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# UNION ELEMENTARY SCHOOL DISTRICT NO. 62

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## Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014

*Achievement  
Today  
for an  
Exceptional  
Tomorrow*



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**

**TOLLESON, ARIZONA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Issued by:  
Business and Finance Department

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**

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## **INTRODUCTORY SECTION**



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December 15, 2014

Citizens and Governing Board  
Union Elementary School District No. 62  
3834 South 91<sup>st</sup> Avenue  
Tolleson, Arizona 85353-9394

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Union Elementary School District No. 62 (District) for the fiscal year ended June 30, 2014.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

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

## **PROFILE OF THE DISTRICT**

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade 8 with a fiscal year 2013-14 average daily membership of 1,742. Enrollment is projected to increase slightly to 1,750 for the next school year due to new home building. The current buildings located within the District are fairly new with the oldest school being 16 years old.

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

The membership of the Governing Board consists of three 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, and food services.

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

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds that are not required to legally adopt a budget may have overexpenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. However, this does not affect the District's ability to expend monies.

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

**Local Economy.** The District is located in the southwestern portion of the metropolitan Phoenix area and is included in the City of Phoenix's strategic planning. Agriculture has played a major role in the District's economy over the years; however, commerce, light manufacturing, warehousing, and residential development have begun to dominate the economy in the area. Housing suffered through the recent economy with a large number of foreclosures. That trend has started to turn due to affordable housing. The District currently has one subdivision that is 90 percent completed. The developer has also purchased a parcel on the eastern portion of the District and plans to complete a subdivision for 85 homes within the next 2 years. Due to this reason, the District has a good potential for future student growth.

**Long-term Financial Planning.** The District underwent several changes in its strategic planning after leaving receivership. The District currently has reserves that have been able to sustain the District without making personnel decreases or affecting school programs. The District is constantly reviewing their curriculum and continues to add educational programs that are affordable and sustaining.

Long term financial planning is incorporated into the District's strategic planning. The District continues to review its goals and philosophies. An example would be the commitment to service all students who were previously outsourced for special programs. These types of cost cutting measures have assisted in building reserves. The District believes that due to affordable housing and the addition of student programs new families will continue to be attracted into the area.

## AWARDS AND ACKNOWLEDGMENTS

**Awards.** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the third consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded these certificates, the District published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2014 certificates.

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

In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,



Dr. Patricia Gillespie  
Superintendent



Norma Pacheco  
Executive Director of Business Services

# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## Union Elementary School District No. 62

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



A handwritten signature in black ink, reading 'Terrie S. Simmons'.

Terrie S. Simmons, RSBA, CSBO  
President

A handwritten signature in black ink, reading 'John D. Musso'.

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

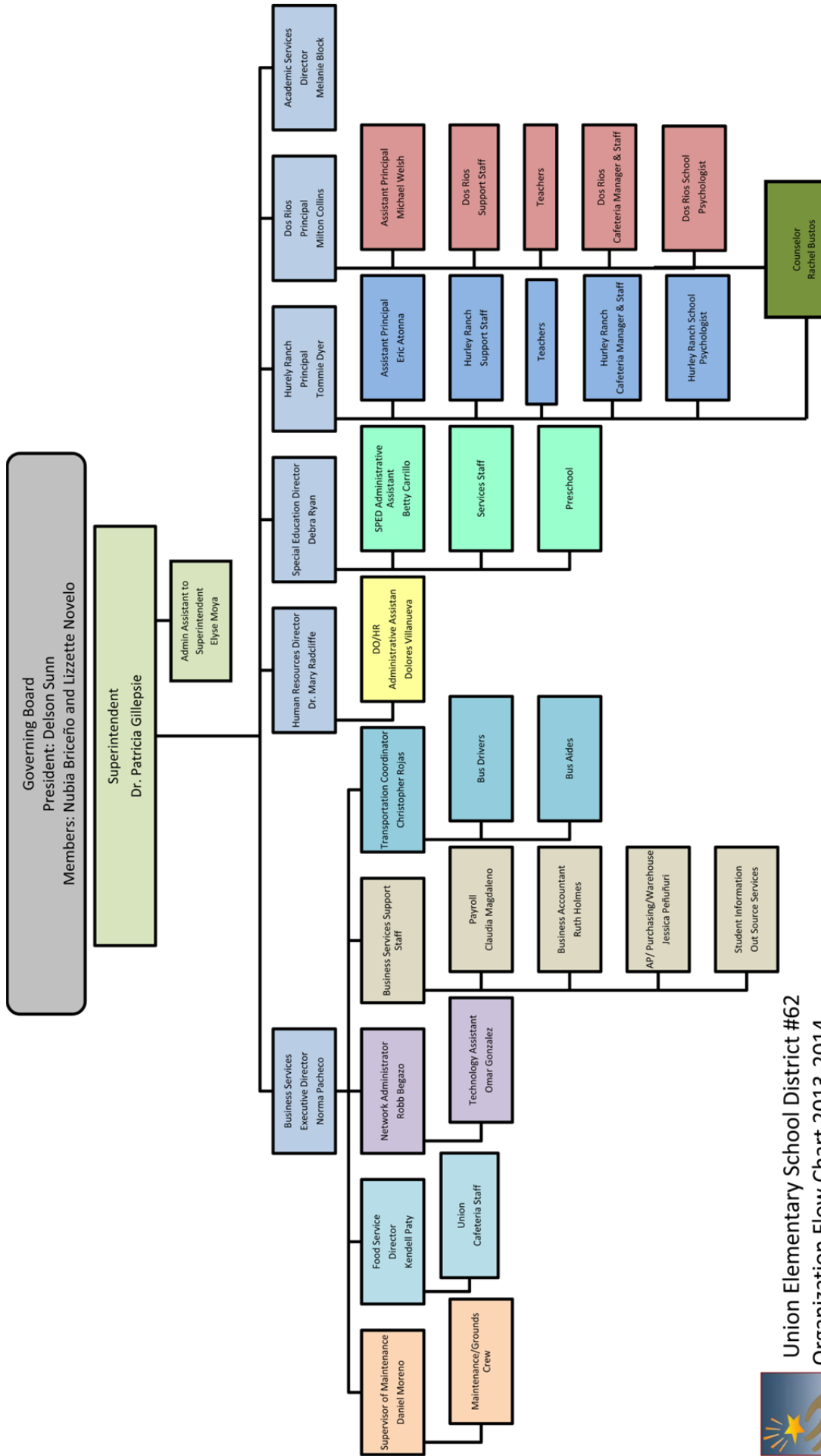
Presented to

**Union Elementary School  
District No. 62, Arizona**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO



Union Elementary School District #62  
Organization Flow Chart 2013-2014



**Union Elementary School District #62**

3834 S. 91<sup>st</sup> Avenue  
Tolleson, AZ 85353

*Achievement  
Today  
for an  
Exceptional  
Tomorrow*



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**List of Principal Officials  
Fiscal Year 2013-2014**

**Governing Board**

Delson Sunn, President  
Nubia Briceno, Member  
Vacant, Member

**District Administration**

Dr. Patricia Gillespie, Superintendent  
Dr. Mary Radcliffe, Human Resources Director  
Norma Pacheco, Executive Director of Business Services  
Melanie Block, Director of Academic Services  
Debra Ryan, Director of Student Support Services  
Kendell Paty, Director of Food Service  
Robert Begazo, Network Administrator  
Daniel Moreno, Supervisor of Maintenance  
Chris Rojas, Transportation Coordinator

**Dos Rios Administration**

Milton Collins, Principal  
Michael Welsh, Assistant Principal

**Hurley Ranch Administration**

Tommie Dyer, Principal  
Eric Atonna, Assistant Principal

## **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Governing Board  
Union Elementary School District No. 62

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Union Elementary School District No. 62 (District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Union Elementary School District No. 62, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Change in Accounting Principle***

As described in Note 1, the District implemented the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 14 and budgetary comparison information on pages 48 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014, on our consideration of Union Elementary School District No. 62's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Union Elementary School District No. 62's internal control over financial reporting and compliance.

HEINFELD, MEECH & CO., P.C.  
CPAs and Business Consultants

December 15, 2014

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

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**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

As management of the Union Elementary School District No. 62 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**FINANCIAL HIGHLIGHTS**

- The District's total net position of governmental activities increased \$418,570, which represents a 2 percent increase from the prior fiscal year.
- General revenues accounted for \$10.2 million in revenue, or 79 percent of all current fiscal year revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$2.8 million, or 21 percent of total current fiscal year revenues.
- The District had approximately \$12.5 million in expenses related to governmental activities, an increase of 6 percent from the prior fiscal year.
- Among major funds, the General Fund had \$9.1 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$9.1 million in expenditures. The General Fund's fund balance increase of \$58,006 was not significant.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)**

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

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

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

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

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

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 decision. 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.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**OVERVIEW OF FINANCIAL STATEMENTS (Concl'd)**

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

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Due to their custodial nature, fiduciary funds do not have a measurement focus.

**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 and major special revenue funds as required supplementary information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$26.6 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, vehicles, furniture and equipment and construction progress), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	As of June 30, 2014	As of June 30, 2013 (as restated)
Current and other assets	\$ 6,357,382	\$ 6,294,577
Capital assets, net	23,141,447	23,088,861
Total assets	<u>29,498,829</u>	<u>29,383,438</u>
Current and other liabilities	502,818	563,414
Long-term liabilities	2,355,418	2,598,001
Total liabilities	<u>2,858,326</u>	<u>3,161,415</u>
Net position:		
Net investment in capital assets	21,187,075	20,988,649
Restricted	3,362,834	3,511,955
Unrestricted	2,090,684	1,721,419
Total net position	<u>\$ 26,640,593</u>	<u>\$ 26,222,023</u>

At the end of the current fiscal year the District reported positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

The District's financial position is the product of several financial transactions including the net results 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 addition of \$739,807 in capital assets through the purchase of furniture and equipment and other school improvements.
- Increase in accumulated depreciation of \$687,221.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

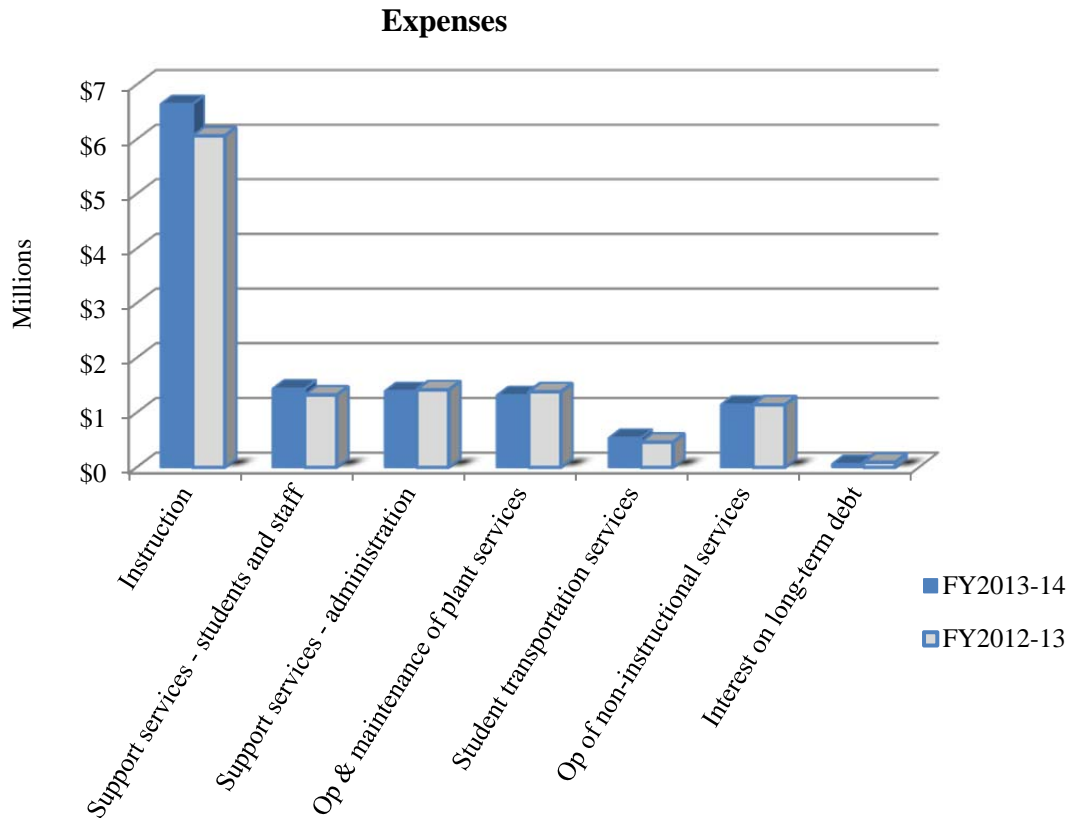
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**

**Changes in net position.** The District's total revenues for the current fiscal year were \$12.9 million. The total cost of all programs and services was \$12.5 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2014 and June 30, 2013.

	Fiscal Year Ended June 30, 2014	Fiscal Year Ended June 30, 2013 (as restated)
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 285,614	\$ 312,911
Operating grants and contributions	2,294,170	2,171,776
Capital grants and contributions	178,277	148,523
General revenues:		
Property taxes	1,548,352	1,659,120
Investment income	18,775	21,143
Unrestricted county aid	701,500	667,836
Unrestricted state aid	7,081,076	6,605,352
Unrestricted federal aid	831,660	97,715
<b>Total revenues</b>	<b>12,939,424</b>	<b>11,684,376</b>
<b>Expenses:</b>		
Instruction	6,641,945	6,062,072
Support services – students and staff	1,435,891	1,318,004
Support services – administration	1,389,653	1,413,897
Operation and maintenance of plant services	1,314,904	1,376,995
Student transportation services	536,755	455,716
Operation of non-instructional services	1,142,431	1,140,272
Interest on long-term debt	59,275	90,405
<b>Total expenses</b>	<b>12,520,854</b>	<b>11,857,361</b>
<b>Changes in net position</b>	<b>418,570</b>	<b>(172,985)</b>
<b>Net position, beginning</b>	<b>26,222,023</b>	<b>26,395,008</b>
<b>Net position, ending</b>	<b>\$ 26,640,593</b>	<b>\$ 26,222,023</b>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)**



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

- Increase in unrestricted state aid of \$475,724 due to student growth.
- Increase in unrestricted federal aid of \$733,945 due to the completion of several E-Rate reimbursable projects.
- Increase in instruction expense of \$579,873 due to salary increase.

The following table presents the cost of the District's 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.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Concl'd)**

	Year Ended June 30, 2014		Year Ended June 30, 2013	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 6,641,945	\$ (5,737,786)	\$ 6,062,072	\$ (5,194,999)
Support services – students and staff	1,435,891	(1,248,997)	1,318,004	(1,101,704)
Support services – administration	1,389,653	(1,389,653)	1,413,897	(1,413,897)
Operation and maintenance of plant services	1,314,904	(1,153,516)	1,376,995	(1,092,139)
Student transportation services	536,755	(536,755)	455,716	(455,716)
Operation of non-instructional services	1,142,431	363,189	1,140,272	124,709
Interest on long-term debt	59,275	(59,275)	90,405	(90,405)
<b>Total</b>	<b>\$ 12,520,854</b>	<b>\$ (9,762,793)</b>	<b>\$ 11,857,361</b>	<b>\$ (9,224,151)</b>

- The cost of all governmental activities this year was \$12.5 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$2.8 million.
- Net cost of governmental activities of \$9.8 million was financed by general revenues, which are made up of primarily property taxes of \$1.5 million and state and county aid of \$7.8 million.

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

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$5.1 million, a decrease of \$129,419, which is not significant.

The General Fund comprises 28 percent of the total fund balance. One hundred percent of the fund balance is unassigned.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Concl'd)**

The General Fund is the principal operating fund of the District. The fund balance increased \$58,006 as of fiscal year end. General Fund revenues increased \$1.4 million as a result of the completion of projects reimbursable by the federal government. General Fund expenditures increased \$647,229 as a result of an increase in technology projects.

The fund balance in the Classroom Site Fund increased \$155,079 to \$922,344 as state aid increased.

The fund balance in the Food Service Fund increased \$142,925 due to an increase in federal reimbursements.

The fund balance in the Debt Service and Adjacent Ways Funds did not change significantly.

**BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$324,316 increase, or 4 percent. The increase is primarily due to salary raises and two additional staff.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant expenditure variance is summarized as follows.

- The favorable variance of \$235,906 in instruction was a result of budgeting for K-3 Reading instructional coaches in the instruction line item rather than in the support services – staff line item.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At year end, the District had invested \$28.2 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 \$739,807 million from the prior fiscal year. Total depreciation expense for the current fiscal year was \$687,221.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**CAPITAL ASSETS AND DEBT ADMINISTRATION (Concl'd)**

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2014 and June 30, 2013.

	As of <u>June 30, 2014</u>	As of <u>June 30, 2013</u>
Capital assets - non-depreciable	\$ 1,917,492	\$ 1,917,492
Capital assets - depreciable, net	21,223,955	21,171,369
<b>Total</b>	<u>\$ 23,141,447</u>	<u>\$ 23,088,861</u>

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

**Debt Administration.** At year end, the District had \$2.3 million in long-term debt outstanding, \$235,000 due within one year. This represents a decrease of \$240,000 due to the retirement of school improvement bonds.

The District's general obligation bonds are subject to two debt limits: the Constitutional or total debt limit (up to 15 percent of the total secondary assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the secondary assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$6.2 million which is less than the District's outstanding debt. The Class B debt limit is \$4.1 million which are more than the District's total general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 7 and 8.

**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 2014-15 budget. Among them:

- District student population (estimated 1,850).
- Estimated budget balance carry forward \$328,914).

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

Budgeted expenditures in the General Fund increased by \$347,331 to \$9.2 million in fiscal year 2014-15. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2014-15 budget.



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
YEAR ENDED JUNE 30, 2014**

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Union Elementary School District No. 62, 3834 South 91<sup>st</sup> Avenue, Tolleson, Arizona 85353-9394.

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

	Governmental Activities
<b><u>ASSETS</u></b>	
Current assets:	
Cash and investments	\$ 3,498,374
Deposits	28,993
Property taxes receivable	305,458
Due from governmental entities	2,524,557
Total current assets	6,357,382
Noncurrent assets:	
Land	1,917,492
Land improvements	748,750
Buildings and improvements	22,857,486
Vehicles, furniture and equipment	2,706,410
Accumulated depreciation	(5,088,691)
Total noncurrent assets	23,141,447
<b>Total assets</b>	<b>29,498,829</b>
<b><u>LIABILITIES</u></b>	
Current liabilities:	
Accounts payable	272,983
Construction contracts payable	65,999
Accrued payroll and employee benefits	119,651
Compensated absences payable	10,625
Accrued interest payable	29,513
Unearned revenues	14,672
Bonds payable	235,000
Total current liabilities	748,443
Noncurrent liabilities:	
Non-current portion of long-term obligations	2,109,793
Total noncurrent liabilities	2,109,793
<b>Total liabilities</b>	<b>2,858,236</b>
<b><u>NET POSITION</u></b>	
Net investment in capital assets	21,187,075
Restricted for:	
Voter approved initiatives	1,115,302
Federal and state projects	4,608
Food service	447,090
Civic center	125,369
Extracurricular activities	19,220
Insurance	42,872
Other local initiatives	30,179
Capital outlay	1,578,194
Unrestricted	2,090,684
<b>Total net position</b>	<b>\$ 26,640,593</b>

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2014**

<b>Functions/Programs</b>	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental activities:</b>					
Instruction	\$ 6,641,945	\$ 86,034	\$ 639,848	\$ 178,277	\$ (5,737,786)
Support services - students and staff	1,435,891		186,894		(1,248,997)
Support services - administration	1,389,653				(1,389,653)
Operation and maintenance of plant services	1,314,904	161,388			(1,153,516)
Student transportation services	536,755				(536,755)
Operation of non-instructional services	1,142,431	38,192	1,467,428		363,189
Interest on long-term debt	59,275				(59,275)
<b>Total governmental activities</b>	<u>\$ 12,520,854</u>	<u>\$ 285,614</u>	<u>\$ 2,294,170</u>	<u>\$ 178,277</u>	<u>(9,762,793)</u>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	1,304,505
Property taxes, levied for debt service	240,925
Property taxes, levied for capital outlay	2,922
Investment income	18,775
Unrestricted county aid	701,500
Unrestricted state aid	7,081,076
Unrestricted federal aid	831,660

**Total general revenues** 10,181,363

**Changes in net position** 418,570

**Net position, beginning of year, as restated** 26,222,023

**Net position, end of year** \$ 26,640,593

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

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**FUND FINANCIAL STATEMENTS**



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2014**

	General	Classroom Site	Food Service
<b><u>ASSETS</u></b>			
Cash and investments	\$ 401,978	\$ 922,344	\$ 420,627
Deposits			28,993
Property taxes receivable	300,713		
Due from governmental entities	2,332,750		9,578
Due from other funds			
<b>Total assets</b>	<b>\$ 3,035,441</b>	<b>\$ 922,344</b>	<b>\$ 459,198</b>
 <b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 229,217	\$	\$ 7,991
Construction contracts payable			
Due to other funds	809,801		
Accrued payroll and employee benefits	63,227		4,117
Unearned revenues			
Bonds payable			
Bond interest payable			
<b>Total liabilities</b>	<b>1,102,245</b>		<b>12,108</b>
Deferred inflows of resources:			
Unavailable revenues - property taxes	294,737		
Unavailable revenues - intergovernmental	204,118		
<b>Total deferred inflows of resources</b>	<b>498,855</b>		
Fund balances (deficits):			
Restricted		922,344	447,090
Assigned			
Unassigned	1,434,341		
<b>Total fund balances</b>	<b>1,434,341</b>	<b>922,344</b>	<b>447,090</b>
 <b>Total liabilities, deferred inflows of resources and fund balances</b>	 <b>\$ 3,035,441</b>	 <b>\$ 922,344</b>	 <b>\$ 459,198</b>

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

<u>Debt Service</u>	<u>Adjacent Ways</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 230,951	\$	\$ 1,522,474	\$ 3,498,374
4,745			28,993
		182,229	305,458
	874,266	18,140	2,524,557
<u>\$ 235,696</u>	<u>\$ 874,266</u>	<u>\$ 1,722,843</u>	<u>\$ 7,249,788</u>
\$	\$	\$ 35,775	\$ 272,983
	65,999		65,999
		82,605	892,406
		52,307	119,651
		14,672	14,672
235,000			235,000
29,513			29,513
<u>264,513</u>	<u>65,999</u>	<u>185,359</u>	<u>1,630,224</u>
4,745			299,482
<u>4,745</u>			<u>204,118</u>
			<u>503,600</u>
	808,267	1,530,761	3,708,462
		6,723	6,723
(33,562)			1,400,779
<u>(33,562)</u>	<u>808,267</u>	<u>1,537,484</u>	<u>5,115,964</u>
<u>\$ 235,696</u>	<u>\$ 874,266</u>	<u>\$ 1,722,843</u>	<u>\$ 7,249,788</u>

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**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

**Total governmental fund balances** **\$ 5,115,964**

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 funds.

Governmental capital assets	\$ 28,230,138	
Less accumulated depreciation	<u>(5,088,691)</u>	23,141,447

Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.

Property taxes	299,482	
Intergovernmental	<u>204,118</u>	503,600

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable		(55,418)
Bonds payable		<u>(2,065,000)</u>

**Net position of governmental activities** **\$ 26,640,593**

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<u>General</u>	<u>Classroom Site</u>	<u>Food Service</u>
<b>Revenues:</b>			
Other local	\$ 774,583	\$ 3,550	\$ 39,358
Property taxes	1,249,064		
State aid and grants	6,469,286	545,130	
Federal aid, grants and reimbursements	627,542		1,467,428
<b>Total revenues</b>	<u>9,120,475</u>	<u>548,680</u>	<u>1,506,786</u>
<b>Expenditures:</b>			
Current -			
Instruction	4,713,528	393,601	
Support services - students and staff	1,148,015		
Support services - administration	1,256,937		
Operation and maintenance of plant services	911,927		
Student transportation services	421,592		
Operation of non-instructional services	29,757		1,101,810
Capital outlay	604,732		
Debt service -			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>9,086,488</u>	<u>393,601</u>	<u>1,101,810</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>33,987</u>	<u>155,079</u>	<u>404,976</u>
<b>Other financing sources (uses):</b>			
Transfers in	304,983		
Transfers out			(262,051)
<b>Total other financing sources (uses):</b>	<u>304,983</u>		<u>(262,051)</u>
<b>Changes in fund balances</b>	<u>338,970</u>	<u>155,079</u>	<u>142,925</u>
<b>Fund balances, beginning of year, as restated</b>	1,376,335	767,265	304,165
Increase (decrease) in reserve for prepaid items	(280,964)		
<b>Fund balances, end of year</b>	<u>\$ 1,434,341</u>	<u>\$ 922,344</u>	<u>\$ 447,090</u>

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

<u>Debt Service</u>	<u>Adjacent Ways</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 760	\$ 4,110	\$ 206,125	\$ 1,028,486
242,664	2,922		1,494,650
		242,417	7,256,833
		806,665	2,901,635
<u>243,424</u>	<u>7,032</u>	<u>1,255,207</u>	<u>12,681,604</u>
		555,549	5,662,678
		233,827	1,381,842
		60,678	1,317,615
		212,798	1,124,725
		13,348	434,940
		1,425	1,132,992
	65,999	510,261	1,180,992
235,000			235,000
59,275			59,275
<u>294,275</u>	<u>65,999</u>	<u>1,587,886</u>	<u>12,530,059</u>
<u>(50,851)</u>	<u>(58,967)</u>	<u>(332,679)</u>	<u>151,545</u>
1,151			306,134
		(44,083)	(306,134)
<u>1,151</u>		<u>(44,083)</u>	
<u>(49,700)</u>	<u>(58,967)</u>	<u>(376,762)</u>	<u>151,545</u>
16,138	867,234	1,914,246	5,245,383
			(280,964)
<u>\$ (33,562)</u>	<u>\$ 808,267</u>	<u>\$ 1,537,484</u>	<u>\$ 5,115,964</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014**

**Net changes in fund balances - total governmental funds** **\$ (129,419)**

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

Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 739,807	
Less current year depreciation	<u>(687,221)</u>	52,586

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

Property taxes	53,702	
Intergovernmental	<u>204,118</u>	257,820

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position		235,000
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Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>2,583</u>
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**Change in net position in governmental activities** **\$ 418,570**

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2014**

	Agency
<b><u>ASSETS</u></b>	
Cash and investments	\$ 446,263
<b>Total assets</b>	<b>\$ 446,263</b>
 <b><u>LIABILITIES</u></b>	
Deposits held for others	\$ 441,034
Due to student groups	5,229
<b>Total liabilities</b>	<b>\$ 446,263</b>

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



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

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

The financial statements of the Union Elementary School District No. 62 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2014, the District implemented the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

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

**A. Reporting Entity**

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

The membership of the Governing Board consists of three 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 and food services.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. 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 Federal, 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.

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

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

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

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

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.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

Classroom Site – The Classroom Site Fund accounts for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

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

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

Adjacent Ways Fund – The Adjacent Ways Fund accounts for monies received to finance improvements of public ways adjacent to school property.

Additionally, the District reports the following fund type:

Fiduciary Funds - The Fiduciary Funds are Agency Funds, which account for resources held by the District on behalf of others. This fund type includes the Student Activities Fund, which accounts for monies raised by students to finance student clubs and organizations held by the District as an agent. In addition, funds that account for employee withholdings before the monies are remitted to the appropriate entities are included in the Agency Funds.

The agency funds are custodial in nature and do not have a measurement focus and are reported using the accrual basis of accounting. The agency funds are reported by fund type.

**D. 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.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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

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

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

**E. Investment Income**

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

**F. Receivables and Payables**

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

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**G. Property Tax Calendar**

Property tax levies are calculated by applying tax rates against both the primary assessed valuation and the secondary assessed valuation. Primary and secondary valuation categories are composed of the exact same properties. However, the primary category limits the increase in property values to 10% from the previous year, while there is no limit to the increase in property values for secondary valuation. Override and debt service tax rates are applied to the secondary assessed valuation and all other tax rates are applied to the primary assessed valuation.

The County levies real property taxes on or before the third Monday in August, which 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. The billings are considered past due after these dates, at which time the applicable property is subject to penalties and interest.

The County also levies various personal property taxes during the year, which are due the second Monday of the month following receipt of the tax notice, and become delinquent 30 days thereafter.

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.

**H. 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.

**I. Capital Assets**

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment, are reported in the government-wide financial statements.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

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. Such assets are recorded at historical cost, or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

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

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

Land improvements	15 - 50 years
Buildings and improvements	8 - 50 years
Vehicles, furniture and equipment	5 - 20 years

**J. 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. The District did not have any items that qualified for reporting in this category.

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.

**K. Compensated Absences**

The District's employee vacation policies generally provide for granting vacation with pay in varying amounts. The District's Superintendent vests sick leave in addition to vacation. Only benefits considered vested are recognized in the financial statements. The liability for vacation and the Superintendent's 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.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concl'd)**

**L. 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, as well as the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using the straight-line method over the term of the related 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.

**M. 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.

**N. Net Position Flow Assumption**

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

**O. 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.



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS**

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

***Nonspendable.*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or 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 balances, 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 Board delegated the responsibility to the Executive Director of Business Services via a policy adopted at a public meeting of the Board.

***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.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 2 – FUND BALANCE CLASSIFICATIONS (Concl'd)**

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

The table below provides detail of the major components of the District's fund balance classifications at year end.

	General Fund	Classroom Site Fund	Food Service Fund	Debt Service Fund	Adjacent Ways Fund	Non-Major Governmental Funds
Fund Balances:						
Restricted:						
Capital projects	\$	\$	\$	\$	\$ 808,267	\$ 769,927
Bond building projects						345,628
Voter approved initiatives		922,344				192,958
Food service			447,090			
Civic center projects						125,369
Other purposes						96,879
Assigned:						
Capital projects						6,723
Unassigned	1,434,341			(33,562)		
Total fund balances	<u>\$ 1,434,341</u>	<u>\$ 922,344</u>	<u>\$ 447,090</u>	<u>\$(33,562)</u>	<u>\$ 808,267</u>	<u>\$ 1,537,484</u>

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Individual Deficit Fund Balance** – At year end, the Debt Service Fund reported a deficit of in fund balance of \$33,562.

The deficit arose because cash was transferred from this fund to another levy fund prior to taking into account the early recognition of debt service expenditures incurred after year end. Additional revenues received in fiscal year 2014-15 are expected to eliminate the deficit.

**Excess Expenditures over Budget Limits** – Prior audit reports indicate the District overexpended the fiscal year 2004-05 expenditure budget by \$12,202, the 2005-06 expenditure budget by \$712,738, and the 2006-07 expenditure budget by \$1,702,027. House Bill 2469 requires the District to reduce budget capacity in future fiscal years. Accordingly, the District reduced the fiscal year 2008-09 and 2009-10 budgets by five percent, the fiscal year 2010-11, 2011-12 and 2012-13 budgets by 10 percent and the fiscal year 2013-14 budget by 15 percent. The District will reduce the fiscal year 2014-15 through 2016-17 budgets by 15 percent.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Concl'd)**

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

**NOTE 4 – CASH AND INVESTMENTS**

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$441,034 and the bank balance was \$441,034. At year end, \$191,034 of the District's deposits were covered by collateral held by the pledging financial institution in the District's name.

The County Treasurer's pool and the Arizona School Risk Retention Trust Investment Pool are external investment pools with no regulatory oversight. The pools are not required to register (and are not registered) with the Securities and Exchange Commission. The fair value of each participant's position in both of the investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments.

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	374 days	\$ 3,101,625
Arizona School Risk Retention Trust Investment	505 days	401,978
Total		<u>\$ 3,503,603</u>

*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. Investments held in the Arizona School Risk Retention Trust Investment Pool were rated between A and AA+ by Standard and Poor's.

*Custodial Credit Risk - Investments.* The District's investment in the County Treasurer's investment pool and the Arizona School Risk Retention Trust Investment pool both represent a proportionate interest in the applicable pool's portfolio; however, the District's portion is not identified with specific investments and is not subject to custodial credit risk.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 5 – RECEIVABLES**

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

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from Federal government	\$ 204,118	\$ 9,578	\$ 103,742
Due from State government	<u>2,128,632</u>		<u>78,487</u>
Net due from governmental entities	<u>\$ 2,332,750</u>	<u>\$ 9,578</u>	<u>\$ 182,229</u>

**NOTE 6 – CAPITAL ASSETS**

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

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets, not being depreciated:				
Land	\$ 1,917,492	\$	\$	\$ 1,917,492
Total capital assets, not being depreciated	<u>1,917,492</u>			<u>1,917,492</u>
Capital assets, being depreciated:				
Land improvements	748,750			748,750
Buildings and improvements	22,732,374	125,112		22,857,486
Vehicles, furniture and equipment	2,091,715	614,695		2,706,410
Total capital assets being depreciated	<u>25,572,839</u>	<u>739,807</u>		<u>26,312,646</u>
Less accumulated depreciation for:				
Land improvements	(90,112)	(24,785)		(114,897)
Buildings and improvements	(3,377,903)	(536,091)		(3,913,994)
Vehicles, furniture and equipment	(933,455)	(126,345)		(1,059,800)
Total accumulated depreciation	<u>(4,401,470)</u>	<u>(687,221)</u>		<u>(5,088,691)</u>
Total capital assets, being depreciated, net	<u>21,171,369</u>	<u>52,586</u>		<u>21,223,955</u>
Governmental activities capital assets, net	<u>\$ 23,088,861</u>	<u>\$ 52,586</u>	<u>\$</u>	<u>\$ 23,141,447</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 6 – CAPITAL ASSETS (Concl'd)**

Depreciation expense was charged to governmental functions as follows.

Instruction	\$ 420,357
Support services – administration	38,285
Operation and maintenance of plant services	163,212
Student transportation services	64,480
Operation of non-instructional services	887
Total depreciation expense – governmental activities	<u>\$ 687,221</u>

**NOTE 7 – GENERAL OBLIGATION BONDS PAYABLE**

Bonds payable at year end consisted of the following outstanding general obligation bond. The bond is callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2014	Due Within One Year
<b>Governmental activities:</b>					
School Improvement					
Bonds, Project of 2006,					
Series A	\$ 2,540,000	1.00-4.00%	7/1/14-22	\$ 2,300,000	\$ 235,000
Total				<u>\$ 2,300,000</u>	<u>\$ 235,000</u>

Annual debt service requirements to maturity on general obligation bonds at year end are summarized as follows.

Year ending June 30:	Governmental Activities	
	Principal	Interest
2015	\$ 235,000	\$ 56,675
2016	240,000	53,125
2017	240,000	48,325
2018	250,000	42,850
2019	250,000	38,163
2020-23	1,085,000	75,925
Total	<u>\$ 2,300,000</u>	<u>\$ 315,063</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 8 – CHANGES IN LONG-TERM LIABILITIES**

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable	\$ 2,540,000	\$	\$ 240,000	\$ 2,300,000	\$ 235,000
Compensated absences payable	58,001	74,504	77,087	55,418	10,625
Governmental activity long-term liabilities	<u>\$ 2,598,001</u>	<u>\$ 74,504</u>	<u>\$ 317,087</u>	<u>\$ 2,355,418</u>	<u>\$ 245,625</u>

**NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES**

At year end, interfund balances were as follows.

**Due to/from other funds:**

	Adjacent Ways Fund	Non-Major Governmental Funds	Total Due to Other Funds
General Fund	\$ 809,801	\$	\$ 809,801
Non-Major Governmental Funds	64,465	18,140	82,605
Total Due from Other Funds	<u>\$ 874,266</u>	<u>\$ 18,140</u>	<u>\$ 892,406</u>

At year end, several funds had a negative cash balance in the Treasurer's pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with other funds. All interfund balances are expected to be paid within one year.

**Interfund transfers:**

	Transfers in		Total
	General Fund	Debt Service Fund	
Transfers out			
Food Service Fund	\$ 262,051	\$	\$ 262,051
Non-Major Governmental Funds	42,932	1,151	44,083
Total	<u>\$ 304,983</u>	<u>\$ 1,151</u>	<u>\$ 306,134</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES (Concl'd)**

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

**NOTE 10 – CONTINGENT LIABILITIES**

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

**NOTE 11 – PRIOR PERIOD ADJUSTMENT**

The July 1, 2013, government-wide net position and the fund balance of the General Fund do not agree to the prior year financial statements due to a correction of an error. In the prior year, the balance in the Trust Investment Pool was omitted.

	Statement of Activities	Governmental Fund <hr/> General Fund
Net position/fund balance, June 30, 2013, as previously reported	\$ 25,822,023	\$ 976,335
Trust Investment Pool omission	400,000	400,000
Net position/fund balance, July 1, 2013, as restated	<hr/> <u>\$ 26,222,023</u>	<hr/> <u>\$ 1,376,335</u>

**NOTE 12 – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District 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.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 12 – RISK MANAGEMENT (Concl'd)**

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.

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS**

The District contributes to the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined health insurance premium plan; and a cost-sharing, multiple-employer defined benefit long-term disability plan that covers employees of the State of Arizona and employees of participating political subdivisions and school districts. The ASRS is governed by the Arizona State Retirement System Board according to the provisions of A.R.S. Title 38, Chapter 5, Article 2.

**Plan Description** – Benefits are established by state statute and the plan generally provides retirement, long-term disability, and health insurance premium benefits, including death and survivor benefits. The retirement benefits are generally paid at a percentage, based on years of service, of the retirees' average compensation. Long-term disability benefits vary by circumstance, but generally pay a percentage of the employee's monthly compensation. Health insurance premium benefits are paid as a fixed dollar amount per month towards the retiree's healthcare insurance premiums, in amounts based on whether the benefit is for the retiree or for the retiree and his or her dependents.

The ASRS issues a comprehensive annual financial report that includes financial statements and required supplementary information. The most recent report may be obtained by writing the ASRS, 3300 North Central Avenue, P.O. Box 33910, Phoenix, Arizona 85067-3910 or by calling (602) 240-2000 or (800) 621-3778. The report is also available on the ASRS' website at [www.azasrs.gov](http://www.azasrs.gov).



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS (Concl'd)**

**Funding Policy** – The Arizona State Legislature establishes and may amend active plan members’ and the District’s contribution rates. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 11.54 percent (11.30 percent for retirement and 0.24 percent for long-term disability) of the members’ annual covered payroll and the District was required by statute to contribute at the actuarially determined rate of 11.54 percent (10.70 percent for retirement, 0.60 percent for health insurance premium, and 0.24 percent for long-term disability) of the members’ annual covered payroll.

The District’s contributions for the current and two preceding years, all of which were equal to the required contributions, were as follows.

	<u>Retirement Fund</u>	<u>Health Benefit Supplement Fund</u>	<u>Long-Term Disability Fund</u>
Years ended June 30,			
2014	\$ 626,713	\$ 35,143	\$ 14,057
2013	584,198	37,047	13,679
2012	520,558	33,227	12,658

**NOTE 14 – NEW ACCOUNTING PRONOUNCEMENT**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* will be effective for the District’s June 30, 2015 fiscal year end. This Statement replaces the requirements of prior GASB standards for pensions accounting and reporting. This Statement requires governments providing defined benefit pensions to recognize the long-term obligation for pension benefits as a liability, and to more comprehensively and comparably measure the annual costs of pension benefits. Each employer participating in a multiple-employer defined benefit pension plan will be required to record a liability representing their “proportionate share” of the plan’s total net pension liability. This Statement also enhances accountability and transparency through revised note disclosures and new required supplementary information.

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
(Required Supplementary Information)**

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL**  
**YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$ 163,703	\$ 163,703	\$ 755,806	\$ 592,103
Property taxes	907,395	907,395	1,249,064	341,669
State aid and grants	6,188,809	6,188,809	6,469,286	280,477
<b>Total revenues</b>	<u>7,259,907</u>	<u>7,259,907</u>	<u>8,474,156</u>	<u>1,214,249</u>
<b>Expenditures:</b>				
Current -				
Instruction	4,795,560	5,002,064	4,766,158	235,906
Support services - students and staff	1,018,128	1,179,755	1,171,074	8,681
Support services - administration	1,258,060	1,216,173	1,164,091	52,082
Operation and maintenance of plant services	1,078,242	1,022,911	1,057,128	(34,217)
Student transportation services	369,377	399,912	356,488	43,424
Operation of non-instructional services		22,868	29,757	(6,889)
<b>Total expenditures</b>	<u>8,519,367</u>	<u>8,843,683</u>	<u>8,544,696</u>	<u>298,987</u>
<b>Changes in fund balances</b>	<u>(1,259,460)</u>	<u>(1,583,776)</u>	<u>(70,540)</u>	<u>1,513,236</u>
<b>Fund balances, beginning of year, as restated</b>	37,990	37,990	740,459	702,469
Increase (decrease) in reserve for prepaid items			359,393	359,393
<b>Fund balances (deficits), end of year</b>	<u>\$ (1,221,470)</u>	<u>\$ (1,545,786)</u>	<u>\$ 1,029,312</u>	<u>\$ 2,575,098</u>

See accompanying notes to this schedule.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
CLASSROOM SITE  
YEAR ENDED JUNE 30, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other local	\$	\$	\$ 3,550	\$ 3,550
State aid and grants	561,689	561,689	545,130	(16,559)
<b>Total revenues</b>	<u>561,689</u>	<u>561,689</u>	<u>548,680</u>	<u>(13,009)</u>
<b>Expenditures:</b>				
Current -				
Instruction	1,432,723	1,332,312	393,601	938,711
<b>Total expenditures</b>	<u>1,432,723</u>	<u>1,332,312</u>	<u>393,601</u>	<u>938,711</u>
<b>Changes in fund balances</b>	<u>(871,034)</u>	<u>(770,623)</u>	<u>155,079</u>	<u>925,702</u>
<b>Fund balances, beginning of year</b>	405,019	405,019	767,265	362,246
<b>Fund balances (deficits), end of year</b>	<u>\$ (466,015)</u>	<u>\$ (365,604)</u>	<u>\$ 922,344</u>	<u>\$ 1,287,948</u>

See accompanying notes to this schedule.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
FOOD SERVICE  
YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 39,358	\$ 39,358
Federal aid, grants and reimbursements	827,247	827,247	1,467,428	640,181
<b>Total revenues</b>	<u>827,247</u>	<u>827,247</u>	<u>1,506,786</u>	<u>679,539</u>
<b>Expenditures:</b>				
Current -				
Operation of non-instructional services	1,500,000	1,650,000	1,092,359	557,641
<b>Total expenditures</b>	<u>1,500,000</u>	<u>1,650,000</u>	<u>1,092,359</u>	<u>557,641</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(672,753)</u>	<u>(822,753)</u>	414,427	1,237,180
<b>Other financing sources (uses):</b>				
Transfers out			(262,051)	(262,051)
<b>Total other financing sources (uses):</b>			<u>(262,051)</u>	<u>(262,051)</u>
<b>Changes in fund balances</b>	<u>(672,753)</u>	<u>(822,753)</u>	152,376	975,129
<b>Fund balances, beginning of year</b>	272,753	272,753	294,714	21,961
<b>Fund balances (deficits), end of year</b>	<u>\$ (400,000)</u>	<u>\$ (550,000)</u>	<u>\$ 447,090</u>	<u>\$ 997,090</u>

See accompanying notes to this schedule.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2014**

**NOTE 1 – BUDGETARY BASIS OF ACCOUNTING**

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

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

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

	General Fund		Food Service Fund
	Total Expenditures	Fund Balances End of Year	Total Expenditures
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 9,086,488	\$ 1,434,341	\$ 1,101,810
Activity budgeted as special revenue funds	(843,400)	(405,029)	
Current-year prepaid items	463,176		
Prior-year prepaid items	(161,568)		(9,451)
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	\$ 8,544,696	\$ 1,029,312	\$ 1,092,359

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



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**GOVERNMENTAL FUNDS**

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**JUNE 30, 2014**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 404,617	\$ 1,117,857	\$ 1,522,474
Due from governmental entities	182,229		182,229
Due from other funds		18,140	18,140
<b>Total assets</b>	<u>\$ 586,846</u>	<u>\$ 1,135,997</u>	<u>\$ 1,722,843</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 22,056	\$ 13,719	\$ 35,775
Due to other funds	82,605		82,605
Accrued payroll and employee benefits	52,307		52,307
Unearned revenues	14,672		14,672
<b>Total liabilities</b>	<u>171,640</u>	<u>13,719</u>	<u>185,359</u>
Fund balances:			
Restricted	415,206	1,115,555	1,530,761
Assigned		6,723	6,723
<b>Total fund balances</b>	<u>415,206</u>	<u>1,122,278</u>	<u>1,537,484</u>
 <b>Total liabilities and fund balances</b>	 <u>\$ 586,846</u>	 <u>\$ 1,135,997</u>	 <u>\$ 1,722,843</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Revenues:</b>			
Other local	\$ 186,330	\$ 19,795	\$ 206,125
State aid and grants	242,417		242,417
Federal aid, grants and reimbursements	806,665		806,665
<b>Total revenues</b>	<u>1,235,412</u>	<u>19,795</u>	<u>1,255,207</u>
<b>Expenditures:</b>			
Current -			
Instruction	555,549		555,549
Support services - students and staff	233,827		233,827
Support services - administration	60,678		60,678
Operation and maintenance of plant services	212,798		212,798
Student transportation services	13,348		13,348
Operation of non-instructional services	1,425		1,425
Capital outlay	178,277	331,984	510,261
<b>Total expenditures</b>	<u>1,255,902</u>	<u>331,984</u>	<u>1,587,886</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(20,490)</u>	<u>(312,189)</u>	<u>(332,679)</u>
<b>Other financing sources (uses):</b>			
Transfers out	(42,932)	(1,151)	(44,083)
<b>Total other financing sources (uses):</b>	<u>(42,932)</u>	<u>(1,151)</u>	<u>(44,083)</u>
<b>Changes in fund balances</b>	<u>(63,422)</u>	<u>(313,340)</u>	<u>(376,762)</u>
<b>Fund balances, beginning of year</b>	478,628	1,435,618	1,914,246
<b>Fund balances, end of year</b>	<u>\$ 415,206</u>	<u>\$ 1,122,278</u>	<u>\$ 1,537,484</u>

## **SPECIAL REVENUE FUNDS**

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

**County, City and Town Grants** - to account for monies received from county, city and town grants.

**Compensatory Instruction** – to account for monies received for programs in addition to normal classroom instruction to improve the English proficiency of current English language learners.

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

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

**Title IV Grants** - to account for financial assistance received for chemical abuse awareness programs and expanding projects that benefit educational and health needs of the communities.

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

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

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

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

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

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

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

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

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

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

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

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

**Insurance Refund** - to account for insurance premium payments that are refunded to the District.

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2014**

	Instructional Improvement	County, City, and Town Grants	Compensatory Instruction
<b><u>ASSETS</u></b>			
Cash and investments	\$ 164,459	\$ 4,608	\$ 896
Due from governmental entities	28,499		
<b>Total assets</b>	<b>\$ 192,958</b>	<b>\$ 4,608</b>	<b>\$ 896</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			896
<b>Total liabilities</b>			896
Fund balances:			
Restricted	192,958	4,608	
<b>Total fund balances</b>	<b>192,958</b>	<b>4,608</b>	
 <b>Total liabilities and fund balances</b>	<b>\$ 192,958</b>	<b>\$ 4,608</b>	<b>\$ 896</b>

<u>Title I Grants</u>	<u>Professional Development and Technology Grants</u>	<u>Title IV Grants</u>	<u>Limited English &amp; Immigrant Students</u>	<u>Special Education Grants</u>	<u>Other State Projects</u>
\$ 66,203	\$ 6,416	\$ 24,082	\$ 7,041	\$ 3,230	\$ 49,988
<u>\$ 66,203</u>	<u>\$ 6,416</u>	<u>\$ 24,082</u>	<u>\$ 7,041</u>	<u>\$ 3,230</u>	<u>\$ 49,988</u>
\$ 3,636	\$ 2,400	\$ 12,998	\$ 2,236		\$ 39,442
21,344	4,016	11,084	4,805		
41,223				3,230	10,546
<u>66,203</u>	<u>6,416</u>	<u>24,082</u>	<u>7,041</u>	<u>3,230</u>	<u>49,988</u>
<u>\$ 66,203</u>	<u>\$ 6,416</u>	<u>\$ 24,082</u>	<u>\$ 7,041</u>	<u>\$ 3,230</u>	<u>\$ 49,988</u>

(Continued)



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS**  
**JUNE 30, 2014**

	Civic Center	Extracurricular Activities Fees Tax Credit	Gifts and Donations
<b><u>ASSETS</u></b>			
Cash and investments	\$ 139,153	\$ 19,220	\$ 22,252
Due from governmental entities			
<b>Total assets</b>	<b>\$ 139,153</b>	<b>\$ 19,220</b>	<b>\$ 22,252</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$ 13,784	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
<b>Total liabilities</b>	<b>13,784</b>		
Fund balances:			
Restricted	125,369	19,220	22,252
<b>Total fund balances</b>	<b>125,369</b>	<b>19,220</b>	<b>22,252</b>
 <b>Total liabilities and fund balances</b>	 <b>\$ 139,153</b>	 <b>\$ 19,220</b>	 <b>\$ 22,252</b>

<u>Textbooks</u>	<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>	<u>Totals</u>
\$ 5,940	\$ 42,872	\$ 1,987	\$ 404,617
			182,229
<u>\$ 5,940</u>	<u>\$ 42,872</u>	<u>\$ 1,987</u>	<u>\$ 586,846</u>
			\$ 22,056
			82,605
			52,307
			14,672
			<u>171,640</u>
<u>5,940</u>	<u>42,872</u>	<u>1,987</u>	<u>415,206</u>
<u>5,940</u>	<u>42,872</u>	<u>1,987</u>	<u>415,206</u>
<u>\$ 5,940</u>	<u>\$ 42,872</u>	<u>\$ 1,987</u>	<u>\$ 586,846</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Instructional Improvement	County, City, and Town Grants	Title I Grants
<b>Revenues:</b>			
Other local	\$ 633	\$	\$
State aid and grants	66,660	4,000	
Federal aid, grants and reimbursements			422,521
<b>Total revenues</b>	67,293	4,000	422,521
<b>Expenditures:</b>			
Current -			
Instruction	103,535		183,703
Support services - students and staff			76,345
Support services - administration			1,381
Operation and maintenance of plant services			
Student transportation services			8,664
Operation of non-instructional services			
Capital outlay			130,822
<b>Total expenditures</b>	103,535		400,915
<b>Excess (deficiency) of revenues over expenditures</b>	(36,242)	4,000	21,606
<b>Other financing sources (uses):</b>			
Transfers out			(21,606)
<b>Total other financing sources (uses):</b>			(21,606)
<b>Changes in fund balances</b>	(36,242)	4,000	
<b>Fund balances, beginning of year</b>	229,200	608	
<b>Fund balances, end of year</b>	\$ 192,958	\$ 4,608	\$

Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Special Education Grants	Other State Projects	Civic Center
\$	\$	\$	\$	\$	\$ 162,315
16,645	87,739	88,104	191,656	171,757	
<u>16,645</u>	<u>87,739</u>	<u>88,104</u>	<u>191,656</u>	<u>171,757</u>	<u>162,315</u>
15,292	53,313	33,341	171,136		
120	17,954	14,033	6,323	97,730	58,835
	4,684			71,769	141,029
	1,425				
	5,415	39,782		2,258	
<u>15,412</u>	<u>82,791</u>	<u>87,156</u>	<u>177,459</u>	<u>171,757</u>	<u>199,864</u>
1,233	4,948	948	14,197		(37,549)
(1,233)	(4,948)	(948)	(14,197)		
<u>(1,233)</u>	<u>(4,948)</u>	<u>(948)</u>	<u>(14,197)</u>		
					(37,549)
					162,918
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 125,369</u>

(Continued)

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Extracurricular Activities Fees Tax Credit	Gifts and Donations	Textbooks
<b>Revenues:</b>			
Other local	\$ 4,927	\$ 16,115	\$ 341
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	4,927	16,115	341
<b>Expenditures:</b>			
Current -			
Instruction	1,779	6,753	
Support services - students and staff		4,710	
Support services - administration		342	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	1,779	11,805	
<b>Excess (deficiency) of revenues over expenditures</b>	3,148	4,310	341
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	3,148	4,310	341
<b>Fund balances, beginning of year</b>	16,072	17,942	5,599
<b>Fund balances, end of year</b>	\$ 19,220	\$ 22,252	\$ 5,940

<u>Insurance Refund</u>	<u>Grants and Gifts to Teachers</u>	<u>Totals</u>
\$ 991	\$ 1,008	\$ 186,330
		242,417
		806,665
<u>991</u>	<u>1,008</u>	<u>1,235,412</u>
	1,989	555,549
1,204	236	233,827
		60,678
		212,798
		13,348
		1,425
		<u>178,277</u>
<u>1,204</u>	<u>2,225</u>	<u>1,255,902</u>
<u>(213)</u>	<u>(1,217)</u>	<u>(20,490)</u>
		<u>(42,932)</u>
		<u>(42,932)</u>
<u>(213)</u>	<u>(1,217)</u>	<u>(63,422)</u>
43,085	3,204	478,628
<u>\$ 42,872</u>	<u>\$ 1,987</u>	<u>\$ 415,206</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 633	\$ 633
State aid and grants		66,660	66,660
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>67,293</u>	<u>67,293</u>
<b>Expenditures:</b>			
Current -			
Instruction	350,000	103,535	246,465
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>350,000</u>	<u>103,535</u>	<u>246,465</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(350,000)</u>	<u>(36,242)</u>	<u>313,758</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(350,000)</u>	<u>(36,242)</u>	<u>313,758</u>
<b>Fund balances, beginning of year</b>		229,200	229,200
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (350,000)</u>	<u>\$ 192,958</u>	<u>\$ 542,958</u>

County, City, and Town Grants			Title I Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	4,000	4,000		422,521	422,521
	4,000	4,000		422,521	422,521
2,500		2,500	223,684	183,703	39,981
			75,000	76,345	(1,345)
				1,381	(1,381)
				8,664	(8,664)
			130,000	130,822	(822)
2,500		2,500	428,684	400,915	27,769
(2,500)	4,000	6,500	(428,684)	21,606	450,290
				(21,606)	(21,606)
				(21,606)	(21,606)
(2,500)	4,000	6,500	(428,684)		428,684
	608	608			
\$ (2,500)	\$ 4,608	\$ 7,108	\$ (428,684)	\$	\$ 428,684



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Professional Development and Technology Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		16,645	16,645
<b>Total revenues</b>		16,645	16,645
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	9,380	15,292	(5,912)
Support services - administration		120	(120)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	9,380	15,412	(6,032)
<b>Excess (deficiency) of revenues over expenditures</b>	(9,380)	1,233	10,613
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(1,233)	(1,233)
<b>Total other financing sources (uses):</b>		(1,233)	(1,233)
<b>Changes in fund balances</b>	(9,380)		9,380
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	\$ (9,380)	\$	\$ 9,380

Title IV Grants			Limited English & Immigrant Students		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Positive (Negative)</u>
\$	\$	\$	\$	\$	\$
	87,739	87,739		88,104	88,104
	87,739	87,739		88,104	88,104
95,116	53,313	41,803	46,829	33,341	13,488
20,000	17,954	2,046	15,000	14,033	967
	4,684	(4,684)			
	1,425	(1,425)			
	5,415	(5,415)	40,000	39,782	218
115,116	82,791	32,325	101,829	87,156	14,673
(115,116)	4,948	120,064	(101,829)	948	102,777
	(4,948)	(4,948)		(948)	(948)
	(4,948)	(4,948)		(948)	(948)
(115,116)		115,116	(101,829)		101,829
\$ (115,116)	\$	\$ 115,116	\$ (101,829)	\$	\$ 101,829

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Special Education Grants		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		191,656	191,656
<b>Total revenues</b>		<u>191,656</u>	<u>191,656</u>
<b>Expenditures:</b>			
Current -			
Instruction	195,726	171,136	24,590
Support services - students and staff		6,323	(6,323)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>195,726</u>	<u>177,459</u>	<u>18,267</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(195,726)</u>	<u>14,197</u>	<u>209,923</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out		(14,197)	(14,197)
<b>Total other financing sources (uses):</b>		<u>(14,197)</u>	<u>(14,197)</u>
<b>Changes in fund balances</b>	<u>(195,726)</u>		<u>195,726</u>
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (195,726)</u>	<u>\$</u>	<u>\$ 195,726</u>

Medicaid Reimbursement			E-Rate		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 32	\$ 32	\$	\$ 491	\$ 491
				627,542	627,542
	<u>32</u>	<u>32</u>		<u>628,033</u>	<u>628,033</u>
9,200		9,200		18,959	(18,959)
				31,854	(31,854)
				25,095	(25,095)
			<u>160,000</u>	<u>602,447</u>	<u>(442,447)</u>
<u>9,200</u>		<u>9,200</u>	<u>160,000</u>	<u>678,355</u>	<u>(518,355)</u>
<u>(9,200)</u>	<u>32</u>	<u>9,232</u>	<u>(160,000)</u>	<u>(50,322)</u>	<u>109,678</u>
<u>(9,200)</u>	<u>32</u>	<u>9,232</u>	<u>(160,000)</u>	<u>(50,322)</u>	<u>109,678</u>
	8,267	8,267		148,533	148,533
<u>\$ (9,200)</u>	<u>\$ 8,299</u>	<u>\$ 17,499</u>	<u>\$ (160,000)</u>	<u>\$ 98,211</u>	<u>\$ 258,211</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Other State Projects		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$	\$
State aid and grants		171,757	171,757
Federal aid, grants and reimbursements			
<b>Total revenues</b>		<u>171,757</u>	<u>171,757</u>
<b>Expenditures:</b>			
Current -			
Instruction			
Support services - students and staff	120,000	97,730	22,270
Support services - administration			
Operation and maintenance of plant services	70,000	71,769	(1,769)
Student transportation services			
Operation of non-instructional services			
Capital outlay		2,258	(2,258)
<b>Total expenditures</b>	<u>190,000</u>	<u>171,757</u>	<u>18,243</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(190,000)</u>		<u>190,000</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(190,000)</u>		<u>190,000</u>
<b>Fund balances, beginning of year</b>			
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (190,000)</u>	<u>\$</u>	<u>\$ 190,000</u>

Civic Center			Auxiliary Operations		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 272,512	\$ 162,315	\$ (110,197)	\$ 10,870	\$ 15,193	\$ 4,323
<u>272,512</u>	<u>162,315</u>	<u>(110,197)</u>	<u>10,870</u>	<u>15,193</u>	<u>4,323</u>
60,000	58,835	1,165	25,000	14,039	10,961
265,000	141,029	123,971		657	(657)
<u>325,000</u>	<u>199,864</u>	<u>125,136</u>	<u>25,000</u>	<u>14,696</u>	<u>10,304</u>
<u>(52,488)</u>	<u>(37,549)</u>	<u>14,939</u>	<u>(14,130)</u>	<u>497</u>	<u>14,627</u>
<u>(52,488)</u>	<u>(37,549)</u>	<u>14,939</u>	<u>(14,130)</u>	<u>497</u>	<u>14,627</u>
27,488	162,918	135,430	8,130	7,358	(772)
<u>\$ (25,000)</u>	<u>\$ 125,369</u>	<u>\$ 150,369</u>	<u>\$ (6,000)</u>	<u>\$ 7,855</u>	<u>\$ 13,855</u>

(Continued)

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Extracurricular Activities Fees Tax Credit		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 5,053	\$ 4,927	\$ (126)
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	5,053	4,927	(126)
<b>Expenditures:</b>			
Current -			
Instruction	27,000	1,779	25,221
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	27,000	1,779	25,221
<b>Excess (deficiency) of revenues over expenditures</b>	(21,947)	3,148	25,095
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	(21,947)	3,148	25,095
<b>Fund balances, beginning of year</b>	10,947	16,072	5,125
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	\$ (11,000)	\$ 19,220	\$ 30,220

Gifts and Donations			Insurance Proceeds		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 4,866	\$ 16,115	\$ 11,249	\$ 2,577	\$ 2,470	\$ (107)
<u>4,866</u>	<u>16,115</u>	<u>11,249</u>	<u>2,577</u>	<u>2,470</u>	<u>(107)</u>
30,000	6,753	23,247			
	4,710	(4,710)			
	342	(342)			
			25,000	2,132	22,868
				1,479	(1,479)
<u>30,000</u>	<u>11,805</u>	<u>18,195</u>	<u>25,000</u>	<u>3,611</u>	<u>21,389</u>
<u>(25,134)</u>	<u>4,310</u>	<u>29,444</u>	<u>(22,423)</u>	<u>(1,141)</u>	<u>21,282</u>
<u>(25,134)</u>	<u>4,310</u>	<u>29,444</u>	<u>(22,423)</u>	<u>(1,141)</u>	<u>21,282</u>
15,134	17,942	2,808	22,423	19,879	(2,544)
<u>\$ (10,000)</u>	<u>\$ 22,252</u>	<u>\$ 32,252</u>	<u>\$</u>	<u>\$ 18,738</u>	<u>\$ 18,738</u>

(Continued)



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Textbooks		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$ 2,650	\$ 341	\$ (2,309)
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	<u>2,650</u>	<u>341</u>	<u>(2,309)</u>
<b>Expenditures:</b>			
Current -			
Instruction	8,100		8,100
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	<u>8,100</u>	<u></u>	<u>8,100</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(5,450)</u>	<u>341</u>	<u>5,791</u>
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>	<u></u>	<u></u>	<u></u>
<b>Changes in fund balances</b>	<u>(5,450)</u>	<u>341</u>	<u>5,791</u>
<b>Fund balances, beginning of year</b>	2,350	5,599	3,249
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	<u>\$ (3,100)</u>	<u>\$ 5,940</u>	<u>\$ 9,040</u>

Indirect Costs			Insurance Refund		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 591	\$ 591	\$ 11,972	\$ 991	\$ (10,981)
	<u>591</u>	<u>591</u>	<u>11,972</u>	<u>991</u>	<u>(10,981)</u>
30,000	29,744	256			
	1,356	(1,356)	45,000	1,204	43,796
60,000	55,405	4,595			
	360	(360)			
260,000	57,588	202,412			
	2,285	(2,285)			
<u>350,000</u>	<u>146,738</u>	<u>203,262</u>	<u>45,000</u>	<u>1,204</u>	<u>43,796</u>
<u>(350,000)</u>	<u>(146,147)</u>	<u>203,853</u>	<u>(33,028)</u>	<u>(213)</u>	<u>32,815</u>
23,534	304,983	281,449			
<u>23,534</u>	<u>304,983</u>	<u>281,449</u>			
<u>(326,466)</u>	<u>158,836</u>	<u>485,302</u>	<u>(33,028)</u>	<u>(213)</u>	<u>32,815</u>
176,466	290,271	113,805	28	43,085	43,057
	(177,181)	(177,181)			
<u>\$ (150,000)</u>	<u>\$ 271,926</u>	<u>\$ 421,926</u>	<u>\$ (33,000)</u>	<u>\$ 42,872</u>	<u>\$ 75,872</u>

(Continued)

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Grants and Gifts to Teachers		
	Budget	Actual	Variance - Positive (Negative)
<b>Revenues:</b>			
Other local	\$ 7,292	\$ 1,008	\$ (6,284)
State aid and grants			
Federal aid, grants and reimbursements			
<b>Total revenues</b>	7,292	1,008	(6,284)
<b>Expenditures:</b>			
Current -			
Instruction	4,500	1,989	2,511
Support services - students and staff		236	(236)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
<b>Total expenditures</b>	4,500	2,225	2,275
<b>Excess (deficiency) of revenues over expenditures</b>	2,792	(1,217)	(4,009)
<b>Other financing sources (uses):</b>			
Transfers in			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	2,792	(1,217)	(4,009)
<b>Fund balances, beginning of year</b>	208	3,204	2,996
Increase (decrease) in reserve for prepaid items			
<b>Fund balances (deficits), end of year</b>	\$ 3,000	\$ 1,987	\$ (1,013)

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$ 317,792	\$ 205,107	\$ (112,685)
	242,417	242,417
	1,434,207	1,434,207
<u>317,792</u>	<u>1,881,731</u>	<u>1,563,939</u>
1,045,155	618,291	426,864
286,880	235,840	51,040
120,000	147,937	(27,937)
360,000	240,385	119,615
260,000	72,415	187,585
	1,425	(1,425)
<u>330,000</u>	<u>783,009</u>	<u>(453,009)</u>
<u>2,402,035</u>	<u>2,099,302</u>	<u>302,733</u>
<u>(2,084,243)</u>	<u>(217,571)</u>	<u>1,866,672</u>
23,534	304,983	281,449
	(42,932)	(42,932)
<u>23,534</u>	<u>262,051</u>	<u>238,517</u>
<u>(2,060,709)</u>	<u>44,480</u>	<u>2,105,189</u>
263,174	952,936	689,762
	(177,181)	(177,181)
<u>\$ (1,797,535)</u>	<u>\$ 820,235</u>	<u>\$ 2,617,770</u>

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## **DEBT SERVICE FUND**

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**DEBT SERVICE**  
**YEAR ENDED JUNE 30, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Other local	\$	\$	\$ 760	\$ 760
Property taxes			242,664	242,664
<b>Total revenues</b>			<u>243,424</u>	<u>243,424</u>
<b>Expenditures:</b>				
Debt service -				
Principal retirement	240,000	240,000	235,000	5,000
Interest and fiscal charges	60,000	160,000	59,275	100,725
<b>Total expenditures</b>	<u>300,000</u>	<u>400,000</u>	<u>294,275</u>	<u>105,725</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(300,000)</u>	<u>(400,000)</u>	<u>(50,851)</u>	<u>349,149</u>
<b>Other financing sources (uses):</b>				
Transfers in			1,151	1,151
<b>Total other financing sources (uses):</b>			<u>1,151</u>	<u>1,151</u>
<b>Changes in fund balances</b>	<u>(300,000)</u>	<u>(400,000)</u>	<u>(49,700)</u>	<u>350,300</u>
<b>Fund balances, beginning of year</b>			16,138	16,138
<b>Fund balances (deficits), end of year</b>	<u>\$ (300,000)</u>	<u>\$ (400,000)</u>	<u>\$ (33,562)</u>	<u>\$ 366,438</u>

## CAPITAL PROJECTS FUNDS

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

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

**Bond Building** – to account for proceeds from District bond issues that are expended on the acquisition or lease of sites, construction or renovation of school buildings, improving school grounds, or purchasing pupil transportation vehicles.

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

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



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS**  
**JUNE 30, 2014**

	School Plant	Unrestricted Capital Outlay	Bond Building
<b><u>ASSETS</u></b>			
Cash and investments	\$ 6,723	\$ 685,573	\$ 346,628
Due from other funds		18,140	
<b>Total assets</b>	<b>\$ 6,723</b>	<b>\$ 703,713</b>	<b>\$ 346,628</b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
Liabilities:			
Accounts payable	\$	\$ 12,719	\$ 1,000
<b>Total liabilities</b>		12,719	1,000
Fund balances:			
Restricted		690,994	345,628
Assigned	6,723		
<b>Total fund balances</b>	<b>6,723</b>	<b>690,994</b>	<b>345,628</b>
 <b>Total liabilities and fund balances</b>	<b>\$ 6,723</b>	<b>\$ 703,713</b>	<b>\$ 346,628</b>

<u>Energy and Water Savings</u>	<u>Building Renewal</u>	<u>Totals</u>
\$ 78,925	\$ 8	\$ 1,117,857
		18,140
<u>\$ 78,925</u>	<u>\$ 8</u>	<u>\$ 1,135,997</u>
<u>\$</u>	<u>\$</u>	<u>\$ 13,719</u>
		13,719
78,925	8	1,115,555
		6,723
<u>78,925</u>	<u>8</u>	<u>1,122,278</u>
<u>\$ 78,925</u>	<u>\$ 8</u>	<u>\$ 1,135,997</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**NON-MAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<u>School Plant</u>	<u>Unrestricted Capital Outlay</u>	<u>Bond Building</u>
<b>Revenues:</b>			
Other local	\$ 329	\$ 2,881	\$ 1,151
<b>Total revenues</b>	<u>329</u>	<u>2,881</u>	<u>1,151</u>
<b>Expenditures:</b>			
Capital outlay		237,824	94,160
<b>Total expenditures</b>		<u>237,824</u>	<u>94,160</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>329</u>	<u>(234,943)</u>	<u>(93,009)</u>
<b>Other financing sources (uses):</b>			
Transfers out			(1,151)
<b>Total other financing sources (uses):</b>			<u>(1,151)</u>
<b>Changes in fund balances</b>	<u>329</u>	<u>(234,943)</u>	<u>(94,160)</u>
<b>Fund balances, beginning of year</b>	6,394	925,937	439,788
<b>Fund balances, end of year</b>	<u>\$ 6,723</u>	<u>\$ 690,994</u>	<u>\$ 345,628</u>

Energy and Water Savings	Building Renewal	Totals
\$ 15,434	\$	\$ 19,795
<u>15,434</u>		<u>19,795</u>
		331,984
		<u>331,984</u>
15,434		(312,189)
		(1,151)
		<u>(1,151)</u>
15,434		(313,340)
63,491	8	1,435,618
<u>\$ 78,925</u>	<u>\$ 8</u>	<u>\$ 1,122,278</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	School Plant		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 329	\$ 329
Property taxes			
<b>Total revenues</b>		<u>329</u>	<u>329</u>
<b>Expenditures:</b>			
Current -			
Operation of non-instructional services	7,000		7,000
Capital outlay			
<b>Total expenditures</b>	<u>7,000</u>		<u>7,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(7,000)</u>	<u>329</u>	<u>7,329</u>
<b>Other financing sources (uses):</b>			
Transfers out			
<b>Total other financing sources (uses):</b>			
<b>Changes in fund balances</b>	<u>(7,000)</u>	<u>329</u>	<u>7,329</u>
<b>Fund balances, beginning of year</b>	1,652	6,394	4,742
<b>Fund balances (deficits), end of year</b>	<u>\$ (5,348)</u>	<u>\$ 6,723</u>	<u>\$ 12,071</u>

Unrestricted Capital Outlay			Adjacent Ways		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,881	\$ 2,881	\$	\$ 4,110	\$ 4,110
				2,922	2,922
	<u>2,881</u>	<u>2,881</u>		<u>7,032</u>	<u>7,032</u>
766,865	237,824	529,041	1,200,000	65,999	1,134,001
<u>766,865</u>	<u>237,824</u>	<u>529,041</u>	<u>1,200,000</u>	<u>65,999</u>	<u>1,134,001</u>
(766,865)	(234,943)	531,922	(1,200,000)	(58,967)	1,141,033
(766,865)	(234,943)	531,922	(1,200,000)	(58,967)	1,141,033
791,798	925,937	134,139	1,060,136	867,234	(192,902)
<u>\$ 24,933</u>	<u>\$ 690,994</u>	<u>\$ 666,061</u>	<u>\$ (139,864)</u>	<u>\$ 808,267</u>	<u>\$ 948,131</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Bond Building		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 1,151	\$ 1,151
Property taxes			
<b>Total revenues</b>	(400,000)	(93,009)	306,991
<b>Expenditures:</b>			
Current -			
Operation of non-instructional services			
Capital outlay	400,000	94,160	305,840
<b>Total expenditures</b>	400,000	94,160	305,840
<b>Excess (deficiency) of revenues over expenditures</b>	(400,000)	(93,009)	306,991
<b>Other financing sources (uses):</b>			
Transfers out		(1,151)	(1,151)
<b>Total other financing sources (uses):</b>		(1,151)	(1,151)
<b>Changes in fund balances</b>	(400,000)	(94,160)	305,840
<b>Fund balances, beginning of year</b>		439,788	439,788
<b>Fund balances (deficits), end of year</b>	\$ (400,000)	\$ 345,628	\$ 745,628

Energy and Water Savings

Building Renewal

Energy and Water Savings			Building Renewal		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 15,434	\$ 15,434	\$	\$	\$
	15,434	15,434			
80,000		80,000			
80,000		80,000			
(80,000)	15,434	95,434			
(80,000)	15,434	95,434			
	63,491	63,491		8	8
\$ (80,000)	\$ 78,925	\$ 158,925	\$	\$ 8	\$ 8



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**ALL CAPITAL PROJECTS FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	Totals		Variance - Positive (Negative)
	Budget	Actual	
<b>Revenues:</b>			
Other local	\$	\$ 23,905	\$ 23,905
Property taxes		2,922	2,922
<b>Total revenues</b>		<u>26,827</u>	<u>26,827</u>
<b>Expenditures:</b>			
Current -			
Operation of non-instructional services	7,000		7,000
Capital outlay	2,446,865	397,983	2,048,882
<b>Total expenditures</b>	<u>2,453,865</u>	<u>397,983</u>	<u>2,055,882</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,453,865)</u>	<u>(371,156)</u>	<u>2,082,709</u>
<b>Other financing sources (uses):</b>			
Transfers out		(1,151)	(1,151)
<b>Total other financing sources (uses):</b>		<u>(1,151)</u>	<u>(1,151)</u>
<b>Changes in fund balances</b>	<u>(2,453,865)</u>	<u>(372,307)</u>	<u>2,081,558</u>
<b>Fund balances, beginning of year</b>	1,853,586	2,302,852	449,266
<b>Fund balances (deficits), end of year</b>	<u>\$ (600,279)</u>	<u>\$ 1,930,545</u>	<u>\$ 2,530,824</u>

## **AGENCY FUNDS**

**Student Activities** - to account for monies raised by students to finance student clubs and organizations but held by the District as an agent.

**Employee Withholding** - to account for deductions temporarily held by the District as an agent.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**JUNE 30, 2014**

	Student Activities	Employee Withholding	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 5,229	\$ 441,034	\$ 446,263
<b>Total assets</b>	\$ 5,229	\$ 441,034	\$ 446,263
 <b><u>LIABILITIES</u></b>			
Deposits held for others	\$	\$ 441,034	\$ 441,034
Due to student groups	5,229		5,229
<b>Total liabilities</b>	\$ 5,229	\$ 441,034	\$ 446,263

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**YEAR ENDED JUNE 30, 2014**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>STUDENT ACTIVITIES FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>6,720</u>	\$ <u>10,400</u>	<u>11,891</u>	\$ <u>5,229</u>
Total assets	\$ <u><u>6,720</u></u>	\$ <u><u>10,400</u></u>	\$ <u><u>11,891</u></u>	\$ <u><u>5,229</u></u>
<u>Liabilities</u>				
Due to student groups	\$ <u>6,720</u>	\$ <u>10,400</u>	\$ <u>11,891</u>	\$ <u>5,229</u>
Total liabilities	\$ <u><u>6,720</u></u>	\$ <u><u>10,400</u></u>	\$ <u><u>11,891</u></u>	\$ <u><u>5,229</u></u>
<b><u>EMPLOYEE WITHHOLDING FUND</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>6,510</u>	\$ <u>3,251,030</u>	<u>2,816,506</u>	\$ <u>441,034</u>
Total assets	\$ <u><u>6,510</u></u>	\$ <u><u>3,251,030</u></u>	\$ <u><u>2,816,506</u></u>	\$ <u><u>441,034</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>6,510</u>	\$ <u>3,251,030</u>	\$ <u>2,816,506</u>	\$ <u>441,034</u>
Total liabilities	\$ <u><u>6,510</u></u>	\$ <u><u>3,251,030</u></u>	\$ <u><u>2,816,506</u></u>	\$ <u><u>441,034</u></u>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<u>Assets</u>				
Cash and investments	\$ <u>13,230</u>	\$ <u>3,261,430</u>	<u>2,828,397</u>	\$ <u>446,263</u>
Total assets	\$ <u><u>13,230</u></u>	\$ <u><u>3,261,430</u></u>	\$ <u><u>2,828,397</u></u>	\$ <u><u>446,263</u></u>
<u>Liabilities</u>				
Deposits held for others	\$ <u>6,510</u>	\$ <u>3,251,030</u>	\$ <u>2,816,506</u>	\$ <u>441,034</u>
Due to student groups	<u>6,720</u>	<u>10,400</u>	<u>11,891</u>	<u>5,229</u>
Total liabilities	\$ <u><u>13,230</u></u>	\$ <u><u>3,261,430</u></u>	\$ <u><u>2,828,397</u></u>	\$ <u><u>446,263</u></u>

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## STATISTICAL SECTION

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

Due to cost considerations for the accumulation of data, the District has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

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**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**NET POSITION BY COMPONENT**  
**LAST NINE FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 21,187,075	\$ 20,988,649	\$ 21,247,073	\$ 21,678,165	\$ 21,849,245
Restricted	3,362,834	3,511,955	3,452,781	3,614,681	2,072,070
Unrestricted	2,090,684	1,321,419	1,295,154	2,030,159	3,756,135
Total net position	<b>\$ 26,640,593</b>	<b>\$ 25,822,023</b>	<b>\$ 25,995,008</b>	<b>\$ 27,323,005</b>	<b>\$ 27,677,450</b>
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	
<b>Net Position:</b>					
Net investment in capital assets	\$ 21,944,008	\$ 21,957,677	\$ 22,311,319	\$ 13,607,410	
Restricted	2,450,794	1,947,986	229,998	197,017	
Unrestricted	2,999,878	1,401,185	(1,426,797)	(248,703)	
Total net position	<b>\$ 27,394,680</b>	<b>\$ 25,306,848</b>	<b>\$ 21,114,520</b>	<b>\$ 13,555,724</b>	

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



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST NINE FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Expenses</b>					
Instruction	\$ 6,641,945	\$ 6,062,072	\$ 6,467,018	\$ 6,107,170	\$ 6,260,374
Support services - students and staff	1,435,891	1,318,004	1,199,736	1,262,982	1,123,644
Support services - administration	1,389,653	1,413,897	1,402,128	1,533,009	1,877,802
Operation and maintenance of plant services	1,314,904	1,376,995	1,098,185	1,070,636	1,246,721
Student transportation services	536,755	455,716	496,333	509,869	391,495
Operation of non-instructional services	1,142,431	1,140,272	1,060,057	921,265	897,044
Interest on long-term debt	59,275	90,405			10,725
Total expenses	<u>12,520,854</u>	<u>11,857,361</u>	<u>11,723,457</u>	<u>11,404,931</u>	<u>11,807,805</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	86,034	70,044	97,058	88,703	29,698
Operation of non-instructional services	38,192	33,694	32,093	62,110	70,959
Other activities	161,388	209,173	176,320	179,790	37,333
Operating grants and contributions	2,294,170	2,171,776	1,711,215	2,007,550	1,762,324
Capital grants and contributions	178,277	148,523	12,971	454,421	50,155
Total program revenues	<u>2,758,061</u>	<u>2,633,210</u>	<u>2,029,657</u>	<u>2,792,574</u>	<u>1,950,469</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (9,762,793)</u>	<u>\$ (9,224,151)</u>	<u>\$ (9,693,800)</u>	<u>\$ (8,612,357)</u>	<u>\$ (9,857,336)</u>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE**  
**LAST NINE FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenses</b>				
Instruction	\$ 5,946,373	\$ 6,181,039	\$ 8,269,247	\$ 4,647,448
Support services - students and staff	1,135,723	987,335	786,009	461,438
Support services - administration	1,304,488	1,447,535	1,020,386	884,521
Operation and maintenance of plant services	1,223,984	848,440	1,044,288	966,552
Student transportation services	437,518	552,512	800,316	1,079,462
Operation of non-instructional services	914,627	840,054	676,894	497,581
Interest on long-term debt	36,335	83,831	93,334	4,645
Total expenses	<u>10,999,048</u>	<u>10,940,746</u>	<u>12,690,474</u>	<u>8,541,647</u>
<b>Program Revenues</b>				
Charges for services:				
Instruction	13,994	40,653	9,842	257,500
Operation of non-instructional services	79,134	80,264	177,529	73,173
Other activities	42,145	28,155	3,350	13,974
Operating grants and contributions	1,838,279	1,504,948	979,988	680,984
Capital grants and contributions	1,500	58,533	18,124	44,114
Total program revenues	<u>1,975,052</u>	<u>1,712,553</u>	<u>1,188,833</u>	<u>1,069,745</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (9,023,996)</u>	<u>\$ (9,228,193)</u>	<u>\$ (11,501,641)</u>	<u>\$ (7,471,902)</u>

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST NINE FISCAL YEARS**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Net (Expense)/Revenue</b>	\$ (9,762,793)	\$ (9,224,151)	\$ (9,693,800)	\$ (8,612,357)	\$ (9,857,336)
<b>General Revenues:</b>					
Taxes:					
Property taxes, levied for general purposes	1,304,505	1,109,609	1,005,444	1,673,232	1,688,416
Property taxes, levied for debt service	240,925	310,773		7,177	190,578
Property taxes, levied for capital outlay	2,922	238,738	455,360	50,035	301,998
Investment income	18,775	21,143	19,152	36,451	41,322
Unrestricted county aid	701,500	667,836	659,977	640,511	613,717
Unrestricted state aid	7,081,076	6,605,352	6,142,815	5,780,800	6,389,249
Unrestricted federal aid	831,660	97,715	83,055	69,706	914,826
<b>Total general revenues</b>	<b><u>10,181,363</u></b>	<b><u>9,051,166</u></b>	<b><u>8,365,803</u></b>	<b><u>8,257,912</u></b>	<b><u>10,140,106</u></b>
<b>Changes in Net Position</b>	<b><u>\$ 418,570</u></b>	<b><u>\$ (172,985)</u></b>	<b><u>\$ (1,327,997)</u></b>	<b><u>\$ (354,445)</u></b>	<b><u>\$ 282,770</u></b>

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION**  
**LAST NINE FISCAL YEARS**  
**(Accrual basis of accounting)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Net (Expense)/Revenue</b>	\$ (9,023,996)	\$ (9,228,193)	\$ (11,501,641)	\$ (7,471,902)
<b>General Revenues:</b>				
Taxes:				
Property taxes, levied for general purposes	1,932,856	2,279,966	1,092,345	1,450,764
Property taxes, levied for debt service	132,575	797,922	426,166	
Property taxes, levied for capital outlay	583,706	1,425,223	2,299,495	
Investment income	84,999	80,348	43,124	
Unrestricted county aid			511	333,165
Unrestricted state aid	8,377,692	8,837,062	15,178,062	5,497,855
Unrestricted federal aid			20,734	1,643
<b>Total general revenues</b>	<u>11,111,828</u>	<u>13,420,521</u>	<u>19,060,437</u>	<u>7,283,427</u>
<b>Changes in Net Position</b>	<u>\$ 2,087,832</u>	<u>\$ 4,192,328</u>	<u>\$ 7,558,796</u>	<u>\$ (188,475)</u>

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

**Notes:** The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST NINE FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
General Fund:					
Nonspendable	\$	\$	\$	\$	\$
Unassigned	1,434,341	280,964	695,371	835,180	1,844,005
Reserved					580,360
Unreserved					304,041
Total General Fund	\$ 1,434,341	\$ 976,335	\$ 835,180	\$ 1,844,005	\$ 884,401
All Other Governmental Funds:					
Restricted	3,708,462	3,862,654	3,335,366	3,108,763	
Assigned	6,723	6,394	381,148	505,918	
Unassigned	(33,562)				
Reserved					30,463
Unreserved, reported in:					
Special revenue funds					1,348,235
Capital projects funds					1,858,180
Debt service fund					14,430
Total all other governmental funds	\$ 3,681,623	\$ 3,869,048	\$ 3,716,514	\$ 3,614,681	\$ 3,251,308

(Continued)

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST NINE FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
General Fund:				
Reserved	854,690	146,406	5,708	
Unreserved	(829,039)	(83,557)	(1,446,825)	(143,770)
Total General Fund	<u>\$ 25,651</u>	<u>\$ 62,849</u>	<u>\$ (1,441,117)</u>	<u>\$ (143,770)</u>
All Other Governmental Funds:				
Reserved	35,476	12,180	12,713	6,826
Unreserved, reported in:				
Special revenue funds	1,063,736	767,532	331,131	179,961
Capital projects funds	2,240,844	1,139,760	(526,476)	99,467
Debt service fund	39,576	349,979	440	10,994
Total all other governmental funds	<u>\$ 3,379,632</u>	<u>\$ 2,269,451</u>	<u>\$ (182,192)</u>	<u>\$ 297,248</u>

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

**Note:** The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 54 were adopted in fiscal year 2011. The standard replaces the previous reserved and unreserved fund balance categories with the following five fund balance classifications: nonspendable, restricted, committed, assigned, and unassigned fund balance.

**(Concluded)**

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST NINE FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2014</b></u>	<u><b>2013</b></u>	<u><b>2012</b></u>	<u><b>2011</b></u>	<u><b>2010</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 1,479,797	\$ 949,022	\$ 583,433	\$ 1,080,992	\$ 624,155
State Fiscal Stabilization (ARRA)				69,706	914,826
Education Jobs			4,346	283,155	
National School Lunch Program	1,421,838	1,231,287	991,717	1,065,247	1,024,668
Total federal sources	<u>2,901,635</u>	<u>2,180,309</u>	<u>1,579,496</u>	<u>2,499,100</u>	<u>2,563,649</u>
<b>State sources:</b>					
State equalization assistance	6,469,286	6,069,928	5,685,297	6,524,739	6,190,582
State grants	171,757	183,529	635,610	444,062	586,489
School Facilities Board					
Other revenues	615,790	536,424			
Total state sources	<u>7,256,833</u>	<u>6,789,881</u>	<u>6,320,907</u>	<u>6,968,801</u>	<u>6,777,071</u>
<b>Local sources:</b>					
Property taxes	1,494,650	1,661,166	1,456,748	1,850,850	2,063,420
County aid	701,500	667,836	659,977	640,511	617,218
Food service sales	35,003	27,930	28,247	58,275	58,889
Investment income	18,775	14,797	19,152	36,451	38,149
Other revenues	273,208	344,503	334,544	283,085	95,553
Total local sources	<u>2,523,136</u>	<u>2,716,232</u>	<u>2,498,668</u>	<u>2,869,172</u>	<u>2,873,229</u>
<b>Total revenues</b>	<u>\$ 12,681,604</u>	<u>\$ 11,686,422</u>	<u>\$ 10,399,071</u>	<u>\$ 12,337,073</u>	<u>\$ 12,213,949</u>

(Continued)

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**GOVERNMENTAL FUNDS REVENUES**  
**LAST NINE FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Federal sources:</b>				
Federal grants	\$ 807,589	\$ 615,323	\$ 385,693	\$ 245,257
State Fiscal Stabilization (ARRA) Education Jobs				
National School Lunch Program	839,112	799,867	584,417	420,547
Total federal sources	<u>1,646,701</u>	<u>1,415,190</u>	<u>970,110</u>	<u>665,804</u>
<b>State sources:</b>				
State equalization assistance	6,871,177	7,193,833	5,974,189	3,928,904
State grants	710,273	797,397	471,537	241,942
School Facilities Board		488,717	8,763,828	1,346,064
Other revenues	36,383	24,486	25,966	
Total state sources	<u>7,617,833</u>	<u>8,504,433</u>	<u>15,235,520</u>	<u>5,516,910</u>
<b>Local sources:</b>				
Property taxes	2,528,235	4,527,009	3,722,417	1,412,061
County aid			4,009	333,165
Food service sales	78,579	75,145	73,463	70,220
Investment income	82,438	78,994		709
Other revenues	67,626	101,223	156,884	271,736
Total local sources	<u>2,756,878</u>	<u>4,782,371</u>	<u>3,956,773</u>	<u>2,087,891</u>
<b>Total revenues</b>	<u>\$ 12,021,412</u>	<u>\$ 14,701,994</u>	<u>\$ 20,162,403</u>	<u>\$ 8,270,605</u>

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

**Note:** The Arizona State Legislature suspended county equalization payments to school districts for fiscal years 2006-07 through 2008-09.

**(Concluded)**



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST NINE FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 5,662,678	\$ 5,670,546	\$ 5,660,704	\$ 4,770,753	\$ 5,492,134
Support services - students and staff	1,381,842	1,316,059	1,128,101	1,106,704	1,120,033
Support services - administration	1,317,615	1,322,034	1,322,944	1,320,160	1,526,180
Operation and maintenance of plant services	1,124,725	1,286,141	1,043,375	994,024	1,004,020
Student transportation services	434,940	389,489	379,502	340,666	367,334
Operation of non-instructional services	1,132,992	1,030,742	1,047,975	881,553	858,090
Capital outlay	1,180,992	2,868,281	723,462	989,413	625,664
Debt service -					
Principal retirement	235,000	240,000			200,000
Interest and fiscal charges	59,275	62,230			10,725
Bond issuance costs		93,157			
Judgments against the district					
<b>Total expenditures</b>	<u>\$ 12,530,059</u>	<u>\$ 14,278,679</u>	<u>\$ 11,306,063</u>	<u>\$ 10,403,273</u>	<u>\$ 11,204,180</u>
Expenditures for capitalized assets	\$ 739,807	\$ 2,470,012	\$ 128,847	\$ 217,836	\$ 24,501
Debt service as a percentage of noncapital expenditures	2%	3%	0%	0%	2%

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO**  
**LAST NINE FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Expenditures:</b>				
Current -				
Instruction	\$ 6,079,505	\$ 5,223,244	\$ 5,051,448	\$ 3,257,391
Support services - students and staff	1,129,494	981,937	794,998	386,829
Support services - administration	1,346,062	1,418,634	989,400	823,451
Operation and maintenance of plant services	1,078,055	970,867	970,245	896,570
Student transportation services	375,879	331,282	746,155	658,441
Operation of non-instructional services	902,791	759,633	650,841	485,008
Capital outlay	266,577	628,266	12,599,734	3,824,796
Debt service -				
Principal retirement	461,117	746,604	381,438	261,507
Interest and fiscal charges	36,335	83,831	93,334	11,258
Bond issuance costs				30,000
Judgments against the district	4,194			
<b>Total expenditures</b>	<u>\$ 11,680,009</u>	<u>\$ 11,144,298</u>	<u>\$ 22,277,593</u>	<u>\$ 10,635,251</u>
Expenditures for capitalized assets	\$ 137,430	\$ 61,329	\$ 9,548,723	\$ 1,995,063
Debt service as a percentage of noncapital expenditures	4%	7%	4%	4%

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST NINE FISCAL YEARS**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>	<b><u>2011</u></b>	<b><u>2010</u></b>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 151,545	\$ (2,592,257)	\$ (906,992)	\$ 1,933,800	\$ 1,009,769
<b>Other financing sources (uses):</b>					
General obligation bonds issued		2,540,000			
Premium on sale of bonds		64,982			
Transfers in	306,134	558,284	188,258	108,796	981,963
Transfers out	(306,134)	(558,284)	(188,258)	(108,796)	(981,963)
Total other financing sources (uses)	(306,134)	2,604,982	(188,258)	(108,796)	(981,963)
<b>Changes in fund balances</b>	\$ 151,545	\$ 12,725	\$ (906,992)	\$ 1,933,800	\$ 1,009,769
	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>	
<b>Excess (deficiency) of revenues over expenditures</b>	\$ 341,403	\$ 3,557,696	\$ (2,115,190)	\$ (2,364,646)	
<b>Other financing sources (uses):</b>					
General obligation bonds issued				1,385,000	
Premium on sale of bonds				38,595	
Capital lease agreements			326,808	283,248	
Transfers in	107,312	30,153	10,547	11,512	
Transfers out	(107,312)	(30,153)	(10,547)	(11,512)	
Proceeds from sale of capital assets		257,748			
Total other financing sources (uses)	(107,312)	257,748	(10,547)	(11,512)	
<b>Changes in fund balances</b>	\$ 341,403	\$ 3,815,444	\$ (1,788,382)	\$ (657,803)	

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62**  
**PRIMARY ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST NINE FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 10,533,927	\$ 11,810,211	\$ 13,680,484	\$ 12,382,580	\$ 11,196,026
Agricultural and Vacant	2,542,413	2,746,261	3,551,993	5,618,174	5,699,353
Residential (Owner Occupied)	18,012,175	21,429,919	26,661,788	37,230,347	59,580,984
Residential (Rental)	<u>10,254,325</u>	<u>7,996,196</u>	<u>6,816,571</u>	<u>6,937,805</u>	<u>8,772,220</u>
Total	<u>\$ 41,342,840</u>	<u>\$ 43,982,587</u>	<u>\$ 50,710,836</u>	<u>\$ 62,168,906</u>	<u>\$ 85,248,583</u>
Estimated Actual Value (Full Cash Value)	\$ 1,537,617,204	\$ 1,441,091,332	\$ 736,509,450	\$ 906,846,645	\$ 1,200,730,693
Ratio of Primary Assessed Value to Estimated Actual Value	2.69%	3.05%	6.89%	6.86%	7.10%

<u>Class</u>	<u>Fiscal Year</u>			
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 10,203,717	\$ 8,942,834	\$ 4,432,573	\$ 4,013,553
Agricultural and Vacant	6,107,668	7,217,047	7,612,012	6,344,680
Residential (Owner Occupied)	54,779,215	44,594,246	27,618,953	14,427,889
Residential (Rental)	<u>6,648,085</u>	<u>4,803,216</u>	<u>2,738,287</u>	<u>883,056</u>
Total	<u>\$ 77,738,685</u>	<u>\$ 65,557,343</u>	<u>\$ 42,401,825</u>	<u>\$ 25,669,178</u>
Estimated Actual Value (Full Cash Value)	\$ 1,221,711,715	\$ 989,086,249	\$ 569,253,798	\$ 296,717,324
Ratio of Primary Value to Estimated Actual Value	6.36%	6.63%	7.45%	8.65%

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

**Note:** The primary assessed value generates revenues for general District operations.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
SECONDARY ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS  
LAST NINE FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	\$ 10,540,039	\$ 11,812,567	\$ 13,689,182	\$ 13,689,372	\$ 13,196,714
Agricultural and Vacant	2,616,111	2,855,111	3,727,275	6,463,923	7,883,116
Residential (Owner Occupied)	18,043,487	21,431,690	26,662,151	37,249,802	64,387,928
Residential (Rental)	<u>10,255,736</u>	<u>7,996,232</u>	<u>6,816,885</u>	<u>6,953,804</u>	<u>9,403,807</u>
Total	<u>\$ 41,455,373</u>	<u>\$ 44,095,600</u>	<u>\$ 50,895,493</u>	<u>\$ 64,356,901</u>	<u>\$ 94,871,565</u>
Ratio of Secondary Assessed Value to Estimated Actual Value	2.70%	3.06%	6.91%	7.10%	7.90%

<u>Class</u>	<u>Fiscal Year</u>			
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	\$ 12,105,919	\$ 10,427,651	\$ 4,809,418	\$ 4,083,171
Agricultural and Vacant	9,422,857	10,807,991	10,742,913	7,411,539
Residential (Owner Occupied)	74,721,247	59,484,080	27,960,677	15,241,193
Residential (Rental)	<u>9,123,351</u>	<u>6,444,600</u>	<u>2,779,255</u>	<u>978,164</u>
Total	<u>\$ 105,373,374</u>	<u>\$ 87,164,322</u>	<u>\$ 46,292,263</u>	<u>\$ 27,714,067</u>
Ratio of Secondary Assessed Value to Estimated Actual Value	8.63%	8.81%	8.13%	9.34%

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

**Note:** The secondary assessed value generates revenues to service District bonded debt requirements and other voter-approved overrides.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
PROPERTY TAX ASSESSMENT RATIOS  
LAST NINE FISCAL YEARS**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Commercial, Industrial, Utilities and Mining	20 %	20 %	20 %	21 %	22 %
Agricultural and Vacant	16	16	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	17	18

<u>Class</u>	<u>Fiscal Year</u>			
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Commercial, Industrial, Utilities and Mining	23 %	24 %	25 %	25
Agricultural and Vacant	16	16	16	16
Residential (Owner Occupied)	10	10	10	10
Residential (Rental)	10	10	10	10
Railroad, Private Cars and Airlines	20	21	22	21

**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.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST NINE FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates									District Direct Rates		
	State Equalization	County	Flood Control District	Community College District	Central Arizona Water	City of Phoenix	City of Tolleson	City of Avondale	Tolleson Union High School District No. 214	Primary	Secondary	Total
	2014	0.51	1.28	0.14	1.53	0.14	1.82	3.76	1.81	5.49	1.26	2.45
2013	0.47	1.24	0.18	1.38	0.10	1.82	3.42	1.33	4.85	1.54	2.37	3.91
2012	0.43	1.24	0.16	1.21	0.10	1.82	2.91	1.33	4.07	1.76	1.45	3.21
2011	0.36	1.05	0.15	0.97	0.10	1.82	2.44	1.11	2.72	1.72	1.15	2.87
2010	0.33	0.99	0.14	0.88	0.10	1.82	2.51	1.11	2.10	1.64	1.02	2.66
2009		1.03	0.14	0.94	0.10	1.82	2.30	1.11	2.61	2.70	0.87	3.57
2008		1.10	0.15	0.98	0.10	1.82	2.67	1.11	2.86	5.49	1.61	7.10
2007		1.18	0.20	1.06	0.12	1.82	2.97	1.17	4.26	8.08	1.84	9.92
2006		1.20	0.21	1.03	0.12	1.82	2.43	1.17	3.79	5.79	0.76	6.55
2005												

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT FISCAL YEAR AND FISCAL YEAR EIGHT YEARS PRIOR**

<u>Taxpayer</u>	<u>2014</u>		<u>2006</u>	
	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>	<u>Secondary Assessed Valuation</u>	<u>Percentage of District's Net Assessed Valuation</u>
Pecan Holdings LLC	\$ 2,574,379	6.21 %	\$	%
Target Corporation	1,600,177	3.86		
Bank of America	891,291	2.15		
Kroger's - Fry's - Smith's Food & Drug Centers Inc.	891,291	2.15	1,188,496	4.29
83 DGLLC/83 SGLLC/ 83 MBLLC/ 83 JPLLC	310,915	0.75		
Southern California Edison Co. (T&D)	298,479	0.72	548,029	1.98
Arizona Public Service Company	294,333	0.71	413,523	1.49
Empire Residential Opportunity Fund LLC	273,605	0.66		
Broden Country Corners LLC	261,169	0.63		
GBC Properties LLC	252,878	0.61		
DR Horton In. - Dietz Crane			550,960	1.99
Oak Realty Partners Inc.			537,580	1.94
Gerben Boschma - Family Dairies			503,298	1.82
Van Hofwegan Dairies			440,131	1.59
Tivoli Holdings LLC			377,760	1.36
Security Title Agency			322,797	1.16
EDW C Levy Company			274,480	0.99
Total	<u>\$ 7,648,517</u>	<u>18.45 %</u>	<u>\$ 5,157,054</u>	<u>18.61 %</u>

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



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST NINE FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Fiscal Years</b>	<b>Collected to the End of the Current Fiscal Year</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2014	\$ 1,504,625	\$ 1,449,880	96.36 %	\$	\$ 1,449,880	96.36 %
2013	1,711,921	1,630,763	95.26	80,724	1,711,487	99.97
2012	1,579,059	1,497,791	94.85	60,137	1,557,928	98.66
2011	1,857,852	1,781,124	95.87	24,049	1,805,173	97.16
2010	2,381,159	2,053,079	86.22	189,318	2,242,397	94.17
2009	3,035,623	2,759,886	90.92	237,842	2,997,728	98.75
2008	5,025,620	4,749,731	94.51	275,566	5,025,297	99.99
2007	4,271,222	4,026,217	94.26	244,538	4,270,755	99.99
2006	1,665,065	1,582,047	95.01	82,892	1,664,939	99.99

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

**Notes:** 1) Amounts collected are on a cash basis.

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
OUTSTANDING DEBT BY TYPE  
LAST NINE FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Capital Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2014	\$ 2,300,000	\$	\$ 2,300,000	0.15 %	\$ 333	\$	\$ 2,300,000	0.15 %	\$ 333	0.00 %
2013	2,540,000	16,138	2,523,862	0.18	382		2,540,000	0.18	2,014	0.00
2012										
2011										
2010	200,000	200,000					200,000	0.02	31	0.00
2009	640,000	440,000	200,000	0.02	30		640,000	0.05	96	0.00
2008	1,040,000	400,000	640,000	0.06	114	21,117	1,061,117	0.11	189	0.00
2007	1,385,000	345,000	1,040,000	0.18	192	367,721	1,752,721	0.31	324	N/A
2006	1,385,000		1,385,000	0.47		77,351	1,462,351	0.49		N/A

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

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

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2014**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa Community College District	\$ 766,085,000	0.13 %	\$ 995,911
City of Phoenix	1,544,830,000	0.39	6,024,837
Tolleson Union High School District No. 214	54,215,000	4.65	<u>2,520,998</u>
Subtotal, Overlapping Debt			<u>9,541,746</u>
Direct:			
Union Elementary School District No. 62			<u>2,300,000</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 11,841,746</u>

**DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Secondary Assessed Valuation		5.55 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,716	
As a Percentage of Net Secondary Assessed Valuation		28.57 %
As a Percentage of Estimated Actual Value (Full Cash Value)		0.77 %

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

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on the District's secondary assessed valuation as a percentage of the secondary assessed valuation of the overlapping jurisdiction.
  - 2) Outstanding debt as of June 30, 2013 is presented for the overlapping governments as this is the most recent available information.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
LEGAL DEBT MARGIN INFORMATION  
LAST NINE FISCAL YEARS**

**Class B Bond Legal Debt Margin Calculation for Fiscal Year 2014:**

Secondary assessed valuation	\$ 41,455,373
Debt limit (10% of assessed value)	4,145,537
Debt applicable to limit	<u>2,300,000</u>
Legal debt margin	<u>\$ 1,845,537</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2014:**

Secondary assessed valuation	\$ 41,455,373
Debt limit (15% of assessed value)	6,218,306
Debt applicable to limit	<u>2,300,000</u>
Legal debt margin	<u>\$ 3,918,306</u>

**Fiscal Year Ended June 30**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Debt Limit	\$ 6,218,306	\$ 6,614,340	\$ 7,634,324	\$ 9,653,535	\$ 14,230,735
Total net debt applicable to limit	<u>2,300,000</u>	<u>2,523,862</u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Legal debt margin	<u>\$ 3,918,306</u>	<u>\$ 4,090,478</u>	<u>\$ 7,634,324</u>	<u>\$ 9,653,535</u>	<u>\$ 14,230,735</u>
Total net debt applicable to the limit as a percentage of debt limit	37%	38%	0%	0%	0%

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 15,806,006	\$ 87,164,349	\$ 46,292,263	\$ 27,714,067
Total net debt applicable to limit	<u>200,000</u>	<u>640,000</u>	<u>1,040,000</u>	<u>1,385,000</u>
Legal debt margin	<u>\$ 15,606,006</u>	<u>\$ 86,524,349</u>	<u>\$ 45,252,263</u>	<u>\$ 26,329,067</u>
Total net debt applicable to the limit as a percentage of debt limit	1%	1%	2%	5%

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

- Notes:** 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Bond premium is not subject to the statutory debt limit.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST EIGHT CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2013	3,824,058	\$ 147,374,500	\$ 38,238	9.1 %	6,900
2012	3,843,370	142,864,275	37,352	8.4	6,600
2011	3,817,117	142,091,618	35,319	8.5	6,500
2010	4,023,331	147,122,078	37,168	8.7	6,480
2009	3,987,942	139,665,253	36,135	4.9	6,520
2008	3,907,492	132,423,154	35,046	3.2	6,680
2007	3,792,675	120,716,738	33,178	3.5	5,600
2006	3,648,545	111,103,576	31,757	4.1	5,415

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis. The source of the "Population" and "Unemployment Rate" information from 2006 through 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2013, the source of the information is the Arizona Office of Employment and Population Statistics.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
PRINCIPAL EMPLOYERS  
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2014</u>		<u>2005</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	49,278	2.59 %	49,150	2.92 %
Wal-Mart Stores Inc.	32,169	1.69	19,510	1.16
Banner Health Systems	25,270	1.33	14,445	0.86
City of Phoenix	14,983	0.79	13,615	0.81
Wells Fargo Company	14,713	0.77	11,535	0.68
Maricopa County	12,698	0.67	15,220	0.90
Arizona State University	12,222	0.64	10,530	0.62
Intel Corp.	11,900	0.63	9,500	0.56
JP Morgan Chase & Co	11,042	0.58	9,200	0.55
Bank of America	11,000	0.58	7,270	0.43
Honeywell	10,000	0.53	12,200	0.72
Apollo Group Inc.	10,000	0.53	6,295	0.37
US Airways	9,306	0.49	8,540	0.51
Mesa Public Schools	8,217	0.43	8,685	0.52
U.S. Postal Service	7,312	0.38	11,405	0.68
Raytheon Co.			10,200	0.60
Target Corp.			7,640	0.45
Fry's Food and Drug			8,235	0.49
American Express			7,000	0.42
Pinnacle West Capital Corp.			6,400	0.38
Qwest Communications International Inc.			6,300	0.37
Total	<u>240,110</u>	<u>12.63 %</u>	<u>252,875</u>	<u>15.00 %</u>
Total employment	<u>1,903,173</u>		<u>1,686,000</u>	

**Source:** The source of this information is the Business Journal Book of Lists.

**Note:** The principal employer data is presented for Maricopa County.

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST NINE FISCAL YEARS**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Supervisory</b>					
Superintendent	1	1	1	1	1
Consultants/supervisors of instruction	3	3	3	2	2
Principals	2	2	2	2	2
Assistant principals	2	2	2	2	2
Total supervisory	<u>8</u>	<u>8</u>	<u>8</u>	<u>7</u>	<u>7</u>
<b>Instruction</b>					
Teachers	80	80	80	75	75
Other professionals (instructional)	2	2	2	2	3
Aides	16	14	13	13	13
Total instruction	<u>98</u>	<u>96</u>	<u>95</u>	<u>90</u>	<u>91</u>
<b>Student Services</b>					
Nurses	3	2	2	2	3
Counselors/Advisors	1	1	1	1	1
Librarians					
Total student services	<u>4</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>4</u>
<b>Support and Administration</b>					
Clerical workers	10	10	10	10	11
Maintenance workers	6	6	5	5	5
Bus Drivers	5	5	5	5	5
Food Service workers	13	12	13	13	10
Other classified	11	11	11	11	8
Total support and administration	<u>45</u>	<u>44</u>	<u>44</u>	<u>44</u>	<u>39</u>
<b>Total</b>	<u><u>155</u></u>	<u><u>151</u></u>	<u><u>150</u></u>	<u><u>144</u></u>	<u><u>141</u></u>

(Continued)

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST NINE FISCAL YEARS**

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Supervisory</b>				
Superintendent	1	1	1	1
Consultants/supervisors of instruction	2		4	1
Principals	2	3	2	3
Assistant principals	2	1		
Total supervisory	<u>7</u>	<u>5</u>	<u>7</u>	<u>5</u>
<b>Instruction</b>				
Teachers	91	83	52	48
Other professionals (instructional)	4	4	1	
Aides	13	10	7	2
Total instruction	<u>108</u>	<u>97</u>	<u>60</u>	<u>50</u>
<b>Student Services</b>				
Nurses	3	3	4	3
Counselors/Advisors	1	1		
Librarians	1	2	2	2
Total student services	<u>5</u>	<u>6</u>	<u>6</u>	<u>5</u>
<b>Support and Administration</b>				
Clerical workers	9	8	6	4
Maintenance workers	5	5	1	3
Bus Drivers	5	5	5	
Food Service workers	12	8	8	6
Other classified	7	6	10	3
Total support and administration	<u>38</u>	<u>32</u>	<u>30</u>	<u>16</u>
<b>Total</b>	<u><u>158</u></u>	<u><u>140</u></u>	<u><u>103</u></u>	<u><u>76</u></u>

**Source:** The source of this information is District personnel records.

(Concluded)



**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
OPERATING STATISTICS  
LAST NINE FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2014	1,742	\$ 11,054,792	\$ 6,346	(4.08) %	\$ 12,520,854	\$ 7,188	0.93 %	80	21.8	84.2 %
2013	1,665	11,015,011	6,616	1.09	11,857,361	7,122	(1.77)	80	20.8	84.2
2012	1,617	10,582,601	6,545	8.45	11,723,457	7,250	(0.83)	80	20.2	84.0
2011	1,560	9,413,860	6,035	(8.56)	11,404,931	7,311	(2.73)	75	20.8	87.6
2010	1,571	10,367,791	6,599	(0.63)	11,807,805	7,516	12.27	75	20.9	89.1
2009	1,643	10,911,786	6,641	15.40	10,999,048	6,694	2.98	91	18.1	84.6
2008	1,683	9,685,597	5,755	(15.08)	10,940,746	6,501	(30.44)	83	20.3	81.9
2007	1,358	9,203,087	6,777	14.76	12,690,474	9,345	20.56	52	26.1	79.6
2006	1,102	6,507,690	5,905	N/A	8,541,647	7,751	N/A	50	22.0	67.8

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

**Notes:** Operating expenditures are total expenditures less debt service and capital outlay.

N/A indicates that the information is not available

**UNION ELEMENTARY SCHOOL DISTRICT NO. 62  
CAPITAL ASSETS INFORMATION  
LAST NINE FISCAL YEARS**

	<b>Fiscal Year Ended June 30</b>								
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b><u>Schools</u></b>									
<b><u>Elementary</u></b>									
Buildings	3	3	3	3	3	3	2	2	1
Square feet	202,597	202,597	202,597	202,597	202,597	202,597	148,809	148,809	74,489
Capacity	2,200	2,200	2,200	2,200	2,200	2,200	1,600	1,600	800
Enrollment	1,751	1,550	1,550	1,550	1,559	1,632	1,667	1,326	985
<b><u>Middle</u></b>									
Buildings	1						1	1	1
Square feet	53,788						53,788	53,788	57,900
Capacity	600						600	600	600
Enrollment	450						450	420	350
<b><u>Administrative</u></b>									
Buildings	1	1	1	1	1	1	1		
Square feet	4,182	4,182	4,182	4,182	4,182	4,182	4,182		
<b><u>Transportation</u></b>									
Buses	12	12	12	12	12	12	14	16	6
<b><u>Athletics</u></b>									
Baseball/softball	3	3	3	3	3	3	3	3	2
Playgrounds	3	3	3	3	3	3	3	3	2

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

**Note:** In fiscal year 2008-09, the District combined the middle schools with the elementary schools to make K-8 schools.

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