
GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2022



P. O. Box 6870 • San Luis, Arizona 85349

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32

SAN LUIS, ARIZONA

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

Issued by:
Business and Finance Department

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32

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INTRODUCTORY SECTION

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GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32

1350 E. Cesar Chavez Blvd.
P.O. Box 6870
San Luis, AZ 85349
(928) 627-6540
FAX: (928) 627-3635

Lizette Esparza, Superintendent
Omar Duron, Associate Superintendent

“STUDENT CENTERED LEARNING IN
AN ENGLISH LEARNING COMMUNITY”

Governing Board
Luis Marquez, President
Tadeo De La Hoya, Clerk
Guillermina Fuentes
Gloria Torres
Rosa Varela

March 27, 2023

Citizens and Governing Board
Gadsden Elementary School District No. 32
P. O. Box 6870
San Luis, Arizona 85349

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 annual comprehensive financial report of the Gadsden Elementary School District No. 32 (District) for the fiscal year ended June 30, 2022.

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

The District’s financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

*“From Wild West to Nation’s Best.”
Johns Hopkins University*

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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 nine public school districts located in Yuma County, Arizona. It provides a program of public education from pre-school through eighth grade, with an estimated current enrollment of 5,144 students. The average age of school buildings is 23 years.

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

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

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

Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include pre-school through grade eight educational programs, student transportation, construction and maintenance of District facilities, and food services operations.

The Gadsden Elementary School District No. 32 is located twenty miles southwest of Yuma, Arizona. The District extends over thirty square miles devoted primarily to agriculture, and the area is known for its winter vegetable and summer cotton production. The student population of the District is 98 percent Hispanic with approximately 28 percent from migrant farm worker families. The District operates nine school sites, one in Gadsden, Arizona and eight in San Luis, Arizona. The District has a total current assessed valuation of over \$78.3 million with an annual General Fund and Capital budget of approximately \$34.5 million. The District has experienced steady growth in student population during the last twenty years but future growth rate is forecast to decline over the next few years at a rate of 0.15% per year.

The area served by the District is experiencing significant change due to the continued demand for housing in the area. The City of San Luis anticipates further growth due to the relatively low cost of housing within the region and the prospect of new business ventures moving to the area.

The District has experienced net student growth rates, currently averaging more than 1.30 percent per year since fiscal year 1999-2000, and the projected student population for the 2022-23 fiscal year is 5,144 students. Four additional schools with an average of 650 students each have been completed in the last 22 years. These schools will accommodate the anticipated student population through fiscal year 2028-29.

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 have a legally adopted budget may have over expenditures 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 budget 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. Once totally dependent upon an agricultural-based economy, the economic base of Yuma County has diversified into other sectors such as services, wholesale and retail trade and light industry. Today, the County's economy is based on agriculture, government, light manufacturing and tourism.

Agriculture plays a dominant role in the Yuma County economy at \$2.0 billion per year. Approximately 220,000 acres are harvested each year. Military bases contribute substantially to the local economy, with the Marine Corps Air Station (MCAS Yuma) and U.S. Army Yuma Proving Ground (YPG) both located in the County. Tourist business composed mainly of cross-country travelers and winter visitors, accounts for estimated gross annual revenues of \$450.0 million; of which, \$160.0 million comes from shoppers from Mexico.

Located within Yuma County are the U.S. Marine Corps Air Station (MCAS), the U.S. Army Yuma Proving Ground (YPG) and the Goldwater Gunnery Range, which are located within a few miles of the cities of Yuma, Somerton and San Luis; and provides employment to approximately 4,260 civilian and contractor personnel, drawing an annual payroll of approximately \$180.0 million. The total direct economic impact of these facilities and their related activity in the surrounding areas is approximately \$630.0 million.

According to Arizona Department of Economic Security statistics, service is a growing portion of the employment sector in the County. Approximately 25 percent of all County businesses provide a service. The tourist industry contributes strongly to service employment in the County with a majority of dollars being spent for food, lodging, and fuel. The County was developed into a major tourist center. Excellent tourist accommodations, diverse cultural activities, and a favorable climate attract millions of visitors to the area annually. The County's proximity to many of Arizona's scenic attractions, Mexico, and California make it a natural tourist center for the entire Southwest.

San Luis, Arizona is located on the border, adjacent to San Luis Rio Colorado, Sonora Mexico, and is the primary city within the District with a population of approximately 38,200 a 34 percent increase over the 2010 census population of 28,415. San Luis Rio Colorado, Mexico, with a population of more than 176,685 in 2020, contributes heavily to the local retail growth and stability of the District. A new commercial port of entry a few miles east of the current port has reduced commercial congestion at the current port and allows for smoother residential and tourist traffic flow between the two countries.

The real estate and construction industries continue to be impacted by the continuing growth of the metropolitan area. San Luis, Arizona currently has over 300 new residential sites in various phases of construction. Families have been moving into San Luis, Arizona at a greater rate than the surrounding areas due in part to lower housing and service costs.

Retail trade, agriculture and manufacturing form a large portion of the local economy. Several new retail businesses are now operating in the north end of San Luis, Arizona, on US Highway 95. Another significant segment is the light industry located on both sides of the US/Mexico border. San Luis is an excellent site for labor intensive manufacturing and assembly facilities. Parcels and pads are available for purchase and development.

The economy of the District is also influenced by the County of Yuma, which has an estimated population of over 206,300 as of the latest census and reflects a 5 percent increase over the 2010 Census population of 195,751. Due to high seasonal employment in agriculture and tourism services, the unemployment rate for the County has been consistently high, with many underemployed workers. Although there are no figures available for the District unemployment, the County has averaged more than 20 percent in recent years.

The major employment sectors in Arizona include aerospace, electronics and semi-conductor manufacturing. Tourism, business services and back-office operations are also important sectors. Arizona's original export activities – agriculture and mining – remain significant in many rural parts of the State. Based on sheer size, the real estate and rental industries, the diverse tourism sector, and government are the largest economic sectors in Arizona.

Long-term Financial Planning. Based on the most recent local demographics available, the District expects no net increase in student population over each of the next five years. At that rate the District will need one new elementary school, which under current law, would be funded by the School Facilities Board and approved to be built sometime after 2028.

The State of Arizona is financially strong and stable at this time and has a positive effect on the majority of expected District revenues. Due to high seasonal employment in agriculture and tourism services, the unemployment rate for the County has been consistently high, with many underemployed workers during the off season.

Major Initiatives of the District. Through the passing of a \$10.4 million bond election in November 2015, the District is constructing a 6,105 square feet multi-purpose building at Rio Colorado Elementary School and 9,375 square feet of classroom space at San Luis Middle School. The project will be completed in August 2022. An addition of 23,650 square feet at Ed Pastor Elementary School and a District administrative building and warehouse totaling 24,880 square feet were completed and occupied as of August 2017. The District is also participating in an energy saving contract valued at \$4.5 million, which will reduce the energy consumption of the District over the next 20 years and save the District \$4.7 million over that same time period.

Other Events of Note. The impact of the Covid-19 pandemic reduced the student population in 2020-21 by 2.1 percent but the population has recovered in 2021-22 by the same percentage. The District expects no prolonged effect on net revenue and expenditures, due to the pandemic.

AWARDS AND ACKNOWLEDGMENT

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

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

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

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

Respectfully submitted,



Lizeth Esparza
Superintendent



Robert Bernhard
Chief Financial Officer



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Gadsden Elementary School District 32

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

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



A handwritten signature in black ink, appearing to read 'William A. Sutter'. The signature is written in a cursive style.

William A. Sutter
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'. The signature is written in a cursive style.

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

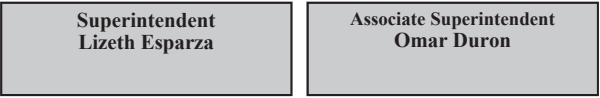
**Gadsden Elementary School District No. 32
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



Chief Financial Officer Robert Bernhard	Human Resources Rosy Ballesteros	Federal Programs Linda Coronado	Maintenance Director Luciano Ramirez	Special Education Director Miguel Gonzalez	Professional Development Director Vanessa Gonzales	Systems Director Luis Ramirez
<ul style="list-style-type: none"> • Business Office • Accounts Receivable • Accounts Payable • General Fixed Assets • Payroll • Purchasing • Budgeting • ADM • School Facilities Board • Architects • Transportation • Vehicles • Buses • Mechanics • Drivers/Bus Aides • Warehouse • Food Service 	<ul style="list-style-type: none"> • Certified Personnel • Classified Personnel • Attorneys • Highly Qualified Teachers • Legal Issues • Student Discipline • Parent Stimulus Grant • Employee Handbooks • Parent Complaints • Hearings • Contracts • Employee Insurance 	<ul style="list-style-type: none"> • School Improvement • Federal & State Projects • Title I Entitlement • Title II Entitlement • 21st Century Grant K-6 • Migrant Entitlement • School Safety Grant • Grant Writer • 21st Century 7-8 • AWC College Program • Homeless 	<ul style="list-style-type: none"> • Maintenance • Maintenance Equipment • Custodians • Grounds • Security • Buildings • School Facilities Board 	<ul style="list-style-type: none"> • Special Education • Psychological Services • Legal Issues (Sp Ed) • Related Services (OT, PT, Speech) • Idea Grant • Assistive Technology • Parent Groups (SpEd) • ADE Compliance 	<ul style="list-style-type: none"> • Professional Development • Consultants (Subject Areas) • K-3 Coordination • 4-8 Reading • Master Teachers • Mentor Teachers • Benchmark System • District Assessments • Summer School Coordination • Curriculum Binders • K-8 Curriculum • University Coordination • Consultants • MOWR • ELL Programming • Testers • Compensatory Ed 	<ul style="list-style-type: none"> • Technology System • Infrastructure • Intra-network • Security Cameras • Communication System • Computer Technicians • Data Base • Web Sites • District Planning • Technology Plan • Technology Installation • E-Rate Funding • Other Tech Funding • Technology Grants • Technology Purchases • Business Tech Liaison

School Principals
 Gadsden Elementary
 San Luis Middle School
 Rio Colorado Elementary
 Arizona Desert Elementary
 Pre-School

Music/Dance Program
 Marching Band

School Principals
 Southwest Junior High
 Desert View Elementary
 Cesar Chavez Elementary
 Ed Pastor Elementary

FY 2021-2022

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Luis Marquez, President

Tadeo De La Hoya, Clerk

Guillermina Fuentes, Member

Gloria Torres, Member

Rosa Varela, Member

ADMINISTRATIVE STAFF

Lizette Esparza, Superintendent

Omar Duron, Associate Superintendent

Robert Bernhard, Chief Financial Officer

Rosa Perez, Business Manager

Lina Galvan, Principal, Arizona Desert Elementary

Marylin Morales, Principal, Cesar Chavez Elementary

Meredith Nelson, Principal, Desert View Elementary

Maria Camacho, Principal, Ed Pastor Elementary

Cecilia Arvizo, Principal, Gadsden Elementary

Bethany Loucks, Principal, Rio Colorado Elementary

Maryela Saucedo, Principal, San Luis Middle School

Raul Rascon, Assistant Principal, San Luis Middle School

Luis Reyes, Principal, Southwest Junior High

Maritza Mares, Assistant Principal, Southwest Junior High

FINANCIAL SECTION

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Independent Auditor's Report

Governing Board
Gadsden Elementary School District No. 32

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gadsden Elementary School District No. 32 (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gadsden Elementary School District No. 32, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Gadsden Elementary School District No. 32 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2023, on our consideration of Gadsden Elementary School District No. 32's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Gadsden Elementary School District No. 32's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gadsden Elementary School District No. 32's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
March 27, 2023

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

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**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

As management of the Gadsden Elementary School District No. 32 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The District's total net position of governmental activities increased \$7.1 million which represents a 67 percent increase from the prior fiscal year primarily as a result of an increase in federal COVID grant funding, an increase in state aid associated with changes in the base support level, and Arizona School Facilities Board funded projects.
- General revenues accounted for \$36.8 million in revenue, or 61 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$24.0 million or 39 percent of total current fiscal year revenues.
- The District had approximately \$53.7 million in expenses related to governmental activities, an increase of 15 percent from the prior fiscal year primarily due to additional COVID grant funding.
- Among major funds, the General Fund had \$30.1 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$29.7 million in expenditures. The General Fund's fund balance increase from \$3.6 million at the prior fiscal year end to \$5.0 million at the end of the current fiscal year was primarily due to increases in the base level support level.
- The Classroom Site Fund had \$4.0 million in current fiscal year revenues and \$2.9 million in current fiscal year expenditures. The Classroom Site Fund's fund balance increased \$1.0 million due to increases in state funding.
- The Other Federal Projects Fund had \$6.6 million in current fiscal year revenues, which primarily consisted of federal COVID grant monies, and \$8.6 million in current fiscal year expenditures. The Other Federal Projects Fund's fund balance decreased from a deficit of \$320,228 to a deficit of \$2.2 million due to outstanding COVID grant reimbursements.

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

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

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

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

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

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Classroom Site, and Other Federal Projects Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

Proprietary funds. The District maintains one type of proprietary fund. The internal service fund is an accounting device used to accumulate and allocate costs internally among the District’s various functions. The District uses its internal service fund to account for its employee benefit trust. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements. The Employee Benefit Trust, although a legally separate component unit, functions for all employees of the District, and therefore has been included as an internal service fund.

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

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

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$17.6 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 in progress), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related outstanding debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted and may be used to meet the District's ongoing obligations to its citizens and creditors.

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

	As of June 30, 2022	As of June 30, 2021
Current and other assets	\$ 17,511,194	\$ 13,530,167
Capital assets, net	43,882,766	40,000,077
Total assets	<u>61,393,960</u>	<u>53,530,244</u>
Deferred outflows	<u>7,627,236</u>	<u>6,839,549</u>
Current and other liabilities	3,173,706	983,721
Long-term liabilities	39,672,335	48,840,692
Total liabilities	<u>42,846,041</u>	<u>49,824,413</u>
Deferred inflows	<u>8,547,623</u>	
Net position:		
Net investment in capital assets	33,898,897	30,185,296
Restricted	6,099,856	5,006,157
Unrestricted	(22,371,221)	(24,646,073)
Total net position	<u>\$ 17,627,532</u>	<u>\$ 10,545,380</u>

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the end of the current fiscal year, the District reported a negative unrestricted net position of \$22.4 million primarily as a result of an unfunded pension liability. Positive net position was reported in the other two categories.

The District's financial position is the product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

- The addition of \$5.8 million in capital assets primarily due to the construction of classrooms at San Luis Middle School and multi-purpose room and gym at Rio Colorado Elementary School and roof repairs at other school sites.
- The depreciation of existing assets resulting in the addition of \$1.9 million in accumulated depreciation.
- The principal retirement of \$475,000 and \$209,166 of bonds and financed purchases, respectively.
- The decrease of \$7.9 million in pension liabilities.

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

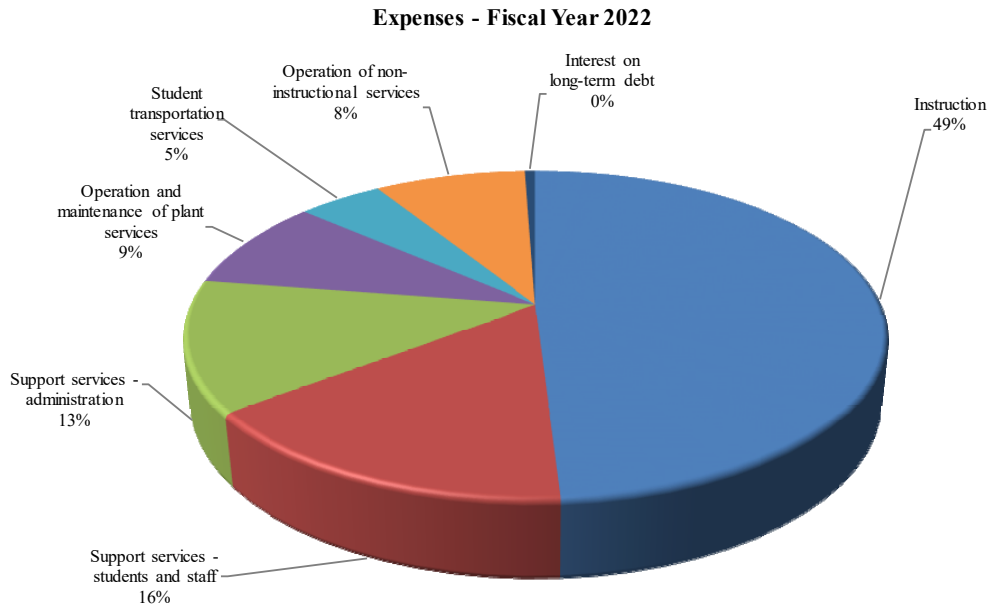
GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position. The District's total revenues for the current fiscal year were \$60.8 million. The total cost of all programs and services was \$53.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021.

	Fiscal Year Ended <u>June 30, 2022</u>	Fiscal Year Ended <u>June 30, 2021</u>
Revenues:		
Program revenues:		
Charges for services	\$ 398,234	\$ 110,494
Operating grants and contributions	17,123,689	12,997,942
Capital grants and contributions	6,496,663	2,264,082
General revenues:		
Property taxes	3,141,368	2,558,457
Investment income	21,686	39,947
Unrestricted county aid	947,906	931,946
Unrestricted state aid	32,694,526	29,804,780
Total revenues	<u>60,824,072</u>	<u>48,707,648</u>
Expenses:		
Instruction	26,351,150	22,634,806
Support services - students and staff	8,384,155	7,512,345
Support services - administration	6,896,195	5,959,727
Operation and maintenance of plant services	4,815,680	4,471,493
Student transportation services	2,506,573	1,884,195
Operation of non-instructional services	4,491,258	3,939,448
Interest on long-term debt	296,909	315,372
Total expenses	<u>53,741,920</u>	<u>46,717,386</u>
Changes in net position	7,082,152	1,990,262
Net position, beginning	<u>10,545,380</u>	<u>8,555,118</u>
Net position, ending	<u>\$ 17,627,532</u>	<u>\$ 10,545,380</u>

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS



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

- The \$8.4 million increase in operating and capital grants and contributions was due to increases in COVID grants and Arizona School Facility Board projects.
- The \$2.9 million increase in unrestricted state aid was due to an increase in base support level.
- The \$3.7 million increase in instructional expenses was primarily due to increases in salaries and benefits from COVID grant funding.

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

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

	Year Ended June 30, 2022		Year Ended June 30, 2021	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 26,351,150	\$ (13,814,989)	\$ 22,634,806	\$ (15,964,449)
Support services - students and staff	8,384,155	(6,116,054)	7,512,345	(4,415,084)
Support services - administration	6,896,195	(5,607,456)	5,959,727	(5,483,225)
Operation and maintenance of plant services	4,815,680	(2,174,955)	4,471,493	(4,249,388)
Student transportation services	2,506,573	(2,420,496)	1,884,195	(1,804,778)
Operation of non-instructional services	4,491,258	707,525	3,939,448	887,428
Interest on long-term debt	296,909	(296,909)	315,372	(315,372)
Total	\$ 53,741,920	\$ (29,723,334)	\$ 46,717,386	\$ (31,344,868)

- The cost of all governmental activities this year was \$53.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$24.0 million.
- Net cost of governmental activities of \$29.7 million was financed by general revenues, which are made up of primarily property taxes of \$3.1 million and state and county aid of \$33.6 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$8.2 million, a decrease of \$55,128.

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The General Fund comprises 60 percent of the total fund balance. Approximately \$4.6 million, or 93 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$1.4 million to \$5.0 as of fiscal year end was primarily a result of an increase in the base support level. General Fund revenues increased \$1.8 million as a result of increased base support level. General Fund expenditures increased \$1.7 million as a result of utilization of federal COVID grant monies in the prior year.

The Classroom Site Fund's fund balance increased \$1.0 million as of fiscal year end due to increased state funding.

The Other Federal Projects Fund revenues increased \$3.7 million and expenditures increased \$5.8 million as a result of an increase in COVID related grants.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$2.5 million, an increase of \$82,436.

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 \$1.2 million increase, or four percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable variance of \$2.2 million in instruction was a result of budgeting for potential expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$77.9 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 \$5.8 million from the prior fiscal year, primarily due to construction projects to renovate school sites. Total depreciation expense for the current fiscal year was \$1.9 million.

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

CAPITAL ASSETS AND DEBT ADMINISTRATION

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

	As of June 30, 2022	As of June 30, 2021
Capital assets - non-depreciable	\$ 8,264,848	\$ 4,829,758
Capital assets - depreciable, net	35,617,918	35,170,319
Total	\$ 43,882,766	\$ 40,000,077

The estimated cost to complete current construction projects is \$724,250.

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

Debt Administration. At year end, the District had \$10.0 million in long-term debt outstanding, \$692,011 due within one year. Long-term debt decreased by \$720,891 during the year.

The District’s general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$14.1 million and the Class B debt limit is \$9.4 million, which are more than the District’s total outstanding general obligation and Class B debt, respectively.

Additional information on the District’s long-term debt can be found in Notes 7 through 9.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET AND RATES

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

- Fiscal year 2021-22 budget balance carry forward.
- District student population.
- Employee salary and benefit rates.

Also considered in the development of the budget is the local economy and inflation of the surrounding area, with growth in both residential and business sectors.

Budgeted expenditures in the General Fund increased four percent to \$33.3 million in fiscal year 2022-23. Increased payroll and employee benefit costs is the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2022-23 budget.

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2022**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Gadsden Elementary School District No. 32, P. O. Box 6870, San Luis, Arizona 85349.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 5,220,587
Property taxes receivable	366,184
Accounts receivable	26,565
Due from governmental entities	11,533,716
Prepaid items	364,142
Total current assets	17,511,194
Noncurrent assets:	
Capital assets not being depreciated	8,264,848
Capital assets, net of accumulated depreciation	35,617,918
Total noncurrent assets	43,882,766
Total assets	61,393,960
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	7,627,236
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	1,775,339
Construction contracts payable	232,598
Claims payable	425,000
Accrued payroll and employee benefits	163,986
Compensated absences payable	351,260
Accrued interest payable	113,375
Unearned revenues	463,408
Financed purchases payable	227,011
Bonds payable	465,000
Total current liabilities	4,216,977
Noncurrent liabilities:	
Non-current portion of long-term obligations	38,629,064
Total noncurrent liabilities	38,629,064
Total liabilities	42,846,041
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Pension and other postemployment benefit plan items	8,547,623
 <u>NET POSITION</u>	
Net investment in capital assets	33,898,897
Restricted for:	
Instruction	2,506,352
Food service	1,429,608
Non-instructional purposes	30,321
Debt service	123,683
Capital outlay	2,009,892
Unrestricted	(22,371,221)
Total net position	\$ 17,627,532

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 26,351,150	\$ 258,319	\$ 8,007,843	\$ 4,269,999	\$ (13,814,989)
Support services - students and staff	8,384,155		2,268,101		(6,116,054)
Support services - administration	6,896,195		1,288,739		(5,607,456)
Operation and maintenance of plant services	4,815,680	60,351	353,710	2,226,664	(2,174,955)
Student transportation services	2,506,573		86,077		(2,420,496)
Operation of non-instructional services	4,491,258	79,564	5,119,219		707,525
Interest on long-term debt	296,909				(296,909)
Total governmental activities	<u>\$ 53,741,920</u>	<u>\$ 398,234</u>	<u>\$ 17,123,689</u>	<u>\$ 6,496,663</u>	<u>\$ (29,723,334)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	2,049,625
Property taxes, levied for debt service	689,819
Property taxes, levied for capital outlay	401,924
Investment income	21,686
Unrestricted county aid	947,906
Unrestricted state aid	32,694,526
Total general revenues	<u>36,805,486</u>

Changes in net position

7,082,152

Net position, beginning of year

10,545,380

Net position, end of year

\$ 17,627,532

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

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FUND FINANCIAL STATEMENTS

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Classroom Site	Other Federal Projects
<u>ASSETS</u>			
Cash and investments	\$	\$	\$
Property taxes receivable	238,869		
Accounts receivable			
Due from governmental entities	7,314,368		2,480,064
Due from other funds		2,019,966	
Prepaid items	364,142		
Total assets	\$ 7,917,379	\$ 2,019,966	\$ 2,480,064
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 653,885	\$ 9,658	\$ 275,569
Construction contracts payable			
Due to other funds	1,919,250		1,670,127
Accrued payroll and employee benefits	149,696		5,235
Unearned revenues			454,813
Bonds payable			
Bond interest payable			
Total liabilities	2,722,831	9,658	2,405,744
Deferred inflows of resources:			
Unavailable revenues - property taxes	223,264		
Unavailable revenues - intergovernmental			2,244,619
Total deferred inflows of resources	223,264		2,244,619
Fund balances (deficits):			
Nonspendable	364,142		
Restricted		2,010,308	
Unassigned	4,607,142		(2,170,299)
Total fund balances	4,971,284	2,010,308	(2,170,299)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 7,917,379	 \$ 2,019,966	 \$ 2,480,064

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 2,269,554	\$ 2,269,554
127,315	366,184
26,565	26,565
1,739,284	11,533,716
2,129,811	4,149,777
	364,142
<u>\$ 6,292,529</u>	<u>\$ 18,709,938</u>

\$ 836,227	\$ 1,775,339
232,598	232,598
560,400	4,149,777
9,055	163,986
8,595	463,408
465,000	465,000
113,375	113,375
<u>2,225,250</u>	<u>7,363,483</u>

118,893	342,157
540,271	2,784,890
<u>659,164</u>	<u>3,127,047</u>

	364,142
3,966,952	5,977,260
(558,837)	1,878,006
<u>3,408,115</u>	<u>8,219,408</u>

<u>\$ 6,292,529</u>	<u>\$ 18,709,938</u>
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GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Total governmental fund balances		\$ 8,219,408
<p>Amounts reported for <i>governmental activities</i> in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	\$ 77,886,272	
Less accumulated depreciation	<u>(34,003,506)</u>	43,882,766
<p>Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.</p>		
Property taxes	342,157	
Intergovernmental	<u>2,784,890</u>	3,127,047
<p>Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows of resources related to pensions	7,627,236	
Deferred inflows of resources related to pensions	<u>(8,547,623)</u>	(920,387)
<p>The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.</p>		
		2,526,033
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Other postemployment benefits payable	(819,674)	
Compensated absences payable	(1,890,656)	
Financed purchases payable	(3,031,438)	
Net pension liability	(26,978,136)	
Bonds payable	<u>(6,487,431)</u>	<u>(39,207,335)</u>
Net position of governmental activities		<u>\$ 17,627,532</u>

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	<u>General</u>	<u>Classroom Site</u>	<u>Other Federal Projects</u>
Revenues:			
Other local	\$ 974,240	\$ 6,998	\$
Property taxes	1,988,299		
State aid and grants	27,142,323	3,948,020	
Federal aid, grants and reimbursements			6,608,384
Total revenues	<u>30,104,862</u>	<u>3,955,018</u>	<u>6,608,384</u>
Expenditures:			
Current -			
Instruction	14,944,669	1,778,839	3,020,011
Support services - students and staff	3,301,775	1,149,304	690,379
Support services - administration	5,438,527		333,666
Operation and maintenance of plant services	4,419,444		235,612
Student transportation services	1,597,200		102,795
Operation of non-instructional services	38,426		844
Capital outlay			4,196,990
Debt service -			
Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>29,740,041</u>	<u>2,928,143</u>	<u>8,580,297</u>
Excess (deficiency) of revenues over expenditures	<u>364,821</u>	<u>1,026,875</u>	<u>(1,971,913)</u>
Other financing sources (uses):			
Transfers in	990,003		295,383
Transfers out	(317,457)		(173,541)
Total other financing sources (uses)	<u>672,546</u>		<u>121,842</u>
Changes in fund balances	<u>1,037,367</u>	<u>1,026,875</u>	<u>(1,850,071)</u>
Fund balances (deficits), beginning of year	3,569,775	983,433	(320,228)
Increase (decrease) in reserve for prepaid items	364,142		
Fund balances (deficits), end of year	<u>\$ 4,971,284</u>	<u>\$ 2,010,308</u>	<u>\$ (2,170,299)</u>

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

Non-Major Governmental Funds	Total Governmental Funds
\$ 502,525	\$ 1,483,763
1,080,543	3,068,842
5,293,044	36,383,387
11,505,962	18,114,346
<u>18,382,074</u>	<u>59,050,338</u>
4,499,554	24,243,073
3,026,011	8,167,469
341,818	6,114,011
62,593	4,717,649
36,296	1,736,291
4,318,952	4,358,222
4,928,103	9,125,093
674,166	674,166
333,634	333,634
<u>18,221,127</u>	<u>59,469,608</u>
<u>160,947</u>	<u>(419,270)</u>
318,147	1,603,533
<u>(1,112,535)</u>	<u>(1,603,533)</u>
<u>(794,388)</u>	
<u>(633,441)</u>	<u>(419,270)</u>
4,041,556	8,274,536
	364,142
<u>\$ 3,408,115</u>	<u>\$ 8,219,408</u>

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Changes in fund balances - total governmental funds **\$ (419,270)**

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

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

Expenditures for capitalized assets	\$ 5,816,785	
Less current year depreciation	<u>(1,934,096)</u>	3,882,689

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

Property taxes	72,526	
Intergovernmental	<u>1,701,208</u>	1,773,734

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

Financed purchase principal retirement	209,166	
Bond principal retirement	<u>465,000</u>	674,166

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

Current year pension/OPEB contributions	3,349,197	
Pension/OPEB expense	<u>(2,780,539)</u>	568,658

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

Prepaid items	364,142	
Amortization of deferred bond items	36,725	
Compensated absences	<u>118,872</u>	519,739

The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.

82,436

Changes in net position in governmental activities **\$ 7,082,152**

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2022

	<u>Governmental Activities: Internal Service Fund</u>
<u>ASSETS</u>	
Current assets:	
Cash and investments	\$ 2,951,033
Total current assets	<u>2,951,033</u>
Total assets	<u><u>2,951,033</u></u>
 <u>LIABILITIES</u>	
Current liabilities:	
Claims payable	<u>425,000</u>
Total current liabilities	<u>425,000</u>
Total liabilities	<u><u>425,000</u></u>
 <u>NET POSITION</u>	
Unrestricted	<u>2,526,033</u>
Total net position	<u><u>\$ 2,526,033</u></u>

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
- PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities: Internal Service Fund
Operating revenues:	
Contributions	\$ 3,515,024
Total operating revenues	<u>3,515,024</u>
Operating expenses:	
Claims	2,513,112
Premiums	631,760
Administrative fees	287,716
Total operating expenses	<u>3,432,588</u>
Operating income (loss)	<u>82,436</u>
Changes in net position	<u>82,436</u>
Total net position, beginning of year	2,443,597
Total net position, end of year	<u><u>\$ 2,526,033</u></u>

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

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
YEAR ENDED JUNE 30, 2022**

	Governmental Activities: Internal Service Fund
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities:	
Cash received from contributions	\$ 3,515,024
Cash payments to suppliers for goods and services	(919,476)
Cash payments for claims	(2,413,112)
	182,436
Net cash provided by/used for operating activities	182,436
Net increase/decrease in cash and cash equivalents	182,436
Cash and cash equivalents, beginning of year	2,768,597
Cash and cash equivalents, end of year	\$ 2,951,033
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>	
Operating income/loss	\$ 82,436
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in claims payable	100,000
	100,000
Total adjustments	100,000
Net cash provided by/used for operating activities	\$ 182,436

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gadsden Elementary School District No. 32 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

A. Reporting Entity

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Furthermore, component units combined with the District for financial statement presentation purposes, and the District, are not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities and food services.

Blended Component Unit – The blended component unit, although a legally separate entity, is, in substance, part of the District's operations. The Gadsden Elementary School District No. 32 Employee Benefit Trust is responsible for providing health insurance for the District employees. The District's Governing Board appoints the Trust's Board of Directors. The Gadsden Elementary School District No. 32 Employee Benefit Trust provides services entirely to the District and therefore has been included as an Internal Service Fund in accordance with the criteria established by GASB. Separately issued stand-alone financial statements of the Employee Benefit Trust are not prepared.

B. Government-Wide and Fund Financial Statements

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

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles, the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period.

Property taxes, federal, state and county aid, 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.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operations 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.

Classroom Site Fund – 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.

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

Additionally, the District reports the following fund types:

Proprietary Fund – The Proprietary Fund is an Internal Service Fund that accounts for activities related to the District’s self-insurance program.

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

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Cash and Investments

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

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

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

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

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

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.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. Capital Assets

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

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

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

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

Land improvements	10 - 50 years
Buildings and improvements	3 - 60 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 assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

K. Compensated Absences

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

L. Pensions and Other Postemployment Benefits

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

M. Long-term Obligations

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

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.

N. 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.

O. Net Position Flow Assumption

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

P. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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 be restricted, committed, or assigned.

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

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

	<u>General Fund</u>	<u>Classroom Site Fund</u>	<u>Other Federal Projects Fund</u>	<u>Non-Major Governmental Funds</u>
Fund Balances:				
Nonspendable				
Prepaid items	\$ 364,142	\$	\$	\$
Restricted:				
Debt service				42,764
Capital projects				1,971,918
Voter approved initiatives		2,010,308		197,170
Federal and state projects				37,943
Food service				1,429,608
Civic center				29,332
Extracurricular activities				94,307
Gifts and donations				97,274
Student activities				61,891
Other purposes				4,745
Unassigned	<u>4,607,142</u>		<u>(2,170,299)</u>	<u>(558,837)</u>
Total fund balances	<u>\$4,971,284</u>	<u>\$ 2,010,308</u>	<u>\$ (2,170,299)</u>	<u>\$ 3,408,115</u>

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Fund:	
Other Federal Projects	\$ 2,170,299
Non-Major Governmental Funds:	
Title I Grants	33,155
Title IV Grants	265,545
Limited English and Immigrant Students	10,749
Special Education Grants	17,600
Building Renewal Grant	231,788

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

Excess Expenditures Over Budget – At year end, the District had expenditures in funds that exceeded the budgets, 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 \$428,558 and the bank balance was \$617,252. At year end \$293,910 of the District’s deposits were covered by collateral held by the pledging financial institution’s trust department or agent but not in the District’s name.

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

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – CASH AND INVESTMENTS

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	44 days	<u>\$ 4,792,029</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.

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

NOTE 5 – RECEIVABLES

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

	<u>General Fund</u>	<u>Other Federal Projects Fund</u>	<u>Non-Major Governmental Funds</u>
Due from governmental entities:			
Due from federal government	\$	\$ 2,480,064	\$ 864,025
Due from state government	7,299,790		875,259
Due from county government	14,578		
Net due from governmental entities	<u>\$ 7,314,368</u>	<u>\$ 2,480,064</u>	<u>\$ 1,739,284</u>

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,343,128	\$	\$	\$ 2,343,128
Construction in progress	<u>2,486,630</u>	<u>3,435,090</u>		<u>5,921,720</u>
Total capital assets, not being depreciated	<u>4,829,758</u>	<u>3,435,090</u>		<u>8,264,848</u>
Capital assets, being depreciated:				
Land improvements	2,474,183	18,000		2,492,183
Buildings and improvements	53,099,247			53,099,247
Vehicles, furniture and equipment	<u>11,671,299</u>	<u>2,363,695</u>	<u>5,000</u>	<u>14,029,994</u>
Total capital assets being depreciated	<u>67,244,729</u>	<u>2,381,695</u>	<u>5,000</u>	<u>69,621,424</u>
Less accumulated depreciation for:				
Land improvements	(1,981,436)	(82,830)		(2,064,266)
Buildings and improvements	(22,591,915)	(1,085,929)		(23,677,844)
Vehicles, furniture and equipment	<u>(7,501,059)</u>	<u>(765,337)</u>	<u>(5,000)</u>	<u>(8,261,396)</u>
Total accumulated depreciation	<u>(32,074,410)</u>	<u>(1,934,096)</u>	<u>(5,000)</u>	<u>(34,003,506)</u>
Total capital assets, being depreciated, net	<u>35,170,319</u>	<u>447,599</u>		<u>35,617,918</u>
Governmental activities capital assets, net	<u>\$ 40,000,077</u>	<u>\$ 3,882,689</u>	<u>\$</u>	<u>\$ 43,882,766</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,258,808
Support services – students and staff	41,050
Support services – administration	176,201
Operation and maintenance of plant services	267,180
Student transportation services	170,952
Operation of non-instructional services	19,905
Total depreciation expense – governmental activities	<u>\$ 1,934,096</u>

Construction Commitments – At year end, the District had contractual commitments related to a restroom remodel and addition of eight classrooms at San Luis Middle School, addition of a multi-purpose room and gym at Rio Colorado Elementary School, and commitments related to roof repairs at San Luis Middle School and Rio Colorado Elementary School. At year end the District had spent \$5.9 million on the projects and had estimated remaining contractual commitments of approximately \$724,250. These projects are being funded by the Bond Building and Building Renewal Grant Funds.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – FINANCED PURCHASES PAYABLE

The District has acquired energy conservation equipment under the provisions of a contract classified as a financed purchases payable. In accordance with GASB Statement No. 87 *Leases*, contracts previously recorded as capital leases have been reclassified as financed purchases payable in the fiscal year. Revenues from the General Fund are transferred to the Energy and Water Savings Fund to pay the debt obligations when due.

Annual debt service requirements to maturity on financed purchases payable at year end are summarized as follows:

Year ending June 30:	Governmental Activities	
	Principal	Interest
2023	\$ 227,011	\$ 98,989
2024	246,068	91,132
2025	266,181	82,619
2026	287,179	73,421
2027	309,296	63,504
2028-32	1,695,703	141,799
Total	\$ 3,031,438	\$ 551,464

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. The bonds are callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$14.1 million and the available margin is \$7.5 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2022	Due Within One Year
Governmental activities:					
School Improvement Bonds, Project of 2015, Series A (Class B)	\$ 7,595,000	2.00-4.00%	7/1/22-35	\$ 4,350,000	\$ 290,000
School Improvement Bonds, Project of 2015, Series A (2019)	2,625,000	3.00-4.00%	7/1/22-35	2,125,000	175,000
Total				\$ 6,475,000	\$ 465,000

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – GENERAL OBLIGATION BONDS PAYABLE

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
2023	\$ 465,000	\$ 226,750
2024	375,000	215,700
2025	375,000	205,950
2026	380,000	196,200
2027	410,000	183,800
2028-32	2,310,000	658,800
2033-36	2,160,000	187,400
Total	<u>\$ 6,475,000</u>	<u>\$ 1,874,600</u>

NOTE 9 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 6,950,000	\$	\$ 475,000	\$ 6,475,000	\$ 465,000
Premium	514,156		36,725	477,431	
Total bonds payable	<u>7,464,156</u>		<u>511,725</u>	<u>6,952,431</u>	<u>465,000</u>
Financed purchases payable	3,240,604		209,166	3,031,438	227,011
Net OPEB liability	1,256,782		437,108	819,674	
Net pension liability	34,869,622		7,891,486	26,978,136	
Compensated absences payable	<u>2,009,528</u>	<u>657,194</u>	<u>776,066</u>	<u>1,890,656</u>	<u>351,260</u>
Governmental activity long-term liabilities	<u>\$ 48,840,692</u>	<u>\$ 657,194</u>	<u>\$ 9,825,551</u>	<u>\$ 39,672,335</u>	<u>\$ 1,043,271</u>

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Due to/from other funds:

	Classroom Site Fund	Non-Major Governmental Funds	Total Due to Other Funds
General Fund	\$ 1,919,250	\$	\$ 1,919,250
Other Federal Projects Fund		1,670,127	1,670,127
Non-Major Governmental Funds	100,716	459,684	560,400
Total Due from Other Funds	<u>\$ 2,019,966</u>	<u>\$ 2,129,811</u>	<u>\$ 4,149,777</u>

At year end, the General Fund, Other Federal Projects Fund, and several non-major governmental funds had negative cash balances in the County Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the Classroom Site Fund and other non-major governmental funds. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in			Total
	General Fund	Other Federal Projects Fund	Non-Major Governmental Funds	
Transfers out				
General Fund	\$	\$	\$ 317,457	\$ 317,457
Other Federal Projects Fund	173,541			173,541
Non-Major Governmental Funds	816,462	295,383	690	1,112,535
Total	<u>\$ 990,003</u>	<u>\$ 295,383</u>	<u>\$ 318,147</u>	<u>\$ 1,603,533</u>

Transfers between funds were used to (1) move federal grant funds restricted for indirect costs, (2) consolidate federal grant funds for allowable program payments, (3) move investment income earned in the Bond Building Fund, (4) close funds no longer in use, and (5) pay the finance purchase principal.

NOTE 11 – 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.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

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

The District established an Employee Benefit Trust Fund (an internal service fund) to account for and finance its uninsured risks of loss related to employee health. Under this program, the Employee Benefits Trust Fund provides coverage for up to a maximum of \$100,000 for each employee health claim, not to exceed an annual aggregate of \$2.7 million. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 – RISK MANAGEMENT

Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	Claims Payable Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims Payable at End of Year
2021-22	\$ 325,000	\$ 2,513,112	\$ 2,413,112	\$ 425,000
2020-21	325,000	1,799,967	1,799,967	325,000

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Aggregate Amounts. At June 30, 2022, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB	Total
Net liability	\$ 26,978,136	\$ 819,674	\$ 27,797,810
Deferred outflows of	7,627,236		7,627,236
Deferred inflows of resources	8,547,623		8,547,623
Expense	3,043,265	(262,726)	2,780,539
Contributions	3,174,815	174,382	3,349,197

A. Arizona State Retirement System

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

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2022 were \$3.2 million.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 26,978,136	0.205	0.004

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2022 was \$3.0 million.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 411,257	\$
Changes of assumptions or other inputs	3,511,420	
Net difference between projected and actual earnings on pension investments		8,547,623
Changes in proportion and differences between contributions and proportionate share of contributions	529,744	
Contributions subsequent to the measurement date	3,174,815	
Total	\$ 7,627,236	\$ 8,547,623

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

Year Ending June 30:		
2023	\$	443,122
2024		291,564
2025		(1,884,313)
2026		(2,945,575)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

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

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

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

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

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

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 42,434,349	\$ 26,978,136	\$ 14,091,932

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

B. Single-Employer OPEB Plan

Plan Description. Under authority of the Governing Board, the District provides postemployment healthcare coverage on behalf of its eligible retirees up to age 65. The plan is a single-employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan requires 15 consecutive years of employment prior to July 1, 2011, and thus, the plan is closed to new entrants. Generally, resources from the General Fund are used to pay for postemployment benefits.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Benefits Provided. The plan provides postemployment insurance (medical, prescription drug and dental) benefits for eligible retirees up to five years or age 65, whichever occurs first, or until the retiree becomes eligible for medical and dental benefits paid by another employer. Vision and life insurance, provided to District employees, are not extended to retirees. To be eligible for District-paid benefits, a retiree must have 25 consecutive years of service in the District and have been employed by the District for a minimum of 15 consecutive years as of July 1, 2011. The District will pay the difference between the dollar allowance provided by the State of Arizona through the Arizona State Retirement System (\$150) and the cost of the selected plan. Coverage is for the retiree only – dependent coverage is not extended to retirees.

Contributions. For the current fiscal year, the District contributed \$174,382 for these benefits. The District’s regular insurance providers underwrite the retiree policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. A separate financial report is not issued for the plan.

Employees covered by benefit terms. The following employees were covered as of the effective date of the OPEB valuation:

Inactive employees or beneficiaries	7
currently receiving benefit payments	
Active employees	<u>21</u>
Total	<u><u>28</u></u>

Total OPEB Liability. The District’s total OPEB liability of \$819,674 was measured as of June 30, 2022, and was determined through utilization of the alternative measurement method as of that date.

Actuarial Assumptions and Other Inputs. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit cost between the employer and plan members to that point.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2022
Actuarial valuation date	July 1, 2022
Interest rate	None
Inflation rate	2.25%
Projected salary increases	2.50%
Health care cost trend rate:	
Medical and Prescription Drug	7.3% graded down to an ultimate rate of 5.0% over 10 years
Retiree contribution increase	Same as healthcare cost trend rates
ASRS subsidy increases	None
Cost of living adjustments	N/A

The discount rate is based on the estimate of expected long-term plan experience. At June 30, 2022, the discount rate used to measure the total OPEB liability was 3.54 percent, which was a change from 2.16 percent used as of June 30, 2021.

Mortality rates follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates.

Changes in the Total OPEB Liability

Total OPEB Liability – beginning of year	\$ 1,256,782
Changes for the year:	
Service cost	3,159
Interest	25,264
Differences between expected and actual experience	(277,468)
Changes in assumptions or other inputs	(13,681)
Benefit payments	(174,382)
Net changes	<u>(437,108)</u>
Total OPEB Liability – end of year	<u>\$ 819,674</u>

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 13 – PENSIONS AND OTHER POSTEMPLOYMENT BENEFITS

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Rate			
Total OPEB liability	\$ 847,433	\$ 819,674	\$ 793,566

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Rates			
Total OPEB liability	\$ 789,161	\$ 819,674	\$ 851,560

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB. For the year ended June 30, 2022, the District recognized a deficit OPEB expense of \$262,726.

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REQUIRED SUPPLEMENTARY INFORMATION

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GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL
YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Non-GAAP Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 967,639	\$ 967,639
Property taxes			1,988,299	1,988,299
State aid and grants			27,142,323	27,142,323
Total revenues			<u>30,098,261</u>	<u>30,098,261</u>
Expenditures:				
Current -				
Instruction	16,143,432	17,092,136	14,941,266	2,150,870
Support services - students and staff	3,388,486	3,389,704	3,052,821	336,883
Support services - administration	5,394,207	5,588,657	5,146,235	442,422
Operation and maintenance of plant services	4,251,720	4,251,720	4,142,403	109,317
Student transportation services	1,526,556	1,558,119	1,597,200	(39,081)
Operation of non-instructional services	105,308	101,323	38,426	62,897
Total expenditures	<u>30,809,709</u>	<u>31,981,659</u>	<u>28,918,351</u>	<u>3,063,308</u>
Excess (deficiency) of revenues over expenditures	<u>(30,809,709)</u>	<u>(31,981,659)</u>	<u>1,179,910</u>	<u>33,161,569</u>
Other financing sources (uses):				
Transfers in			827	827
Transfers out			(317,457)	(317,457)
Total other financing sources (uses)			<u>(316,630)</u>	<u>(316,630)</u>
Changes in fund balances	<u>(30,809,709)</u>	<u>(31,981,659)</u>	<u>863,280</u>	<u>32,844,939</u>
Fund balances, beginning of year			2,611,672	2,611,672
Increase (decrease) in reserve for prepaid items			364,142	364,142
Fund balances (deficits), end of year	<u>\$ (30,809,709)</u>	<u>\$ (31,981,659)</u>	<u>\$ 3,839,094</u>	<u>\$ 35,820,753</u>

See accompanying notes to this schedule.

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
CLASSROOM SITE
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other local	\$	\$	\$ 6,998	\$ 6,998
State aid and grants			3,948,020	3,948,020
Total revenues			<u>3,955,018</u>	<u>3,955,018</u>
Expenditures:				
Current -				
Instruction	2,191,462	2,575,589	1,778,839	796,750
Support services - students and staff	2,717,814	2,363,262	1,149,304	1,213,958
Total expenditures	<u>4,909,276</u>	<u>4,938,851</u>	<u>2,928,143</u>	<u>2,010,708</u>
Changes in fund balances	<u>(4,909,276)</u>	<u>(4,938,851)</u>	<u>1,026,875</u>	<u>5,965,726</u>
Fund balances, beginning of year			983,433	983,433
Fund balances (deficits), end of year	<u>\$ (4,909,276)</u>	<u>\$ (4,938,851)</u>	<u>\$ 2,010,308</u>	<u>\$ 6,949,159</u>

See accompanying notes to this schedule.

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
OTHER FEDERAL PROJECTS
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	<u>Original & Final</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Federal aid, grants and reimbursements	\$	\$ 6,608,384	\$ 6,608,384
Total revenues		<u>6,608,384</u>	<u>6,608,384</u>
Expenditures:			
Current -			
Instruction	8,850,834	3,020,011	5,830,823
Support services - students and staff		690,379	(690,379)
Support services - administration		333,666	(333,666)
Operation and maintenance of plant services		235,612	(235,612)
Student transportation services		102,795	(102,795)
Operation of non-instructional services		844	(844)
Capital outlay		4,196,990	(4,196,990)
Total expenditures	<u>8,850,834</u>	<u>8,580,297</u>	<u>270,537</u>
Excess (deficiency) of revenues over expenditures	<u>(8,850,834)</u>	<u>(1,971,913)</u>	<u>6,878,921</u>
Other financing sources (uses):			
Transfers in		295,383	295,383
Transfers out		(173,541)	(173,541)
Total other financing sources (uses)		<u>121,842</u>	<u>121,842</u>
Changes in fund balances	<u>(8,850,834)</u>	<u>(1,850,071)</u>	<u>7,000,763</u>
Fund balances (deficits), beginning of year		(320,228)	(320,228)
Fund balances (deficits), end of year	<u>\$ (8,850,834)</u>	<u>\$ (2,170,299)</u>	<u>\$ 6,680,535</u>

See accompanying notes to this schedule.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
ARIZONA STATE RETIREMENT SYSTEM
LAST EIGHT FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net pension (assets) liability	0.21%	0.20%	0.20%	0.19%
District's proportionate share of the net pension (assets) liability	\$ 26,978,136	\$ 34,869,622	\$ 28,910,252	\$ 27,004,571
District's covered payroll	\$ 22,993,631	\$ 21,879,799	\$ 20,910,742	\$ 18,959,083
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	117.33%	159.37%	138.26%	142.44%
Plan fiduciary net position as a percentage of the total pension liability	78.58%	69.33%	73.24%	73.40%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 3,174,815	\$ 2,678,758	\$ 2,505,237	\$ 2,337,821
Contributions in relation to the actuarially determined contribution	<u>3,174,815</u>	<u>2,678,758</u>	<u>2,505,237</u>	<u>2,337,821</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 26,434,763	\$ 22,993,631	\$ 21,879,799	\$ 20,910,742
Contributions as a percentage of covered payroll	12.01%	11.65%	11.45%	11.18%

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

See accompanying notes to this schedule.

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.19%	0.20%	0.20%	0.21%
\$ 30,272,826	\$ 31,544,365	\$ 31,697,360	\$ 30,297,050
\$ 18,901,503	\$ 18,267,585	\$ 19,109,458	\$ 18,780,617
160.16%	172.68%	165.87%	161.32%
69.92%	67.06%	68.35%	69.49%

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 2,066,540	\$ 2,037,582	\$ 1,982,033	\$ 2,081,020
<u>2,066,540</u>	<u>2,037,582</u>	<u>1,982,033</u>	<u>2,081,020</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 18,959,083	\$ 18,901,503	\$ 18,267,585	\$ 19,109,458
10.90%	10.78%	10.85%	10.89%

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFITS PLAN
LAST FIVE FISCAL YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB liability					
Service cost	\$ 3,159	\$ 5,920	\$ 1,783	\$ 13,236	\$ 12,743
Interest	25,264	29,010	52,552	63,105	67,838
Differences between expected and actual experience	(277,468)		(104,757)		
Changes of assumptions or other inputs	(13,681)	1,676	74,062	19,973	
Benefit payments	(174,382)	(185,073)	(239,737)	(211,553)	(193,855)
Net change in total OPEB liability	<u>(437,108)</u>	<u>(148,467)</u>	<u>(216,097)</u>	<u>(115,239)</u>	<u>(113,274)</u>
Total OPEB liability—beginning	<u>1,256,782</u>	<u>1,405,249</u>	<u>1,621,346</u>	<u>1,736,585</u>	<u>1,849,859</u>
Total OPEB liability—ending	<u>\$ 819,674</u>	<u>\$ 1,256,782</u>	<u>\$ 1,405,249</u>	<u>\$ 1,621,346</u>	<u>\$ 1,736,585</u>
Covered-employee payroll	\$ 1,460,117	\$ 1,642,981	\$ 1,581,819	\$ 1,695,088	\$ 1,714,013
Total OPEB liability as a percentage of covered-employee payroll	56.14%	76.49%	88.84%	95.65%	101.32%

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

See accompanying notes to this schedule.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

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

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	\$ 29,740,041	\$ 4,971,284
Activity budgeted as special revenue funds	(544,649)	(1,132,190)
Prior-year prepaid items	(277,041)	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	\$ 28,918,351	\$ 3,839,094

NOTE 2 – PENSION AND OPEB PLAN SCHEDULES

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

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

No assets are accumulated in a trust that meets the criteria in GASB No. 75, paragraph 4, to pay the benefits for the single-employer defined benefit OPEB plan.

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

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GOVERNMENTAL FUNDS

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
JUNE 30, 2022

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
<u>ASSETS</u>			
Cash and investments	\$ 103,098	\$ 615,577	\$ 1,550,879
Property taxes receivable		86,481	40,834
Accounts receivable	26,565		
Due from governmental entities	962,266		777,018
Due from other funds	1,803,530		326,281
Total assets	<u><u>\$ 2,895,459</u></u>	<u><u>\$ 702,058</u></u>	<u><u>\$ 2,695,012</u></u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 361,436	\$	\$ 474,791
Construction contracts payable			232,598
Due to other funds	560,400		
Accrued payroll and employee benefits	9,055		
Unearned revenues	8,595		
Bonds payable		465,000	
Bond interest payable		113,375	
Total liabilities	<u><u>939,486</u></u>	<u><u>578,375</u></u>	<u><u>707,389</u></u>
Deferred inflows of resources:			
Unavailable revenues - property taxes		80,919	37,974
Unavailable revenues - intergovernmental	330,752		209,519
Total deferred inflows of resources	<u><u>330,752</u></u>	<u><u>80,919</u></u>	<u><u>247,493</u></u>
Fund balances (deficits):			
Restricted	1,952,270	42,764	1,971,918
Unassigned	(327,049)		(231,788)
Total fund balances	<u><u>1,625,221</u></u>	<u><u>42,764</u></u>	<u><u>1,740,130</u></u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 2,895,459</u></u>	<u><u>\$ 702,058</u></u>	<u><u>\$ 2,695,012</u></u>

Total Non-Major
Governmental
Funds

\$ 2,269,554
127,315
26,565
1,739,284
2,129,811
\$ 6,292,529

\$ 836,227
232,598
560,400
9,055
8,595
465,000
113,375
2,225,250

118,893
540,271
659,164

3,966,952
(558,837)
3,408,115

\$ 6,292,529

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
YEAR ENDED JUNE 30, 2022

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:			
Other local	\$ 475,681	\$ 77	\$ 26,767
Property taxes		677,675	402,868
State aid and grants	1,733,258		3,559,786
Federal aid, grants and reimbursements	11,505,962		
Total revenues	<u>13,714,901</u>	<u>677,752</u>	<u>3,989,421</u>
Expenditures:			
Current -			
Instruction	4,499,554		
Support services - students and staff	3,026,011		
Support services - administration	341,818		
Operation and maintenance of plant services	62,593		
Student transportation services	36,296		
Operation of non-instructional services	4,318,952		
Capital outlay	246,041		4,682,062
Debt service -			
Principal retirement		465,000	209,166
Interest and fiscal charges		227,400	106,234
Total expenditures	<u>12,531,265</u>	<u>692,400</u>	<u>4,997,462</u>
Excess (deficiency) of revenues over expenditures	<u>1,183,636</u>	<u>(14,648)</u>	<u>(1,008,041)</u>
Other financing sources (uses):			
Transfers in	2,057	690	315,400
Transfers out	(1,111,845)		(690)
Total other financing sources (uses)	<u>(1,109,788)</u>	<u>690</u>	<u>314,710</u>
Changes in fund balances	<u>73,848</u>	<u>(13,958)</u>	<u>(693,331)</u>
Fund balances, beginning of year	1,551,373	56,722	2,433,461
Fund balances, end of year	<u>\$ 1,625,221</u>	<u>\$ 42,764</u>	<u>\$ 1,740,130</u>

Total Non-Major
Governmental
Funds

\$ 502,525
1,080,543
5,293,044
11,505,962
18,382,074

4,499,554
3,026,011
341,818
62,593
36,296
4,318,952
4,928,103

674,166
333,634
18,221,127

160,947

318,147
(1,112,535)
(794,388)

(633,441)

4,041,556
\$ 3,408,115

SPECIAL REVENUE FUNDS

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

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

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

Title IV Grants – to account for financial assistance received for 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.

E-Rate - to account for monies received to reimburse the District for broadband internet and telecommunications costs.

Gifted - to account for financial assistance received for programs for gifted students.

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

Rural Assistance - to account for state assistance received to assist homeless of special needs pupils.

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

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

Food Service - to account 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.

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

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

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

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

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

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

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

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

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Instructional Improvement	Title I Grants	Title IV Grants
<u>ASSETS</u>			
Cash and investments	\$	\$	\$
Accounts receivable			
Due from governmental entities	87,905	241,613	265,545
Due from other funds	109,265		
Total assets	\$ 197,170	\$ 241,613	\$ 265,545
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$ 84,271	\$ 117,532
Due to other funds		148,287	148,013
Accrued payroll and employee benefits		9,055	
Unearned revenues			
Total liabilities		241,613	265,545
Deferred inflows of resources:			
Unavailable revenues - intergovernmental		33,155	265,545
Fund balances (deficits):			
Restricted	197,170		
Unassigned		(33,155)	(265,545)
Total fund balances	197,170	(33,155)	(265,545)
 Total liabilities, deferred inflows of resources and fund balances	\$ 197,170	\$ 241,613	\$ 265,545

<u>Limited English and Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>	<u>Food Service</u>
\$	\$	\$	\$ 8,970	\$ 27,232	\$ 260
10,749	17,600	249,887		10,336	78,631
<u>\$ 10,749</u>	<u>\$ 17,600</u>	<u>\$ 249,887</u>	<u>\$ 8,970</u>	<u>\$ 37,568</u>	<u>\$ 1,499,917</u>
					<u>\$ 1,578,808</u>
\$	\$ 10,433	\$	\$	\$	\$ 149,200
10,749	7,167	246,184			
<u>10,749</u>	<u>17,600</u>	<u>246,184</u>		<u>8,595</u>	<u>149,200</u>
				<u>8,595</u>	
<u>10,749</u>	<u>17,600</u>	<u>3,703</u>			
			8,970	28,973	1,429,608
<u>(10,749)</u>	<u>(17,600)</u>		<u>8,970</u>	<u>28,973</u>	<u>1,429,608</u>
<u>\$ 10,749</u>	<u>\$ 17,600</u>	<u>\$ 249,887</u>	<u>\$ 8,970</u>	<u>\$ 37,568</u>	<u>\$ 1,578,808</u>

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	Civic Center	Extracurricular Activities Fees Tax Credit	Gifts and Donations
<u>ASSETS</u>			
Cash and investments	\$	\$	\$
Accounts receivable	26,565		
Due from governmental entities			
Due from other funds	2,767	94,307	97,274
Total assets	\$ 29,332	\$ 94,307	\$ 97,274
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$	\$	\$
Due to other funds			
Accrued payroll and employee benefits			
Unearned revenues			
Total liabilities			
Deferred inflows of resources:			
Unavailable revenues - intergovernmental			
Fund balances (deficits):			
Restricted	29,332	94,307	97,274
Unassigned			
Total fund balances	29,332	94,307	97,274
 Total liabilities, deferred inflows of resources and fund balances	\$ 29,332	\$ 94,307	\$ 97,274

<u>Textbooks</u>	<u>Litigation Recovery</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 3,756	\$ 989	\$ 61,891	\$ 103,098
			26,565
			962,266
			1,803,530
<u>\$ 3,756</u>	<u>\$ 989</u>	<u>\$ 61,891</u>	<u>\$ 2,895,459</u>
			\$ 361,436
			560,400
			9,055
			8,595
			<u>939,486</u>
			<u>330,752</u>
3,756	989	61,891	1,952,270
			(327,049)
<u>3,756</u>	<u>989</u>	<u>61,891</u>	<u>1,625,221</u>
<u>\$ 3,756</u>	<u>\$ 989</u>	<u>\$ 61,891</u>	<u>\$ 2,895,459</u>

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Instructional Improvement	Title I Grants	Professional Development and Technology Grants
Revenues:			
Other local	\$	\$	\$
State aid and grants	271,061		
Federal aid, grants and reimbursements		3,038,218	311,460
Total revenues	271,061	3,038,218	311,460
Expenditures:			
Current -			
Instruction	135,530	749,049	
Support services - students and staff	33,257	1,754,627	
Support services - administration		248,264	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		20,720	
Capital outlay		28,871	
Total expenditures	168,787	2,801,531	
Excess (deficiency) of revenues over expenditures	102,274	236,687	311,460
Other financing sources (uses):			
Transfers in			
Transfers out		(102,638)	(308,096)
Total other financing sources (uses)		(102,638)	(308,096)
Changes in fund balances	102,274	134,049	3,364
Fund balances (deficits), beginning of year	94,896	(167,204)	(3,364)
Fund balances (deficits), end of year	\$ 197,170	\$ (33,155)	\$

<u>Title IV Grants</u>	<u>Limited English and Immigrant Students</u>	<u>Special Education Grants</u>	<u>E-Rate</u>	<u>Results-based Funding</u>	<u>Other State Projects</u>
\$	\$	\$	\$	\$	\$
				547,976	914,221
<u>1,225,169</u>	<u>334,947</u>	<u>937,569</u>	<u>565,223</u>	<u>547,976</u>	<u>914,221</u>
<u>1,225,169</u>	<u>334,947</u>	<u>937,569</u>	<u>565,223</u>	<u>547,976</u>	<u>914,221</u>
715,162	304,574	519,650	543,962	637,027	560,311
269,461	17,590	299,649		85,222	493,151
21,910		2,808	21,261	41,572	
		34,696			2,072
19,715					
38,317		5,821			
<u>1,064,565</u>	<u>322,164</u>	<u>862,624</u>	<u>565,223</u>	<u>763,821</u>	<u>1,055,534</u>
<u>160,604</u>	<u>12,783</u>	<u>74,945</u>		<u>(215,845)</u>	<u>(141,313)</u>
	1,273	784			
<u>(26,114)</u>	<u>(13,203)</u>	<u>(31,667)</u>			
<u>(26,114)</u>	<u>(11,930)</u>	<u>(30,883)</u>			
<u>134,490</u>	<u>853</u>	<u>44,062</u>		<u>(215,845)</u>	<u>(141,313)</u>
<u>(400,035)</u>	<u>(11,602)</u>	<u>(61,662)</u>		<u>224,815</u>	<u>170,286</u>
<u>\$ (265,545)</u>	<u>\$ (10,749)</u>	<u>\$ (17,600)</u>	<u>\$</u>	<u>\$ 8,970</u>	<u>\$ 28,973</u>

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Food Service	Civic Center	Extracurricular Activities Fees Tax Credit
Revenues:			
Other local	\$ 79,564	\$ 60,351	\$ 7,996
State aid and grants			
Federal aid, grants and reimbursements	5,093,376		
Total revenues	5,172,940	60,351	7,996
Expenditures:			
Current -			
Instruction			3,850
Support services - students and staff			65,032
Support services - administration			
Operation and maintenance of plant services		60,081	
Student transportation services			
Operation of non-instructional services	4,278,517		
Capital outlay	168,275		
Total expenditures	4,446,792	60,081	68,882
Excess (deficiency) of revenues over expenditures	726,148	270	(60,886)
Other financing sources (uses):			
Transfers in			
Transfers out	(630,127)		
Total other financing sources (uses)	(630,127)		
Changes in fund balances	96,021	270	(60,886)
Fund balances (deficits), beginning of year	1,333,587	29,062	155,193
Fund balances, end of year	\$ 1,429,608	\$ 29,332	\$ 94,307

<u>Gifts and Donations</u>	<u>Textbooks</u>	<u>Litigation Recovery</u>	<u>Student Activities</u>	<u>Totals</u>
\$ 107,945	\$ 313	\$	\$ 219,512	\$ 475,681
				1,733,258
				11,505,962
<u>107,945</u>	<u>313</u>		<u>219,512</u>	<u>13,714,901</u>
105,724			224,715	4,499,554
8,022				3,026,011
6,003				341,818
440				62,593
1,600				36,296
				4,318,952
4,157			600	246,041
<u>125,946</u>			<u>225,315</u>	<u>12,531,265</u>
<u>(18,001)</u>	<u>313</u>		<u>(5,803)</u>	<u>1,183,636</u>
				2,057
				<u>(1,111,845)</u>
				<u>(1,109,788)</u>
<u>(18,001)</u>	<u>313</u>		<u>(5,803)</u>	<u>73,848</u>
115,275	3,443	989	67,694	1,551,373
<u>\$ 97,274</u>	<u>\$ 3,756</u>	<u>\$ 989</u>	<u>\$ 61,891</u>	<u>\$ 1,625,221</u>

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Instructional Improvement		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants		271,061	271,061
Federal aid, grants and reimbursements			
Total revenues		<u>271,061</u>	<u>271,061</u>
Expenditures:			
Current -			
Instruction	250,000	135,530	114,470
Support services - students and staff		33,257	(33,257)
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>250,000</u>	<u>168,787</u>	<u>81,213</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>102,274</u>	<u>352,274</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(250,000)</u>	<u>102,274</u>	<u>352,274</u>
Fund balances (deficits), beginning of year		94,896	94,896
Fund balances (deficits), end of year	<u>\$ (250,000)</u>	<u>\$ 197,170</u>	<u>\$ 447,170</u>

Title I Grants			Professional Development and Technology Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	3,038,218	3,038,218		311,460	311,460
	3,038,218	3,038,218		311,460	311,460
	749,049	(749,049)	279,292		279,292
2,899,902	1,754,627	1,145,275			
	248,264	(248,264)			
	20,720	(20,720)			
	28,871	(28,871)			
2,899,902	2,801,531	98,371	279,292		279,292
(2,899,902)	236,687	3,136,589	(279,292)	311,460	590,752
	(102,638)	(102,638)		(308,096)	(308,096)
	(102,638)	(102,638)		(308,096)	(308,096)
(2,899,902)	134,049	3,033,951	(279,292)	3,364	282,656
	(167,204)	(167,204)		(3,364)	(3,364)
\$ (2,899,902)	\$ (33,155)	\$ 2,866,747	\$ (279,292)	\$	\$ 279,292

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Title IV Grants		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		1,225,169	1,225,169
Total revenues		<u>1,225,169</u>	<u>1,225,169</u>
Expenditures:			
Current -			
Instruction	933,987	715,162	218,825
Support services - students and staff		269,461	(269,461)
Support services - administration		21,910	(21,910)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services		19,715	(19,715)
Capital outlay		38,317	(38,317)
Total expenditures	<u>933,987</u>	<u>1,064,565</u>	<u>(130,578)</u>
Excess (deficiency) of revenues over expenditures	<u>(933,987)</u>	<u>160,604</u>	<u>1,094,591</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(26,114)	(26,114)
Total other financing sources (uses)		<u>(26,114)</u>	<u>(26,114)</u>
Changes in fund balances	<u>(933,987)</u>	<u>134,490</u>	<u>1,068,477</u>
Fund balances (deficits), beginning of year		(400,035)	(400,035)
Fund balances (deficits), end of year	<u>\$ (933,987)</u>	<u>\$ (265,545)</u>	<u>\$ 668,442</u>

Limited English and Immigrant Students			Special Education Grants		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	334,947	334,947		937,569	937,569
	334,947	334,947		937,569	937,569
390,594	304,574	86,020	879,588	519,650	359,938
	17,590	(17,590)		299,649	(299,649)
				2,808	(2,808)
				34,696	(34,696)
				5,821	(5,821)
390,594	322,164	68,430	879,588	862,624	16,964
(390,594)	12,783	403,377	(879,588)	74,945	954,533
	1,273	1,273		784	784
	(13,203)	(13,203)		(31,667)	(31,667)
	(11,930)	(11,930)		(30,883)	(30,883)
(390,594)	853	391,447	(879,588)	44,062	923,650
	(11,602)	(11,602)		(61,662)	(61,662)
\$ (390,594)	\$ (10,749)	\$ 379,845	\$ (879,588)	\$ (17,600)	\$ 861,988

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	E-Rate		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements		565,223	565,223
Total revenues		<u>565,223</u>	<u>565,223</u>
Expenditures:			
Current -			
Instruction	241,903	543,962	(302,059)
Support services - students and staff			
Support services - administration		21,261	(21,261)
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures	<u>241,903</u>	<u>565,223</u>	<u>(323,320)</u>
Excess (deficiency) of revenues over expenditures	<u>(241,903)</u>		<u>241,903</u>
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	<u>(241,903)</u>		<u>241,903</u>
Fund balances (deficits), beginning of year			
Fund balances (deficits), end of year	<u>\$ (241,903)</u>	<u>\$</u>	<u>\$ 241,903</u>

Gifted			Results-based Funding		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
				547,976	547,976
				547,976	547,976
4,000		4,000	437,564	637,027	(199,463)
				85,222	(85,222)
				41,572	(41,572)
4,000		4,000	437,564	763,821	(326,257)
(4,000)		4,000	(437,564)	(215,845)	221,719
(4,000)		4,000	(437,564)	(215,845)	221,719
				224,815	224,815
\$ (4,000)	\$	\$ 4,000	\$ (437,564)	\$ 8,970	\$ 446,534

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Rural Assistance		Variance - Positive (Negative)
	Budget	Non-GAAP Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances			
Fund balances (deficits), beginning of year		57,527	57,527
Fund balances (deficits), end of year	\$	\$ 57,527	\$ 57,527

Other State Projects			School Plant		
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	914,221	914,221		1,200	1,200
	<u>914,221</u>	<u>914,221</u>		<u>1,200</u>	<u>1,200</u>
952,296	560,311	391,985			
	493,151	(493,151)			
	2,072	(2,072)	30,667		30,667
<u>952,296</u>	<u>1,055,534</u>	<u>(103,238)</u>	<u>30,667</u>		<u>30,667</u>
<u>(952,296)</u>	<u>(141,313)</u>	<u>810,983</u>	<u>(30,667)</u>	<u>1,200</u>	<u>31,867</u>
<u>(952,296)</u>	<u>(141,313)</u>	<u>810,983</u>	<u>(30,667)</u>	<u>1,200</u>	<u>31,867</u>
	170,286	170,286		17,811	17,811
<u>\$ (952,296)</u>	<u>\$ 28,973</u>	<u>\$ 981,269</u>	<u>\$ (30,667)</u>	<u>\$ 19,011</u>	<u>\$ 49,678</u>

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Food Service		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 79,564	\$ 79,564
State aid and grants			
Federal aid, grants and reimbursements		5,093,376	5,093,376
Total revenues		<u>5,172,940</u>	<u>5,172,940</u>
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services	3,927,940	4,278,517	(350,577)
Capital outlay		168,275	(168,275)
Total expenditures	<u>3,927,940</u>	<u>4,446,792</u>	<u>(518,852)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,927,940)</u>	<u>726,148</u>	<u>4,654,088</u>
Other financing sources (uses):			
Transfers in			
Transfers out		(630,127)	(630,127)
Total other financing sources (uses)		<u>(630,127)</u>	<u>(630,127)</u>
Changes in fund balances	<u>(3,927,940)</u>	<u>96,021</u>	<u>4,023,961</u>
Fund balances (deficits), beginning of year		1,333,587	1,333,587
Fund balances (deficits), end of year	<u>\$ (3,927,940)</u>	<u>\$ 1,429,608</u>	<u>\$ 5,357,548</u>

Civic Center			Extracurricular Activities Fees Tax Credit		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 60,351	\$ 60,351	\$	\$ 7,996	\$ 7,996
	<u>60,351</u>	<u>60,351</u>		<u>7,996</u>	<u>7,996</u>
				3,850	(3,850)
				65,032	(65,032)
44,880	60,081	(15,201)			
<u>44,880</u>	<u>60,081</u>	<u>(15,201)</u>		<u>68,882</u>	<u>(68,882)</u>
<u>(44,880)</u>	<u>270</u>	<u>45,150</u>		<u>(60,886)</u>	<u>(60,886)</u>
<u>(44,880)</u>	<u>270</u>	<u>45,150</u>		<u>(60,886)</u>	<u>(60,886)</u>
	29,062	29,062		155,193	155,193
<u>\$ (44,880)</u>	<u>\$ 29,332</u>	<u>\$ 74,212</u>	<u>\$</u>	<u>\$ 94,307</u>	<u>\$ 94,307</u>

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Gifts and Donations		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 107,945	\$ 107,945
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		107,945	107,945
Expenditures:			
Current -			
Instruction	40,970	105,724	(64,754)
Support services - students and staff		8,022	(8,022)
Support services - administration		6,003	(6,003)
Operation and maintenance of plant services		440	(440)
Student transportation services		1,600	(1,600)
Operation of non-instructional services			
Capital outlay		4,157	(4,157)
Total expenditures	40,970	125,946	(84,976)
Excess (deficiency) of revenues over expenditures	(40,970)	(18,001)	22,969
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(40,970)	(18,001)	22,969
Fund balances (deficits), beginning of year		115,275	115,275
Fund balances (deficits), end of year	\$ (40,970)	\$ 97,274	\$ 138,244

Insurance Proceeds			Textbooks		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 5,401	\$ 5,401	\$	\$ 313	\$ 313
	<u>5,401</u>	<u>5,401</u>		<u>313</u>	<u>313</u>
	2,343	(2,343)	1,741		1,741
	960	(960)			
	<u>3,303</u>	<u>(3,303)</u>	<u>1,741</u>		<u>1,741</u>
	<u>2,098</u>	<u>2,098</u>	<u>(1,741)</u>	<u>313</u>	<u>2,054</u>
	<u>2,098</u>	<u>2,098</u>	<u>(1,741)</u>	<u>313</u>	<u>2,054</u>
	80	80		3,443	3,443
<u>\$</u>	<u>\$ 2,178</u>	<u>\$ 2,178</u>	<u>\$ (1,741)</u>	<u>\$ 3,756</u>	<u>\$ 5,497</u>

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Litigation Recovery		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues			
Expenditures:			
Current -			
Instruction			
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay			
Total expenditures			
Excess (deficiency) of revenues over expenditures			
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances			
Fund balances (deficits), beginning of year		989	989
Fund balances (deficits), end of year	\$	\$ 989	\$ 989

Indirect Costs			Advertisement		
Budget	Non-GAAP Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$	\$	\$	\$	\$
	1,060	(1,060)	25,347		25,347
	247,994	(247,994)			
747,618	292,292	455,326			
<u>747,618</u>	<u>541,346</u>	<u>206,272</u>	<u>25,347</u>		<u>25,347</u>
<u>(747,618)</u>	<u>(541,346)</u>	<u>206,272</u>	<u>(25,347)</u>		<u>25,347</u>
	989,176	989,176			
	<u>989,176</u>	<u>989,176</u>			
<u>(747,618)</u>	<u>447,830</u>	<u>1,195,448</u>	<u>(25,347)</u>		<u>25,347</u>
	580,297	580,297		25,347	25,347
<u>\$ (747,618)</u>	<u>\$ 1,028,127</u>	<u>\$ 1,775,745</u>	<u>\$ (25,347)</u>	<u>\$ 25,347</u>	<u>\$ 50,694</u>

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2022

	Student Activities		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 219,512	\$ 219,512
State aid and grants			
Federal aid, grants and reimbursements			
Total revenues		219,512	219,512
Expenditures:			
Current -			
Instruction	183,400	224,715	(41,315)
Support services - students and staff			
Support services - administration			
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		600	(600)
Total expenditures	183,400	225,315	(41,915)
Excess (deficiency) of revenues over expenditures	(183,400)	(5,803)	177,597
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(183,400)	(5,803)	177,597
Fund balances (deficits), beginning of year		67,694	67,694
Fund balances (deficits), end of year	\$ (183,400)	\$ 61,891	\$ 245,291

Totals		
Budget	Non-GAAP Actual	Variance - Positive (Negative)
\$	\$ 482,282	\$ 482,282
	1,733,258	1,733,258
	<u>11,505,962</u>	<u>11,505,962</u>
	<u>13,721,502</u>	<u>13,721,502</u>
4,620,682	4,502,957	117,725
2,899,902	3,274,965	(375,063)
747,618	634,110	113,508
75,547	62,593	12,954
	36,296	(36,296)
3,927,940	4,318,952	(391,012)
	<u>246,041</u>	<u>(246,041)</u>
<u>12,271,689</u>	<u>13,075,914</u>	<u>(804,225)</u>
<u>(12,271,689)</u>	<u>645,588</u>	<u>12,917,277</u>
	991,233	991,233
	<u>(1,111,845)</u>	<u>(1,111,845)</u>
	<u>(120,612)</u>	<u>(120,612)</u>
<u>(12,271,689)</u>	<u>524,976</u>	<u>12,796,665</u>
	2,232,435	2,232,435
<u>\$ (12,271,689)</u>	<u>\$ 2,757,411</u>	<u>\$ 15,029,100</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.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
NON-MAJOR DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2022

	Debt Service		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 77	\$ 77
Property taxes		677,675	677,675
Total revenues		677,752	677,752
Expenditures:			
Debt service -			
Principal retirement	465,000	465,000	
Interest and fiscal charges	227,450	227,400	50
Total expenditures	692,450	692,400	50
Excess (deficiency) of revenues over expenditures	(692,450)	(14,648)	677,802
Other financing sources (uses):			
Transfers in		690	690
Total other financing sources (uses)		690	690
Changes in fund balances	(692,450)	(13,958)	678,492
Fund balances, beginning of year		56,722	56,722
Fund balances (deficits), end of year	\$ (692,450)	\$ 42,764	\$ 735,214

CAPITAL PROJECTS FUNDS

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

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

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

Energy and Water Savings - to account for capital investment monies, energy related 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 Grant - to account for building renewal grant monies requested from the School Facilities Board that are used for infrastructure or major upgrades, repairs, or renovations to areas, systems, or buildings that will maintain or extend their useful life.

New School Facilities - to account for monies received from the School Facilities Board to be used for constructing new school facilities and purchasing land for new school sites.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022

	Unrestricted Capital Outlay	Adjacent Ways	Building Renewal Grant
<u>ASSETS</u>			
Cash and investments	\$ 803,019	\$ 745,291	\$ 2,567
Property taxes receivable	5,510	35,324	
Due from governmental entities	168,370		608,648
Due from other funds	326,281		
Total assets	\$ 1,303,180	\$ 780,615	\$ 611,215
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES</u>			
<u>AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 73,905	\$	\$ 400,886
Construction contracts payable			232,598
Total liabilities	73,905		633,484
Deferred inflows of resources:			
Unavailable revenues - property taxes	5,510	32,464	
Unavailable revenues - intergovernmental			209,519
Total deferred inflows of resources	5,510	32,464	209,519
Fund balances (deficits):			
Restricted	1,223,765	748,151	
Unassigned			(231,788)
Total fund balances	1,223,765	748,151	(231,788)
 Total liabilities, deferred inflows of resources and fund balances	 \$ 1,303,180	 \$ 780,615	 \$ 611,215

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NON-MAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	<u>Unrestricted Capital Outlay</u>	<u>Adjacent Ways</u>	<u>Bond Building</u>
Revenues:			
Other local	\$ 23,831	\$ 2,030	\$ 690
Property taxes	54,410	348,458	
State aid and grants	1,333,122		
Total revenues	<u>1,411,363</u>	<u>350,488</u>	<u>690</u>
Expenditures:			
Capital outlay	1,317,278	15,543	889,979
Debt service - Principal retirement			
Interest and fiscal charges			
Total expenditures	<u>1,317,278</u>	<u>15,543</u>	<u>889,979</u>
Excess (deficiency) of revenues over expenditures	<u>94,085</u>	<u>334,945</u>	<u>(889,289)</u>
Other financing sources (uses):			
Transfers in			
Transfers out			(690)
Total other financing sources (uses)			<u>(690)</u>
Changes in fund balances	<u>94,085</u>	<u>334,945</u>	<u>(889,979)</u>
Fund balances, beginning of year	1,129,680	413,206	889,979
Fund balances (deficits), end of year	<u>\$ 1,223,765</u>	<u>\$ 748,151</u>	<u>\$</u>

<u>Energy and Water Savings</u>	<u>Building Renewal Grant</u>	<u>New School Facilities</u>	<u>Totals</u>
\$	\$ 216	\$	\$ 26,767
	2,226,664		402,868
	<u>2,226,880</u>		<u>3,559,786</u>
			<u>3,989,421</u>
	2,459,262		4,682,062
209,166			209,166
106,234			106,234
<u>315,400</u>	<u>2,459,262</u>		<u>4,997,462</u>
<u>(315,400)</u>	<u>(232,382)</u>		<u>(1,008,041)</u>
315,400			315,400
<u>315,400</u>			<u>(690)</u>
			<u>314,710</u>
	<u>(232,382)</u>		<u>(693,331)</u>
	594	2	2,433,461
<u>\$</u>	<u>\$ (231,788)</u>	<u>\$ 2</u>	<u>\$ 1,740,130</u>

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Unrestricted Capital Outlay		
	Budget	Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 23,831	\$ 23,831
Property taxes		54,410	54,410
State aid and grants		1,333,122	1,333,122
Total revenues		1,411,363	1,411,363
Expenditures:			
Capital outlay	2,541,032	1,317,278	1,223,754
Debt service - Principal retirement Interest and fiscal charges			
Total expenditures	2,541,032	1,317,278	1,223,754
Excess (deficiency) of revenues over expenditures	(2,541,032)	94,085	2,635,117
Other financing sources (uses):			
Transfers in			
Transfers out			
Total other financing sources (uses)			
Changes in fund balances	(2,541,032)	94,085	2,635,117
Fund balances, beginning of year		1,129,680	1,129,680
Fund balances (deficits), end of year	\$ (2,541,032)	\$ 1,223,765	\$ 3,764,797

Adjacent Ways			Bond Building		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 2,030	\$ 2,030	\$	\$ 690	\$ 690
	348,458	348,458			
	<u>350,488</u>	<u>350,488</u>		<u>690</u>	<u>690</u>
503,783	15,543	488,240	890,000	889,979	21
<u>503,783</u>	<u>15,543</u>	<u>488,240</u>	<u>890,000</u>	<u>889,979</u>	<u>21</u>
(503,783)	334,945	838,728	(890,000)	(889,289)	711
				(690)	(690)
				(690)	(690)
(503,783)	334,945	838,728	(890,000)	(889,979)	21
	413,206	413,206		889,979	889,979
<u>\$ (503,783)</u>	<u>\$ 748,151</u>	<u>\$ 1,251,934</u>	<u>\$ (890,000)</u>	<u>\$</u>	<u>\$ 890,000</u>

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Energy and Water Savings		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$	\$
Property taxes			
State aid and grants			
Total revenues			
Expenditures:			
Capital outlay			
Debt service -			
Principal retirement	209,166	209,166	
Interest and fiscal charges	106,234	106,234	
Total expenditures	315,400	315,400	
Excess (deficiency) of revenues over expenditures	(315,400)	(315,400)	
Other financing sources (uses):			
Transfers in		315,400	315,400
Transfers out			
Total other financing sources (uses)		315,400	315,400
Changes in fund balances	(315,400)		315,400
Fund balances, beginning of year			
Fund balances (deficits), end of year	\$ (315,400)	\$	\$ 315,400

Building Renewal Grant			New School Facilities		
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)
\$	\$ 216	\$ 216	\$	\$	\$
	2,226,664	2,226,664			
	2,226,880	2,226,880			
3,080,044	2,459,262	620,782			
3,080,044	2,459,262	620,782			
(3,080,044)	(232,382)	2,847,662			
(3,080,044)	(232,382)	2,847,662			
	594	594		2	2
\$ (3,080,044)	\$ (231,788)	\$ 2,848,256	\$	\$ 2	\$ 2

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
ALL CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2022

	Totals		Variance - Positive (Negative)
	Budget	Actual	
Revenues:			
Other local	\$	\$ 26,767	\$ 26,767
Property taxes		402,868	402,868
State aid and grants		3,559,786	3,559,786
Total revenues		<u>3,989,421</u>	<u>3,989,421</u>
Expenditures:			
Capital outlay	7,014,859	4,682,062	2,332,797
Debt service -			
Principal retirement	209,166	209,166	
Interest and fiscal charges	106,234	106,234	
Total expenditures	<u>7,330,259</u>	<u>4,997,462</u>	<u>2,332,797</u>
Excess (deficiency) of revenues over expenditures	<u>(7,330,259)</u>	<u>(1,008,041)</u>	<u>6,322,218</u>
Other financing sources (uses):			
Transfers in		315,400	315,400
Transfers out		(690)	(690)
Total other financing sources (uses)		<u>314,710</u>	<u>314,710</u>
Changes in fund balances	<u>(7,330,259)</u>	<u>(693,331)</u>	<u>6,636,928</u>
Fund balances, beginning of year		2,433,461	2,433,461
Fund balances (deficits), end of year	<u>\$ (7,330,259)</u>	<u>\$ 1,740,130</u>	<u>\$ 9,070,389</u>

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

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GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

Fiscal Year Ended June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Position:					
Net investment in capital assets	\$ 33,898,897	\$ 30,185,296	\$ 30,716,005	\$ 31,467,837	\$ 30,490,064
Restricted	6,099,856	5,006,157	3,265,707	3,582,350	3,975,986
Unrestricted	(22,371,221)	(24,646,073)	(25,426,594)	(26,491,379)	(28,369,201)
Total net position	<u>\$ 17,627,532</u>	<u>\$ 10,545,380</u>	<u>\$ 8,555,118</u>	<u>\$ 8,558,808</u>	<u>\$ 6,096,849</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net Position:					
Net investment in capital assets	\$ 31,428,386	\$ 32,339,293	\$ 33,256,504	\$ 34,676,218	\$ 36,199,333
Restricted	3,790,915	4,256,828	6,584,784	3,875,180	3,512,106
Unrestricted	(27,989,559)	(29,921,184)	(33,565,228)	1,176,937	1,151,679
Total net position	<u>\$ 7,229,742</u>	<u>\$ 6,674,937</u>	<u>\$ 6,276,060</u>	<u>\$ 39,728,335</u>	<u>\$ 40,863,118</u>

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

Note: Negative unrestricted net position was due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 in fiscal year 2014-15.

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenses					
Instruction	\$ 26,351,150	\$ 22,634,806	\$ 22,043,164	\$ 19,536,159	\$ 19,302,245
Support services - students and staff	8,384,155	7,512,345	6,193,187	5,851,079	5,660,073
Support services - administration	6,896,195	5,959,727	5,654,655	4,845,946	4,727,937
Operation and maintenance of plant services	4,815,680	4,471,493	4,453,132	4,471,859	4,061,569
Student transportation services	2,506,573	1,884,195	1,961,168	1,740,757	1,729,496
Operation of non-instructional services	4,491,258	3,939,448	4,067,677	4,062,937	3,666,089
Interest on long-term debt	296,909	315,372	294,768	281,277	303,463
Total expenses	<u>53,741,920</u>	<u>46,717,386</u>	<u>44,667,751</u>	<u>40,790,014</u>	<u>39,450,872</u>
Program Revenues					
Charges for services:					
Instruction	258,319	33,881	233,033	35,397	7,912
Operation of non-instructional services	79,564	16,402	159,083	136,688	111,233
Other activities	60,351	60,211	58,084	71,688	49,863
Operating grants and contributions	17,123,689	12,997,942	9,764,069	9,400,444	9,307,194
Capital grants and contributions	6,496,663	2,264,082	1,172,606	841,452	4,440
Total program revenues	<u>24,018,586</u>	<u>15,372,518</u>	<u>11,386,875</u>	<u>10,485,669</u>	<u>9,480,642</u>
Net (Expense)/Revenue	<u>\$ (29,723,334)</u>	<u>\$ (31,344,868)</u>	<u>\$ (33,280,876)</u>	<u>\$ (30,304,345)</u>	<u>\$ (29,970,230)</u>

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenses					
Instruction	\$ 19,656,263	\$ 18,971,594	\$ 19,939,178	\$ 19,342,748	\$ 20,189,392
Support services - students and staff	5,841,770	5,473,798	5,893,916	6,424,973	6,299,240
Support services - administration	4,565,808	4,934,827	4,813,832	4,481,089	4,482,150
Operation and maintenance of plant services	3,692,687	4,046,415	4,018,776	3,710,104	4,202,387
Student transportation services	1,616,973	1,443,631	1,599,192	1,468,667	1,535,485
Operation of non-instructional services	3,778,866	3,626,073	3,301,187	2,933,475	2,914,038
Interest on long-term debt	322,181	139,385	9,225	18,175	25,075
Total expenses	<u>39,474,548</u>	<u>38,635,723</u>	<u>39,575,306</u>	<u>38,379,231</u>	<u>39,647,767</u>
Program Revenues					
Charges for services:					
Instruction	27,756	28,327	13,491	46,522	12,644
Operation of non-instructional services	86,748	80,789	80,573	99,277	112,420
Other activities	34,545	45,438	43,578	47,595	40,909
Operating grants and contributions	9,739,207	10,254,603	10,311,314	11,095,324	11,232,248
Capital grants and contributions	35,936	364,506	79,662	190,567	814,489
Total program revenues	<u>9,924,192</u>	<u>10,773,663</u>	<u>10,528,618</u>	<u>11,479,285</u>	<u>12,212,710</u>
Net (Expense)/Revenue	<u>\$ (29,550,356)</u>	<u>\$ (27,862,060)</u>	<u>\$ (29,046,688)</u>	<u>\$ (26,899,946)</u>	<u>\$ (27,435,057)</u>

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

(Concluded)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net (Expense)/Revenue	\$ (29,723,334)	\$ (31,344,868)	\$ (33,280,876)	\$ (30,304,345)	\$ (29,970,230)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	2,049,625	1,421,730	1,314,978	1,208,605	1,121,816
Property taxes, levied for debt service	689,819	696,979	782,322	1,127,766	1,087,395
Property taxes, levied for capital outlay	401,924	439,748	404,248	391,551	277,093
Investment income	21,686	39,947	84,377	71,075	58,853
Unrestricted county aid	947,906	931,946	867,011	954,965	988,504
Unrestricted state aid	32,694,526	29,804,780	29,778,241	29,012,342	26,970,021
Total general revenues	36,805,486	33,335,130	33,231,177	32,766,304	30,503,682
Changes in Net Position	\$ 7,082,152	\$ 1,990,262	\$ (49,699)	\$ 2,461,959	\$ 533,452

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Net (Expense)/Revenue	\$ (29,550,356)	\$ (27,862,060)	\$ (29,046,688)	\$ (26,899,946)	\$ (27,435,057)
General Revenues:					
Taxes:					
Property taxes, levied for general purposes	1,361,166	1,106,689	1,036,462	885,556	1,130,793
Property taxes, levied for debt service	947,311	4,272	128,358	121,578	120,711
Property taxes, levied for capital outlay	272,924	8	916	27,455	7,197
Investment income	48,350	23,942	21,651	17,312	29,362
Unrestricted county aid	1,021,451	1,044,488	1,085,184	1,033,388	997,361
Unrestricted state aid	26,453,969	26,081,538	25,634,028	23,679,874	22,802,804
Unrestricted federal aid			4,447		15,395
Total general revenues	<u>30,105,171</u>	<u>28,260,937</u>	<u>27,911,046</u>	<u>25,765,163</u>	<u>25,103,623</u>
Changes in Net Position	<u>\$ 554,815</u>	<u>\$ 398,877</u>	<u>\$ (1,135,642)</u>	<u>\$ (1,134,783)</u>	<u>\$ (2,331,434)</u>

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

(Concluded)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund:					
Nonspendable	\$ 364,142	\$	\$	\$	\$
Unassigned	4,607,142	3,569,775	2,830,315	1,861,510	1,458,253
Total General Fund	<u>\$ 4,971,284</u>	<u>\$ 3,569,775</u>	<u>\$ 2,830,315</u>	<u>\$ 1,861,510</u>	<u>\$ 1,458,253</u>
All Other Governmental Funds:					
Restricted	\$ 5,977,260	\$ 5,668,856	\$ 6,084,619	\$ 3,629,122	\$ 4,043,773
Unassigned	(2,729,136)	(964,095)	(1,264,459)	(133,491)	(116,605)
Total all other governmental funds	<u>\$ 3,248,124</u>	<u>\$ 4,704,761</u>	<u>\$ 4,820,160</u>	<u>\$ 3,495,631</u>	<u>\$ 3,927,168</u>

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Nonspendable	\$	\$	\$ 162,958	\$ 243,887	\$
Unassigned	1,517,220	1,484,299	1,203,060	1,018,831	1,195,713
Total General Fund	<u>\$ 1,517,220</u>	<u>\$ 1,484,299</u>	<u>\$ 1,366,018</u>	<u>\$ 1,262,718</u>	<u>\$ 1,195,713</u>
All Other Governmental Funds:					
Nonspendable	\$	\$	\$	\$	\$
Restricted	4,397,717	11,600,429	6,576,807	3,668,439	3,509,717
Unassigned		(55,783)			
Total all other governmental funds	<u>\$ 4,397,717</u>	<u>\$ 11,544,646</u>	<u>\$ 6,576,807</u>	<u>\$ 3,668,439</u>	<u>\$ 3,509,717</u>

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

(Concluded)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Federal sources:					
Federal grants	\$ 13,020,970	\$ 8,454,122	\$ 5,252,774	\$ 5,240,488	\$ 5,126,024
National School Lunch Program	5,093,376	4,731,057	4,023,554	3,936,434	3,608,345
Total federal sources	<u>18,114,346</u>	<u>13,185,179</u>	<u>9,276,328</u>	<u>9,176,922</u>	<u>8,734,369</u>
State sources:					
State equalization assistance	28,475,445	27,259,118	27,088,880	26,341,623	24,421,350
State grants	1,462,197	1,317,675	720,310	999,088	388,135
School Facilities Board	2,226,664	153,579	458,667		
Other revenues	4,219,081	2,545,662	2,689,361	2,670,719	2,491,144
Total state sources	<u>36,383,387</u>	<u>31,276,034</u>	<u>30,957,218</u>	<u>30,011,430</u>	<u>27,300,629</u>
Local sources:					
Property taxes	3,068,842	2,524,460	2,477,318	2,674,562	2,478,458
County aid	947,906	931,946	867,011	954,965	988,504
Food service sales	79,564	2,592	159,083	128,786	110,833
Investment income	21,686	39,947	84,377	71,075	58,853
Other revenues	434,607	198,902	336,887	213,084	139,130
Total local sources	<u>4,552,605</u>	<u>3,697,847</u>	<u>3,924,676</u>	<u>4,042,472</u>	<u>3,775,778</u>
Total revenues	<u><u>\$ 59,050,338</u></u>	<u><u>\$ 48,159,060</u></u>	<u><u>\$ 44,158,222</u></u>	<u><u>\$ 43,230,824</u></u>	<u><u>\$ 39,810,776</u></u>

(Continued)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
GOVERNMENTAL FUNDS REVENUES
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Federal sources:					
Federal grants	\$ 5,299,250	\$ 5,946,935	\$ 6,883,491	\$ 7,570,686	\$ 8,760,039
National School Lunch Program	4,314,989	3,920,985	3,368,601	3,212,392	2,977,234
Total federal sources	<u>9,614,239</u>	<u>9,867,920</u>	<u>10,252,092</u>	<u>10,783,078</u>	<u>11,737,273</u>
State sources:					
State equalization assistance	24,293,581	23,945,112	23,320,490	21,692,796	21,225,737
State grants	87,662	147,881	258,021	252,001	245,673
School Facilities Board			381,621	7,131	
Other revenues	2,160,388	2,136,426	1,931,917	1,979,947	1,577,067
Total state sources	<u>26,541,631</u>	<u>26,229,419</u>	<u>25,892,049</u>	<u>23,931,875</u>	<u>23,048,477</u>
Local sources:					
Property taxes	2,496,115	1,147,772	1,112,820	1,013,612	1,230,879
County aid	1,021,451	1,044,488	1,085,184	1,033,388	997,361
Food service sales	86,748	80,789	80,573	99,277	101,711
Investment income	48,350	23,942	21,651	17,312	29,362
Other revenues	135,543	653,073	144,775	142,533	143,448
Total local sources	<u>3,788,207</u>	<u>2,950,064</u>	<u>2,445,003</u>	<u>2,306,122</u>	<u>2,502,761</u>
Total revenues	<u>\$ 39,944,077</u>	<u>\$ 39,047,403</u>	<u>\$ 38,589,144</u>	<u>\$ 37,021,075</u>	<u>\$ 37,288,511</u>

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

(Concluded)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Expenditures:					
Current -					
Instruction	\$ 24,243,073	\$ 20,015,813	\$ 19,692,564	\$ 19,245,397	\$ 18,509,341
Support services - students and staff	8,167,469	7,156,609	6,037,571	6,098,086	5,820,601
Support services - administration	6,114,011	5,348,422	5,390,165	4,926,590	4,688,703
Operation and maintenance of plant services	4,717,649	3,992,259	4,078,115	4,166,285	3,718,802
Student transportation services	1,736,291	1,247,620	1,424,031	1,472,913	1,486,543
Operation of non-instructional services	4,358,222	3,784,217	3,939,735	4,033,527	3,598,279
Capital outlay	9,125,093	4,970,859	3,038,693	1,935,806	1,167,723
Debt service -					
Interest and fiscal charges	333,634	352,097	331,493	300,078	322,264
Principal retirement	674,166	667,103	775,797	1,080,422	1,028,036
Bond issuance costs			114,517		
Total expenditures	<u>\$ 59,469,608</u>	<u>\$ 47,534,999</u>	<u>\$ 44,822,681</u>	<u>\$ 43,259,104</u>	<u>\$ 40,340,292</u>
Expenditures for capitalized assets	\$ 5,816,785	\$ 2,414,713	\$ 1,108,503	\$ 791,903	\$ 100,498
Debt service as a percentage of noncapital expenditures	2%	2%	3%	3%	3%

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Expenditures:					
Current -					
Instruction	\$ 18,184,279	\$ 17,535,646	\$ 18,438,060	\$ 17,616,052	\$ 17,387,814
Support services - students and staff	5,780,707	5,425,592	5,851,678	6,275,420	5,953,231
Support services - administration	4,571,493	5,025,996	4,731,031	4,369,764	4,262,171
Operation and maintenance of plant services	3,455,138	3,907,735	3,569,976	3,686,755	3,777,176
Student transportation services	1,429,417	1,329,774	1,399,018	1,282,965	1,223,625
Operation of non-instructional services	3,745,023	3,589,772	3,276,563	2,917,780	2,872,793
Capital outlay	9,108,281	4,601,138	1,595,723	762,324	1,373,940
Debt service -					
Interest and fiscal charges	340,982	158,186	9,225	18,175	25,075
Principal retirement	1,067,765		115,000	110,000	100,000
Bond issuance costs		195,512			
Total expenditures	<u>\$ 47,683,085</u>	<u>\$ 41,769,351</u>	<u>\$ 38,986,274</u>	<u>\$ 37,039,235</u>	<u>\$ 36,975,825</u>
Expenditures for capitalized assets	\$ 7,897,431	\$ 4,276,290	\$ 575,498	\$ 63,601	\$ 197,768
Debt service as a percentage of noncapital expenditures	4%	0%	0%	0%	0%

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

(Concluded)

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Excess (deficiency) of revenues over expenditures	\$ (419,270)	\$ 624,061	\$ (664,459)	\$ (28,280)	\$ (529,516)
Other financing sources (uses):					
Issuance of school improvement bonds			2,625,000		
Premium on sale of bonds			286,784		
Transfers in	1,603,533	1,327,199	1,348,514	1,146,218	1,301,280
Transfers out	(1,603,533)	(1,327,199)	(1,348,514)	(1,146,218)	(1,301,280)
Total other financing sources (uses)	625,000	7,971,026	3,489,727	955,592	704,720
Changes in fund balances	\$ (419,270)	\$ 624,061	\$ 2,247,325	\$ (28,280)	\$ (529,516)
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Excess (deficiency) of revenues over expenditures	\$ (7,739,008)	\$ (2,721,948)	\$ (397,130)	\$ (18,160)	\$ 312,686
Other financing sources (uses):					
Issuance of school improvement bonds		7,595,000			
Premium on sale of bonds		376,026			
Capital lease agreements	625,000		3,489,727		
Transfers in	1,059,783	1,943,726	1,593,440	955,592	704,720
Transfers out	(1,059,783)	(1,943,726)	(1,593,440)	(955,592)	(704,720)
Total other financing sources (uses)	625,000	7,971,026	3,489,727	955,592	704,720
Changes in fund balances	\$ (7,114,008)	\$ 5,249,078	\$ 3,092,597	\$ (18,160)	\$ 312,686

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 17,099,997	\$ 14,916,460	\$ 15,648,208	\$ 14,243,785	\$ 14,964,567
Agricultural and Vacant	4,884,774	4,896,029	5,103,919	5,416,240	5,129,010
Residential (Owner Occupied)	42,365,242	40,817,001	39,860,507	37,592,326	35,427,106
Residential (Rental)	13,989,139	12,307,599	10,900,201	9,459,176	9,020,189
Railroad, Private Cars and Airlines					
Historical Property					
Certain Government Property Improvements				20,307	
Total	\$ 78,339,152	\$ 72,937,089	\$ 71,512,835	\$ 66,731,834	\$ 64,540,872
Gross Full Cash Value	\$ 982,661,054	\$ 918,632,492	\$ 817,519,024	\$ 788,682,777	\$ 753,430,257
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	9%	8%	9%
Total Direct Rate	4.41	3.84	4.13	4.45	4.43

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 14,275,284	\$ 15,074,726	\$ 15,715,400	\$ 16,617,542	\$ 17,404,224
Agricultural and Vacant	5,156,649	5,942,332	5,738,994	5,831,143	5,201,657
Residential (Owner Occupied)	32,987,984	30,777,137	29,993,275	28,068,470	37,131,220
Residential (Rental)	8,243,380	7,738,482	6,091,171	5,313,589	5,778,563
Railroad, Private Cars and Airlines					
Historical Property					
Certain Government Property Improvements					
Total	\$ 60,663,297	\$ 59,532,677	\$ 57,538,840	\$ 55,830,744	\$ 65,515,664
Gross Full Cash Value	\$ 689,955,119	\$ 589,066,596	\$ 558,279,422	\$ 511,102,214	\$ 609,678,116
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	10%	10%	11%	11%
Total Direct Rate	4.70	2.40	2.40	3.25	2.27

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

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

GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS
LAST TEN FISCAL YEARS

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Commercial, Industrial, Utilities and Mining	\$ 18,377,561	\$ 16,099,588	\$ 16,727,156	\$ 15,081,558	\$ 15,639,001
Agricultural and Vacant	5,368,275	5,373,942	5,445,354	5,830,067	5,444,051
Residential (Owner Occupied)	52,596,777	50,586,956	47,026,267	45,844,122	43,211,730
Residential (Rental)	17,577,629	15,292,131	13,866,128	12,936,461	12,530,456
Railroad, Private Cars and Airlines					
Historical Property					
Certain Government Property Improvements				26,362	
Total	\$ 93,920,242	\$ 87,352,617	\$ 83,064,905	\$ 79,718,570	\$ 76,825,238
Gross Full Cash Value	\$ 982,661,054	\$ 918,632,492	\$ 817,519,024	\$ 788,682,777	\$ 753,430,257
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	802,666,964	750,215,660	717,845,138	694,427,555	662,319,301
Total Direct Rate	4.41	3.84	4.13	4.45	4.43

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Commercial, Industrial, Utilities and Mining	\$ 14,989,542	\$ 15,355,458	\$ 15,912,581	\$ 17,216,913	\$ 18,151,245
Agricultural and Vacant	5,530,995	6,320,934	5,989,928	6,302,827	5,773,940
Residential (Owner Occupied)	39,042,174	33,658,508	32,355,981	28,298,888	37,760,251
Residential (Rental)	10,872,863	8,257,481	6,370,001	5,337,287	5,927,335
Railroad, Private Cars and Airlines					
Historical Property					
Certain Government Property Improvements					
Total	\$ 70,435,574	\$ 63,592,381	\$ 60,628,491	\$ 57,155,915	\$ 67,612,771
Gross Full Cash Value	689,955,119	\$ 589,066,596	\$ 558,279,422	\$ 511,102,214	\$ 609,678,116
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	11%	11%	11%	11%
Estimated Net Full Cash Value	602,195,078	529,035,278	495,945,185	454,220,133	552,346,543
Total Direct Rate	4.70	2.40	2.40	3.25	2.27

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

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

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
PROPERTY TAX ASSESSMENT RATIOS
LAST TEN FISCAL YEARS**

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

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

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

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

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Overlapping Rates					District Direct Rates		
	County	County Free Library	Flood Control District	Community College District	Yuma Union High School District	Primary	Secondary	Total
	2022	2.51	0.91	0.24	2.44	2.39	3.54	0.87
2021	2.51	0.91	0.24	2.53	2.39	2.92	0.91	3.84
2020	2.53	0.91	0.24	2.57	2.62	2.99	1.14	4.13
2019	2.53	0.90	0.25	2.57	2.55	2.83	1.62	4.45
2018	2.50	0.90	0.28	2.49	2.70	2.73	1.70	4.43
2017	2.47	0.90	0.28	2.63	3.19	3.13	1.57	4.70
2016	2.41	0.90	0.28	2.55	2.77	2.40	0.00	2.40
2015	2.16	0.84	0.28	2.38	2.71	2.20	0.20	2.40
2014	2.06	0.84	0.28	2.22	2.78	1.93	1.32	3.25
2013	1.88	0.82	0.28	2.03	2.78	2.10	0.17	2.27

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

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Taxpayer</u>	<u>2022</u>		<u>2013</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Arizona Public Service	\$ 4,976,193	6.35 %		%
Wal-Mart Stores Inc De Corp	2,229,961	2.85	2,503,319	3.70
Orgullo del Sol Partners LLC	964,700	1.23	695,163	1.03
Riedel Holdings AZ LLC	786,935	1.00	1,572,745	2.33
Ozvest Inc De Corp	537,931	0.69	585,000	0.87
San Luis Trading & Logistics LLC	499,965	0.64	271,638	0.40
VAR Holding AZ LLC	424,363	0.54		
Lagacy Endure AZ LLC	347,249	0.44		
Barkley Co Of Arizona	254,629	0.33	229,541	0.34
San Luis Mobile EST AZ LTD Partnership	193,411	0.25	233,811	0.35
Factor Sales Inc. AZ Corp.			535,161	0.79
JO-AZ KS LLC			509,345	0.75
Sanchez Investment Co.			275,380	0.41
Total	<u>\$ 11,215,337</u>	<u>14.32 %</u>	<u>\$ 7,411,103</u>	<u>10.97 %</u>

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

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

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2022	\$ 3,163,862	\$ 3,017,775	95.38 %	\$	\$ 3,017,775	95.38 %
2021	2,524,282	2,443,607	96.80	47,693	2,491,300	98.69
2020	2,594,922	2,481,133	95.61	80,194	2,561,327	98.71
2019	2,705,619	2,605,685	96.31	65,597	2,671,282	98.73
2018	2,522,629	2,415,905	95.77	75,032	2,490,937	98.74
2017	2,567,493	2,493,775	97.13	42,833	2,536,608	98.80
2016	1,155,397	1,108,968	95.98	31,039	1,140,007	98.67
2015	1,148,318	1,079,852	94.04	54,002	1,133,854	98.74
2014	1,063,035	1,013,639	95.35	36,555	1,050,194	98.79
2013	1,215,535	1,136,055	93.46	65,569	1,201,624	98.86

Source: The source of this information is the 2022 Yuma 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.

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases and Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2022	\$ 6,952,431	123,683	6,828,748	0.69 %	\$ 184	\$ 3,031,438	\$ 9,983,869	1.02 %	\$ 268	0.11 %
2021	7,464,156	125,497	7,338,659	0.80	208	3,240,604	10,704,760	1.17	304	0.12
2020	8,100,881	140,721	7,960,160	0.97	220	3,432,707	11,533,588	1.41	318	0.15
2019	5,225,822	147,790	5,078,032	0.64	152	3,608,504	8,834,326	1.12	264	0.12
2018	7,014,623	103,441	6,911,182	0.92	213	3,768,926	10,783,549	1.43	332	0.15
2017	7,933,424	28,742	7,904,682	1.15	262	3,946,962	11,880,386	1.72	394	0.17
2016	7,952,225	189,426	7,762,799	1.32	249	3,489,727	11,441,952	1.94	367	0.18
2015	115,000	13,721	101,279	0.02	3	3,489,727	3,604,727	0.65	116	0.06
2014	225,000	9,174	215,826	0.04	7		225,000	0.04	7	0.00
2013	325,000	15,293	309,707	0.05	12		325,000	0.05	12	0.01

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

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

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022**

<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:			
Yuma and La Paz Counties Community College District	\$ 57,435,000	5.75 %	\$ 3,302,513
Yuma County Library District	30,160,000	5.75	1,734,200
Yuma Union High School District No. 70	45,160,000	6.30	2,845,080
Subtotal, Overlapping Debt			<u>7,881,793</u>
Direct:			
Gadsden Elementary School District No. 32			<u>9,983,869</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 17,865,662</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		8.72 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 395	
As a Percentage of Net Limited Assessed Valuation		18.78 %
As a Percentage of Gross Full Cash Value		1.50 %

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 a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2021 is presented for the overlapping governments as this is the most recent available information.

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

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

Net full cash assessed valuation	\$ 93,920,242
Debt limit (10% of assessed value)	9,392,024
Debt applicable to limit	6,634,714
Legal debt margin	<u>\$ 2,757,310</u>

Total Legal Debt Margin Calculation for Fiscal Year 2022:

Net full cash assessed valuation	\$ 93,920,242
Debt limit (15% of assessed value)	14,088,036
Debt applicable to limit	6,634,714
Legal debt margin	<u>\$ 7,453,322</u>

Fiscal Year Ended June 30

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Debt Limit	\$ 14,088,036	\$ 13,102,893	\$ 12,459,736	\$ 11,957,786	\$ 11,523,786
Total net debt applicable to limit	<u>6,634,714</u>	<u>7,124,048</u>	<u>7,740,429</u>	<u>4,925,000</u>	<u>6,695,000</u>
Legal debt margin	<u>\$ 7,453,322</u>	<u>\$ 5,978,845</u>	<u>\$ 4,719,307</u>	<u>\$ 7,032,786</u>	<u>\$ 4,828,786</u>
Total net debt applicable to the limit as a percentage of debt limit	47%	54%	62%	41%	58%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Debt Limit	\$ 10,565,336	\$ 9,538,857	\$ 9,094,274	\$ 8,573,387	\$ 10,141,916
Total net debt applicable to limit	<u>7,595,000</u>	<u>7,595,000</u>	<u>115,000</u>	<u>225,000</u>	<u>325,000</u>
Legal debt margin	<u>\$ 2,970,336</u>	<u>\$ 1,943,857</u>	<u>\$ 8,979,274</u>	<u>\$ 8,348,387</u>	<u>\$ 9,816,916</u>
Total net debt applicable to the limit as a percentage of debt limit	72%	80%	1%	3%	3%

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

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

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2021	207,318	\$ 9,169,548	\$ 44,299	12.9 %	37,207
2020	217,824	8,887,228	40,800	20.4	35,257
2019	229,957	7,818,246	36,570	14.3	36,250
2018	225,212	7,569,100	35,682	17.0	33,490
2017	221,648	7,212,166	34,752	17.0	32,446
2016	217,730	6,860,818	33,365	18.6	30,139
2015	214,991	6,449,702	31,574	21.8	31,180
2014	212,012	5,841,652	28,742	23.3	31,180
2013	201,201	5,529,669	27,483	28.0	31,180
2012	205,174	5,399,670	26,995	27.5	26,418

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 is the Arizona Office of Employment and Population Statistics.

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR**

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Yuma Union High School District No. 70	3,100	4.58 %	950	1.67 %
Yuma Proving Ground	2,382	3.52		
Yuma Regional Medical Center	2,300	3.40	1,967	3.45
U.S. Marine Corps Air Station (UCAS)	2,226	3.29		
Yuma Elementary School District. No. 1	1,400	2.07	1,500	2.63
Yuma County	1,322	1.95	1,400	2.45
Trax International	1,125	1.66		
Arizona Western College	987	1.46		
City of Yuma	950	1.40	876	1.54
Advanced Call Center Technologies	900	1.33	814	1.43
MCAS Yuma			6,825	11.96
U.S. Army Yuma Proving Ground			2,185	3.83
Walmart			1,394	2.44
Bose Corporation			1,300	2.28
Total	<u>16,692</u>	<u>24.66 %</u>	<u>19,211</u>	<u>33.68 %</u>
Total employment	<u>67,670</u>		<u>57,047</u>	

Source: The source of this information is the Yuma County Chamber of Commerce

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	Full-time Equivalent Employees as of June 30				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	1				1
Consultants/supervisors of instruction	1	1			
Principals	8	8	8	8	8
Assistant principals	2	2	2	2	2
Total supervisory	<u>13</u>	<u>12</u>	<u>11</u>	<u>11</u>	<u>12</u>
Instruction					
Teachers	236	227	206	211	147
Other professionals (adult)					
Other professionals (instructional)	58	43	59	54	103
Aides	97	69	99	85	81
Total instruction	<u>391</u>	<u>339</u>	<u>364</u>	<u>350</u>	<u>331</u>
Student Services					
Librarians	8	8	8	8	8
Counselors/Psychologists/Therapists/Aides	25	30	24	17	14
Health Services	11	11	10	10	10
Liasons/Testers/Migrant Clerks	11	10	10	10	14
Total student services	<u>55</u>	<u>59</u>	<u>52</u>	<u>45</u>	<u>46</u>
Support and Administration					
Business Office/H/R/ Info Tech	23	23	19	17	19
Secretaries/Clerks	36	41	38	38	38
Transportation/Warehouse	39	50	38	40	42
Maintenance/Security	62	72	69	72	68
Food Service	63	48	48	55	51
Total support and administration	<u>223</u>	<u>234</u>	<u>212</u>	<u>222</u>	<u>218</u>
Total	<u><u>682</u></u>	<u><u>644</u></u>	<u><u>639</u></u>	<u><u>628</u></u>	<u><u>607</u></u>

(Continued)

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents		1	1	1	1
Consultants/supervisors of instruction					15
Principals	8	8	8	8	8
Assistant principals	2	1	3	2	2
Total supervisory	<u>11</u>	<u>11</u>	<u>13</u>	<u>12</u>	<u>27</u>
Instruction					
Teachers	195	208	178	223	231
Other professionals (adult)					
Other professionals (instructional)					17
Aides	131	123	81	72	86
Total instruction	<u>326</u>	<u>331</u>	<u>259</u>	<u>295</u>	<u>334</u>
Student Services					
Librarians	8	8	8	8	8
Counselors/Psychologists/Therapists/Aides	14	13	12	12	11
Health Services	10	11	11	11	11
Liasons/Testers/Migrant Clerks	14	16	16	14	13
Total student services	<u>46</u>	<u>48</u>	<u>47</u>	<u>45</u>	<u>43</u>
Support and Administration					
Business Office/H/R/ Info Tech	19	18	18	22	16
Secretaries/Clerks	40	35	35	34	34
Transportation/Warehouse	60	42	43	35	35
Maintenance/Security	113	91	92	75	75
Food Service	87	45	41	57	57
Total support and administration	<u>319</u>	<u>231</u>	<u>229</u>	<u>223</u>	<u>217</u>
Total	<u><u>702</u></u>	<u><u>621</u></u>	<u><u>548</u></u>	<u><u>575</u></u>	<u><u>621</u></u>

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

(Concluded)

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2022	4,639	\$ 49,336,715	\$ 10,635	18.93 %	\$ 53,741,920	\$ 11,585	15.20 %	391	11.9	93.0 %
2021	4,646	41,544,940	8,942	5.14	46,717,386	10,056	7.36	339	13.7	93.0
2020	4,769	40,562,181	8,505	4.26	44,667,751	9,366	12.42	364	13.1	92.9
2019	4,896	39,942,798	8,158	7.43	40,790,014	8,331	5.18	350	14.0	93.0
2018	4,981	37,822,269	7,594	4.14	39,450,872	7,921	2.28	331	15.0	93.0
2017	5,097	37,166,057	7,292	1.29	39,474,548	7,745	2.51	326	15.6	93.0
2016	5,114	36,814,515	7,199	(1.73)	38,635,723	7,555	(2.89)	331	15.5	92.3
2015	5,087	37,266,326	7,326	3.29	39,575,306	7,780	3.32	259	19.6	93.0
2014	5,097	36,148,736	7,092	0.23	38,379,231	7,530	(4.78)	295	17.3	97.1
2013	5,014	35,476,810	7,076	(3.32)	39,647,767	7,907	0.06	334	15.0	97.1

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

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

**GADSDEN ELEMENTARY SCHOOL DISTRICT NO. 32
CAPITAL ASSETS INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Schools</u>										
Elementary										
Buildings	23	23	23	23	23	23	23	23	23	23
Square feet	358,457	358,457	350,296	350,296	350,296	350,296	326,644	326,644	326,644	326,644
Capacity	3,980	3,980	3,980	3,980	3,980	3,980	3,505	3,505	3,505	3,505
Enrollment	3,792	3,792	3,792	3,792	3,792	3,792	3,889	3,889	3,889	3,798
Middle										
Buildings	2	2	7	7	7	7	7	7	7	7
Square feet	156,670	156,670	150,000	150,000	150,000	150,000	149,705	149,705	149,705	149,705
Capacity	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Enrollment	1,280	1,280	1,478	1,478	1,478	1,478	1,407	1,407	1,407	1,350
Other										
Buildings	1	1	3	3	3	3	3	3	3	3
Square feet	4,710	4,710	5,040	5,040	5,040	5,040	5,040	5,040	5,040	5,040
Capacity	125	125	125	125	125	125	125	125	125	125
Enrollment	182	182	182	182	182	182	182	182	182	154
<u>Administrative</u>										
Buildings	1	1	1	1	1	1	2	2	2	2
Square feet	20,179	20,179	24,889	24,889	24,889	24,889	19,734	19,734	19,734	19,734
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	34	34	34	35	35	35	33	33	33	33
<u>Athletics</u>										
Soccer fields	7	7	7	7	7	7	7	7	7	7
Baseball/softball	7	7	7	7	7	7	7	7	7	7
Playgrounds	9	9	9	9	9	9	9	9	9	9

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

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