
Balsz Elementary School District No. 31

Annual Comprehensive Financial Report

for the Fiscal Year Ended June 30, 2023



Balsz Elementary School District No. 31

Phoenix, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023**

Issued by:
Business and Finance Department

Balsz Elementary School District No. 31

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Introductory Section

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March 26, 2024

Citizens and Governing Board
Balsz Elementary School District No. 31
4825 East Roosevelt Street
Phoenix, Arizona 85008

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Balsz Elementary School District No. 31 (District) for the fiscal year ended June 30, 2023.

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, 2023, 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, 2023, 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 District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Report.

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

Profile of the District

The District, founded in 1890, is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from kindergarten through grade eight, with an estimated current enrollment of 2,222 students. Projected enrollment for fiscal year 2023-24 is approximately 2,144.

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

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

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

The Balsz Elementary School District No. 31 has three K-5 schools (Crockett, Griffith, and Brunson-Lee), one sixth through eighth school (Tillman Middle School), and one early learning preschool for special education students (Orangedale Early Learning Center). In addition, the Governing Board, after two public hearings, established an online school (Balsz Online Academy). The academy became operational for the 2021-22 school year. The community surrounding the District is characterized by low income and government-subsidized housing, and is located in an identified high crime area in the City of Phoenix. The student population is ethnically diverse and tends to be highly mobile. All of the students served in the District qualify for the Free lunch under the Community Eligibility Program through the National School Lunch Program. Students in the District attend high school in the Phoenix Union High School District, typically at Camelback High School.

Major Initiatives

The motto of the Balsz Elementary School District No. 31 is “Children First”. To achieve this goal, the District provides a full range of educational services; regular education, special education, English as a second language, and gifted education. The District’s curriculum is aligned with the Arizona Department of Education’s Standards and Performance objectives documents and meets or exceeds all of the requirements set by State law. The student assessment program aligns with the State standards. Each school has developed a consolidated plan for raising student achievement. The Balsz Elementary School District No. 31 is committed to providing quality programs for all of its students.

Programs

- At-Risk Preschool/Head Start
- National Board Certified Teachers
- USDA Healthier Schools Fresh Fruits and Vegetables Program
- Full-Day Kindergarten
- Title I Consolidated Plans
- After School Extracurricular Activities
- Cultural Clubs
- Peer Mediation
- National Junior Honor Society
- Student Council
- City of Phoenix Parks and Recreation
- Mindfulness First
- Positive Behavior Intervention and Support (PBIS)

Major Partnerships

- ON Semi-Conductor
- Desert Financial Credit Union
- Arizona State University
- Grand Canyon University
- Balsz Community Education Foundation
- Orangedale and Linden Park Neighborhood Association
- Assistance league
- Jobs for Arizona Graduates (JAG)

- Creighton Community Foundation
- Playworks
- Maricopa County Educational Service Agency
- Experience Matters
- Valley of the Sun United Way
- Gateway Community College
- University of Phoenix
- Discovery Triangle
- United Health Care
- Educare
- The Tooth Doctor
- KOI Education
- Northern Arizona University (NAU)

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

Factors Affecting Financial Condition

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

Local Economy. The District is located in the Phoenix-Mesa-Scottsdale, Arizona Metropolitan Statistical Area, also known as "Phoenix MSA", as defined by the United States Office of Management and Budget. The Phoenix MSA is 14,566 square miles in size, and it is the eleventh most populous metropolitan area in the nation. Postal zip code 85008, where Balsz School District is located, has a current population of 32,085 with a population density of 5,364 people per square mile. There are 16 different elementary and high schools with mailing addresses in zip code 85008.

The Phoenix MSA has become one of the fastest growing regional markets in the United States, with an estimated population of 6 million by 2028. This growth has been stimulated by a combination of warm climate, a substantial well-educated labor pool, a wide range of support industries, and a governmental climate that is supportive of economic growth and investment.

Prior to the COVID-19 pandemic, unemployment rate in the Phoenix MSA was 3.9% vs. 4.4% for the state of Arizona. The current unemployment rate of zip code 85008 is 6.6% which is higher than the Maricopa County rate of 3.3%. Retail, restaurants and service sectors are experiencing a larger share of the unemployment rate.

A few of the major firms represented in the Phoenix metropolitan area include Wal-Mart Stores, Inc., State of Arizona, City of Phoenix, Maricopa County, Banner Health Systems, Arizona State University and Wells Fargo Company. In addition, the metropolitan area provides excellent educational and training opportunities through seven community colleges, four private colleges and graduate schools, and one state university. Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,224 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. The County's 2023 population is estimated at 4.6 million. Maricopa County has a very wide range of economic sectors supporting its substantial growth.

Service is the largest employment sector in the County, partially fueled by the \$28.1 billion per year tourist industry. The County has excellent accommodations, diverse cultural and recreational activities, 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. Manufacturing consisting primarily of high technology companies is the third largest employer. Other factors aiding economic growth include major expansions of the international airport serving the area, a favorable business climate and the presence of a well-developed and expanding transportation infrastructure.

Long-Term Financial Planning. The Balsz Elementary School District No. 31 encompasses approximately 6 square miles in the east central portion of Phoenix. The District is located along two designated improvement zones - one running east and west along Van Buren Street and one running north and south along 44th Street.

The average age of the five schools is approximately 48 years. With the exception of Brunson-Lee Elementary, built in 2003, the District remodeled all of its schools in 1996-97. The District effectively maintains its facilities and comprehensively reviews them at least once each year. In November 2018, voters overwhelmingly approved a \$35 million bond. The first sale of \$24.5 million of bonds closed in February 2019. These funds were used to rebuild Tillman Middle School, purchased technology upgrades, school buses, furniture, and miscellaneous remodeling projects. The remaining \$10.5 million of authorization will sell in 2023. Remaining bonds will be used to complete the energy management program and to address various campus improvements throughout the District.

Administration believes in having a sound financial operating reserves and conservatively managing its resources. In light of the current economic conditions, financial policies are regularly reviewed and refined to ensure that the District's financial stress-level continues to be low and to maximize returns on expenditures for wise outcomes. Frugal spending, and watching "every dollar" have led to efficiencies which will in turn be channeled into the classrooms. While the District faces new challenges each year, the Administration will continue to deploy best financial practices for the prudent management of the District.

Awards and Acknowledgments

Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 28th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements. These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements, and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2023 certificates.

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

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

Respectfully submitted,



Dr. George J. Barnes
Superintendent



Aracely Soto
Director of Finance



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Balsz Elementary School District 31

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

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



A handwritten signature in blue ink, reading 'John W. Hutchison'. The signature is written in a cursive style with a horizontal line underneath it.

John W. Hutchison
President

A handwritten signature in blue ink, reading 'Siobhán McMahon'. The signature is written in a cursive style with a horizontal line underneath it.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Balsz Elementary School District No. 31
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

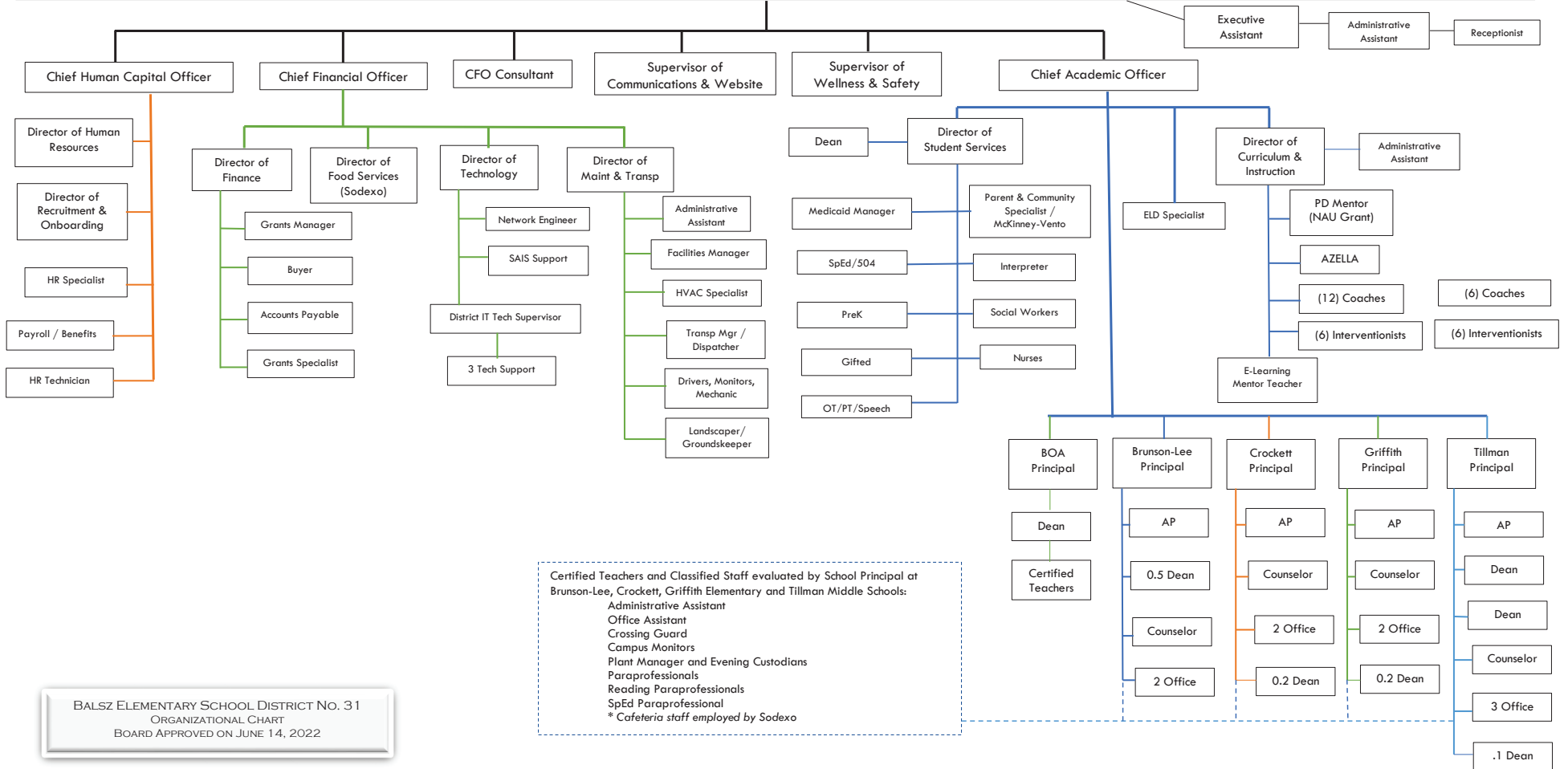
June 30, 2022

Christopher P. Morill

Executive Director/CEO

Governing Board

Superintendent



BALSZ ELEMENTARY SCHOOL DISTRICT NO. 31
 ORGANIZATIONAL CHART
 BOARD APPROVED ON JUNE 14, 2022

Balsz Elementary School District No. 31

List of Principal Officials

Governing Board

Todd Schwarz
President

Muktar Sheikh
Member

Christina Eichelkraut
Vice President

Vic Grace
Member

Gail Q. Knight
Member

Administrative Staff

Dr. George J. Barnes
Superintendent

Aracely Soto
Director of Finance

Kathleen Owen-Jones
Director of Student Services

Michael Halpert
Chief Academic Officer

Dr. Nan Williams
Director of Technology

Jason Shepherd
Director of Maintenance, Transportation and Construction

Financial Section

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Independent Auditor's Report

Governing Board
Balsz Elementary School District No. 31

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 Balsz Elementary School District No. 31 (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 Balsz Elementary School District No. 31, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Balsz Elementary School District No. 31 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 GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023, 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 a 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 March 26, 2024, on our consideration of Balsz Elementary School District No. 31'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 Balsz Elementary School District No. 31'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 Balsz Elementary School District No. 31's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
March 26, 2024

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

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Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

As management of the Balsz Elementary School District No. 31 (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, 2023. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased \$3.8 million which represents a 10 percent increase from the prior fiscal year as a result of an increase in operating grants and contributions in response to the COVID-19 pandemic.
- General revenues accounted for \$25.2 million in revenue, or 56 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$20.1 million or 44 percent of total current fiscal year revenues.
- The District had approximately \$41.4 million in expenses related to governmental activities, an increase of 16 percent from the prior fiscal year primarily due to an increase in salaries and wages.
- Among major funds, the General Fund had \$20.9 million of current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$21.3 million in expenditures. The General Fund's fund balance increase from \$9.3 million at the prior fiscal year end to \$9.8 million at the end of the current fiscal year was primarily due to an increase in property tax collections.

Overview of Financial Statements

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

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

Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Overview of Financial Statements

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

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

The government-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues. The governmental activities of the District include instruction, support services, operation and maintenance of plant services, student transportation services, 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 are reported as governmental funds.

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

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

Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Overview of Financial Statements

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

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

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

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$43.9 million at the current fiscal year end.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, and vehicles, furniture and equipment), 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.

**Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023**

Government-Wide Financial Analysis

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

	As of June 30, 2023	As of June 30, 2022
Current and other assets	\$ 37,083,207	\$ 25,757,239
Capital assets, net	69,328,416	66,981,452
Total assets	106,411,623	92,738,691
 Deferred outflows	 3,685,121	 4,152,413
Current and other liabilities	5,167,304	1,869,845
Long-term liabilities	55,413,534	44,463,819
Total liabilities	60,580,838	46,333,664
 Deferred inflows	 5,612,948	 10,483,927
 Net position:		
Net investment in capital assets	43,562,741	40,911,807
Restricted	5,806,495	10,146,533
Unrestricted	(5,466,278)	(10,984,827)
Total net position	\$ 43,902,958	\$ 40,073,513

At the end of the current fiscal year, the District reported positive balances in two categories of net position while unrestricted net position reported a deficit of \$5.5 million. The 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 product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets. The following are significant current year transactions that had an impact on the Statement of Net Position.

- The principal retirement of \$2.0 million of bonds.
- The issuance of \$10.5 million of School Improvement bonds.
- The increase of \$4.4 million in pension liabilities.
- Accumulated depreciation increased \$3.3 million.
- The addition of \$5.7 million in capital assets through various school improvements and purchases of vehicles, furniture and equipment.

Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

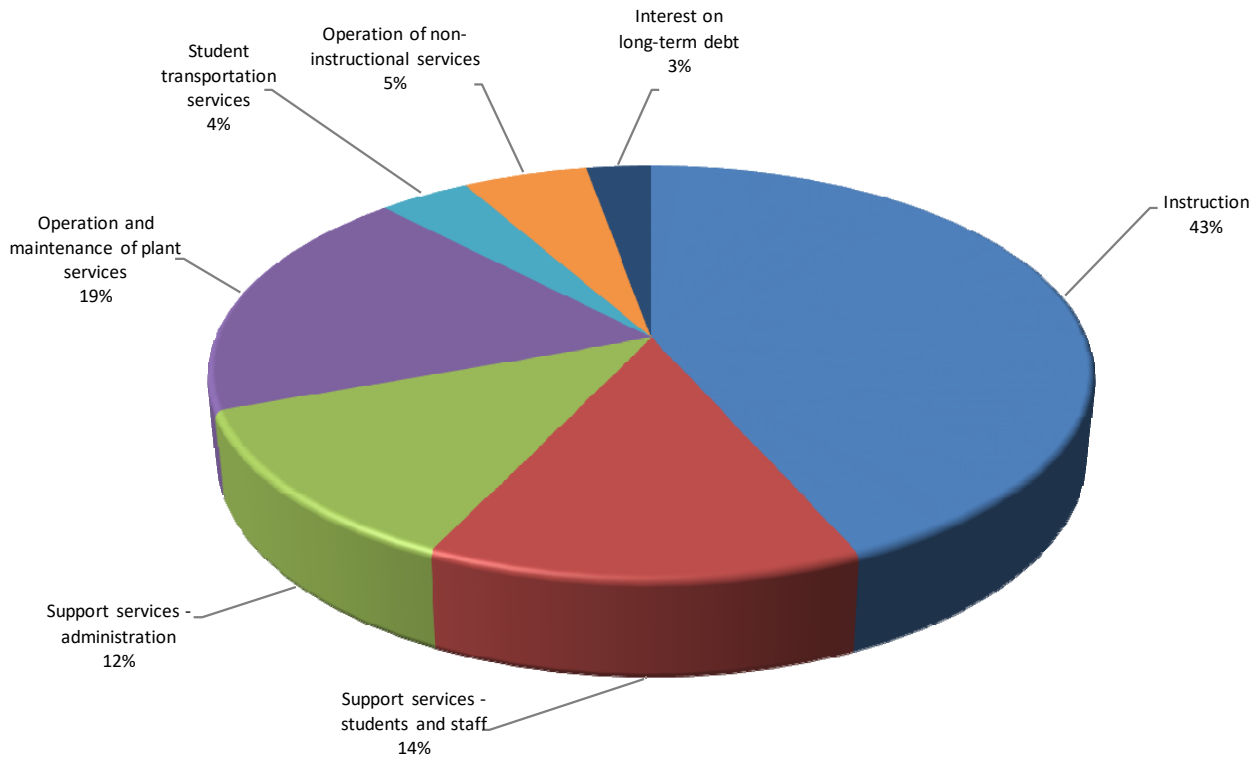
Changes in net position. The District's total revenues for the current fiscal year were \$45.2 million. The total cost of all programs and services was \$41.4 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	<u>Fiscal Year Ended June 30, 2023</u>	<u>Fiscal Year Ended June 30, 2022</u>
Revenues:		
Program revenues:		
Charges for services	\$ 288,899	\$ 699,084
Operating grants and contributions	16,701,873	12,522,582
Capital grants and contributions	3,061,935	1,710,389
General revenues:		
Property taxes	12,979,380	12,998,448
Investment income	434,771	142,291
Unrestricted county aid		736,464
Unrestricted state aid	11,498,153	9,608,284
Unrestricted federal aid	248,186	290,149
Total revenues	<u>45,213,197</u>	<u>38,707,691</u>
Expenses:		
Instruction	17,948,811	17,987,985
Support services - students and staff	5,656,442	4,754,551
Support services - administration	5,114,606	3,944,646
Operation and maintenance of plant services	7,659,273	3,592,308
Student transportation services	1,629,303	1,713,822
Operation of non-instructional services	2,233,806	2,554,619
Interest on long-term debt	1,141,511	1,018,305
Total expenses	<u>41,383,752</u>	<u>35,566,236</u>
Changes in net position	3,829,445	3,141,455
Net position, beginning, as restated	<u>40,073,513</u>	<u>36,932,058</u>
Net position, ending	<u>\$ 43,902,958</u>	<u>\$ 40,073,513</u>

**Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023**

Government-Wide Financial Analysis

Expenses - Fiscal Year 2023



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

- The increase in operating grants and contributions of \$4.2 million as a result of increased grant funding related to the COVID-19 pandemic.
- The increase in unrestricted state aid of \$1.9 million primarily as a result of an increase in the base support level amount.
- The increase in operation and maintenance of plant services of \$4.1 million as a result of an increase in repairs and maintenance expenses.

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

Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 17,948,811	\$ (6,795,219)	\$ 17,987,985	\$ (10,883,597)
Support services - students and staff	5,656,442	(5,095,156)	4,754,551	(1,979,499)
Support services - administration	5,114,606	(4,971,834)	3,944,646	(2,670,500)
Operation and maintenance of plant services	7,659,273	405,657	3,592,308	(3,255,928)
Student transportation services	1,629,303	(1,546,942)	1,713,822	(1,530,123)
Operation of non-instructional services	2,233,806	(2,186,040)	2,554,619	703,771
Interest on long-term debt	1,141,511	(1,141,511)	1,018,305	(1,018,305)
Total	\$ 41,383,752	\$ (21,331,045)	\$ 35,566,236	\$ (20,634,181)

- The cost of all governmental activities this year was \$41.4 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$20.1 million.
- Net cost of governmental activities of \$21.3 million was financed by general revenues, which are made up of primarily property taxes of \$13.0 million and federal and state aid of \$11.8 million. Investment earnings accounted for \$434,771 of funding.

Financial Analysis of the District's Funds

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

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

The 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 \$19.8 million, an increase of \$14.7 million due primarily to an increase in the state aid base support level amount and an increase in property tax revenue collections.

Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023

Financial Analysis of the District's Funds

The General Fund comprises 49 percent of the total fund balance. Approximately \$9.8 million, or 100 percent of the General Fund's fund balance is unassigned. The General Fund is the principal operating fund of the District. The fund balance increased \$472,834 to \$9.8 million, which is insignificant.

The Federal and State Grants Fund's fund balance increased \$7.2 million to a deficit fund balance of \$2.7 million primarily due to increased grant funding related to the COVID-19 pandemic.

The Debt Service Fund's fund balance increased \$68,852 to \$190,127 primarily due to increased property taxes to be used to satisfy debt obligations.

The Bond Building Fund's fund balance increased \$8.6 million to \$11.2 million primarily due to the issuance of school improvement bonds.

The Other Capital Projects Fund's fund balance increased \$667,918 to \$4.8 million due to an increase in state reimbursements for eligible construction projects.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$2.7 million increase, or 14 percent, as a result of an increase in operation and maintenance of plant services for repairs and maintenance expenditures.

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

- The favorable variance of \$2.7 million in instruction expenditures was a result of lower than anticipated expenditures for the increase in salaries and benefits.
- The favorable variance of \$512,718 in operation and maintenance of plant services expenditures was a result of lower than anticipated expenditures for district-wide repairs.
- The favorable variance of \$430,576 in student transportation services expenditures was primarily due to lower than anticipated expenditures for fuel costs and vehicle maintenance.

**Balsz Elementary School District No. 31
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2023**

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$108.4 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 \$5.7 million from the prior fiscal year, primarily due to the David Crockett Elementary School renovation and the purchase of several transportation vehicles. Total depreciation expense for the current fiscal year was \$3.3 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2023 and June 30, 2022.

	As of June 30, 2023	As of June 30, 2022
Capital assets - non-depreciable	\$ 10,183,028	\$ 8,128,504
Capital assets - depreciable, net	59,145,388	58,852,948
Total	\$ 69,328,416	\$ 66,981,452

The estimated cost to complete current construction projects is \$231,549.

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

Debt Administration. At year end, the District had \$37.0 million in long-term debt outstanding, \$1.7 million due within one year. Long-term debt increased by \$8.3 million due to the issuance of school improvement bonds.

The District’s general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$87.9 million and the Class B debt limit is \$58.6 million which is more than the District’s total outstanding general obligation debt and Class B debt, respectively.

Additional information on the District’s long-term debt can be found in Notes 9 and 10.

Economic Factors and Next Year’s Budget and Rates

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

- Fiscal year 2022-23 budget balance carry forward (estimated \$3.6 million).
- District student population (estimated 2,142).
- Local economy and population demographics of the District.

**Balsz Elementary School District No. 31
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2023**

Economic Factors and Next Year's Budget and Rates

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

Budgeted expenditures in the General Fund decreased \$1.7 million to \$20.1 million in fiscal year 2023-24. A decrease in the carryover is the primary reason for the decrease. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2022-23 budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Balsz Elementary School District No. 31, 4825 East Roosevelt Street, Phoenix, Arizona 85008.

Basic Financial Statements

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Government-Wide Financial Statements

Balsz Elementary School District No. 31
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 23,147,303
Property taxes receivable	201,706
Accounts receivable	21,230
Due from governmental entities	8,544,120
Leases receivable	5,168,848
Total current assets	37,083,207
Noncurrent assets:	
Capital assets not being depreciated	10,183,028
Capital assets, net accumulated depreciation	59,145,388
Total noncurrent assets	69,328,416
Total assets	106,411,623
 Deferred outflows of resources	
Pension plan items	3,685,121
Total deferred outflows of resources	3,685,121
 Liabilities	
Current liabilities:	
Accounts payable	2,220,893
Accrued payroll and employee benefits	163,791
Unearned revenues	302,607
Compensated absences payable	75,000
Bonds payable	1,650,000
Accrued interest payable	755,013
Total current liabilities	5,167,304
Noncurrent liabilities:	
Non-current portion of long-term obligations	55,413,534
Total noncurrent liabilities	55,413,534
Total liabilities	60,580,838
 Deferred inflows of resources	
Pension plan items	520,446
Leases	5,092,502
Total deferred inflows of resources	5,612,948
 Net position	
Net investment in capital assets	43,562,741
Restricted for:	
Instruction	4,542,456
Food service	710,593
Non-instructional purposes	133,983
Debt service	216,488
Capital outlay	202,975
Unrestricted	(5,466,278)
Total net position	\$ 43,902,958

Balsz Elementary School District No. 31
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction	\$ 17,948,811	\$ 227,306	\$ 8,685,788	\$ 2,240,498	\$ (6,795,219)
Support services - students and staff	5,656,442		561,286		(5,095,156)
Support services - administration	5,114,606		142,772		(4,971,834)
Operation and maintenance of plant services	7,659,273	61,593	7,181,900	821,437	405,657
Student transportation services	1,629,303		82,361		(1,546,942)
Operation of non-instructional services	2,233,806		47,766		(2,186,040)
Interest on long-term debt	1,141,511				(1,141,511)
Total governmental activities	<u>\$ 41,383,752</u>	<u>\$ 288,899</u>	<u>\$ 16,701,873</u>	<u>\$ 3,061,935</u>	<u>(21,331,045)</u>
General revenues					
Property taxes					12,979,380
Investment income					434,771
Unrestricted state aid					11,498,153
Unrestricted federal aid					248,186
Total general revenues					<u>25,160,490</u>
Changes in net position					3,829,445
Net position, beginning of year					<u>40,073,513</u>
Net position, end of year					<u>\$ 43,902,958</u>

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Fund Financial Statements

Balsz Elementary School District No. 31
Balance Sheet
Governmental Funds
June 30, 2023

	Federal and State			
	General	Grants	Debt Service	Bond Building
Assets				
Cash and investments	\$ 3,867,365	\$	\$ 2,580,028	\$ 11,954,297
Accounts receivable	21,230			
Property taxes receivable	160,233		41,473	
Due from governmental entities		4,865,586		
Due from other funds	6,194,615			
Leases receivable	5,168,848			
Total assets	<u>\$ 15,412,291</u>	<u>\$ 4,865,586</u>	<u>\$ 2,621,501</u>	<u>\$ 11,954,297</u>
Liabilities				
Accounts payable	\$ 397,817	\$ 178,573	\$	\$ 734,302
Due to other funds		3,569,763		
Accrued payroll and employee benefits	50,061	113,730		
Unearned revenues		302,607		
Bonds payable			1,650,000	
Bond interest payable			755,013	
Total liabilities	<u>447,878</u>	<u>4,164,673</u>	<u>2,405,013</u>	<u>734,302</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	104,593		26,361	
Unavailable revenues - intergovernmental		3,380,739		
Leases	5,092,502			
Total deferred inflows of resources	<u>5,197,095</u>	<u>3,380,739</u>	<u>26,361</u>	
Fund balances				
Restricted			190,127	11,219,995
Unassigned	9,767,318	(2,679,826)		
Total fund balances	<u>9,767,318</u>	<u>(2,679,826)</u>	<u>190,127</u>	<u>11,219,995</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,412,291</u>	<u>\$ 4,865,586</u>	<u>\$ 2,621,501</u>	<u>\$ 11,954,297</u>

Other Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$	\$ 4,745,613	\$ 23,147,303
		21,230
		201,706
3,537,993	140,541	8,544,120
		6,194,615
		5,168,848
<u>\$ 3,537,993</u>	<u>\$ 4,886,154</u>	<u>\$ 43,277,822</u>
\$ 866,399	\$ 43,802	\$ 2,220,893
2,624,852		6,194,615
		163,791
		302,607
		1,650,000
		755,013
<u>3,491,251</u>	<u>43,802</u>	<u>11,286,919</u>
		130,954
3,537,993		6,918,732
		5,092,502
<u>3,537,993</u>		<u>12,142,188</u>
	4,842,352	16,252,474
(3,491,251)		3,596,241
<u>(3,491,251)</u>	<u>4,842,352</u>	<u>19,848,715</u>
<u>\$ 3,537,993</u>	<u>\$ 4,886,154</u>	<u>\$ 43,277,822</u>

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Balsz Elementary School District No. 31
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds **\$ 19,848,715**

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

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

Governmental capital assets	\$ 108,353,397	
Less accumulated depreciation/amortization	<u>(39,024,981)</u>	
		69,328,416

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

Property taxes	130,954	
Intergovernmental	<u>6,918,732</u>	
		7,049,686

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	3,685,121	
Deferred inflows of resources related to pensions	<u>(520,446)</u>	
		3,164,675

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

Compensated absences payable	(394,816)	
Bonds payable	(35,335,670)	
Net pension liability	<u>(19,758,048)</u>	
		<u>(55,488,534)</u>

Net position of governmental activities **\$ 43,902,958**

Balsz Elementary School District No. 31
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	Federal and State			
	General	Grants	Debt Service	Bond Building
Revenues				
Other local	\$ 765,512	\$	\$ 3,411	\$ 177,681
Property taxes	10,313,125		2,683,822	
State aid and grants	9,618,933	33,717		
Federal aid, grants and reimbursements	<u>248,186</u>	<u>20,257,407</u>		
Total revenues	<u>20,945,756</u>	<u>20,291,124</u>	<u>2,687,233</u>	<u>177,681</u>
Expenditures				
Current:				
Instruction	9,156,572	4,206,036		
Support services - students and staff	2,334,125	3,016,666		
Support services - administration	3,426,988	1,171,547		
Operation and maintenance of plant services	4,784,731	1,282,140		
Student transportation services	656,824	424,896		
Operation of non-instructional services	58,770	149,799		
Capital outlay	912,622	2,240,498		1,639,431
Debt service:				
Principal retirement			1,650,000	
Interest and fiscal charges			1,283,769	
Bond issuance costs				<u>81,150</u>
Total expenditures	<u>21,330,632</u>	<u>12,491,582</u>	<u>2,933,769</u>	<u>1,720,581</u>
Excess (deficiency) of revenues over expenditures	<u>(384,876)</u>	<u>7,799,542</u>	<u>(246,536)</u>	<u>(1,542,900)</u>
Other financing sources (uses)				
Transfers in	699,125		315,388	
Transfers out		(627,773)		(315,388)
Issuance of school improvement bonds				10,500,000
Insurance recoveries	<u>158,585</u>			
Total other financing sources (uses)	<u>857,710</u>	<u>(627,773)</u>	<u>315,388</u>	<u>10,184,612</u>
Changes in fund balances	<u>472,834</u>	<u>7,171,769</u>	<u>68,852</u>	<u>8,641,712</u>
Fund balances, beginning of year	<u>9,294,484</u>	<u>(9,851,595)</u>	<u>121,275</u>	<u>2,578,283</u>
Fund balances, end of year	<u>\$ 9,767,318</u>	<u>\$ (2,679,826)</u>	<u>\$ 190,127</u>	<u>\$ 11,219,995</u>

Other Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 5,828	\$ 227,142	\$ 1,179,574
		12,996,947
821,437	1,879,220	12,353,307
	<u>2,634,348</u>	<u>23,139,941</u>
<u>827,265</u>	<u>4,740,710</u>	<u>49,669,769</u>
	1,420,878	14,783,486
		5,350,791
	402	4,598,937
	45,843	6,112,714
	3,546	1,085,266
	2,449,643	2,658,212
3,113,847	81,128	7,987,526
		1,650,000
		1,283,769
		<u>81,150</u>
<u>3,113,847</u>	<u>4,001,440</u>	<u>45,591,851</u>
<u>(2,286,582)</u>	<u>739,270</u>	<u>4,077,918</u>
		1,014,513
	(71,352)	(1,014,513)
		10,500,000
		158,585
	<u>(71,352)</u>	<u>10,658,585</u>
<u>(2,286,582)</u>	<u>667,918</u>	<u>14,736,503</u>
<u>(1,204,669)</u>	<u>4,174,434</u>	<u>5,112,212</u>
<u>\$ (3,491,251)</u>	<u>\$ 4,842,352</u>	<u>\$ 19,848,715</u>

Balsz Elementary School District No. 31
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2023

Changes in fund balances - total governmental funds **\$ 14,736,503**

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

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

Expenditures for capitalized assets	\$ 5,672,987	
Less current year depreciation/amortization	<u>(3,326,023)</u>	
		2,346,964

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. (10,500,000)

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

Property taxes	(17,567)	
Intergovernmental	<u>(4,072,300)</u>	
		(4,089,867)

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 1,650,000

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	2,049,231	
Pension expense	<u>(2,561,322)</u>	
		(512,091)

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.

Amortization of deferred bond items	142,258	
Compensated absences	<u>55,678</u>	
		<u>197,936</u>

Changes in net position in governmental activities **\$ 3,829,445**

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Balsz Elementary School District No. 31 (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, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This Statement increases the usefulness of the financial statements by requiring the recognition of certain assets and liabilities for SBITAs. This Statement also requires a government to disclose essential information about the arrangement. The District's analysis of SBITAs in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

In addition, during the year the District consolidated individual reporting funds that were presented separately in the prior year financial statements. The consolidated funds include the Federal and State Grants Fund, Other Special Revenue Fund, and Other Capital Projects Fund.

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

A. Reporting Entity

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

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

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

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

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information about the District as a whole. The reported information includes all of the nonfiduciary activities of the District. For the most part, the effect of internal activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District.

Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not have any business-type activities or fiduciary activities.

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

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

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

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

Property taxes, state aid, 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.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The District reports the following major governmental funds:

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

Federal and State Grants – to account for financial assistance received for federal and state grants and projects.

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

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

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

D. Cash and Investments

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

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

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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.

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.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

G. Property Tax Calendar

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

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

H. Prepaid Items

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

I. Capital Assets

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

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

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

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

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

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

J. Deferred Outflows/Inflows of Resources

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

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

K. Compensated Absences

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

L. Leases

As lessor, 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.

M. Pensions

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

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

N. Long-term Obligations

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

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

O. Interfund Activity

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

P. Net Position Flow Assumption

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

Q. Estimates

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

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

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 have amounts are reported.

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

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

The District applies restricted resources first when 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.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 2 – Fund Balance Classifications

The table below provides detail of the major components of the District’s fund balance classifications at year end. Voter approved initiatives include monies restricted in the Classroom Site and Instructional Improvement Funds.

	General	Federal and State Grants	Debt Service	Bond Building	Other Capital Projects	Non-Major Governmental Funds
Fund Balances:						
Restricted:						
Debt service	\$	\$	\$ 190,127	\$	\$	\$
Capital projects						156,233
Bond building projects				11,219,995		
Voter approved initiatives						3,482,485
Food service						710,593
Civic center						114,292
Community schools						18,620
Extracurricular activities						311,178
Student activities						31,500
Other purposes						17,451
Unassigned	9,767,318	(2,679,826)			(3,491,251)	
Total fund balances	<u>\$ 9,767,318</u>	<u>\$ (2,679,826)</u>	<u>\$ 190,127</u>	<u>\$ 11,219,995</u>	<u>\$ (3,491,251)</u>	<u>\$ 4,842,352</u>

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balance – At year end, the following individual major governmental funds reported deficits in fund balance. The deficits arose because of operations during the year and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2023-24 are expected to eliminate the deficits.

	Deficit
Major Funds:	
Federal and Sate Grants	\$ 2,679,826
Other Capital Projects	3,491,251

Excess Expenditures Over Budget – At year end, the District had expenditures in a fund that exceeded the budgets, however, this does not constitute a violation of any legal provisions.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

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 \$0 and the bank balance was \$140,751.

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

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

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

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

	<u>Average Maturities</u>	<u>Fair Value</u>
County Treasurer’s investment pool	469 days	\$ 21,347,303

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. All investments held in the Arizona School Risk Retention Trust investment pool were rated between A- and AA+ by Standard and Poor’s at year end.

Custodial Credit Risk Investments. The District’s investment in the County Treasurer’s investment pool and the Arizona Risk Retention Trust Investment Pool both represent 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.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 5 – Receivables

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

	Federal and State Grants	Other Capital Projects	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 4,865,586	\$	\$ 31,438
Due from state government		3,537,993	109,103
Net due from governmental entities	\$ 4,865,586	\$ 3,537,993	\$ 140,541

Note 6 – Leases Receivable

The District acts as lessor for building rentals, a solar agreement, and a telecommunications agreement 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 \$523,127 and related interest revenue of \$14,041 are recorded as other local revenue in the General Fund.

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

Year Ending June 30:	
2024	\$ 503,890
2025	510,064
2026	450,731
2027	457,092
2028	464,208
2029-33	2,428,649
2034-38	154,966
2039-43	145,235
2044-48	137,712
Total	\$ 5,252,547

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 7 – Capital Assets

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

<u>Governmental Activities</u>	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 8,103,949	\$	\$	\$ 8,103,949
Construction in progress	24,555	2,054,524		2,079,079
Total capital assets, not being depreciated	<u>8,128,504</u>	<u>2,054,524</u>		<u>10,183,028</u>
Capital assets, being depreciated:				
Land improvements	6,615,047	734,007		7,349,054
Buildings and improvements	79,154,402	1,536,976		80,691,378
Vehicles, furniture and equipment	8,782,457	1,347,480		10,129,937
Total capital assets being depreciated	<u>94,551,906</u>	<u>3,618,463</u>		<u>98,170,369</u>
Less accumulated depreciation for:				
Land improvements	(3,448,208)	(289,145)		(3,737,353)
Buildings and improvements	(26,354,045)	(2,247,064)		(28,601,109)
Vehicles, furniture and equipment	(5,896,705)	(789,814)		(6,686,519)
Total accumulated depreciation	<u>(35,698,958)</u>	<u>(3,326,023)</u>		<u>(39,024,981)</u>
Total capital assets, being depreciated, net	<u>58,852,948</u>	<u>292,440</u>		<u>59,145,388</u>
Governmental activities capital assets, net	<u>\$ 66,981,452</u>	<u>\$ 2,346,964</u>	<u>\$</u>	<u>\$ 69,328,416</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,711,956
Support services – students and staff	102,366
Support services – administration	62,826
Operation and maintenance of plant services	1,354,711
Student transportation services	94,164
Total depreciation expense – governmental activities	<u>\$ 3,326,023</u>

Construction Commitments – At year end, the District had contractual commitments related to a capital project for the renovation of school facilities. At year end the District had spent \$2.1 million on the roofing, softball fields, and outdoor basketball court projects and had estimated remaining contractual commitments of \$231,549. The roofing project is being funded with Building Renewal Grant revenues and the softball fields and outdoor basketball court projects are being paid with bond proceeds.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

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 \$4.0 million in unused line of credit.

Note 9 – General Obligation Bonds Payable

Bonds payable at year end, consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, \$0 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 \$87.9 million, and the available margin is \$51.0 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2023	Due Within One Year
Governmental activities:					
General obligation bonds:					
School Improvement Bond, Project 2011, Series B (2013)	\$ 5,445,000	3.75-4.00%	7/1/23-26	\$ 4,075,000	\$ 1,325,000
School Improvement Bond, Project of 2018, Series A (2019)	22,325,000	2.50-5.00%	7/1/23-38	20,350,000	325,000
Private placement bonds:					
School Improvement Bond, Project 2018, Series B (2022)	10,500,000	3.47%	7/1/24-7/1/38	<u>10,500,000</u>	
Total				<u>\$ 34,925,000</u>	<u>\$ 1,650,000</u>

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

Year ending June 30:	Governmental Activities			
	General Obligation Bonds		Private Placement Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 1,650,000	\$ 1,026,894		\$ 408,882
2025	1,580,000	968,675	90,000	362,788
2026	715,000	925,875	1,125,000	341,709
2027	755,000	919,583	1,200,000	301,370
2028	1,575,000	861,687	320,000	274,998
2029-33	8,300,000	3,170,750	2,435,000	1,178,151
2034-38	8,100,000	1,349,750	4,500,000	547,218
2039-43	<u>1,750,000</u>	<u>43,750</u>	<u>830,000</u>	<u>14,401</u>
Total	<u>\$ 24,425,000</u>	<u>\$ 9,266,964</u>	<u>\$ 10,500,000</u>	<u>\$ 3,429,517</u>

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 10 – Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 26,445,000	\$	\$ 2,020,000	\$ 24,425,000	\$ 1,650,000
Private placement bonds		10,500,000		10,500,000	
Premium	2,202,928		142,258	2,060,670	
Total bonds payable	<u>28,647,928</u>	<u>10,500,000</u>	<u>2,162,258</u>	<u>36,985,670</u>	<u>1,650,000</u>
Net pension liability	15,365,397	4,392,651		19,758,048	
Compensated absences payable	450,494	67,141	122,819	394,816	75,000
Total long-term liabilities	<u>\$ 44,463,819</u>	<u>\$ 14,959,792</u>	<u>\$ 2,285,077</u>	<u>\$ 57,138,534</u>	<u>\$ 1,725,000</u>

Note 11 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds:

	General
Federal and State Grants	\$ 3,569,763
Other Capital Projects	2,624,852
Total Due from Other Funds	<u>\$ 6,194,615</u>

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

Interfund transfers:

Transfers out	Transfers in		
	General	Debt Service	Total
Bond Building	\$	\$ 315,388	\$ 315,388
Federal and State Grants	627,773		627,773
Non-Major Governmental Funds	71,352		71,352
Total	<u>\$ 699,125</u>	<u>\$ 315,388</u>	<u>\$ 1,014,513</u>

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

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 12 – Contingent Liabilities

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

Note 13 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District joined, and is covered by three public entity risk pools, the Arizona School Risk Retention Trust, Inc. (ASRRT), the Valley Schools Employee Benefit Trust (VSEBT), and the Arizona School Alliance for Worker’s Compensation, Inc., which are discussed below.

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

The District joined the Valley Schools Employee Benefit Trust (VSEBT) together with other districts in the state for risks of loss related to employee health and accident claims. VSEBT is a public entity risk pool currently operating as a group insurance program for several school districts. The District pays monthly premiums to VSEBT for its employee health and accident insurance coverage. The trust was fully insured for the current fiscal year, and does not pay claims, but rather provides coverage through the purchase of commercial insurance.

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.

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 14 – 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.

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

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

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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 12.17 percent (12.03 percent for retirement and 0.14 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 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 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, 2023 were \$2,049,231.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.68 percent (9.62 for retirement and 0.06 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, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022.

At June 30, 2023, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2022, the District’s percentage proportion for the plan and the related change from its proportion measured as of June 30, 2021 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 19,758,048	0.121	0.004

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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, 2023 was \$2,561,322.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 168,350	\$
Changes of assumptions or other inputs	980,630	
Net difference between projected and actual earnings on pension investments		520,446
Changes in proportion and differences between contributions and proportionate share of contributions	486,910	
Contributions subsequent to the measurement date	2,049,231	
Total	\$ 3,685,121	\$ 520,446

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, 2024. 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:	
2024	\$ 1,227,167
2025	(41,105)
2026	(903,617)
2027	832,999

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
Equity	50%	3.90%
Credit	20	5.30
Interest rate sensitive bonds	10	(0.20)
Real estate	20	6.00
Total	<u>100%</u>	

Balsz Elementary School District No. 31
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 29,152,413	\$ 19,758,048	\$ 11,924,616

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.

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Required Supplementary Information

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 95,056	\$ 95,056
Property taxes			8,399,210	8,399,210
State aid and grants			9,236,230	9,236,230
Total revenues			<u>17,730,496</u>	<u>17,730,496</u>
Expenditures				
Current:				
Instruction	10,322,712	11,832,371	9,098,257	2,734,114
Support services - students and staff	2,521,560	2,159,763	2,219,190	(59,427)
Support services - administration	2,534,594	2,643,741	2,519,989	123,752
Operation and maintenance of plant services	2,643,824	4,038,136	3,525,418	512,718
Student transportation services	1,049,340	1,049,340	618,764	430,576
Operation of non-instructional services	58,770	58,770	58,770	
Total expenditures	<u>19,130,800</u>	<u>21,782,121</u>	<u>18,040,388</u>	<u>3,741,733</u>
Excess (deficiency) of revenues over expenditures	<u>(19,130,800)</u>	<u>(21,782,121)</u>	<u>(309,892)</u>	<u>21,472,229</u>
Changes in fund balances	<u>(19,130,800)</u>	<u>(21,782,121)</u>	<u>(309,892)</u>	<u>21,472,229</u>
Fund balances, beginning of year			<u>3,143,999</u>	<u>3,143,999</u>
Fund balances, end of year	<u>\$ (19,130,800)</u>	<u>\$ (21,782,121)</u>	<u>\$ 2,834,107</u>	<u>\$ 24,616,228</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State aid and grants	\$	\$	\$ 33,717	\$ 33,717
Federal aid, grants and reimbursements			20,257,407	20,257,407
Total revenues			<u>20,291,124</u>	<u>20,291,124</u>
Expenditures				
Current:				
Instruction	6,552,706	9,044,005	4,206,036	4,837,969
Support services - students and staff	4,699,752	6,486,569	3,016,666	3,469,903
Support services - administration	1,825,187	2,519,112	1,171,547	1,347,565
Operation and maintenance of plant services	1,997,483	2,756,914	1,282,140	1,474,774
Student transportation services	661,958	913,630	424,896	488,734
Operation of non-instructional services	233,376	322,104	149,799	172,305
Capital outlay	3,490,537	4,817,618	2,240,498	2,577,120
Total expenditures	<u>19,461,000</u>	<u>26,859,952</u>	<u>12,491,582</u>	<u>14,368,370</u>
Excess (deficiency) of revenues over expenditures	<u>(19,461,000)</u>	<u>(26,859,952)</u>	<u>7,799,542</u>	<u>34,659,494</u>
Other financing sources (uses)				
Transfers out			(627,773)	(627,773)
Total other financing sources (uses)			<u>(627,773)</u>	<u>(627,773)</u>
Changes in fund balances	<u>(19,461,000)</u>	<u>(26,859,952)</u>	<u>7,171,769</u>	<u>34,031,721</u>
Fund balances, beginning of year			<u>(9,851,595)</u>	<u>(9,851,595)</u>
Fund balances, end of year	<u>\$ (19,461,000)</u>	<u>\$ (26,859,952)</u>	<u>\$ (2,679,826)</u>	<u>\$ 24,180,126</u>

Balsz Elementary School District No. 31
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net pension (assets) liability	0.12%	0.12%	0.12%	0.12%
District's proportionate share of the net pension (assets) liability	\$ 19,758,048	\$ 15,365,397	\$ 19,993,071	\$ 16,679,999
District's covered payroll	\$ 14,384,954	\$ 13,110,970	\$ 12,320,489	\$ 12,318,247
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	137.35%	117.19%	162.27%	135.41%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 2,049,231	\$ 1,727,633	\$ 1,527,428	\$ 1,410,696
Contributions in relation to the actuarially determined contribution	<u>2,049,231</u>	<u>1,727,633</u>	<u>1,527,428</u>	<u>1,410,696</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 17,191,535	\$ 14,384,954	\$ 13,110,970	\$ 12,320,489
Contributions as a percentage of covered payroll	11.92%	12.01%	11.65%	11.45%

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.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.12%	0.12%	0.13%	0.13%	0.14%
\$ 17,308,977	\$ 18,607,982	\$ 20,460,337	\$ 20,007,267	\$ 20,086,338
\$ 12,331,284	\$ 11,670,083	\$ 11,779,438	\$ 11,861,423	\$ 12,159,654
140.37%	159.45%	173.70%	168.68%	165.19%
73.40%	69.92%	67.06%	68.35%	69.49%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,377,180	\$ 1,344,110	\$ 1,258,035	\$ 1,278,069	\$ 1,291,709
<u>1,377,180</u>	<u>1,344,110</u>	<u>1,258,035</u>	<u>1,278,069</u>	<u>1,291,709</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 12,318,247	\$ 12,331,284	\$ 11,670,083	\$ 11,779,438	\$ 11,861,423
11.18%	10.90%	10.78%	10.85%	10.89%

Balsz Elementary School District No. 31
Notes to Required Supplementary Information
June 30, 2023

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 item.

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

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

	Total	Fund
	Expenditures	Balances
		End of Year
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 21,330,632	\$ 9,767,318
Activity budgeted as special revenue funds	(2,402,522)	(2,655,154)
Activity budgeted as capital projects funds	(886,576)	(4,260,282)
Employee insurance account	(1,146)	(17,775)
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	\$ 18,040,388	\$ 2,834,107

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, 2021, 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.

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

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Projects Fund

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

Balsz Elementary School District No. 31
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

Special Revenue Funds

	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue
Assets				
Cash and investments	\$ 2,840,113	\$ 533,269	\$ 699,756	\$ 493,041
Due from governmental entities		109,103	31,438	
Total assets	<u>\$ 2,840,113</u>	<u>\$ 642,372</u>	<u>\$ 731,194</u>	<u>\$ 493,041</u>
Liabilities				
Accounts payable	\$	\$	\$ 20,601	\$
Total liabilities	<u></u>	<u></u>	<u>20,601</u>	<u></u>
Fund balances				
Restricted	<u>2,840,113</u>	<u>642,372</u>	<u>710,593</u>	<u>493,041</u>
Total fund balances	<u>2,840,113</u>	<u>642,372</u>	<u>710,593</u>	<u>493,041</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,840,113</u>	<u>\$ 642,372</u>	<u>\$ 731,194</u>	<u>\$ 493,041</u>

Capital Projects

<u>Funds</u>		Total Non-Major Governmental Funds
<u>Adjacent Ways</u>		
\$ 179,434	\$ 4,745,613	
	140,541	
<u>\$ 179,434</u>	<u>\$ 4,886,154</u>	
\$ 23,201	\$ 43,802	
<u>23,201</u>	<u>43,802</u>	
<u>156,233</u>	<u>4,842,352</u>	
<u>156,233</u>	<u>4,842,352</u>	
<u>\$ 179,434</u>	<u>\$ 4,886,154</u>	

Balsz Elementary School District No. 31
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue
Revenues				
Other local	\$ 51,061	\$ 8,222	\$ 72,506	\$ 92,557
State aid and grants	1,730,489	148,731		
Federal aid, grants and reimbursements			2,634,348	
Total revenues	<u>1,781,550</u>	<u>156,953</u>	<u>2,706,854</u>	<u>92,557</u>
Expenditures				
Current:				
Instruction	1,294,258	32,024		94,596
Support services - administration				402
Operation and maintenance of plant services			45,843	
Student transportation services				3,546
Operation of non-instructional services			2,449,643	
Capital outlay			81,128	
Total expenditures	<u>1,294,258</u>	<u>32,024</u>	<u>2,576,614</u>	<u>98,544</u>
Excess (deficiency) of revenues over expenditures	<u>487,292</u>	<u>124,929</u>	<u>130,240</u>	<u>(5,987)</u>
Other financing sources (uses)				
Transfers out			(71,352)	
Total other financing sources (uses)			<u>(71,352)</u>	
Changes in fund balances	<u>487,292</u>	<u>124,929</u>	<u>58,888</u>	<u>(5,987)</u>
Fund balances, beginning of year	<u>2,352,821</u>	<u>517,443</u>	<u>651,705</u>	<u>499,028</u>
Fund balances, end of year	<u>\$ 2,840,113</u>	<u>\$ 642,372</u>	<u>\$ 710,593</u>	<u>\$ 493,041</u>

Capital Projects

<u>Funds</u>	<u>Total Non-Major Governmental Funds</u>
<u>Adjacent Ways</u>	
\$ 2,796	\$ 227,142
	1,879,220
	2,634,348
<u>2,796</u>	<u>4,740,710</u>
	1,420,878
	402
	45,843
	3,546
	2,449,643
	81,128
	<u>4,001,440</u>
<u>2,796</u>	<u>739,270</u>
	(71,352)
	<u>(71,352)</u>
<u>2,796</u>	<u>667,918</u>
<u>153,437</u>	<u>4,174,434</u>
<u>\$ 156,233</u>	<u>\$ 4,842,352</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 51,061	\$ 51,061
State aid and grants			1,730,489	1,730,489
Total revenues			<u>1,781,550</u>	<u>1,781,550</u>
Expenditures				
Current:				
Instruction	4,786,701	4,083,310	1,294,258	2,789,052
Total expenditures	<u>4,786,701</u>	<u>4,083,310</u>	<u>1,294,258</u>	<u>2,789,052</u>
Changes in fund balances	<u>(4,786,701)</u>	<u>(4,083,310)</u>	<u>487,292</u>	<u>4,570,602</u>
Fund balances, beginning of year			<u>2,352,821</u>	<u>2,352,821</u>
Fund balances, end of year	<u>\$ (4,786,701)</u>	<u>\$ (4,083,310)</u>	<u>\$ 2,840,113</u>	<u>\$ 6,923,423</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 8,222	\$ 8,222
State aid and grants			148,731	148,731
Total revenues			<u>156,953</u>	<u>156,953</u>
Expenditures				
Current:				
Instruction	454,305	562,647	32,024	530,623
Total expenditures	<u>454,305</u>	<u>562,647</u>	<u>32,024</u>	<u>530,623</u>
Changes in fund balances	<u>(454,305)</u>	<u>(562,647)</u>	<u>124,929</u>	<u>687,576</u>
Fund balances, beginning of year			<u>517,443</u>	<u>517,443</u>
Fund balances, end of year	<u>\$ (454,305)</u>	<u>\$ (562,647)</u>	<u>\$ 642,372</u>	<u>\$ 1,205,019</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2023

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 72,506	\$ 72,506
Federal aid, grants and reimbursements		2,634,348	2,634,348
Total revenues		<u>2,706,854</u>	<u>2,706,854</u>
Expenditures			
Current:			
Operation and maintenance of plant services	53,376	45,843	7,533
Operation of non-instructional services	2,852,165	2,449,643	402,522
Capital outlay	94,459	81,128	13,331
Total expenditures	<u>3,000,000</u>	<u>2,576,614</u>	<u>423,386</u>
Excess (deficiency) of revenues over expenditures	<u>(3,000,000)</u>	<u>130,240</u>	<u>3,130,240</u>
Other financing sources (uses)			
Transfers out		(71,352)	(71,352)
Total other financing sources (uses)		<u>(71,352)</u>	<u>(71,352)</u>
Changes in fund balances	<u>(3,000,000)</u>	<u>58,888</u>	<u>3,058,888</u>
Fund balances, beginning of year		<u>651,705</u>	<u>651,705</u>
Fund balances, end of year	<u>\$ (3,000,000)</u>	<u>\$ 710,593</u>	<u>\$ 3,710,593</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	92,557	\$ 92,557
Total revenues			<u>92,557</u>	<u>92,557</u>
Expenditures				
Current:				
Instruction	329,337	536,501	94,596	441,905
Support services - administration	1,400	2,280	402	1,878
Student transportation services	12,345	20,111	3,546	16,565
Total expenditures	<u>343,082</u>	<u>558,892</u>	<u>98,544</u>	<u>460,348</u>
Excess (deficiency) of revenues over expenditures	<u>(343,082)</u>	<u>(558,892)</u>	<u>(5,987)</u>	<u>552,905</u>
Changes in fund balances	<u>(343,082)</u>	<u>(558,892)</u>	<u>(5,987)</u>	<u>552,905</u>
Fund balances, beginning of year			<u>499,028</u>	<u>499,028</u>
Fund balances, end of year	<u>\$ (343,082)</u>	<u>\$ (558,892)</u>	<u>\$ 493,041</u>	<u>\$ 1,051,933</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 3,411	\$ 3,411
Property taxes			<u>2,683,822</u>	<u>2,683,822</u>
Total revenues			<u>2,687,233</u>	<u>2,687,233</u>
Expenditures				
Debt service:				
Principal retirement	1,650,000	1,650,000	1,650,000	
Interest and fiscal charges	985,888	850,000	1,283,769	(433,769)
Total expenditures	<u>2,635,888</u>	<u>2,500,000</u>	<u>2,933,769</u>	<u>(433,769)</u>
Excess (deficiency) of revenues over expenditures	<u>(2,635,888)</u>	<u>(2,500,000)</u>	<u>(246,536)</u>	<u>2,253,464</u>
Other financing sources (uses)				
Transfers in			315,388	315,388
Total other financing sources (uses)			<u>315,388</u>	<u>315,388</u>
Changes in fund balances	<u>(2,635,888)</u>	<u>(2,500,000)</u>	<u>68,852</u>	<u>2,568,852</u>
Fund balances, beginning of year			<u>121,275</u>	<u>121,275</u>
Fund balances, end of year	<u>\$ (2,635,888)</u>	<u>\$ (2,500,000)</u>	<u>\$ 190,127</u>	<u>\$ 2,690,127</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	2,796	\$ 2,796
Total revenues			<u>2,796</u>	<u>2,796</u>
Expenditures				
Capital outlay	152,206	155,281		155,281
Total expenditures	<u>152,206</u>	<u>155,281</u>		<u>155,281</u>
Excess (deficiency) of revenues over expenditures	<u>(152,206)</u>	<u>(155,281)</u>	<u>2,796</u>	<u>158,077</u>
Changes in fund balances	<u>(152,206)</u>	<u>(155,281)</u>	<u>2,796</u>	<u>158,077</u>
Fund balances, beginning of year			<u>153,437</u>	<u>153,437</u>
Fund balances, end of year	<u>\$ (152,206)</u>	<u>\$ (155,281)</u>	<u>\$ 156,233</u>	<u>\$ 311,514</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	177,681	177,681
Total revenues			<u>177,681</u>	<u>177,681</u>
Expenditures				
Capital outlay	2,544,204	12,826,002	1,639,431	11,186,571
Bond issuance costs	81,150	81,150	81,150	
Total expenditures	<u>2,625,354</u>	<u>12,907,152</u>	<u>1,720,581</u>	<u>11,186,571</u>
Excess (deficiency) of revenues over expenditures	<u>(2,625,354)</u>	<u>(12,907,152)</u>	<u>(1,542,900)</u>	<u>11,364,252</u>
Other financing sources (uses)				
Transfers out			(315,388)	(315,388)
Issuance of school improvement bonds			10,500,000	10,500,000
Total other financing sources (uses)			<u>10,184,612</u>	<u>10,184,612</u>
Changes in fund balances	<u>(2,625,354)</u>	<u>(12,907,152)</u>	<u>8,641,712</u>	<u>21,548,864</u>
Fund balances, beginning of year			<u>2,578,283</u>	<u>2,578,283</u>
Fund balances, end of year	<u>\$ (2,625,354)</u>	<u>\$ (12,907,152)</u>	<u>\$ 11,219,995</u>	<u>\$ 24,127,147</u>

Balsz Elementary School District No. 31
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 5,828	\$ 5,828
State aid and grants			821,437	821,437
Total revenues			<u>827,265</u>	<u>827,265</u>
Expenditures				
Capital outlay	1,032,207	5,046,532	3,113,847	1,932,685
Total expenditures	<u>1,032,207</u>	<u>5,046,532</u>	<u>3,113,847</u>	<u>1,932,685</u>
Excess (deficiency) of revenues over expenditures	<u>(1,032,207)</u>	<u>(5,046,532)</u>	<u>(2,286,582)</u>	<u>2,759,950</u>
Changes in fund balances	<u>(1,032,207)</u>	<u>(5,046,532)</u>	<u>(2,286,582)</u>	<u>2,759,950</u>
Fund balances, beginning of year			<u>(1,204,669)</u>	<u>(1,204,669)</u>
Fund balances, end of year	<u>\$ (1,032,207)</u>	<u>\$ (5,046,532)</u>	<u>\$ (3,491,251)</u>	<u>\$ 1,555,281</u>

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Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to 5 percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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Balsz Elementary School District No. 31
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Position					
Net investment in capital assets	\$ 43,562,741	\$ 40,911,807	\$ 40,053,867	\$ 41,189,501	\$ 41,663,703
Restricted	5,806,495	10,146,533	5,445,091	6,072,372	5,019,858
Unrestricted	<u>(5,466,278)</u>	<u>(10,984,827)</u>	<u>(8,566,900)</u>	<u>(10,282,666)</u>	<u>(12,159,663)</u>
Total net position	<u><u>\$ 43,902,958</u></u>	<u><u>\$ 40,073,513</u></u>	<u><u>\$ 36,932,058</u></u>	<u><u>\$ 36,979,207</u></u>	<u><u>\$ 34,523,898</u></u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position					
Net investment in capital assets	\$ 41,013,935	\$ 40,453,289	\$ 39,758,473	\$ 38,640,803	\$ 30,183,506
Restricted	5,407,971	5,142,380	4,818,387	3,795,263	3,831,932
Unrestricted	<u>(13,715,808)</u>	<u>(14,954,889)</u>	<u>(15,225,730)</u>	<u>(16,295,490)</u>	<u>3,936,030</u>
Total net position	<u><u>\$ 32,706,098</u></u>	<u><u>\$ 30,640,780</u></u>	<u><u>\$ 29,351,130</u></u>	<u><u>\$ 26,140,576</u></u>	<u><u>\$ 37,951,468</u></u>

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

Note: In the fiscal year ended June 30, 2015, the District implemented GASB Statement No. 68, which caused a deficit in unrestricted net position due to the recording of the District's proportionate share of the state pension plan's unfunded liability.

Balsz Elementary School District No. 31
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenses					
Instruction	\$ 17,948,811	\$ 17,987,985	\$ 14,919,756	\$ 13,034,041	\$ 13,054,261
Support services - students and staff	5,656,442	4,754,551	3,570,010	3,567,834	3,005,995
Support services - administration	5,114,606	3,944,646	3,658,376	2,739,701	2,865,072
Operation and maintenance of plant services	7,659,273	3,592,308	3,756,063	3,098,334	2,900,243
Student transportation services	1,629,303	1,713,822	1,554,877	1,392,205	1,358,749
Operation of non-instructional services	2,233,806	2,554,619	3,025,209	2,379,002	2,252,107
Interest on long-term debt	1,141,511	1,018,305	1,010,339	1,433,969	293,724
Total expenses	<u>41,383,752</u>	<u>35,566,236</u>	<u>31,494,630</u>	<u>27,645,086</u>	<u>25,730,151</u>
Program Revenues					
Charges for services:					
Instruction	227,306	142,932	53,359	177,843	191,756
Operation of non-instructional services		33,235	11,770	17,202	58,274
Other activities	61,593	522,917	447,783	465,438	466,119
Operating grants and contributions	16,701,873	12,522,582	7,232,392	5,966,505	6,136,280
Capital grants and contributions	3,061,935	1,710,389	1,434,744	387,931	741,413
Total program revenues	<u>20,052,707</u>	<u>14,932,055</u>	<u>9,180,048</u>	<u>7,014,919</u>	<u>7,593,842</u>
Net (Expense)/Revenue	<u>\$ (21,331,045)</u>	<u>\$ (20,634,181)</u>	<u>\$ (22,314,582)</u>	<u>\$ (20,630,167)</u>	<u>\$ (18,136,309)</u>

(Continued)

Balsz Elementary School District No. 31
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Instruction	\$ 11,904,066	\$ 13,096,152	\$ 11,900,412	\$ 12,374,299	\$ 12,781,875
Support services - students and staff	3,323,231	3,822,660	3,510,039	3,430,901	3,283,906
Support services - administration	2,785,807	2,883,186	2,645,216	2,712,049	2,625,094
Operation and maintenance of plant services	2,851,337	2,650,892	2,653,406	2,474,993	2,384,196
Student transportation services	1,153,544	1,196,456	981,460	1,127,186	1,026,394
Operation of non-instructional services	2,446,262	2,425,334	2,247,788	2,143,825	2,160,462
Interest on long-term debt	338,986	399,086	465,836	533,336	449,352
Total expenses	<u>24,803,233</u>	<u>26,473,766</u>	<u>24,404,157</u>	<u>24,796,589</u>	<u>24,711,279</u>
Program Revenues					
Charges for services:					
Instruction	33,200	63,918	33,971	34,334	4,533
Operation of non-instructional services	289,869	398,787	37,751	64,811	180,150
Other activities	302,035	97,850	417,173	353,403	327,449
Operating grants and contributions	6,389,372	6,052,933	6,443,300	6,010,445	5,355,928
Capital grants and contributions	295,829	695,559	327,570	622,478	915,594
Total program revenues	<u>7,310,305</u>	<u>7,309,047</u>	<u>7,259,765</u>	<u>7,085,471</u>	<u>6,783,654</u>
Net (Expense)/Revenue	<u>\$ (17,492,928)</u>	<u>\$ (19,164,719)</u>	<u>\$ (17,144,392)</u>	<u>\$ (17,711,118)</u>	<u>\$ (17,927,625)</u>

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

(Concluded)

Balsz Elementary School District No. 31
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net (Expense)/Revenue	\$ (21,331,045)	\$ (20,634,181)	\$ (22,314,582)	\$ (20,630,167)	\$ (18,136,309)
General Revenues:					
Property taxes	12,979,380	12,998,448	12,871,452	13,111,093	11,175,422
Investment income	434,771	142,291	177,976	551,776	285,983
Unrestricted county aid		736,464	728,769	663,773	647,801
Unrestricted state aid	11,498,153	9,608,284	8,366,184	8,580,137	7,698,953
Unrestricted federal aid	248,186	290,149	123,052	158,499	145,950
Total general revenues	<u>25,160,490</u>	<u>23,775,636</u>	<u>22,267,433</u>	<u>23,065,278</u>	<u>19,954,109</u>
Changes in Net Position	<u>\$ 3,829,445</u>	<u>\$ 3,141,455</u>	<u>\$ (47,149)</u>	<u>\$ 2,435,111</u>	<u>\$ 1,817,800</u>

(Continued)

Balsz Elementary School District No. 31
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense)/Revenue	\$ (17,492,928)	\$ (19,164,719)	\$ (17,144,392)	\$ (17,711,118)	\$ (17,927,625)
General Revenues:					
Property taxes	11,337,440	11,702,129	11,450,479	9,404,115	8,488,932
Investment income	75,656	55,944	35,198	47,470	62,805
Unrestricted county aid	660,192	721,344	713,015	707,542	707,516
Unrestricted state aid	7,334,757	7,872,507	8,045,884	7,949,054	7,789,758
Unrestricted federal aid	147,389	102,445	110,370	36,098	58,343
Total general revenues	<u>19,555,434</u>	<u>20,454,369</u>	<u>20,354,946</u>	<u>18,144,279</u>	<u>17,107,354</u>
Changes in Net Position	<u>\$ 2,062,506</u>	<u>\$ 1,289,650</u>	<u>\$ 3,210,554</u>	<u>\$ 433,161</u>	<u>\$ (820,271)</u>

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

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

(Concluded)

Balsz Elementary School District No. 31
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund:					
Unassigned	\$ 9,767,318	\$ 6,510,782	\$ 6,492,684	\$ 4,783,598	\$ 3,570,518
Total General Fund	<u>\$ 9,767,318</u>	<u>\$ 6,510,782</u>	<u>\$ 6,492,684</u>	<u>\$ 4,783,598</u>	<u>\$ 3,570,518</u>
All Other Governmental Funds:					
Nonspendable	\$	\$	\$	\$	\$ 10,200
Restricted	16,252,474	10,054,754	8,242,198	12,091,826	28,533,954
Unassigned	(6,171,077)	(11,453,324)	(2,103,598)	(422,097)	(375,772)
Total all other governmental funds	<u>\$ 10,081,397</u>	<u>\$ (1,398,570)</u>	<u>\$ 6,138,600</u>	<u>\$ 11,669,729</u>	<u>\$ 28,168,382</u>

(Continued)

Balsz Elementary School District No. 31
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Unassigned	\$ 2,732,931	\$ 3,093,582	\$ 3,136,937	\$ 2,075,161	\$ 1,794,565
Total General Fund	<u>\$ 2,732,931</u>	<u>\$ 3,093,582</u>	<u>\$ 3,136,937</u>	<u>\$ 2,075,161</u>	<u>\$ 1,794,565</u>
All Other Governmental Funds:					
Restricted	\$ 5,204,238	\$ 4,942,412	\$ 4,963,434	\$ 4,764,778	\$ 12,328,582
Unassigned	(903,062)	(7,573)		(81,677)	(77)
Total all other governmental funds	<u>\$ 4,301,176</u>	<u>\$ 4,934,839</u>	<u>\$ 4,963,434</u>	<u>\$ 4,683,101</u>	<u>\$ 12,328,505</u>

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

(Concluded)

Balsz Elementary School District No. 31
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Federal sources:					
Federal grants	\$ 20,505,593	\$ 2,061,309	\$ 3,638,870	\$ 3,261,687	\$ 4,245,612
National School Lunch Program	2,634,348	3,215,491	2,882,925	2,416,831	2,335,956
Total federal sources	<u>23,139,941</u>	<u>5,276,800</u>	<u>6,521,795</u>	<u>5,678,518</u>	<u>6,581,568</u>
State sources:					
State equalization assistance	9,618,933	7,732,083	7,070,028	7,293,079	6,485,720
State grants	189,491	181,773	246,873	222,079	191,502
School Facilities Oversight Board	821,437	120,267	284,778	169,034	721,113
Other revenues	1,723,446	1,876,201	1,296,156	1,287,058	1,213,233
Total state sources	<u>12,353,307</u>	<u>9,910,324</u>	<u>8,897,835</u>	<u>8,971,250</u>	<u>8,611,568</u>
Local sources:					
Property taxes	12,996,947	13,007,648	12,922,387	13,304,572	11,214,555
County aid		736,464	728,769	663,773	647,801
Food service sales	59,328	33,235	11,770	11,244	51,778
Investment income	434,771	142,291	177,976	551,776	285,983
Other revenues	685,475	752,101	645,958	896,009	811,349
Total local sources	<u>14,176,521</u>	<u>14,671,739</u>	<u>14,486,860</u>	<u>15,427,374</u>	<u>13,011,466</u>
Total revenues	<u><u>\$ 49,669,769</u></u>	<u><u>\$ 29,858,863</u></u>	<u><u>\$ 29,906,490</u></u>	<u><u>\$ 30,077,142</u></u>	<u><u>\$ 28,204,602</u></u>

(Continued)

Balsz Elementary School District No. 31
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Federal sources:					
Federal grants	\$ 2,859,024	\$ 3,919,005	\$ 4,162,312	\$ 3,478,747	\$ 3,826,637
National School Lunch Program	2,542,886	2,593,026	2,298,120	2,237,477	2,212,438
Total federal sources	<u>5,401,910</u>	<u>6,512,031</u>	<u>6,460,432</u>	<u>5,716,224</u>	<u>6,039,075</u>
State sources:					
State equalization assistance	5,769,666	6,777,717	7,034,238	6,959,283	6,794,264
State grants	171,250	77,376	109,635	90,567	27,005
School Facilities Oversight Board	287,129	61,254	97,265	373,853	
Other revenues	1,565,091	1,094,790	1,011,646	989,771	995,494
Total state sources	<u>7,793,136</u>	<u>8,011,137</u>	<u>8,252,784</u>	<u>8,413,474</u>	<u>7,816,763</u>
Local sources:					
Property taxes	11,362,852	11,630,990	11,524,030	9,425,697	8,554,092
County aid	660,192	721,344	713,015	707,542	707,516
Food service sales	29,437	37,583	37,751	35,663	41,624
Investment income	75,656	55,944	34,589	47,470	62,805
Other revenues	725,619	730,768	763,255	816,978	724,073
Total local sources	<u>12,853,756</u>	<u>13,176,629</u>	<u>13,072,640</u>	<u>11,033,350</u>	<u>10,090,110</u>
Total revenues	<u>\$ 26,048,802</u>	<u>\$ 27,699,797</u>	<u>\$ 27,785,856</u>	<u>\$ 25,163,048</u>	<u>\$ 23,945,948</u>

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

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

(Concluded)

Balsz Elementary School District No. 31
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenditures:					
Current -					
Instruction	\$ 14,783,486	\$ 14,691,955	\$ 11,540,863	\$ 11,327,067	\$ 11,143,897
Support services - students and staff	5,350,791	4,427,818	3,343,610	3,507,165	3,079,999
Support services - administration	4,598,937	3,589,155	2,887,994	2,547,270	2,734,315
Operation and maintenance of plant services	6,112,714	3,491,816	2,886,095	2,602,743	2,466,639
Student transportation services	1,085,266	1,030,574	728,900	1,047,322	964,495
Operation of non-instructional services	2,658,212	2,370,354	2,657,322	2,137,536	1,997,828
Capital outlay	7,987,526	4,595,700	6,208,871	18,740,103	3,698,596
Debt service -					
Principal retirement	1,650,000	2,020,000	2,270,000	1,835,000	1,550,000
Interest, premium and fiscal charges	1,283,769	1,160,563	1,204,878	1,628,507	362,578
Bond issuance costs	81,150				374,129
Total expenditures	<u>\$ 45,591,851</u>	<u>\$ 37,377,935</u>	<u>\$ 33,728,533</u>	<u>\$ 45,372,713</u>	<u>\$ 28,372,476</u>
Expenditures for capitalized assets	\$ 5,672,987	\$ 1,751,963	\$ 2,710,834	\$ 17,691,954	\$ 2,186,490
Debt service as a percentage of noncapital expenditures	7%	9%	11%	13%	7%

(Continued)

Balsz Elementary School District No. 31
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenditures:					
Current -					
Instruction	\$ 10,846,215	\$ 10,090,436	\$ 10,135,657	\$ 10,143,475	\$ 10,899,092
Support services - students and staff	3,517,299	3,438,015	3,367,883	3,124,357	3,012,972
Support services - administration	2,837,056	2,759,884	2,573,982	2,521,716	2,498,194
Operation and maintenance of plant services	2,517,360	2,279,939	2,378,419	2,150,011	2,084,109
Student transportation services	898,169	850,003	788,799	866,115	803,090
Operation of non-instructional services	2,236,146	2,246,262	2,184,851	2,064,814	2,096,300
Capital outlay	1,732,843	3,634,430	2,254,466	8,805,178	4,407,617
Debt service -					
Principal retirement	2,075,000	2,020,000	2,225,000	2,250,000	2,205,000
Interest, premium and fiscal charges	407,840	467,940	534,690	602,190	567,734
Bond issuance costs					132,044
Total expenditures	<u>\$ 27,067,928</u>	<u>\$ 27,786,909</u>	<u>\$ 26,443,747</u>	<u>\$ 32,527,856</u>	<u>\$ 28,706,152</u>
Expenditures for capitalized assets	\$ 940,984	\$ 1,190,797	\$ 1,626,980	\$ 7,883,012	\$ 3,754,127
Debt service as a percentage of noncapital expenditures	10%	9%	11%	12%	18%

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

(Concluded)

Balsz Elementary School District No. 31
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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Excess (deficiency) of revenues over expenditures	\$ 4,077,918	\$ (7,519,072)	\$ (3,822,043)	\$ (15,295,571)	\$ (167,874)
Other financing sources (uses):					
School improvement bonds issued	10,500,000				22,325,000
Premium on sale of bonds					2,513,685
Insurance recoveries	158,585				23,782
Transfers in	1,014,513	986,342	1,089,301	966,938	622,386
Transfers out	<u>(1,014,513)</u>	<u>(986,342)</u>	<u>(1,089,301)</u>	<u>(966,938)</u>	<u>(622,386)</u>
Total other financing sources (uses)	<u>10,658,585</u>				<u>24,862,467</u>
Changes in fund balances	<u>\$ 14,736,503</u>	<u>\$ (7,519,072)</u>	<u>\$ (3,822,043)</u>	<u>\$ (15,295,571)</u>	<u>\$ 24,694,593</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ (1,019,126)	\$ (87,112)	\$ 1,342,109	\$ (7,364,808)	\$ (4,760,204)
Other financing sources (uses):					
School improvement bonds issued					5,445,000
Premium on sale of bonds					215,460
Insurance recoveries	24,811	15,162			
Transfers in	584,528	255,860	395,114	420,491	691,326
Transfers out	<u>(584,528)</u>	<u>(255,860)</u>	<u>(395,114)</u>	<u>(420,491)</u>	<u>(691,326)</u>
Total other financing sources (uses)	<u>24,811</u>	<u>15,162</u>			<u>5,660,460</u>
Changes in fund balances	<u>\$ (994,315)</u>	<u>\$ (71,950)</u>	<u>\$ 1,342,109</u>	<u>\$ (7,364,808)</u>	<u>\$ 900,256</u>

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

Balsz Elementary School District No. 31
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 234,477,828	\$ 228,803,530	\$ 219,245,879	\$ 196,210,651	\$ 189,765,972
Agricultural and Vacant	12,058,528	12,884,651	11,994,241	11,597,979	10,946,619
Residential (Owner Occupied)	56,435,899	53,403,537	50,532,029	47,450,233	43,505,128
Residential (Rental)	76,854,548	69,887,218	64,596,732	59,133,229	54,532,449
Railroad, Private Cars and Airlines	828,227	576,132	536,752	564,374	567,804
Historical Property	4,322	4,117	3,920	148,513	141,439
Total	\$ 380,659,352	\$ 365,559,185	\$ 346,909,553	\$ 315,104,979	\$ 299,459,411
Gross Full Cash Value	\$ 5,676,659,036	\$ 5,292,136,520	\$ 4,817,280,208	\$ 4,335,860,815	\$ 4,045,065,444
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6.71%	6.91%	7.20%	7.27%	7.40%
Total Direct Rate	3.51	3.66	3.83	4.26	3.84

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 189,071,587	\$ 165,377,032	\$ 162,546,313	\$ 169,658,450	\$ 163,070,494
Agricultural and Vacant	10,996,970	9,969,662	11,185,333	11,148,713	11,377,187
Residential (Owner Occupied)	40,942,577	37,542,134	36,279,085	35,233,330	33,905,124
Residential (Rental)	51,607,634	48,481,975	43,326,417	41,156,851	37,079,385
Railroad, Private Cars and Airlines	599,593	571,356	618,813	664,578	591,718
Historical Property	134,705	129,800	122,944	116,413	98,976
Certain Government Property Improvements		8,401	8,001	7,620	7,380
Total	\$ 293,353,066	\$ 262,080,360	\$ 254,086,906	\$ 257,985,955	\$ 246,130,264
Gross Full Cash Value	\$ 3,808,228,971	\$ 3,428,069,198	\$ 2,982,502,499	\$ 2,620,418,653	\$ 2,423,056,100
Ratio of Net Limited Assessed Value to Gross Full Cash Value	7.70%	7.65%	8.52%	9.85%	10.16%
Total Direct Rate	4.04	4.32	4.58	3.74	3.43

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

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

Balsz Elementary School District No. 31
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 306,463,011	\$ 313,167,953	\$ 297,171,678	\$ 257,966,345	\$ 247,010,445
Agricultural and Vacant	15,417,290	17,157,272	16,413,267	14,788,946	13,801,929
Residential (Owner Occupied)	95,478,876	87,486,750	82,377,027	74,749,054	65,865,381
Residential (Rental)	167,373,964	144,433,789	118,943,170	105,445,218	85,475,827
Railroad, Private Cars and Airlines	1,091,893	747,391	679,897	697,834	684,910
Historical Property	19,970	19,995	17,295	417,545	343,040
Total	\$ 585,845,004	\$ 563,013,150	\$ 515,602,334	\$ 454,064,942	\$ 413,181,532
Gross Full Cash Value	5,676,659,036	5,292,136,520	4,817,280,208	4,335,860,815	4,045,065,444
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.32%	10.64%	10.70%	10.47%	10.21%
Estimated Net Full Cash Value	4,345,196,450	\$ 4,069,359,144	\$ 3,691,580,145	\$ 3,259,216,023	\$ 2,918,474,799
Total Direct Rate	3.51	3.66	3.83	4.26	3.84

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 237,353,336	\$ 201,870,077	\$ 182,881,685	\$ 171,404,058	\$ 165,858,681
Agricultural and Vacant	13,894,916	12,249,955	12,183,835	11,414,015	11,426,990
Residential (Owner Occupied)	60,163,755	55,103,992	50,315,544	37,592,991	34,458,705
Residential (Rental)	79,072,849	71,188,216	56,270,213	48,500,016	40,335,551
Railroad, Private Cars and Airlines	698,989	611,694	630,639	670,794	597,298
Historical Property	302,785	232,906	173,750		
Certain Government Property Improvements		10,260	8,155		
Total	\$ 391,486,630	\$ 341,267,100	\$ 302,463,821	\$ 269,751,584	\$ 252,783,656
Gross Full Cash Value	3,808,228,971	3,428,069,198	2,982,502,499	2,620,418,653	2,423,056,100
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10.28%	9.96%	10.14%	10.29%	10.43%
Estimated Net Full Cash Value	2,751,354,621	\$ 2,409,752,241	\$ 2,058,251,059	\$ 1,786,261,736	\$ 1,637,174,632
Total Direct Rate	4.04	4.32	4.58	3.74	3.43

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 the Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value. The net full cash assessed value is used for determining the District's bonding capacity and as the ceiling for net limited assessed value.

Balsz Elementary School District No. 31
Property Tax Assessment Ratios
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	14	14

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	20 %	19 %	20 %
Agricultural and Vacant	15	15	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	16	15

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

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

**Balsz Elementary School District No. 31
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Overlapping Rates									
	State Equalization	County	Community College District	Central Arizona Water	City of Phoenix	City of Scottsdale	Phoenix Union High School District No. 210	District Direct Rates		
								Primary	Secondary	Total
2023		1.25	1.19	1.25	2.11	0.91	4.61	1.82	1.70	3.51
2022	0.43	1.35	1.23	0.14	2.12	1.01	4.72	1.94	1.72	3.66
2021	0.44	1.40	1.29	0.14	2.13	1.03	4.83	1.99	1.84	3.83
2020	0.46	1.40	1.33	0.18	2.13	1.04	4.99	2.11	2.15	4.26
2019	0.47	1.40	1.17	0.14	2.14	1.10	5.20	2.14	1.70	3.84
2018	0.49	1.40	1.41	0.14	2.16	14.12	5.03	2.16	1.88	4.04
2017	0.50	1.40	1.47	0.14	2.17	14.57	5.07	2.19	2.13	4.32
2016	0.51	1.36	1.49	0.14	1.82	1.15	4.96	2.28	2.30	4.58
2015	0.51	1.32	1.52	0.14	1.82	1.24	4.62	2.10	1.64	3.74
2014	0.51	1.79	1.53	0.14	1.82	1.29	4.82	1.64	1.79	3.43

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

**Balsz Elementary School District No. 31
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Taxpayer</u>	<u>2023</u>		<u>2014</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Assessed Valuation</u>
Kv Rmv LLC	\$ 19,549,000	11.66 %		
SFRCO LLC	14,439,100	8.61		
Roosevelt AZ Partners LLC	14,310,900	8.53		
Papago Multi venture LLC	14,115,500	8.42		
Arizona 520 Exchange Owner LLC	13,276,000	7.92		
FFP Alanza LLC	12,820,200	7.64		
DP Van Buren Phoenix LLC	10,432,400	6.22		
Pierce Peak LLC	9,076,100	5.41		
Semiconductor Component Industries, LLC	7,069,610	4.22		
Io Data Centers, LLC	6,226,400	3.71		
Phoenix Office Grand Avenue Partners LLC			\$ 7,882,067	3.12 %
Freescale Semiconductor Inc.			6,775,664	2.68
Columbia Properties Phoenix LP			2,123,801	2.03
Phoenix One LLC			5,078,628	2.01
BP Gateway LLC/ETAL			4,959,802	1.96
Arizona Public Service			4,922,729	1.95
Copperpoint Mutual Insurance Company			4,582,500	1.81
USA 615 North 48th Street Holdco LLC			4,028,583	1.59
Peaks at Papago Apartments LLC			3,551,470	1.40
Amerishop Arcadia LLC			3,416,656	1.35
Total	<u>\$ 121,315,210</u>	<u>72.34 %</u>	<u>\$ 47,321,900</u>	<u>19.90 %</u>

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

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

Balsz Elementary School District No. 31
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 18,432,076	\$ 17,918,446	97.21 %	\$	\$ 17,918,446	97.21 %
2022	13,445,467	13,004,576	96.72	425,160	13,429,736	99.88
2021	13,291,873	12,945,864	97.40	339,404	13,285,268	99.95
2020	13,700,847	13,340,913	97.37	356,586	13,697,499	99.98
2019	11,596,094	11,285,585	97.32	308,761	11,594,346	99.98
2018	11,738,074	11,487,487	97.87	247,230	11,734,717	99.97
2017	12,052,051	11,494,495	95.37	554,622	12,049,117	99.98
2016	11,832,562	11,643,183	98.40	188,279	11,831,462	99.99
2015	9,741,000	9,487,498	97.40	252,689	9,740,187	99.99
2014	8,752,479	8,520,630	97.35	231,176	8,751,806	99.99

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

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

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

Balsz Elementary School District No. 31
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income	
2023	\$ 36,985,670	216,488	\$ 36,769,182	0.65 %	\$ 1,146	\$ 36,985,670	0.65 %	\$ 1,153	0.01 %	
2022	28,647,928	154,261	28,493,667	0.54	818	28,647,928	0.54	823	0.01	
2021	31,060,186	247,142	30,813,044	0.64	903	31,060,186	0.64	910	0.01	
2020	33,089,725	728,607	32,361,118	0.75	977	33,089,725	0.76	999	0.02	
2019	34,834,263	225,699	34,608,564	0.86	874	34,834,263	0.86	880	0.02	
2018	12,139,432	71,270	12,068,162	0.32	323	12,139,432	0.32	325	0.01	
2017	14,228,286	236,567	13,991,719	0.41	375	14,228,286	0.42	381	0.01	
2016	16,522,140	133,864	16,388,276	0.55	546	16,522,140	0.55	550	0.01	
2015	18,840,994	94,948	18,746,046	0.72	641	18,840,994	0.72	644	0.01	
2014	21,114,848	358,736	20,756,112	0.86	703	21,114,848	0.87	715	0.01	

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

Note: The provisions of Governmental Accounting Standards Board (GASB) Statement No.87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2014-2021 information within this column relates to the transactions previously designated as capital leases.

Balsz Elementary School District No. 31
Direct and Overlapping Governmental Activities Debt
June 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Maricopa County Community College District	\$ 135,585,000	0.26 %	\$ 352,521
City of Phoenix	1,201,405,000	0.84	10,091,802
Phoenix Union High School District No. 210	411,555,000	2.05	<u>8,436,878</u>
Subtotal, Overlapping Debt			<u>18,881,201</u>
Direct:			
Balsz Elementary School District No. 31			<u>36,985,670</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 55,866,871</u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		9.66 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,734	
As a Percentage of Net Limited Assessed Valuation		14.62 %
As a Percentage of Gross Full Cash Value		0.98 %

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

- Notes:**
- 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
 - 2) Outstanding debt as of June 30, 2022 is presented for the overlapping governments as this is the most recent available information.

Balsz Elementary School District No. 31
Legal Debt Margin Information
Last Ten Fiscal Years

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2023:

Net full cash assessed valuation	\$ 585,845,004
Debt limit (10% of assessed value)	58,584,500
Debt applicable to limit	<u>36,875,925</u>
Legal debt margin	<u>\$ 21,708,575</u>

Total Legal Debt Margin Calculation for Fiscal Year 2023:

Net Full Cash assessed valuation	\$ 585,845,004
Debt limit (15% of assessed value)	87,876,751
Debt applicable to limit	<u>36,875,925</u>
Legal debt margin	<u>\$ 51,000,826</u>

Fiscal Year Ended June 30

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	\$ 87,876,751	\$ 84,451,973	\$ 77,340,350	\$ 68,109,741	\$ 61,977,230
Total net debt applicable to limit	<u>36,875,925</u>	<u>28,427,588</u>	<u>30,770,656</u>	<u>32,581,668</u>	<u>34,275,000</u>
Legal debt margin	<u>\$ 51,000,826</u>	<u>\$ 56,024,385</u>	<u>\$ 46,569,694</u>	<u>\$ 35,528,073</u>	<u>\$ 27,702,230</u>
Total net debt applicable to the limit as a percentage of debt limit	42%	34%	40%	48%	55%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 58,722,995	\$ 51,190,065	\$ 45,369,573	\$ 40,462,738	\$ 37,917,548
Total net debt applicable to limit	<u>11,850,000</u>	<u>13,870,000</u>	<u>16,095,000</u>	<u>18,345,000</u>	<u>20,550,000</u>
Legal debt margin	<u>\$ 46,872,995</u>	<u>\$ 37,320,065</u>	<u>\$ 29,274,573</u>	<u>\$ 22,117,738</u>	<u>\$ 17,367,548</u>
Total net debt applicable to the limit as a percentage of debt limit	20%	27%	35%	45%	54%

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

- Notes:**
- 1) The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds and the statutory debt limit on Class B bonds. The calculations of the debt margins are presented in detail for the current fiscal year only.
 - 2) 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.

Balsz Elementary School District No. 31
County-Wide Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2022	4,586,431	\$ 268,713,717	\$ 59,759	3.0 %	32,085
2021	4,507,419	249,677,860	56,255	4.5	34,830
2020	4,439,220	245,077,753	53,521	6.6	34,117
2019	4,367,835	210,370,180	47,694	3.6	33,132
2018	4,294,460	210,370,180	40,415	4.1	39,601
2017	4,221,684	196,286,191	45,573	4.2	37,360
2016	4,137,076	185,111,698	42,218	4.5	37,360
2015	4,076,438	184,784,917	42,092	5.5	30,036
2014	4,008,651	168,483,421	29,219	5.1	29,235
2013	4,009,412	147,700,000	27,552	6.2	29,516

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.

**Balsz Elementary School District No. 31
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Banner Health	45,918	2.49 %	25,270	1.41 %
State of Arizona	41,606	2.25	49,278	2.76
Walmart	36,955	2.00	32,169	1.80
Frys Food Stores	20,235	1.10		
Wells Fargo	16,000	0.87	14,713	
Maricopa County	13,648	0.74	12,698	0.71
City of Phoenix	16,432	0.89	14,983	0.84
Intel Corporation			11,900	0.67
Arizona State University	35,474	1.92	12,222	0.68
University of Arizona	16,021	0.87		
Dignity Health Arizona	15,403	0.83		
JP Morgan Chase & Co.			11,042	0.62
Bank of America			11,000	0.62
Total	<u>257,692</u>	<u>13.96 %</u>	<u>195,275</u>	<u>10.11 %</u>
Total employment	<u>1,845,910</u>		<u>1,787,700</u>	

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

Note: The information presented above is for the Greater Phoenix Area.

Balsz Elementary School District No. 31
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Supervisory					
Superintendent	1	1	1		
Assistant superintendents		1	1		
Consultants/supervisors of instruction		1	2	2	3
Principals	5	5	5	4	4
Assistant principals	6	2	3	1	1
Total supervisory	<u>12</u>	<u>10</u>	<u>12</u>	<u>7</u>	<u>8</u>
Instruction					
Teachers	163	118	130	130	128
Aides	46	25	37	34	30
Total instruction	<u>209</u>	<u>143</u>	<u>167</u>	<u>164</u>	<u>158</u>
Student Services					
Nurses	6	4			
Counselors/Advisors	12	2			
Librarians	4	2	1	1	4
Technicians	8	8	8	10	14
Total student services	<u>30</u>	<u>16</u>	<u>9</u>	<u>11</u>	<u>18</u>
Support and Administration					
Service workers	64	62	43	47	62
Unskilled laborers	38	21	11	14	16
Total support and administration	<u>102</u>	<u>83</u>	<u>54</u>	<u>61</u>	<u>78</u>
Total	<u><u>353</u></u>	<u><u>252</u></u>	<u><u>242</u></u>	<u><u>243</u></u>	<u><u>262</u></u>

(Continued)

Balsz Elementary School District No. 31
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Supervisory					
Consultants/supervisors of instruction	3	1	1	1	1
Principals	4	4	4	4	4
Assistant principals	1	2	2	2	2
Total supervisory	<u>8</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Instruction					
Teachers	130	131	148	148	140
Aides	30	30	38	38	35
Total instruction	<u>160</u>	<u>161</u>	<u>186</u>	<u>186</u>	<u>175</u>
Student Services					
Librarians	4	4	4	4	4
Technicians	14	15	18	18	21
Total student services	<u>18</u>	<u>19</u>	<u>22</u>	<u>22</u>	<u>25</u>
Support and Administration					
Service workers	60	64	54	54	54
Unskilled laborers	16	12	13	13	16
Total support and administration	<u>76</u>	<u>76</u>	<u>67</u>	<u>67</u>	<u>70</u>
Total	<u><u>262</u></u>	<u><u>263</u></u>	<u><u>282</u></u>	<u><u>282</u></u>	<u><u>277</u></u>

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

(Concluded)

Balsz Elementary School District No. 31
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2023	2,035	\$ 34,589,406	\$ 16,997	20.24 %	\$ 41,383,752	\$ 20,336	19.73 %	209	9.7	98.3 %
2022	2,094	29,601,672	14,136	22.05	35,566,236	16,985	11.96	143	14.6	98.3
2021	2,076	24,044,784	11,582	8.13	31,494,630	15,171	18.70	167	12.4	98.3
2020	2,163	23,169,103	10,712	4.11	27,645,086	12,781	8.09	164	13.2	98.3
2019	2,176	22,387,173	10,288	(2.58)	25,730,151	11,825	3.17	158	13.8	92.0
2018	2,164	22,852,245	10,560	12.55	24,803,233	11,462	(0.03)	160	13.5	93.0
2017	2,309	21,664,539	9,383	2.19	26,473,766	11,465	9.66	161	14.3	93.5
2016	2,334	21,429,591	9,181	6.86	24,404,157	10,456	2.42	186	12.5	91.2
2015	2,429	20,870,488	8,592	(0.04)	24,796,589	10,209	2.82	186	13.1	92.0
2014	2,489	21,393,757	8,595	8.13	24,711,279	9,928	5.81	175	14.2	91.2

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

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

Balsz Elementary School District No. 31
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schools</u>										
<u>Elementary</u>										
Buildings	5	5	5	5	5	5	5	5	5	5
Square feet	434,738	434,738	434,738	440,060	440,060	440,060	440,060	440,060	440,060	400,347
Capacity	5,763	4,014	4,014	4,014	4,014	4,014	4,014	4,014	4,014	3,954
Enrollment	2,121	2,356	2,286	2,407	2,407	2,407	2,429	2,582	2,582	2,678
<u>Administrative</u>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	13	13	13	13	13	13	13	18	18	18
<u>Athletics</u>										
Baseball/softball	10	6	6	6	6	6	6	6	6	6
Playgrounds	10	6	6	6	6	6	6	6	6	6

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

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