

Maricopa County, Arizona

GILBERT PUBLIC SCHOOLS

140 South Gilbert Road, Gilbert, AZ 85296

Annual Comprehensive Financial Report FISCAL YEAR ENDING JUNE 30, 2022

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 GILBERT, ARIZONA

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

Issued by: Business Services Department

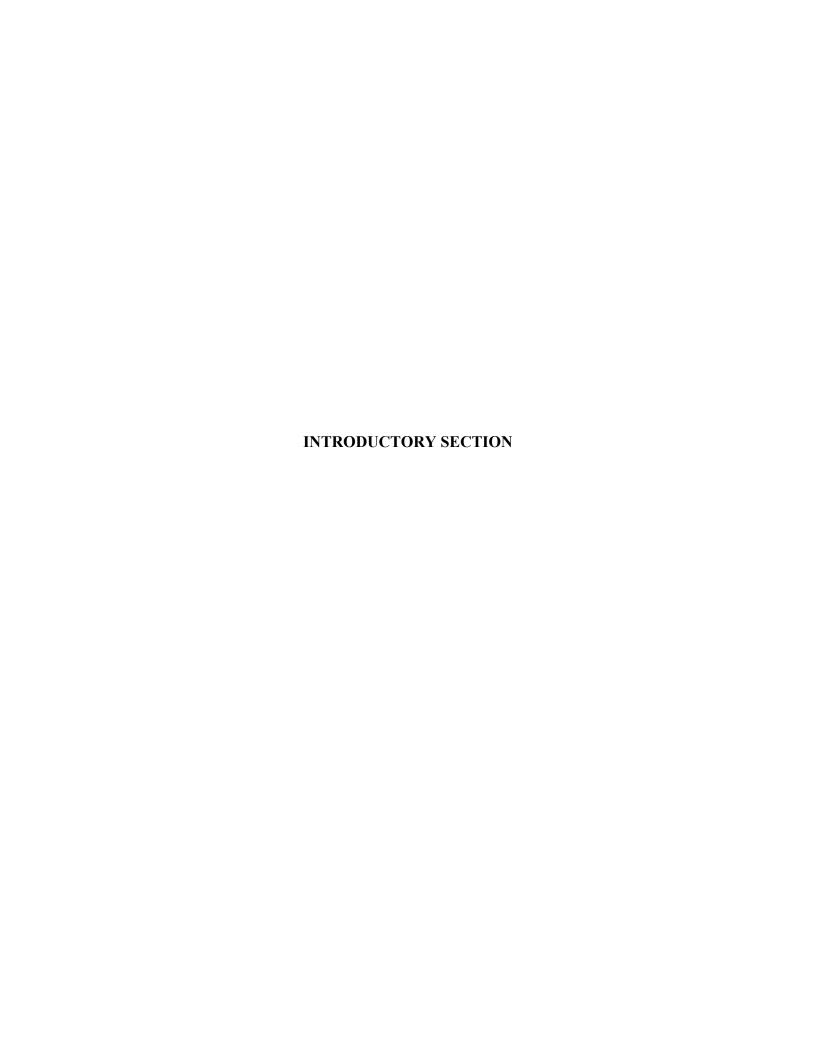
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140 S. Gilbert Road, Gilbert, AZ 85296 480-497-3300 | www.gilbertschools.net

SUPERINTENDENT

Dr. Shane McCord

ASSOCIATE SUPERINTENDENT

Ms. Bonnie J. Betz

ASSISTANT SUPERINTENDENTS

Mr. Jason Martin Dr. Barbara Newman Mr. Shawn McIntosh Ms. Marcie Taylor

GILBERT PUBLIC SCHOOLS GOVERNING BOARD

Mrs. Lori Wood, President Mrs. Sheila Rogers Uggetti, Clerk Mrs. Jill Humpherys, Member Mr. Bill Parker, Member Dr. J. Charles Santa Cruz, Member

December 20, 2022

Citizens and Governing Board Gilbert Unified School District No. 41 140 South Gilbert Road Gilbert, Arizona 85296

It is our pleasure to submit to you the Gilbert Unified School District No. 41 (the District otherwise known as Gilbert Public Schools) Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. 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.

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

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

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 audited District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

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

PROFILE OF THE DISTRICT

GPS is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade twelve. GPS resides in the east part of Maricopa County and encompasses about 60 square miles mostly within the Town of Gilbert but includes small areas in the Cities of Chandler and Mesa.

District Governance

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.

The Governing Board consists of five members elected by the public. Throughout FY 2022, these five individuals included Board President, Mrs. Lori Wood, Board Clerk, Mrs. Sheila Uggetti, and Board members, Mrs. Jill Humpherys, Dr. J. Charles Santa Cruz and Mr. William Parker.

On November 8, 2022, a Governing Board election was held for two Board seats, those held by Mrs. Jill Humpherys and Dr. J. Charles Santa Cruz. Mrs. Jill Humpherys retained her Governing Board seat and Mr. Chad Thompson was elected as the new Governing Board member. Dr. Santa Cruz did not run for reelection. In addition, Mr. William Parker, the Board member appointed to the Board seat vacated by Mr. Reed Carr last July, decided not to run to complete the term vacated by Mr. Carr. Mrs. Ronda Page, the only candidate to run for this two-year term, was elected by default. The three successful candidates will take their seats in January of 2023.

Under existing statutes, the duties and powers of the Governing Board 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 major operations of the District include education, student transportation, construction and maintenance of District facilities, food services, bookstore, and athletic functions.

District Leadership and School Performance

Dr. Shane McCord is in his sixth year as superintendent of Gilbert Public Schools. During FY 2019, he led his leadership team in the process of creating a Strategic Operating Plan. This plan included four main elements surrounding the overall priority of Student Success: Safe and Supportive Schools, Employee Excellence, Family and Community Engagement and finally, Operational Excellence.

Since that time, GPS has been able to add continued increases in teacher salary, new curricula, new instructional teacher professional development defined within the District Instructional Framework, instructional coaches as well as two principal coaches addressing instructional leadership at all 38 school buildings. All of these efforts have resulted in FY 2022 being the most successful year yet under the leadership of Dr. McCord.

Gilbert Public Schools has received numerous district and school awards during FY 2022. For the third year in a row, GPS has been awarded the Best School District in the East Valley by the East Valley Tribune. The District has continued to add A+ Schools of Excellence (awarded by the Arizona Education Foundation) with Mesquite Elementary and Superstition Springs Elementary winning this distinction in FY 2022 bringing the total number to 12 schools. Another five schools are completing this process in the current fiscal year.

Two high schools offering Career and Technical Courses within the Agriscience Program were awarded finalists distinctions in Division I FFA (Future Farmers of America) – Highland High School and Division II FFA – Campo Verde High School. As a school district community, the NAMM Foundation awarded GPS the "Best Communities for Music Education Award." GPS has long been known for its exceptional music, orchestra and band programs at all comprehensive high schools.

Most importantly, academic achievement for FY 2022 was extraordinary in spite of the continued battle with Covid 19 and associated learning loss due to high absenteeism in both student and staff attendance. During FY 2022, based on Arizona metrics, the performance of GPS schools indicated significant progress in addressing learning loss.

For background, academic achievement is measured in Arizona based on Section 15-241 of the Arizona Revised Statutes (A.R.S). This statute requires the Arizona Department of Education to develop an annual achievement profile for every public school in the State based on an A through F scale. This system measures year over year student academic growth, proficiency in English Language Arts, Math and Science, the proficiency and academic growth of English Language Learners, indicators that an elementary student is ready for success in high school and that high school students are ready to succeed in a career or higher education pathway. This system also accounts for graduation rates.

Based on this formula, 100% of all pK-12 schools were identified as proficient (C grade or better) with 86% achieving a grade of B or better. In assessing this data, Curriculum and Assessment staff compared the results of FY 2022 to FY 2019 where FY 2019 represented the year prior to the advent of Covid 19. In that comparison, the FY 2022 average total point increase for all schools was 14.09 points over FY 2019. Average growth for the same time period was 18%.

Finally, all District high schools, inclusive of Gilbert Classical Academy (GCA) - a 7-12 magnet school, realized substantial State ranking increases. These State rankings are based on a total % of points earned within the State achievement profile. Four of the five comprehensive schools were ranked in the top 50 Arizona High Schools and GCA was ranked number 1. The fifth comprehensive high school, Mesquite High, ranked 79th, improving its ranking by 37 spots in total % points earned – an amazing accomplishment!

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, the component unit combined with the District for financial statement purposes and the District are not included in any other governmental entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable.

FACTORS AFFECTING FINANCIAL CONDITION

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

The expenditure budget is prepared by fund for all Governmental Funds, and includes function and object code detail for the General Fund, and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all required funds. Funds that are not required to legally adopt a budget may have over-expenditures of budgeted funds. The budget for these funds is simply an estimate of revenues expected and does not prevent the District from exceeding the budget as long as the necessary

revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. A deficit budgeted fund balance does not affect the District's ability to expend monies. The various circumstances impacting the financial condition of Gilbert Public Schools in this reporting year as well as the current year are discussed below.

The FY 2022 Budget and the Financial Impact of the Coronavirus (Covid-19)

In spite of the unknowns associated with the ongoing coronavirus pandemic, the State enacted a budget for FY 2022 that included ongoing inflation adjusted funding and full funding of the District Additional Assistance (DAA) for the first time since FY 2015. The DAA has been reduced from the statutory formula for seven years representing an aggregate capital funding loss of over \$75.5 million.

The District, in addition to budgeting for a 15% override, and considering the legislative actions associated with the State budget, adopted a FY 2022 budget assuming a loss of 400 students from FY 2021. The District adopted a budget of about \$260.9 million, a value about \$2.8 M less than FY 2021.

Fortunately, school began in the Fall with full in person learning. Many of the students formerly enrolled in the GPS online school – Global Academy - returned back to in person learning. The result was a substantial increase in ADM (Average Daily Membership) or student counts allowing GPS to increase the budget. The table below shows the changes in student counts – most notably the increase in In-Person counts and the associated decrease in Online student counts.

Student Count Type	FY 2021 Final Recalc	FY 2022 Adopted	FY 2022 Revised #2	FY 2022 Revised #3
In Person	29,083.80	28,586.29	31,366.36	31,330.02
Arizona On Line (AOI) Full-Time	1,359.96	1,484.43	441.63	415.98
Arizona On Line (AOI) Part-Time	345.57	352.16	83.00	82.20
TOTAL	30,789.33	30,422.88	31,891.00	31,828.20*
	FY2021	FY2022		
Enrollment at 100 th Day	33,055.00	33,121.00**		

Below is a second table that shows the changes in budget capacity realized throughout this reporting year. As a reminder, Arizona school districts have been funded based on current year student counts (ADM) since fiscal year 2017.

^{*} FY 2022 Revised #3 data is as of April 2022 and continues to change until the final recalculation in July.

^{**} Enrollment data for FY 2022 is also as of April 2022.

Budget Item	FY 2021 Revised #3	FY 2022 Adopted	FY 2022 Revised #2	FY 2022 Revised #3	FY 2022 Change over FY 2021
ADM – Average Daily Membership	30,823	30,422.9	31,891.0	31,828.2	1,005.2
RCL – Revenue Control Limit	\$ 198.2 M	\$ 204.2 M	\$ 212.8 M	\$ 213.4 M	\$ 15.2 M
Reclassify M&O Revenue to Capital	n/a	n/a	n/a	-20.0 M	\$ 20.0 M
M&O Override	32.3 M	31.0 M	31.0 M	31.0 M	(1.3 M)
BBCF – Budget Balance Carryforward	31.6 M	23.9 M	42.1 M	42.1 M	10.5 M
M&O General Budget Limit	\$263.7 M	\$ 260.9 M	\$ 287.7 M	\$ 268.3 M	\$ 4.6 M
Unrest Capital Budget Limit	\$16.7 M	\$ 20.3 M	\$ 22.5 M	\$ 42.5 M	\$ 25.8 M

Note the increased budget capacity during the school year due to the increases in student counts. From Adopted budget, the M&O (Maintenance and Operations) increased by over \$27.7 M in Revised #2. Due to this substantial increase, the Governing Board approved the posting of M&O revenues to Unrestricted Capital, a fund that is eligible for interest earnings and is intended for one-time capital spend appropriately matching up one-time monies associated with the infusion of Federal ESSER monies into a fund that is intended for one-time spend.

In addition to operating funds, President Joseph Biden worked with congress to provide Elementary and Secondary Schools Emergency Relief (ESSER) III allocations to districts and charters throughout the nation. Gilbert was notified of this new ESSER III allocation on May 24, 2021. A total amount of \$22.4 M was allocated to Gilbert Public Schools in this newest Federal Grant. GPS expended nearly \$12 M of this grant on a 3% one-time retention stipend, and on a 24/7 on-demand tutoring service as well as up to three years of summer school and intersession costs to include providing meals to students attending these sessions.

Also note that Arizona School Districts received more American Recovery Plan dollars through the Governor's Office in the form of Education Plus Up monies and the 100 Day Grant. These two allocations amounted to another round of CARES (Coronavirus Aid, Relief and Economic Security Act) Act funds and both will be fully spent in FY 2023, the new year.

As expected, the District maintained the increased spending associated with the Coronavirus. Custodial supplies and services continued and numerous personal protective equipment items (N-95 masks, Plexiglas barriers, face shields) continue to be purchased. All of these expenditures have been accounted for in both operating funds as well as remaining eligible ESSER monies.

As has been the practice during FY 2020 and FY 2021, the District purposefully controlled FY 2022 spend of local funds and judiciously continued to use available Federal and State CARES Act funding. The control of spend was important due to the uncertainty of the ongoing pandemic and the resulting potential enrollment loss.

Local Economy

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. Many of the details presented below can also be found in the Town of Gilbert Annual Comprehensive Financial Report found at:

https://www.gilbertaz.gov/departments/finance-mgmt-services/cafr

The District is located in the southeast portion of Maricopa County. Gilbert is the principal town within the District along with portions of Maricopa County property and portions of the cities of Mesa and Chandler. For the past 10 years, Gilbert Public Schools has been ranked first as the largest employer within the Town.

Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such other towns as Paradise Valley and Fountain Hills along with Gilbert. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. Maricopa County has a very wide range of economic sectors supporting its substantial growth. Less than 16 percent of the County is incorporated in cities and towns. The County's 2020 population was estimated at 4.4 million and is expected to reach 6 million by 2030.

Service is the largest employment sector in the County, partly fueled by the tourist industry. The County has excellent accommodations, diverse cultural and recreational activities, national sports, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category, employing over a quarter million people. The metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university with four campuses.

The Town of Gilbert is a young, affluent community that saw tremendous growth during the past two decades. Gilbert became a prime farming community fueled by the construction of a railroad line in 1902 as well as construction of the Roosevelt Dam and the Eastern and Consolidated Irrigation Canals in 1911. Gilbert has experienced a rapid transition from a historically agriculture-based community to an urban center and suburb in the Phoenix Metropolitan area, which is ranked in the top ten best areas in the country for business, with technology leading the field of growth. Gilbert has grown at a pace unparalleled by most communities in the United States, increasing in population from 5,717 in 1980 to over an estimated population of 271,521 in 2022. As Gilbert has aged and grown – the Town turned 100 in 2020 - the community has recognized the need to develop a strong, diverse economy while reserving its highly desirable quality of life.

Over the past few years, the Town of Gilbert has received numerous awards and recognitions, a few of which are included below.

☐ AAA Bond rating from all three major rating agencies (S&P, Moody's, and Fitch)
□ Ranked #3 of Cities Whose Unemployment Rates Are Bouncing Back Most (WalletHub, 2022)
□ Ranked #1 as the Best Place to Live in Arizona – Ranking Arizona, 2022
□ Ranked #7 as the Safest City in America (WalletHub, 2022)

Gilbert is a community of younger families with median ages in the low to mid 30s. These families are well educated with 70% having some form of college education and over 50% have a college degree. Because of these statistics, Gilbert provides an abundant pipeline of talent to support the growth of business and industry. Notable employers like Banner Health, Dignity Health, Banner MD Anderson Cancer Center, Go Daddy, the worldwide headquarters of Isagenix, Mapfre Insurance, Silent-Aire, Unicon, Northrop Grumman, Lockheed Martin, and Deloitte, benefit from this commitment to education. Also, in spite of the current COVID-19 pandemic, the unemployment rate reported in Gilbert, 4.9% as of June 2021, is considerably lower than the State and the US. It is reported at a lower rate than the same time last year (formerly at 8.4% due to the pandemic) and so the Town has been ranked as having the second best recovery in the nation. In comparison, the State and US unemployment rates are 5.9% and 8.4% respectively.

Finally, the housing market within the Town of Gilbert continues to be strong. Through FY 2021, sales prices increased by over 20% on average. Based on this strong housing market, the assessed value of property within Gilbert Public Schools has grown substantially over the past two years. During FY 2022, the limited assessed value grew by 5.3% and the full value increased by 6.1%. This continued assessed value growth decreases the risk of greater property tax delinquencies associated with economic declines.

Long-term Financial Planning

Beginning in 1985, the District experienced a twenty-year period of rapid enrollment growth. This enrollment growth began slowing down in 2006. Since the 2010-2011 school year the District has experienced a trend of declining enrollment. Though there was an uptick in student counts in FY 2020, as previously mentioned, and a significant reduction in FY 2021 due to the pandemic, student counts increased in FY 2022 but not to the level experienced in FY 2020.

In response to long term student enrollment declines at one of Gilbert's lowest populated schools, Superintendent, Dr. Shane McCord, in FY 2021, recommended to the Governing Board that Houston Elementary be closed. Instead of shuttering this building, however, the recommendation included moving Neely Traditional Academy to the former Houston Elementary location and then shutter the Neely Traditional Academy building located near the Town of Gilbert's Heritage District. Subsequently, the Town of Gilbert purchased the vacated Neely Traditional School site for a sum of about \$6.8 M. The Town plans to use this site to expand transportation services to the Town and to establish an alternative route into the downtown area, known as the Heritage District of Gilbert.

During FY 2022, GPS conducted a Request for Proposal (RFP) process seeking a partner to develop a GPS Master Capital Plan. This process resulted in the award of a \$500,000 contract to Orcutt-Winslow, a prominent architectural firm in Arizona, who also partnered with Amaresco to provide the software solution needed to capture all of the District facility data which amounts to over 1 billion square feet. Presently, this Master Capital Plan (MCP) development is in full swing. To date, three pilot schools underwent a facility assessment process and starting in January, the remaining schools will be assessed providing the needed data to communicate to the community this Spring and Fall.

As the school buildings at GPS continue to age (23 school buildings are older than 20 years and 16 additional schools were built between 2000 and 2010) there is increasing pressure to reinvest capital resources ensuring the continued safe and comfortable learning environments for the District's over 33,000 students. This reinvestment began in earnest following the 2015 and 2019 successful Bond elections in which the local voter approved a total of \$ 198 M of bond authority to meet ongoing building, technology, security and transportation needs through FY 2025. Over the past two years, over \$22 M has been spent annually renovating and upgrading school facilities. The final \$18 M of existing authority is being requested of the Governing Board at the December 20, 20212 Governing Board meeting.

As previously mentioned, the District held an election in November 2019 to seek electorate approval for a 15% Maintenance & Operations Override and authorization to issue \$100 million in general obligation (G.O.) bonds. Both the Maintenance & Operations Override and Bond questions were approved. The Maintenance & Operations Override provides additional budget limit authority for the next seven years estimated at about \$12 million more than in fiscal year 2020. This new override is projected to provide approximately \$30 to \$32 million in total budget limit authority over the State formula through fiscal year 2027. Without an Override renewal election, no later than November of 2024, the Override authority decreases to about \$21 million in fiscal year 2026 and decreases to about \$11 million in fiscal year 2027.

Funding from the issuance of these bonds will continue to allow the District to address the highest priority needs in facility upgrades and safety additions, extracurricular spaces, technology and student transportation. In addition, GPS has been successful at selling bonds at the most opportune times allowing for the tax rate to continue to decrease providing great value to the taxpayer. Finance staff continues to plan for future needs without increasing the Bond Debt Service tax rate. GPS continues to amortize outstanding debt over shorter timeframes allowing new debt to fill in older debt as old debt is paid off.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2021. This was the 36th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2021. In order to be awarded these certificates, the District publishes an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. These certificates are valid for a period of one year only.

<u>Acknowledgments</u>. The preparation of the annual comprehensive financial report was made possible by the dedicated service of the entire staff of the business services department, most notably, Ms. Jackie Mattinen, the Director of Finance. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

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

Respectfully submitted,

Dr. Shane McCord

Superintendent

Ms. Bonnie J. Betz

Associate Superintendent

Business and Support Operations



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The Certificate of Excellence in Financial Reporting is presented to

Gilbert Unified School District 41

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

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



William A. Sutter

Will also

President

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

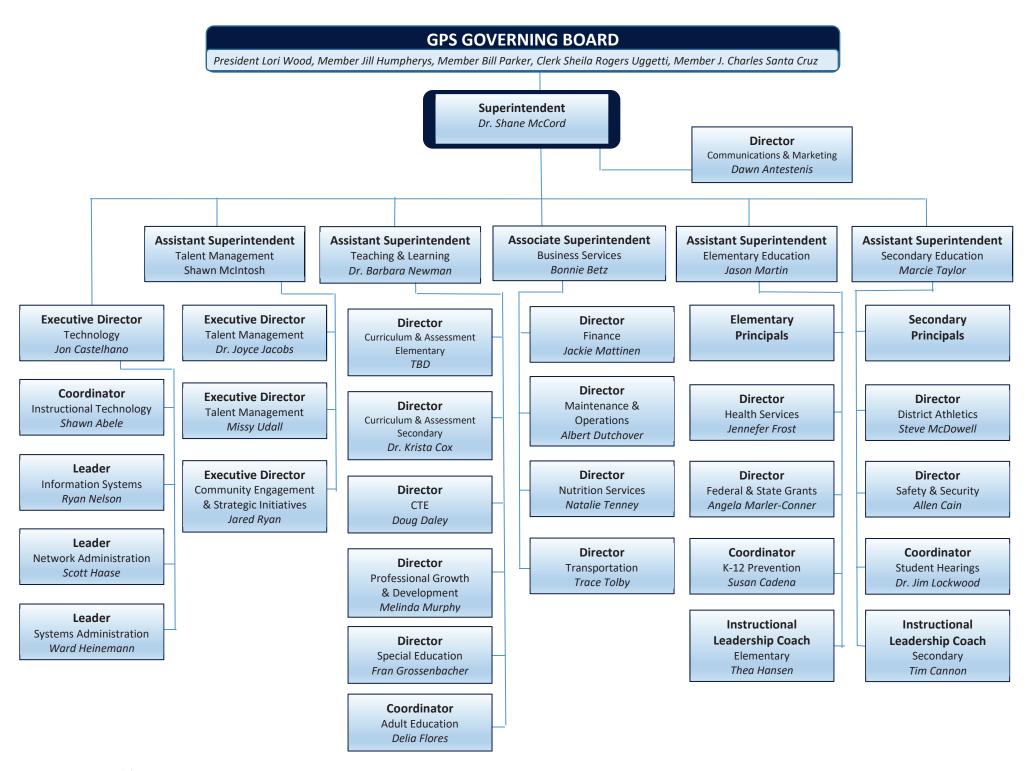
Gilbert Unified School District No. 41 Arizona

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Mrs. Lori Wood, President

Mrs. Sheila Uggetti, Clerk

Mrs. Jill Humpherys, Member

Dr. J. Charles Santa Cruz, Member

Mr. William H. Parker, Member

ADMINISTRATIVE STAFF

Dr. Shane McCord, Superintendent

Bonnie J. Betz, Associate Superintendent of Business and Support Operations Mr. Shawn McIntosh, Assistant Superintendent of Talent Management Dr. Barbara Newman, Assistant Superintendent of Teaching and Learning Ms. Marci Taylor, Assistant Superintendent of Secondary Schools Mr. Jason Martin, Assistant Superintendent of Elementary Schools



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FINANCIAL SECTION



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Independent Auditor's Report

Governing Board Gilbert Unified School District No. 41

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 Gilbert Unified School District No. 41 (District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gilbert Unified School District No. 41, as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Gilbert Unified School District No. 41 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2022, on our consideration of Gilbert Unified School District No. 41'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 Gilbert Unified School District No. 41'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 Gilbert Unified School District No. 41's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C. Scottsdale, Arizona December 29, 2022



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



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GILBERT UNIFIED SCHOOL DISTRICT NO. 41 MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2022

As management of the Gilbert Unified School District No. 41 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. The Management's Discussion and Analysis is presented as required supplementary information to 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 \$54.6 million which represents a 19 percent increase from the prior fiscal year. This increase was due to the combined effects of additional Average Daily Membership (ADM) or student counts, additional state aid revenues and the nearly doubling of the per student amount associated with classroom site fund revenues increasing to \$733/student from the prior year amount of \$425/student. In addition, the District engaged in the sale of General Obligation (G.O. Bonds) in February and though much of the proceeds were spent during FY 2022, there was still about \$20 M left at June 30 to meet ongoing project expenditures.
- General revenues from the government-wide activities accounted for \$326.0 million in revenue, or 81 percent of all current fiscal year revenues. This revenue amounts to about a \$33.2 million increase over the prior year. Program specific revenue in the form of charges for services and grants and contributions accounted for \$74.0 million or 19 percent of total current fiscal year revenues. This value is an increase of \$3.6 million from the prior year due to increased revenues in the food service program associated with the universal free breakfast and lunch programs offered in response to the Covid 19 pandemic.
- The District reported approximately \$345.4 million in expenses related to governmental activities, 4 percent from the prior fiscal year for a total increase of about \$13.9 million.
 - Due to increases in State funding approved by the legislature, increases in Classroom Site Fund monies and the advent of ESSER III, GPS was able to provide increases to all employees both hourly and exempt. In September, the Governing Board approved an additional \$1.50/hr for all hourly employees and approved another \$1,500 in a one-time retention stipend for all exempt employees. Throughout FY 2021 and the beginning of FY 2022, filling critical positions such as special education paraprofessionals, custodial staff and bus drivers was very difficult. These two decisions were intended to improve the competitiveness of wages at GPS.

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2022

FINANCIAL HIGHLIGHTS (Cont'd)

- Retirements Increased: Again, due to the complexities associated with Covid 19, many highly qualified, experienced personnel also retired. Though filling positions became difficult, these retirements also contributed to keeping spend increases down due to higher paid employees replaced with starting or middle career employees making less in annual salaries.
- Pandemic related expectations: Though the pandemic waned a bit during FY 2022, the Federal Government approved an additional \$22.4 M in Cares Act funding in late May of 2021. All Covid 19 related spend continued throughout FY 2022 and the level of activity associated with the Bond projects maintained the capital spend year over year.
- Among major funds, the General Fund reported \$274.1 million in current fiscal year revenues due to the inflationary increases and \$250.4 million in expenditures. The ending fund balance of the General Fund increased from \$92.5 million to \$124.7 million primarily due to continued conservative spend and vacancy/turnover savings realized with retiring employees.
- Net position for the Internal Service Funds increased \$2.4 million from the prior fiscal year. Operating revenues of \$27.3 million exceeded operating expenses of \$24.8 million at the end of the current fiscal year. As the largest internal service fund, the Employee Benefit Trust performed exceptionally well during FY 2022. The Employee Benefit Trust committee continues to recommend small increases in premium charges but has still benefited from minimal claims increases. The net position increase of \$2.4 M was also realized even with the employee and District premium holidays (two holidays were implemented during December of 2021 and January of 2022). In spite of these two premium holidays, the claims experience was maintained at prior year levels resulting in the \$2.4 million increase in Net Position.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is 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.

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) YEAR ENDED JUNE 30, 2022

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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

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

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

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, however, 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 include a reconciliation to facilitate this comparison between governmental funds and governmental activities.

OVERVIEW OF FINANCIAL STATEMENTS (Cont'd)

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

Proprietary funds. The District maintains one type of proprietary fund, Internal Service Funds. These funds are accounting devices used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its Employee Benefit Trust activity. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements. The Employee Benefit Trust, although a legally separate component unit, functions for all employees of the District, and therefore has been included as an internal service fund. The other internal service fund is the District Services Fund, which accounts for the operation of District functions that provide goods or services to other district departments on a cost reimbursement basis. The District Services Fund accounts for Print Shop activity as well as Technology equipment repair activities requested by various school and departmental entities within the District.

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

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

Other information. In addition to the basic financial statements and accompanying Notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and major Special Revenue Fund as required supplementary information. Please note that the General Fund budgetary schedule only considers the activity of the GPS Maintenance and Operations Fund which is the main operating fund within the District and has the statutorily required budgetary controls. The other smaller funds included in the "General Fund" at the Government-Wide statements and Governmental Fund Statements are primarily cash controlled funds – the monies can be spent as long as there is cash available to pay for the activity. Schedules for the pension benefit plan have also 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 \$344.4 million at the current fiscal year end. This net position represents an increase over the prior year of \$54.6 million.

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

	As of	As of
	June 30, 2022	June 30, 2021
Current and other assets	\$ 303,698,568	\$ 225,645,395
Capital assets, net	498,018,011	485,171,629
Total assets	801,716,579	710,817,024
Deferred outflows	62,866,473	55,065,968
Current and other liabilities	31,457,291	27,053,001
Long-term liabilities	413,877,326	448,849,043
Total liabilities	445,334,617	475,902,044
Deferred inflows	74,886,019	261,136
Net position:		
Net investment in capital assets	378,649,477	373,364,234
Restricted	75,322,076	40,946,003
Unrestricted	(109,609,137)	(124,590,425)
Total net position	\$ 344,362,416	\$ 289,719,812

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

At the end of the current fiscal year the District reported positive balances in two categories of net position; Net investment in capital assets and restricted. The District reports a negative or deficit unrestricted net position of \$109.6 million, an increase or improvement of \$15.0 million from the deficit of \$124.6 million in the prior year. As was the case in the prior year, this deficit is due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

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

- The principal retirement of \$20.4 million of bonds.
- The issuance of \$43.8 million in school improvement bonds and about \$6.4 M in associated premium.
- The addition of \$33.0 million in capital assets through school and administrative building and land improvements and purchases of vehicles, furniture, and equipment.
- The decrease of \$63.8 million in pension liabilities and an increase in related deferred inflows of \$71.1 million.
- The sale of a school property to the Town of Gilbert realizing a gain of about \$3.8 M associated with \$6.9 M of sale proceeds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

Changes in net position. The District's total revenues for the current fiscal year were \$400.0 million. The total cost of all programs and services was \$345.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2022 and June 30, 2021.

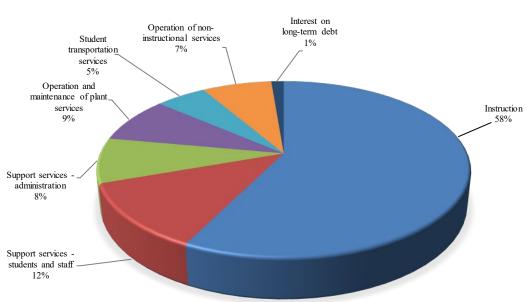
	Fiscal Year	Fiscal Year
	Ended	Ended
	June 30, 2022	June 30, 2021
Revenues:		
Program revenues:		
Charges for services	\$ 22,275,383	\$ 14,495,584
Operating grants and contributions	51,117,253	54,368,656
Capital grants and contributions	622,385	1,501,749
General revenues:		
Property taxes	128,822,945	125,597,704
Investment income	1,281,870	1,096,272
Unrestricted county aid	13,007,023	12,388,665
Unrestricted state aid	177,046,289	152,201,630
Unrestricted federal aid	2,236,384	1,523,069
Gain on sale of capital assets	3,630,239	
Total revenues	400,039,771	363,173,329
Expenses:		
Instruction	198,299,042	197,355,466
Support services - students and staff	42,095,483	39,203,942
Support services - administration	28,626,134	27,652,584
Operation and maintenance of plant services	29,128,343	28,203,969
Student transportation services	18,054,689	15,312,352
Operation of non-instructional services	24,760,192	19,498,371
Interest on long-term debt	4,433,284	4,273,100
Total expenses	345,397,167	331,499,784
Changes in net position	54,642,604	31,673,545
Net position, beginning	289,719,812	258,046,267
Net position, ending	\$ 344,362,416	\$ 289,719,812

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

The following graph and 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.

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

- An increase in state equalization and classroom site revenue of \$24.8 million from the prior year due to an increase in enrollment and associated student counts after the District experienced a significant loss in enrollment in the prior year.
- An increase in charges for services of \$7.8 million due predominantly to increases in community school programs.
- A gain on sale of capital assets of \$3.6 million due to the sale of the Juniper property which formerly housed a traditional school academy, Neely Traditional.
- An increase in operation of non-instructional expenses of \$5.3 million primarily due to increased food service expenses as a result of the District offering free breakfast and lunch during the year under the Universal Free breakfast and lunch program.



Expenses - Fiscal Year 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Cont'd)

	Year Ended June 30, 2022		Year Ended	June 30, 2021
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 198,299,042	\$(164,310,724)	\$ 197,355,466	\$(153,935,467)
Support services - students and staff	42,095,483	(36,651,209)	39,203,942	(34,950,132)
Support services - administration	28,626,134	(27,715,845)	27,652,584	(27,405,666)
Operation and maintenance of				
plant services	29,128,343	(28,033,836)	28,203,969	(27,615,951)
Student transportation services	18,054,689	(18,041,027)	15,312,352	(15,310,809)
Operation of non-instructional				
services	24,760,192	7,796,083	19,498,371	2,314,236
Interest on long-term debt	4,433,284	(4,425,588)	4,273,100	(4,230,006)
Total	\$ 345,397,167	\$(271,382,146)	\$ 331,499,784	\$(261,133,795)

- The cost of all governmental activities this year was \$345.4 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$74.0 million.
- Net cost of governmental activities of \$271.4 million was financed by general revenues, which are made up of primarily property taxes of \$128.8 million and state and county aid of \$190.1 million. Investment earnings accounted for \$1.3 million of funding, along with about \$2.2 million in Medicaid reimbursements.

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 \$213.9 million, an increase of \$68.1 million over the prior year:

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Cont'd)

- The General Fund contributed \$32.2 million to the fund balance due to the increase in state equalization revenues associated with more students.
- The Bond Building Fund contributed about \$20.7 million due to the issuance of school improvement bonds in the amount of \$50.3 million which included about \$6.5 million of premium.

The General Fund comprises 58 percent of the total fund balance. Approximately \$71.8 million, or 58 percent of the General Fund fund balance is unassigned.

The General Fund is the principal operating fund of the District. General Fund expenditures increased \$22.7 million or ten percent. Of this amount, \$13.8 million was due to a change in presentation for external financial reporting to include the Unrestricted Capital Outlay Fund in the General Fund. The rest of the change was due to the effort to maintain staffing levels and competitive salaries ensuring that Gilbert Public Schools retains needed staff and recruits highly qualified staff well into the future.

Fund balance in the Other Federal Projects Fund was a deficit of \$11.7 million. The District has requested the reimbursement associated with the \$11.6 million of ESSER III.

The fund balance in the Debt Service Fund decreased \$423,432 to \$1.0 million at year end as a result of debt payments exceeding property tax collections. This activity is purposeful as any available fund balance in the Debt Service Fund must be drawn down to manage or decrease the local tax levy for the repayment of G.O. Debt.

The fund balance in the Bond Building Fund increased \$20.7 million due to the issuance of \$43.8 million in General Obligation bonds in addition to the \$6.5 million in premium. Gilbert Public Schools continues to quickly spend bond proceeds to catch up with various building renewal projects deferred in the past due to lack of funds. As mentioned in the Letter of Transmittal, FY 2022 represents the first year since FY 2015 that the District Additional Assistance (the main statutory formula providing capital funds in the Unrestricted Capital Fund) was fully funded. The cumulative loss in capital funding since FY 2015 exceeds \$75 million.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$20.2 million. The increase of \$2.4 million from prior fiscal year was primarily due to increases in contribution revenues and decreases in claims experience. In addition, the Employee Benefit Trust (EBT) committee continues to make recommendations to the Governing Board that are conservative ensuring the ongoing sustainability of the EBT Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in legislative allowances to include ADM increases from the Adopted Budget. Arizona school districts are now funded based on current year ADM or student counts. The difference between the original budget and the final amended budget was a \$7.5 million increase, or three percent. As stated in the Letter of Transmittal, this \$7.5 million increase was directly related to an increase in weighted student counts of over 1,700 students.

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

- Instruction expenditures were \$25.4 million less than budgeted. This occurred primarily due to a reduction in staff associated with the prior year's decline in student counts. Due to the increases over the year in student membership, additional staff were required throughout the year. In addition, at prior year end, continued retirements resulted in the same number of teachers costing less due to the higher wages of more experienced tenured teachers retiring.
- In Arizona, in order to have the authority to spend all the Maintenance and Operations as well as Unrestricted Capital resources available, the full amount of available resources must be budgeted to spend. When budgeting to the maximum general budget limit but spend is not required, the result is an increase in the budget balance carryforward. This occurrence results in greater budget capacity in future years allowing GPS flexibility in the event of a future downturn in the economy or the advent of an unforeseen event such as the Covid 19 pandemic.
- Operation and maintenance of plant services expenditures were \$3.8 million less than budgeted due to lower than anticipated expenditures for utility services. This occurrence has been expected as strategic Bond spend has been allocated to energy efficient projects such as converting to LED lighting and installing energy management control devices into HVAC (Heating Ventilation and Air Conditioning) equipment.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At year end, the District had invested \$748.4 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 \$26.4 million from the prior fiscal year. Thanks to the support of the local taxpayer, GPS prioritizes reinvesting into school buildings on behalf of the about 33,000 students. Total depreciation expense for the current fiscal year was \$16.9 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION (Cont'd)

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

	As of			As of
	June 30, 2022		Ju	ine 30, 2021
Capital assets - non-depreciable	\$	46,690,368	\$	42,740,211
Capital assets - depreciable, net		451,327,643		442,431,418
Total	\$	498,018,011	\$	485,171,629

The estimated cost to complete current construction projects is \$10.7 million. After the current projects are completed, it is estimated that about \$12 million will be available for projects scheduled for the summer of 2023. At this time, the Governing Board has approved a resolution to sell the final \$18 million of bond authority sometime in the Spring of 2023. The past two years have resulted in Bond spend of about \$25 million and \$29 million respectively. It is expected that \$25 million to \$30 million in school facility renovations will be completed this summer as well completely spending all available Bond authority from the 2019 election.

Additional information on the District's capital assets can be found in Note 7.

Debt Administration. At year-end, the District had \$175.2 million in long-term debt outstanding, \$22.0 million due within one year. Long-term debt increased by \$27.9 million due to the issuance of school improvement general obligation bonds closing in February of 2022.

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 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$973.0 million and the Class B debt limit is \$648.7 million, both of which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 9 through 11.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the FY 2023 budget. The main assumptions are discussed below:

- FY 2022 budget balance carryforward: at FY 2023 Budget Adoption, this amount was estimated at about \$29.9 million. Based on the end of year work to maximize budget balance carryforward (BBCF) as much as possible due to the unknowns associated with the ongoing Coronavirus pandemic and the impact on student enrollment, the final BBCF increased to just over \$33.1 million. Again, this increase was directly attributable to moving general fund expenses into Federal ESSER funds, other CARES Act funds passed through the Governor's office as well as into other eligible Special Revenue Funds.
- Average daily membership (ADM): estimated at 400 ADM less than the final revised budget for FY 2022 for a total of 31,419. The total student counts realized at the end of FY 2021 (remembering that Arizona is funded on current year counts which change throughout the year as new data is submitted) was 31,819
- The State legislature approved a State budget that included an initial 2% inflationary increase to the Base Level Amount per student and added another 5.3% on top of that after end of year funding negotiations.
- The State legislature approved the continued full District Additional Assistance (a capital allocation) and increased that per student amount by about 11.4%. Finally, the Classroom Site Fund Allocation was decreased by \$25/student from \$733 to \$708. This allocation was pleasantly received, however, as the prior year's allocation included over \$192/student of monies considered one-time. The FY 2023 allocation of \$708 is an increase of ongoing money by \$167/student.

Budgeted expenditures in the General Fund increased 11% to \$296.5 million in FY 2023 due to an ongoing 6% pay increase (making the prior year's one-time stipend of 3% ongoing and increasing another 3% on top of that) as well as an additional \$4,572/FTE for each exempt employee resulting in a starting teacher salary of \$52,000 annually. In addition, all hourly employees were awarded a \$2/HR increase. These increases were approved by the Governing Board in July of 2022

State aid and property taxes are expected to be the primary funding sources for the General Fund. Due to various parameters, the final tax rate levied for Gilbert Public Schools for both primary and secondary purposes was 0.22 less than FY 2022 for a total rate of 5.8127 per \$100 of assessed valuation. No new programs were added to the 2022-23 budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Gilbert Public Schools citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business Services Department, Gilbert Unified School District No. 41, 140 South Gilbert Road, Gilbert, Arizona 85296 or at (480) 497-3444.

BASIC FINANCIAL STATEMENTS



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GOVERNMENT-WIDE FINANCIAL STATEMENTS

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 STATEMENT OF NET POSITION JUNE 30, 2022

		vernmental activities
<u>ASSETS</u>		
Current assets:		
Cash and investments	\$	240,342,886
Property taxes receivable		1,621,309
Accounts receivable		650,231
Deposits		201,295
Due from governmental entities		52,661,666
Prepaid items		3,473,168
Inventory		1,233,344
Leases receivable		3,514,669
Total current assets		303,698,568
Noncurrent assets:		
Capital assets not being depreciated		46,690,368
Capital assets, net of accumulated depreciation		451,327,643
Total noncurrent assets		498,018,011
Total assets		801,716,579
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding		723,770
Pension plan items		62,142,703
Total deferred outflows of resources		62,866,473
LIABILITIES		
Current liabilities:		
Accounts payable		12,560,332
Claims payable		4,170,000
Accrued payroll and employee benefits		11,131,163
Compensated absences payable		1,140,956
Accrued interest payable		3,073,343
Unearned revenues		522,453
Financed purchases payable		273,852
Bonds payable		21,700,000
Total current liabilities		54,572,099
Noncurrent liabilities:		
Non-current portion of long-term obligations		390,762,518
Total noncurrent liabilities		390,762,518
Total liabilities		445,334,617
DEFERRED INFLOWS OF RESOURCES		
Pension plan items		71,400,459
Leases		3,485,560
Total deferred inflows of resources		74,886,019
NET POSITION		
Net investment in capital assets		378,649,477
Restricted for: State funds/grants		17,777,228
Career technical education		8,310,438
Other local		19,495,791
Debt service		1,084,966
Capital outlay		28,653,653
Unrestricted	,	(109,609,137)
Total net position	\$	344,362,416
i otal net position	Φ	J 11 ,JU2, 4 10

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

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

		I	Program Revenues	;	Net (Expense) Revenue and Changes in Net Position
	_	Channe for	Operating Grants and	Capital Grants	G
Functions/Programs	Expenses	Charges for Services	Contributions	and Contributions	Governmental Activities
Governmental activities:	 Expenses	Bervices	Controducions	Controducions	7 Tetrvities
Instruction	\$ 198,299,042 \$	10,151,655	\$ 23,214,278	\$ 622,385	\$ (164,310,724
Support services - students and staff	42,095,483	, ,	5,444,274		(36,651,209
Support services - administration	28,626,134		910,289		(27,715,845
Operation and maintenance of plant services	29,128,343	1,025,832	68,675		(28,033,836
Student transportation services	18,054,689		13,662		(18,041,027
Operation of non-instructional services	24,760,192	11,097,896	21,458,379		7,796,08
Interest on long-term debt	 4,433,284		7,696		(4,425,588
Total governmental activities	\$ 345,397,167	22,275,383	\$ 51,117,253	\$ 622,385	(271,382,146
	General re Taxes:	venues:			
	Propert	y taxes, levied fo	r general purposes	3	90,167,63
	Propert	y taxes, levied fo	r debt service		26,213,67
	Propert	y taxes, levied fo	r capital outlay		12,441,63
	Investme				1,281,87
		ted county aid			13,007,02
		ted state aid			177,046,28
		ted federal aid			2,236,38
		ale of capital ass			3,630,23
	Total	general revenu	es		326,024,75
	Changes in	net position			54,642,60
	Net positio	n, beginning of	year		289,719,81
	Net positio	n, end of year			\$ 344,362,41



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FUND FINANCIAL STATEMENTS

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 BALANCE SHEET - GOVERNMENTAL FUNDS JUNE 30, 2022

		General	Ot	ther Federal Projects	De	ebt Service
<u>ASSETS</u>						_
Cash and investments	\$	85,623,610	\$		\$	25,552,916
Property taxes receivable		1,315,916				305,393
Deposits						
Due from governmental entities		37,360,795		11,710,304		
Due from other funds		11,055,668				
Prepaid items		3,473,168				
Inventory		606,637				
Leases receivable						
Total assets	\$	139,435,794	\$	11,710,304	\$	25,858,309
LIABILITIES, DEFERRED INFLOWS OF RESOURCES						
AND FUND BALANCES						
Liabilities:	Ф	5 410 612	Ф	016 007	Ф	
Accounts payable	\$	5,418,613	\$	816,987	\$	
Due to other funds		0.001.174		10,499,122		
Accrued payroll and employee benefits		8,981,154		274,645		
Unearned revenues				124,145		• • • • • • • • • • • • • • • • • • • •
Bonds payable						21,700,000
Bond interest payable						3,073,343
Total liabilities		14,399,767		11,714,899		24,773,343
Deferred inflows of resources:						
Unavailable revenues - property taxes		322,778				67,369
Unavailable revenues - intergovernmental		ŕ		11,645,744		
Leases						
Total deferred inflows of resources		322,778		11,645,744		67,369
Fund balances (deficits):						
Nonspendable		4,079,805				
Restricted		28,649,521				1,017,597
Assigned		20,150,000				1,017,557
Unassigned		71,833,923		(11,650,339)		
Total fund balances		124,713,249		(11,650,339)		1,017,597
Total fund valances		127,/13,27	-	(11,000,00)		1,017,577
Total liabilities, deferred inflows of resources						
and fund balances	\$	139,435,794	\$	11,710,304	\$	25,858,309

Во	nd Building	Non-Major overnmental Funds	G	Total overnmental Funds
\$	60,428,987	\$ 44,348,208	\$	215,953,721
				1,621,309
		201,295		201,295
		3,590,567		52,661,666
				11,055,668
		626,707		3,473,168 1,233,344
		3,514,669		3,514,669
\$	60,428,987	\$ 52,281,446	\$	289,714,840
\$	5,294,242	\$ 402,654	\$	11,932,496
		556,546		11,055,668
		1,875,364		11,131,163
		398,308		522,453
				21,700,000
	5 204 242	 2 222 972		3,073,343
	5,294,242	 3,232,872		59,415,123
		0.40.000		390,147
		848,023		12,493,767
		 3,485,560		3,485,560
		 4,333,583		16,369,474
		626,707		4,706,512
	55,134,745	44,960,882		129,762,745
		•		20,150,000
		(872,598)		59,310,986
	55,134,745	44,714,991		213,930,243
\$	60,428,987	\$ 52,281,446	\$	289,714,840



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GILBERT UNIFIED SCHOOL DISTRICT NO. 41 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2022

Total governmental fund balances		\$ 213,930,243
Amounts reported for <i>governmental activities</i> 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 Less accumulated depreciation	\$ 748,362,698 (250,344,687)	498,018,011
Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
Property taxes Intergovernmental	390,147 12,493,767	12,883,914
Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.		723,770
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions Deferred inflows of resources related to pensions	62,142,703 (71,400,459)	(9,257,756)
The Internal Service Fund is used by management to charge the cost of insurance and other services to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.		20,241,560
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences payable Financed purchases payable Net pension liability Bonds payable	(13,295,066) (273,852) (225,355,211) (153,253,197)	(392,177,326)
Net position of governmental activities		\$ 344,362,416

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2022

	Gene	ral	Other Federal Projects	Debt Service
Revenues:	Gene	<u> </u>	Trojects	Deat Service
Other local	\$ 19.3	350,889	\$	\$ 11,709
Property taxes		749,027	*	26,243,723
State aid and grants		983,924		-, -, -
Federal aid, grants and reimbursements		017,813	12,998,850	
Total revenues		101,653	12,998,850	26,255,432
Expenditures:				
Current -				
Instruction	138,5	541,957	8,293,743	
Support services - students and staff	32,0)91,495	1,421,685	
Support services - administration	24,0	016,444	681,403	
Operation and maintenance of plant services		020,643	450,916	
Student transportation services	13,5	523,533	289,001	
Operation of non-instructional services	Ç	950,485	308,602	
Capital outlay	13,9	926,068	995,782	
Debt service -				
Principal retirement	3	365,136		21,700,000
Interest and fiscal charges		6,696		5,391,165
Bond issuance costs				
Total expenditures	250,4	142,457	12,441,132	27,091,165
Excess (deficiency) of revenues over expenditures	23,6	659,196	557,718	(835,733)
Other financing sources (uses):				
Transfer in	1,8	364,553		412,301
Transfer out	(98,542)	(6,309)	
Issuance of school improvement bonds				
Premium on sale of bonds				
Proceeds from sale of capital assets		347,911		
Total other financing sources (uses)	8,6	513,922	(6,309)	412,301
Changes in fund balances	32,2	273,118	551,409	(423,432)
Fund balances (deficits), beginning of year, as restated	92,5	521,280	(12,201,748)	1,441,029
Increase (decrease) in reserve for inventory	(81,149)		
Fund balances (deficits), end of year	\$ 124,7	713,249	\$ (11,650,339)	\$ 1,017,597

Bond Building	Non-Major Governmental Funds	Total Governmental Funds
\$ 412,301	\$ 19,435,973	\$ 39,210,872
,		129,992,750
	31,749,146	179,733,070
	33,164,490	49,181,153
412,301	84,349,609	398,117,845
	32,704,684	179,540,384
	8,156,759	41,669,939
	599,815	25,297,662
	488,969	27,960,528
	430,135	14,242,669
	22,968,657	24,227,744
29,163,784	1,919,207	46,004,841
	340,000	22,405,136
	9,282	5,407,143
431,350		431,350
29,595,134	67,617,508	387,187,396
(29,182,833)	16,732,101	10,930,449
	98,542	2,375,396
(412,301)	(1,858,244)	(2,375,396)
43,750,000		43,750,000
6,526,033		6,526,033
		6,847,911
49,863,732	(1,759,702)	57,123,944
20,680,899	14,972,399	68,054,393
34,453,846	29,640,788	145,855,195
	101,804	20,655
\$ 55,134,745	\$ 44,714,991	\$ 213,930,243

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2022

Changes in fund balances - total governmental funds		\$ 68,054,393
Amounts reported for <i>governmental activities</i> in the Statement of Activities are different because:		
Governmental funds report the portion of capital outlay for capitalized assets as expenditures However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capitalized assets Less current year depreciation	\$ 33,011,3 (16,947,2	
Issuance of long-term debt provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.		(50,276,033)
Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes Intergovernmental	(1,169,8 (526,3	
Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Financed purchase principal retirement Bond principal retirement	705,1 21,700,0	
Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.		
Current year pension contributions Pension expense	24,191,3 (23,408,0	
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Inventory Deferred bond items on issuance of refunding debt Loss on disposal of assets Amortization of deferred bond items Compensated absences	20,6 (361,8 (3,217,6 1,335,7 (908,4	886) 672) 745
The Internal Service Fund is used by management to charge the cost of insurance and other services to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activitie	S	2,439,413
Changes in net position in governmental activities	.	\$ 54,642,604
- · · · · · · · · · · · · · · · · · · ·		

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2022

AGGETTO	Governmental Activities: Internal Service Funds
ASSETS Current assets:	
Cash and investments	\$ 24,389,165
Accounts receivable	650,231
Total current assets	25,039,396
Total assets	25,039,396
LIABILITIES Current liabilities: Accounts payable Claims payable Total current liabilities	627,836 4,170,000 4,797,836
Total liabilities NET POSITION Unrestricted	<u>4,797,836</u> <u>20,241,560</u>
Total net position	\$ 20,241,560

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities: Internal Service Funds	
Operating revenues:		
Contributions	\$	25,839,455
Other		805,841
Charges for services		622,288
Total operating revenues		27,267,584
Operating expenses:		
Other		576,690
Claims		21,369,965
Premiums		1,095,407
Administrative fees		1,773,934
Total operating expenses		24,815,996
Operating income (loss)		2,451,588
Nonoperating revenues (expenses):		
Investment income		(12,175)
Total nonoperating revenues (expenses)		(12,175)
Changes in net position		2,439,413
Total net position, beginning of year		17,802,147
Total net position, end of year	\$	20,241,560

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2022

		Governmental Activities: Internal Service Funds
Increase/Decrease in Cash and Cash Equivalents	•	
Cash flows from operating activities: Cash received from contributions Cash received from other sources Cash payments to suppliers for goods and services Cash payments for claims	\$	26,081,654 622,288 (2,826,341) (20,624,465)
Net cash provided by/used for operating activities	•	3,253,136
Cash flows from investing activities: Investment income		(12,175)
Net cash provided by/used for investing activities		(12,175)
Net increase/decrease in cash and cash equivalents		3,240,961
Cash and cash equivalents, beginning of year		21,148,204
Cash and cash equivalents, end of year	\$	24,389,165
Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating	ıg Acı	<u>tivities</u>
Operating income/loss	\$	2,451,588
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:		
Changes in assets and liabilities: Increase/decrease in accounts receivable Increase/decrease in accounts payable Increase/decrease in claims payable		(563,642) 619,690 745,500
Total adjustments		801,548
Net cash provided by/used for operating activities	\$	3,253,136

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Gilbert Unified School District No. 41 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2022, the District implemented the provisions of GASB Statement No. 87, *Leases*. This Statement increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. The statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. Beginning balances of leases receivable and deferred inflows of resources for leases restated by \$3,707,537 each, resulting in no net effect on beginning balances reported in the financial statements due to the implementation of this standard.

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

A. Reporting Entity

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. Furthermore, the component unit combined with the District for financial statement presentation purposes and the District are not included in any other governmental reporting entity. Consequently, the District's financial statements include the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, bookstore, and athletic functions.

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

<u>Blended Component Unit</u> – Blended component units, although legally separate entities, are, in substance, part of the District operations. The Gilbert Unified School District No. 41 Employee Benefit Trust is responsible for providing health insurance for the District's employees. The District's Governing Board also serves as the Trust's Board of Directors. The Gilbert Unified School District No. 41 Employee Benefit Trust provides services entirely to the District and therefore has been included as an Internal Service Fund, in accordance with the criteria established by GASB.

Separate financial statements are prepared monthly for the Employee Benefit Trust and may be obtained at the Gilbert Unified School District No. 41's administrative offices, 140 South Gilbert Road, Gilbert, Arizona 85296.

B. Government-Wide and Fund Financial Statements

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

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

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.

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

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

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

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

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

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund as well as certain activities budgeted in separate funds in accordance with Arizona Revised Statutes (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.

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

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

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

<u>Bond Building Fund</u> – The Bond Building Fund accounts for proceeds from District bond issues that are expended on the acquisition or lease of sites; construction or renovation of school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; or purchasing pupil transportation vehicles.

Additionally, the District reports the following fund types:

<u>Proprietary Funds</u> – The Proprietary Funds are Internal Service Funds that account for activities related to the District's self-insurance program and for providing goods and services to departments or schools within the District.

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

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

D. Cash and Investments

For purposes of the Statement of Cash Flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents at year end were money markets, investments in U.S. Treasuries, and cash on deposit with the County Treasurer.

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

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

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

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

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

E. Investment Income

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

F. Receivables and Payables

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

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

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

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

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

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

I. Prepaid Items

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

J. Capital Assets

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

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

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

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

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

Land improvements10-35 yearsBuildings and improvements8-80 yearsVehicles, furniture and equipment7-35 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.

M. Leases

As lessor, the District recognizes lease receivables with an initial, individual value of \$50,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses an interest rate based on the Applicable Federal Rate as the discount rate to measure lease receivables.

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

N. 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.

O. Long-term Obligations

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

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

P. Interfund Activity

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

Q. Net Position Flow Assumption

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

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

R. Estimates

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

NOTE 2 – FUND BALANCE CLASSIFICATIONS

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

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

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

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

Assigned. Amounts in the assigned fund balance classification are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Governing Board or a management official delegated that authority by the formal Governing Board action. The Governing Board has delegated authority to assign fund balances to the Superintendent and/or Assistant Superintendent of Business Services.

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Cont'd)

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 District has established a fund balance policy which states that the District will ensure the District budgets in the Maintenance and Operation Fund a contingency of at least \$2.5 million. The policy also establishes a target of 4% unassigned carryover of the Maintenance and Operation Fund to provide for fiscal stability in the subsequent year.

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

 Ω ₄1

		Other			
	~ .	Federal	Debt	Bond	Non-Major
	General Fund	Projects Fund	Service Fund	Building Fund	Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 606,6	37 \$	\$	\$	\$ 626,707
Prepaid items	3,473,1	68			
Restricted:					
Debt service			1,017,597		
Capital projects	28,649,5	21			4,132
Bond building projects				55,134,745	
Voter approved initiatives					16,414,886
Federal and state projects					1,362,342
Food service					9,707,755
Civic center					2,298,961
Community school					1,894,204
Extracurricular activities					2,961,448
Career technical education					8,310,438
Student activities					1,558,291
Other purposes					448,425
Assigned:					
School based carryover	150,0	00			
Aggregate expenditure limitation	20,000,0	00			
Unassigned	71,833,9	23 (11,650,339)		(872,598)
Total fund balances	\$ 124,713,2	49 \$(11,650,339	\$ 1,017,597	\$ 55,134,745	\$ 44,714,991

NOTE 2 – FUND BALANCE CLASSIFICATIONS (Cont'd)

The District reclassified the activity of the Unrestricted Capital Outlay Fund to the General Fund based on the previously issued GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The resulting beginning fund balances have been reclassified from the prior year to reflect the change.

	Governm	nental Funds
		Non-Major
	General	Governmental
	Fund	Funds
Fund balance, June 30, 2021, as previously reported	\$84,514,378	\$ 37,647,690
Fund reclassification	8,006,902	(8,006,902)
Fund balance, July 1, 2021, as restated	\$92,521,280	\$ 29,640,788

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

	Deficit
Major Fund:	
Other Federal Projects Fund	\$ 11,650,339
Non-Major Governmental and Other Funds:	
English Language Learner	23,450
Title I Grants	288,969
Professional Development and Technology Grants	184,985
Title IV Grants	17,005
Limited English & Immigrant Students	13,278
Special Education Grants	287,286
Vocational Education	56,500
Building Renewal Grant	1,125

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

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

NOTE 4 – CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$17,877,365 and the bank balance was \$23,274,211. At year end, \$22,524,211 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name.

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

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

Valuation Techniques. U.S Treasury securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. U.S Treasury securities classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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 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.

NOTE 4 – CASH AND INVESTMENTS

All investments in which the fair value hierarchy is applicable are measured at fair value on a recurring basis. At year end, the District's investments consisted of the following:

			Investment
			Maturities
			(in Years)
Investment Type	Category	Fair Value	Less than 1
U.S. Treasuries	Level 2	\$ 9,214,962	\$ 9,214,962
Money market	Level 1	1,513,692	Not Applicable
County Treasurer's investment pool	Not Applicable	211,736,867	623 days average maturities
Total		\$ 222,465,521	

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 and non-major governmental funds in the aggregate, were as follows:

			Other			
			Federal		N	Ion-Major
	General Projects Govern			vernmental		
		Fund	Fund			Funds
Due from other governmental entities:						_
Due from federal government	\$	715,062	\$ 11,710,30)4	\$	1,041,429
Due from state government	3	6,645,733				615,272
Due from other districts						1,933,866
Net due from governmental entities	\$ 3	7,360,795	\$ 11,710,30)4	\$	3,590,567

NOTE 6 – LEASES RECEIVABLE

The District acts as lessor in various agreements, most of which are for telecommunication easements under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$192,868 and related interest revenue of \$6,215 are recorded as other local revenue in the Civic Center Fund, a non-major governmental fund.

Future minimum lease payments to be received under the lease agreements at year end are summarized as follows:

Year ending June 30:		
	2023	\$ 201,331
	2024	203,709
	2025	207,300
	2026	205,539
	2027	207,829
	2028-32	883,845
	2033-37	426,916
	2038-42	444,739
	2043-47	426,807
	2048-52	343,890
	2053-57	 69,927
Total		\$ 3,621,832

NOTE 7 – CAPITAL ASSETS

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

	Beginning	_	_	Ending
Governmental Activities	Balance	Increase	Decrease	Balance
Capital assets, not being depreciated:				
Land	\$ 36,269,065	\$	\$ 276,361	\$ 35,992,704
Construction in progress	6,471,146	10,683,194	6,456,676	10,697,664
Total capital assets, not being depreciated	42,740,211	10,683,194	6,733,037	46,690,368
Capital assets, being depreciated:				
Land improvements	32,314,394	989,697	461,015	32,843,076
Buildings and improvements	593,767,369	19,983,265	5,254,709	608,495,925
Vehicles, furniture and equipment	53,110,725	7,811,852	589,248	60,333,329
Total capital assets being depreciated	679,192,488	28,784,814	6,304,972	701,672,330
Less accumulated depreciation for:				
Land improvements	(13,509,067)	(1,369,536)	(193,768)	(14,684,835)
Buildings and improvements	(198,332,192)	(12,436,589)	(2,700,692)	(208,068,089)
Vehicles, furniture and equipment	(24,919,811)	(3,141,153)	(469,201)	(27,591,763)
Total accumulated depreciation	(236,761,070)	(16,947,278)	(3,363,661)	(250,344,687)
Total capital assets, being depreciated, net	442,431,418	11,837,536	2,941,311	451,327,643
Governmental activities capital assets, net	\$ 485,171,629	\$22,520,730	\$9,674,348	\$498,018,011

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 13,781,043
Support services – students and staff	298,200
Support services – administration	1,041,663
Operation and maintenance of plant services	313,053
Student transportation services	1,432,397
Operation of non-instructional services	 80,922
Total depreciation expense – governmental activities	\$ 16,947,278

<u>Construction Commitments</u> – At year end, the District had contractual commitments related to renovations at several school sites. At year end the District had spent \$10.7 million on the projects and had estimated remaining contractual commitments of \$10.7 million. These projects are being funded with bond proceeds.

NOTE 8 – SHORT TERM DEBT

Revolving Line of Credit — The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had \$45.0 million in unused line of credit. The District did not use the line of credit during the current fiscal year.

NOTE 9 – FINANCED PURCHASES PAYABLE

The District has acquired energy upgrades and copiers under the provisions of contracts classified as financed purchases payables. In accordance with GASB Statement No. 87 *Leases*, contracts previously recorded as capital leases have been reclassified as financed purchases payable in the fiscal year. Revenues from the General Fund are use to pay the debt obligations for the copiers. Revenues from the General Fund are transferred to the Energy and Water Savings Fund are used to pay the debt obligations for the energy upgrades when due. In addition, the District's energy upgrades lease qualifies under the Qualified School Construction (QSCB) lease program, and as such it is expected the District will receive direct subsidy payments from the United States of America for a portion of the interest due on the QSCBs.

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

		 Governmenta	al Activities		
Year ending June 30:):	 Principal		nterest	
	2023	\$ 273,852	\$	5,022	

NOTE 10 – GENERAL OBLIGATION BONDS PAYABLE

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$18,000,000 remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District's legal debt limit is \$973.0 million, and the available margin is \$799.1 million. In addition, a portion of the District's school improvement bonds are Qualified Build America Bonds, as such it is expected the District will receive direct subsidy payments from the United States of America for a portion of the interest due on the bonds.

	Original Outstanding					
	Amount	Interest	Remaining	Principal	Due Within	
Purpose	Issued	Rates	Maturities	June 30, 2022	One Year	
Governmental activities:						
School Improvement Bonds,						
Project of 2007, Series C (2010) - BABs	\$ 4,000,000	5.75-8.75%	7/1/22-23	\$ 1,225,000	\$ 550,000	
School Improvement Bonds,						
Project of 2015, Series A (2016)	31,300,000	3.00-3.75%	7/1/26-31	17,810,000		
Refunding Bonds, Series 2016	38,445,000	2.00-4.00%	7/1/22-23	9,300,000	8,225,000	
School Improvement Bonds,						
Project of 2015, Series B (2018)	27,810,000	2.50-5.00%	7/1/22-31	27,310,000	7,425,000	
School Improvement Bonds,						
Project of 2015, Series C (2019)	24,620,000	2.00-5.00%	7/1/22-25	22,370,000	4,250,000	
School Improvement Bonds,						
Project of 2015 and 2019, Series 2020	34,345,000	1.00-5.00%	7/1/23-28	34,345,000		
School Improvement Bonds,						
Project of 2019, Series B (2022)	43,750,000	2.00-5.00%	7/1/22-31	43,750,000	1,250,000	
Total				\$ 156,110,000	\$ 21,700,000	

The amounts reported as due within one year represent the amounts payable on July 1, 2022 and as previously discussed, the District has elected the early recognition option for these payments. As a result, the amounts were recorded as expenditures during the current fiscal year.

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

	Governmental Activities				
Year ending June 30:	Princip	al	Interest		
2023	\$ 21,700	\$ 21,700,000 \$ 5			
2024	19,700	0,000	5,378,090		
2025	18,780	0,000	4,524,912		
2026	18,930	0,000	3,742,262		
2027	19,24:	5,000	2,939,737		
2028-32	57,75	5,000	4,866,031		
Total	\$ 156,110	0,000 \$	27,433,460		

NOTE 11 – CHANGES IN LONG-TERM LIABILITIES

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

	Beginning				Ending	I	Due Within
	 Balance	Additions	I	Reductions	Balance		One Year
Governmental activities:							_
Bonds payable:							
General obligation bonds	\$ 132,715,000	\$ 43,750,000	\$	20,355,000 \$	156,110,000	\$	21,700,000
Premium	 13,652,909	 6,526,033		1,335,745	18,843,197		
Total bonds payable	 146,367,909	50,276,033		21,690,745	174,953,197		21,700,000
Financed purchases payable	978,988			705,136	273,852		273,852
Net pension liability	289,115,511			63,760,300	225,355,211		
Compensated absences payable	 12,386,635	4,259,372		3,350,941	13,295,066		1,140,956
Governmental activity long-term							
liabilities	\$ 448,849,043	\$ 54,535,405	\$	89,507,122 \$	413,877,326	\$	23,114,808

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

At year end, interfund balances were as follows:

Due to/from other funds:

At year end, the Other Federal Projects Fund and several non-major governmental funds had negative cash balances in the Treasurer's pooled cash accounts of \$10,499,122 and \$556,546, respectively, totaling \$11,055,668. 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							
				Debt	N	Ion-Major		_
		General		Service	Go	vernmental		
Transfers out		Fund		Fund		Funds		Total
General Fund	\$		\$		\$	98,542	\$	98,542
Other Federal Projects Fund		6,309						6,309
Bond Building Fund				412,301				412,301
Non-Major Governmental Funds		1,858,244		·				1,858,244
Total	\$	1,864,553	\$	412,301	\$	98,542	\$ 2	2,375,396

NOTE 12 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Cont'd)

Transfers between funds were used to (1) to move federal grant funds restricted for indirect costs, (2) to move monies from the General Fund to the Energy and Water Savings Fund, a non-major governmental fund, for repayment of the capital investment of the qualified provider or utility, energy or water services company based on the established repayment schedule in accordance with A.R.S. §15.910.02(H), and 3) to move investment income and premium earned in the Bond Building Fund that is required by statute to be expended in the Debt Service Fund.

NOTE 13 – CONTINGENT LIABILITIES

<u>Compliance</u> – 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.

<u>Lawsuits</u> – 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 14 – RISK MANAGEMENT

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

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

NOTE 14 – RISK MANAGEMENT (Cont'd)

The District established an employee benefit management program for workers' health issues. Premiums are paid into the internal service fund by all other funds and are available to pay claims, premiums, claim reserves, and administrative costs of the program. Under this program, the Employee Benefit Trust Fund provides coverage for up to a maximum of \$350,000 for each claim. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

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

Changes in the balances of claims liabilities during the past two years are as follows:

	Year ended			Year ended	
	June 30, 2022		\mathbf{J}_{1}	une 30, 2021	
Unpaid claims, beginning of fiscal year	\$	3,424,500	\$	3,453,000	
Incurred claims (including IBNRs)		21,369,965		20,550,625	
Claim payments		(20,624,465)		(20,579,125)	
Unpaid claims, end of fiscal year	\$	4,170,000	\$	3,424,500	

NOTE 15 – PENSIONS

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

NOTE 15 – PENSIONS (Cont'd)

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

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

Retirement Initial

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

^{*}With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.41 percent (12.22 percent for retirement and 0.19 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.41 percent (12.01 percent for retirement, 0.21 percent for health insurance premium benefit, and 0.19 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2022 were \$24,191,377.

NOTE 15 – PENSIONS (Cont'd)

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

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

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

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

Net	District	Increase		
Liability	% Proportion	(Decrease)		
\$ 225,355,211	1.715	0.046		

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30, 2022 was \$23,408,009.

NOTE 15 – PENSIONS (Cont'd)

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

	Deferred		I	Deferred		
	Outflows of		I	nflows of		
	R	Resources		Resources		Lesources
Differences between expected and actual experience	\$	3,435,333	\$			
Changes of assumptions or other inputs		29,331,782				
Net difference between projected and actual earnings						
on pension investments				71,400,459		
Changes in proportion and differences between						
contributions and proportionate share of contributions		5,184,211				
Contributions subsequent to the measurement date		24,191,377				
Total	\$	62,142,703	\$	71,400,459		

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

Year Ending June 30:								
	2023	\$	3,861,331					
	2024		3,034,813					
	2025		(15,740,143)					
	2026		(24,605,134)					

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

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

NOTE 15 – PENSIONS (Cont'd)

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

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

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

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

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

NOTE 15 – PENSIONS (Cont'd)

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:

		Current						
	19	1% Decrease Discount Rate		iscount Rate 1% Inc		% Increase		
Rate		6.0%		7.0%		8.0%		
Net liability	\$	354,464,872	\$	225,355,211	\$	117,713,477		

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

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL GENERAL YEAR ENDED JUNE 30, 2022

	Budgeted	Amounts	Non-GAAP	Variance with Final Budget Positive	
	Original	Final	Actual	(Negative)	
Revenues:					
Other local	\$	\$	\$ 12,132,145	\$ 12,132,145	
Property taxes			91,307,391	91,307,391	
State aid and grants			127,983,924	127,983,924	
Total revenues			231,423,460	231,423,460	
Expenditures:					
Current -					
Instruction	166,270,648	161,845,706	136,454,342	25,391,364	
Support services - students and staff	31,418,670	32,212,615	31,275,527	937,088	
Support services - administration	22,906,687	24,062,422	24,126,635	(64,213)	
Operation and maintenance of plant services	27,374,127	34,068,697	30,304,014	3,764,683	
Student transportation services	12,695,953	15,899,999	13,254,346	2,645,653	
Operation of non-instructional services	245,487	292,487	525,295	(232,808)	
Total expenditures	260,911,572	268,381,926	235,940,159	32,441,767	
Excess (deficiency) of revenues over expenditures	(260,911,572)	(268,381,926)	(4,516,699)	263,865,227	
Other financing sources (uses):					
Transfer out			(98,542)	(98,542)	
Total other financing sources (uses)			(98,542)	(98,542)	
Changes in fund balances	(260,911,572)	(268,381,926)	(4,615,241)	263,766,685	
Fund balances, beginning of year			63,051,321	63,051,321	
Increase (decrease) in reserve for inventory			(81,149)	(81,149)	
Fund balances (deficits), end of year	\$ (260,911,572)	\$ (268,381,926)	\$ 58,354,931	\$ 326,736,857	

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL OTHER FEDERAL PROJECTS YEAR ENDED JUNE 30, 2022

	Budgeted	Amounts		Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues:	_			
Federal aid, grants and reimbursements	\$	\$	\$ 12,998,850	\$ 12,998,850
Total revenues			12,998,850	12,998,850
Expenditures:				
Current -				
Instruction	22,517,173	30,923,218	8,293,743	22,629,475
Support services - students and staff			1,421,685	(1,421,685)
Support services - administration			681,403	(681,403)
Operation and maintenance of plant services			450,916	(450,916)
Student transportation services			289,001	(289,001)
Operation of non-instructional services			308,602	(308,602)
Capital outlay Total expenditures	22,517,173	30,923,218	995,782 12,441,132	(995,782) 18,482,086
1 otai expenditures	22,317,173	30,923,218	12,441,132	10,402,000
Excess (deficiency) of revenues over expenditures	(22,517,173)	(30,923,218)	557,718	31,480,936
Other financing sources (uses):				
Transfer out			(6,309)	(6,309)
Total other financing sources (uses)			(6,309)	(6,309)
Changes in fund balances	(22,517,173)	(30,923,218)	551,409	31,474,627
Fund balances (deficits), beginning of year			(12,201,748)	(12,201,748)
Fund balances (deficits), end of year	\$ (22,517,173)	\$ (30,923,218)	\$ (11,650,339)	\$ 19,272,879

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY ARIZONA STATE RETIREMENT SYSTEM LAST EIGHT FISCAL YEARS

		<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>
Measurement date	June 30, 2021		June 30, 2020		June 30, 2019		June 30, 2018	
District's proportion of the net pension (assets) liability		1.72%		1.67%		1.66%		1.66%
District's proportionate share of the net pension (assets) liability	\$	225,355,211	\$	289,115,511	\$	241,249,560	\$	231,985,761
District's covered payroll	\$	192,735,373	\$	182,030,707	\$	174,839,222	\$	165,443,248
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll		116.92%		158.83%		137.98%		140.22%
Plan fiduciary net position as a percentage of the total pension liability		78.58%		69.33%		73.24%		73.40%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 24,191,377	\$ 22,453,671	\$ 20,842,516	\$ 19,547,025
Contributions in relation to the actuarially determined contribution	 24,191,377	22,453,671	20,842,516	 19,547,025
Contribution deficiency (excess)	\$ 	\$ 	\$	\$
District's covered payroll	\$ 201,426,953	\$ 192,735,373	\$ 182,030,707	\$ 174,839,222
Contributions as a percentage of covered payroll	12.01%	11.65%	11.45%	11.18%

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

J	une 30, 2017	J	une 30, 2016	J	une 30, 2015	June 30, 2014		
	1.70%		1.62%		1.72%		1.72%	
\$	264,893,848	\$	261,907,169	\$	267,181,478	\$	265,286,960	
\$	166,403,998	\$	151,958,046	\$	156,701,414	\$	159,795,860	
	159.19%		172.35%		170.50%		166.02%	
	69.92%		67.06%		68.35%		69.49%	
	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>	
\$	18,033,314	\$	17,938,351	\$	16,487,448	\$	17,064,784	
	18,033,314		17,938,351		16,487,448		17,064,784	
\$		\$		\$		\$		

\$ 151,958,046

10.85%

\$ 156,701,414

10.89%

166,403,998

10.78%

<u>2016</u>

<u>2015</u>

165,443,248

10.90%

\$

<u>2018</u>

<u>2017</u>

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2022

NOTE 1 – BUDGETARY BASIS OF ACCOUNTING

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.
- Employee insurance expenditures are budgeted in the year the employee insurance amount is funded.

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

	Total	Fund Balances
	Expenditures	End of Year
Statement of Revenues, Expenditures and Changes in		
Fund Balances – Governmental Funds	\$ 250,442,457	\$ 124,713,249
Activity budgeted as special revenue funds	(4,551,664)	(30,642,061)
Activity budgeted as capital projects funds	(13,820,230)	(28,649,521)
Current-year prepaid items	3,473,168	(3,473,168)
Employee insurance account	396,428	(3,593,568)
Schedule of Revenues, Expenditures and Changes in Fund		
Balances – Budget and Actual – General Fund	\$ 235,940,159	\$ 58,354,931

NOTE 2 – PENSION PLAN SCHEDULES

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

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES



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GOVERNMENTAL FUNDS

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING BALANCE SHEET - ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE JUNE 30, 2022

	Spe	cial Revenue	_Capita	al Projects		l Non-Major vernmental Funds
ASSETS	Ф	44.244.056	ф	4 122	Ф	44.240.200
Cash and investments	\$	44,344,076	\$	4,132	\$	44,348,208
Deposits		201,295				201,295
Due from governmental entities		3,590,567				3,590,567
Inventory		626,707				626,707
Leases receivable		3,514,669				3,514,669
Total assets	\$	52,277,314	\$	4,132	\$	52,281,446
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES Liabilities: Accounts payable Due to other funds Accrued payroll and employee benefits Unearned revenues	\$	402,654 555,421 1,875,364 398,308	\$	1,125	\$	402,654 556,546 1,875,364 398,308
Total liabilities		3,231,747		1,125		3,232,872
Deferred inflows of resources: Unavailable revenues - intergovernmental Leases Total deferred inflows of resources		848,023 3,485,560 4,333,583				848,023 3,485,560 4,333,583
Fund balances (deficits): Nonspendable Restricted Unassigned Total fund balances		626,707 44,956,750 (871,473) 44,711,984		4,132 (1,125) 3,007		626,707 44,960,882 (872,598) 44,714,991
Total liabilities, deferred inflows of resources and fund balances	\$	52,277,314	\$	4,132	\$	52,281,446

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE YEAR ENDED JUNE 30, 2022

	Spec	cial Revenue	Capita	al Projects	al Non-Major vernmental Funds
Revenues:					
Other local	\$	19,435,938	\$	35	\$ 19,435,973
State aid and grants		31,741,450		7,696	31,749,146
Federal aid, grants and reimbursements		33,164,490			 33,164,490
Total revenues		84,341,878	-	7,731	 84,349,609
Expenditures:					
Current -					
Instruction		32,704,684			32,704,684
Support services - students and staff		8,156,759			8,156,759
Support services - administration		599,815			599,815
Operation and maintenance of plant services		488,969			488,969
Student transportation services		430,135			430,135
Operation of non-instructional services		22,968,657			22,968,657
Capital outlay		1,919,207			1,919,207
Debt service -					
Principal retirement				340,000	340,000
Interest and fiscal charges				9,282	9,282
Total expenditures		67,268,226		349,282	67,617,508
Excess (deficiency) of revenues over expenditures		17,073,652		(341,551)	 16,732,101
Other financing sources (uses):					
Transfer in				98,542	98,542
Transfer out		(1,858,244)			(1,858,244)
Total other financing sources (uses)		(1,858,244)		98,542	(1,759,702)
Changes in fund balances		15,215,408		(243,009)	 14,972,399
Fund balances, beginning of year		29,394,772		246,016	29,640,788
Increase (decrease) in reserve for inventory		101,804			101,804
Fund balances, end of year	\$	44,711,984	\$	3,007	\$ 44,714,991

SPECIAL REVENUE FUNDS

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

<u>Instructional Improvement</u> - to account for the activity of monies received from gaming revenue.

<u>English Language Learner</u> - to account for monies received to provide for the incremental cost of instruction to English language learners.

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

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

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

<u>Limited English and Immigrant Students</u> - to account for financial assistance received for educational services and costs for limited English and immigrant children.

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

<u>Adult Education</u> - to account for financial assistance from the federal government for adult education programs.

<u>Vocational Education</u> - to account for financial assistance received for preparation of individuals for employment or advancement in a career not requiring a baccalaureate or advanced degree.

<u>Medicaid Reimbursement</u> - to account for reimbursements related to specific health services provided to eligible students.

<u>E-Rate</u> - to account for financial assistance received for broadband internet and telecommunication costs.

<u>State Vocational Education</u> - to account for financial assistance received for the preparation of individuals for employment.

<u>Adult Basic Education</u> - to account for State financial assistance for continuous adult education.

<u>College Credit Exam Incentives</u> - to account for financial assistance received for college credit exams.

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

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

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

<u>Food Service</u> - 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.

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

<u>Community School</u> - to account for activity related to academic and skill development for all citizens.

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

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

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

<u>Career and Technical Education Projects</u> - to account for activity related to the production and subsequent sale of items produced in an instructional program by career and technical education pupils.

<u>Fingerprint</u> - to account for activity of fingerprinting employees as mandated by the State.

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

<u>Litigation Recovery</u> - to account for monies received for and derived from litigation.

<u>Indirect Costs</u> - to account for monies received from federal projects for administrative costs.

<u>Insurance Refund</u> - to account for insurance premium payments that are refunded to the District.

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

<u>Career Technical Education</u> - to account for monies received from Career Technical Education Districts for vocational education programs.

<u>Arizona Industry Credentials Incentive</u> - to account for incentive monies for career technical education courses or programs that provide a certification, credential, or license.

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

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS JUNE 30, 2022

A COPTEG	Classroom Site			Instructional Improvement		English Language Learner	
ASSETS Cash and investments	\$	15,574,099	\$	1,030,321	\$		
Deposits	Ψ	10,571,099	Ψ	1,030,321	Ψ		
Due from governmental entities				615,272			
Inventory							
Leases receivable		1.5.551.000	_	1.615.500	_		
Total assets	\$	15,574,099	\$	1,645,593	\$		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES Liabilities:	<u>S</u>						
Accounts payable	\$	29,590	\$	22,581	\$		
Due to other funds				ŕ		23,450	
Accrued payroll and employee benefits		714,753		37,882			
Unearned revenues							
Total liabilities		744,343		60,463		23,450	
Deferred inflows of resources: Unavailable revenues - intergovernmental Leases Total deferred inflows of resources							
Fund balances (deficits): Nonspendable							
Restricted		14,829,756		1,585,130			
Unassigned						(23,450)	
Total fund balances		14,829,756		1,585,130		(23,450)	
Total liabilities, deferred inflows of resources and fund balances	\$	15,574,099	\$	1,645,593	\$		

Professional Development and Technology Title I Grants Grants		Title IV Grants		Limited English & Immigrant Students		Special Education Grants		Adult Education		
\$		\$	\$		\$	5,665	\$		\$	
	288,969	184,985		17,005		13,278		287,286		49,942
\$	288,969	\$ 184,985	\$	17,005	\$	18,943	\$	287,286	\$	49,942
\$	204,389 84,580	\$ 23,100 123,196 38,689	\$	17,005	\$	18,943	\$	37,635 49,557 200,094	\$	49,942
	288,969	184,985		17,005		18,943		287,286		49,942
	288,969	 184,985 184,985		17,005 17,005		13,278		287,286 287,286		
_	(288,969) (288,969)	 (184,985) (184,985)		(17,005) (17,005)		(13,278) (13,278)		(287,286) (287,286)		
\$	288,969	\$ 184,985	\$	17,005	\$	18,943	\$	287,286	\$	49,942

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS JUNE 30, 2022

	Vocational Education		Vocational ucation	Adult Basic Education	
ASSETS					
Cash and investments	\$	\$	87,816	\$	2,738
Deposits	05.000				
Due from governmental entities	87,882				
Inventory					
Leases receivable	ф 0 5 00 2	Φ.	05.016	Φ.	2.520
Total assets	\$ 87,882	\$	87,816	\$	2,738
LIABILITIES, DEFERRED INFLOWS OF RESOURCE	<u>S</u>				
AND FUND BALANCES	_				
Liabilities:					
Accounts payable	\$	\$		\$	
Due to other funds	87,882				
Accrued payroll and employee benefits					
Unearned revenues			87,816		2,738
Total liabilities	87,882		87,816		2,738
Deferred inflows of resources:					
Unavailable revenues - intergovernmental	56,500				
Leases					
Total deferred inflows of resources	56,500				
Fund balances (deficits):					
Nonspendable					
Restricted					
Unassigned	(56,500)				
Total fund balances	(56,500)				
Total liabilities, deferred inflows of resources					
and fund balances	\$ 87,882	\$	87,816	\$	2,738

ege Credit Incentives	ults-based unding	er State ojects	Food Service Civic Center		ommunity School	
\$ 455,741	\$ 906,601	\$ 26,852	\$	9,915,522 201,295 112,082 626,707	\$ 2,269,852	\$ 2,544,885
\$ 455,741	\$ 906,601	\$ 26,852	\$	10,855,606	\$ 3,514,669 5,784,521	\$ 2,544,885
\$	\$	\$	\$	124,593	\$	\$ 122,564
		26,852		115,649 280,902		528,117
		26,852		521,144	 	650,681
		 			3,485,560 3,485,560	
455,741	906,601			626,707 9,707,755	2,298,961	1,894,204
 455,741	906,601	 		10,334,462	 2,298,961	 1,894,204
\$ 455,741	\$ 906,601	\$ 26,852	\$	10,855,606	\$ 5,784,521	\$ 2,544,885

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING BALANCE SHEET - NON-MAJOR SPECIAL REVENUE FUNDS JUNE 30, 2022

	Extracurricular Activities Fees Tax Credit			Fingerprint		Textbooks	
ASSETS	¢.	2 004 020	¢.	5.7(0	¢.	116 204	
Cash and investments	\$	3,004,039	\$	5,769	\$	116,384	
Deposits Deposits							
Due from governmental entities							
Inventory Leases receivable							
	Φ.	2.004.020	•	5.7(0	Φ.	116 204	
Total assets	\$	3,004,039	\$	5,769	\$	116,384	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES Liabilities:	_						
Accounts payable	\$	42,591	\$		\$		
Due to other funds							
Accrued payroll and employee benefits							
Unearned revenues							
Total liabilities		42,591					
Deferred inflows of resources:							
Unavailable revenues - intergovernmental							
Leases							
Total deferred inflows of resources							
Fund balances (deficits): Nonspendable							
Restricted		2,961,448		5,769		116,384	
Unassigned							
Total fund balances		2,961,448		5,769		116,384	
Total liabilities, deferred inflows of resources							
and fund balances	\$	3,004,039	\$	5,769	\$	116,384	

In arma	maa Dafumd		er Technical Education	Ctud	ant Astivities	Totals			
IIISura	nce Refund		ducation	Stude	ent Activities	-	Totals		
\$	326,272	\$	6,513,229	\$	1,558,291	\$	44,344,076		
							201,295		
			1,933,866				3,590,567		
							626,707		
_	226252	_			1.550.501		3,514,669		
\$	326,272	\$	8,447,095	\$	1,558,291	\$	52,277,314		
\$		\$		\$		\$	402,654		
							555,421		
			136,657				1,875,364		
							398,308		
			136,657	-			3,231,747		
							848,023		
							3,485,560		
							4,333,583		
							626,707		
	326,272		8,310,438		1,558,291		44,956,750		
					· · · · · · · · · · · · · · · · · · ·		(871,473)		
	326,272		8,310,438		1,558,291		44,711,984		
\$	326,272	\$	8,447,095	\$	1,558,291	\$	52,277,314		
	220,212		3, , 0 , 0		-,000,-1		- =,= , , , , , , , , ,		

	Classroom Site	Instructional Improvement	English Language Learner
Revenues:			
Other local	\$ 96,198	\$ 41,064	\$
State aid and grants	27,228,631	1,833,734	554,644
Federal aid, grants and reimbursements			
Total revenues	27,324,829	1,874,798	554,644
Expenditures:			
Current -			
Instruction	19,129,776	885,959	171,058
Support services - students and staff	821,318	753,461	
Support services - administration		111,061	
Operation and maintenance of plant services			
Student transportation services			
Operation of non-instructional services			
Capital outlay		1,584	
Total expenditures	19,951,094	1,752,065	171,058
Excess (deficiency) of revenues over expenditures	7,373,735	122,733	383,586
Other financing sources (uses): Transfer out			
Total other financing sources (uses)			·
Changes in found halomass	7 272 725	122.722	292 596
Changes in fund balances	7,373,735	122,733	383,586
Fund balances (deficits), beginning of year	7,456,021	1,462,397	(407,036)
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ 14,829,756	\$ 1,585,130	\$ (23,450)

Title I Grants	Professional Development and Technology Grants	Title IV Grants	Limited English & Immigrant Students	Special Education Grants	Adult Education
\$	\$	\$	\$	\$	\$
2,829,368 2,829,368	624,631 624,631	230,265 230,265	140,393 140,393	7,326,728 7,326,728	211,749 211,749
1,629,633 955,189 15,944 219	576,033 60,470	108,335 112,113 1,970	33,466 72,982 752	4,075,315 2,879,854 9,127 1,642	6,318 158,678 3,225
42,368 2,643,353 186,015	636,503 (11,872)	222,418 7,847	107,200 33,193	192,723 7,158,661 168,067	37,749 205,970 5,779
(85,602) (85,602) 100,413 (389,382)	(19,713) (19,713) (31,585) (153,400)	(7,195) (7,195) 652 (17,657)	(2,950) (2,950) 30,243 (43,521)	(233,016) (233,016) (64,949) (222,337)	(5,779) (5,779)
\$ (288,969)	\$ (184,985)	\$ (17,005)	\$ (13,278)	\$ (287,286)	\$

	Vocational Education	State Vocational Education	Adult Basic Education
Revenues:			
Other local	\$	\$	\$
State aid and grants		260,393	88,424
Federal aid, grants and reimbursements	367,525		
Total revenues	367,525	260,393	88,424
Expenditures:			
Current -			
Instruction		205,880	80,366
Support services - students and staff	43,572	17,623	2,138
Support services - administration	2,425		
Operation and maintenance of plant services		24,452	
Student transportation services		12,438	
Operation of non-instructional services			
Capital outlay	341,761		5,920
Total expenditures	387,758	260,393	88,424
Excess (deficiency) of revenues over expenditures	(20,233)		
Other financing sources (uses):			
Transfer out	(489)		
Total other financing sources (uses)	(489)		
Changes in fund balances	(20,722)		
Fund balances (deficits), beginning of year	(35,778)		
Increase (decrease) in reserve for inventory			
Fund balances (deficits), end of year	\$ (56,500)	\$	\$

College Credit Exam Incentives		Results-based Funding		Other State Projects		Food Service		Civ	vic Center	C	ommunity School
\$		\$		\$		\$	540,756	\$	988,572	\$	10,629,790
3	333,727		1,361,215		65,383						
							21,433,831				
3	333,727		1,361,215		65,383		21,974,587		988,572		10,629,790
2	214,425		483,448						82,775		422,604
	50,340		110,028		65,383				10,376		131,140
			25,471				52,499		12,991		274,994
			37,531				127,020		240,300		46,555
									5,292		43,804
			22,743				14,256,206		150,506		8,539,202
			1,864		(7.000		893,145		69,101		70,476
	264,765		681,085		65,383		15,328,870		571,341		9,528,775
	68,962		680,130				6,645,717		417,231		1,101,015
							(1,500,000) (1,500,000)				
	68,962		680,130				5,145,717		417,231		1,101,015
3	386,779		226,471				5,086,941		1,881,730		793,189
							101,804				
\$ 4	155,741	\$	906,601	\$		\$	10,334,462	\$	2,298,961	\$	1,894,204

	Acti	acurricular vities Fees ax Credit	Career Techr Educa Proje	nical ntion	Fing	gerprint
Revenues: Other local	\$	1,995,473	\$		\$	15,599
State aid and grants	Ψ	1,775,175	Ψ		Ψ	15,577
Federal aid, grants and reimbursements						
Total revenues		1,995,473				15,599
Expenditures: Current -						
Instruction		1,057,528		866		
Support services - students and staff		874,869		000		
Support services - administration		,,,,,,,,				23,356
Operation and maintenance of plant services		3,462				
Student transportation services		341,426				
Operation of non-instructional services		105.145				
Capital outlay		137,147		866		22.256
Total expenditures		2,414,432		800		23,356
Excess (deficiency) of revenues over expenditures		(418,959)		(866)		(7,757)
Other financing sources (uses): Transfer out						
Total other financing sources (uses)						
Changes in fund balances		(418,959)		(866)		(7,757)
Fund balances (deficits), beginning of year		3,380,407		866		13,526
Increase (decrease) in reserve for inventory						
Fund balances, end of year	\$	2,961,448	\$		\$	5,769

Tex	ktbooks	Insuran	ce Refund	er Technical	Cre	na Industry dentials centive	Stude	ent Activities		Totals
\$	16,739	\$	562	\$ 3,767,046	\$	15,299	\$	1,344,139	\$	19,435,938 31,741,450
	16,739		562	3,767,046		15,299		1,344,139		33,164,490 84,341,878
	12,796			3,176,196 416,569 5,530 5,597 47		15,299		925,437 92,297 2,410 26,909		32,704,684 8,156,759 599,815 488,969 430,135
	12,796		<u>.</u>	 66,419 3,670,358		15,299		58,950 1,106,003		22,968,657 1,919,207 67,268,226
	3,943		562	 96,688				238,136	-	17,073,652
								(3,500) (3,500)		(1,858,244) (1,858,244)
	3,943		562	 96,688				234,636		15,215,408
	112,441		325,710	8,213,750				1,323,655		29,394,772
										101,804
\$	116,384	\$	326,272	\$ 8,310,438	\$		\$	1,558,291	\$	44,711,984

	Classroom Site					
	Budget	Actual	Variance - Positive (Negative)			
Revenues:	¢.	\$ 96,198	e 07 100			
Other local State aid and grants	\$	\$ 96,198 27,228,631	\$ 96,198 27,228,631			
Federal aid, grants and reimbursements		27,220,031	27,220,031			
Total revenues		27,324,829	27,324,829			
Expenditures:						
Current -						
Instruction	33,797,541	19,129,776	14,667,765			
Support services - students and staff	860,574	821,318	39,256			
Support services - administration						
Operation and maintenance of plant services Student transportation services						
Operation of non-instructional services						
Capital outlay						
Total expenditures	34,658,115	19,951,094	14,707,021			
Excess (deficiency) of revenues over expenditures	(34,658,115)	7,373,735	42,031,850			
Other financing sources (uses): Transfer in						
Transfer out						
Proceeds from sale of capital assets			-			
Total other financing sources (uses)						
Changes in fund balances	(34,658,115)	7,373,735	42,031,850			
Fund balances (deficits), beginning of year		7,456,021	7,456,021			
Increase (decrease) in reserve for inventory						
Fund balances (deficits), end of year	\$ (34,658,115)	\$ 14,829,756	\$ 49,487,871			

Ir	nstructional Improveme	nt	English Language Learner				
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)		
\$	\$ 41,064 1,833,734	\$ 41,064 1,833,734	\$	\$ 554,644	\$ 554,644		
	1,874,798	1,874,798		554,644	554,644		
3,062,398	885,959 753,461 111,061	2,176,439 (753,461) (111,061)	171,056	171,058	(2)		
3,062,398	1,584 1,752,065	(1,584) 1,310,333	171,056	171,058	(2)		
(3,062,398)	122,733	3,185,131	(171,056)	383,586	554,642		
(3,062,398)	122,733	3,185,131	(171,056)	383,586	554,642		
	1,462,397	1,462,397		(407,036)	(407,036)		
\$ (3,062,398)	\$ 1,585,130	\$ 4,647,528	\$ (171,056)	\$ (23,450)	\$ 147,606		

YEAR ENDED	JUNE 30.	2022
I EAR ENDED	JUNE 30,	2022

	Title I Grants					
	Budget	Actual	Variance - Positive (Negative)			
Revenues:	•		•			
Other local	\$	\$	\$			
State aid and grants		2 020 260	2 020 260			
Federal aid, grants and reimbursements		2,829,368	2,829,368			
Total revenues		2,829,368	2,829,368			
Expenditures:						
Current -						
Instruction	3,693,690	1,629,633	2,064,057			
Support services - students and staff		955,189	(955,189)			
Support services - administration		15,944	(15,944)			
Operation and maintenance of plant services						
Student transportation services		219	(219)			
Operation of non-instructional services		40.000	(10.0.50)			
Capital outlay		42,368	(42,368)			
Total expenditures	3,693,690	2,643,353	1,050,337			
Excess (deficiency) of revenues over expenditures	(3,693,690)	186,015	3,879,705			
Other financing sources (uses): Transfer in						
Transfer out		(85,602)	(85,602)			
Proceeds from sale of capital assets		(03,002)	(03,002)			
Total other financing sources (uses)		(85,602)	(85,602)			
	(2 (22 (22)	100 410	2 = 0.1.1.02			
Changes in fund balances	(3,693,690)	100,413	3,794,103			
Fund balances (deficits), beginning of year		(389,382)	(389,382)			
Increase (decrease) in reserve for inventory						
Fund balances (deficits), end of year	\$ (3,693,690)	\$ (288,969)	\$ 3,404,721			

Professional I	Development and Techn	ology Grants	Title IV Grants				
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)		
\$	\$	\$	\$	\$	\$		
	624,631 624,631	624,631 624,631		230,265 230,265	230,265 230,265		
1,359,228	576,033 60,470	783,195 (60,470)	336,082	108,335 112,113 1,970	(108,335) 223,969 (1,970)		
1,359,228	636,503	722,725	336,082	222,418	113,664		
(1,359,228)	(11,872)	1,347,356	(336,082)	7,847	343,929		
	(19,713)	(19,713)		(7,195)	(7,195)		
	(19,713)	(19,713)		(7,195)	(7,195)		
(1,359,228)	(31,585)	1,327,643	(336,082)	652	336,734		
	(153,400)	(153,400)		(17,657)	(17,657)		
\$ (1,359,228)	\$ (184,985)	\$ 1,174,243	\$ (336,082)	\$ (17,005)	\$ 319,077		

	Limited English & Immigrant Students					
	Budget	Actual	Variance - Positive (Negative)			
Revenues:	Ф	Ф	rh.			
Other local	\$	\$	\$			
State aid and grants Federal aid, grants and reimbursements		140,393	140,393			
Total revenues		140,393	140,393			
Total revenues		140,333	140,393			
Expenditures:						
Current -						
Instruction		33,466	(33,466)			
Support services - students and staff	154,709	72,982	81,727			
Support services - administration		752	(752)			
Operation and maintenance of plant services						
Student transportation services						
Operation of non-instructional services						
Capital outlay						
Total expenditures	154,709	107,200	47,509			
Excess (deficiency) of revenues over expenditures	(154,709)	33,193	187,902			
Other financing sources (uses):						
Transfer in		(2.0.70)	(2.0.70)			
Transfer out		(2,950)	(2,950)			
Proceeds from sale of capital assets Total other financing sources (uses)		(2,950)	(2,950)			
Total other imancing sources (uses)		(2,930)	(2,930)			
Changes in fund balances	(154,709)	30,243	184,952			
Fund balances (deficits), beginning of year		(43,521)	(43,521)			
Increase (decrease) in reserve for inventory						
Fund balances (deficits), end of year	\$ (154,709)	\$ (13,278)	\$ 141,431			

S	Special Education Grant	S	Adult Education					
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)			
\$	\$	\$	\$	\$	\$			
	7,326,728 7,326,728	7,326,728 7,326,728		211,749 211,749	211,749 211,749			
8,156,426	4,075,315 2,879,854 9,127 1,642	4,081,111 (2,879,854) (9,127) (1,642)	262,140	6,318 158,678 3,225	(6,318) 103,462 (3,225)			
8,156,426	192,723 7,158,661	(192,723) 997,765	262,140	37,749 205,970	(37,749) 56,170			
(8,156,426)	168,067	8,324,493	(262,140)	5,779	267,919			
	(233,016)	(233,016)		(5,779)	(5,779)			
	(233,016)	(233,016)		(5,779)	(5,779)			
(8,156,426)	(64,949)	8,091,477	(262,140)		262,140			
	(222,337)	(222,337)						
\$ (8,156,426)	\$ (287,286)	\$ 7,869,140	\$ (262,140)	\$	\$ 262,140			

, ,	111110	01.		C1 1			,		
	YE.	AR	END	ED	JUN	NE 3	30,	2022	

		Vocational Education		
	Budget	Actual	Variance - Positive (Negative)	
Revenues:	ф	ф	Ф	
Other local	\$	\$	\$	
State aid and grants Federal aid, grants and reimbursements		367,525	367,525	
Total revenues		367,525	367,525	
Expenditures:				
Current -				
Instruction		42.550	(42,572)	
Support services - students and staff		43,572	(43,572)	
Support services - administration		2,425	(2,425)	
Operation and maintenance of plant services Student transportation services				
Operation of non-instructional services				
Capital outlay	416,269	341,761	74,508	
Total expenditures	416,269	387,758	28,511	
, , , , , , , , , , , , , , , , , , ,				
Excess (deficiency) of revenues over expenditures	(416,269)	(20,233)	396,036	
Other financing sources (uses): Transfer in				
Transfer out		(489)	(489)	
Proceeds from sale of capital assets		(.0)	(.07)	
Total other financing sources (uses)		(489)	(489)	
Changes in fund balances	(416,269)	(20,722)	395,547	
Fund balances (deficits), beginning of year		(35,778)	(35,778)	
Increase (decrease) in reserve for inventory				
Fund balances (deficits), end of year	\$ (416,269)	\$ (56,500)	\$ 359,769	

N	Medicaid Reimburs		E-Rate					
Budget	Non-GAAP Actual	Variai Posit (Nega	ive	Budget	Non-GAAP Actual		Variance - Positive (Negative)	
\$	\$ 10,7	\$ \$	10,772	\$	\$	1,782	\$	1,782
	2,236,3 2,247,1		236,384 247,156			781,429 783,211		781,429 783,211
9,269,343	178,2 5,9		091,065 (5,997)	793,723		55,242		738,481
9,269,343	184,2	9,	085,068	793,723		55,242		738,481
(9,269,343)	2,062,8	<u> </u>	332,224	(793,723)		727,969		1,521,692
(9,269,343)	2,062,8		332,224	(793,723)		727,969		1,521,692
	7,291,5	7,	291,507			43,723		43,723
\$ (9,269,343)	\$ 9,354,3	\$ 18,	623,731	\$ (793,723)	\$	771,692	\$	1,565,415

NON-MAJOR SPECIAL REVENUE FUNDS YEAR ENDED JUNE 30, 2022

	St	ate Vocational Educatio	n	
	Budget	Actual	Variance - Positive (Negative)	
Revenues:	ф	Ф	Ф	
Other local	\$	\$ 260,393	\$ 260,393	
State aid and grants Federal aid, grants and reimbursements		200,393	200,393	
Total revenues		260,393	260,393	
Expenditures:				
Current -	• 60 • 00	***		
Instruction	260,383	205,880	54,503	
Support services - students and staff		17,623	(17,623)	
Support services - administration Operation and maintenance of plant services		24.452	(24.452)	
Student transportation services		24,452 12,438	(24,452) (12,438)	
Operation of non-instructional services		12,736	(12,730)	
Capital outlay				
Total expenditures	260,383	260,393	(10)	
Excess (deficiency) of revenues over expenditures	(260,383)		260,383	
Other financing sources (uses): Transfer in Transfer out Proceeds from sale of capital assets Total other financing sources (uses)				
Changes in fund balances	(260,383)		260,383	
Fund balances (deficits), beginning of year			<u></u>	
Increase (decrease) in reserve for inventory				
Fund balances (deficits), end of year	\$ (260,383)	\$	\$ 260,383	

	Adult Basic Education		College Credit Exam Incentives					
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)			
\$	\$ 88,424	\$ 88,424	\$	\$ 333,727	\$ 333,727			
	88,424	88,424		333,727	333,727			
119,100	80,366 2,138	38,734 (2,138)	714,679	214,425 50,340	500,254 (50,340)			
119,100	5,920 88,424	(5,920) 30,676	714,679	264,765	449,914			
(119,100)		119,100	(714,679)	68,962	783,641			
(119,100)		119,100	(714,679)	68,962	783,641			
				386,779	386,779			
\$ (119,100)	\$	\$ 119,100	\$ (714,679)	\$ 455,741	\$ 1,170,420			

YEAR ENDED JUNE 30, 2022

		Results-based Funding		
	Budget	Actual	Variance - Positive (Negative)	
Revenues:	_			
Other local	\$	\$	\$	
State aid and grants		1,361,215	1,361,215	
Federal aid, grants and reimbursements				
Total revenues		1,361,215	1,361,215	
Expenditures:				
Current -				
Instruction	1,585,851	483,448	1,102,403	
Support services - students and staff		110,028	(110,028)	
Support services - administration		25,471	(25,471)	
Operation and maintenance of plant services		37,531	(37,531)	
Student transportation services				
Operation of non-instructional services		22,743	(22,743)	
Capital outlay		1,864	(1,864)	
Total expenditures	1,585,851	681,085	904,766	
Excess (deficiency) of revenues over expenditures	(1,585,851)	680,130	2,265,981	
Other financing sources (uses):				
Transfer in				
Transfer out				
Proceeds from sale of capital assets				
Total other financing sources (uses)				
Changes in fund balances	(1,585,851)	680,130	2,265,981	
Fund balances (deficits), beginning of year		226,471	226,471	
Increase (decrease) in reserve for inventory				
Fund balances (deficits), end of year	\$ (1,585,851)	\$ 906,601	\$ 2,492,452	

	Other State Projects		School Plant					
Budget	Actual	Variance - Positive (Negative)	Budget	Non-GAAP Actual	Variance - Positive (Negative)			
\$	\$ 65,383	\$ 65,383	\$	\$ 93,638	\$ 93,638			
	65,383	65,383		93,638	93,638			
600,299	65,383	534,916						
600,299	65,383	534,916	7,542,050 7,542,050	25,838 25,838	7,516,212 7,516,212			
(600,299)		600,299	(7,542,050)	67,800	7,609,850			
				6,847,911 6,847,911	6,847,911 6,847,911			
(600,299)		600,299	(7,542,050)	6,915,711 669,372	14,457,761 669,372			
\$ (600,299)	\$	\$ 600,299	\$ (7,542,050)	\$ 7,585,083	\$ 15,127,133			

		Food Service		
	Budget	Actual	Variance - Positive (Negative)	
Revenues:	Ф	Φ 540.756	ф 540.75 <i>(</i>	
Other local	\$	\$ 540,756	\$ 540,756	
State aid and grants Federal aid, grants and reimbursements		21,433,831	21,433,831	
Total revenues		21,974,587	21,974,587	
Total revenues		21,974,367	21,974,367	
Expenditures:				
Current -				
Instruction				
Support services - students and staff				
Support services - administration		52,499	(52,499)	
Operation and maintenance of plant services		127,020	(127,020)	
Student transportation services				
Operation of non-instructional services	19,087,854	14,256,206	4,831,648	
Capital outlay		893,145	(893,145)	
Total expenditures	19,087,854	15,328,870	3,758,984	
Excess (deficiency) of revenues over expenditures	(19,087,854)	6,645,717	25,733,571	
Other financing sources (uses):				
Transfer in Transfer out		(1.500.000)	(1.500.000)	
Proceeds from sale of capital assets		(1,500,000)	(1,500,000)	
Total other financing sources (uses)		(1,500,000)	(1,500,000)	
Total viner imaneing sources (uses)		(1,500,000)	(1,500,000)	
Changes in fund balances	(19,087,854)	5,145,717	24,233,571	
Fund balances (deficits), beginning of year		5,086,941	5,086,941	
Increase (decrease) in reserve for inventory		101,804	101,804	
Fund balances (deficits), end of year	\$ (19,087,854)	\$ 10,334,462	\$ 29,422,316	

Civic Center					Community School						
Budget	Actual		Variance - Positive (Negative)		Budget		Actual			Variance - Positive (Negative)	
\$	\$	988,572	\$	988,572	\$		\$	10,629,790	\$	10,629,790	
		988,572		988,572				10,629,790		10,629,790	
2,590,128 2,590,128 (2,590,128)		82,775 10,376 12,991 240,300 5,292 150,506 69,101 571,341 417,231		(82,775) (10,376) (12,991) 2,349,828 (5,292) (150,506) (69,101) 2,018,787 3,007,359		8,293,189 8,293,189 (8,293,189)		422,604 131,140 274,994 46,555 43,804 8,539,202 70,476 9,528,775 1,101,015		(422,604) (131,140) (274,994) (46,555) (43,804) (246,013) (70,476) (1,235,586) 9,394,204	
(2,590,128)		417,231 1,881,730		3,007,359 1,881,730		(8,293,189)		1,101,015 793,189		9,394,204 793,189	
\$ (2,590,128)	\$	2,298,961	\$	4,889,089	\$	(8,293,189)	\$	1,894,204	\$	10,187,393	

		Auxili	ary Operations		
	Budget	N	on-GAAP Actual	:	Variance - Positive Negative)
Revenues:		_		_	
Other local	\$	\$	4,890,873	\$	4,890,873
State aid and grants					
Federal aid, grants and reimbursements			4 000 050		4 000 050
Total revenues			4,890,873		4,890,873
Expenditures:					
Current -					
Instruction	7,798,901		1,797,405		6,001,496
Support services - students and staff			498,469		(498,469)
Support services - administration			217,028		(217,028)
Operation and maintenance of plant services			177,650		(177,650)
Student transportation services			250,466		(250,466)
Operation of non-instructional services			421,706		(421,706)
Capital outlay			254,666		(254,666)
Total expenditures	7,798,901		3,617,390		4,181,511
Excess (deficiency) of revenues over expenditures	(7,798,901)		1,273,483		9,072,384
Other financing sources (uses): Transfer in Transfer out Proceeds from sale of capital assets					
Total other financing sources (uses)					
Changes in fund balances	(7,798,901)		1,273,483		9,072,384
Fund balances (deficits), beginning of year			3,241,451		3,241,451
Increase (decrease) in reserve for inventory					
Fund balances (deficits), end of year	\$ (7,798,901)	\$	4,514,934	\$	12,313,835

Extracur	Extracurricular Activities Fees Tax Credit					Gifts and Donations					
Budget	Actual		Variance - Positive Actual (Negative)			Budget		on-GAAP Actual]	Variance - Positive (Negative)	
\$	\$	1,995,473	\$	1,995,473	\$		\$	653,395	\$	653,395	
		1,995,473		1,995,473				653,395		653,395	
5,652,287		1,057,528 874,869 3,462 341,426		4,594,759 (874,869) (3,462) (341,426)		3,373,116		290,210 139,221 13,967 6,150 18,721		3,082,906 (139,221) (13,967) (6,150) (18,721)	
5,652,287		137,147 2,414,432		(137,147) 3,237,855		3,373,116		3,484 197,166 668,919		(3,484) (197,166) 2,704,197	
(5,652,287)		(418,959)		5,233,328		(3,373,116)		(15,524)		3,357,592	
								3,500		3,500	
								3,500		3,500	
(5,652,287)		(418,959)		5,233,328	-	(3,373,116)		(12,024)		3,361,092	
		3,380,407		3,380,407				1,533,270		1,533,270	
\$ (5,652,287)	\$	2,961,448	\$	8,613,735	\$	(3,373,116)	\$	1,521,246	\$	4,894,362	

YEAR ENDED JUNE 30, 2022

	Career and Technical Education Projects				
	Budget	Actual	Variance - Positive (Negative)		
Revenues:	Ф	Ф	Φ.		
Other local	\$	\$	\$		
State aid and grants					
Federal aid, grants and reimbursements Total revenues					
Expenditures:					
Current -		0.66	(0.66)		
Instruction		866	(866)		
Support services - students and staff					
Support services - administration Operation and maintenance of plant services					
Student transportation services					
Operation of non-instructional services					
Capital outlay					
Total expenditures		866	(866)		
Excess (deficiency) of revenues over expenditures		(866)	(866)		
Other financing sources (uses): Transfer in					
Transfer out					
Proceeds from sale of capital assets					
Total other financing sources (uses)					
Changes in fund balances		(866)	(866)		
Fund balances (deficits), beginning of year		866	866		
Increase (decrease) in reserve for inventory					
Fund balances (deficits), end of year	\$	\$	\$		

Fingerprint			Textbooks									
Budget		Actual	Variance - Positive (Negative)		Budget		Budget Actual		Actual		Variance - Positive (Negative)	
\$	\$	15,599	\$	15,599	\$		\$	16,739	\$	16,739		
		15,599		15,599				16,739		16,739		
13,693		23,356		(9,663)		119,887		12,796		107,091		
13,693		23,356		(9,663)		119,887		12,796		107,091		
(13,693)		(7,757)		5,936		(119,887)		3,943		123,830		
(13,693)		(7,757)		5,936		(119,887)		3,943		123,830		
		13,526		13,526				112,441		112,441		
\$ (13,693)	\$	5,769	\$	19,462	\$	(119,887)	\$	116,384	\$	236,271		

YEAR	ENDED	JUNE :	30, 2022

	Litigation Recovery					
	Budget	Non-GAAP Actual	Variance - Positive (Negative)			
Revenues:	Ф	Φ. 102	4 102			
Other local	\$	\$ 103	\$ 103			
State aid and grants Federal aid, grants and reimbursements						
Total revenues		103	103			
Expenditures:						
Current -	-01					
Instruction	59,551		59,551			
Support services - students and staff Support services - administration						
Operation and maintenance of plant services						
Student transportation services						
Operation of non-instructional services						
Capital outlay						
Total expenditures	59,551		59,551			
Excess (deficiency) of revenues over expenditures	(59,551)	103	59,654			
Other financing sources (uses): Transfer in Transfer out						
Proceeds from sale of capital assets						
Total other financing sources (uses)						
Changes in fund balances	(59,551)	103	59,654			
Fund balances (deficits), beginning of year		59,447	59,447			
Increase (decrease) in reserve for inventory						
Fund balances (deficits), end of year	\$ (59,551)	\$ 59,550	\$ 119,101			

	Indii	rect Costs					Insuran	ce Refund		
Budget		n-GAAP Actual	Pe	riance - ositive egative)	1	Budget	A	ctual	Po	riance - ositive egative)
\$	\$	28,878	\$	28,878	\$		\$	562	\$	562
		28,878		28,878				562		562
6,258,010				6,258,010		326,272				326,272
6,258,010				6,258,010		326,272				326,272
(6,258,010)		28,878		6,286,888		(326,272)		562		326,834
		1,861,053		1,861,053						
		1,861,053		1,861,053						
(6,258,010)		1,889,931		8,147,941		(326,272)		562		326,834
		4,932,920		4,932,920				325,710		325,710
\$ (6,258,010)	\$	6,822,851	\$	13,080,861	\$	(326,272)	\$	326,272	\$	652,544

YEAR ENDED JUNE 30, 2022

	Advertisement				
	Budget	Non-GAAP Actual		Variance - Positive (Negative)	
Revenues:	Ф	ф	21	ф	21
Other local State aid and grants	\$	\$	21	\$	21
Federal aid, grants and reimbursements					
Total revenues			21		21
Expenditures:					
Current -					
Instruction	12,317				12,317
Support services - students and staff					
Support services - administration					
Operation and maintenance of plant services					
Student transportation services					
Operation of non-instructional services Capital outlay					
Total expenditures	12,317			-	12,317
Total expenditures	12,517				12,517
Excess (deficiency) of revenues over expenditures	(12,317)		21		12,338
Other financing sources (uses):					
Transfer in					
Transfer out					
Proceeds from sale of capital assets					
Total other financing sources (uses)					
	(1001				10000

Career Technical Education			Arizona Industry Credentials Incentive				
Budget	Actual	Variance - Positive (Negative)	Budget	Actual	Variance - Positive (Negative)		
\$	\$ 3,767,046	\$ 3,767,046	\$	\$ 15,299	\$ 15,299		
	3,767,046	3,767,046		15,299	15,299		
10,246,853	3,176,196 416,569 5,530 5,597 47	7,070,657 (416,569) (5,530) (5,597) (47)	45,595	15,299	30,296		
10,246,853	66,419 3,670,358 96,688	(66,419) 6,576,495 10,343,541	45,595 (45,595)	15,299	30,296 45,595		
(10,246,853)	96,688 8,213,750	10,343,541 8,213,750	(45,595)		45,595		
\$ (10,246,853)	\$ 8,310,438	\$ 18,557,291	\$ (45,595)	\$	\$ 45,595		

	Student Activities				
	Budget	Actual	Variance - Positive (Negative)		
Revenues:	Ф	Φ 1244120	Φ 1244120		
Other local	\$	\$ 1,344,139	\$ 1,344,139		
State aid and grants					
Federal aid, grants and reimbursements Total revenues		1 244 120	1 244 120		
1 otai revenues		1,344,139	1,344,139		
Expenditures:					
Current -					
Instruction	2,397,304	925,437	1,471,867		
Support services - students and staff		92,297	(92,297)		
Support services - administration					
Operation and maintenance of plant services		2,410	(2,410)		
Student transportation services		26,909	(26,909)		
Operation of non-instructional services		5 0.050	(50.050)		
Capital outlay	2 207 204	58,950	(58,950)		
Total expenditures	2,397,304	1,106,003	1,291,301		
Excess (deficiency) of revenues over expenditures	(2,397,304)	238,136	2,635,440		
Other financing sources (uses):					
Transfer in		/a ==	/a ===		
Transfer out		(3,500)	(3,500)		
Proceeds from sale of capital assets Total other financing sources (uses)		(3,500)	(3,500)		
roun outer manang sources (asses)		(2,200)	(5,500)		
Changes in fund balances	(2,397,304)	234,636	2,631,940		
Fund balances (deficits), beginning of year		1,323,655	1,323,655		
Increase (decrease) in reserve for inventory					
Fund balances (deficits), end of year	\$ (2,397,304)	\$ 1,558,291	\$ 3,955,595		

Totals

	Totals	
Dudost	Non-GAAP	Variance - Positive
Budget	Actual	(Negative)
\$	\$ 25,115,400	\$ 25,115,400
	31,741,450	31,741,450
	36,182,303	36,182,303
	93,039,153	93,039,153
87,731,330	34,792,299	52,939,031
12,962,262	8,972,727	3,989,535
807,416	886,052	(78,636)
2,590,128	678,766	1,911,362
, ,	699,322	(699,322)
27,381,043	23,393,847	3,987,196
7,958,319	2,396,877	5,561,442
139,430,498	71,819,890	67,610,608
(139,430,498)	21,219,263	160,649,761
	1,864,553	1,864,553
	(1,858,244)	(1,858,244)
	6,847,911	6,847,911
	6,854,220	6,854,220
(139,430,498)	28,073,483	167,503,981
	47,178,758	47,178,758
	101,804	101,804
\$ (139,430,498)	\$ 75,354,045	\$ 214,784,543



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DEBT SERVICE FUND

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

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL ALL DEBT SERVICE FUND YEAR ENDED JUNE 30, 2022

	Debt Service				
Revenues: Other local Property taxes Total revenues	Budget \$	Actual \$ 11,709 26,243,723 26,255,432	Variance - Positive (Negative) \$ 11,709 26,243,723 26,255,432		
Expenditures:					
Debt service -	24 2 00 000	21 - 00 000			
Principal retirement	21,700,000	21,700,000	140,073		
Interest and fiscal charges Total expenditures	5,531,238 27,231,238	5,391,165 27,091,165	140,073		
Total expenditures	27,231,230	27,071,103	140,073		
Excess (deficiency) of revenues over expenditures	(27,231,238)	(835,733)	26,395,505		
Other financing sources (uses):					
Transfer in		412,301	412,301		
Total other financing sources (uses)		412,301	412,301		
Changes in fund balances	(27,231,238)	(423,432)	26,807,806		
Fund balances, beginning of year		1,441,029	1,441,029		
Fund balances (deficits), end of year	\$ (27,231,238)	\$ 1,017,597	\$ 28,248,835		

CAPITAL PROJECTS FUNDS

<u>Insurance Proceeds</u> - to account for the monies received from insurance claims.

<u>Unrestricted Capital Outlay</u> - to account for transactions relating to the acquisition of capital items.

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

<u>Energy and Water Savings</u> – to account for capital investment monies, energy-related rebate, or grant monies from other funding sources, including clean renewable energy bonds, to fund energy or water savings projects in school facilities in accordance with A.R.S. §910.02.

<u>Emergency Deficiencies Correction</u> - to account for monies received from the School Facilities Board to correct emergency deficiencies.

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



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GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING BALANCE SHEET - NON-MAJOR CAPITAL PROJECTS FUNDS JUNE 30, 2022

	Emergency Deficiencies Correction	Building Renewal Grant	Totals
ASSETS Cash and investments Total assets	\$ 4,132 \$ 4,132	\$ \$	\$ 4,132 \$ 4,132
LIABILITIES AND FUND BALANCES Liabilities: Due to other funds Total liabilities	\$	\$ 1,125 1,125	\$ 1,125 1,125
Fund balances (deficits): Restricted Unassigned Total fund balances	4,132 4,132	(1,125) (1,125)	4,132 (1,125) 3,007
Total liabilities and fund balances	\$ 4,132	\$	\$ 4,132

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR CAPITAL PROJECTS FUNDS YEAR ENDED JUNE 30, 2022

	Energy and Water Savings	Emergency Deficiencies Correction	Building Renewal Grant	
Revenues: Other local	\$	\$ 35	\$	
State aid and grants Total revenues		35	7,696 7,696	
Expenditures: Debt service -				
Principal retirement	340,000			
Interest and fiscal charges	9,282			
Total expenditures	349,282			
Excess (deficiency) of revenues over expenditures	(349,282)	35	7,696	
Other financing sources (uses): Transfer in	09.542			
Total other financing sources (uses)	98,542 98,542			
Changes in fund balances	(250,740)	35	7,696	
Fund balances (deficits), beginning of year	250,740	4,097	(8,821)	
Fund balances (deficits), end of year	\$	\$ 4,132	\$ (1,125)	

Totals
\$ 35 7,696 7,731
 340,000 9,282 349,282
 (341,551)
98,542 98,542
 (243,009)
\$ 3,007

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL ALL CAPITAL PROJECTS FUNDS YEAR ENDED JUNE 30, 2022

		Insurance Proceeds	
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:	Ф	Φ 12.274	Φ 10.074
Other local	\$	\$ 12,274	\$ 12,274
Property taxes State aid and grants			
Total revenues		12,274	12,274
Expenditures:			
Capital outlay	487,722	919	486,803
Debt service -			
Principal retirement			
Interest and fiscal charges			
Bond issuance costs	487,722	919	486,803
Total expenditures	467,722	919	400,003
Excess (deficiency) of revenues over expenditures	(487,722)	11,355	499,077
Other financing sources (uses): Transfer in			
Transfer out			
Issuance of school improvement bonds			
Premium on sale of bonds			
Total other financing sources (uses)			
Changes in fund balances	(487,722)	11,355	499,077
Fund balances (deficits), beginning of year		481,931	481,931
Fund balances (deficits), end of year	\$ (487,722)	\$ 493,286	\$ 981,008

Uı	nrestricted Capital Outl	ay	Bond Building			
Budget	Non-GAAP Budget Actual		Budget	Actual	Variance - Positive (Negative)	
\$	\$ 1,527,008 12,441,636 20,000,000	\$ 1,527,008 12,441,636 20,000,000	\$	\$ 412,301	\$ 412,301	
	33,968,644	33,968,644		412,301	412,301	
42,483,766	13,447,479	29,036,287	84,519,879	29,163,784	55,356,095	
	365,136 6,696	(365,136) (6,696)				
42,483,766	13,819,311	28,664,455	84,519,879	431,350 29,595,134	(431,350) 54,924,745	
(42,483,766)	20,149,333	62,633,099	(84,519,879)	(29,182,833)	55,337,046	
				(412,301) 43,750,000 6,526,033 49,863,732	(412,301) 43,750,000 6,526,033 49,863,732	
(42,483,766)	20,149,333	62,633,099	(84,519,879)	20,680,899	105,200,778	
	8,006,902	8,006,902		34,453,846	34,453,846	
\$ (42,483,766)	\$ 28,156,235	\$ 70,640,001	\$ (84,519,879)	\$ 55,134,745	\$ 139,654,624	

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL ALL CAPITAL PROJECTS FUNDS YEAR ENDED JUNE 30, 2022

	Energy and Water Savings					
	Budget	Actual	Variance - Positive (Negative)			
Revenues:	•					
Other local	\$	\$	\$			
Property taxes						
State aid and grants Total revenues						
1 otal revenues						
Expenditures:						
Capital outlay						
Debt service -						
Principal retirement	349,282	340,000	9,282			
Interest and fiscal charges		9,282	(9,282)			
Bond issuance costs						
Total expenditures	349,282	349,282				
Excess (deficiency) of revenues over expenditures	(349,282)	(349,282)				
Other financing sources (uses):						
Transfer in		98,542	98,542			
Transfer out						
Issuance of school improvement bonds						
Premium on sale of bonds						
Total other financing sources (uses)		98,542	98,542			
Changes in fund balances	(349,282)	(250,740)	98,542			
Fund balances (deficits), beginning of year		250,740	250,740			
Fund balances (deficits), end of year	\$ (349,282)	\$	\$ 349,282			

Emerg	Emergency Deficiencies Correction				Building Renewal Grant				
Budget	Actual		Variance - Positive (Negative)		Budget	Actual		Variance - Positive (Negative)	
\$	\$	35	\$	35	\$	\$		\$	
		35		35			7,696 7,696		7,696 7,696
4,158				4,158					
4,158				4,158					
(4,158)		<u>35</u>		4,193			7,696		7,696
(4,158)		35		4,193			7,696		7,696
		4,097		4,097			(8,821)		(8,821)
\$ (4,158)	\$	4,132	\$	8,290	\$	\$	(1,125)	\$	(1,125)

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL ALL CAPITAL PROJECTS FUNDS YEAR ENDED JUNE 30, 2022

		Totals	
	Budget	Non-GAAP Actual	Variance - Positive (Negative)
Revenues:			
Other local	\$	\$ 1,951,618	\$ 1,951,618
Property taxes		12,441,636	12,441,636
State aid and grants		20,007,696	20,007,696
Total revenues		34,400,950	34,400,950
Expenditures:			
Capital outlay	127,495,525	42,612,182	84,883,343
Debt service -	, ,	, ,	, ,
Principal retirement	349,282	705,136	(355,854)
Interest and fiscal charges	, -	15,978	(15,978)
Bond issuance costs		431,350	(431,350)
Total expenditures	127,844,807	43,764,646	84,080,161
Excess (deficiency) of revenues over expenditures	(127,844,807)	(9,363,696)	118,481,111
Other financing sources (uses):			
Transfer in		98,542	98,542
Transfer out		(412,301)	(412,301)
Issuance of school improvement bonds		43,750,000	43,750,000
Premium on sale of bonds		6,526,033	6,526,033
Total other financing sources (uses)		49,962,274	49,962,274
Changes in fund balances	(127,844,807)	40,598,578	168,443,385
Fund balances (deficits), beginning of year		43,188,695	43,188,695
Fund balances (deficits), end of year	\$ (127,844,807)	\$ 83,787,273	\$ 211,632,080

INTERNAL SERVICE FUNDS

 $\underline{\text{District Services}}$ - to account for the financial activity of providing goods and services to departments or schools within the District.

<u>Employee Benefit Trust</u> - to account for the activity associated with the District's self-insurance program.

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING STATEMENT OF NET POSITION -ALL INTERNAL SERVICE FUNDS JUNE 30, 2022

ASSETS	District Services	Employee Benefit Trust	Totals
Current assets: Cash and investments Accounts receivable Total current assets Total assets	\$ 712,967	\$ 23,676,198 650,231 24,326,429 24,326,429	\$ 24,389,165 650,231 25,039,396 25,039,396
LIABILITIES Current liabilities: Accounts payable Claims payable Total current liabilities Total liabilities		627,836 4,170,000 4,797,836 4,797,836	627,836 4,170,000 4,797,836 4,797,836
NET POSITION Unrestricted Total net position	712,967 \$ 712,967	19,528,593 \$ 19,528,593	20,241,560 \$ 20,241,560

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION ALL INTERNAL SERVICE FUNDS FOR THE YEAR ENDED JUNE 30, 2022

		Employee	
	District Services	Benefit Trust	Totals
Operating revenues:			
Contributions	\$	\$ 25,839,455	\$ 25,839,455
Other		805,841	805,841
Charges for services	622,288		622,288
Total operating revenues	622,288	26,645,296	27,267,584
Operating expenses:			
Other	576,690		576,690
Claims		21,369,965	21,369,965
Premiums		1,095,407	1,095,407
Administrative fees		1,773,934	1,773,934
Total operating expenses	576,690	24,239,306	24,815,996
Operating income (loss)	45,598	2,405,990	2,451,588
Nonoperating revenues (expenses):			
Investment income	8,061	(20,236)	(12,175)
Total nonoperating revenues (expenses)	8,061	(20,236)	(12,175)
Changes in net position	53,659	2,385,754	2,439,413
Total net position, beginning of year	659,308	17,142,839	17,802,147
Total net position, end of year	\$ 712,967	\$ 19,528,593	\$ 20,241,560

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS YEAR ENDED JUNE 30, 2022

Increase/Decrease in Cash and Cash Equivalents	<u>_1</u>	District Services	_	Employee Benefit Trust	Totals
Cash flows from operating activities: Cash received from contributions Cash received from other sources Cash payments to suppliers for goods and services Cash payments for claims	\$	622,288 (576,690)	\$	26,081,654 (2,249,651) (20,624,465)	\$ 622,288 (2,826,341) (20,624,465)
Net cash provided by/used for operating activities	_	45,598	_	3,207,538	3,253,136
Cash flows from investing activities: Investment income	_	8,061	_	(20,236)	(12,175)
Net cash provided by/used for investing activities	_	8,061	_	(20,236)	(12,175)
Net increase/decrease in cash and cash equivalents	_	53,659	_	3,187,302	3,240,961
Cash and cash equivalents, beginning of year	_	659,308	_	20,488,896	21,148,204
Cash and cash equivalents, end of year	\$ _	712,967	\$ _	23,676,198	\$ 24,389,165
Reconciliation of Operating Income/Loss to Net Cash Provided by/Used	l for Op	erating Activities			
Operating income/loss	\$	45,598	\$	2,405,990	\$ 2,451,588
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:					
Changes in assets and liabilities: Increase/decrease in accounts receivable Increase/decrease in accounts payable Increase/decrease in claims payable			_	(563,642) 619,690 745,500	(563,642) 619,690 745,500
Total adjustments	_		_	801,548	801,548
Net cash provided by/used for operating activities	\$_	45,598	\$ _	3,207,538	\$ 3,253,136

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

(Accrual basis of accounting)

	<u></u>	Fiscal Year Ended June 30				
	200		<u>2021</u>	<u>2020</u>	<u>2019</u>	
Net Position:						
Net investment in capital assets	\$	378,649,477	\$ 373,364,234	\$ 373,732,581	\$ 368,106,305	
Restricted		75,322,076	40,946,003	34,192,545	29,378,146	
Unrestricted		(109,609,137)	(124,590,425)	(149,878,859)	(160,480,781)	
Total net position	\$	344,362,416	\$ 289,719,812	\$ 258,046,267	\$ 237,003,670	

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

Fiscal Year Ended June 30

<u>2018</u> <u>2017</u>		<u>2016</u> <u>2015</u>		<u>2015</u>	<u>2014</u>	<u>2013</u>		
	\$ 369,169,992	\$ 369,379,805	\$ 368,163,931	\$	365,475,563	\$ 357,548,849	\$ 348,576,907	
	24,024,069	26,195,002	23,711,947		19,583,341	18,948,021	23,595,398	
	(188,487,609)	(202,231,939)	(226,155,937)		(250,934,049)	29,327,810	28,821,730	
	\$ 204,706,452	\$ 193,342,868	\$ 165,719,941	\$	134,124,855	\$ 405,824,680	\$ 400,994,035	

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE AND GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION LAST TEN FISCAL YEARS

(Accrual basis of accounting)

	2022	<u>2021</u>	<u>2020</u>	2019
Expenses				
Instruction	\$ 198,299,042	\$ 197,355,466	\$ 183,861,160	\$ 166,987,026
Support services - students and staff	42,095,483	39,203,942	34,929,905	31,634,799
Support services - administration	28,626,134	27,652,584	25,427,659	23,228,383
Operation and maintenance of plant services	29,128,343	28,203,969	26,601,544	25,427,027
Student transportation services	18,054,689	15,312,352	15,026,792	15,399,427
Operation of non-instructional services	24,760,192	19,498,371	19,719,237	19,236,180
Interest on long-term debt	4,433,284	4,273,100	4,486,819	4,004,766
Total expenses	345,397,167	331,499,784	310,053,116	285,917,608
Program Revenues				
Charges for services:				
Instruction	10,151,655	6,510,181	8,477,389	8,072,895
Operation of non-instructional services	11,097,896	7,754,332	12,240,068	15,557,972
Other activities	1,025,832	231,071	939,042	1,289,155
Operating grants and contributions	51,117,253	54,368,656	21,527,404	24,351,578
Capital grants and contributions	622,385	1,501,749	939,213	1,047,789
Total program revenues	74,015,021	70,365,989	44,123,116	50,319,389
Net (Expense)/Revenue	(271,382,146)	(261,133,795)	(265,930,000)	(235,598,219)
General Revenues:				
Taxes:				
Property taxes, levied for general purposes	90,167,638	88,148,665	71,136,086	76,721,076
Property taxes, levied for debt service	26,213,671	25,009,847	23,293,132	22,236,046
Property taxes, levied for capital outlay	12,441,636	12,439,192	10,653,696	5,583,354
Investment income	1,281,870	1,096,272	2,142,036	1,405,894
Unrestricted county aid	13,007,023	12,388,665	12,124,808	11,298,195
Unrestricted state aid	177,046,289	152,201,630	162,992,543	148,576,069
Unrestricted federal aid	2,236,384	1,523,069	3,157,695	2,074,803
Gain on sale of capital assets	3,630,239			
Total general revenues	326,024,750	292,807,340	285,499,996	267,895,437
Changes in Net Position	\$ 54,642,604	\$ 31,673,545	\$ 19,569,996	\$ 32,297,218

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

Fiscal	Voor	Ended	Inno	30
riscai	т еяг	rmaea	June	

	Fiscal Year Ended June 30													
	2018	<u>2017</u>		2016		<u>2015</u>		<u>2014</u>		2013				
\$	162,590,105	\$ 157,426,855	\$ 1	54,128,237	\$	165,774,344	\$	170,793,090	\$	171,331,151				
	30,841,479	30,352,121		29,642,416		30,501,121		30,670,862		30,460,847				
	21,560,630	21,705,726		18,846,108		21,521,671		21,912,044		21,277,936				
	26,489,799	26,507,174		23,823,376		28,297,980		26,122,097		28,805,993				
	14,886,579	12,792,658		11,214,240		12,651,695		12,626,950		12,890,558				
	16,949,156	15,918,136		13,154,128		11,766,216		12,484,454		11,131,758				
	3,469,834	4,069,169		4,095,271		4,879,946		5,683,366		6,538,994				
	276,787,582	268,771,839	2	254,903,776		275,392,973		280,292,863		282,437,237				
	7,936,031	9,694,680		10,784,142		12,592,790		11,956,031		11,559,333				
	14,192,708	12,753,327		8,212,428		6,476,883		6,136,567		7,097,754				
	1,122,862	1,219,367		3,047,863		3,248,426		3,515,111		3,589,779				
	22,397,093	18,410,264		17,999,558		17,847,528		19,405,873		19,608,010				
	678,735	1,376,388		1,890,779		1,018,932		810,204		1,451,245				
	46,327,429	43,454,026		41,934,770		41,184,559		41,823,786		43,306,121				
	(230,460,153)	(225,317,813)	(2	212,969,006)		(234,208,414)		(238,469,077)		(239,131,116)				
	79,140,012	82,933,334		68,168,794		76,212,700		67,142,011		75,560,930				
	20,597,227	18,387,971		20,293,490		19,958,617		22,512,720		23,678,606				
	, ,	4,904,836		1,799,275		8,082,305		7,974,763		10,555,399				
	669,955	779,066		401,054		382,894		156,466		202,015				
	11,569,739	11,249,447		11,682,660		12,813,476		11,192,129		11,406,677				
	134,899,010	132,708,624	1	40,225,946		136,970,710		133,665,241		129,675,859				
	1,926,696													
_	248,802,639	250,963,278	2	242,571,219		254,420,702		242,643,330		251,079,486				
\$	18,342,486	\$ 25,645,465	\$	29,602,213	\$	20,212,288	\$	4,174,253	\$	11,948,370				

GILBERT UNIFIED SCHOOL DISTRICT #41 FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

	Fiscal Year Ended June 30									
	2022			<u>2021</u>		<u>2020</u>		2019		
General Fund:										
Nonspendable	\$	4,079,805	\$	687,786	\$	732,654	\$	651,345		
Restricted		28,649,521		481,931						
Assigned		20,150,000								
Unassigned		71,833,923		83,344,661		71,186,999		49,868,336		
Total General Fund	\$	124,713,249	\$	84,514,378	\$	71,919,653	\$	50,519,681		
All Other Governmental Funds:										
Nonspendable	\$	626,707	\$	524,903	\$	396,595	\$	279,926		
Restricted		101,113,224		74,295,594		53,349,955		62,909,517		
Unassigned		(12,522,937)		(13,479,680)		(12,889,717)		(2,277,055)		
Total all other governmental funds	\$	89,216,994	\$	61,340,817	\$	40,856,833	\$	60,912,388		

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

In fiscal year 2021-22, the Governing Board of the District delegated that authority to assign fund balances. Note:

Fiscal Year Ended June 30

<u>2018</u> <u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>	<u>2013</u>		
\$ 617,103	\$	563,436	\$	514,992	\$ 329,472	\$	395,863	\$	507,763
				329,742	314,387		354,932		361,585
44,967,229		37,419,754		29,915,504	16,717,712		(1,179,839)		(3,694,289)
\$ 45,584,332	\$	37,983,190	\$	30,760,238	\$ 17,361,571	\$	(429,044)	\$	(2,824,941)
\$ 342,621	\$	245,095	\$	291,799	\$ 173,516	\$	236,793	\$	222,007
49,483,865		33,725,085		47,295,881	18,806,072		17,876,572		22,602,241
(1,634,974)		(48,057)		(48,172)	(770,364)		(1,512,613)		(2,010)
\$ 48,191,512	\$	33,922,123	\$	47,539,508	\$ 18,209,224	\$	16,600,752	\$	22,822,238

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 GOVERNMENTAL FUNDS REVENUES LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

_	Fiscal Year Ended June 30									
		2022		<u>2021</u>		<u>2020</u>		2019		
Federal sources:										
Federal grants	\$	27,747,322	\$	27,761,177	\$	15,491,196	\$	15,200,841		
National School Lunch Program		21,433,831		14,026,784		5,419,789		6,127,333		
Total federal sources		49,181,153		41,787,961		20,910,985		21,328,174		
State sources:										
State equalization assistance		147,983,924		133,514,064		143,504,926		128,265,649		
State grants		2,679,085		2,216,371		2,469,663		2,094,551		
School Facilities Board		7,696				455,243				
Other revenues		29,062,365		18,696,191		19,032,374		20,311,406		
Total state sources		179,733,070		154,426,626		165,462,206		150,671,606		
Local sources:										
Property taxes		129,992,750		125,879,690		109,317,269		106,088,152		
County aid		13,007,023		12,388,665		12,124,808		11,298,195		
Food service sales		472,823		359,724		4,792,015		6,003,586		
Investment income		1,294,045		1,047,509		2,123,625		1,238,975		
Other revenues		24,436,981		15,851,904		20,154,408		22,670,851		
Total local sources	169,203,622		155,527,492			148,512,125		147,299,759		
Total revenues		398,117,845	\$	351,742,079	\$	334,885,316	\$	319,299,539		

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

Fiscal Year Ended June 30

2018 2017				2016		2014	2012
	<u>2016</u>		<u> 2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$	11,418,261	\$	11,057,491	\$ 11,254,086	\$ 11,075,663	\$ 10,504,440	\$ 13,454,609
	6,048,844		6,265,992	5,916,547	5,966,734	6,431,534	5,142,013
	17,467,105		17,323,483	 17,170,633	 17,042,397	 16,935,974	 18,596,622
			_	_	 _	 _	 _
	115,807,324		117,226,363	124,414,856	122,372,404	118,342,602	118,251,675
	1,969,707		492,736	489,604	353,619	678,877	730,026
	3,992		211,073		30,320	186,250	10,105
	19,091,686		15,499,224	15,811,090	14,567,986	15,322,680	11,930,903
	136,872,709		133,429,396	140,715,550	137,324,329	134,530,409	 130,922,709
				_		_	
	99,595,684		106,292,637	94,691,372	104,521,476	98,357,632	107,232,790
	11,569,739		11,249,447	11,682,660	12,813,476	11,192,129	11,406,677
	5,912,582		6,012,612	5,735,863	6,476,883	6,136,567	6,712,842
	669,955		773,605	366,409	373,867	139,748	198,285
	20,872,222		21,312,654	20,295,561	 18,622,802	 18,110,810	 18,118,266
	138,620,182		145,640,955	132,771,865	 142,808,504	 133,936,886	 143,668,860
\$	292,959,996	\$	296,393,834	\$ 290,658,048	\$ 297,175,230	\$ 285,403,269	\$ 293,188,191

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

Fiscal Year Ended June 30								
	<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>	
\$	179,540,384	\$	175,701,730	\$	168,487,533	\$	164,284,356	
	41,669,939		38,330,083		34,775,419		34,065,059	
	25,297,662		23,841,097		23,055,999		22,445,848	
	27,960,528		27,319,636		26,310,390		25,820,059	
	14,242,669		10,895,348		12,216,822		12,483,445	
	24,227,744		18,657,280		19,208,686		19,497,035	
	46,004,841		37,112,981		25,983,386		27,207,515	
	5,407,143		5,321,445		4,990,743		4,508,690	
	22,405,136		21,442,635		20,182,501		18,872,287	
	431,350		351,951				317,104	
\$	387,187,396	\$	358,974,186	\$	335,211,479	\$	329,501,398	
\$	33,011,332	\$	20,507,289	\$	17,067,611	\$	15,537,991	
	8%		8%		8%		7%	
	\$	\$ 179,540,384 41,669,939 25,297,662 27,960,528 14,242,669 24,227,744 46,004,841 5,407,143 22,405,136 431,350 \$ 387,187,396 \$ 33,011,332	\$ 179,540,384 \$ 41,669,939	2022 2021 \$ 179,540,384 \$ 175,701,730 41,669,939 38,330,083 25,297,662 23,841,097 27,960,528 27,319,636 14,242,669 10,895,348 24,227,744 18,657,280 46,004,841 37,112,981 5,407,143 5,321,445 22,405,136 21,442,635 431,350 351,951 \$ 387,187,396 \$ 358,974,186 \$ 33,011,332 \$ 20,507,289	2022 2021 \$ 179,540,384 \$ 175,701,730 \$ 41,669,939 38,330,083 25,297,662 23,841,097 27,960,528 27,319,636 14,242,669 10,895,348 24,227,744 18,657,280 46,004,841 37,112,981 5,407,143 5,321,445 22,405,136 21,442,635 431,350 351,951 \$ 387,187,396 \$ 358,974,186 \$ \$ 33,011,332 \$ 20,507,289 \$	2022 2021 2020 \$ 179,540,384 \$ 175,701,730 \$ 168,487,533 41,669,939 38,330,083 34,775,419 25,297,662 23,841,097 23,055,999 27,960,528 27,319,636 26,310,390 14,242,669 10,895,348 12,216,822 24,227,744 18,657,280 19,208,686 46,004,841 37,112,981 25,983,386 5,407,143 5,321,445 4,990,743 22,405,136 21,442,635 20,182,501 431,350 351,951 \$ 387,187,396 \$ 358,974,186 \$ 335,211,479 \$ 33,011,332 \$ 20,507,289 \$ 17,067,611	2022 2021 2020 \$ 179,540,384 \$ 175,701,730 \$ 168,487,533 \$ 41,669,939 \$ 38,330,083 \$ 34,775,419 \$ 25,297,662 \$ 23,841,097 \$ 23,055,999 \$ 27,960,528 \$ 27,319,636 \$ 26,310,390 \$ 14,242,669 \$ 10,895,348 \$ 12,216,822 \$ 24,227,744 \$ 18,657,280 \$ 19,208,686 \$ 46,004,841 \$ 37,112,981 \$ 25,983,386 \$ 5,407,143 \$ 5,321,445 \$ 4,990,743 \$ 22,405,136 \$ 21,442,635 \$ 20,182,501 \$ 431,350 \$ 351,951 \$ \$ 387,187,396 \$ \$ 358,974,186 \$ \$ 335,211,479 \$ \$ \$ 33,011,332 \$ 20,507,289 \$ 17,067,611 \$	

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

	Fiscal Year Ended June 30												
'	<u>2018</u>		<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>		<u>2013</u>		
\$	154,589,610	\$	150,480,746	\$	145,431,243	\$	147,167,181	\$	153,174,805	\$	156,192,293		
Ψ	31,897,535	Ψ	31,192,023	ψ	30,306,760	Ψ	28,829,808	ψ	29,327,998	Ψ	29,502,279		
	20,257,822		21,655,148		19,316,560		19,646,352		20,398,378		19,804,347		
	26,001,535		26,770,574		24,250,084		27,067,416		25,165,141		28,007,960		
	11,907,039		11,082,580		10,017,582		10,464,771		10,746,158		11,252,628		
	17,197,355		16,269,340		13,319,347		11,412,431		12,276,208		10,988,820		
	20,394,334		23,004,112		13,337,653		12,882,642		12,719,096		9,909,397		
	20,00 .,00 .		25,001,112		10,007,000		12,002,012		12,712,020		,,,,,,,,,		
	3,799,253		4,404,583		4,252,028		5,051,531		5,854,952		6,537,547		
	18,138,271		17,930,901		17,122,091		16,424,343		19,469,008		22,771,484		
	318,462				715,975						338,260		
\$	304,501,216	\$	302,790,007	\$	278,069,323	\$	278,946,475	\$	289,131,744	\$	295,305,015		
										-			
\$	11,479,723	\$	14,006,383	\$	5,057,447	\$	2,365,352	\$	3,875,332	\$	3,760,053		
	7% 8%			8%	8%	8% 9%			10%				

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

	Fiscal Year Ended June 30								
		<u>2022</u>	<u>2021</u>		<u>2020</u>		<u>2019</u>		
Excess (deficiency) of									
revenues over expenditures	\$	10,930,449	\$ (7,232,107)	\$	(326,163)	\$	(10,201,859)		
Other financing sources (uses):									
General obligation bonds issued		43,750,000	34,345,000				24,620,000		
Issuance of refunding bonds									
Premium on sale of bonds		6,526,033	5,882,376				3,266,537		
Proceeds from sale of capital assets		6,847,911							
Capital lease agreements									
Transfers in		2,375,396	2,796,574		2,829,159		2,751,474		
Transfers out		(2,375,396)	(2,796,574)		(2,829,159)		(2,751,474)		
Payment to refunded bond escrow agent									
Insurance recoveries									
Total other financing sources (uses)		57,123,944	40,227,376				27,886,537		
Changes in fund balances	\$	68,054,393	\$ 32,995,269	\$	(326,163)	\$	17,684,678		

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

Fiscal Year Ended June 30											
2018		<u>2017</u>	<u>2016</u>			<u>2015</u>		<u>2014</u>		<u>2013</u>	
\$ (11,541,220)	\$	(6,396,173)	\$	12,588,725	\$	18,228,755	\$	(3,728,475)	\$	(2,116,824)	
27,810,000											
				31,300,000							
3,510,900				38,445,000						29,710,000	
				4,992,571						4,663,845	
1,808,471											
2,931,147						1,300,000					
(2,931,147)		2,249,003		2,762,026		2,744,396		1,739,975		1,929,709	
		(2,249,003)		(2,762,026)		(2,744,396)		(1,739,975)		(1,929,709)	
96,839				(41,665,173)						(33,703,456)	
33,226,210				33,072,398		1,300,000				670,389	
\$ 21,684,990	\$	(6,396,173)	\$	45,661,123	\$	19,528,755	\$	(3,728,475)	\$	(1,446,435)	

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS LAST TEN FISCAL YEARS

	-	Fiscal Year									
Class		<u>2022</u>		<u>2021</u>	<u>2020</u>		<u>2019</u>				
Commercial, Industrial, Utilities and Mining	\$	710,221,306	\$	665,709,711 \$	617,790,207	\$	556,217,421				
Agricultural and Vacant		44,047,881		44,243,927	53,855,388		45,422,784				
Residential (Owner Occupied)		1,161,988,910		1,086,770,902	1,019,641,267		964,790,257				
Residential (Rental)		422,124,534		387,448,527	363,034,707		327,663,163				
Railroad, Private Cars and Airlines		1,507,914		1,417,929	1,487,232		1,489,086				
Historical Property		16,870,815		15,815,568	10,660,319		5,396,650				
Certain Government Property Improvements	_		_	76,560		_					
Total	\$_	2,356,761,360	\$_	2,201,483,124 \$	2,066,469,120	\$_	1,900,979,361				
Gross Full Cash Value	\$	30,977,464,766	\$	28,318,283,875 \$	25,778,609,047	\$	23,207,866,030				
Ratio of Net Limited Assessed Value											
to Gross Full Cash Value		8%		8%	8%		8%				
Total Direct Rate		6.03		6.26	5.90		6.11				

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

and Arizona Department of Revenue.

Note:

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

Fiscal Year

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 517,967,507 \$ 49,498,228	495,834,048 \$ 66,671,921	477,645,179 \$ 49,588,003	480,117,728 51,104,462	56,010,619	63,875,010
898,487,550 303,980,168	838,779,263 284,151,038	793,865,285 260,141,723	761,208,161 226,953,854	712,023,828 185,835,959	136,395,624
1,580,055 4,730,381	1,514,150 5,086,859	1,647,076 229,375	1,659,971 100,585	1,648,583 49,273	56,818
\$ 50,654 1,776,294,543 \$	48,241 1,692,085,520 \$	17,632 1,583,134,273 \$	88,442 1,521,233,203	\$\ 1,444,373,529	
\$ 21,553,018,820 \$	20,352,429,884 \$	18,709,821,377 \$	15,418,155,826	\$ 13,851,696,587	\$ 14,587,618,698
8% 6.20	8% 6.94	8% 6.46	10% 7.23	10% 7.14	

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS LAST TEN FISCAL YEARS

	Fiscal Year									
Class		<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>		
Commercial, Industrial, Utilities and Mining Agricultural and Vacant Residential (Owner Occupied) Residential (Rental) Railroad, Private Cars and Airlines Historical Property Certain Government Property Improvements	\$ 	972,465,268 77,721,598 1,557,387,317 612,468,260 1,958,713 21,344,505	\$	895,014,582 76,132,171 1,420,832,553 538,896,372 1,798,250 20,500,350 92,887	\$	802,752,785 83,488,693 1,296,342,099 490,637,895 1,840,893 15,319,915	\$	695,967,407 65,189,773 1,208,589,150 431,982,941 1,798,045 8,458,785		
Total	\$_	3,243,345,661	\$_	2,953,267,165	\$_	2,690,382,280	\$_	2,411,986,101		
Gross Full Cash Value Ratio of Net Full Cash Assessed Value to Gross	\$	30,977,464,766	\$	28,318,283,875	\$	25,778,609,047	\$	23,207,866,030		
Full Cash Value Estimated Net Full Cash Value Total Direct Rate	\$	10% 24,790,779,005 6.03	\$	10% 22,410,050,580 6.26	\$	10% 20,153,347,500 5.90	\$	10% 18,689,377,268 6.11		

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 boding capacity and as the ceiling for net limited assessed value.

Fiscal Year

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>		<u>2014</u>		<u>2013</u>
\$	640,989,816	\$ 591,416,565	\$ 518,168,909	\$ 485,000,776	\$	490,757,912	\$	545,720,626
	69,578,015	89,066,161	58,305,587	54,931,165		58,686,262		67,152,763
	1,116,488,221	1,062,190,894	1,017,388,568	809,525,976		712,132,433		804,629,316
	392,617,741	362,993,919	329,830,181	244,823,285		189,082,558		136,540,853
	1,843,637	1,621,779	1,678,781	1,675,555		1,663,868		1,635,717
	7,381,555	6,574,153	770,400	249,209		50,852		57,346
-	73,580	 56,843	 19,436	 88,442		4,525		70,376
\$	2,228,972,565	\$ 2,113,920,314	\$ 1,926,161,862	\$ 1,596,294,408	\$	1,452,378,410	\$_	1,555,806,997
\$	21,553,018,820	\$ 20,352,429,884	\$ 18,709,821,377	\$ 15,418,155,826	\$	13,851,696,587	\$	14,587,618,698
	10%	10%	10%	10%		10%		11%
\$	18,538,625,398	\$ 17,546,793,058	\$ 15,854,084,576	\$ 12,747,672,800	\$	11,254,882,787	\$	11,909,160,001
	6.20	6.94	6.46	7.23		7.14		7.20

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 PROPERTY TAX ASSESSMENT RATIOS LAST TEN FISCAL YEARS

Fiscal Year

Class	2022	<u>2021</u>	<u>2020</u>	2019
Commercial, Industrial, Utilities and Mining	18 %	6 18	% 18 %	18 %
Agricultural and Vacant	15	15	15	15
Residential (Owner Occupied)	10	10	10	10
Residential (Rental)	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	14

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.

Fiscal Year

2	2018	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
	18 %	18 %	19 %	19 %	20 %	20 %
	15	15	16	16	16	16
	10	10	10	10	10	10
	10	10	10	10	10	10
	15	14	15	16	15	15

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Overlapping Rates Fiscal Year Community Flood Central Ended College State Control Arizona District June 30 **Equalization** County District Project 0.43 0.14 2022 1.35 1.11 0.18 2021 0.44 1.40 1.29 0.18 0.14 0.46 2020 1.40 1.33 0.18 0.14 2019 0.47 1.40 1.38 0.18 0.14 0.49 0.182018 1.40 1.41 0.14 2017 0.50 1.40 1.47 0.18 0.14 2016 0.51 1.36 1.49 0.16 0.14 2015 0.51 1.32 1.52 0.14 0.14 2014 0.51 1.53 0.14 0.14 1.28 2013 0.47 1.24 1.38 0.18 0.10

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

Overlapping Rates

			East Valley Institute of	District Direct Rates					
City of Chandler	City of Mesa	Town of Gilbert	Technology School District No. 401	Primary	Secondary	Total			
1.11	1.13	0.99	0.05	3.71	2.32	6.03			
1.12	1.12	0.99	0.05	3.76	2.49	6.26			
1.13	1.19	0.99	0.05	3.87	2.04	5.90			
1.14	1.02	0.99	0.05	4.01	2.10	6.11			
1.14	1.10	1.03	0.05	4.12	2.08	6.20			
1.16	1.16	1.06	0.05	4.86	2.08	6.94			
1.18	1.21	1.06	0.05	5.26	1.20	6.46			
1.18	1.19	1.07	0.05	5.21	2.02	7.23			
1.27	0.86	1.15	0.05	4.40	2.74	7.14			
1.27	0.51	1.15	0.05	4.09	3.11	7.20			

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 PRINCIPAL PROPERTY TAXPAYERS CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

	20)22	2013			
Taxpayer	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		
Westcor Santan Village LLC	\$ 15,757,314	0.67 %	22,739,386	1.46 %		
Apple Inc.	14,086,760	0.60				
Whitestone Village Square at Dana Park LLC	9,217,223	0.39				
Platypus Development LLC	8,479,366	0.36				
Southwest Gas Corporation (T&D)	6,426,194	0.27	5,458,206	0.35		
Branch Brook Gardens	6,397,440	0.27				
AZ Stapley LP	6,250,245	0.27				
Mecp1 Mesa 1 LLC	6,123,136	0.26				
Earnhardt Arizona Properties LLC	5,756,033	0.24				
Gilbert Road Owner LLC	5,669,310	0.24				
Verizon Wireless			10,933,278	0.70		
Stapley Office Inc			6,714,105	0.43		
Village Square Dana Park LLC/First Regent of			5,887,036	0.38		
Qwest Corporation			5,799,274	0.37		
Cole MT Gilbert San Tan AZ LLC			5,688,658	0.37		
Vestar CTC Phase 1 LLC			5,653,852	0.36		
Wal-mart Stores Inc.			5,535,761	0.36		
Village Square Dana Park LLC			4,029,327	0.26		
Total	\$ 84,163,021	3.57 %	\$ 78,438,883	5.04 %		

Net Assessed Limited Property Value \$ 2,356,761,360

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.

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

	Collected to	Collected to the End							
Fiscal		Adopted	Adjusted	Fiscal Year o	f the Levy	Adjusted		of the Current	Fiscal Year
Year Ended June 30	District Tax Rate	Taxes Levied for the Fiscal Year	Tax Levy as of June 30th	Amount	Percentage of Levy	Tax Levy as of June 30, 2022	Collections in Subsequent Fiscal Years	Amount	Percentage of Levy
2022	6.03	\$ 142,198,673	\$ 142,198,673	\$ 135,723,937	95.45 %	\$ 142,198,673	\$	\$ 135,723,937	95.45 %
2021	6.26	138,133,783	138,133,783	132,115,376	95.64	138,133,783	5,981,860	138,097,236	99.97
2020	5.90	121,254,037	121,254,037	114,943,129	94.80	121,036,576	6,049,958	120,993,087	99.78
2019	6.11	116,513,964	116,324,047	110,307,909	94.67	116,287,816	5,962,311	116,270,220	99.79
2018	6.20	110,150,673	109,936,555	103,677,940	94.12	109,881,781	6,199,212	109,877,152	99.75
2017	6.94	115,789,799	115,486,719	109,085,973	94.21	115,241,550	5,990,143	115,076,116	99.38
2016	6.46	102,693,269	101,958,821	100,774,920	98.13	101,729,687	951,636	101,726,556	99.06
2015	7.23	111,358,852	110,336,626	105,057,231	94.34	110,336,626	4,928,792	109,986,023	98.77
2014	7.14	103,355,653	102,952,216	97,517,575	94.35	102,952,216	5,255,497	102,773,072	99.44
2013	7.20	111,744,100	111,357,420	108,659,233	97.24	111,357,420	2,236,839	110,896,072	99.24

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.

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

		General	Obligation Bonds					Total Outstanding Debt					
Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Restricted for Principal	Percentage of Estimated Per Total <u>Actual Value</u> Capita			Financed Purchases and Leases		Total	Percentage of Estimated Percentage Actual Value Cap		Percentage of Personal Income		
2022	\$ 174,953,197	\$ 1,084,966	\$ 173,868,231	0.56 %	\$ 791	\$	273,852	\$ 175,227,049	0.57 %	\$ 791	0.07 %		
2021	146,367,909	1,538,450	144,829,459	0.51	675		978,988	147,346,897	0.52	675	0.06		
2020	127,049,484	1,602,455	125,447,029	0.49	660		2,066,623	129,116,107	0.50	660	0.06		
2019	146,114,011	1,421,810	144,692,201	0.62	702		3,194,124	149,308,135	0.64	702	0.07		
2018	136,582,001	670,907	135,911,094	0.63	666		4,311,411	140,893,412	0.65	666	0.07		
2017	123,326,123	613,495	122,712,628	0.60	499		3,596,211	126,922,334	0.62	499	0.07		
2016	140,587,140	3,109,338	137,477,802	0.73	579		4,597,112	145,184,252	0.71	579	0.08		
2015	120,355,130	1,042,071	119,313,059	0.77	512		5,599,203	125,954,333	0.82	512	0.07		
2014	135,405,000	855,899	134,549,101	0.97	596		5,588,546	140,993,546	1.02	596	0.10		
2013	153,565,000	2,003,887	151,561,113	1.04	738		6,332,554	159,897,554	1.10	738	0.11		

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

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

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT JUNE 30, 2022

Governmental Unit	Debt Outstanding	Net Full Cash Assessed Value	Net Limited Assessed Value	Estimated Percentage Applicable to School District	Estimated Amount Applicable to School District
Overlapping:					
State of Arizona	\$ None	\$ 97,282,221,465	\$ 74,200,360,570	3.18 % \$	None
Maricopa County	None	67,535,008,138	48,724,126,672	4.84	None
Maricopa Community College District	184,715,000	67,535,008,138	48,724,126,672	4.84	8,940,206
Maricopa County Special Healthcare District	640,695,000	67,535,008,138	48,724,126,672	4.84	31,009,638
Eastmark Community Facilities District No. 1	61,345,000	175,820,688	120,115,355	10.51	6,447,360
Eastmark Community Facilities District No. 2	2,204,000	14,183,415	9,282,152	97.97	2,159,259
Gilbert County Island Fire District	None	70,734,602	49,627,225	30.30	None
City of Chandler	208,980,000	4,682,558,944	3,463,794,661	1.86	3,887,028
City of Mesa	334,405,000	5,828,685,299	3,990,099,076	16.08	53,772,324
Town of Gilbert	131,830,000	3,802,179,043	2,804,383,179	58.09	76,580,047
Subtotal, Overlapping Debt					182,795,862
Direct:					
Gilbert Unified School District No. 41					175,227,049
Total Direct and Overlapping Governmental Activ	vities Debt				\$ 358,022,911

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	7.33 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	\$1,608
As a Percentage of Net Limited Assessed Valuation	15.09 %
As a Percentage of Gross Full Cash Value	1.15 %

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.

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS

Class B Bond Legal Debt Margin (Net full cash assessed valuation Debt limit (20% of assessed value) Debt applicable to limit Legal debt margin	lation for Fiscal 3,243,345,661 648,669,132 173,949,104 474,720,028	l Year	2022:	Total Legal Debt Me Net full cash assessed Debt limit (30% of as Debt applicable to lim Legal debt margin	d valuation ssessed value)	3,243,345,661 973,003,698 173,949,104 799,054,594
	30					
	 <u>2022</u>		<u>2021</u>	<u>2020</u>	<u>2019</u>	2018
Debt Limit	\$ 973,003,698	\$	885,980,150	\$ 807,114,684	\$ 723,595,830	\$ 668,691,770
Total net debt applicable to limit	 173,949,104	_	144,489,320	123,636,927	141,450,000	 130,835,000
Legal debt margin	\$ 799,054,594	\$	741,490,830	\$ 683,477,757	\$ 582,145,830	\$ 537,856,770

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

18%

Total net debt applicable to the limit as a percentage of debt limit

Notes: 1) The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.

16%

15%

20%

20%

²⁾ Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

Fiscal	Vear	Ended	Inne	30
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2017	<u>2016</u>	<u>2015</u>	<u>2014</u>	2013
\$ 634,176,094	\$ 577,848,559	\$ 478,888,322	\$ 290,475,682	\$ 466,742,099
116,725,000	132,845,000	116,680,000	135,405,000	153,565,000
\$ 517,451,094	\$ 445,003,559	\$ 362,208,322	\$ 155,070,682	\$ 313,177,099
18%	23%	24%	47%	33%

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

<u>Year</u>	Population	Personal Income (thousands)	· -	Per Capita Income	Unemploymo Rate	ent	Estimated District Population
2021	4,507,419 \$	268,713,717	\$	59,759	4.5	%	221,225
2020	4,439,220	245,077,753		53,521	6.6		216,700
2019	4,367,835	222,943,072		49,704	3.6		192,364
2018	4,294,460	210,370,180		47,694	4.1		208,084
2017	4,221,684	196,286,191		45,573	4.2		204,995
2016	4,137,076	185,111,698		43,628	4.5		247,000
2015	4,076,438	184,784,917		42,092	5.5		242,857
2014	4,087,191	168,483,421		41,222	5.9		235,000
2013	4,009,412	147,700,000		27,552	6.2		227,000
2012	3,884,705	147,374,500		38,538	7.1		208,000

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.

The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics.

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 MARICOPA COUNTY, ARIZONA PRINCIPAL EMPLOYERS CURRENT FISCAL YEAR AND FISCAL YEAR NINE YEARS PRIOR

	20)22	20)13
Employer	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Banner Health Systems	27,650	1.65 %	25,126	1.47 %
State of Arizona	23,950	1.43	52,076	3.05
Walmart Stores Inc.	16,870	1.01	31,837	1.86
Fry's Food Stores	15,170	0.91		
Wells Fargo Company	13,790	0.82	13,679	0.80
Maricopa County	13,350	0.80	13,308	0.78
City of Phoenix	12,190	0.73	14,983	0.88
Intel Corporation	11,410	0.68		
Arizona State University	10,950	0.65	12,222	0.71
Honor Health	9,430	0.56		
Bank of America			12,500	0.73
JP Morgan Chase & Co.			11,000	0.64
Mesa Public Schools			11,407	0.67
Total	154,760	9.24 %	6 198,138	11.59 %
Total employment	1,672,450		1,710,000	

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

Note: The principal employers were not available for the District alone, therefore the principal employers for Maricopa County are presented.

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of June 30					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>		
Supervisory						
Supervisors of instruction / Superintendents /						
Directors / Coordinators	47	49	51	40		
Principals	38	40	40	38		
Assistant principals	27	24	23	23		
Dean of students	10	10	11	11		
Classified supervisors	36	24	22	36		
Total supervisory	158	147	146	148		
Instruction			_			
Teachers	1,953	1,954	1,936	1,907		
Speech pathologists	70	66	64	54		
Aides	531	519	504	518		
Total instruction	2,554	2,539	2,504	2,479		
Student Services						
Librarians	7	7	8	8		
Technicians (Core technicians)	74	13	12	12		
Psychologists	43	43	40	38		
Counselors	54	54	50	49		
Social workers	37	34	24	23		
Total student services	215	151	133	130		
Support and Administration						
Bus Drivers	155	166	181			
Food Service workers	152	145	153			
Service workers	863	838	853	1,188		
Total support and administration	1,170	1,149	1,187	1,188		
Total	4,097	3,986	3,971	3,945		

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

2018	<u>2017</u>	2016	<u>2015</u>	<u>2014</u>	2013
47	41	41	41	36	36
39	39	38	40	40	39
22	22	21	21	21	21
11	9	11	8	9	10
29	36	98	98	106	152
148	147	209	208	212	258
1,898	1,911	1,866	1,831	2,043	2,045
59	54	57	52	55	56
502	506	566	582	620	640
2,459	2,471	2,489	2,465	2,718	2,741
8	34	19	19	19	19
13	8	13	13	11	11
38	40	38	40	38	37
39	39	37	41	41	40
27	24	22	25	25	26
125	145	129	138	134	133
1,178	1,180	1,143	1,173	1,105	1,087
1,178	1,180	1,143	1,173	1,105	1,087
					,
3,910	3,943	3,970	3,984	4,169	4,219

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 OPERATING STATISTICS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Average Daily Membership	 Governmental Operating Expenditures	Cost per ADM	Percentage Change
2022	31,755	\$ 312,938,926	\$ 9,855	2.94 %
2021	30,789	294,745,174	9,573	11.73
2020	33,154	284,054,849	8,568	1.28
2019	32,933	278,595,802	8,459	7.58
2018	33,300	261,850,896	7,863	2.87
2017	33,679	257,450,411	7,644	7.73
2016	34,196	242,641,576	7,096	2.57
2015	35,357	244,587,959	6,918	(1.06)
2014	35,913	251,088,688	6,992	(0.55)
2013	36,377	255,748,327	7,030	5.19

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

Note: Operating Expenditures are taken from the Statement of Revenues, Expenditures and Changes in Fund Balances, - Governmental Funds - excluding capital outlay and debt service costs.

overnment- de Activities		er Percentage Teaching		Pupil- Teacher Ratio	Percentage of Free/Reduced Students		
\$ 345,397,167	\$	10,877	1.02 %	1,953	16.3	20.9	%
331,499,784		10,767	15.13	1,954	15.8	20.5	
310,053,116		9,352	7.72	1,936	17.1	23.8	
285,917,608		8,682	4.45	1,907	17.3	25.3	
276,787,582		8,312	4.15	1,898	17.5	29.2	
268,771,839		7,980	7.06	1,911	17.6	27.6	
254,903,776		7,454	(4.30)	1,866	18.3	27.9	
275,392,973		7,789	(0.20)	1,831	19.3	27.8	
280,292,863		7,805	0.52	2,043	17.6	29.3	
282,437,237		7,764	2.74	2,045	17.8	28.8	

GILBERT UNIFIED SCHOOL DISTRICT NO. 41 CAPITAL ASSETS INFORMATION LAST TEN FISCAL YEARS

Fiscal Year Ended June 30 2022 2019 2021 2020 **Schools** Elementary Buildings 127 128 128 128 Square feet 1,972,584 2,019,090 2,019,090 2,019,090 Capacity 21,184 23,875 23,875 23,875 Enrollment 16,297 17,318 17,318 16,647 Middle Buildings 49 50 50 50 Square feet 659,895 831,896 831,896 831,896 Capacity 8,362 8,362 8,362 7,356 Enrollment 5,486 5,481 5,323 5,323 High Buildings 101 101 101 101 1,783,960 1,789,491 1,784,397 1,784,397 Square feet Capacity 13,819 15,652 15,448 15,448 Enrollment 11,877 11,901 12,127 12,127 **Administrative** Buildings 24 24 24 24 Square feet 184,405 184,405 181,102 181,102 **Transportation** Garages 9,660 9,660 18,056 18,056 Buses 180 197 197 197 **Athletics** Football fields 31 31 31 31 Running tracks 11 11 11 11 Baseball/softball 50 50 50 50 Swimming pools 2 2 2 2 Playgrounds 26 27 27 27

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

Fiscal	Vear	Ended	Inne	30
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Fiscal Year Ended June 30								
2018	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>			
128	128	128	128	128	128			
2,019,090	2,019,090	2,019,090	2,019,090	2,019,090	2,019,090			
23,875	23,875	23,875	23,875	23,875	23,875			
17,440	18,307	18,307	18,307	18,528	19,617			
50	50	50	50	50	50			
831,896	831,896	831,896	831,896	831,896	831,896			
8,362	8,362	8,362	8,362	8,362	8,362			
5,579	6,204	6,204	6,204	6,521	6,447			
101	101	101	101	101	101			
		1,784,397		1,784,397				
1,784,397	1,784,397		1,784,397		1,784,397			
15,448	15,448	15,448	15,448	15,448	15,448			
12,052	12,725	12,725	12,725	13,000	12,464			
24	24	24	24	21	21			
181,102	181,102	181,102	181,102	201,490	201,490			
10.056	10.056	10.056	10.056	27.106	27.106			
18,056	18,056	18,056	18,056	27,186	27,186			
253	253	253	253	256	256			
31	31	31	31	31	31			
11	11	11	11	11	11			
50	50	50	50	50	50			
3	3	3	3	3	3			
27	27	27	27	27	27			



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