | 32,136,814              | 23,312,439            | 16,439,296            | 14,755,643            | 13,383,688            | 12,932,392            | 12,901,495            | 12,042,464            | 14,510,196            | 14,825,084            |
| Residential (Rental)  | 12,360,914              | 9,908,051             | 6,784,201             | 6,584,538             | 6,132,040             | 5,266,248             | 4,053,195             | 3,870,191             | 2,995,365             | 2,313,204             |
| Railroad Private Cars and Airlines                                    | 4,061,721               | 6,253,643             | 3,574,773             | 3,911,183             | 4,234,244             | 4,154,681             | 3,504,477             | 3,492,750             | 3,617,549             | 1,742,948             |
| <b>Total</b>  | <u>\$ 167,586,327</u>   | <u>\$ 153,950,960</u> | <u>\$ 125,509,189</u> | <u>\$ 122,252,802</u> | <u>\$ 117,202,121</u> | <u>\$ 110,674,079</u> | <u>\$ 99,440,969</u>  | <u>\$ 101,253,610</u> | <u>\$ 111,305,650</u> | <u>\$ 108,817,790</u> |
| <b>Gross Full Cash Value</b>  | \$ 1,320,173,898        | \$ 1,122,805,414      | \$ 987,007,648        | \$ 936,124,424        | \$ 885,904,522        | \$ 882,906,518        | \$ 804,366,079        | \$ 753,430,383        | \$ 781,061,133        | \$ 761,541,402        |
| <b>Ratio of Net Full Cash Assessed Value to Gross Full Cash Value</b> | 13%                     | 14%                   | 14%                   | 14%                   | 13%                   | 13%                   | 12%                   | 13%                   | 14%                   | 14%                   |
| Estimated net full cash value   | <u>\$ 1,149,156,995</u> | <u>\$ 968,854,454</u> | <u>\$ 914,217,360</u> | <u>\$ 871,050,662</u> | <u>\$ 820,220,611</u> | <u>\$ 815,107,087</u> | <u>\$ 735,107,961</u> | <u>\$ 690,053,860</u> | <u>\$ 718,926,661</u> | <u>\$ 698,346,022</u> |
| <b>Total Direct Rate</b>  | 2.50                    | 2.50                  | 3.01                  | 3.20                  | 3.31                  | 3.43                  | 4.07                  | 4.30                  | 4.15                  | 4.30                  |

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

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

**Santa Cruz Valley Union School District No. 840**

Schedule 2

Property Tax Assessment Ratios

Last Ten Fiscal Years

| Class  | June 30 |      |      |      |      |      |      |      |      |      |
|--|---------|------|------|------|------|------|------|------|------|------|
|  | 2023    | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Commercial, Industrial, Utilities and Mining | 17%     | 18%  | 18%  | 18%  | 18%  | 18%  | 18%  | 19%  | 19%  | 20%  |
| Agricultural and Vacant                      | 15%     | 15%  | 15%  | 15%  | 15%  | 15%  | 15%  | 16%  | 16%  | 16%  |
| Residential (Owner Occupied)                 | 10%     | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  |
| Residential (Rental)                         | 10%     | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  | 10%  |
| Railroad, Private Cars and Airlines          | 14%     | 15%  | 15%  | 15%  | 14%  | 15%  | 14%  | 15%  | 16%  | 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.



**Santa Cruz Valley Union School District No. 840**

Schedule 3

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

| Fiscal Year<br>Ended<br>June 30 | Overlapping Rates     |             |                 |                                       |  |   | District Direct Rates |           |       |
|---------------------------------|-----------------------|-------------|-----------------|---------------------------------------|--|---|-----------------------|-----------|-------|
|                                 | State<br>Equalization | County-Wide | City of<br>Eloy | Eloy<br>Elementary<br>School District | Picacho<br>Elementary<br>School District | Red Rock<br>Elementary<br>School District | Primary               | Secondary | Total |
| 2023                            | 0.44                  | 3.56        | 1.06            | 6.17                                  | 2.65                                     | 2.76                                      | 2.05                  | 0.46      | 2.51  |
| 2022                            | 0.44                  | 3.56        | 1.09            | 5.72                                  | 2.74                                     | 2.85                                      | 2.03                  | 0.47      | 2.50  |
| 2021                            | 0.44                  | 3.75        | 1.06            | 5.85                                  | 2.18                                     | 2.15                                      | 2.20                  | 0.80      | 3.01  |
| 2020                            | 0.46                  | 3.79        | 1.09            | 6.43                                  | 2.29                                     | 2.24                                      | 2.28                  | 0.93      | 3.20  |
| 2019                            | 0.47                  | 3.83        | 1.12            | 6.15                                  | 2.36                                     | 2.28                                      | 2.34                  | 0.96      | 3.31  |
| 2018                            | 0.49                  | 3.87        | 1.20            | 5.06                                  | 2.51                                     | 2.32                                      | 2.38                  | 1.05      | 3.43  |
| 2017                            | 0.50                  | 3.87        | 1.23            | 5.28                                  | 2.62                                     | 2.60                                      | 2.56                  | 1.51      | 4.07  |
| 2016                            | 0.51                  | 4.00        | 1.17            | 5.20                                  | 2.62                                     | 2.60                                      | 2.32                  | 1.98      | 4.30  |
| 2015                            | 0.51                  | 3.80        | 1.15            | 4.93                                  | 2.62                                     | 2.60                                      | 2.28                  | 1.87      | 4.15  |
| 2014                            | 0.51                  | 3.80        | 1.04            | 4.93                                  | 2.27                                     | 2.62                                      | 2.38                  | 1.92      | 4.30  |

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

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

**Santa Cruz Valley Union School District No. 840**

Schedule 4

Property Tax Levies and Collections

Last Ten Fiscal Years

| Fiscal Year<br>Ended<br>June 30 | Taxes Levied<br>for the<br>Fiscal Year | Collected Within the<br>Fiscal Year of the Levy |                       | Collections in<br>Subsequent<br>Fiscal Years | Collected to the End of<br>the Current Fiscal Year |                       |
|---------------------------------|--|---|-----------------------|--|--|-----------------------|
|                                 |  | Amount  | Percentage<br>of Levy |  | Amount   | Percentage<br>of Levy |
| 2023                            | \$ 3,214,713                           | \$ 3,189,787                                    | 99.22%                | -  | \$ 3,189,787                                       | 99.22%                |
| 2022                            | 3,361,290                              | 3,359,657                                       | 99.95%                | 69,212                                       | 3,428,869  | 100.00%               |
| 2021                            | 3,649,435                              | 3,595,577                                       | 98.52%                | 69,433                                       | 3,595,577  | 98.52%                |
| 2020                            | 3,802,553                              | 3,729,570                                       | 98.08%                | 62,931                                       | 3,792,501  | 99.74%                |
| 2019                            | 3,873,153                              | 3,799,002                                       | 98.09%                | 52,767                                       | 3,851,769  | 99.45%                |
| 2018                            | 3,661,027                              | 3,601,125                                       | 98.36%                | 77,476                                       | 3,678,601  | 100.00%               |
| 2017                            | 3,916,935                              | 3,828,325                                       | 97.74%                | 116,201                                      | 3,944,526  | 100.00%               |
| 2016                            | 4,202,830                              | 4,103,980                                       | 97.65%                | 88,730                                       | 4,192,710  | 99.76%                |
| 2015                            | 4,450,375                              | 4,342,548                                       | 97.58%                | 96,810                                       | 4,439,358  | 99.75%                |
| 2014                            | 4,543,620                              | 4,419,123                                       | 97.26%                | 112,126                                      | 4,531,249  | 99.73%                |

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

Note: 1) Amounts collected are on a cash basis

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

# Santa Cruz Valley Union School District No. 840

## Schedule 5

Principal Property Taxpayers

Current Fiscal Year and Fiscal Year Nine Years Prior

| Taxpayers                        | 2023                           |   | 2014                             |   |
|----------------------------------|--------------------------------|---|----------------------------------|---|
|                                  | Net Limited Assessed Valuation | Percentage of District's Net Limited Assessed Valuation | Net Full Cash Assessed Valuation | Percentage of District's Net Full Cash Assessed Valuation |
| CCA Properties of Arizona Inc.   |                                |   | \$ 28,573,248                    | 25.3%   |
| Arizona Public Service Company   | 23,890,827                     | 19.0%   | 23,790,457                       | 21.1%   |
| Unisource Energy Corporation     | 9,961,113                      | 7.9%  | 5,985,667                        | 5.3%  |
| Union Pacific Railroad           | 3,225,756                      | 2.6%  | 1,749,816                        | 1.5%  |
| Southwest Gas Corporation        | 1,753,542                      | 1.4%  |                                  |   |
| El Paso Natural Gas Co.          |                                |   | 1,288,731                        | 1.1%  |
| Marana Aerospace Solutions       | 1,214,188                      | 1.0%  |                                  |   |
| CoreCivic                        | 40,342,652                     | 32.1%   | 745,104                          | 0.7%  |
| HA Golden Compass East LLC       | 942,240                        | 0.8%  |                                  |   |
| Bayer Southern Production Co LLC | 1,035,099                      | 0.8%  | 1,545,011                        | 1.4%  |
| Pulte Home Corporation           |                                |   | 816,841                          | 0.7%  |
| Trico Electric Co-op Inc         |                                |   | 677,808                          | 0.6%  |
| Anderson Clayton Corp            |                                |   | 620,787                          | 0.5%  |
| Store Master Funding LLC         | 4,191,775                      | 3.3%  |                                  |   |
| Red Rock Utilities               | 509,830                        | 0.4%  |                                  |   |
| <b>Total</b>                     | <b>\$ 87,067,022</b>           |   | <b>\$ 65,793,470</b>             |   |

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

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

## Santa Cruz Valley Union School District No. 840

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Schedule 6

Direct General Obligation Bonded Debt Outstanding

Current Fiscal Year

| <u>Issue Series</u> | <u>Original Amount</u> | <u>Purpose</u>      | <u>Final Maturity Date (July 1)</u> | <u>Balance Outstanding</u> |
|---------------------|------------------------|---------------------|-------------------------------------|----------------------------|
| 2017, Series A      | \$ 4,145,000           | School Improvements | 2027                                | \$ 1,575,000               |
| 2020, Series B      | 2,445,000              | School Improvements | 2030                                | <u>1,930,000</u>           |
|                     |                        |                     |                                     | <u>\$ 3,505,000</u>        |

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

# Santa Cruz Valley Union School District No. 840

## Schedule 7

### Constitutional/Statutory Debt Limit/Unused Borrowing Capacity After Bond Issuance

#### Current Fiscal Year

|   |                             |
|---|-----------------------------|
| 2022/23 Arizona Constitutional Debt Limitation<br>(15% of Net Full Cash Assessed Value) | \$ 20,461,995               |
| Less bonds outstanding  | (3,505,000)                 |
| Less unamortized original issue premium of prior bonds (a)                              | <u>(323,990)</u>            |
| Unused constitutional borrowing capacity  | <u><u>\$ 16,633,005</u></u> |

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

|  |                            |
|--|----------------------------|
| 2022/23 Statutory Limitation on Bonds<br>[Greater of 10% of the Net Full Cash Assessed Value (\$13,641,330) or \$1,500<br>per student (\$561,000)] | \$ 13,641,330              |
| Less bonds outstanding   | (3,505,000)                |
| Less unamortized original issue premium of prior bonds (a)   | <u>(323,990)</u>           |
| Unused statutory borrowing capacity  | <u><u>\$ 9,812,340</u></u> |

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

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

**Santa Cruz Valley Union School District No. 840**

Schedule 8

Direct and Overlapping General Obligation Bonded Debt

Current Fiscal Year

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

(a) Proportion applicable to the District is computed on the ratio of Net Limited Assessed Property Value for 2022/23.

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

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

## Santa Cruz Valley Union School District No. 840

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Schedule 9

Average Daily Membership

Last Ten Fiscal Years

| <b>Fiscal Year Ended<br/>June 30</b> | <b>Average Daily<br/>Membership</b> | <b>Percentage<br/>Change</b> |
|--------------------------------------|-------------------------------------|------------------------------|
| 2023                                 | 369                                 | 18.27%                       |
| 2022                                 | 312                                 | -2.19%                       |
| 2021                                 | 319                                 | -14.71%                      |
| 2020                                 | 374                                 | -8.56%                       |
| 2019                                 | 409                                 | 0.25%                        |
| 2018                                 | 408                                 | -8.11%                       |
| 2017                                 | 444                                 | -0.45%                       |
| 2016                                 | 446                                 | 9.58%                        |
| 2015                                 | 407                                 | 6.27%                        |
| 2014                                 | 383                                 | 7.89%                        |

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





## **Reports on Internal Controls and Compliance**

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**Report on Internal Control  
Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance  
With *Government Auditing Standards***

Independent Auditors' Report

To the Governing Board of  
Santa Cruz Valley Union School District No. 840

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of each major fund, and the aggregate remaining fund information of the Santa Cruz Valley Union School District No. 840 (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 8, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

**Report on Compliance and Other Matters**

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

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### **Purpose of This Report**

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

*Baker Tilly US, LLP*

Tempe, Arizona  
April 8, 2024

**Report on Compliance  
for the Major Federal Program;  
Report on Internal Control Over Compliance; and  
Report on the Schedule of Expenditures of  
Federal Awards Required by the Uniform Guidance**

Independent Auditors' Report

To the Governing Board of  
Santa Cruz Valley Union School District No. 840

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the Santa Cruz Valley Union School District No. 840's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2023. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

***Basis for Opinion on the Major Federal Program***

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

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control Over Compliance**

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

*Baker Tilly US, LLP*

Tempe, Arizona  
April 8, 2024

**Santa Cruz Valley Union High School District**

Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2023

| <u>Federal Grantor / Program Title</u>                            | <u>Cluster Name</u>       | <u>Assistance Listing Number</u> | <u>Pass-through Agency</u>      | <u>Pass-through Agency Grant Number</u> | <u>Federal Expenditures</u> |
|---|---------------------------|----------------------------------|---------------------------------|---|-----------------------------|
| <b>Federal Programs</b>   |                           |                                  |                                 |   |                             |
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>                             |                           |                                  |                                 |   |                             |
| Child Nutrition Cluster:  |                           |                                  |                                 |   |                             |
| Non-Cash Assistance (Commodities)                                 |                           |                                  |                                 |   |                             |
| National School Lunch Program                                     | Child Nutrition Cluster   | 10.555                           | Arizona Department of Education | None Noted                              | \$ 4,438                    |
| Cash Assistance:  |                           |                                  |                                 |   |                             |
| National School Lunch Program                                     | Child Nutrition Cluster   | 10.555                           | Arizona Department of Education | None Noted                              | <u>202,556</u>              |
| Total Child Nutrition Cluster                                     |                           |                                  |                                 |   | <u>206,994</u>              |
| Total U.S. DEPARTMENT OF AGRICULTURE                              |                           |                                  |                                 |   | <u>206,994</u>              |
| <b>U.S. DEPARTMENT OF EDUCATION</b>                               |                           |                                  |                                 |   |                             |
| Title I, Part A - Grants to Local Education Agencies              |                           | 84.010                           | Arizona Department of Education | 22FT1TTI-211487-01A                     | 221,932                     |
| Career and Technical Education - Basic Grants to States           |                           | 84.048A                          | Arizona Department of Education | 22FCTDBG-211487-08A                     | 57,770                      |
| Title III - Consortium subgrant - Youth, Faith, Family            |                           | 84.365A                          | Arizona Department of Education | None Noted                              | 5,303                       |
| Rural Education   |                           | 84.358A                          | Arizona Department of Education | None Noted                              | 35,255                      |
| Title II - Improving Teacher Quality                              |                           | 84.367A                          | Arizona Department of Education | 22FT1TII-211487-03A                     | 37,380                      |
| Title IV, Part A - Student Support and Academic Enrichment Grants |                           | 84.424A                          | Arizona Department of Education | 22FT4TIV-211487-01A                     | 6,562                       |
| COVID-19 - Elementary and Secondary School Emergency Relief       |                           | 84.425D                          | Arizona Department of Education | 21FESSER II/III-111487-01A              | <u>659,900</u> *            |
| Special Education Cluster:  |                           |                                  |                                 |   |                             |
| Special Education - Grants to States                              | Special Education Cluster | 84.027                           | Arizona Department of Education | 22FESCBG-211487-09A                     | <u>101,271</u>              |
| Total Special Education Cluster                                   |                           |                                  |                                 |   | <u>101,271</u>              |
| Total U.S. DEPARTMENT OF EDUCATION                                |                           |                                  |                                 |   | <u>1,125,373</u>            |
| <b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>               |                           |                                  |                                 |   |                             |
| Medicaid Cluster:   |                           |                                  |                                 |   |                             |
| Medical Assistance Program  | Medicaid Cluster          | 93.778                           | Public Consulting Group, Inc.   | None Noted                              | <u>2,482</u>                |
| Total Medicaid Cluster  |                           |                                  |                                 |   | <u>2,482</u>                |
| Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES                |                           |                                  |                                 |   | <u>2,482</u>                |
| Total federal programs  |                           |                                  |                                 |   | <u>\$ 1,334,849</u>         |

\* Denotes major program

# Santa Cruz Valley Union High School District No. 840

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Notes to Schedule of Expenditures of Federal Awards  
June 30, 2023

## 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Santa Cruz Valley Union High School District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Santa Cruz Valley Union High School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the Santa Cruz Valley Union High School District.

## 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

## 3. Indirect Cost Rate

The Santa Cruz Valley Union High School District has not elected to use the 10% de minimis indirect cost rate.



# Santa Cruz Valley Union High School District No. 840

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

## Section I - Summary of Auditors' Results

### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ yes

X  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes

X  none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes

X  no

### Federal Awards

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ yes

X  no

Significant deficiency(ies) identified? \_\_\_\_\_ yes

X  none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance? \_\_\_\_\_ yes

X  no

Auditee qualified as low-risk auditee?  X  yes

\_\_\_\_\_ no

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

\$750,000

Identification of major federal programs:

**Assistance Listing Number**

**Name of Federal Program or Cluster**

84.425D

COVID-19 - Elementary and Secondary School  
Emergency Relief

**Santa Cruz Valley Union High School District No. 840**

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Schedule of Findings and Questioned Costs  
Year Ended June 30, 2023

**Section II - Financial Statement Findings Required to be Reported in Accordance With  
*Government Auditing Standards***

None noted.

**Section III - Federal Awards Findings and Questioned Costs**

None noted.

