
Alhambra Elementary School District No. 68

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024



Alhambra Elementary School District No. 68

Phoenix, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024**

Issued by:
Business Services Department

Alhambra Elementary School District No. 68

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Introductory Section

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December 19, 2024

Citizens and Governing Board
Alhambra Elementary School District No. 68
4510 North 37th Avenue
Phoenix, Arizona 85019

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 Alhambra Elementary School District No. 68 (District) for the fiscal year ended June 30, 2024.

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, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2024, 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.

"Everyone Matters"

The independent audit of the financial statements of the District was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit 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 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade eight, with an average daily membership of 9,317.

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, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, and food services.

Dr. Cecilia Maes began her tenure as Superintendent of the Alhambra Elementary School District No. 68 on July 1, 2021. Dr. Maes has been in education for over 25 years. Prior to becoming superintendent, she served as the Assistant Superintendent of Operations for the Cartwright School District. Dr. Maes also served as a Director of Student Services and School Principal in the Cartwright District. Dr. Maes is committed to continuing the educational excellence for which Alhambra Elementary School District is known.

The District is comprised of mostly single family housing, some apartments and multiple family units, retail shopping centers, and a fairly large amount of light industrial and commercial complexes along the Grand Avenue corridor and the I-17 Freeway in an area of 12.75 square miles. No employment figures are available for the District; however, figures provided by the Bureau of Labor Statistics indicated that the average annual unemployment rate for Arizona was 3.3% at June 30, 2024 as compared to 4.1% on a national level.

The District maintains budgetary controls as an integral part of its overall system of internal controls. The objective of these budgetary controls is to ensure compliance with legal provisions included in the annual expenditure budget adopted by the District's Governing Board. The annual expenditure budget also serves as the foundation for the District's financial planning and control. Activities of the general fund, special revenue funds, and capital projects funds are included in the annual appropriated budget. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total adopted expenditure budget. Arizona Revised Statutes permits the adopted expenditure budget to be revised annually. The District additionally exercises management control and oversight of the budget at the fund level. The District may have over expenditures of budgeted funds as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented.

Factors Affecting Financial Condition

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

Local Economy. The economy of the District is based on the economies of the cities of Phoenix and Glendale, both of which overlap the District. Further, the overall economy of the County impacts the District. The Phoenix housing and retail markets are very strong and real estate prices continue to show signs of growth driven by low home inventory. The District's assessed valuations have continued to grow over the past several years.

Maricopa County is located in the south-central portion of Arizona. Its 2024 population is 4.6 million; one of the fastest growing metropolitan areas in the United States. Maricopa County also ranks fourth among the nation's counties. It is by far Arizona's most populous county, encompassing more than half of the state's residents. The county seat is Phoenix, which is Arizona's largest city and capital. Major employers in Maricopa County include Walmart, Banner Health Systems, and Intel.

Long-Term Financial Planning. The District continues to be challenged to maintain teaching staff and ancillary services to meet student needs in light of the declining student membership figures. The District is also involved increasing achievement by utilizing professional learning communities.

Specifically, the District has been challenged by a lack of capital funding over the past decade. This challenge makes it difficult for the District to keep pace with current needs. Most Alhambra schools were built in the early to mid-1950s and renovated in the early 1990s. Therefore, there are many capital needs due to the age of our school facilities. Thanks to the generous support of our community, the renewal of our capital override election in November 2020 has allowed the District to maintain new technology in the classroom, as well as a modern bus fleet and facility upgrades. In addition, our community voted in favor of a \$45 million sale of Class B bonds in November 2017. The District has finished ten gymnasiums and is in the process of renovating several instructional spaces across the District to meet the District vision to educate the whole child.

Finally, the District has a projected average daily membership for fiscal year 2024-25 of 9,131. District enrollment has declined over 20 percent in the last five years. The challenges of the coronavirus and declining enrollment have produced unique times across the United States and the World. In order to meet these challenges, District administration meets with various stakeholder groups throughout the year to provide input and help District administration as continued change occurs. The District looks forward to making continued progress to provide the best education possible for our students.

Awards and Acknowledgments

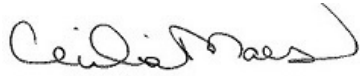
Awards. The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2024 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 services 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,

A handwritten signature in black ink, appearing to read "Cecilia Maes". The signature is fluid and cursive, with a large loop at the end.

Dr. Cecilia Maes
Superintendent

A handwritten signature in black ink, appearing to read "Mandi Bilyou". The signature is cursive and somewhat stylized, with a large initial "M".

Mandi Bilyou
Associate Superintendent for Operations



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Alhambra Elementary School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'.

James M. Rowan, CAE, SFO
CEO/Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Alhambra Elementary School District No. 68
Arizona**

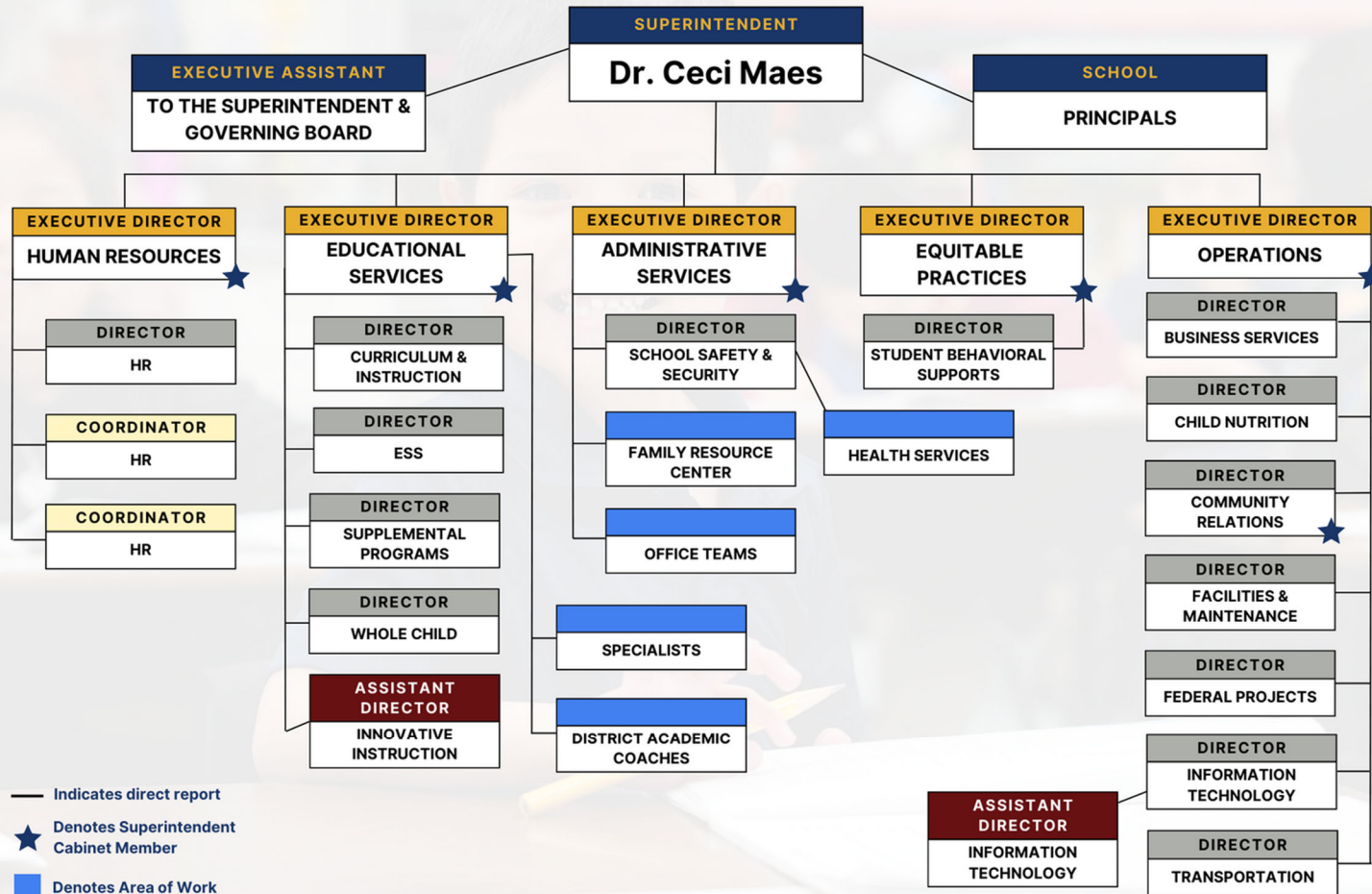
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

EXECUTIVE ORGANIZATIONAL STRUCTURE | 2023-2024



Alhambra Elementary School District No. 68

List of Principal Officials

Governing Board

Lupe Conchas, President

Garthanne de Ocampo, Vice President

Mat Nevarez, Member

Manuel Oropeza, Member

Christian Solorio, Member

Administrative Staff

Dr. Cecilia Maes, Superintendent

Melissa Gonzales, Deputy Superintendent for Academics

Mandi Bilyou, Associate Superintendent for Operations

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Financial Section

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Independent Auditor's Report

Governing Board
Alhambra Elementary School District No. 68

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 Alhambra Elementary School District No. 68 (District), as of and for the year ended June 30, 2024, 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 Alhambra Elementary School District No. 68, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Alhambra Elementary School District No. 68 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024, on our consideration of Alhambra Elementary School District No. 68'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 Alhambra Elementary School District No. 68'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 Alhambra Elementary School District No. 68's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 19, 2024

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Management's Discussion and Analysis (MD&A)
(Required Supplementary Information)

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Alhambra Elementary School District No. 68
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

As management of the Alhambra Elementary School District No. 68 (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, 2024. 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 \$7.5 million which represents a 13 percent increase from the prior fiscal year as a result of an increase in unrestricted state aid resulting from the increase in base level funding.
- General revenues accounted for \$106.4 million in revenue, or 64 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$60.3 million or 36 percent of total current fiscal year revenues.
- The District had approximately \$159.2 million in expenses related to governmental activities, an increase of 12 percent from the prior fiscal year primarily due to increased salary and benefits expenses.
- Among major funds, the General Fund had \$94.4 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$94.7 million in expenditures. The General Fund's fund balance increase from \$50.4 million at the prior fiscal year end to \$52.5 million at the end of the current fiscal year was primarily due to increase in unrestricted state aid.

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.

Alhambra Elementary School District No. 68
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Overview of 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, and operation of non-instructional services.

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 are reported as governmental funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing 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.

Alhambra Elementary School District No. 68
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Overview of Financial Statements

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 and Federal and State Grants Funds, both 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.

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 plan have been provided as required supplementary information.

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$64.5 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, 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 which is in a deficit position due to the inclusion of the District's proportionate share of the state retirement system's net pension liability in the financial statements.

Alhambra Elementary School District No. 68
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2024 and June 30, 2023.

	As of June 30, 2024	As of June 30, 2023
Current and other assets	\$ 100,536,712	\$ 94,350,943
Capital assets, net	119,533,531	111,933,064
Total assets	<u>220,070,243</u>	<u>206,284,007</u>
Deferred outflows	<u>12,406,156</u>	<u>15,812,385</u>
Current liabilities	9,362,624	5,784,194
Long-term liabilities	153,041,397	156,612,075
Total liabilities	<u>162,404,021</u>	<u>162,396,269</u>
Deferred inflows	<u>5,572,033</u>	<u>2,742,508</u>
Net position:		
Net investment in capital assets	71,822,133	66,832,994
Restricted	34,854,694	35,632,959
Unrestricted	(42,176,482)	(45,508,338)
Total net position	<u>\$ 64,500,345</u>	<u>\$ 56,957,615</u>

At the end of the current fiscal year, the District reported deficit unrestricted net position as a result of the District's proportionate share of the state's pension plan's unfunded liability. Positive net position was reported in the other two categories. The same situation held true in the prior year.

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

- An increase in accumulated depreciation of \$8.2 million.
- The addition of \$15.9 million in capital assets through the construction of school improvements.
- The decrease of \$1.9 million in pension obligations.

Alhambra Elementary School District No. 68
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

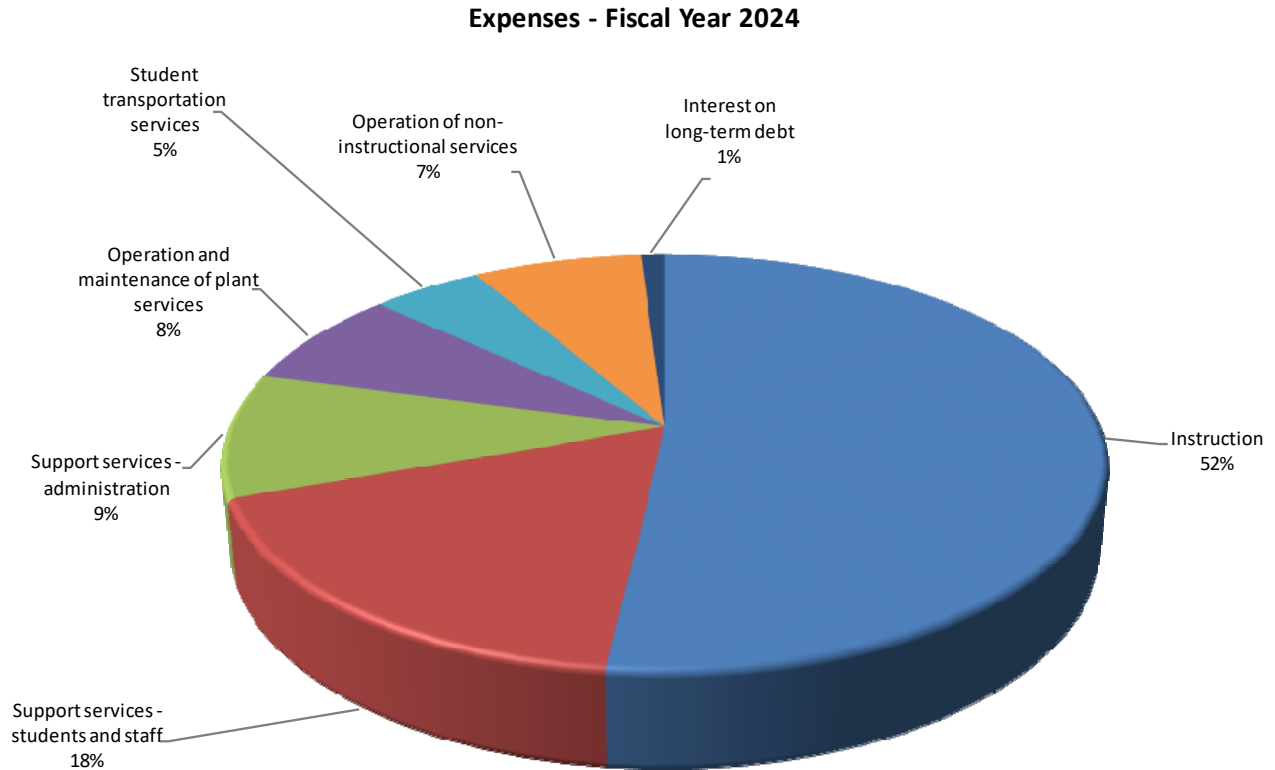
Government-Wide Financial Analysis

Changes in net position. The District's total revenues for the current fiscal year were \$166.8 million. The total cost of all programs and services was \$159.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2024 and June 30, 2023.

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Revenues:		
Program revenues:		
Charges for services	\$ 1,531,877	\$ 1,155,005
Operating grants and contributions	52,818,048	58,428,317
Capital grants and contributions	5,981,488	4,209,686
General revenues:		
Property taxes	24,136,418	24,462,155
Investment income	1,863,899	844,821
Unrestricted state aid	78,817,057	72,870,271
Unrestricted federal aid	1,632,346	1,523,703
Total revenues	<u>166,781,133</u>	<u>163,493,958</u>
Expenses:		
Instruction	82,438,118	72,268,287
Support services - students and staff	28,358,717	27,194,995
Support services - administration	15,321,125	12,092,589
Operation and maintenance of plant services	12,191,484	11,126,283
Student transportation services	7,685,829	7,102,438
Operation of non-instructional services	11,598,482	11,284,691
Interest on long-term debt	1,644,648	1,692,498
Total expenses	<u>159,238,403</u>	<u>142,761,781</u>
Changes in net position	7,542,730	20,732,177
Net position, beginning	56,957,615	36,225,438
Net position, ending	<u>\$ 64,500,345</u>	<u>\$ 56,957,615</u>

**Alhambra Elementary School District No. 68
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Government-Wide Financial Analysis



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

- Increase in unrestricted state aid of \$5.9 million due to increase in base level funding.
- Increase in instruction expenses of \$10.2 million due to increased salaries and benefits expenses.
- Decrease in operating grants and contributions of \$5.6 million due to the closing out of federal relief funding in response to the COVID-19 pandemic.

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.

Alhambra Elementary School District No. 68
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis

	Year Ended June 30, 2024		Year Ended June 30, 2023	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 82,438,118	\$ (56,111,344)	\$ 72,268,287	\$ (40,753,442)
Support services - students and staff	28,358,717	(12,702,300)	27,194,995	(11,355,762)
Support services - administration	15,321,125	(10,953,178)	12,092,589	(9,512,390)
Operation and maintenance of plant services	12,191,484	(10,391,082)	11,126,283	(8,655,228)
Student transportation services	7,685,829	(7,583,585)	7,102,438	(6,442,204)
Operation of non-instructional services	11,598,482	(13,074)	11,284,691	(1,049,470)
Interest on long-term debt	1,644,648	(1,152,427)	1,692,498	(1,200,277)
Total	<u>\$ 159,238,403</u>	<u>\$ (98,906,990)</u>	<u>\$ 142,761,781</u>	<u>\$ (78,968,773)</u>

- The cost of all governmental activities this year was \$159.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$60.3 million.
- Net cost of governmental activities of \$98.9 million was financed by general revenues, which are made up of primarily property taxes of \$24.1 million and state aid of \$78.8 million.

Financial Analysis of the District's Funds

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$77.2 million, an increase of \$7.0 million due primarily to an increase in unrestricted state aid.

**Alhambra Elementary School District No. 68
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

Financial Analysis of the District's Funds

The General Fund comprises 68 percent of the total fund balance. Approximately \$50.6 million, or 96 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 \$2.0 million to \$52.5 million as of fiscal year end was the result of the increase in base level funding for state aid.

Revenues within the Federal and State Grants Fund of \$55.5 million exceeded expenditures and transfers of \$48.3 million leading to an increase in fund balance of \$7.3 million to a deficit of \$5.5 million. Outstanding grant reimbursements will relieve the deficit during fiscal year 2024-25.

Budgetary Highlights

The difference between the original budget and the final amended budget was a \$6.5 million increase, or seven percent, due to the actual budget balance carry forward being more than adopted budget estimates.

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 variances are summarized as follows:

- The favorable variance of \$21.1 million in instruction expenditures was due to the carryforward from the prior fiscal year.
- The unfavorable variance of \$1.6 million in operation and maintenance of plant services expenditures was due to the District's spending in general upkeep of facilities and summer painting of facilities.

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$263.1 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 \$13.9 million from the prior fiscal year primarily due to school site renovations. Total depreciation expense for the current fiscal year was \$8.2 million.

Alhambra Elementary School District No. 68
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Capital Assets and Debt Administration

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2024 and June 30, 2023.

	As of June 30, 2024	As of June 30, 2023
Capital assets - non-depreciable	\$ 6,240,289	\$ 2,918,315
Capital assets - depreciable, net	113,293,242	109,014,749
Total	<u>\$ 119,533,531</u>	<u>\$ 111,933,064</u>

The estimated cost to complete construction projects is \$8.2 million. Additional information on the District's capital assets can be found in Note 6.

Debt Administration. At year end, the District had \$51.1 million in long-term debt outstanding, \$1.7 million due within one year. Long-term debt decreased by \$1.8 million due to principal retirement of bonds.

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 \$132.9 million and the Class B debt limit is \$88.6 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 8 through 10.

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 2024-25 budget. Among them:

- Fiscal year 2023-24 budget balance carry forward (estimated \$11.2 million).
- District student population (estimated 9,309).

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

Budgeted expenditures in the General Fund decreased six percent to \$89.8 million in fiscal year 2024-25 due to a one time state aid increase received in fiscal year 2024 but not in fiscal year 2025 and conservative budget balance carry forward estimate. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2024-25 budget.

**Alhambra Elementary School District No. 68
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024**

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, Alhambra Elementary School District No. 68, 4510 North 37th Avenue, Phoenix, Arizona 85019.

Basic Financial Statements

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Government-Wide Financial Statements

Alhambra Elementary School District No. 68
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 61,753,362
Deposits	241,117
Property taxes receivable	726,825
Due from governmental entities	30,802,637
Inventory	166,453
Total current assets	<u>93,690,394</u>
Noncurrent assets:	
Cash and investments - restricted	3,565,342
Net OPEB assets	3,280,976
Capital assets not being depreciated	6,240,289
Capital assets, net accumulated depreciation	113,293,242
Total noncurrent assets	<u>126,379,849</u>
Total assets	<u>220,070,243</u>
Deferred outflows of resources	
Pension plan items	12,159,835
Other postemployment benefit plan items	246,321
Total deferred outflows of resources	<u>12,406,156</u>
Liabilities	
Current liabilities:	
Accounts payable	6,421,479
Accrued payroll and employee benefits	2,200,899
Unearned revenues	59,296
Compensated absences payable	448,557
Bonds payable	1,700,000
Accrued interest payable	680,950
Total current liabilities	<u>11,511,181</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	150,892,840
Total noncurrent liabilities	<u>150,892,840</u>
Total liabilities	<u>162,404,021</u>
Deferred inflows of resources	
Pension plan items	4,135,954
Other postemployment benefit plan items	1,436,079
Total deferred inflows of resources	<u>5,572,033</u>
Net position	
Net investment in capital assets	71,822,133
Restricted for:	
Instruction	17,014,943
Food service	5,838,367
Non-instructional purposes	2,888,600
Debt service	361,705
Capital outlay	5,470,103
Other postemployment benefit plan items	3,280,976
Unrestricted	<u>(42,176,482)</u>
Total net position	<u>\$ 64,500,345</u>

Alhambra Elementary School District No. 68
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
Governmental activities					
Instruction	\$ 82,438,118	\$ 68,726	\$ 20,276,560	\$ 5,981,488	\$ (56,111,344)
Support services - students and staff	28,358,717	218,634	15,437,783		(12,702,300)
Support services - administration	15,321,125		4,367,947		(10,953,178)
Operation and maintenance of plant services	12,191,484	319,432	1,480,970		(10,391,082)
Student transportation services	7,685,829		102,244		(7,583,585)
Operation of non-instructional services	11,598,482	925,085	10,660,323		(13,074)
Interest on long-term debt	1,644,648		492,221		(1,152,427)
Total governmental activities	<u>\$ 159,238,403</u>	<u>\$ 1,531,877</u>	<u>\$ 52,818,048</u>	<u>\$ 5,981,488</u>	<u>(98,906,990)</u>
General revenues					
Property taxes					24,136,418
Investment income					1,863,899
Unrestricted state aid					78,817,057
Unrestricted federal aid					<u>1,632,346</u>
Total general revenues					<u>106,449,720</u>
Changes in net position					7,542,730
Net position, beginning of year					<u>56,957,615</u>
Net position, end of year					<u>\$ 64,500,345</u>

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Fund Financial Statements

Alhambra Elementary School District No. 68

Balance Sheet

Governmental Funds

June 30, 2024

		Federal and State	Non-Major	Total
	General	Grants	Governmental	Governmental
			Funds	Funds
Assets				
Cash and investments	\$ 33,561,877	\$	\$ 28,191,485	\$ 61,753,362
Cash and investments - restricted			3,565,342	3,565,342
Deposits			241,117	241,117
Property taxes receivable	641,836		84,989	726,825
Due from governmental entities	13,078,488	16,446,243	1,277,906	30,802,637
Due from other funds	11,534,898			11,534,898
Inventory	81,787		84,666	166,453
Total assets	<u>\$ 58,898,886</u>	<u>\$ 16,446,243</u>	<u>\$ 33,445,505</u>	<u>\$ 108,790,634</u>
Liabilities				
Accounts payable	\$ 4,578,850	\$ 1,099,458	\$ 743,171	\$ 6,421,479
Due to other funds		11,534,898		11,534,898
Accrued payroll and employee benefits	1,354,707	762,113	84,079	2,200,899
Unearned revenues		59,296		59,296
Bonds payable			1,700,000	1,700,000
Bond interest payable			680,950	680,950
Total liabilities	<u>5,933,557</u>	<u>13,455,765</u>	<u>3,208,200</u>	<u>22,597,522</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	510,918		51,702	562,620
Unavailable revenues - intergovernmental		8,455,407		8,455,407
Total deferred inflows of resources	<u>510,918</u>	<u>8,455,407</u>	<u>51,702</u>	<u>9,018,027</u>
Fund balances				
Nonspendable	81,787		84,666	166,453
Restricted	1,758,630		30,100,937	31,859,567
Unassigned	50,613,994	(5,464,929)		45,149,065
Total fund balances	<u>52,454,411</u>	<u>(5,464,929)</u>	<u>30,185,603</u>	<u>77,175,085</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 58,898,886</u>	<u>\$ 16,446,243</u>	<u>\$ 33,445,505</u>	<u>\$ 108,790,634</u>

Alhambra Elementary School District No. 68
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances - governmental funds **\$ 77,175,085**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 263,148,523	
Less accumulated depreciation/amortization	<u>(143,614,992)</u>	
		119,533,531

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

Property taxes	562,620	
Intergovernmental	<u>8,455,407</u>	
		9,018,027

The net OPEB assets are not a current financial resource and, therefore, are not reported in the funds. 3,280,976

Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions/OPEB	12,406,156	
Deferred inflows of resources related to pensions/OPEB	<u>(5,572,033)</u>	
		6,834,123

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

Compensated absences payable	(4,339,955)	
Financed purchases payable	(11,860,757)	
Bonds payable	(37,563,336)	
Net pension liability	<u>(97,577,349)</u>	
		<u>(151,341,397)</u>

Net position of governmental activities **\$ 64,500,345**

Alhambra Elementary School District No. 68
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

		Federal and State	Non-Major	Total
	General	Grants	Governmental	Governmental
			Funds	Funds
Revenues				
Other local	\$ 1,833,232	\$ 35,881	\$ 1,941,061	\$ 3,810,174
Property taxes	21,175,211		2,838,104	24,013,315
State aid and grants	69,807,748	3,351,615	9,009,309	82,168,672
Federal aid, grants and reimbursements	<u>1,632,346</u>	<u>52,109,878</u>	<u>10,864,268</u>	<u>64,606,492</u>
Total revenues	<u>94,448,537</u>	<u>55,497,374</u>	<u>24,652,742</u>	<u>174,598,653</u>
Expenditures				
Current:				
Instruction	44,428,232	18,911,199	8,319,007	71,658,438
Support services - students and staff	10,638,044	14,499,407	801,977	25,939,428
Support services - administration	10,218,599	4,158,818	32,927	14,410,344
Operation and maintenance of plant services	9,230,409	1,410,064	190,349	10,830,822
Student transportation services	5,187,232	97,349	44,294	5,328,875
Operation of non-instructional services	255,280	274,474	9,840,515	10,370,269
Capital outlay	14,738,274	5,981,488	4,752,011	25,471,773
Debt service:				
Principal retirement			1,700,000	1,700,000
Interest and fiscal charges			<u>1,854,821</u>	<u>1,854,821</u>
Bond issuance costs				
Total expenditures	<u>94,696,070</u>	<u>45,332,799</u>	<u>27,535,901</u>	<u>167,564,770</u>
Excess (deficiency) of revenues over expenditures	<u>(247,533)</u>	<u>10,164,575</u>	<u>(2,883,159)</u>	<u>7,033,883</u>
Other financing sources (uses)				
Transfers in	2,860,793		778,918	3,639,711
Transfers out	<u>(593,038)</u>	<u>(2,860,793)</u>	<u>(185,880)</u>	<u>(3,639,711)</u>
Total other financing sources (uses)	<u>2,267,755</u>	<u>(2,860,793)</u>	<u>593,038</u>	
Changes in fund balances	<u>2,020,222</u>	<u>7,303,782</u>	<u>(2,290,121)</u>	<u>7,033,883</u>
Fund balances, beginning of year	<u>50,434,189</u>	<u>(12,768,711)</u>	<u>32,475,724</u>	<u>70,141,202</u>
Fund balances, end of year	<u>\$ 52,454,411</u>	<u>\$ (5,464,929)</u>	<u>\$ 30,185,603</u>	<u>\$ 77,175,085</u>

Alhambra Elementary School District No. 68
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Changes in fund balances - total governmental funds	\$	7,033,883
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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/amortization expense.

Expenditures for capitalized assets	\$ 15,932,284	
Less current year depreciation/amortization	<u>(8,240,467)</u>	
		7,691,817

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

Property taxes	123,103	
Intergovernmental	<u>(7,940,623)</u>	
		(7,817,520)

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.

Bond principal retirement	<u>1,700,000</u>	
		1,700,000

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 or asset, adjusted for deferred items, is reported as pension/OPEB expense in the Statement of Activities.

Current year pension/OPEB contributions	9,745,915	
Pension/OPEB expense	<u>(10,758,197)</u>	
		(1,012,282)

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.

Loss on disposal of assets	(91,350)	
Amortization of deferred bond items	210,173	
Compensated absences	<u>(171,991)</u>	
		<u>(53,168)</u>

Changes in net position in governmental activities	\$	<u>7,542,730</u>
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Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Alhambra Elementary School District No. 68 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, and food services.

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

B. Government-Wide and Fund Financial Statements

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

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

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

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

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. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

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

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

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.

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operation Fund and the Unrestricted Capital Outlay Fund, as well as the 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.

Federal and State Projects – To account for financial assistance received for federal and state grants and projects.

D. Cash and Investments

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

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.

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

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

Certain resources set aside for the repayment of debt are classified as cash and investments – restricted on the statement of net position/balance sheet, because their use is limited by applicable bond covenants. A trust account, recorded in the Other Capital Projects Fund, is used to segregate resources accumulated for future debt service payments.

E. Investment Income

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

F. Receivables and Payables

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

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

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

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. Inventory

All inventories are valued using the average cost method. Inventories consist of expendable supplies held for consumption. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

J. Capital Assets

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

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

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

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

Capital assets are depreciated using the straight-line method over the estimated useful life of the asset. Intangible right-to-use assets are amortized over the shorter of the lease/subscription term or the underlying asset's useful life. The estimated useful lives and amortization periods are as follows:

Land improvements	3 - 30 years
Buildings and improvements	5 - 50 years
Vehicles, furniture and equipment	5 - 20 years

K. Deferred Outflows/Inflows of Resources

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

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

L. Compensated Absences

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

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

M. Pensions

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

N. Long-term Obligations

In the government-wide financial statements, 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.

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

Q. Estimates

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

Note 2 – Fund Balance Classifications

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

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

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.

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

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 been restricted, committed, or assigned.

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

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

	General	Federal and State Grants	Non-Major Governmental Funds
Fund Balances:			
Nonspendable:			
Inventory	\$ 81,787	\$	\$ 84,666
Restricted:			
Debt service			310,003
Capital projects	1,758,630		3,711,473
Bond building projects			3,412,695
Voter approved initiatives			13,046,366
Food service			5,753,701
Civic center			919,578
Community schools			1,264,005
Extracurricular activities			758,885
Insurance refund			705,017
Student activities			219,214
Unassigned	50,613,994	(5,464,929)	
Total fund balances	<u>\$ 52,454,411</u>	<u>\$ (5,464,929)</u>	<u>\$ 30,185,603</u>

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balance – At year end, the Federal and States Grants Fund, a major governmental fund, reported a deficit in fund balance of \$5,464,929.

The deficit arose because of pending grant reimbursements. Additional revenues received in fiscal year 2024-25 are expected to eliminate the deficit.

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 \$4,560,545 and the bank balance was \$1,883,869. At year end, \$1,633,869 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, and \$3,315,342 of the District's deposits were uninsured and uncollateralized. The carrying amount includes \$3,565,342 of restricted cash.

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

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

The County Treasurer's pool is an external investment pool with no regulatory oversight. The pool is not required to register (and is not registered) with the Securities and Exchange Commission. The fair value of each participant's position in the County Treasurer's 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.

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 4 – Cash and Investments

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer's investment pool	365 days	\$ 60,757,709

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</u>	<u>Federal and State Grants</u>	<u>Non-Major Governmental Funds</u>
Due from other governmental entities:			
Due from federal government	\$	\$ 16,386,243	\$ 958,570
Due from state government	13,078,488	60,000	319,336
Net due from governmental entities	<u>\$ 13,078,488</u>	<u>\$ 16,446,243</u>	<u>\$ 1,277,906</u>

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

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	\$ 2,918,315	\$	\$	\$ 2,918,315
Construction in progress		3,321,974		3,321,974
Total capital assets, not being depreciated	<u>2,918,315</u>	<u>3,321,974</u>		<u>6,240,289</u>
Capital assets, being depreciated:				
Land improvements	31,340,468	1,983,562		33,324,030
Buildings and improvements	197,361,261	2,905,509	1,294,172	198,972,598
Vehicles, furniture and equipment	17,677,593	7,721,239	787,226	24,611,606
Total capital assets being depreciated	<u>246,379,322</u>	<u>12,610,310</u>	<u>2,081,398</u>	<u>256,908,234</u>
Less accumulated depreciation for:				
Land improvements	(17,367,483)	(1,294,995)		(18,662,478)
Buildings and improvements	(111,284,179)	(4,596,510)	(1,211,034)	(114,669,655)
Vehicles, furniture and equipment	(8,712,911)	(2,348,962)	(779,014)	(10,282,859)
Total accumulated depreciation	<u>(137,364,573)</u>	<u>(8,240,467)</u>	<u>(1,990,048)</u>	<u>(143,614,992)</u>
Total capital assets, being depreciated, net	<u>109,014,749</u>	<u>4,369,843</u>	<u>91,350</u>	<u>113,293,242</u>
Governmental activities capital assets, net	<u>\$ 111,933,064</u>	<u>\$ 7,691,817</u>	<u>\$ 91,350</u>	<u>\$ 119,533,531</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 5,467,125
Support services – students and staff	1,222,487
Support services – administration	177,746
Operation and maintenance of plant services	229,116
Student transportation services	504,283
Operation of non-instructional services	639,710
Total depreciation expense – governmental activities	<u>\$ 8,240,467</u>

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for site improvements and solar panels. At year end, the District had spent \$3.3 million and had estimated remaining contractual commitments of \$8.2 million. The projects are being funded primarily with bond proceeds and proceeds from the General Fund.

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 7 – Short Term Debt – Revolving Line of Credit

The District has a \$4.0 million revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$4.0 million in unused line of credit. General Fund revenues are used to repay the line of credit.

Note 8 – Financed Purchases Payable

The District has made energy efficient updates under the provisions of an agreement classified as a financed purchase payable. Revenues from the General Fund are transferred to the Other Capital Projects Fund annually in preparation of when the obligation becomes due. The District has accumulated \$3,565,342 in restricted cash that will be used to pay the obligation in 2038. The District receives a federal interest subsidy to fund the interest payments for the District-wide energy project. Amortization of assets recorded under financed purchases is included with depreciation expense.

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
2025	\$	\$ 492,221
2026		492,221
2027		492,221
2028		492,221
2029		492,221
2030-34		2,461,105
2035-38	11,860,757	1,560,929
Total	<u>\$ 11,860,757</u>	<u>\$ 6,483,139</u>

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 9 – General Obligation Bonds Payable

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, all has been issued. 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 \$132.9 million and the available margin is \$93.8 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Governmental activities:					
Project of 2017, Series A (2018)	\$ 14,265,000	3.00%-5.00%	7/1/24-36	\$ 11,075,000	\$ 675,000
Project of 2017, Series B (2019)	13,750,000	2.00%-5.00%	7/1/24-40	12,450,000	300,000
Project of 2017, Series C (2021)	13,380,000	3.00%-4.00%	7/1/24-41	<u>12,445,000</u>	<u>725,000</u>
Total				<u>\$ 35,970,000</u>	<u>\$ 1,700,000</u>

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2025	\$ 1,700,000	\$ 1,334,275
2026	1,825,000	1,276,650
2027	1,815,000	1,212,475
2028	1,745,000	1,138,650
2029	1,810,000	1,057,050
2030-34	10,085,000	4,010,175
2035-39	11,770,000	1,949,850
2040-41	<u>5,220,000</u>	<u>164,925</u>
Total	<u>\$ 35,970,000</u>	<u>\$ 12,144,050</u>

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 10 – Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 37,560,000	\$	\$ 1,590,000	\$ 35,970,000	\$ 1,700,000
Premium	3,503,509		210,173	3,293,336	
Total bonds payable	41,063,509		1,800,173	39,263,336	1,700,000
Financed purchases payable	11,860,757			11,860,757	
Net pension liability	99,519,845		1,942,496	97,577,349	
Compensated absences payable	4,167,964	2,821,029	2,649,038	4,339,955	448,557
Total long-term liabilities	\$ 156,612,075	\$ 2,821,029	\$ 6,391,707	\$ 153,041,397	\$ 2,148,557

Note 11 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds:

At year end, the Federal and State Grants Fund, a major governmental fund, had a negative cash balance in the Treasurer's pooled cash accounts in the amount of \$11,534,898. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in		
	Non-Major		
	Governmental		
Transfers out	General	Funds	Total
General	\$	\$ 593,038	\$ 593,038
Federal and State Grants	2,860,793		2,860,793
Non-Major Governmental Funds		185,880	185,880
Total	\$ 2,860,793	\$ 778,918	\$ 3,639,711

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 11 – Interfund Receivables, Payables, and Transfers

Transfers between funds were used to (1) move investment income earned in the Bond Building Fund, a non-major governmental fund, that is required by statute to be expended in the Debt Service Fund, a non-major governmental fund (2) to move federal grant funds restricted for indirect costs, and (3) to move energy savings between the General Fund and the Other Capital Projects Fund, a non-major governmental fund, for the repayment of the energy efficient upgrades financed purchase.

Note 12 – Contingent Liabilities

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

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

Note 13 – Risk Management

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

The District was unable to obtain 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 Valley Schools Employee Benefit Trust (VSEBT) for risks of loss related to employee health and accident claims. VSEBT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to VSEBT for employees' health and accident insurance coverage. The agreement provides that VSEBT will be self-sustaining through members' premiums and will reinsure through commercial companies for claims in excess of specified amounts for each insured event.

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 13 – Risk Management

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 carries commercial insurance for all other risks of loss, including dental and vision insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District has had no significant reductions in insurance coverage.

Note 14 – Pensions and Other Postemployment Benefits

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

Aggregate Amounts. At June 30, 2024, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB	Total
Net assets	\$ 97,577,349	\$ 3,280,976	\$ 3,280,976
Net liability	12,159,835	246,321	12,406,156
Deferred outflows of resources	4,135,954	1,436,079	5,572,033
Deferred inflows of resources	12,761,107	(2,002,910)	10,758,197
Expense	9,657,607	88,307	9,745,914
Contributions			

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

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 14 – 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 12.29 percent (12.14 percent for retirement and 0.15 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 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 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, 2024 were \$9,657,607.

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 14 – 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 9.99 percent (9.94 for retirement and 0.05 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, 2023. 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, 2022, to the measurement date of June 30, 2023. 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, 2023.

At June 30, 2023, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2023, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2022 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 97,577,349	0.603	(0.007)

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, 2024 was \$12,761,107.

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 14 – 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	\$ 2,204,859	\$
Changes of assumptions or other inputs		
Net difference between projected and actual earnings on pension investments		3,452,371
Changes in proportion and differences between contributions and proportionate share of contributions	297,369	683,583
Contributions subsequent to the measurement date	9,657,607	
Total	<u>\$ 12,159,835</u>	<u>\$ 4,135,954</u>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2025. 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:		
2025	\$	(579,817)
2026		(4,345,534)
2027		3,720,636
2028		(429,011)

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

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
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

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 14 – Pensions and Other Postemployment Benefits

The actuarial assumptions used in the June 30, 2022 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:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	3.50%
Credit	23%	5.90
Interest rate sensitive	6%	1.50
Private equity	10%	6.70
Real estate	17%	5.90
Total	100%	

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

Alhambra Elementary School District No. 68
Notes to Financial Statements
June 30, 2024

Note 14 – Pensions and Other Postemployment Benefits

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	\$ 146,156,538	\$ 97,577,349	\$ 57,070,899

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.

Required Supplementary Information

Alhambra Elementary School District No. 68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2024

	Budget		Non-GAAP Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other local	\$	\$	\$ 447,844	\$ 447,844
Property taxes			16,266,430	16,266,430
State aid and grants			61,576,786	61,576,786
Total revenues			<u>78,291,060</u>	<u>78,291,060</u>
Expenditures				
Current:				
Instruction	58,307,529	64,800,464	43,747,539	21,052,925
Support services - students and staff	8,693,893	8,693,893	10,160,578	(1,466,685)
Support services - administration	9,171,443	9,171,443	9,642,855	(471,412)
Operation and maintenance of plant services	7,601,890	7,601,890	9,202,196	(1,600,306)
Student transportation services	4,661,303	4,661,303	5,177,195	(515,892)
Operation of non-instructional services	242,657	242,657	254,012	(11,355)
Total expenditures	<u>88,678,715</u>	<u>95,171,650</u>	<u>78,184,375</u>	<u>16,987,275</u>
Excess (deficiency) of revenues over expenditures	<u>(88,678,715)</u>	<u>(95,171,650)</u>	<u>106,685</u>	<u>95,278,335</u>
Other financing sources (uses)				
Transfers out			(593,038)	(593,038)
Total other financing sources (uses)			<u>(593,038)</u>	<u>(593,038)</u>
Changes in fund balances	<u>(88,678,715)</u>	<u>(95,171,650)</u>	<u>(486,353)</u>	<u>94,685,297</u>
Fund balances, beginning of year			<u>16,661,281</u>	<u>16,661,281</u>
Fund balances, end of year	<u>\$ (88,678,715)</u>	<u>\$ (95,171,650)</u>	<u>\$ 16,174,928</u>	<u>\$ 111,346,578</u>

Alhambra Elementary School District No. 68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2024

	<u>Budget</u>		
	<u>Original and</u>		<u>Variance with</u>
	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 35,881	\$ 35,881
State aid and grants		3,351,615	3,351,615
Federal aid, grants and reimbursements		52,109,878	52,109,878
Total revenues		<u>55,497,374</u>	<u>55,497,374</u>
Expenditures			
Current:			
Instruction	26,608,343	18,911,199	7,697,144
Support services - students and staff	20,400,885	14,499,407	5,901,478
Support services - administration	5,851,520	4,158,818	1,692,702
Operation and maintenance of plant services	1,983,981	1,410,064	573,917
Student transportation services	136,972	97,349	39,623
Operation of non-instructional services	386,189	274,474	111,715
Capital outlay	8,416,044	5,981,488	2,434,556
Total expenditures	<u>63,783,934</u>	<u>45,332,799</u>	<u>18,451,135</u>
Excess (deficiency) of revenues over expenditures	<u>(63,783,934)</u>	<u>10,164,575</u>	<u>73,948,509</u>
Other financing sources (uses)			
Transfers out		(2,860,793)	(2,860,793)
Total other financing sources (uses)		<u>(2,860,793)</u>	<u>(2,860,793)</u>
Changes in fund balances	<u>(63,783,934)</u>	<u>7,303,782</u>	<u>71,087,716</u>
Fund balances, beginning of year		<u>(12,768,711)</u>	<u>(12,768,711)</u>
Fund balances, end of year	<u>\$ (63,783,934)</u>	<u>\$ (5,464,929)</u>	<u>\$ 58,319,005</u>

Alhambra Elementary School District No. 68
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
District's proportion of the net pension (assets) liability	0.60%	0.61%	0.60%	0.61%
District's proportionate share of the net pension (assets) liability	\$ 97,577,349	\$ 99,519,845	\$ 79,286,709	\$ 104,976,187
District's covered payroll	\$ 78,836,208	\$ 72,590,924	\$ 67,855,777	\$ 66,070,777
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	123.77%	137.10%	116.85%	158.88%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%

Schedule of Pension Contributions
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 9,657,607	\$ 9,397,276	\$ 8,718,170	\$ 7,905,198
Contributions in relation to the actuarially determined contribution	<u>9,657,607</u>	<u>9,397,276</u>	<u>8,718,170</u>	<u>7,905,198</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 80,279,360	\$ 78,836,208	\$ 72,590,924	\$ 67,855,777
Contributions as a percentage of covered payroll	12.03%	11.92%	12.01%	11.65%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.64%	0.65%	0.67%	0.67%	0.65%	0.65%
\$ 93,549,430	\$ 90,841,797	\$ 104,534,952	\$ 108,047,885	\$ 101,549,861	\$ 98,382,802
\$ 66,805,420	\$ 63,785,789	\$ 65,341,438	\$ 62,346,488	\$ 59,892,534	\$ 59,833,374
140.03%	142.42%	159.98%	173.30%	169.55%	164.43%
73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 7,565,104	\$ 7,468,846	\$ 6,952,651	\$ 7,043,807	\$ 6,764,594	\$ 6,522,297
7,565,104	7,468,846	6,952,651	7,043,807	6,764,594	6,522,297
\$	\$	\$	\$	\$	\$
\$ 66,070,777	\$ 66,805,420	\$ 63,785,789	\$ 65,341,438	\$ 62,346,488	\$ 59,892,534
11.45%	11.18%	10.90%	10.78%	10.85%	10.89%

Alhambra Elementary School District No. 68
Notes to Required Supplementary Information
June 30, 2024

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.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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	\$ 94,696,070	\$ 52,454,411
Activity budgeted as other fund types	(16,363,702)	(35,601,040)
Current-year prepaid items	591,822	(591,822)
Prior-year prepaid items	(532,447)	
Employee insurance account	(207,368)	(86,621)
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 78,184,375</u>	<u>\$ 16,174,928</u>

Note 2 – Pension Plan Schedules

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation. The total liabilities as of June 30, 2021, reflect changes in actuarial assumptions based on the results of an actuarial experience, including decreasing the discount rate from 7.5 percent to 7.0 percent and changing the projected salary increases from 2.7-7.2 percent to 2.9-8.4 percent.

**Combining and Individual
Fund Financial Statements and Schedules**

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

Classroom Site – to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings.

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

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.

Other Special Revenue Funds – to account for the revenues and expenditures of other special revenue activities, including the following: civic center, community school , extracurricular activities fees tax credit, and student activities.

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.

Capital Projects Funds

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.

Other Capital Projects Funds – to account for the revenues and expenditures of other capital projects activities, including the following: energy water and savings, and building renewal grant.

Alhambra Elementary School District No. 68
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue
Assets				
Cash and investments	\$ 9,980,000	\$ 2,747,030	\$ 4,638,093	\$ 3,866,699
Cash and investments - restricted				
Deposits			241,117	
Property taxes receivable				
Due from governmental entities		319,336	958,570	
Inventory			84,666	
Total assets	<u>\$ 9,980,000</u>	<u>\$ 3,066,366</u>	<u>\$ 5,922,446</u>	<u>\$ 3,866,699</u>
Liabilities				
Accounts payable	\$	\$	\$	\$
Accrued payroll and employee benefits			84,079	
Bonds payable				
Bond interest payable				
Total liabilities			<u>84,079</u>	
Deferred inflows of resources				
Unavailable revenues - property taxes				
Total deferred inflows of resources				
Fund balances				
Nonspendable			84,666	
Restricted	9,980,000	3,066,366	5,753,701	3,866,699
Total fund balances	<u>9,980,000</u>	<u>3,066,366</u>	<u>5,838,367</u>	<u>3,866,699</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 9,980,000</u>	<u>\$ 3,066,366</u>	<u>\$ 5,922,446</u>	<u>\$ 3,866,699</u>

Debt Service		Capital Projects Funds			Total Non-Major Governmental Funds
Fund					
Debt Service	Adjacent Ways	Bond Building	Other Capital Projects		
\$ 2,657,666	\$ 140,089	\$ 4,155,866	\$ 6,042	\$ 28,191,485	
			3,565,342	3,565,342	
				241,117	
84,989				84,989	
				1,277,906	
				84,666	
<u>\$ 2,742,655</u>	<u>\$ 140,089</u>	<u>\$ 4,155,866</u>	<u>\$ 3,571,384</u>	<u>\$ 33,445,505</u>	
\$	\$	\$ 743,171	\$	\$ 743,171	
				84,079	
1,700,000				1,700,000	
680,950				680,950	
<u>2,380,950</u>		<u>743,171</u>		<u>3,208,200</u>	
51,702				51,702	
<u>51,702</u>				<u>51,702</u>	
				84,666	
310,003	140,089	3,412,695	3,571,384	30,100,937	
<u>310,003</u>	<u>140,089</u>	<u>3,412,695</u>	<u>3,571,384</u>	<u>30,185,603</u>	
\$ 2,742,655	\$ 140,089	\$ 4,155,866	\$ 3,571,384	\$ 33,445,505	

Alhambra Elementary School District No. 68
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue
Revenues				
Other local	\$ 238,533	\$ 92,661	\$ 801,730	\$ 559,000
Property taxes				
State aid and grants	8,319,494	689,815		
Federal aid, grants and reimbursements			10,372,047	
Total revenues	<u>8,558,027</u>	<u>782,476</u>	<u>11,173,777</u>	<u>559,000</u>
Expenditures				
Current:				
Instruction	7,438,770	713,763		166,474
Support services - students and staff	486,483	176,483		139,011
Support services - administration		2,409	26,173	4,345
Operation and maintenance of plant services		8,521	181,828	
Student transportation services		2,939		41,355
Operation of non-instructional services		19,019	9,616,860	204,636
Capital outlay			281,643	58,390
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total expenditures	<u>7,925,253</u>	<u>923,134</u>	<u>10,106,504</u>	<u>614,211</u>
Excess (deficiency) of revenues over expenditures	<u>632,774</u>	<u>(140,658)</u>	<u>1,067,273</u>	<u>(55,211)</u>
Other financing sources (uses)				
Transfers in				
Transfers out				
Total other financing sources (uses)				
Changes in fund balances	<u>632,774</u>	<u>(140,658)</u>	<u>1,067,273</u>	<u>(55,211)</u>
Fund balances, beginning of year	<u>9,347,226</u>	<u>3,207,024</u>	<u>4,771,094</u>	<u>3,921,910</u>
Fund balances, end of year	<u>\$ 9,980,000</u>	<u>\$ 3,066,366</u>	<u>\$ 5,838,367</u>	<u>\$ 3,866,699</u>

Debt Service		Capital Projects Funds			Total Non-Major Governmental Funds
Fund					
Debt Service	Adjacent Ways	Bond Building Fund	Other Capital Projects		
\$ 48,224	\$ 3,879	\$ 185,880	\$ 11,154	\$ 1,941,061	
2,838,104				2,838,104	
				9,009,309	
			492,221	10,864,268	
<u>2,886,328</u>	<u>3,879</u>	<u>185,880</u>	<u>503,375</u>	<u>24,652,742</u>	
				8,319,007	
				801,977	
				32,927	
				190,349	
				44,294	
				9,840,515	
	292	4,411,501	185	4,752,011	
1,700,000				1,700,000	
1,362,600			492,221	1,854,821	
<u>3,062,600</u>	<u>292</u>	<u>4,411,501</u>	<u>492,406</u>	<u>27,535,901</u>	
<u>(176,272)</u>	<u>3,587</u>	<u>(4,225,621)</u>	<u>10,969</u>	<u>(2,883,159)</u>	
185,880			593,038	778,918	
		(185,880)		(185,880)	
<u>185,880</u>		<u>(185,880)</u>	<u>593,038</u>	<u>593,038</u>	
<u>9,608</u>	<u>3,587</u>	<u>(4,411,501)</u>	<u>604,007</u>	<u>(2,290,121)</u>	
<u>300,395</u>	<u>136,502</u>	<u>7,824,196</u>	<u>2,967,377</u>	<u>32,475,724</u>	
<u>\$ 310,003</u>	<u>\$ 140,089</u>	<u>\$ 3,412,695</u>	<u>\$ 3,571,384</u>	<u>\$ 30,185,603</u>	

Alhambra Elementary School District No. 68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 238,533	\$ 238,533
State aid and grants			8,319,494	8,319,494
Total revenues			<u>8,558,027</u>	<u>8,558,027</u>
Expenditures				
Current:				
Instruction	16,355,773	16,455,212	7,438,770	9,016,442
Support services - students and staff	<u>1,348,174</u>	<u>1,348,174</u>	<u>486,483</u>	<u>861,691</u>
Total expenditures	<u>17,703,947</u>	<u>17,803,386</u>	<u>7,925,253</u>	<u>9,878,133</u>
Changes in fund balances	<u>(17,703,947)</u>	<u>(17,803,386)</u>	<u>632,774</u>	<u>18,436,160</u>
Fund balances, beginning of year			<u>9,347,226</u>	<u>9,347,226</u>
Fund balances, end of year	<u>\$ (17,703,947)</u>	<u>\$ (17,803,386)</u>	<u>\$ 9,980,000</u>	<u>\$ 27,783,386</u>

Alhambra Elementary School District No. 68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 92,661	\$ 92,661
State aid and grants		689,815	689,815
Total revenues		<u>782,476</u>	<u>782,476</u>
Expenditures			
Current:			
Instruction	1,005,154	713,763	291,391
Support services - students and staff	248,532	176,483	72,049
Support services - administration	3,392	2,409	983
Operation and maintenance of plant services	12,000	8,521	3,479
Student transportation services	4,139	2,939	1,200
Operation of non-instructional services	26,783	19,019	7,764
Total expenditures	<u>1,300,000</u>	<u>923,134</u>	<u>376,866</u>
Changes in fund balances	<u>(1,300,000)</u>	<u>(140,658)</u>	<u>1,159,342</u>
Fund balances, beginning of year		<u>3,207,024</u>	<u>3,207,024</u>
Fund balances, end of year	<u>\$ (1,300,000)</u>	<u>\$ 3,066,366</u>	<u>\$ 4,366,366</u>

Alhambra Elementary School District No. 68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 801,730	\$ 801,730
Federal aid, grants and reimbursements		10,372,047	10,372,047
Total revenues		<u>11,173,777</u>	<u>11,173,777</u>
Expenditures			
Current:			
Support services - administration	26,156	26,173	(17)
Operation and maintenance of plant services	181,711	181,828	(117)
Operation of non-instructional services	9,610,671	9,616,860	(6,189)
Capital outlay	<u>281,462</u>	<u>281,643</u>	<u>(181)</u>
Total expenditures	<u>10,100,000</u>	<u>10,106,504</u>	<u>(6,504)</u>
Changes in fund balances	<u>(10,100,000)</u>	<u>1,067,273</u>	<u>11,167,273</u>
Fund balances, beginning of year		<u>4,771,094</u>	<u>4,771,094</u>
Fund balances, end of year	<u>\$ (10,100,000)</u>	<u>\$ 5,838,367</u>	<u>\$ 15,938,367</u>

Alhambra Elementary School District No. 68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 559,000	\$ 559,000
Total revenues		559,000	559,000
Expenditures			
Current:			
Instruction	746,707	166,474	580,233
Support services - students and staff	623,524	139,011	484,513
Support services - administration	19,489	4,345	15,144
Student transportation services	185,495	41,355	144,140
Operation of non-instructional services	917,880	204,636	713,244
Capital outlay	261,904	58,390	203,514
Total expenditures	2,755,000	614,211	2,140,789
Changes in fund balances	(2,755,000)	(55,211)	2,699,789
Fund balances, beginning of year		3,921,910	3,921,910
Fund balances, end of year	\$ (2,755,000)	\$ 3,866,699	\$ 6,621,699

Alhambra Elementary School District No. 68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 48,224	\$ 48,224
Property taxes		2,838,104	2,838,104
Total revenues		<u>2,886,328</u>	<u>2,886,328</u>
Expenditures			
Debt service:			
Principal retirement	1,700,000	1,700,000	
Interest and fiscal charges	<u>1,361,900</u>	<u>1,362,600</u>	(700)
Total expenditures	<u>3,061,900</u>	<u>3,062,600</u>	<u>(700)</u>
Excess (deficiency) of revenues over expenditures	<u>(3,061,900)</u>	<u>(176,272)</u>	<u>2,885,628</u>
Other financing sources (uses)			
Transfers in		<u>185,880</u>	<u>185,880</u>
Total other financing sources (uses)		<u>185,880</u>	<u>185,880</u>
Changes in fund balances	<u>(3,061,900)</u>	<u>9,608</u>	<u>3,071,508</u>
Fund balances, beginning of year		<u>300,395</u>	<u>300,395</u>
Fund balances, end of year	<u>\$ (3,061,900)</u>	<u>\$ 310,003</u>	<u>\$ 3,371,903</u>

Alhambra Elementary School District No. 68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	3,879	\$ 3,879
Total revenues		<u>3,879</u>	<u>3,879</u>
Expenditures			
Capital outlay	<u>135,582</u>	<u>292</u>	<u>135,290</u>
Total expenditures	<u>135,582</u>	<u>292</u>	<u>135,290</u>
Changes in fund balances	<u>(135,582)</u>	<u>3,587</u>	<u>139,169</u>
Fund balances, beginning of year		<u>136,502</u>	<u>136,502</u>
Fund balances, end of year	<u>\$ (135,582)</u>	<u>\$ 140,089</u>	<u>\$ 275,671</u>

Alhambra Elementary School District No. 68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 185,880	\$ 185,880
Total revenues		185,880	185,880
Expenditures			
Capital outlay	8,324,057	4,411,501	3,912,556
Total expenditures	8,324,057	4,411,501	3,912,556
Excess (deficiency) of revenues over expenditures	(8,324,057)	(4,225,621)	4,098,436
Other financing sources (uses)			
Transfers out		(185,880)	(185,880)
Total other financing sources (uses)		(185,880)	(185,880)
Changes in fund balances	(8,324,057)	(4,411,501)	3,912,556
Fund balances, beginning of year		7,824,196	7,824,196
Fund balances, end of year	\$ (8,324,057)	\$ 3,412,695	\$ 11,736,752

Alhambra Elementary School District No. 68
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2024

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$	\$ 7,707	\$ 7,707
Total revenues		<u>7,707</u>	<u>7,707</u>
Expenditures			
Capital outlay	\$ 300,000	\$ 185	\$ 299,815
Debt service:			
Principal retirement	<u>593,038</u>	<u>593,038</u>	
Total expenditures	<u>893,038</u>	<u>593,223</u>	<u>299,815</u>
Excess (deficiency) of revenues over expenditures	<u>(893,038)</u>	<u>(585,516)</u>	<u>307,522</u>
Other financing sources (uses)			
Transfers in		<u>593,038</u>	<u>593,038</u>
Total other financing sources (uses)		<u>593,038</u>	<u>593,038</u>
Changes in fund balances	<u>(893,038)</u>	<u>7,522</u>	<u>900,560</u>
Fund balances, beginning of year		<u>(1,480)</u>	<u>(1,480)</u>
Fund balances, end of year	<u>\$ (893,038)</u>	<u>\$ 6,042</u>	<u>\$ 899,080</u>

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Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 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.

Alhambra Elementary School District No. 68
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Position:					
Net investment in capital assets	\$ 71,822,133	\$ 66,832,994	\$ 62,894,281	\$ 60,479,397	\$ 61,401,540
Restricted	34,854,694	35,632,959	33,327,893	22,998,702	21,971,492
Unrestricted	<u>(42,176,482)</u>	<u>(45,508,338)</u>	<u>(59,996,736)</u>	<u>(71,476,334)</u>	<u>(76,891,815)</u>
Total net position	<u><u>\$ 64,500,345</u></u>	<u><u>\$ 56,957,615</u></u>	<u><u>\$ 36,225,438</u></u>	<u><u>\$ 12,001,765</u></u>	<u><u>\$ 6,481,217</u></u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Position:					
Net investment in capital assets	\$ 59,669,706	\$ 55,604,986	\$ 66,264,970	\$ 69,019,182	\$ 71,246,617
Restricted	21,646,983	32,087,310	24,396,055	29,077,343	29,067,052
Unrestricted	<u>(74,386,337)</u>	<u>(84,442,493)</u>	<u>(84,864,994)</u>	<u>(88,029,888)</u>	<u>(94,977,996)</u>
Total net position	<u><u>\$ 6,930,352</u></u>	<u><u>\$ 3,249,803</u></u>	<u><u>\$ 5,796,031</u></u>	<u><u>\$ 10,066,637</u></u>	<u><u>\$ 5,335,673</u></u>

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

Alhambra Elementary School District No. 68
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses					
Instruction	\$ 82,438,118	\$ 72,268,287	\$ 67,541,635	\$ 72,837,925	\$ 66,961,235
Support services - students and staff	28,358,717	27,194,995	26,669,688	23,140,387	19,495,028
Support services - administration	15,321,125	12,092,589	10,617,364	9,308,890	9,657,302
Operation and maintenance of plant services	12,191,484	11,126,283	10,905,388	9,376,310	8,905,180
Student transportation services	7,685,829	7,102,438	4,343,287	3,867,048	4,693,715
Operation of non-instructional services	11,598,482	11,284,691	10,491,969	8,044,229	10,138,508
Interest on long-term debt	1,644,648	1,692,498	1,792,900	1,401,347	1,379,286
Total expenses	<u>159,238,403</u>	<u>142,761,781</u>	<u>132,362,231</u>	<u>127,976,136</u>	<u>121,230,254</u>
Program Revenues					
Charges for services:					
Instruction	68,726	726,928	314,402	303,500	1,654,134
Operation of non-instructional services	925,085	194,096	176,983	84,665	371,875
Other activities	538,066	233,981	35,085	45,580	65,296
Operating grants and contributions	52,818,048	58,428,317	54,068,051	42,907,946	23,359,402
Capital grants and contributions	5,981,488	4,209,686	9,312,484	4,142,397	3,788,595
Total program revenues	<u>60,331,413</u>	<u>63,793,008</u>	<u>63,907,005</u>	<u>47,484,088</u>	<u>29,239,302</u>
Net (Expense)/Revenue	<u>\$ (98,906,990)</u>	<u>\$ (78,968,773)</u>	<u>\$ (68,455,226)</u>	<u>\$ (80,492,048)</u>	<u>\$ (91,990,952)</u>

(Continued)

Alhambra Elementary School District No. 68
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses					
Instruction	\$ 61,860,908	\$ 64,974,105	\$ 65,042,422	\$ 56,795,603	\$ 66,305,387
Support services - students and staff	19,059,139	19,045,706	17,731,025	16,153,313	16,429,631
Support services - administration	8,585,628	10,003,648	9,807,357	9,893,187	9,762,229
Operation and maintenance of plant services	9,020,371	9,431,495	9,615,816	9,567,792	9,737,441
Student transportation services	3,805,853	4,234,275	3,819,857	3,866,193	4,258,036
Operation of non-instructional services	9,993,494	10,158,820	10,132,475	10,409,248	12,517,944
Interest on long-term debt	1,082,737	439,572		3,727	1,458,218
Total expenses	<u>113,408,130</u>	<u>118,287,621</u>	<u>116,148,952</u>	<u>106,689,063</u>	<u>120,468,886</u>
Program Revenues					
Charges for services:					
Instruction	485,950	3,345,952	466,653	324,288	347,343
Operation of non-instructional services	416,563	583,542	682,194	672,992	777,375
Other activities	280,811	221,461	211,183	188,149	182,733
Operating grants and contributions	27,814,047	26,206,645	25,071,366	24,741,733	24,661,052
Capital grants and contributions	3,176,544	1,324,836	1,182,831	130,742	612,375
Total program revenues	<u>32,173,915</u>	<u>31,682,436</u>	<u>27,614,227</u>	<u>26,057,904</u>	<u>26,580,878</u>
Net (Expense)/Revenue	<u>\$ (81,234,215)</u>	<u>\$ (86,605,185)</u>	<u>\$ (88,534,725)</u>	<u>\$ (80,631,159)</u>	<u>\$ (93,888,008)</u>

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

(Concluded)

Alhambra Elementary School District No. 68
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net (Expense)/Revenue	\$ (98,906,990)	\$ (78,968,773)	\$ (68,455,226)	\$ (80,492,048)	\$ (91,990,952)
General Revenues:					
Property taxes	24,136,418	24,462,155	24,510,865	22,844,756	22,398,035
Investment income	1,863,899	844,821	360,300	290,220	788,915
Unrestricted county aid			5,235,703	5,397,940	5,349,053
Unrestricted state aid	78,817,057	72,870,271	61,246,934	56,552,229	61,903,482
Unrestricted federal aid	1,632,346	1,523,703	1,323,753	927,451	922,457
Total general revenues	<u>106,449,720</u>	<u>99,700,950</u>	<u>92,677,555</u>	<u>86,012,596</u>	<u>91,361,942</u>
Changes in Net Position	<u>\$ 7,542,730</u>	<u>\$ 20,732,177</u>	<u>\$ 24,222,329</u>	<u>\$ 5,520,548</u>	<u>\$ (629,010)</u>

(Continued)

Alhambra Elementary School District No. 68
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net (Expense)/Revenue	\$ (81,234,215)	\$ (86,605,185)	\$ (88,534,725)	\$ (80,631,159)	\$ (93,888,008)
General Revenues:					
Property taxes	20,593,821	23,071,265	20,348,613	19,848,516	18,764,094
Investment income	913,700	282,697	188,434	166,050	152,330
Unrestricted county aid	5,292,940	5,564,594	5,795,451	5,841,181	5,681,066
Unrestricted state aid	57,501,636	54,711,119	57,655,932	59,173,248	56,905,111
Unrestricted federal aid	612,667	411,777	275,689	333,128	189,953
Total general revenues	<u>84,914,764</u>	<u>84,041,452</u>	<u>84,264,119</u>	<u>85,362,123</u>	<u>81,692,554</u>
Changes in Net Position	<u>\$ 3,680,549</u>	<u>\$ (2,563,733)</u>	<u>\$ (4,270,606)</u>	<u>\$ 4,730,964</u>	<u>\$ (12,195,454)</u>

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

Note: Due to a change in legislation, beginning with fiscal year 2023, unrestricted county aid is now presented with property taxes.

(Concluded)

Alhambra Elementary School District No. 68
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
General Fund:					
Nonspendable	\$ 81,787	\$ 96,926	\$ 92,639	\$ 178,189	\$ 200,235
Restricted	1,758,630	7,935,974	1,149,435	1,112,804	1,071,892
Unassigned	50,613,994	42,401,289	28,724,423	19,671,550	18,521,663
Total General Fund	<u>\$ 52,454,411</u>	<u>\$ 50,434,189</u>	<u>\$ 29,966,497</u>	<u>\$ 20,962,543</u>	<u>\$ 19,793,790</u>
All Other Governmental Funds:					
Nonspendable	\$ 84,666	\$ 80,821	\$ 116,430	\$ 232,438	\$ 268,726
Restricted	30,100,937	32,394,903	43,266,257	35,643,491	22,600,897
Unassigned	(5,464,929)	(12,768,711)	(17,199,583)	(15,338,744)	(3,278,575)
Total all other governmental funds	<u>\$ 24,720,674</u>	<u>\$ 19,707,013</u>	<u>\$ 26,183,104</u>	<u>\$ 20,537,185</u>	<u>\$ 19,591,048</u>

(Continued)

Alhambra Elementary School District No. 68
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Nonspendable	\$ 184,297	\$ 156,893	\$ 219,538	\$ 6,137,689	\$ 6,064,385
Restricted	1,015,447	870,612	681,467	1,125,682	450,070
Unassigned	20,827,905	19,080,581	19,240,161	14,537,300	13,127,836
Total General Fund	<u>\$ 22,027,649</u>	<u>\$ 20,108,086</u>	<u>\$ 20,141,166</u>	<u>\$ 21,800,671</u>	<u>\$ 19,642,291</u>
All Other Governmental Funds:					
Nonspendable	\$ 42,038	\$ 56,708	\$ 12,063	\$ 29,060	\$ 52,778
Restricted	25,760,142	46,911,669	23,561,988	27,805,794	28,616,982
Unassigned	(2,867,861)	(1,718,464)	(486,311)	(908,354)	(564,026)
Total all other governmental funds	<u>\$ 22,934,319</u>	<u>\$ 45,249,913</u>	<u>\$ 23,087,740</u>	<u>\$ 26,926,500</u>	<u>\$ 28,105,734</u>

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

(Concluded)

Alhambra Elementary School District No. 68
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Federal sources:					
Federal grants	\$ 54,234,445	\$ 51,407,720	\$ 48,720,035	\$ 22,199,171	\$ 18,924,414
National School Lunch Program	10,372,047	9,377,553	11,518,850	8,283,397	7,939,081
Total federal sources	<u>64,606,492</u>	<u>60,785,273</u>	<u>60,238,885</u>	<u>30,482,568</u>	<u>26,863,495</u>
State sources:					
State equalization assistance	66,715,497	64,325,458	52,100,419	49,891,626	55,208,963
State grants	6,443,866	3,433,820	1,972,551	1,587,341	2,196,548
School Facilities Oversight Board				3,985	199,102
Other revenues	9,009,309	8,544,813	9,146,515	6,660,603	6,694,519
Total state sources	<u>82,168,672</u>	<u>76,304,091</u>	<u>63,219,485</u>	<u>58,143,555</u>	<u>64,299,132</u>
Local sources:					
Property taxes	24,013,315	24,442,023	24,527,303	22,867,152	22,764,396
County aid			5,235,703	5,397,940	5,349,053
Food service sales	689,581	146,628	23,523	6,483	221,365
Investment income	1,863,899	844,821	360,300	290,220	788,915
Other revenues	1,256,694	1,686,501	1,097,800	1,813,857	1,584,552
Total local sources	<u>27,823,489</u>	<u>27,119,973</u>	<u>31,244,629</u>	<u>30,375,652</u>	<u>30,708,281</u>
Total revenues	<u><u>\$ 174,598,653</u></u>	<u><u>\$ 164,209,337</u></u>	<u><u>\$ 154,702,999</u></u>	<u><u>\$ 119,001,775</u></u>	<u><u>\$ 121,870,908</u></u>

(Continued)

Alhambra Elementary School District No. 68
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Federal sources:					
Federal grants	\$ 18,261,114	\$ 16,958,596	\$ 16,953,833	\$ 15,589,143	\$ 16,946,082
National School Lunch Program	9,492,934	8,911,205	9,204,459	8,907,544	8,197,951
Total federal sources	<u>27,754,048</u>	<u>25,869,801</u>	<u>26,158,292</u>	<u>24,496,687</u>	<u>25,144,033</u>
State sources:					
State equalization assistance	50,686,801	48,644,079	52,259,937	53,688,006	51,664,830
State grants	1,737,753	719,030	280,371	292,984	238,353
School Facilities Oversight Board	426,353	39,147			
Other revenues	6,814,835	6,067,040	5,395,995	5,485,242	5,240,281
Total state sources	<u>59,665,742</u>	<u>55,469,296</u>	<u>57,936,303</u>	<u>59,466,232</u>	<u>57,143,464</u>
Local sources:					
Property taxes	20,705,672	23,122,925	20,406,885	18,891,789	19,086,780
County aid	5,292,940	5,564,594	5,795,451	5,841,181	5,681,066
Food service sales	256,434	317,676	348,890	330,282	383,533
Investment income	913,700	282,697	188,434	166,050	152,330
Other revenues	1,407,016	1,746,935	1,235,321	1,123,844	1,108,320
Total local sources	<u>28,575,762</u>	<u>31,034,827</u>	<u>27,974,981</u>	<u>26,353,146</u>	<u>26,412,029</u>
Total revenues	<u><u>\$ 115,995,552</u></u>	<u><u>\$ 112,373,924</u></u>	<u><u>\$ 112,069,576</u></u>	<u><u>\$ 110,316,065</u></u>	<u><u>\$ 108,699,526</u></u>

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

Note: Due to a change in legislation, beginning with fiscal year 2023, county aid is now presented with property taxes.

(Concluded)

Alhambra Elementary School District No. 68
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenditures:					
Current -					
Instruction	\$ 71,658,438	\$ 66,842,397	\$ 60,252,216	\$ 66,708,446	\$ 59,375,317
Support services - students and staff	25,939,428	25,023,313	25,184,859	19,411,081	17,913,250
Support services - administration	14,410,344	11,408,130	10,092,219	8,915,161	9,343,514
Operation and maintenance of plant services	10,830,822	9,881,422	9,300,128	8,320,418	8,364,618
Student transportation services	5,328,875	5,192,084	3,907,424	2,468,749	3,856,537
Operation of non-instructional services	10,370,269	10,375,734	9,503,942	7,354,864	8,998,055
Capital outlay	25,471,773	18,034,789	19,968,169	13,265,718	30,568,925
Debt service -					
Principal retirement	1,700,000	1,590,000	1,420,000	3,825,991	4,129,217
Interest and fiscal charges	1,854,821	1,902,671	2,003,069	1,522,597	1,500,536
Bond issuance costs				193,989	227,673
Total expenditures	<u><u>\$ 167,564,770</u></u>	<u><u>\$ 150,250,540</u></u>	<u><u>\$ 141,632,026</u></u>	<u><u>\$ 131,987,014</u></u>	<u><u>\$ 144,277,642</u></u>
Expenditures for capitalized assets	\$ 15,932,284	\$ 12,160,868	\$ 12,631,522	\$ 4,786,374	\$ 25,084,798
Debt service as a percentage of noncapital expenditures	2%	3%	3%	4%	5%

(Continued)

Alhambra Elementary School District No. 68
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenditures:					
Current -					
Instruction	\$ 58,992,981	\$ 53,854,178	\$ 53,524,737	\$ 55,204,045	\$ 52,991,571
Support services - students and staff	18,697,165	18,261,310	16,110,668	15,216,888	14,892,002
Support services - administration	8,799,503	10,090,697	9,245,914	9,739,697	9,168,371
Operation and maintenance of plant services	8,526,698	8,949,845	9,137,815	8,713,010	9,513,387
Student transportation services	3,633,334	4,040,262	2,998,789	3,487,044	3,670,920
Operation of non-instructional services	9,586,083	9,620,897	9,479,526	9,899,294	11,941,646
Capital outlay	24,428,639	18,160,854	8,918,438	4,846,257	15,645,173
Debt service -					
Principal retirement	2,814,216	4,409,494	2,276,542	2,276,543	2,547,477
Interest and fiscal charges	1,135,520	439,572		3,727	1,458,218
Bond issuance costs		268,837			
Total expenditures	<u><u>\$ 136,614,139</u></u>	<u><u>\$ 128,095,946</u></u>	<u><u>\$ 111,692,429</u></u>	<u><u>\$ 109,386,505</u></u>	<u><u>\$ 121,828,765</u></u>
Expenditures for capitalized assets	\$ 19,505,964	\$ 6,817,736	\$ 2,835,937	\$ 3,477,337	\$ 3,347,957
Debt service as a percentage of noncapital expenditures	3%	4%	2%	2%	3%

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

(Concluded)

Alhambra Elementary School District No. 68
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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Excess (deficiency) of revenues over expenditures	\$ 7,033,883	\$ 13,958,797	\$ 13,070,973	\$ (12,985,239)	\$ (22,406,734)
Other financing sources (uses):					
Issuance of school improvement bonds				13,380,000	13,750,000
Premium on sale of bonds				1,778,462	1,437,799
Capital lease agreements					
Insurance recoveries		32,804			
Proceeds from disposal of personal property					1,219,304
Transfers in	3,639,711	6,522,326	5,447,572	1,339,741	830,921
Transfers out	(3,639,711)	(6,522,326)	(5,447,572)	(1,339,741)	(830,921)
Total other financing sources (uses)		32,804		15,158,462	16,407,103
Changes in fund balances	<u>\$ 7,033,883</u>	<u>\$ 13,991,601</u>	<u>\$ 13,070,973</u>	<u>\$ 2,173,223</u>	<u>\$ (5,999,631)</u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Excess (deficiency) of revenues over expenditures	\$ (20,618,587)	\$ (15,722,022)	\$ 377,147	\$ 929,560	\$ (13,129,239)
Other financing sources (uses):					
Issuance of school improvement bonds		14,265,000			
Premium on sale of bonds		1,002,873			
Capital lease agreements	176,452	20,392,566			8,940,345
Insurance recoveries	33,370	45,612	59,736		
Proceeds from disposal of personal property		2,163,064			
Transfers in	1,178,549	441,270	541,070	837,777	950,617
Transfers out	(1,178,549)	(441,270)	(541,070)	(837,777)	(950,617)
Total other financing sources (uses)	209,822	37,869,115	59,736		8,940,345
Changes in fund balances	<u>\$ (20,408,765)</u>	<u>\$ 22,147,093</u>	<u>\$ 436,883</u>	<u>\$ 929,560</u>	<u>\$ (4,188,894)</u>

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

Alhambra Elementary School District No. 68
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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	\$ 236,300,365	\$ 229,196,090	\$ 219,625,757	\$ 209,064,255	\$ 197,944,249
Agricultural and Vacant	9,793,171	4,374,661	3,889,678	3,635,252	4,703,499
Residential (Owner Occupied)	71,316,045	68,303,448	64,996,984	61,626,241	57,664,715
Residential (Rental)	64,793,871	62,271,872	59,159,443	56,684,069	54,836,429
Railroad, Private Cars and Airlines	6,261,503	5,209,946	4,245,090	3,859,151	4,020,709
Historical Property	279,290	-	-	-	-
Certain Government Property Improvements	-	75,751	72,144	68,708	65,522
Total	\$ 388,744,245	\$ 369,431,768	\$ 351,989,096	\$ 334,937,676	\$ 319,235,123
Gross Full Cash Value	\$ 9,174,547,156	\$ 7,153,160,666	\$ 6,585,049,578	\$ 5,851,261,986	\$ 5,157,840,018
Ratio of Net Limited Assessed Value to Gross Full Cash Value	4%	5%	5%	6%	6%
Total Direct Rate	6.35	6.69	6.92	6.82	7.23

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 209,836,712	\$ 189,661,649	\$ 174,046,737	\$ 164,700,217	\$ 169,321,294
Agricultural and Vacant	4,686,813	5,134,710	4,625,694	5,729,170	5,004,736
Residential (Owner Occupied)	51,815,373	48,727,013	41,169,397	39,512,637	38,437,898
Residential (Rental)	77,457,011	73,630,988	64,623,812	50,125,652	40,423,107
Railroad, Private Cars and Airlines	3,966,892	3,700,445	3,508,716	3,774,722	4,054,360
Historical Property	-	-	-	109,430	162,185
Certain Government Property Improvements	62,447	33,787	32,178	30,645	36,356
Total	\$ 347,825,248	\$ 320,888,592	\$ 288,006,534	\$ 263,982,473	\$ 257,439,936
Gross Full Cash Value	\$ 4,556,602,145	\$ 3,987,864,486	\$ 3,474,961,667	\$ 2,852,557,761	\$ 2,299,465,664
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	8%	8%	9%	11%
Total Direct Rate	6.42	7.18	7.15	7.52	7.00

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

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

Alhambra Elementary School District No. 68
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

	Fiscal Year				
Class	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	\$ 395,943,600	\$ 320,839,737	\$ 311,588,548	\$ 289,186,115	\$ 264,242,652
Agricultural and Vacant	20,013,268	7,773,599	6,543,237	5,614,007	6,809,912
Residential (Owner Occupied)	233,884,588	178,178,075	158,501,608	141,480,066	122,206,835
Residential (Rental)	227,553,762	178,879,768	162,021,318	128,388,014	112,809,724
Railroad, Private Cars and Airlines	7,943,270	6,648,734	5,315,702	4,782,921	4,890,915
Historical Property	875,380	-	-	-	-
Certain Government Property Improvements	-	107,461	106,045	98,034	96,767
Total	\$ 886,213,868	\$ 692,427,374	\$ 644,076,458	\$ 569,549,157	\$ 511,056,805
Gross Full Cash Value	9,174,547,156	7,153,160,666	6,585,049,578	5,851,261,986	5,157,840,018
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	10%
Estimated Net Full Cash Value	6,994,689,270	5,386,926,118	4,917,625,855	4,303,880,069	3,830,908,066
Total Direct Rate	6.35	6.69	6.92	6.82	7.23

	Fiscal Year				
Class	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	\$ 277,356,147	\$ 246,357,874	\$ 211,179,172	\$ 179,152,550	\$ 171,996,491
Agricultural and Vacant	6,702,586	7,315,605	5,657,900	6,363,562	5,113,576
Residential (Owner Occupied)	111,118,276	90,127,495	77,954,566	66,224,825	44,482,896
Residential (Rental)	131,312,920	114,820,424	98,756,981	71,039,079	46,570,742
Railroad, Private Cars and Airlines	4,712,297	4,275,248	3,743,761	3,844,570	4,092,465
Historical Property	-	-	-	437,720	616,303
Certain Government Property Improvements	92,213	48,649	45,211	34,939	36,368
Total	\$ 531,294,439	\$ 462,945,295	\$ 397,337,591	\$ 327,097,245	\$ 272,908,841
Gross Full Cash Value	4,556,602,145	3,987,864,486	3,474,961,667	2,852,557,761	2,299,465,664
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	12%	12%	11%	11%	12%
Estimated Net Full Cash Value	3,979,495,489	3,439,081,204	2,951,496,523	2,345,752,414	1,843,418,743
Total Direct Rate	6.42	7.18	7.15	7.52	7.00

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.

Alhambra Elementary School District No. 68
Property Tax Assessment Ratios
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Commercial, Industrial, Utilities and Mining	17 %	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	14	15	15	15	15

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	19 %	19 %
Agricultural and Vacant	15	15	15	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	15	14	15	16

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.

Alhambra Elementary School District No. 68
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates						District Direct Rates		
	State	County	Phoenix Union	Maricopa	City of Phoenix	City of Glendale	Primary	Secondary	Total
	Equalization		High School District No. 210	Community College					
2024		1.20	4.50	1.14	2.10	1.56	1.73	4.62	6.35
2023		1.25	4.61	1.19	2.11	1.67	1.98	4.70	6.68
2022	0.43	1.35	4.72	1.23	2.12	1.73	2.12	4.80	6.92
2021	0.44	1.40	4.83	1.29	2.13	1.80	1.86	4.96	6.82
2020	0.46	1.40	4.99	1.33	2.13	1.86	2.07	5.16	7.23
2019	0.47	1.40	5.20	1.38	2.14	1.98	2.10	4.32	6.42
2018	0.49	1.40	5.03	1.41	2.16	2.08	2.85	4.33	7.18
2017	0.50	1.40	5.07	1.47	2.17	2.15	2.25	4.90	7.15
2016	0.51	1.36	4.96	1.49	1.82	2.20	2.26	5.26	7.52
2015	0.51	1.32	4.62	1.52	1.82	2.15	1.96	5.04	7.00

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

Note: There was no state equalization levy for the year ended June 30, 2023 and June 30, 2024.

Alhambra Elementary School District No. 68
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior

Taxpayer	2024		2015	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
SHAMROCK FOOD COMPANY	\$ 9,957,560	2.56 %		
GRAND CANYON UNIVERSITY	7,875,185	2.03	\$ 21,481,278	7.87 %
BNSF RAILWAY COMPANY	5,630,264	1.45	3,884,570	1.42
BETHANY HOME INDUSTRIAL LLC	4,964,290	1.28		
PEGASUS WEST VALLEY NORTH OWNER LLC	3,654,139	0.94		
LUKE CAMELBACK LLC	3,619,347	0.93	3,020,995	1.11
CPUS 4450 NORTH 45TH AVENUE LP	3,332,980	0.86		
SOUTHWEST GAS CORPORATION	3,301,291	0.85		
BROADSTONE HBC ARIZONA LLC	2,569,329	0.66		
1128 VALENCIA ASSOCIATES LLC	2,505,395	0.64	2,417,580	0.89
QWEST CORPORATION			3,294,082	1.21
MCCLELLANCD FAMILY PARTNERSHIP			2,879,618	1.06
MCCLELLANCD PROPERTY COMPANY			2,174,659	0.80
AGNL HOPS LLC			2,158,285	0.79
UNITED PARCEL SERVICES			2,109,889	0.77
PLAZA DEL SOL			1,654,141	0.61
Total	<u>\$ 47,409,780</u>	<u>12.20 %</u>	<u>\$ 45,075,097</u>	<u>16.53 %</u>

Source: The source of this information is the Maricopa 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.

Alhambra Elementary School District No. 68
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
2024	\$ 24,669,385	\$ 23,537,909	95.41 %	\$	\$ 23,537,909	95.41 %
2023	25,100,581	23,899,547	95.22	1,183,266	25,082,813	99.93
2022	24,573,029	23,748,982	96.65	812,457	24,561,439	99.95
2021	23,039,906	22,175,341	96.25	856,670	23,032,011	99.97
2020	23,018,421	22,048,827	95.79	958,980	23,007,807	99.95
2019	20,970,492	20,166,933	96.17	799,369	20,966,302	99.98
2018	23,508,864	22,463,899	95.56	1,041,213	23,505,112	99.98
2017	20,561,658	19,815,816	96.37	743,331	20,559,147	99.99
2016	20,006,688	19,308,576	96.51	696,007	20,004,583	99.99
2015	18,883,916	17,974,861	95.19	907,361	18,882,222	99.99

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

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

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

Alhambra Elementary School District No. 68
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General	Less:		Percentage of			Percentage of				
	Obligation	Amounts		Estimated			Estimated			Percentage of	
	Bonds and	Restricted for		Actual Value	Per	Financed	Actual Value			Personal	
	Premium	Principal	Total	(Full Cash Value)	Capita	Purchases	Total	(Full Cash Value)	Capita	Income	
2024	\$ 39,263,336	\$ 361,705	\$ 38,901,631	0.75 %	\$ 393	\$ 11,860,757	\$ 51,124,093	0.56 %	\$ 517	0.02 %	
2023	41,063,509	351,961	40,711,548	0.79	410	11,860,757	52,924,266	0.74	533	0.02	
2022	42,693,682	261,706	42,431,976	0.82	419	11,860,757	54,554,439	0.83	538	0.02	
2021	44,003,851	206,555	43,797,296	0.85	441	10,081,643	54,085,494	0.92	545	0.02	
2020	30,281,639	316,013	29,965,626	0.58	328	12,807,634	43,089,273	0.84	471	0.02	
2019	15,215,090	193,487	15,021,603	0.33	180	15,621,851	30,836,941	0.68	370	0.01	
2018	15,267,873		15,267,873	0.38	183	18,259,615	33,527,488	0.84	402	0.02	
2017						2,276,543	2,276,543	0.07	27	0.00	
2016						4,553,085	4,553,085	0.16	55	0.00	
2015	40,000	40,000				6,829,628	6,869,628	0.30	82	0.00	

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

Note: The provisions of 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 2014-2021 information within this column relates to the transactions previously designated as capital leases.

Alhambra Elementary School District No. 68
Direct and Overlapping Governmental Activities Debt
June 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa Community College District	\$ 145,829,000	0.84 %	\$ 1,224,964
Maricopa County Special Health Care District	600,335,000	0.84	5,042,814
City of Glendale	786,379,000	23.98	188,573,684
City of Phoenix	1,382,740,000	9.60	132,743,040
Phoenix Union High School District No. 210	369,268,212	100.00	369,268,212
Subtotal, Overlapping Debt			<u>696,852,714</u>
Direct:			
Alhambra Elementary School District No. 68			<u>51,124,093</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 747,976,807</u></u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		10.01 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 7,441	
As a Percentage of Net Limited Assessed Valuation		83.02 %
As a Percentage of Estimated Gross Full Cash Value		8.02 %

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, 2023 is presented for the overlapping governments as this is the most recent available information.

Alhambra Elementary School District No. 68
Legal Debt Margin Information
Last Ten Fiscal Years

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2024:

Net full cash assessed valuation	\$ 886,213,868
Debt limit (10% of assessed value)	88,621,387
Debt applicable to limit	39,179,247
Legal debt margin	<u>\$ 49,442,140</u>

Total Legal Debt Margin Calculation for Fiscal Year 2024:

Net full cash assessed valuation	\$ 886,213,868
Debt limit (15% of assessed value)	132,932,080
Debt applicable to limit	39,179,247
Legal debt margin	<u>\$ 93,752,833</u>

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt Limit	\$ 132,932,080	\$ 103,864,106	\$ 96,611,469	\$ 85,432,374	\$ 76,658,521
Total net debt applicable to limit	<u>39,179,247</u>	<u>40,907,500</u>	<u>42,440,875</u>	<u>41,700,000</u>	<u>30,000,000</u>
Legal debt margin	<u>\$ 93,752,833</u>	<u>\$ 62,956,606</u>	<u>\$ 54,170,594</u>	<u>\$ 43,732,374</u>	<u>\$ 46,658,521</u>
Total net debt applicable to the limit as a percentage of debt limit	29%	39%	44%	49%	39%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt Limit	\$ 79,694,166	\$ 69,441,794	\$ 59,600,639	\$ 49,064,587	\$ 40,936,326
Total net debt applicable to limit	<u>15,000,000</u>	<u>15,000,000</u>	<u></u>	<u></u>	<u>40,000</u>
Legal debt margin	<u>\$ 64,694,166</u>	<u>\$ 54,441,794</u>	<u>\$ 59,600,639</u>	<u>\$ 49,064,587</u>	<u>\$ 40,896,326</u>
Total net debt applicable to the limit as a percentage of debt limit	19%	22%	0%	0%	0%

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

- Notes:** 1) The District's general obligation bonds are subject to three limits; the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limits 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 premim deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

Alhambra Elementary School District No. 68
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>
2023	4,665,020	\$ 288,842,282	\$ 63,461	3.4 %	98,883
2022	4,586,431	268,713,717	59,759	3.3	99,277
2021	4,507,419	245,077,753	49,648	4.5	101,350
2020	4,439,220	222,943,072	49,704	6.6	99,277
2019	4,367,835	222,943,072	49,704	4.0	91,430
2018	4,294,460	210,370,180	47,694	4.1	83,303
2017	4,221,684	196,286,191	45,573	4.2	83,303
2016	4,137,076	185,111,698	43,628	4.5	83,303
2015	4,076,438	168,483,421	41,222	5.5	83,303
2014	4,008,651	168,483,421	41,222	5.9	83,303

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 for 2010 is the University of Arizona, Eller College of Management, Economic and Business Research Center. For 2011 through 2019, the source of the information is the Arizona Office of Employment and Population Statistics.

Alhambra Elementary School District No. 68
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior

Employer	2024		2015	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Banner Health	26,670	1.41 %	24,825	1.35
Amazon	23,260	1.23		
State of Arizona	22,350	1.18	49,800	2.71
Wal-Mart Stores Inc.	17,450	0.92	30,634	1.67
Frys Food Stores	15,110	0.80		
Intel Corporation	12,810	0.68		
Maricopa County	11,580	0.61	12,792	0.70
Arizona State University	11,300	0.60	11,185	0.61
Wells Fargo Company	10,420	0.55	13,308	0.72
United States Department of the Air Force	9,310	0.49		
City of Phoenix			15,100	0.82
Bank of America			13,300	0.72
Raytheon Co.			11,500	0.63
Apollo Group			11,000	0.60
Total	<u>160,260</u>	<u>8.47 %</u>	<u>193,444</u>	<u>10.53 %</u>
Total employment	<u>1,893,180</u>		<u>1,836,600</u>	

Source: The source of this information is the 2023 Maricopa Association of Governments Employer Database and the 2014 Business Journal Book of Lists.

Note: The principal employer data is presented for the Phoenix metropolitan area.

Alhambra Elementary School District No. 68
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

Full-time Equivalent Employees as of June 30					
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Supervisory					
Principals	16	16	13	15	15
Assistant principals					
Other	26	24	26	27	27
Total supervisory	<u>42</u>	<u>40</u>	<u>39</u>	<u>42</u>	<u>42</u>
Instruction					
Teachers	571	569	503	544	584
Other professionals (instructional)	138	72	54	54	37
Aides	199	234	143	229	152
Total instruction	<u>908</u>	<u>875</u>	<u>700</u>	<u>827</u>	<u>773</u>
Student Services					
Nurses	15	16	12	12	14
Guidance Counselors	22	21	21	18	12
Other student services	82	82	89	25	36
Total student services	<u>119</u>	<u>119</u>	<u>122</u>	<u>55</u>	<u>62</u>
Support and Administration					
Food Service workers	110	110	88	93	93
Custodial/maintenance workers	99	123	68	86	88
Other classified	128	205	62	77	119
Transportation	68	80	50	33	45
Office	66	66	68	59	56
Total support and administration	<u>471</u>	<u>584</u>	<u>336</u>	<u>348</u>	<u>401</u>
Total	<u><u>1,540</u></u>	<u><u>1,618</u></u>	<u><u>1,197</u></u>	<u><u>1,272</u></u>	<u><u>1,278</u></u>

(Continued)

Alhambra Elementary School District No. 68
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Supervisory					
Principals	13	20	14	15	15
Assistant principals			2	4	4
Other	25	40	13	12	13
Total supervisory	<u>38</u>	<u>60</u>	<u>29</u>	<u>31</u>	<u>32</u>
Instruction					
Teachers	562	597	640	621	614
Other professionals (instructional)	40	52			
Aides	191	229	195	114	112
Total instruction	<u>793</u>	<u>878</u>	<u>835</u>	<u>735</u>	<u>726</u>
Student Services					
Nurses	11	16			
Guidance Counselors	11	10	9	1	1
Other student services	33	39	32	15	15
Total student services	<u>55</u>	<u>65</u>	<u>41</u>	<u>16</u>	<u>16</u>
Support and Administration					
Food Service workers	97	137	100	115	113
Custodial/maintenance workers	86		82	101	100
Other classified	89	246	219	349	331
Transportation	49	68			
Office	32	32			
Total support and administration	<u>353</u>	<u>483</u>	<u>401</u>	<u>565</u>	<u>544</u>
Total	<u>1,239</u>	<u>1,486</u>	<u>1,306</u>	<u>1,347</u>	<u>1,318</u>

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

(Concluded)

Alhambra Elementary School District No. 68
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
2024	9,317	\$ 138,538,176	\$ 14,869	10.09 %	\$ 159,238,403	\$ 17,091	14.09 %	908	10.3	93.0 %
2023	9,530	128,723,080	13,507	5.20	142,761,781	14,980	4.22	875	10.9	85.0
2022	9,209	118,240,788	12,840	14.84	132,362,231	14,373	13.69	700	13.2	80.5
2021	10,123	113,178,719	11,180	16.86	127,976,136	12,642	17.56	827	12.2	66.7
2020	11,273	107,851,291	9,567	0.43	121,230,254	10,754	7.74	773	14.6	92.0
2019	11,362	108,235,764	9,526	7.33	113,408,130	9,981	(0.34)	793	14.3	93.0
2018	11,810	104,817,189	8,875	9.98	118,287,621	10,016	7.39	878	13.5	93.0
2017	12,453	100,497,449	8,070	2.75	116,148,952	9,327	13.82	835	14.9	89.0
2016	13,020	102,259,978	7,854	0.28	106,689,063	8,194	(11.26)	735	17.7	92.0
2015	13,046	102,177,897	7,832	(1.19)	120,468,886	9,234	13.98	726	18.0	94.5

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

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

Alhambra Elementary School District No. 68
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2024</u>	<u>2023</u>	<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>Schools</u>										
Elementary										
Buildings	218	218	183	183	178	178	210	210	210	210
Square feet	1,404,465	1,404,465	1,300,721	1,300,721	1,250,721	1,250,721	1,363,309	1,363,309	1,363,309	1,363,309
Other										
Buildings	36	36	36	36	36	31	7	7	7	7
Square feet	219,215	219,215	219,215	219,215	219,215	169,215	21,156	29,156	29,156	29,156
<u>Administrative</u>										
Buildings	8	8	8	8	8	8	8	8	8	8
Square feet	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175	87,175
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	50	50	56	56		56	54	59	57	57
Playgrounds	15	15	15	15	15	15	15	15	15	15

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