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A-rated by the Arizona Department of Education.*

Maricopa County, Arizona

GILBERT

PUBLIC SCHOOLS

Annual Comprehensive Financial Report

FISCAL YEAR ENDING JUNE 30 2024

140 S. Gilbert Rd, Gilbert, Arizona 85296

Gilbert Unified School District No. 41

Gilbert, Arizona

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

Issued by:
Business Services Department

Gilbert Unified School District No. 41

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Introductory Section



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SUPERINTENDENT

Dr. Shane McCord

ASSOCIATE SUPERINTENDENT

Ms. Bonnie J. Betz

ASSISTANT SUPERINTENDENTS

Dr. Jason Martin

Ms. Marcie Taylor

Mr. Shawn McIntosh

Mr. Jared Ryan

GILBERT PUBLIC SCHOOLS

GOVERNING BOARD

Mr. Chad Thompson, President

Dr. Blake Robison, Clerk

Mrs. Jill Humpherys, Member

Mrs. Shana Murray, Member

Mr. Jesse Brainard, Member

January 28, 2025

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

It is our pleasure to submit to you the Gilbert Unified School District No. 41 (the District otherwise known as Gilbert Public Schools) Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. State law mandates that school districts that are required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that

there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

Gilbert Public Schools is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade twelve. GPS resides in the east part of Maricopa County and encompasses about 62 square miles mostly within the Town of Gilbert but includes small areas in the Cities of Chandler and Mesa.

District Governance

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

The Governing Board consists of five members elected by the public. Throughout FY 2024, these five individuals included Board Clerk, Mr. Chad Thompson (he recently replaced President, Mrs. Sheila Uggetti, in presiding over Governing Board meetings as she passed away in September of 2024), and Board Members Mrs. Lori Wood, Mrs. Jill Humpherys and Mrs. Ronda Page.

Three Governing Board member seats were up for election in the November 5, 2024 election; Mrs. Ronda Page and Mrs. Lori Wood opted to not run for re-election and, of course, Mrs. Uggetti passed away. Five candidates vied for the three open seats on the GPS Governing Board and Dr. Blake Robison, Mrs. Shana Murray and Mr. Jesse Brainard have been elected to serve starting on January 1, 2025. As of this date, these three individuals have been sworn in by the Maricopa County Superintendent and have taken their new seats. At the Governing Board organizational meeting held on January 4, 2025, Mr. Chad Thompson was elected Governing Board President, and Dr. Blake Robison was elected Governing Board Clerk.

Under existing statutes, the duties and powers of the Governing Board include, but are not limited to, the acquisition, maintenance and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The major operations of the District include education, student transportation, construction and maintenance of District facilities, food services, bookstore, and athletic functions.

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

District Leadership and School Performance

Dr. Shane McCord, at the end of FY 2024, completed his 7th year as Superintendent of Gilbert Public Schools. During FY 2019, he led his leadership team in the process of creating a Strategic Operating Plan (SOP). This plan included four main elements surrounding the overall priority of Student Success: Safe and Supportive Schools, Employee Excellence, Family and Community Engagement and finally, Operational Excellence.

During FY 2024, Dr. McCord initiated a District-level continuous improvement process to provide greater structure and consistency District-wide following the prior year's efforts on the formal school-level continuous improvement processes. This District-level process continues to monitor the adoption of new curricula, new grading practices as well as insuring each school is making progress towards their specific school goals.

All of these academic alignment activities along with continued increases in teacher salary, new curricula, new instructional teacher professional development defined within the District Instructional Framework, instructional coaches as well as two principal coaches addressing instructional leadership at all 39 school entities; (inclusive of the Canyon Valley Program) continues to positively impact the District's overall success and achievement. The most notable activity of these school-based and district-based continuous improvement strategies has been the regular review of student data to inform teaching and therefore, drive academic achievement for all students at all 38 District schools. For purposes of State Accountability, Canyon Valley results are included within each student's home high school.

The academic achievement for FY 2024 has been reported and is significantly improved over the great successes during FY 2023. For background, academic achievement in Arizona is measured based on Section 15-241 of the Arizona Revised Statutes (A.R.S). This statute requires the Arizona Department of Education to develop an annual achievement profile for every public school in the State based on an A through F scale. This system measures year over year student academic growth, proficiency in English Language Arts, Math and Science, the proficiency and academic growth of English Language Learners, indicators than an elementary student is ready for success in high school and that high school students are ready to succeed in a career or higher education pathway. This system also accounts for graduation rates.

For High Schools, (9-12), the Accountability Formula includes the following metrics:

- 30% Proficiency
- 20% Student Growth
- 20% Graduation Rate
- 20% College and Career Readiness Index – (considers Career and Technical Education completers, Advanced Placement, International Baccalaureate and East Valley Institute of Technology participants)

For all elementary and junior high schools (K-8), the Accountability Formula includes the following metrics:

- 50% Student Growth
- 30% Proficiency
- 10% Growth and Acceleration Points
- 10% English Language Learners

The reports released at the end of October, 2024, have re-affirmed the "A" Rating for GPS identifying GPS as an excelling school district in Arizona. All 38 schools achieved an "A" or "B" rating indicating an Excelling or Highly Performing school.

All six (6) high schools achieved their own “A” rating (to include Gilbert Classical Academy, a 7-12 school). Three of the GPS high schools achieved point totals that ranked them in the top 50 high schools in the State. All six high schools achieved the total points (20 out of 20) on College and Career Readiness – *never before achieved in GPS*. GPS was one of only two districts where 100% of the high schools received an “A” rating. All high schools saw dramatic improvements associated with the performance of all subgroups. Every school increased Advanced Placement participation with passing grades, as well as increased participation in accelerated and honors courses.

In addition, the remaining K-8 schools as well as the District On-Line school also made significant strides in academic achievement. First, Global Academy, after navigating a Federal Improvement Plan, attained a “B” rating earning the rank of the number one On-Line school in Arizona!

All five (5) of the 7-8 junior highs achieved significant academic growth during this reporting year earning over 40% in growth. South Valley Junior High, Highland Junior High and Greenfield Junior High earned “A” ratings with Desert Ridge Junior, and Mesquite Junior earning “B” ratings. Of all seven (7) East Valley school districts, GPS has the highest percentage of “A” letter grades with GPS ranking #1 in 8th grade Math proficiency and #2 in 8th grade ELA proficiency.

Finally, twenty-two (22) of the remaining K-6 elementary schools earned an “A” rating with the remaining four (4) elementary schools achieving a “B” rating. In summary, 100% of all GPS schools achieved an “A” or “B” rating with over 81% earning an “A” and GPS successfully achieved an “A” district rating for two years in a row.

As a reminder, Neely Traditional Academy and Gilbert Classical Academy have been awarded the distinction of a Blue-Ribbon School which is based on a school’s overall academic performance and progress in closing achievement gaps among student subgroups. The U.S. Department of Education recognized 353 National Blue-Ribbon Schools for 2023 so for GPS to have two of those 353 schools is a remarkable achievement.

Other notable recognitions include:

- Offering Excelling or Highly Performing Educational Choice with Accelerated Instruction, Traditional, Dual-Language, Advanced Placement, International Baccalaureate, and Numerous Career and Technical Education (CTE) Classes all of which Earned a Proficient or Distinguished Quality Rating from the Arizona Department of Education CTE Department
- Athletic Achievements with State Champions in Cheer and Pom, Flag Football, Beach Volleyball, Track and Field, Cross Country and Wrestling

- Performing Arts Successes with the NAMM Award for Music Education 5 years in a Row, as well as several Band Competition Championships

FACTORS AFFECTING FINANCIAL CONDITION

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

The expenditure budget is prepared by fund for all Governmental funds, and includes function and object code detail for the General Fund, and some Special Revenue and Capital Projects Funds. The legal level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all required funds. Funds that are not required to legally adopt a budget may have over-expenditures of budgeted funds. The budget for these funds is simply an estimate of revenues expected and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented. A deficit budgeted fund balance does not affect the District's ability to expend monies. The various circumstances impacting the financial condition of Gilbert Public Schools in this reporting year as well as the current year is discussed below.

The FY 2024 Operating Budget

The State of Arizona enacted a budget for FY 2024 that included an ongoing increase in operational funding and increased the District Additional Assistance (DAA) allocation by 9.4%. In addition, a one-time funding amount of \$8.76 million was also awarded to GPS providing much needed capital dollars to meet the ongoing demands of facility renewal. These combined increases resulted in a capital funding level increase of about \$6.5 million. The District Additional Assistance, or DAA, is the State public-school district capital funding and had been adjusted down since FY 2015. The total loss in funding for GPS over the five-year period from 2015 through 2020 exceeded \$75.5 M.

The District, in addition to budgeting for a 15% override, and considering the legislative actions associated with the State budget, adopted a FY 2024 budget assuming a loss of 400 students from FY 2023. The District adopted an operation budget of about \$286.2 million, a value about \$15.7 million less than the prior fiscal year due to the drawdown of the Maintenance and Operations (M&O) fund balance during FY 2023. During the Spring of FY 2023, Gilbert Public Schools prefunded the Arizona State Retirement System Contribution in an amount of \$20 million providing greater fiscal flexibility well into the future. At this point in time, over \$2.4 million has been earned in interest earnings from the ASRS investment pools increasing the value of this prepayment. In Arizona, the M&O Fund is the main operating fund but State law does not allow school districts to increase their budgets with interest earnings.

By prefunding the ASRS contribution, the District has created an asset that can grow in value over time allowing GPS to utilize this prepayment strategically to meet future District needs.

As Gilbert Public Schools continues with full in-person learning, the enrollment of the GPS online school – Global Academy – continues to decline to pre-pandemic numbers of around 230 students (full-time and part-time). The table below shows the changes in student counts, or average daily membership through 100 days. As a reminder, the definition of student count or Average Daily Membership is the number of student FTE in membership from day 1 to day 100 of the 180 school days required in Arizona. The weighted student count is included within this table as well.

	FY 2023 Final	FY 2023 Revised #2	FY 2024 Adopted	FY 2024 Revised #2	FY 2024 Final Recalc
In Person	31,268	31,233	30,833	30,672	30,627
Arizona Online (AOI) Full-Time	224	239	232	145	127
Arizona Online (AOI) Part-Time	105	100	106	97.72	106
TOTAL	31,596	31,572	31,171	30,915	30,860
Weighted Student Counts	45,803	45,790	45,340	45,388	45,444

Note from the table above that during the year, GPS realized a total student count loss of about 736 students. The weighted student counts, however, grew by about 104 students during the year allowing GPS to increase its budget during FY 2024. The District Student Accounting team worked with registrars and leaders tightening up the special education disability processes ensuring that the correct disability was assigned to the student resulting in higher weighted student counts without an associated increase in cost. As a reminder, Arizona school districts have been funded based on current year student counts (ADM) since fiscal year 2017.

Please see below a second table that shows the changes in budget capacity realized throughout this reporting year.

Budget Item	FY 2023 Revised #2	FY 2024 Adopted	FY 2024 Revised #1	FY2024 Revised #2	Increase (Decrease) from FY2024 Adopted
Weighted Student Count	45,789.62	45,340.22	45,411.79	45,388.48	48.26
Revenue Control Limit (RCL)	\$ 231.65 M	\$ 234.98 M	\$ 235.34 M	\$ 235.22 M	\$.24 M
Transfer DAA to M&O	0	1.20 M	0	0	(1.20 M)
15% Override (Based on PY Weighted ADM)	34.83 M	35.77 M	35.77 M	35.77 M	0
Budget Balance Carry Forward (BBCF)	33.17 M	11.98 M	18.86 M	18.86 M	6.88 M
Proposition 123 (exp FY24/25) and Tuition In	2.30 M	2.30 M	2.27 M	2.25 M	(.037 M)
TOTAL Budget Limit for M&O	\$ 301.95 M	\$ 286.23 M	\$ 292.24 M	\$ 292.10 M	\$ 5.88 M

First, note the decrease in budget capacity of about \$15 M from FY 2023 Revised #2 to FY 2024 Adopted. This reduction was a direct result of prefunding the Arizona State Retirement (ASRS) contribution in an amount of \$20 M. Note the Budget Balance Carry-forward decrease comparing the two years. With the new legislatively approved Base Level Amount of \$ 4,914.71 (an increase of 2.92%), GPS had about \$5.47 M in new money to go towards increases in staffing and in salaries. In addition, during the year, note the increased budget capacity from Adopted due to the increases in weighted student counts and increases in Budget Balance Carry-forward (BBCF). From Adopted budget, the M&O (Maintenance and Operations) Budget increased by about \$5.9 M.

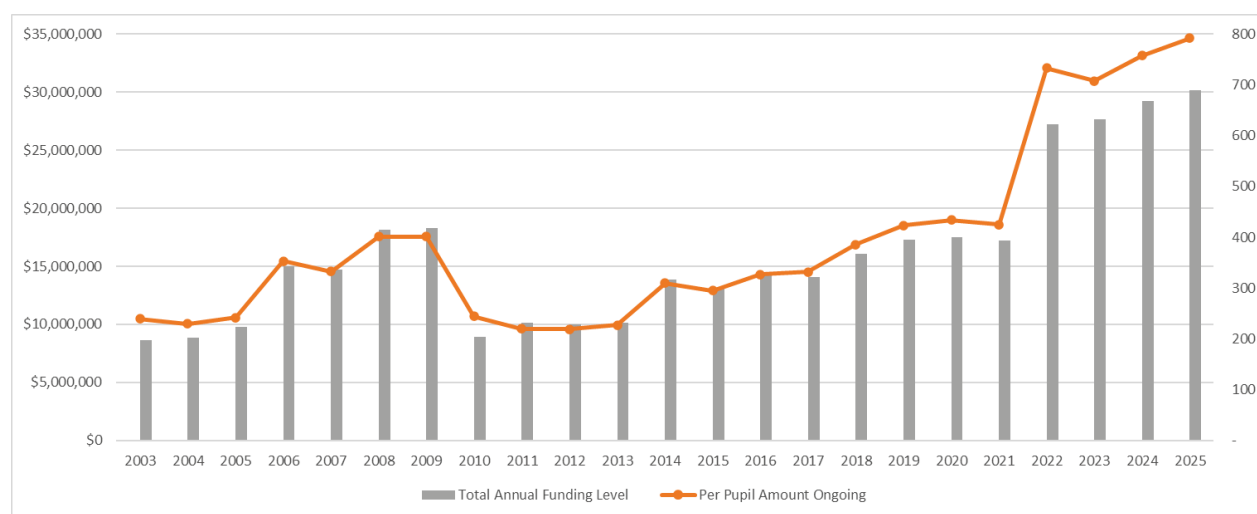
Due to the overall increase in State resources and in improving the accuracy of reporting our special education students, the Governing Board approved programmatic increases for additional Art Teachers and some support personnel, some inflationary increases as well as a 3% pay increase for all exempt staff and a \$1 per hour increase for all hourly staff. Over \$ 9 M was added to retain and attract high quality personnel in all positions throughout the District. All of these budgetary increases were consistent with the goals specified in the Strategic Operating Plan.

Though the spend increases associated with Coronavirus have waned (purchase of PP&E as well as additional cleaning supplies), inflationary increases were considered and budgeted for. Notable inflationary increases occurred in utilities and in fuel where a gallon of diesel for District transportation was maintained throughout the year at the \$ 4.00 to \$ 4.25 per gallon. All of these expenditures were accounted for in both operating funds as well as remaining eligible ESSER III monies – Elementary and Secondary School Emergency Relief Funds.

As has been the practice from FY 2020 through FY 2023, the District purposefully controlled FY 2024 spend of local funds and judiciously continued to use available Federal ESSER III monies as well as other eligible State monies. The control of spend was important due to the uncertainty of ongoing revenue streams as well as the future potential for continued enrollment loss.

Classroom Site Fund Contribution to Operating Budget:

In balancing the FY 2024 budget, Classroom Site Fund revenues of \$ 5 M were allocated to help pay the 3% salary increases for certified and other certificated professional staff at our schools to include social workers, speech pathologists and psychologists. Classroom Site Fund is a Special Revenue fund that accounts for State Land Trust revenues as well as a 0.01 cent sales tax approved by the voters in 2002 and approved to be ongoing by the legislature for FY 2023 and on. In addition, for FY 2024, Classroom Site Fund use was expanded to include other certificated personnel – not just teachers – supporting students at our schools. For FY 2024, the amount per pupil was \$758 with a budgeted expected revenue of \$29.25 M, an increase of \$1.6 M from FY 2023. Below is a graph showing the significant increases in Classroom Site Fund on a per student basis since inception.



Without this important revenue source, salary increases at this level would not have been possible.

Local Economy

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates. Many of the details presented below can also be found in the Town of Gilbert Annual Comprehensive Financial Report found at:

<https://www.gilbertaz.gov/departments/finance-mgmt-services/annual-comprehensive-financial-report>

The District is located in the southeast portion of Maricopa County. Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,226 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such other towns as Paradise Valley and Fountain Hills along with Gilbert.

Maricopa County is currently the nation's fourth largest county in terms of population size and the 14th in land area. Maricopa County has a very wide range of economic sectors supporting its substantial growth. Less than 16 percent of the County is incorporated in cities and towns. The County's 2020 population was estimated at 4.4 million and is expected to reach 6 million by 2030.

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

Gilbert is the principal town within Gilbert Public Schools along with portions of Maricopa County property and portions of the cities of Mesa and Chandler. For the past 10 years, Gilbert Public Schools has been ranked first as the largest employer within the Town reporting over 2,900 employees.

Gilbert became a prime farming community fueled by the construction of a railroad line in 1902 as well as construction of the Roosevelt Dam and the Eastern and Consolidated Irrigation Canals in 1911. Gilbert has experienced a rapid transition from a historically agriculture-based community to an urban center and suburb in the Phoenix Metropolitan area, which is ranked in the top ten best areas in the country for business, with technology leading the field of growth. Gilbert has grown at a pace unparalleled by most communities in the United States, increasing in population from 5,717 in 1980 to over an estimated population of 280,000 in 2023. As Gilbert has aged and grown – the Town turned 100 in 2020 - the community has recognized the need to develop a strong, diverse economy while reserving its highly desirable quality of life.

Today, the Town of Gilbert is a young, affluent community that saw tremendous growth during the past two decades. Gilbert is a safe, clean and vibrant community dedicated to providing quality services at the best value. Gilbert is a community committed to education; 48.1% of residents age 25 and older hold a bachelor's degree or higher, compared with about 33.6% statewide and 36.2% nationally. Notable employers like Banner Health, Banner MD Anderson Cancer Center, Dignity Health, Deloitte, Footprint, Silent-Aire, Northrop Grumman, Zero Electric Vehicles, Li-Cycle, Lockheed Martin, and the worldwide headquarters of Isagenix benefit from this commitment to education and have helped keep Gilbert's fiscal year 2023 unemployment rate at 3.3%, as compared to 3.8% for the State of Arizona.

Gilbert has received numerous awards and recognitions, a few of which are included below:

- ☐ AAA Bond rating from all three major rating agencies (S&P, Moody's, and Fitch)
- ☐ Ranked #1 as the Best Place to Live in Arizona – Ranking Arizona, 2022
- ☐ 7th Safest City in America (WalletHub, 2022)
- ☐ 7th Best City for First-Time Home Buyers (WalletHub, 2023)
- ☐ 9th Best City to Raise a Family (WalletHub, 2023)
- ☐ 12th Best Big City to Live in America (Stacker, 2023)

Finally, the housing market and commercial development within the Town of Gilbert continues to be strong. During FY 2023, the limited assessed value grew by 6.8%. This continued assessed value growth decreases the risk of greater property tax delinquencies associated with economic declines and allows the Town to continue to provide community services within a very affordable tax rate.

Long-term Financial Planning

Beginning in 1985, the GPS experienced a twenty-year period of rapid enrollment growth. This enrollment growth began slowing down in 2006. Since the 2010-2011 school year GPS has experienced a trend of declining enrollment. Though there was an uptick in student counts in FY 2020, as previously mentioned, and a significant reduction in FY 2021 due to the pandemic, student counts increased from 2021 but continues a slow decline in 2023 and has accelerated a bit in the current year, 2024, with the reported 736 enrollment loss.

Due to this continuing slow decline, GPS engaged in a Master Capital Planning process during FY 2023 and continued throughout FY 2024 and will be ongoing in the future. It is important that GPS prioritizes capital spend where it is most needed. The District partnering firms, Orcutt-Winslow and Ameresco presented the status of GPS facilities in the spring of 2023. The plan is to update this report biannually. The overall facility portfolio statistics are included below:

1. Total GSF (gross square footage: 4.82M Sq. Ft)
2. Total CRV (Current Replacement Value: \$1.81B)
3. Approximately 75% of the portfolio's square footage was constructed in the 1990's and 2000's
4. Average age of GPS portfolio is 32 years (circa 1991)

At the end of FY 2023, there was an outstanding deferred maintenance amount of about \$198 million. The Bond spend during FY 2024 was prioritized to the highest needs with expenditures exceeding \$22 million and exhausting nearly all of the available bond funds and bonding authority. At year end, a \$5.6 M balance is being reported. Because of this drawdown of Bond funds but

continued aging of facilities, Gilbert Public Schools held a Bond and 15% Override Continuation election in November of 2023. Unfortunately, both the Bond and Override questions failed.

GPS regrouped and held another election in November of 2024 requesting approval for the 15% Override Continuation as well as approval to sell two parcels of land, one in Mesa and the other in Gilbert. Since the Bond question failed in November of 2023, taxpayer approval to sell these parcels provides an opportunity to increase the District's capital resources. Fortunately, both questions passed resoundingly providing GPS with another five years of General Fund stability, and two potential capital assets available to sell if future Bond questions are not successful.

Presently, the Asset Planner database is being updated to reflect current capital project costing and an updated FCI (Facility Condition Index) ensuring GPS has all the information needed to continue prioritizing capital projects given the limited capital funding. As a reminder, in FY 2023, an FCI of 8.7% was reported representing a value in the "fair" range.

As the school buildings at GPS continue to age (23 school buildings are older than 20 years and 16 additional schools were built between 2000 and 2010) there is increasing pressure to reinvest capital resources ensuring the continued safe and comfortable learning environments for the District's over 31,000 students. GPS continues to monitor capital asset condition and continues to hold adequate reserves while monitoring spend closely.

Finance staff continue to plan for future needs without increasing the Bond Debt Service tax rate. GPS continues to amortize outstanding debt over shorter timeframes allowing new debt to fill in older debt as it is old debt is paid off. Due to these strategies, there is still an opportunity in November of 2026 to be able to manage a no tax rate increase even with an additional \$100 M to \$200 M request of bonding authority. No future Bond questions have been considered at this time.

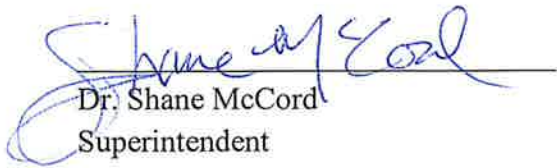
AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 38th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. In order to be awarded these certificates, the District publishes an easily readable and efficiently organized annual comprehensive financial report. This report satisfies 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.


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

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

Respectfully submitted,



Dr. Shane McCord
Superintendent



Ms. Bonnie J. Betz
Associate Superintendent
Business and Support Operations



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Gilbert Unified School District 41

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

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



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

Ryan S. Stechschulte
President

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

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Gilbert Unified School District No. 41
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

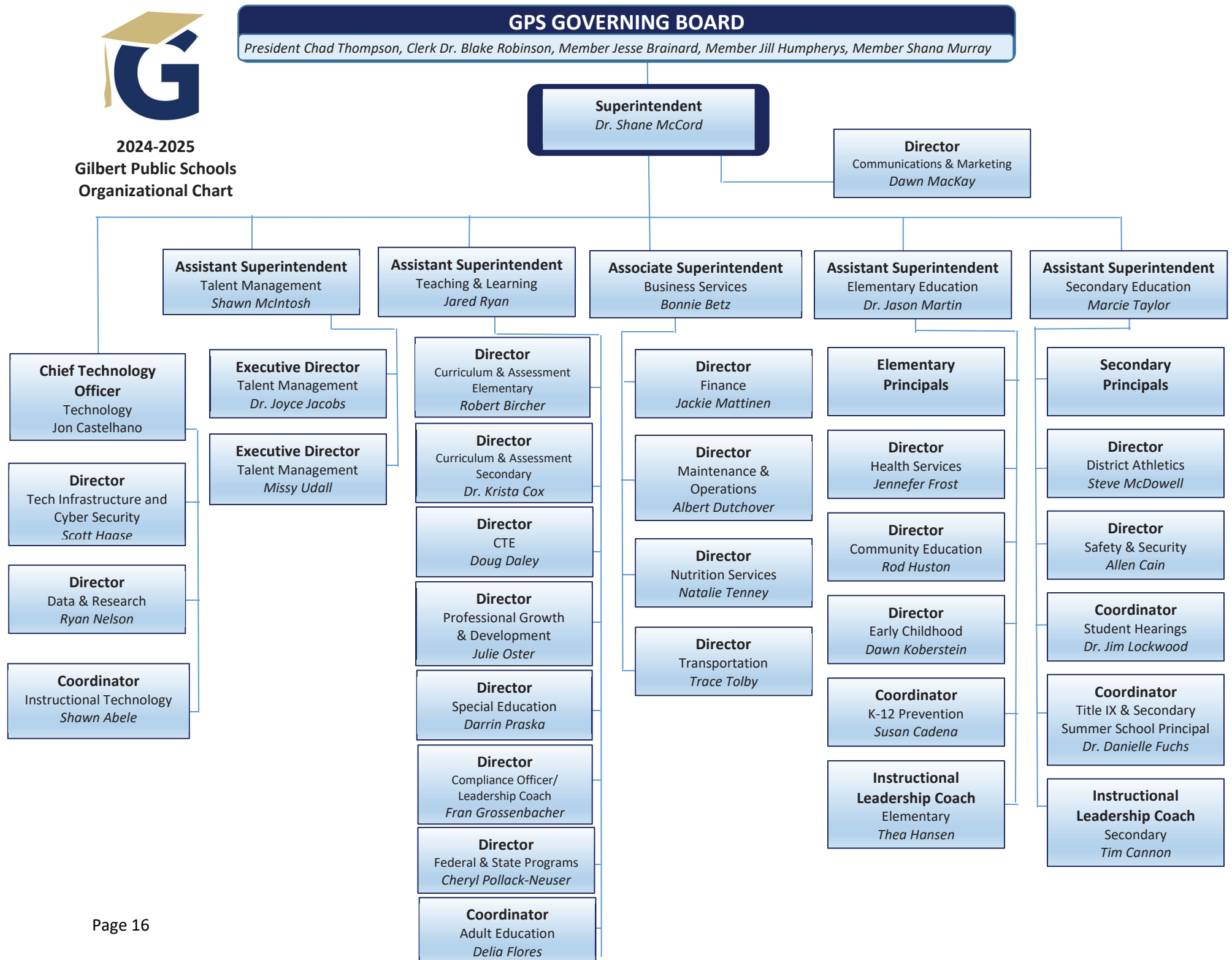
June 30, 2023

Christopher P. Morill

Executive Director/CEO



**2024-2025
Gilbert Public Schools
Organizational Chart**



GILBERT UNIFIED SCHOOL DISTRICT NO. 41

LIST OF PRINCIPAL OFFICIALS

GOVERNING BOARD

Mr. Chad Thompson, President

Dr. Blake Robison, Clerk

Mrs. Jill Humpherys, Member

Mr. Jesse Brainard, Member

Mrs. Shana Murray, Member

ADMINISTRATIVE STAFF

Dr. Shane McCord, Superintendent

Bonnie J. Betz, Associate Superintendent of Business and Support Operations

Mr. Shawn McIntosh, Assistant Superintendent of Talent Management

Mr. Jared Ryan, Assistant Superintendent of Teaching and Learning

Ms. Marcie Taylor, Assistant Superintendent of Secondary Schools

Dr. Jason Martin, Assistant Superintendent of Elementary Schools



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Financial Section



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Independent Auditor's Report

Governing Board
Gilbert Unified School District No. 41

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilbert Unified School District No. 41 (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gilbert Unified School District No. 41, as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2025, on our consideration of Gilbert Unified School District No. 41's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Gilbert Unified School District No. 41's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gilbert Unified School District No. 41's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
January 28, 2025



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



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Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

As management of the Gilbert Unified School District No. 41 (District, or GPS), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. The Management's Discussion and Analysis is presented as required supplementary information to 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 \$28.0 million which represents a seven percent increase from the prior fiscal year. This increase was due to the combined effects of increased weighted student counts from projection, increases in Unrestricted Capital budget capacity due to the allocation of \$8.76 million in one-time money from the State of Arizona, the paydown of Bond debt of over \$22.8 million offset slightly by small increases in the Net Pension Liability and Compensated Absences as well as a \$34.0 million increase in capital assets.
- General revenues from the Government-wide activities accounted for \$377.2 million in revenue, or 84 percent of all current fiscal year revenues. This revenue amounts to over \$29.4 million in increased revenues from the prior year. Program specific revenues in the form of charges for services and grants and contributions accounted for \$70.6 million or 16 percent of total current fiscal year revenues.
- The District reported approximately \$419.8 million in expenses related to governmental activities, an increase of eight percent from the prior fiscal year for a total increase of about \$31.2 million. Explanations are included below.
 - Due to increases in State funding approved by the legislature, and increases in Classroom Site Fund, GPS was able to provide increases to all employees both hourly and exempt. In April of 2023, the Governing Board approved a 3 percent salary increase for all exempt employees and \$1.00 per hour increase for all hourly workers. Twelve FTE (full time equivalents) of Art teachers were also added as well as an increase to the hard to fill position allocation as the competition for math, science and special education teachers continued during FY 2024.
 - The pandemic waned substantially during FY 2024, though the resulting inflation placed budgetary constraints on department and school budgets throughout the year. In Transportation for example, transportation - diesel fuel prices were maintained at levels at nearly \$4.00 per gallon, utility costs continue to increase, and schools experienced increased costs in custodial supplies. All COVID-19 related spend for PP&E, however, has been discontinued.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Financial Highlights (Cont'd)

- Among major funds, the General Fund had \$317.4 million in current fiscal year revenues, primarily consisting of state aid and property taxes, with a small amount associated with Federal Aid from Medicaid and E-Rate. There were \$308.3 million in expenditures. The General Fund's fund balance increase from \$135.7 million at the prior fiscal year end to \$146.4 million at the end of the current fiscal year was primarily due to more revenue than expected due to increases in weighted ADM from projection, the additional one-time money allocation of \$8.76 million as well as the continued control of spend.
- Net position for the Internal Service Funds decreased by just over \$1.0 million from the prior fiscal year due to a drawdown of Employee Benefit Trust (EBT) fund balance associated with unusually high medical and pharmaceutical claims expenses. Fortunately, due to the investment strategies approved by the EBT Trust Board and GPS Governing Board, the investment income exceeded \$1.0 million offsetting about \$1 million of the \$2.1 million in operating loss.
- As a reminder, a major change to the financial operation of the EBT was adopted in December of 2022. Prior to December of 2022, the Employee Benefit Trust was a VEBA Trust – a trust in which the fiduciary was US Bank. There was minimal if any financial oversight nor strategy for safely investing monies held in reserve. At the December 14, 2022 Governing Board Meeting, Staff recommended that the District form a formal Employee Benefit Trust and create a formal Employee Benefit Trust Board. Later in the Spring, the Governing Board also adopted a conservative investment policy complying with State statute and ensuring the preservation of EBT reserve balances. Since that time, the investment income continues to assist in offsetting unusually high pharmacy and medical claims expenses.

At the January 7, 2025 GPS Governing Board meeting, the Governing Board appointed Mrs. Jill Humpherys as the new District Governing Board member Trustee taking over the Trustee position vacated by Mrs. Uggetti. As a reminder, this formal trust board is now responsible for the fiduciary oversight of the EBT Fund.

Overview of Financial Statements

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

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

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Overview of Financial Statements (Cont'd)

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

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

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

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

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

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

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Overview of Financial Statements (Cont'd)

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

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

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

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

Other information. In addition to the basic financial statements and accompanying Notes, this report also presents certain required supplementary information concerning the District's budget process and pension plan. The District adopts an annual expenditure budget for all governmental funds. A schedule of revenues, expenditures and changes in fund balances – budget and actual has been provided for the General Fund and major Special Revenue Funds as required supplementary information. Please note that the General Fund budgetary schedule only considers the activity of the GPS Maintenance and Operations Fund (M&O), which is the main operating fund within the District and has the statutorily required budgetary controls. The other smaller funds included in the "General Fund" at the Governmental fund statements are primarily cash-controlled funds – the monies can be spent as long as there is cash available to pay for the activity. Schedules for the pension benefit plan have also been provided as required supplementary information.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

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 \$405.2 million at the current fiscal year end. This net position represents an increase over the prior year of \$28.0 million.

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment, and construction in progress), less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related outstanding debt it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. In addition, a portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

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

	As of June 30, 2024	As of June 30, 2023
Current and other assets	\$ 321,393,410	\$ 294,628,912
Capital assets, net	544,282,682	537,368,892
Total assets	<u>865,676,092</u>	<u>831,997,804</u>
Deferred outflows	<u>36,942,892</u>	<u>45,450,362</u>
Current and other liabilities	38,280,160	28,627,075
Long-term liabilities	439,404,184	458,911,443
Total liabilities	<u>477,684,344</u>	<u>487,538,518</u>
Deferred inflows	<u>19,769,595</u>	<u>12,768,886</u>
Net position:		
Net investment in capital assets	404,276,364	397,210,926
Restricted	62,180,940	52,686,013
Unrestricted	(61,292,259)	(72,756,177)
Total net position	<u><u>\$ 405,165,045</u></u>	<u><u>\$ 377,140,762</u></u>

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis (Cont'd)

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

- The principal retirement of \$22.8 million of bonds.
- The addition of \$6.9 million in capital assets net of depreciation through school and administrative building and land improvements and purchases of vehicles, furniture, and equipment.
- Interest earnings of \$1.8 million associated with the ASRS prepayment of \$20 million in future ASRS required contributions.

As a reminder, pursuant to Senate Bill 1082 and Arizona Revised Statute Title 38 § 737, the Arizona State Retirement System (ASRS) implemented an innovative program for employers to voluntarily prepay future pension contribution obligations while maintaining future budget flexibility. The Contribution Prepayment Program (CPP) is a voluntary program available to ASRS employers. The CPP allows a school district to maintain budget flexibility by allowing employers to determine when to utilize the prepaid CPP balances for example, during future economic downturns when budgets are more restricted.

Employers may deposit a lump-sum payment to the ASRS which is credited with actual ASRS investment returns. Employers determine when, in the future, to utilize their prepaid contributions. Utilization occurs when an employer decides to offset their future contribution payments. Employers determine the length of time (amortization period) over which to utilize their prepaid contributions.

As Gilbert Public Schools prepaid \$20 million at the end of fiscal year 2023, the value today exceeds \$22.0 million increasing the value of this asset to be used in the future. Because these prepaid contributions made to the ASRS Trust pool have been invested pursuant to their investment policies and ASRS has had significantly favorable returns, GPS has realized over \$2.0 million in investment earnings. Overall, ASRS outperforms most comparable organizations throughout the Nation.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

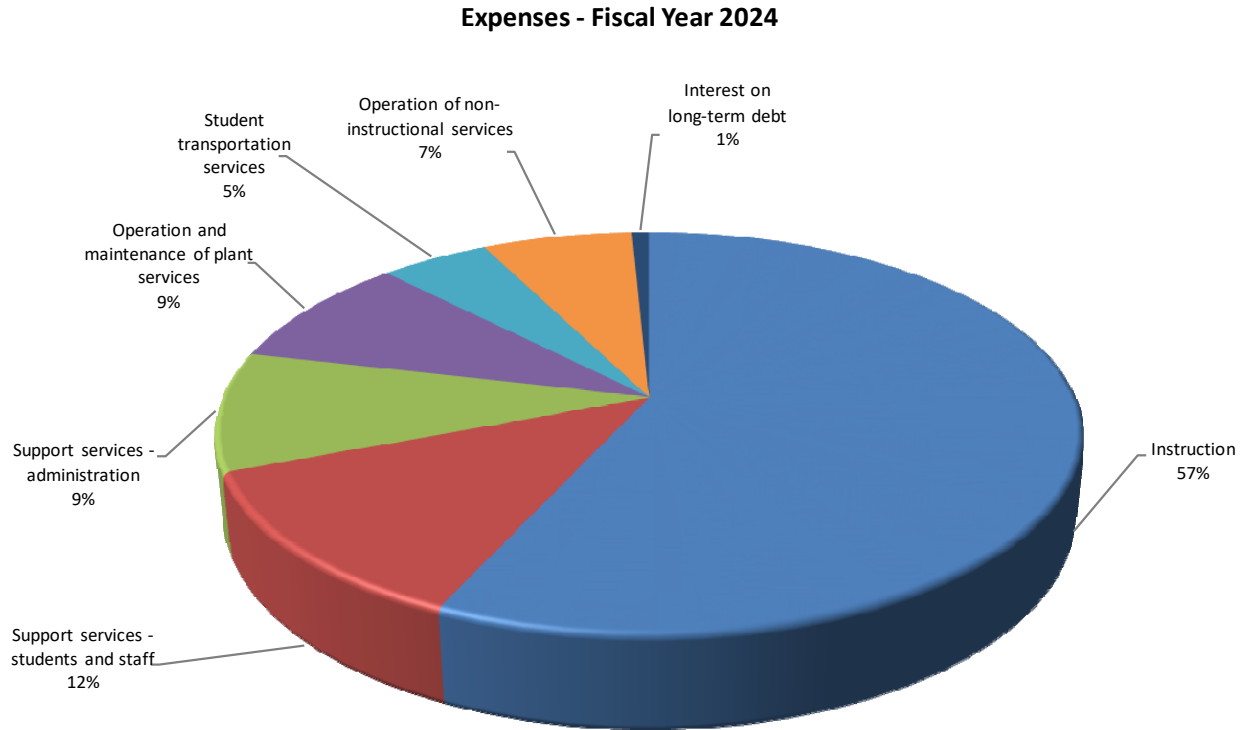
Government-Wide Financial Analysis (Cont'd)

Changes in net position. The District's total revenues for the current fiscal year were \$447.9 million. The total cost of all programs and services was \$419.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2024 and June 30, 2023.

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023
Revenues:		
Program revenues:		
Charges for services	\$ 32,391,349	\$ 35,527,719
Operating grants and contributions	37,804,181	35,431,596
Capital grants and contributions	417,922	2,604,818
General revenues:		
Property taxes	136,553,994	131,181,082
Investment income	8,092,310	4,647,404
Unrestricted state aid	229,417,684	210,470,399
Unrestricted federal aid	3,179,398	1,544,098
Total revenues	<u>447,856,838</u>	<u>421,407,116</u>
Expenses:		
Instruction	238,504,516	222,645,033
Support services - students and staff	51,669,485	49,128,719
Support services - administration	40,149,680	31,905,385
Operation and maintenance of plant services	38,159,512	34,901,940
Student transportation services	20,311,178	19,817,082
Operation of non-instructional services	27,958,045	27,008,078
Interest on long-term debt	3,080,139	3,222,533
Total expenses	<u>419,832,555</u>	<u>388,628,770</u>
Changes in net position	28,024,283	32,778,346
Net position, beginning	<u>377,140,762</u>	<u>344,362,416</u>
Net position, ending	<u><u>\$ 405,165,045</u></u>	<u><u>\$ 377,140,762</u></u>

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis (Cont'd)



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

- An increase of \$19.0 million in unrestricted state aid as a result of the legislature approving increases in per pupil funding as well as increases in the District Additional Assistance per student amount and the addition of about \$8.76 million in one-time funds.
- An increase of about \$15.9 million in instruction expenses as a result of the award of ongoing salary increases bringing the starting teacher salary up to \$53,000, and raising all existing teacher salaries by three percent, as well as the addition of twelve (12) Art teachers.
- An increase of \$2.5 million in support services – students and staff as a result of the award of ongoing pay increases of three percent plus \$1/hour more for each hourly staff member.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Government-Wide Financial Analysis (Cont'd)

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.

	Year Ended June 30, 2024		Year Ended June 30, 2023	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 238,504,516	\$ (206,619,968)	\$ 222,645,033	\$ (188,096,821)
Support services - students and staff	51,669,485	(46,997,240)	49,128,719	(44,632,650)
Support services - administration	40,149,680	(38,582,048)	31,905,385	(31,175,338)
Operation and maintenance of plant services	38,159,512	(34,516,853)	34,901,940	(32,228,140)
Student transportation services	20,311,178	(20,265,709)	19,817,082	(19,417,124)
Operation of non-instructional services	27,958,045	842,854	27,008,078	3,701,425
Interest on long-term debt	3,080,139	(3,080,139)	3,222,533	(3,215,989)
Total	<u>\$ 419,832,555</u>	<u>\$ (349,219,103)</u>	<u>\$ 388,628,770</u>	<u>\$ (315,064,637)</u>

- The cost of all governmental activities this year was \$419.8 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$70.6 million.
- Net cost of governmental activities of \$349.2 million was financed by general revenues, which are made up of primarily property taxes of \$136.6 million and state aid of \$229.4 million. Investment earnings accounted for \$8.1 million of funding, along with about \$3.2 million in Medicaid reimbursements.

Financial Analysis of the District's Funds

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

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

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Financial Analysis of the District's Funds (Cont'd)

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 \$193.9 million, a decrease of \$14.2 million due primarily to the spend down of the Bond Building fund. GPS has sold all bonds available to sell within the November 2019 Bond authorization by the taxpayers. As of June 30, 2024, a balance of about \$5.6 million was available. The summer, however, is the time in which major capital projects are completed and the completion crosses fiscal years so though it appears \$5.6 million is available, all bond monies have been committed.

The General Fund comprises 75 percent of the total fund balance. Approximately \$83.3 million, or 57 percent of the General Fund's fund balance is unassigned providing flexibility in how those monies might be spent.

The General Fund is the principal operating fund of the District. General Fund expenditures increased \$20.8 million or seven percent. Of this amount, \$10.0 million was due to wage increases to include increasing the allocation for hard to fill positions. The rest of the change was due to the addition of Art teachers, instructional support personnel as well as other inflationary increases.

As of fiscal year 2022, the District includes the Unrestricted Capital Fund as a part of the General Fund. As mentioned in the Letter of Transmittal, fiscal year 2022 represents the first year since fiscal year 2015 that the District Additional Assistance (the main statutory formula providing capital funds in the Unrestricted Capital Fund) was fully funded. The cumulative loss in capital funding since fiscal year 2015 exceeds \$75.5 million. This reporting year included a 9.4 percent increase in the District Additional Assistance per pupil allocation which was well received as well as a one-time \$8.76 million allocation that Gilbert Public Schools opted to include in Unrestricted Capital.

The General Fund contributed \$10.7 million additional monies to the fund balance due to the increase in the DAA as well as the one-time money allocation from the State of Arizona. As always, GPS continues to spend carefully with close monitoring of all revenue sources.

Fund balance in the Federal and State Grants was a deficit of \$15.3 million, an increased deficit from prior year due to the expiration and final spend of ESSER grants. The District has requested the reimbursement of about \$5.1 million associated with the final completion report submittal of ESSER III grant funds. These funds were spent on the new Math curriculum approved by the Governing Board in the Spring of 2024.

The fund balance in the Debt Service Fund increased \$1.9 million at year end as a result of continued receipt of back taxes. By statute, any available fund balance in the Debt Service fund must be used to offset the tax rate and tax levy in the subsequent year. As shared in the Notes section of this report, to date, over \$22.0 million has been spent to drawdown the District's outstanding debt.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Financial Analysis of the District's Funds (Cont'd)

As mentioned earlier, the fund balance in the Bond Building Fund decreased down to about \$5.6 million due to the continuation of quickly spending bond proceeds to catch up with various building renewal projects deferred in the past due to lack of funds.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$25.2 million. The \$1.0 million decrease from prior fiscal year was primarily due to the approval of two premium holidays which reduced revenue as well as the occurrence of higher-than-expected pharmacy and medical claims. In addition, the drawdown of fund balance was offset by about \$1.0 million due to interest earnings achieved thanks to the investment policy and conservative but successful investments laddered over time. This laddering allowed periodic review of the EBT cash needs ensuring that bills were paid timely and allowed for strategic investments depending upon the interest earnings that could be achieved at any point in time during the year. Generally, the investment timeframes ranged from three months to nine months.

General Fund Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in legislative allowances to include weighted ADM increases from the Adopted Budget as well as the expenditure results from the Annual Financial Report that determines the M&O BBCF (budget balance carry-forward). Arizona school districts are now funded based on current year ADM or student counts. The difference between the original budget and the final amended budget was a \$5.9 million increase, or two percent. As stated in the Letter of Transmittal, this \$5.9 million increase was directly related to an increase in weighted student counts of over 170 students as well as an increase in the BBCF (budget balance carryforward) realized after submittal of the Annual Financial Report (AFR)

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

- Instruction expenditures were \$15.6 million less than budgeted. This occurred primarily due to an inability to fill vacancies as well as the turnover savings associated with teachers and instructional staff retiring at June 30, 2023. Also note that the actual student counts, or ADM dropped by over 700 students (300 more than projected) so the hiring of teacher mid-year was not needed.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

General Fund Budgetary Highlights (Cont'd)

- In Arizona, in order to have the authority to spend all the Maintenance and Operations as well as Unrestricted Capital resources available, the full amount of available resources must be budgeted to spend. When budgeting to the maximum general budget limit but spend is not required, the result is an increase in the budget balance carryforward. This occurrence results in greater budget capacity in future years allowing GPS flexibility in the event of a future downturn in the economy or the advent of an unforeseen event such as the Covid 19 pandemic. The Governing Board has approved in policy a Maintenance and Operations fund (the largest fund in the General Fund) carryover target of 4 percent. This amounts to about \$12.0 million in the main operating fund of GPS.
- Operation and maintenance of plant services expenditures were \$2.7 million less than budgeted due to projects not being completed by June 30, 2024 necessitating the roll-over of purchase orders associated with various projects that were not completed at year end.

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$837.1 million in capital assets including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$34.0 million from the prior fiscal year. Thanks to the support of the local taxpayer, Gilbert Public Schools prioritizes reinvesting into school buildings on behalf of the about 32,000 students. Total depreciation expense for the current fiscal year was \$27.0 million.

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

	As of June 30, 2024	As of June 30, 2023
Capital assets - non-depreciable	\$ 45,972,301	\$ 54,322,405
Capital assets - depreciable, net	498,310,381	483,046,487
Total	<u>\$ 544,282,682</u>	<u>\$ 537,368,892</u>

The estimated cost to complete current construction projects is \$10.0 million. After the current projects are completed, it is estimated that about \$2.5 million will be available for projects scheduled for fiscal year 2025. The total Bond spend for fiscal year 2024 was \$22.4 million. Again, all of the bond proceeds authorized by the November 2019 election will be fully spent by the end of fiscal year 2025.

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

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Capital Assets and Debt Administration

Debt Administration. At year-end, the District had \$131.7 million in Bonds Payable and a total of \$439,404,184 in long-term debt outstanding to include the Net Pension Liability associated with ASRS as well as a compensated absence payable of just over \$15.1 million. \$22.8 million of total bonds payable are due within one year. Long-term debt decreased by \$22.9 million due to the payment of existing debt.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$1.3 billion and the Class B debt limit is \$891.3 million, both of which are substantially more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 10 and 11.

Economic Factors and Next Year's Budget and Rates

Many factors were considered by the District's administration during the process of developing the fiscal year 2025 budget. The main assumptions are discussed below:

- Fiscal year 2024 Maintenance & Operations (main component of the General Fund) budget balance carryforward: at fiscal year 2024 Budget Adoption, this amount was estimated at about \$11.9 million. Based on the end of year work to maximize budget balance carryforward (BBCF) as much as possible due to the unknowns associated with the ongoing decline in enrollment, and continued stress on the State General Fund, the final BBCF increased to about \$18.8 million. Again, this increase was directly attributable to moving appropriate general fund expenses into Federal and/or other eligible Special Revenue Funds as well as encumbrance release associated with the control of spending.
- Average daily membership (ADM): At Adoption, based on a cohort movement analysis as well as a desire to project conservatively, the ADM was estimated at 1,200 ADM less than the final revised budget for fiscal year 2024 for a total of \$29,707 ADM from 30,672 at final fiscal year 2024 Revision. The total student counts realized to date are actually closer to a 800 ADM loss providing GPS an opportunity to eliminate the transfer from the DAA (District Additional Assistance) of \$1.2 million to Maintenance and Operations. Because the ADM loss was not as severe and the BBCF was greater than expected, GPS was not required to revise the fiscal year 2025 budget by December 15, 2024. Budget Revision #1 is scheduled to be presented to the Governing Board at the February 4, 2025 Board meeting with the result of increasing expected revenues by over \$3.0 million. It is expected that ADM will continue to change through the remainder of fiscal year 2025 as mid-year enrollment declines continue.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2024

Economic Factors and Next Year's Budget and Rates (Cont'd)

- The Teacher Experience Index (TEI) is a calculation that provides additional funding for those school districts that have experienced teaching staff with a District average that exceeds the State of Arizona average. The TEI factor was decreased to 1.0118 from 1.0126 in FY 2025.
- The State of Arizona Legislature approved a State budget that included a 2.0 percent inflationary increase to the Base Level Amount per student and included a one-time allocation of funds for DAA. The ongoing DAA per student amount was not increased – instead, a two percent increase was converted to one-time.
- Finally, the Classroom Site Fund Allocation was increased by \$34 per student from \$758 to \$792. This allocation was used to provide much needed salary increases to all staff eligible to receive CSF monies.

Budgeted expenditures in the General Fund decreased by about \$3.62 million (putting aside the impact of the BBCF as that is one-time money) to \$269.6 million in fiscal year 2025 (compared to \$273.2 million in 2024). In spite of this decline in budget capacity and declines in student enrollment, the Governing Board approved an ongoing two percent pay increase for all staff. In addition, they approved a one-time appreciation stipend for all staff in anticipation of a successful 15 percent Override Continuation Election in November of 2024. Over \$4.0 million was budgeted in pay increases and about \$3.0 million in one-time stipends. Because of the \$34 per student increase in the Classroom Site Fund allocation, about \$4.7 million of CSF monies was used to help pay for these increases to eligible employees. No new programs were added to the FY 2025 school year budget.

State aid and property taxes are the primary funding sources for the General Fund. Due to various parameters, the final tax rate levied for Gilbert Public Schools for both primary and secondary purposes was 41.60 cents less than fiscal year 2024 for a total rate of \$5.2795 per \$100 of assessed value from \$5.6955 per \$100 of assessed value in 2024.

Contacting the District's Financial Management

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

Basic Financial Statements



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Government-Wide Financial Statements

Gilbert Unified School District No. 41
Statement of Net Position
June 30, 2024

	Governmental
	Activities
Assets	
Current assets:	
Cash and investments	\$ 214,190,356
Deposits	202,109
Property taxes receivable	2,109,768
Accounts receivable	206,159
Due from governmental entities	63,878,470
Prepaid items	3,240,936
Inventory	1,138,820
Leases receivable	4,932,198
Total current assets	<u>289,898,816</u>
Noncurrent assets:	
Restricted cash and investments	22,352,869
Net other postemployment benefit plan assets	9,141,725
Capital assets not being depreciated	45,972,301
Capital assets, net accumulated depreciation	498,310,381
Total noncurrent assets	<u>575,777,276</u>
Total assets	<u>865,676,092</u>
Deferred outflows of resources	
Pension plan items	36,288,216
Other postemployment benefit plan items	654,676
Total deferred outflows of resources	<u>36,942,892</u>
Liabilities	
Current liabilities:	
Accounts payable	15,840,376
Claims payable	3,551,000
Claims and judgments payable	5,852,068
Accrued payroll and employee benefits	5,163,290
Unearned revenues	4,980,170
Compensated absences payable	961,565
Bonds payable	22,780,000
Accrued interest payable	2,893,256
Total current liabilities	<u>62,021,725</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	415,662,619
Total noncurrent liabilities	<u>415,662,619</u>
Total liabilities	<u>477,684,344</u>
Deferred inflows of resources	
Pension plan items	10,914,069
Other postemployment benefit plan items	4,042,369
Leases	4,813,157
Total deferred inflows of resources	<u>19,769,595</u>
Net position	
Net investment in capital assets	404,276,364
Restricted for:	
State funds/grants	31,255,509
Other local	18,858,232
Career technical education	9,174,404
Debt service	2,892,795
Unrestricted	(61,292,259)
Total net position	<u>\$ 405,165,045</u>

Gilbert Unified School District No. 41
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and
					Position
					Governmental
					Activities
Governmental activities					
Instruction	\$ 238,504,516	\$ 11,064,362	\$ 20,402,264	\$ 417,922	\$ (206,619,968)
Support services - students and staff	51,669,485		4,672,245		(46,997,240)
Support services - administration	40,149,680		1,567,632		(38,582,048)
Operation and maintenance of plant services	38,159,512	1,095,151	2,547,508		(34,516,853)
Student transportation services	20,311,178		45,469		(20,265,709)
Operation of non-instructional services	27,958,045	20,231,836	8,569,063		842,854
Interest on long-term debt	3,080,139				(3,080,139)
Total governmental activities	<u>\$ 419,832,555</u>	<u>\$ 32,391,349</u>	<u>\$ 37,804,181</u>	<u>\$ 417,922</u>	<u>(349,219,103)</u>
General revenues					
Property taxes					136,553,994
Investment income					8,092,310
Unrestricted state aid					229,417,684
Unrestricted federal aid					3,179,398
Total general revenues					<u>377,243,386</u>
Changes in net position					28,024,283
Net position, beginning of year					<u>377,140,762</u>
Net position, end of year					<u>\$ 405,165,045</u>



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Fund Financial Statements

Gilbert Unified School District No. 41

**Balance Sheet
Governmental Funds
June 30, 2024**

		Federal and State		Non-Major Governmental
	General	Grants	Debt Service	Funds
Assets				
Cash and investments	\$ 93,898,021	\$	\$ 28,152,360	\$ 62,342,835
Restricted cash and investments	22,352,869			
Deposits				202,109
Property taxes receivable	1,696,077		413,691	
Due from governmental entities	42,652,845	17,758,869		3,466,756
Due from other funds	5,067,091			
Prepaid items	3,240,936			
Inventory	792,511			346,309
Leases receivable				4,932,198
Total assets	<u>\$ 169,700,350</u>	<u>\$ 17,758,869</u>	<u>\$ 28,566,051</u>	<u>\$ 71,290,207</u>
Liabilities				
Accounts payable	\$ 6,977,963	\$ 5,085,314	\$	\$ 2,495,601
Claims and judgments payable	5,852,068			
Due to other funds		5,065,937		1,154
Accrued payroll and employee benefits	3,405,467	326,528		1,431,295
Unearned revenues		4,810,859		169,311
Bonds payable			22,780,000	
Bond interest payable			2,893,256	
Total liabilities	<u>16,235,498</u>	<u>15,288,638</u>	<u>25,673,256</u>	<u>4,097,361</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	811,727		194,471	
Unavailable revenues - intergovernmental	6,263,523	17,758,869		2,240,959
Leases				4,813,157
Total deferred inflows of resources	<u>7,075,250</u>	<u>17,758,869</u>	<u>194,471</u>	<u>7,054,116</u>
Fund balances				
Nonspendable	4,033,447			346,309
Restricted	22,999,805		2,698,324	59,793,575
Assigned	36,163,216			
Unassigned	83,193,134	(15,288,638)		(1,154)
Total fund balances	<u>146,389,602</u>	<u>(15,288,638)</u>	<u>2,698,324</u>	<u>60,138,730</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 169,700,350</u>	<u>\$ 17,758,869</u>	<u>\$ 28,566,051</u>	<u>\$ 71,290,207</u>

**Total
Governmental
Funds**

\$	184,393,216
	22,352,869
	202,109
	2,109,768
	63,878,470
	5,067,091
	3,240,936
	1,138,820
	4,932,198
	<hr/>
\$	287,315,477
	<hr/>

\$	14,558,878
	5,852,068
	5,067,091
	5,163,290
	4,980,170
	22,780,000
	2,893,256
	<hr/>
	61,294,753
	<hr/>

	1,006,198
	26,263,351
	4,813,157
	<hr/>
	32,082,706
	<hr/>

	4,379,756
	85,491,704
	36,163,216
	67,903,342
	<hr/>
	193,938,018
	<hr/>

\$	287,315,477
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Gilbert Unified School District No. 41
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances - governmental funds **\$ 193,938,018**

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	\$ 837,092,226	
Less accumulated depreciation/amortization	<u>(292,809,544)</u>	
		544,282,682

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

Property taxes	1,006,198	
Intergovernmental	<u>26,263,351</u>	
		27,269,549

The net OPEB asset is not a current financial resource and, therefore, is not reported in the funds		9,141,725
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Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions/OPEB	36,942,892	
Deferred inflows of resources related to pensions/OPEB	<u>(14,956,438)</u>	
		21,986,454

The Internal Service Fund is used by management to charge the cost of insurance and other services to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.		25,170,801
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences payable	(15,154,856)	
Bonds payable	(122,789,247)	
Net pension liability	<u>(278,680,081)</u>	
		<u>(416,624,184)</u>

Net position of governmental activities **\$ 405,165,045**

Gilbert Unified School District No. 41
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Federal and State			
	General	Grants	Debt Service	Bond Building
Revenues				
Other local	\$ 11,711,579	\$	\$ 102,753	
Property taxes	107,652,304		28,554,191	
State aid and grants	193,664,073	2,290,583		
Federal aid, grants and reimbursements	<u>4,333,520</u>	<u>9,363,349</u>		
Total revenues	<u>317,361,476</u>	<u>11,653,932</u>	<u>28,656,944</u>	
Expenditures				
Current:				
Instruction	159,583,258	16,357,746		
Support services - students and staff	42,045,988	3,379,594		
Support services - administration	34,794,840	284,598		
Operation and maintenance of plant services	35,013,101	231,168		
Student transportation services	15,586,599	35,190		
Operation of non-instructional services	1,389,189	51,498		
Capital outlay	19,909,573	417,922		
Debt service:				
Principal retirement			22,780,000	
Interest and fiscal charges			<u>5,883,710</u>	
Total expenditures	<u>308,322,548</u>	<u>20,757,716</u>	<u>28,663,710</u>	
Excess (deficiency) of revenues over expenditures	<u>9,038,928</u>	<u>(9,103,784)</u>	<u>(6,766)</u>	
Other financing sources (uses)				
Transfers in	1,674,514		825,615	
Transfers out		<u>(498,685)</u>		
Total other financing sources (uses)	<u>1,674,514</u>	<u>(498,685)</u>	<u>825,615</u>	
Changes in fund balances	<u>10,713,442</u>	<u>(9,602,469)</u>	<u>818,849</u>	
Fund balances, beginning of year, previously reported	135,676,160	(5,686,169)	1,879,475	27,914,852
Adjustments to beginning fund balances				<u>(27,914,852)</u>
Fund balances, beginning of year, as restated	<u>135,676,160</u>	<u>(5,686,169)</u>	<u>1,879,475</u>	
Fund balances, end of year	<u>\$ 146,389,602</u>	<u>\$ (15,288,638)</u>	<u>\$ 2,698,324</u>	<u>\$</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 30,224,070	\$ 42,038,402
	136,206,495
31,761,031	227,715,687
<u>8,552,344</u>	<u>22,249,213</u>
<u>70,537,445</u>	<u>428,209,797</u>
27,779,817	203,720,821
4,107,080	49,532,662
622,685	35,702,123
815,026	36,059,295
594,767	16,216,556
25,484,807	26,925,494
25,267,298	45,594,793
	22,780,000
	<u>5,883,710</u>
<u>84,671,480</u>	<u>442,415,454</u>
<u>(14,134,035)</u>	<u>(14,205,657)</u>
	2,500,129
<u>(2,001,444)</u>	<u>(2,500,129)</u>
<u>(2,001,444)</u>	
<u>(16,135,479)</u>	<u>(14,205,657)</u>
48,359,357	208,143,675
<u>27,914,852</u>	
<u>76,274,209</u>	<u>208,143,675</u>
<u>\$ 60,138,730</u>	<u>\$ 193,938,018</u>

Gilbert Unified School District No. 41
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Changes in fund balances - total governmental funds **\$ (14,205,657)**

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	\$ 33,964,418	
Less current year depreciation/amortization	<u>(27,032,562)</u>	
		6,931,856

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

Property taxes	347,499	
Intergovernmental	<u>18,234,492</u>	
		18,581,991

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		22,780,000
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Governmental funds report pension/OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension/OPEB expense in the Statement of Activities.

Current year pension/OPEB contributions	27,301,643	
Pension expense/OPEB	<u>(34,063,979)</u>	
		(6,762,336)

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.

Deferred bond items on issuance of refunding debt	(361,884)	
Loss on disposal of assets	(18,066)	
Amortization of deferred bond items	3,165,455	
Compensated absences	<u>(1,050,856)</u>	
		1,734,649

The Internal Service Fund is used by management to charge the cost of insurance and other services to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities.		<u>(1,036,220)</u>
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Changes in net position in governmental activities **\$ 28,024,283**

Gilbert Unified School District No. 41
Statement of Net Position
Proprietary Funds
June 30, 2024

	Governmental
	Activities
	Internal Service
	Funds
Assets	
Current assets:	
Cash and investments	\$ 29,797,140
Accounts receivable	<u>206,159</u>
Total current assets	<u>30,003,299</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 1,281,498
Claims payable	<u>3,551,000</u>
Total current liabilities	<u>4,832,498</u>
Net position	
Unrestricted	<u>25,170,801</u>
Total net position	<u><u>\$ 25,170,801</u></u>

Gilbert Unified School District No. 41
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Governmental Activities Internal Service Funds
Operating revenues	
Other local	\$ 42,493
Charges for services	706,678
Contributions	<u>27,337,828</u>
Total operating revenues	<u>28,086,999</u>
Operating expenses	
Claims	26,371,662
Premiums	1,349,915
Administrative fees	1,876,936
Other	<u>589,756</u>
Total operating expenses	<u>30,188,269</u>
Operating income (loss)	<u>(2,101,270)</u>
Nonoperating revenues (expenses)	
Investment income	<u>1,065,050</u>
Total nonoperating revenue (expenses)	<u>1,065,050</u>
Changes in net position	(1,036,220)
Net position, beginning of year	<u>26,207,021</u>
Net position, end of year	<u><u>\$ 25,170,801</u></u>

Gilbert Unified School District No. 41
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Governmental Activities Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities	
Cash received from contributions	\$ 27,131,669
Cash received from other sources	749,171
Cash payments to suppliers for goods and services	(3,310,757)
Cash payments for claims	(25,366,662)
Net cash provided by/used for operating activities	(796,579)
Cash flows from investing activities	
Investment income	1,065,050
Purchase and sales of investments	(1,022,758)
Net cash provided by/used for investing activities	42,292
Net increase/decrease in cash and cash equivalents	(754,287)
Cash and cash equivalents, beginning of year	25,677,682
Cash and cash equivalents, end of year	\$ 24,923,395
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>	
Cash and investments	\$ 29,797,140
Less investments not maturing in less than three months	4,873,745
Total cash and cash equivalents	\$ 24,923,395
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating</u>	
Operating income/loss	\$ (2,101,270)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in accounts receivable	(206,159)
Increase/decrease in accounts payable	505,850
Increase/decrease in claims payable	1,005,000
Total adjustments	1,304,691
Net cash provided by/used for operating activities	\$ (796,579)

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies

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

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

A. Reporting Entity

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

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

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Cont'd)

Blended Component Unit – Blended component units, although legally separate entities, are, in substance, part of the District operations. The Gilbert Unified School District No. 41 Employee Benefit Trust is responsible for providing health insurance for the District's employees. New during fiscal year 2022-23, the District has implemented a formal Trust Board with the following members serving: Ms. Bonnie J. Betz, Associate Superintendent, Mrs. Sheila Uggetti, District Governing Board Member, Mr. Reed Carr, Mr. Mark Weech and Dr. Charles Santa Cruz. The Gilbert Unified School District No. 41 Employee Benefit Trust provides services entirely to the District and therefore has been included as an Internal Service Fund in accordance with the criteria established by GASB. Separate financial statements are prepared monthly for the Employee Benefit Trust and may be obtained at the Gilbert Unified School District No. 41's administrative offices, 140 South Gilbert Road, Gilbert, Arizona 85296.

B. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Cont'd)

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period. 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, federal, state aid, tuition and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Food services and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. Unearned revenues arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to meeting all eligibility requirements imposed by the provider.

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Cont'd)

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 Arizona Revised Statutes (A.R.S.). These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Federal and State Grants Fund – The Federal and State Grants Fund accounts 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.

Additionally, the District reports the following fund types:

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

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

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

D. Cash and Investments

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Cont'd)

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

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

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

Statute authorizes the District to make payments to the Arizona State Retirement System (ASRS) for the Contribution Prepayment Program (CPP) in accordance with A.R.S. 38-737(D). Pension contributions contributed according to this statute are deposited directly to the ASRS Trust Fund and are irrevocable as outlined in A.R.S. 38-712(C-D). Investments of the ASRS Trust Fund are governed by A.R.S. 38-718 and not by the District investment policies and are pooled with all other ASRS plan participants.

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.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Cont'd)

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

H. Inventory

Inventories are valued using the first-in/first-out (FIFO) method for food service inventories and the average cost method for supplies and custodial inventories. Inventories consist of expendable supplies held for consumption. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Cont'd)

I. Prepaid Items

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

J. Capital Assets

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

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:

Building improvements	15 years
Building improvements - equipment	5 years
Operations equipment	8 years
Educational equipment	7 years
Transportation/vehicles	15 years
Technology equipment and hardware	5 years

K. Deferred Outflows/Inflows of Resources

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Cont'd)

L. Compensated Absences

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

M. Leases

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

N. Pensions

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

O. Long-term Obligations

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Cont'd)

P. Interfund Activity

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

Q. Net Position Flow Assumption

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

R. Estimates

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

Note 2 – Fund Balance Classifications

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

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 2 – Fund Balance Classifications (Cont'd)

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

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

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

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 2 – Fund Balance Classifications (Cont'd)

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

	General	Federal and State Grants	Debt Service	Non-Major Governmental Funds
Fund Balances:				
Nonspendable:				
Inventory	\$ 792,511	\$	\$	\$ 346,309
Prepaid items	3,240,936			
Restricted:				
Debt service			2,698,324	
Bond building projects				5,562,929
Voter approved initiatives				28,785,278
Food service				6,863,896
Civic center				3,338,164
Community schools				3,342,776
Extracurricular activities				3,004,721
Career technical education				6,933,445
Student activities				1,762,904
ASRS CPP	22,352,869			
Other purposes	646,936			199,462
Assigned:				
Capital purposes	36,163,216			
Unassigned	83,193,134	(15,288,638)		(1,154)
Total fund balances	<u>\$ 146,389,602</u>	<u>\$ (15,288,638)</u>	<u>\$ 2,698,324</u>	<u>\$ 60,138,730</u>

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balance – At year end, the Federal and State Grants Fund and the Other Capital Projects Fund, a non-major governmental fund, reported deficits of \$15,288,638 and \$1,154 in fund balance, respectively. The deficits arose because of operations during the year and prior years and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2024-25 are expected to eliminate the deficits.

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

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 \$19,773,282 and the bank balance was \$22,165,834. At year end, \$20,738,294 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name. In addition, the District had \$1,100 of cash on hand at year end.

The District also had restricted cash and investments of \$22,352,869 held by the ASRS pension plan, related to the CPP. The employer pension plan contributions prepaid by the District and the related accrued earnings are managed at the discretion of ASRS.

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

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

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 4 – Cash and Investments (Cont'd)

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

Investment Type	Category	Fair Value	Investment Maturities (in Years) Less than 1
U.S Treasuries	Level 2	\$ 11,822,736	\$ 11,822,736
Money Market	Level 1	5,664,806	Not Applicable
			<u>\$ 11,822,736</u>
County Treasurer's investment pool	Not applicable	<u>176,928,432</u>	365 days average maturities
Total		<u>\$ 194,415,974</u>	

Interest Rate Risk. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District's investment in the County Treasurer's investment pool did not receive a credit quality rating from a national rating agency.

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

Note 5 – Receivables

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

	General	Federal and State Grants	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 2,438,719	\$ 17,458,473	\$ 138,218
Due from state government	40,214,126	300,396	1,087,579
Due from other districts			2,240,959
Net due from governmental entities	<u>\$ 42,652,845</u>	<u>\$ 17,758,869</u>	<u>\$ 3,466,756</u>

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 6 – Leases Receivable

The District acts as lessor in various agreements, most of which are for telecommunication easements under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$282,361 and related interest revenue of \$11,271 are recorded as other local revenue in the Other Special Revenue Fund, a non-major governmental fund.

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

Year Ending June 30:		
2025	\$	248,841
2026		249,003
2027		252,051
2028		255,331
2029		252,498
2030-34		900,039
2035-39		714,625
2040-44		772,287
2045-49		552,469
2050-54		384,475
2055-59		260,763
2060-64		239,568
2065		24,274
Total	\$	<u>5,106,224</u>

Note 7 – Capital Assets

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

	Beginning			Ending
Governmental Activities	Balance	Increase	Decrease	Balance
Capital assets, not being depreciated:				
Land	\$ 35,992,704	\$	\$	\$ 35,992,704
Construction in progress	<u>18,329,701</u>	<u>21,557,551</u>	<u>29,907,655</u>	<u>9,979,597</u>
Total capital assets, not being depreciated	<u>54,322,405</u>	<u>21,557,551</u>	<u>29,907,655</u>	<u>45,972,301</u>
Capital assets, being depreciated:				
Land improvements	23,390,150	9,651,922		33,042,072
Buildings and improvements	659,121,889	17,038,527	5,325	676,155,091
Vehicles, furniture and equipment	<u>66,467,945</u>	<u>15,624,073</u>	<u>169,256</u>	<u>81,922,762</u>
Total capital assets being depreciated	<u>748,979,984</u>	<u>42,314,522</u>	<u>174,581</u>	<u>791,119,925</u>
Less accumulated depreciation for:				
Land improvements	(10,868,623)	(1,114,848)		(11,983,471)
Buildings and improvements	(231,069,293)	(18,189,458)	(5,325)	(249,253,426)
Vehicles, furniture and equipment	<u>(23,995,581)</u>	<u>(7,728,256)</u>	<u>(151,190)</u>	<u>(31,572,647)</u>
Total accumulated depreciation	<u>(265,933,497)</u>	<u>(27,032,562)</u>	<u>(156,515)</u>	<u>(292,809,544)</u>
Total capital assets, being depreciated, net	<u>483,046,487</u>	<u>15,281,960</u>	<u>18,066</u>	<u>498,310,381</u>
Governmental activities capital assets, net	<u>\$ 537,368,892</u>	<u>\$ 36,839,511</u>	<u>\$ 29,925,721</u>	<u>\$ 544,282,682</u>

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 7 – Capital Assets (Cont'd)

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 23,347,832
Support services – students and staff	193,092
Support services – administration	1,156,234
Operation and maintenance of plant services	596,667
Student transportation services	1,521,607
Operation of non-instructional services	217,130
Total depreciation expense – governmental activities	<u>\$ 27,032,562</u>

Construction Commitments – At year end, the District had contractual commitments related to renovations at several school sites. At year end the District had spent \$10.0 million on the projects and had estimated remaining contractual commitments of \$10.0 million. These projects are being funded with bond proceeds and other allowable sources.

Note 8 – Claims and Judgments Payable

During fiscal year 2023-24, the District received notice that the Qasimyar v. Maricopa County, Class Action Judgment had been finalized by the Tax Court. The District, along with all taxing districts in Maricopa County, was affected by the judgment. The Tax Court ruling spanned multiple tax years and, in most cases, resulted in a decrease to the Limited Property Value along with a corresponding refund to individual taxpayers.

As a result of the judgment, the County Treasurer's Office published the estimated financial impact for all taxing districts. This amount is reported as a claims and judgments payable in the District's General Fund. It is expected that the liability will be paid in the next fiscal year.

Although the District is responsible for repayment of the entire liability, due to the property tax formula the Arizona Department of Education will be recalculating basic state aid owed to the District, which is expected to be received in the next fiscal year. Any amounts expected to be received from the state are included in the due from governmental entities receivable.

Note 9 – Short Term Debt

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 10 – General Obligation Bonds Payable

Bonds payable at year end consisted of the following outstanding general obligation bonds. 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 \$1.3 billion, and the available margin is \$1.2 billion. In addition, a portion of the District's school improvement bonds are Qualified Build America Bonds, as such it is expected the District will receive direct subsidy payments from the United States of America for a portion of the interest due on the bonds.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2024	Due Within One Year
Governmental activities:					
School Improvement Bonds					
Project of 2015, Series A (2016)	\$ 31,300,000	3-3.75%	7/1/26-31	\$ 17,810,000	\$
School Improvement Bonds					
Project of 2015, Series B (2018)	27,810,000	3.00-5.00%	7/1/26-31	15,785,000	
School Improvement Bonds					
Project of 2015, Series C (2019)	24,620,000	5.00%	7/1/24-25	12,120,000	7,500,000
School Improvement Bonds					
Project of 2015 and 2019, Series 2020	34,345,000	1.00-5.00%	7/1/24-28	28,495,000	8,750,000
School Improvement Bonds					
Project of 2019B, Series 2022	43,750,000	2.00-5.00%	7/1/24-31	40,500,000	2,530,000
School Improvement Bonds					
Project of 2019C, Series 2023	16,970,000	5.00%	7/1/24-29	<u>16,970,000</u>	<u>4,000,000</u>
Total				<u>\$ 131,680,000</u>	<u>\$ 22,780,000</u>

The amounts reported as due within one year represent the amounts payable on July 1, 2024, and as previously discussed, the District has elected the early recognition option for these payments. As a result, the amounts were recorded as expenditures during the current fiscal year.

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2025	\$ 22,780,000	\$ 5,273,412
2026	21,930,000	4,315,762
2027	22,995,000	3,344,487
2028	21,005,000	2,318,087
2029	16,165,000	1,464,137
2030-32	<u>26,805,000</u>	<u>1,586,307</u>
Total	<u>\$ 131,680,000</u>	<u>\$ 18,302,192</u>

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 11 – 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	\$ 151,380,000	\$	\$ 19,700,000	\$ 131,680,000	\$ 22,780,000
Premium	17,054,702		3,165,455	13,889,247	
Total bonds payable	168,434,702		22,865,455	145,569,247	22,780,000
Net pension liability	276,372,741	2,307,340		278,680,081	
Compensated absences payable	14,104,000	4,130,887	3,080,031	15,154,856	961,565
Total long-term liabilities	<u>\$ 458,911,443</u>	<u>\$ 6,438,227</u>	<u>\$ 25,945,486</u>	<u>\$ 439,404,184</u>	<u>\$ 23,741,565</u>

Note 12 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Federal and State Grants Fund, and a fund within the non-major governmental funds, had negative cash balances in the Treasurer’s pooled cash accounts of \$5,065,937 and \$1,154, respectively, totaling \$5,067,091. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

	Transfers in		
Transfers out	General	Debt Service	Total
Federal and State Grants	\$ 498,685		\$ 498,685
Non-Major Governmental Funds	1,175,829	825,615	2,001,444
Total	<u>\$ 1,674,514</u>	<u>\$ 825,615</u>	<u>\$ 2,500,129</u>

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 13 – Contingent Liabilities

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

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

Note 14 – Risk Management

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

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 14 – Risk Management (Cont'd)

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

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

	Year ended June 30, 2024	Year ended June 30, 2023
Unpaid claims, beginning of fiscal year	\$ 2,546,000	\$ 4,170,000
Incurred claims (including IBNRs)	26,371,662	19,777,527
Claim payments	(25,366,662)	(21,401,527)
Unpaid claims, end of fiscal year	<u>\$ 3,551,000</u>	<u>\$ 2,546,000</u>

Note 15 – Pensions

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

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

	Pension	OPEB	Total
Net assets	\$	\$ 9,141,725	\$ 9,141,725
Net liability	278,680,081		278,680,081
Deferred outflows of resources	36,288,216	654,676	36,942,892
Deferred inflows of resources	10,914,069	4,042,369	14,956,438
Expense	39,570,632	(5,506,653)	34,063,979
Contributions	27,054,264	247,379	27,301,643

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 15 – Pensions (Cont'd)

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

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

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

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29 percent (12.14 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30, 2024 were \$27,054,264.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 15 – Pensions (Cont'd)

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2023. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2022, to the measurement date of June 30, 2023. The District's proportion of the net liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2023.

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 278,680,081	1.722	0.029

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30, 2024 was \$39,570,632.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 15 – Pensions (Cont'd)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,297,058	\$
Net difference between projected and actual earnings on pension investments		9,859,943
Changes in proportion and differences between contributions and proportionate share of contributions	2,936,894	1,054,126
Contributions subsequent to the measurement date	27,054,264	
Total	<u>\$ 36,288,216</u>	<u>\$ 10,914,069</u>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2025	\$	(843,135)
2026		(10,237,833)
2027		10,626,104
2028		(1,225,253)

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

Actuarial valuation date	June 30, 2022
Actuarial roll forward date	June 30, 2023
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 15 – Pensions (Cont'd)

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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

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

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

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.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2024

Note 15 – Pensions (Cont’d)

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 417,421,832	\$ 278,680,081	\$ 162,994,004

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

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Non-GAAP</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 785,381	\$ 785,381
Property taxes			107,654,127	107,654,127
State aid and grants			165,981,760	165,981,760
Total revenues			<u>274,421,268</u>	<u>274,421,268</u>
Expenditures				
Current:				
Instruction	165,858,196	171,739,432	156,140,492	15,598,940
Support services - students and staff	38,156,921	38,156,921	39,042,583	(885,662)
Support services - administration	28,635,895	28,635,895	27,010,534	1,625,361
Operation and maintenance of plant services	36,861,490	36,861,490	34,197,047	2,664,443
Student transportation services	16,281,733	16,281,733	15,099,910	1,181,823
Operation of non-instructional services	437,373	437,373	880,997	(443,624)
Total expenditures	<u>286,231,608</u>	<u>292,112,844</u>	<u>272,371,563</u>	<u>19,741,281</u>
Changes in fund balances	<u>(286,231,608)</u>	<u>(292,112,844)</u>	<u>2,049,705</u>	<u>294,162,549</u>
Fund balances, beginning of year			<u>21,367,321</u>	<u>21,367,321</u>
Fund balances, end of year	<u>\$ (286,231,608)</u>	<u>\$ (292,112,844)</u>	<u>\$ 23,417,026</u>	<u>\$ 315,529,870</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State aid and grants	\$	\$	\$ 2,290,583	\$ 2,290,583
Federal aid, grants and reimbursements			9,363,349	9,363,349
Total revenues			<u>11,653,932</u>	<u>11,653,932</u>
Expenditures				
Current:				
Instruction	16,021,980	21,216,794	16,357,746	4,859,048
Support services - students and staff	3,310,223	4,383,498	3,379,594	1,003,904
Support services - administration	278,756	369,137	284,598	84,539
Operation and maintenance of plant services	226,423	299,836	231,168	68,668
Student transportation services	34,468	45,643	35,190	10,453
Operation of non-instructional services	50,441	66,795	51,498	15,297
Capital outlay	409,344	542,065	417,922	124,143
Total expenditures	<u>20,331,634</u>	<u>26,923,769</u>	<u>20,757,716</u>	<u>6,166,053</u>
Excess (deficiency) of revenues over expenditures	<u>(20,331,634)</u>	<u>(26,923,769)</u>	<u>(9,103,784)</u>	<u>17,819,985</u>
Other financing sources (uses)				
Transfers out			(498,685)	(498,685)
Total other financing sources (uses)			<u>(498,685)</u>	<u>(498,685)</u>
Changes in fund balances	<u>(20,331,634)</u>	<u>(26,923,769)</u>	<u>(9,602,469)</u>	<u>17,321,300</u>
Fund balances, beginning of year			<u>(5,686,169)</u>	<u>(5,686,169)</u>
Fund balances, end of year	<u>\$ (20,331,634)</u>	<u>\$ (26,923,769)</u>	<u>\$ (15,288,638)</u>	<u>\$ 11,635,131</u>

Gilbert Unified School District No. 41
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
District's proportion of the net pension (assets) liability	1.72%	1.69%	1.72%	1.67%
District's proportionate share of the net pension (assets) liability	\$ 278,680,081	\$ 276,372,741	\$ 225,355,211	\$ 289,115,511
District's covered payroll	\$ 224,757,869	\$ 201,426,953	\$ 192,735,373	\$ 182,030,707
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	123.99%	137.21%	116.92%	158.83%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 27,054,264	\$ 26,791,138	\$ 24,191,377	\$ 22,453,671
Contributions in relation to the actuarially determined contribution	<u>27,054,264</u>	<u>26,791,138</u>	<u>24,191,377</u>	<u>22,453,671</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 224,889,975	\$ 224,757,869	\$ 201,426,953	\$ 192,735,373
Contributions as a percentage of covered payroll	12.03%	11.92%	12.01%	11.65%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
1.66%	1.66%	1.70%	1.62%	1.72%	1.72%
\$ 241,249,560	\$ 231,985,761	\$ 264,893,848	\$ 261,907,169	\$ 267,181,478	\$ 265,286,960
\$ 174,839,222	\$ 165,443,248	\$ 166,403,998	\$ 151,958,046	\$ 156,701,414	\$ 159,795,860
137.98%	140.22%	159.19%	172.35%	170.50%	166.02%
73.24%	73.40%	69.92%	67.06%	68.35%	69.49%

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 20,842,516	\$ 19,547,025	\$ 18,033,314	\$ 17,938,351	\$ 16,487,448	\$ 17,064,784
<u>20,842,516</u>	<u>19,547,025</u>	<u>18,033,314</u>	<u>17,938,351</u>	<u>16,487,448</u>	<u>17,064,784</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 182,030,707	\$ 174,839,222	\$ 165,443,248	\$ 166,403,998	\$ 151,958,046	\$ 156,701,414
11.45%	11.18%	10.90%	10.78%	10.85%	10.89%

Gilbert Unified School District No. 41
Notes to Required Supplementary Information
June 30, 2024

Note 1 – Budgetary Basis of Accounting

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.
- Payments to the ASRS Contribution Prepayment Program.
- Employee insurance expenditures are budgeted in the year the employee insurance amount is funded.
- Expenditures for claims and judgments are not budgeted.

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 308,322,548	\$ 146,389,602
Activity budgeted as other fund types	(30,217,710)	(97,952,341)
Pre-payment to ASRS (CPP)		(22,352,869)
Current-year prepaid items	3,240,936	(3,240,936)
Prior-year prepaid items	(3,427,543)	
Employee insurance account	305,400	(5,278,498)
Claims and judgments expenditures	(5,852,068)	5,852,068
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 272,371,563</u>	<u>\$ 23,417,026</u>

Note 2 – Pension Plan Schedules

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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



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Governmental Funds



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Non-Major Governmental Funds

Special Revenue Funds

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

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

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

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

Capital Projects Funds

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

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

Gilbert Unified School District No. 41
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue
Assets				
Cash and investments	\$ 27,105,173	\$ 592,526	\$ 6,949,451	\$ 20,558,255
Deposits			202,109	
Due from governmental entities		1,087,579	138,218	2,240,959
Inventory			346,309	
Leases receivable				4,932,198
Total assets	<u>\$ 27,105,173</u>	<u>\$ 1,680,105</u>	<u>\$ 7,636,087</u>	<u>\$ 27,731,412</u>
Liabilities				
Accounts payable	\$	\$	\$ 114,819	\$ 806,281
Due to other funds				
Accrued payroll and employee benefits			141,752	1,289,543
Unearned revenues			169,311	
Total liabilities			<u>425,882</u>	<u>2,095,824</u>
Deferred inflows of resources				
Unavailable revenues - intergovernmental				2,240,959
Leases				4,813,157
Total deferred inflows of resources				<u>7,054,116</u>
Fund balances				
Nonspendable			346,309	
Restricted	27,105,173	1,680,105	6,863,896	18,581,472
Unassigned				
Total fund balances	<u>27,105,173</u>	<u>1,680,105</u>	<u>7,210,205</u>	<u>18,581,472</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 27,105,173</u>	<u>\$ 1,680,105</u>	<u>\$ 7,636,087</u>	<u>\$ 27,731,412</u>

<u>Capital Projects Funds</u>		<u>Total Non-Major Governmental Funds</u>
<u>Bond Building</u>	<u>Other Capital Projects</u>	
\$ 7,137,430	\$	\$ 62,342,835
		202,109
		3,466,756
		346,309
		4,932,198
<u>\$ 7,137,430</u>	<u>\$</u>	<u>\$ 71,290,207</u>
\$ 1,574,501	\$	\$ 2,495,601
	1,154	1,154
		1,431,295
		169,311
<u>1,574,501</u>	<u>1,154</u>	<u>4,097,361</u>
		2,240,959
		4,813,157
		<u>7,054,116</u>
		346,309
5,562,929		59,793,575
	(1,154)	(1,154)
<u>5,562,929</u>	<u>(1,154)</u>	<u>60,138,730</u>
<u>\$ 7,137,430</u>	<u>\$</u>	<u>\$ 71,290,207</u>

Gilbert Unified School District No. 41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue
Revenues				
Other local	\$ 645,940	\$ 100,605	\$ 6,486,953	\$ 22,164,941
Property taxes				
State aid and grants	29,412,160	2,348,871		
Federal aid, grants and reimbursements			8,552,344	
Total revenues	<u>30,058,100</u>	<u>2,449,476</u>	<u>15,039,297</u>	<u>22,164,941</u>
Expenditures				
Current:				
Instruction	19,908,831	1,217,623	7,146	6,646,217
Support services - students and staff	2,316,595	961,123		829,362
Support services - administration		158,385	76,613	387,687
Operation and maintenance of plant services			146,747	668,279
Student transportation services				594,767
Operation of non-instructional services			13,647,731	11,837,076
Capital outlay			1,268,686	1,646,656
Total expenditures	<u>22,225,426</u>	<u>2,337,131</u>	<u>15,146,923</u>	<u>22,610,044</u>
Excess (deficiency) of revenues over expenditures	<u>7,832,674</u>	<u>112,345</u>	<u>(107,626)</u>	<u>(445,103)</u>
Other financing sources (uses)				
Transfers in				
Transfers out			(1,175,829)	
Total other financing sources (uses)			<u>(1,175,829)</u>	
Changes in fund balances	<u>7,832,674</u>	<u>112,345</u>	<u>(1,283,455)</u>	<u>(445,103)</u>
Fund balances, beginning of year, previously reported	19,272,499	1,567,760	8,493,660	19,026,575
Adjustments to beginning fund balances				
Fund balances, beginning of year, as restated	<u>19,272,499</u>	<u>1,567,760</u>	<u>8,493,660</u>	<u>19,026,575</u>
Fund balances, end of year	<u>\$ 27,105,173</u>	<u>\$ 1,680,105</u>	<u>\$ 7,210,205</u>	<u>\$ 18,581,472</u>

Capital Projects Funds		Total Non-Major
Bond Building	Other Capital	Governmental
Fund	Projects	Funds
\$ 825,615	\$ 16	\$ 30,224,070
		31,761,031
		8,552,344
<u>825,615</u>	<u>16</u>	<u>70,537,445</u>
		27,779,817
		4,107,080
		622,685
		815,026
		594,767
		25,484,807
<u>22,351,923</u>	<u>33</u>	<u>25,267,298</u>
<u>22,351,923</u>	<u>33</u>	<u>84,671,480</u>
<u>(21,526,308)</u>	<u>(17)</u>	<u>(14,134,035)</u>
<u>(825,615)</u>	<u></u>	<u>(2,001,444)</u>
<u>(825,615)</u>	<u></u>	<u>(2,001,444)</u>
<u>(22,351,923)</u>	<u>(17)</u>	<u>(16,135,479)</u>
	(1,137)	48,359,357
<u>27,914,852</u>	<u></u>	<u>27,914,852</u>
<u>27,914,852</u>	<u>(1,137)</u>	<u>76,274,209</u>
<u>\$ 5,562,929</u>	<u>\$ (1,154)</u>	<u>\$ 60,138,730</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 645,940	\$ 645,940
State aid and grants			29,412,160	29,412,160
Total revenues			<u>30,058,100</u>	<u>30,058,100</u>
Expenditures				
Current:				
Instruction	45,629,307	46,418,674	19,908,831	26,509,843
Support services - students and staff	2,727,153	2,244,000	2,316,595	(72,595)
Operation of non-instructional services	4,926			
Total expenditures	<u>48,361,386</u>	<u>48,662,674</u>	<u>22,225,426</u>	<u>26,437,248</u>
Changes in fund balances	<u>(48,361,386)</u>	<u>(48,662,674)</u>	<u>7,832,674</u>	<u>56,495,348</u>
Fund balances, beginning of year			<u>19,272,499</u>	<u>19,272,499</u>
Fund balances, end of year	<u>\$ (48,361,386)</u>	<u>\$ (48,662,674)</u>	<u>\$ 27,105,173</u>	<u>\$ 75,767,847</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2024

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 100,605	\$ 100,605
State aid and grants			2,348,871	2,348,871
Total revenues			2,449,476	2,449,476
Expenditures				
Current:				
Instruction	677,288	1,473,909	1,217,623	256,286
Support services - students and staff	534,613	1,163,420	961,123	202,297
Support services - administration	88,100	191,722	158,385	33,337
Total expenditures	1,300,000	2,829,051	2,337,131	491,920
Changes in fund balances	(1,300,000)	(2,829,051)	112,345	2,941,396
Fund balances, beginning of year			1,567,760	1,567,760
Fund balances, end of year	\$ (1,300,000)	\$ (2,829,051)	\$ 1,680,105	\$ 4,509,156

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2024

	<u>Budget</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 6,486,953	\$ 6,486,953
Federal aid, grants and reimbursements			8,552,344	8,552,344
Total revenues			<u>15,039,297</u>	<u>15,039,297</u>
Expenditures				
Current:				
Instruction	7,550	10,251	7,146	3,105
Support services - administration	80,948	109,901	76,613	33,288
Operation and maintenance of plant services	155,050	210,507	146,747	63,760
Operation of non-instructional services	14,419,922	19,577,566	13,647,731	5,929,835
Capital outlay	<u>1,340,468</u>	<u>1,819,920</u>	<u>1,268,686</u>	<u>551,234</u>
Total expenditures	<u>16,003,938</u>	<u>21,728,145</u>	<u>15,146,923</u>	<u>6,581,222</u>
Excess (deficiency) of revenues over expenditures	<u>(16,003,938)</u>	<u>(21,728,145)</u>	<u>(107,626)</u>	<u>21,620,519</u>
Other financing sources (uses)				
Transfers out			(1,175,829)	(1,175,829)
Total other financing sources (uses)			<u>(1,175,829)</u>	<u>(1,175,829)</u>
Changes in fund balances	<u>(16,003,938)</u>	<u>(21,728,145)</u>	<u>(1,283,455)</u>	<u>20,444,690</u>
Fund balances, beginning of year			<u>8,493,660</u>	<u>8,493,660</u>
Fund balances, end of year	<u>\$ (16,003,938)</u>	<u>\$ (21,728,145)</u>	<u>\$ 7,210,205</u>	<u>\$ 28,938,350</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2024

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 22,164,941	\$ 22,164,941
Total revenues			<u>22,164,941</u>	<u>22,164,941</u>
Expenditures				
Current:				
Instruction	11,709,991	13,217,046	6,646,217	6,570,829
Support services - students and staff	1,461,256	1,649,317	829,362	819,955
Support services - administration	683,067	770,976	387,687	383,289
Operation and maintenance of plant services	1,177,443	1,328,978	668,279	660,699
Student transportation services	1,047,922	1,182,788	594,767	588,021
Operation of non-instructional services	20,855,782	23,539,885	11,837,076	11,702,809
Capital outlay	<u>2,901,248</u>	<u>3,274,634</u>	<u>1,646,656</u>	<u>1,627,978</u>
Total expenditures	<u>39,836,708</u>	<u>44,963,624</u>	<u>22,610,044</u>	<u>22,353,580</u>
Changes in fund balances	<u>(39,836,708)</u>	<u>(44,963,624)</u>	<u>(445,103)</u>	<u>44,518,521</u>
Fund balances, beginning of year			<u>19,026,575</u>	<u>19,026,575</u>
Fund balances, end of year	<u>\$ (39,836,708)</u>	<u>\$ (44,963,624)</u>	<u>\$ 18,581,472</u>	<u>\$ 63,545,096</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2024

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 102,753	\$ 102,753
Property taxes		28,554,191	28,554,191
Total revenues		28,656,944	28,656,944
Expenditures			
Debt service:			
Principal retirement	22,780,000	22,780,000	
Interest and fiscal charges	5,859,578	5,883,710	(24,132)
Total expenditures	28,639,578	28,663,710	(24,132)
Excess (deficiency) of revenues over expenditures	(28,639,578)	(6,766)	28,632,812
Other financing sources (uses)			
Transfers in		825,615	825,615
Total other financing sources (uses)		825,615	825,615
Changes in fund balances	(28,639,578)	818,849	29,458,427
Fund balances, beginning of year		1,879,475	1,879,475
Fund balances, end of year	\$ (28,639,578)	\$ 2,698,324	\$ 31,337,902

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2024

	<u>Budget</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Other local	\$	\$	\$ 825,615	\$ 825,615
Total revenues			825,615	825,615
Expenditures				
Capital outlay	22,827,308	27,208,599	22,351,923	4,856,676
Total expenditures	22,827,308	27,208,599	22,351,923	4,856,676
Excess (deficiency) of revenues over expenditures	(22,827,308)	(27,208,599)	(21,526,308)	5,682,291
Other financing sources (uses)				
Transfers out			(825,615)	(825,615)
Total other financing sources (uses)			(825,615)	(825,615)
Changes in fund balances	(22,827,308)	(27,208,599)	(22,351,923)	4,856,676
Fund balances, beginning of year			27,914,852	27,914,852
Fund balances, end of year	<u>\$ (22,827,308)</u>	<u>\$ (27,208,599)</u>	<u>\$ 5,562,929</u>	<u>\$ 32,771,528</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2024

	<u>Budget</u>		
	<u>Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues			
Other local	\$ _____	\$ 16	\$ 16
Total revenues	_____	16	16
Expenditures			
Capital outlay	_____	33	(33)
Total expenditures	_____	33	(33)
Changes in fund balances	_____	(17)	(17)
Fund balances, beginning of year	_____	(1,137)	(1,137)
Fund balances, end of year	\$ _____	\$ (1,154)	\$ (1,154)

Internal Service Funds

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

District Services - to account for the financial activity of providing goods and services to departments or schools within the District.

Gilbert Unified School District No. 41
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Employee Benefit Trust	District Services	Total Internal Service Funds
Assets			
Current assets:			
Cash and investments	\$ 28,791,325	\$ 1,005,815	\$ 29,797,140
Accounts receivable	206,159		206,159
Total current assets	<u>28,997,484</u>	<u>1,005,815</u>	<u>30,003,299</u>
Liabilities			
Current liabilities:			
Accounts payable	1,281,498		1,281,498
Claims payable	3,551,000		3,551,000
Total current liabilities	<u>4,832,498</u>		<u>4,832,498</u>
Net position			
Unrestricted	24,164,986	1,005,815	25,170,801
Total net position	<u><u>\$ 24,164,986</u></u>	<u><u>\$ 1,005,815</u></u>	<u><u>\$ 25,170,801</u></u>

Gilbert Unified School District No. 41
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Employee Benefit Trust	District Services	Total Internal Service Funds
Operating revenues			
Other local	\$ 42,493	\$	\$ 42,493
Charges for services		706,678	706,678
Contributions	27,337,828		27,337,828
Total operating revenues	<u>27,380,321</u>	<u>706,678</u>	<u>28,086,999</u>
Operating expenses			
Claims	26,371,662		26,371,662
Premiums	1,349,915		1,349,915
Administrative fees	1,876,936		1,876,936
Other		589,756	589,756
Total operating expenses	<u>29,598,513</u>	<u>589,756</u>	<u>30,188,269</u>
Operating income (loss)	<u>(2,218,192)</u>	<u>116,922</u>	<u>(2,101,270)</u>
Nonoperating revenues (expenses)			
Investment income	1,036,566	28,484	1,065,050
Total nonoperating revenue (expenses)	<u>1,036,566</u>	<u>28,484</u>	<u>1,065,050</u>
Changes in net position	(1,181,626)	145,406	(1,036,220)
Total net position, beginning of year	<u>25,346,612</u>	<u>860,409</u>	<u>26,207,021</u>
Total net position, end of year	<u>\$ 24,164,986</u>	<u>\$ 1,005,815</u>	<u>\$ 25,170,801</u>

Gilbert Unified School District No. 41
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Employee Benefit Trust	District Services	Total Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>			
Cash flows from operating activities			
Cash received from contributions	\$ 27,131,669	\$	\$ 27,131,669
Cash received from other sources	42,493	706,678	749,171
Cash payments to suppliers for goods and services	(2,721,001)	(589,756)	(3,310,757)
Cash payments for claims	(25,366,662)		(25,366,662)
Net cash provided by/used for operating activities	<u>(913,501)</u>	<u>116,922</u>	<u>(796,579)</u>
Cash flows from investing activities			
Investment income	1,036,566	28,484	1,065,050
Purchases and sales of investments	(1,022,758)		(1,022,758)
Net cash provided by/used for investing activities	<u>13,808</u>	<u>28,484</u>	<u>42,292</u>
Net increase/decrease in cash and cash equivalents	(899,693)	145,406	(754,287)
Cash and cash equivalents, beginning of year	<u>24,817,273</u>	<u>860,409</u>	<u>25,677,682</u>
Cash and cash equivalents, end of year	<u>\$ 23,917,580</u>	<u>\$ 1,005,815</u>	<u>\$ 24,923,395</u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>			
Cash and investments	\$ 28,791,325	\$ 1,005,815	\$ 29,797,140
Less investments not maturing in less than three months	4,873,745		4,873,745
Total cash and cash equivalents	<u>\$ 23,917,580</u>	<u>\$ 1,005,815</u>	<u>\$ 24,923,395</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>			
Operating income/loss	\$ (2,218,192)	\$ 116,922	\$ (2,101,270)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:			
Changes in assets and liabilities:			
Increase/decrease in accounts receivable	(206,159)		(206,159)
Increase/decrease in accounts payable	505,850		505,850
Increase/decrease in claims payable	1,005,000		1,005,000
Total adjustments	<u>1,304,691</u>		<u>1,304,691</u>
Net cash provided by/used for operating activities	<u>\$ (913,501)</u>	<u>\$ 116,922</u>	<u>\$ (796,579)</u>

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.), Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value (AV) 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 net full cash assessed value utilized for determining debt capacity limits.

Gilbert Unified School District No. 41
Net Position By Component
Last Ten Fiscal Years
(Accrual basis of accounting)

		Fiscal Year Ended June 30			
		<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Net Position:					
Net investment in capital assets	\$	404,276,364	\$ 397,210,926	\$ 378,649,477	\$ 373,364,234
Restricted		62,180,940	52,686,013	75,322,076	40,946,003
Unrestricted		(61,292,259)	(72,756,177)	(109,609,137)	(124,590,425)
Total net position	\$	<u>405,165,045</u>	<u>\$ 377,140,762</u>	<u>\$ 344,362,416</u>	<u>\$ 289,719,812</u>

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

Fiscal Year Ended June 30					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 373,732,581	\$ 368,106,305	\$ 369,169,992	\$ 369,379,805	\$ 368,163,931	\$ 365,475,563
34,192,545	29,378,146	24,024,069	26,195,002	23,711,947	19,583,341
(149,878,859)	(160,480,781)	(188,487,609)	(202,231,939)	(226,155,937)	(250,934,049)
<u>\$ 258,046,267</u>	<u>\$ 237,003,670</u>	<u>\$ 204,706,452</u>	<u>\$ 193,342,868</u>	<u>\$ 165,719,941</u>	<u>\$ 134,124,855</u>

Gilbert Unified School District No. 41
Expenses, Program Revenues, and Net (Expense)/Revenue
and General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenses				
Instruction	\$ 238,504,516	\$ 222,645,033	\$ 198,299,042	\$ 197,355,466
Support services - students and staff	51,669,485	49,128,719	42,095,483	39,203,942
Support services - administration	40,149,680	31,905,385	28,626,134	27,652,584
Operation and maintenance of plant services	38,159,512	34,901,940	29,128,343	28,203,969
Student transportation services	20,311,178	19,817,082	18,054,689	15,312,352
Operation of non-instructional services	27,958,045	27,008,078	24,760,192	19,498,371
Interest on long-term debt	3,080,139	3,222,533	4,433,284	4,273,100
Total expenses	<u>419,832,555</u>	<u>388,628,770</u>	<u>345,397,167</u>	<u>331,499,784</u>
Program Revenues				
Charges for services:				
Instruction	11,064,362	11,377,692	10,151,655	6,510,181
Operation of non-instructional services	20,231,836	22,871,787	11,097,896	7,754,332
Other activities	1,095,151	1,278,240	1,025,832	231,071
Operating grants and contributions	37,804,181	35,431,596	51,117,253	54,368,656
Capital grants and contributions	417,922	2,604,818	622,385	1,501,749
Total program revenues	<u>70,613,452</u>	<u>73,564,133</u>	<u>74,015,021</u>	<u>70,365,989</u>
Net (Expense)/Revenue	(349,219,103)	(315,064,637)	(271,382,146)	(261,133,795)
General Revenues:				
Property taxes	136,553,994	131,181,082	128,822,945	125,597,704
Investment income	8,092,310	4,647,404	1,281,870	1,096,272
Unrestricted county aid			13,007,023	12,388,665
Unrestricted state aid	229,417,684	210,470,399	177,046,289	152,201,630
Unrestricted federal aid	3,179,398	1,544,098	2,236,384	1,523,069
Gain on sale of capital assets			3,630,239	
Total general revenues	<u>377,243,386</u>	<u>347,842,983</u>	<u>326,024,750</u>	<u>292,807,340</u>
Changes in Net Position	<u>\$ 28,024,283</u>	<u>\$ 32,778,346</u>	<u>\$ 54,642,604</u>	<u>\$ 31,673,545</u>

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

- Note:** 1) Due to a change in legislation, beginning with fiscal year 2022-23 unrestricted county aid is now presented with property taxes.
2) Fiscal year 2020-21 was the year in which COVID-19 protocols called for a delay in in-person learning and greatly impacted the receipt of program revenues in the Food Service Fund and Community School Fund.
3) Support services – administration were higher than normal in fiscal year 2023-24 due to the claims and judgments payment related to the Qasimyar v. Maricopa County, Class Action Judgment.

Fiscal Year Ended June 30					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 183,861,160	\$ 166,987,026	\$ 162,590,105	\$ 157,426,855	\$ 154,128,237	\$ 165,774,344
34,929,905	31,634,799	30,841,479	30,352,121	29,642,416	30,501,121
25,427,659	23,228,383	21,560,630	21,705,726	18,846,108	21,521,671
26,601,544	25,427,027	26,489,799	26,507,174	23,823,376	28,297,980
15,026,792	15,399,427	14,886,579	12,792,658	11,214,240	12,651,695
19,719,237	19,236,180	16,949,156	15,918,136	13,154,128	11,766,216
4,486,819	4,004,766	3,469,834	4,069,169	4,095,271	4,879,946
<u>310,053,116</u>	<u>285,917,608</u>	<u>276,787,582</u>	<u>268,771,839</u>	<u>254,903,776</u>	<u>275,392,973</u>
8,477,389	8,072,895	7,936,031	9,694,680	10,784,142	12,592,790
12,240,068	15,557,972	14,192,708	12,753,327	8,212,428	6,476,883
939,042	1,289,155	1,122,862	1,219,367	3,047,863	3,248,426
21,527,404	24,351,578	22,397,093	18,410,264	17,999,558	17,847,528
939,213	1,047,789	678,735	1,376,388	1,890,779	1,018,932
<u>44,123,116</u>	<u>50,319,389</u>	<u>46,327,429</u>	<u>43,454,026</u>	<u>41,934,770</u>	<u>41,184,559</u>
(265,930,000)	(235,598,219)	(230,460,153)	(225,317,813)	(212,969,006)	(234,208,414)
105,082,914	104,540,476	99,737,239	106,226,141	90,261,559	104,253,622
2,142,036	1,405,894	669,955	779,066	401,054	382,894
12,124,808	11,298,195	11,569,739	11,249,447	11,682,660	12,813,476
162,992,543	148,576,069	134,899,010	132,708,624	140,225,946	136,970,710
3,157,695					
<u>285,499,996</u>	<u>265,820,634</u>	<u>246,875,943</u>	<u>250,963,278</u>	<u>242,571,219</u>	<u>254,420,702</u>
<u>\$ 19,569,996</u>	<u>\$ 30,222,415</u>	<u>\$ 16,415,790</u>	<u>\$ 25,645,465</u>	<u>\$ 29,602,213</u>	<u>\$ 20,212,288</u>

Gilbert Unified School District No. 41
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
General Fund:				
Nonspendable	\$ 4,033,447	\$ 4,178,195	\$ 4,079,805	\$ 687,786
Restricted	22,999,805	21,065,233	28,649,521	481,931
Assigned	36,163,216	49,988,108	20,150,000	
Unassigned	83,193,134	60,444,624	71,833,923	83,344,661
Total General Fund	<u>\$ 146,389,602</u>	<u>\$ 135,676,160</u>	<u>\$ 124,713,249</u>	<u>\$ 84,514,378</u>
All Other Governmental Funds:				
Nonspendable	\$ 346,309	\$ 334,250	\$ 626,707	\$ 524,903
Restricted	62,491,899	77,820,571	101,113,224	74,295,594
Unassigned	(15,289,792)	(5,687,306)	(12,522,937)	(13,479,680)
Total all other governmental funds	<u>\$ 47,548,416</u>	<u>\$ 72,467,515</u>	<u>\$ 89,216,994</u>	<u>\$ 61,340,817</u>

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

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

Fiscal Year Ended June 30					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 732,654	\$ 651,345	\$ 617,103	\$ 563,436	\$ 514,992	\$ 329,472
				329,742	314,387
71,186,999	49,868,336	44,967,229	37,419,754	29,915,504	16,717,712
<u>\$ 71,919,653</u>	<u>\$ 50,519,681</u>	<u>\$ 45,584,332</u>	<u>\$ 37,983,190</u>	<u>\$ 30,760,238</u>	<u>\$ 17,361,571</u>
\$ 396,595	\$ 279,926	\$ 342,621	\$ 245,095	\$ 291,799	\$ 173,516
53,349,955	62,909,517	49,483,865	33,725,085	47,295,881	18,806,072
(12,889,717)	(2,277,055)	(1,634,974)	(48,057)	(48,172)	(770,364)
<u>\$ 40,856,833</u>	<u>\$ 60,912,388</u>	<u>\$ 48,191,512</u>	<u>\$ 33,922,123</u>	<u>\$ 47,539,508</u>	<u>\$ 18,209,224</u>

Gilbert Unified School District No. 41
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Federal sources:				
Federal grants	\$ 13,696,869	\$ 29,928,638	\$ 27,747,322	\$ 27,761,177
National School Lunch Program	8,552,344	7,761,320	21,433,831	14,026,784
Total federal sources	<u>22,249,213</u>	<u>37,689,958</u>	<u>49,181,153</u>	<u>41,787,961</u>
State sources:				
State equalization assistance	193,664,067	178,322,981	147,983,924	133,514,064
State grants	2,290,583	3,450,031	2,679,085	2,216,371
School Facilities Oversight Board			7,696	
Other revenues	31,761,037	32,208,062	29,062,365	18,696,191
Total state sources	<u>227,715,687</u>	<u>213,981,074</u>	<u>179,733,070</u>	<u>154,426,626</u>
Local sources:				
Property taxes	136,206,495	130,912,530	129,992,750	125,879,690
County aid			13,007,023	12,388,665
Food service sales	6,268,619	6,204,119	472,823	359,724
Investment income	7,031,163	1,005,281	1,294,045	1,047,509
Other revenues	28,738,620	35,214,544	24,436,981	15,851,904
Total local sources	<u>178,244,897</u>	<u>173,336,474</u>	<u>169,203,622</u>	<u>155,527,492</u>
Total revenues	<u><u>\$ 428,209,797</u></u>	<u><u>\$ 425,007,506</u></u>	<u><u>\$ 398,117,845</u></u>	<u><u>\$ 351,742,079</u></u>

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

Note: Due to a change in legislation, beginning with fiscal year 2022-23, county aid is now presented with property taxes.

Fiscal Year Ended June 30

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 15,491,196	\$ 15,200,841	\$ 11,418,261	\$ 11,057,491	\$ 11,254,086	\$ 11,075,663
5,419,789	6,127,333	6,048,844	6,265,992	5,916,547	5,966,734
20,910,985	21,328,174	17,467,105	17,323,483	17,170,633	17,042,397
143,504,926	128,265,649	115,807,324	117,226,363	124,414,856	122,372,404
2,469,663	2,094,551	1,969,707	492,736	489,604	353,619
455,243		3,992	211,073		30,320
19,032,374	20,311,406	19,091,686	15,499,224	15,811,090	14,567,986
165,462,206	150,671,606	136,872,709	133,429,396	140,715,550	137,324,329
109,317,269	106,088,152	99,595,684	106,292,637	94,691,372	104,521,476
12,124,808	11,298,195	11,569,739	11,249,447	11,682,660	12,813,476
4,792,015	6,003,586	5,912,582	6,012,612	5,735,863	6,476,883
2,123,625	1,238,975	669,955	773,605	366,409	373,867
20,154,408	22,670,851	20,872,222	21,312,654	20,295,561	18,622,802
148,512,125	147,299,759	138,620,182	145,640,955	132,771,865	142,808,504
<u>\$ 334,885,316</u>	<u>\$ 319,299,539</u>	<u>\$ 292,959,996</u>	<u>\$ 296,393,834</u>	<u>\$ 290,658,048</u>	<u>\$ 297,175,230</u>

Gilbert Unified School District No. 41
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Expenditures:				
Current -				
Instruction	\$ 203,720,821	\$ 197,897,685	\$ 179,540,384	\$ 175,701,730
Support services - students and staff	49,532,662	48,101,178	41,669,939	38,330,083
Support services - administration	35,702,123	28,350,158	25,297,662	23,841,097
Operation and maintenance of plant services	36,059,295	33,597,818	27,960,528	27,319,636
Student transportation services	16,216,556	15,941,342	14,242,669	10,895,348
Operation of non-instructional services	26,925,494	26,163,886	24,227,744	18,657,280
Capital outlay	45,594,793	72,892,705	46,004,841	37,112,981
Debt service -				
Principal retirement	22,780,000	19,973,852	22,405,136	21,442,635
Interest and fiscal charges	5,883,710	5,829,391	5,407,143	5,321,445
Bond issuance costs		252,849	431,350	351,951
Total expenditures	<u>\$ 442,415,454</u>	<u>\$ 449,000,864</u>	<u>\$ 387,187,396</u>	<u>\$ 358,974,186</u>
Expenditures for capitalized assets	\$ 33,964,418	\$ 60,139,038	\$ 33,011,332	\$ 20,507,289
Debt service as a percentage of noncapital expenditures	7%	7%	8%	8%

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

Note: Support services – administration were higher than normal in fiscal year 2023-24 due to the claims and judgments payment related to the Qasimyar v. Maricopa County, Class Action Judgment.

Fiscal Year Ended June 30

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 168,487,533	\$ 164,284,356	\$ 154,589,610	\$ 150,480,746	\$ 145,431,243	\$ 147,167,181
34,775,419	34,065,059	31,897,535	31,192,023	30,306,760	28,829,808
23,055,999	22,445,848	20,257,822	21,655,148	19,316,560	19,646,352
26,310,390	25,820,059	26,001,535	26,770,574	24,250,084	27,067,416
12,216,822	12,483,445	11,907,039	11,082,580	10,017,582	10,464,771
19,208,686	19,497,035	17,197,355	16,269,340	13,319,347	11,412,431
25,983,386	27,207,515	20,394,334	23,004,112	13,337,653	12,882,642
20,182,501	18,872,287	18,138,271	17,930,901	17,122,091	16,424,343
4,990,743	4,508,690	3,799,253	4,404,583	4,252,028	5,051,531
	317,104	318,462		715,975	
<u>\$ 335,211,479</u>	<u>\$ 329,501,398</u>	<u>\$ 304,501,216</u>	<u>\$ 302,790,007</u>	<u>\$ 278,069,323</u>	<u>\$ 278,946,475</u>
\$ 17,067,611	\$ 15,537,991	\$ 11,479,723	\$ 14,006,383	\$ 5,057,447	\$ 2,365,352
8%	7%	7%	8%	8%	8%

Gilbert Unified School District No. 41
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Excess (deficiency) of revenues over expenditures	\$ (14,205,657)	\$ (23,993,358)	\$ 10,930,449	\$ (7,232,107)
Other financing sources (uses):				
Issuance of school improvement bonds		16,970,000	43,750,000	34,345,000
Issuance of refunding bonds				
Premium on sale of bonds		1,180,249	6,526,033	5,882,376
Payment to refunded bond escrow agent				
Capital lease agreements				
Proceeds from sale of capital assets			6,847,911	
Insurance recoveries		56,541		
Transfers in	2,500,129	2,644,228	2,375,396	2,796,574
Transfers out	(2,500,129)	(2,644,228)	(2,375,396)	(2,796,574)
Total other financing sources (uses)	<u> </u>	<u>18,206,790</u>	<u>57,123,944</u>	<u>40,227,376</u>
Changes in fund balances	<u>\$ (14,205,657)</u>	<u>\$ (5,786,568)</u>	<u>\$ 68,054,393</u>	<u>\$ 32,995,269</u>

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

Fiscal Year Ended June 30					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ (326,163)	\$ (10,201,859)	\$ (11,541,220)	\$ (6,396,173)	\$ 12,588,725	\$ 18,228,755
	24,620,000	27,810,000		31,300,000	
				38,445,000	
	3,266,537	3,510,900		4,992,571	
		1,808,471		(41,665,173)	1,300,000
		96,839			
2,829,159	2,751,474	2,931,147	2,249,003	2,762,026	2,744,396
(2,829,159)	(2,751,474)	(2,931,147)	(2,249,003)	(2,762,026)	(2,744,396)
	27,886,537	33,226,210		33,072,398	1,300,000
<u>\$ (326,163)</u>	<u>\$ 17,684,678</u>	<u>\$ 21,684,990</u>	<u>\$ (6,396,173)</u>	<u>\$ 45,661,123</u>	<u>\$ 19,528,755</u>

Gilbert Unified School District No. 41
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	\$ 775,590,864	\$ 735,066,405	\$ 710,221,306	\$ 665,709,711
Agricultural and Vacant	54,563,224	47,082,003	44,047,881	44,243,927
Residential (Owner Occupied)	1,287,764,939	1,222,604,665	1,161,988,910	1,086,770,902
Residential (Rental)	506,727,866	463,449,871	422,124,534	387,448,527
Railroad, Private Cars and Airlines	2,313,231	2,050,000	1,507,914	1,417,929
Historical Property	25,569,761	22,225,178	16,870,815	15,815,568
Certain Government Property Improvements				76,560
Total	<u>\$ 2,652,529,885</u>	<u>\$ 2,492,478,122</u>	<u>\$ 2,356,761,360</u>	<u>\$ 2,201,483,124</u>
Gross Full Cash Value	\$ 43,243,555,834	\$ 33,297,083,383	\$ 30,977,464,766	\$ 28,318,283,875
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6%	7%	8%	8%
Total Direct Rate	5.70	5.81	6.03	6.26

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

Note: On November 6, 2012, voters approved Proposition 117, 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.

Fiscal Year

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 617,790,207	\$ 556,217,421	\$ 517,967,507	\$ 495,834,048	\$ 477,645,179	\$ 480,117,728
53,855,388	45,422,784	49,498,228	66,671,921	49,588,003	51,104,462
1,019,641,267	964,790,257	898,487,550	838,779,263	793,865,285	761,208,161
363,034,707	327,663,163	303,980,168	284,151,038	260,141,723	226,953,854
1,487,232	1,489,086	1,580,055	1,514,150	1,647,076	1,659,971
10,660,319	5,396,650	4,730,381	5,086,859	229,375	100,585
		50,654	48,241	17,632	88,442
<u>\$ 2,066,469,120</u>	<u>\$ 1,900,979,361</u>	<u>\$ 1,776,294,543</u>	<u>\$ 1,692,085,520</u>	<u>\$ 1,583,134,273</u>	<u>\$ 1,521,233,203</u>
\$ 25,778,609,047	\$ 23,207,866,030	\$ 21,553,018,820	\$ 20,352,429,884	\$ 18,709,821,377	\$ 15,418,155,826
8%	8%	8%	8%	8%	10%
5.90	6.11	6.20	6.94	6.46	7.23

Gilbert Unified School District No. 41
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	\$ 1,195,718,815	\$ 986,758,373	\$ 972,465,268	\$ 895,014,582
Agricultural and Vacant	138,767,924	81,723,974	77,721,598	76,132,171
Residential (Owner Occupied)	2,168,723,490	1,654,800,696	1,557,387,317	1,420,832,553
Residential (Rental)	918,400,821	699,363,646	612,468,260	538,896,372
Railroad, Private Cars and Airlines	2,987,024	2,703,830	1,958,713	1,798,250
Historical Property	31,711,526	26,591,130	21,344,505	20,500,350
Certain Government Property Improvements				92,887
Total	<u>\$ 4,456,309,600</u>	<u>\$ 3,451,941,649</u>	<u>\$ 3,243,345,661</u>	<u>\$ 2,953,267,165</u>
Gross Full Cash Value	\$ 43,243,555,834	\$ 33,297,083,383	\$ 30,977,464,766	\$ 28,318,283,875
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	10%	10%
Estimated Net Full Cash Value	\$ 29,427,711,070	\$ 27,239,435,879	\$ 24,790,779,005	\$ 22,410,050,580
Total Direct Rate	5.70	5.81	6.03	6.26

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

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

Fiscal Year					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 802,752,785	\$ 695,967,407	\$ 640,989,816	\$ 591,416,565	\$ 518,168,909	\$ 485,000,776
83,488,693	65,189,773	69,578,015	89,066,161	58,305,587	54,931,165
1,296,342,099	1,208,589,150	1,116,488,221	1,062,190,894	1,017,388,568	809,525,976
490,637,895	431,982,941	392,617,741	362,993,919	329,830,181	244,823,285
1,840,893	1,798,045	1,843,637	1,621,779	1,678,781	1,675,555
15,319,915	8,458,785	7,381,555	6,574,153	770,400	249,209
		73,580	56,843	19,436	88,442
<u>\$ 2,690,382,280</u>	<u>\$ 2,411,986,101</u>	<u>\$ 2,228,972,565</u>	<u>\$ 2,113,920,314</u>	<u>\$ 1,926,161,862</u>	<u>\$ 1,596,294,408</u>
\$ 25,778,609,047	\$ 23,207,866,030	\$ 21,553,018,820	\$ 20,352,429,884	\$ 18,709,821,377	\$ 15,418,155,826
10%	10%	10%	10%	10%	10%
\$ 20,153,347,500	\$ 18,689,377,268	\$ 18,538,625,398	\$ 17,546,793,058	\$ 15,854,084,576	\$ 12,747,672,800
5.90	6.11	6.20	6.94	6.46	7.23

Gilbert Unified School District No. 41
Property Tax Assessment Ratios
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	17 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15
Residential (Owner Occupied)	10	10	10	10
Residential (Rental)	10	10	10	10
Railroad, Private Cars and Airlines	14	15	15	15

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

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

Fiscal Year					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
18 %	18 %	18 %	18 %	19 %	19 %
15	15	15	15	16	16
10	10	10	10	10	10
10	10	10	10	10	10
15	14	15	14	15	16

Gilbert Unified School District No. 41
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates				
	State Equalization	County	Community College District	Flood Control District	Central Arizona Project
2024		1.20	1.14	0.15	0.14
2023		1.25	1.19	0.16	0.14
2022	0.43	1.35	1.11	0.18	0.14
2021	0.44	1.40	1.29	0.18	0.14
2020	0.46	1.40	1.33	0.18	0.14
2019	0.47	1.40	1.38	0.18	0.14
2018	0.49	1.40	1.41	0.18	0.14
2017	0.50	1.40	1.47	0.18	0.14
2016	0.51	1.36	1.49	0.16	0.14
2015	0.51	1.32	1.52	0.14	0.14

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

Overlapping Rates						
City of Chandler	City of Mesa	Town of Gilbert	East Valley Institute of Technology School District No. 401	District Direct Rates		
				Primary	Secondary	Total
1.09	0.86	0.98	0.05	3.36	2.34	5.70
1.10	0.92	0.99	0.05	3.49	2.32	5.81
1.11	1.13	0.99	0.05	3.71	2.32	6.03
1.12	1.12	0.99	0.05	3.76	2.49	6.26
1.13	1.19	0.99	0.05	3.87	2.04	5.90
1.14	1.02	0.99	0.05	4.01	2.10	6.11
1.14	1.10	1.03	0.05	4.12	2.08	6.20
1.16	1.16	1.06	0.05	4.86	2.08	6.94
1.18	1.21	1.06	0.05	5.26	1.20	6.46
1.18	1.19	1.07	0.05	5.21	2.02	7.23

Gilbert Unified School District No. 41
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior

Taxpayer	2024		2015	
	Net Limited Assessed Valuation	Percentage of District's Net Limited Assessed Valuation	Net Full Cash Assessed Valuation	Percentage of District's Net Full Cash Assessed Valuation
Westcor Santan Village LLC	\$ 16,407,303	0.62 %		
Apple Inc.	15,861,557	0.60		
Whitestone Village Square at Dana Park LLC	9,640,348	0.36		
Platypus Development LLC	9,338,538	0.35		
SP TIC 3 LLC	7,053,178	0.27		
USCIF Artis Park Lucero Venture LP	6,621,633	0.25		
LCG2 Santan Apts LLC	6,508,175	0.25		
AX Stapley LP	6,508,067	0.25		
Mecp1 Mesa 1 LLC	6,375,716	0.24		
CSHV Elliot 202 LLC	6,289,516	0.24		
Sachs Ranch Co. LLC/Hurley Land Co. LLC			\$ 15,365,427	1.01 %
Qwest Corporation			12,201,955	0.80
Mountain Vista Medical Center LP			11,980,788	0.79
Southwest Gas Corporation (T&D)			10,619,692	0.70
Wal-mart Stores Inc.			5,432,115	0.36
Echostar Satellite Corp.			5,118,688	0.34
Hughes Helicopters Inc.			4,734,984	0.31
Dtd Devco 8W LLC			4,315,263	0.28
Mesa Financial Plaza LLC			3,726,517	0.24
Stapely Office Inc.			3,402,841	0.22
Total	<u>\$ 90,604,031</u>	<u>3.42 %</u>	<u>\$ 76,898,270</u>	<u>5.05 %</u>
Net Assessed Limited Property Value	<u>\$ 2,652,529,885</u>			

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

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

Gilbert Unified School District No. 41
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	District Tax Rate	Adopted Taxes Levied for the Fiscal Year	Adjusted Tax Levy as of June 30th	Collected within the Fiscal Year of the Levy		Adjusted Tax Levy as of June 30, 2024	Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
				Amount	Percentage of Levy			Amount	Percentage of Levy
2024	5.70	\$ 152,215,819	\$ 151,205,630	\$ 145,357,193	95.49 %	\$ 151,205,630	\$	\$ 145,357,193	95.49 %
2023	5.81	145,737,741	144,818,373	135,723,937	93.13	144,818,373	9,068,612	144,792,549	99.35
2022	6.03	142,198,673	141,828,405	135,723,937	95.45	141,828,405	6,086,484	141,810,421	99.73
2021	6.26	138,133,783	137,723,376	132,115,376	95.64	137,723,376	5,597,088	137,712,464	99.69
2020	5.90	121,254,037	120,986,366	114,943,129	94.80	120,986,366	6,011,508	120,954,637	99.75
2019	6.11	116,513,964	115,888,656	110,307,909	94.67	115,888,656	5,576,173	115,884,082	99.46
2018	6.20	110,150,673	109,846,087	103,677,940	94.12	109,846,087	6,164,941	109,842,881	99.72
2017	6.94	115,789,799	115,184,692	109,085,973	94.21	115,184,692	5,934,974	115,020,947	99.34
2016	6.46	102,693,269	101,721,316	100,774,920	98.13	101,721,316	943,962	101,718,882	99.05
2015	7.23	111,358,852	109,985,628	105,057,231	94.34	109,985,628	4,925,004	109,982,235	98.76

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 personal property taxes are collected within 90 days after the due date.

Gilbert Unified School District No. 41
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	Less: Amounts Restricted for			Percentage of	Financed		Percentage of				
	General Obligation	Principal	Total	Estimated	Per	Purchases and	Estimated	Per	Personal		
	Bonds			Actual Value	Capita	Leases	Total	Actual Value	Capita	Income	
2024	\$ 145,569,247	\$ 2,892,795	\$ 142,676,452	0.33 %	\$ 669	\$	\$ 145,569,247	0.34 %	\$ 669	0.05 %	
2023	168,434,702	1,982,829	166,451,873	0.50	783		168,434,702	0.51	783	0.06	
2022	174,953,197	1,084,966	173,868,231	0.56	791	273,852	175,227,049	0.57	791	0.07	
2021	146,367,909	1,538,450	144,829,459	0.51	675	978,988	147,346,897	0.52	675	0.06	
2020	127,049,484	1,602,455	125,447,029	0.49	660	2,066,623	129,116,107	0.50	660	0.06	
2019	146,114,011	1,421,810	144,692,201	0.62	702	3,194,124	149,308,135	0.64	702	0.07	
2018	136,582,001	670,907	135,911,094	0.63	666	4,311,411	140,893,412	0.61	666	0.07	
2017	123,326,123	613,495	122,712,628	0.60	499	3,596,211	126,922,334	0.62	499	0.07	
2016	140,587,140	3,109,338	137,477,802	0.73	579	4,597,112	145,184,252	0.78	579	0.08	
2015	120,355,130	1,042,071	119,313,059	0.77	512	5,599,203	125,954,333	0.82	512	0.07	

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

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

Gilbert Unified School District No. 41
Direct and Overlapping Governmental Activities Debt
June 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Net Full Cash Assessed Value</u>	<u>Net Limited Assessed Value</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:					
State of Arizona	\$ None			3.18 %	\$ None
Maricopa County	None	\$ 91,557,158,472	\$ 54,722,326,231	4.83	None
Maricopa Community College District	135,585,000	91,557,158,472	54,722,326,231	4.83	6,548,756
Maricopa County Special Healthcare District	574,205	91,557,158,472	54,722,326,231	4.83	27,734
Eastmark Community Facilities District No. 1	59,445,000	61,345,000	120,115,355	11.45	6,806,453
Eastmark Community Facilities District No. 2	5,220,000	2,240,000	9,282,152	96.48	5,036,256
Gilbert County Island Fire District	None	103,775,667	56,675,620	29.93	None
City of Chandler	382,025,000	6,280,177,157	3,900,095,513	1.8	6,876,450
City of Mesa	264,330,000	8,057,958,599	4,517,098,052	16.14	42,662,862
Town of Gilbert	131,680,000	5,367,120,476	3,197,458,863	57.51	75,729,168
Subtotal, Overlapping Debt					<u>143,687,679</u>
Direct:					
Gilbert Unified School District No. 41					<u>145,569,247</u>
Total Direct and Overlapping Governmental Activities Debt					<u>\$ 289,256,926</u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	5.41 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	\$1,319
As a Percentage of Net Limited Assessed Valuation	10.82 %
As a Percentage of Gross Full Cash Value	0.66 %

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

Notes: 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.

2) Outstanding debt as of June 30, 2023 is presented for the overlapping governments as this is the most recent available information.

Gilbert Unified School District No. 41
Legal Debt Margin Information
Last Ten Fiscal Years

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

Net full cash assessed valuation	\$ 4,456,309,600
Debt limit (20% of assessed value)	891,261,920
Debt applicable to limit	<u>146,315,497</u>
Legal debt margin	<u><u>\$ 744,946,423</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2024:

Net full cash assessed valuation	\$ 4,456,309,600
Debt limit (30% of assessed value)	1,336,892,880
Debt applicable to limit	<u>146,315,497</u>
Legal debt margin	<u><u>\$ 1,190,577,383</u></u>

	Fiscal Year Ended June 30				
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Debt Limit	\$ 1,336,892,880	\$ 1,035,582,495	\$ 973,003,698	\$ 885,980,150	\$ 807,114,684
Total net debt applicable to limit	<u>146,315,497</u>	<u>168,567,832</u>	<u>173,949,104</u>	<u>144,489,320</u>	<u>123,636,927</u>
Legal debt margin	<u><u>\$ 1,190,577,383</u></u>	<u><u>\$ 867,014,663</u></u>	<u><u>\$ 799,054,594</u></u>	<u><u>\$ 741,490,830</u></u>	<u><u>\$ 683,477,757</u></u>
Total net debt applicable to the limit as a percentage of debt limit	11%	16%	18%	16%	15%

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

- Notes:** 1) The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
- 2) Prior to fiscal year 2016-17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with fiscal year 2016-17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

Fiscal Year Ended June 30				
<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 723,595,830	\$ 668,691,770	\$ 634,176,094	\$ 577,848,559	\$ 478,888,322
<u>141,450,000</u>	<u>130,835,000</u>	<u>116,725,000</u>	<u>132,845,000</u>	<u>116,680,000</u>
<u>\$ 582,145,830</u>	<u>\$ 537,856,770</u>	<u>\$ 517,451,094</u>	<u>\$ 445,003,559</u>	<u>\$ 362,208,322</u>
20%	20%	18%	23%	24%

Gilbert Unified School District No. 41
County-Wide Demographic and Economic Statistics
Last Ten Calendar Years

<u>Year</u>	<u>Population</u>		<u>Personal Income (thousands)</u>		<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2023	4,665,020	\$	312,350,417	\$	68,111	3.4 %	217,656
2022	4,586,431		268,713,717		59,759	3.0	215,029
2021	4,507,419		249,677,860		56,255	4.5	221,225
2020	4,439,220		245,077,753		53,521	6.6	216,700
2019	4,367,835		222,943,072		49,704	3.6	192,364
2018	4,294,460		210,370,180		47,694	4.1	208,084
2017	4,221,684		196,286,191		45,573	4.2	204,995
2016	4,137,076		185,111,698		43,628	4.5	247,000
2015	4,076,438		184,784,917		42,092	5.5	242,857
2014	4,087,191		168,483,421		41,222	5.9	235,000

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

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

Gilbert Unified School District No. 41
Maricopa County, Arizona
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior

Employer	2024			2015		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Banner Health Systems	26,670	1.41	%	24,825	1.35	%
Amazon	23,260	1.23				
State of Arizona	22,350	1.18		49,800	2.71	
Walmart Stores Inc.	17,450	0.92		30,634	1.67	
Frys Food Stores	15,110	0.80				
Intel Corporation	12,810	0.68		11,800	0.64	
Maricopa County	11,580	0.61		12,792	0.70	
Arizona State University	11,300	0.60		11,185	0.61	
Wells Fargo Company	10,420	0.55		13,308	0.72	
United States Department of the Air Force	9,310	0.49				
City of Phoenix				15,100	0.82	
Bank of America				13,300	0.72	
Apollo Group Inc.				11,000	0.60	
JP Morgan Chase & Co.						
Total	160,260	8.47	%	193,744	10.54	%
Total employment	1,893,180			1,836,600		

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

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

Gilbert Unified School District No. 41
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Supervisory				
Supervisors of instruction / Superintendents /				
Directors / Coordinators	50	47	47	49
Principals	43	41	38	40
Assistant principals and Deans of Students	40	77	27	24
Non-instructional Managers and Supervisors	13	15	10	10
Classified supervisors			36	24
Total supervisory	146	180	158	147
Instruction				
Teachers/Librarians	1,924	1,920	1,953	1,954
Speech pathologists	83	67	70	66
Aides	687	538	531	519
Total instruction	2,694	2,525	2,554	2,539
Student Services				
Safety and Security Personnel	82	66		
Librarians and Media Assistants	30	31	7	7
Nurses and Health Assistants	59	53		
Psychologists	45	44	43	43
OTPT (includes assistants), SLP, Interpreters	110	35		
Academic Counselors	45	42	54	54
Technicians (Core technicians)	50	41	74	13
Social Workers and Mental Health Counselors	49	45	37	34
Total student services	470	357	215	151
Support and Administration				
Administrative Support**	240	254		
Facilities Support	315	289		
Transportation Personnel	223	248	155	166
Food Service Personnel	198	189	152	145
Community Education Personnel	145	116	863	838
Total support and administration	1,121	1,096	1,170	1,149
Total	4,431	4,158	4,097	3,986

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

Note: For 2024 and 2023, the District opted to better define the categories to provide greater detail and transparency on behalf of the GPS community. We believe that in the Support and Administration Category, it was important to separate out the various departments that are enterprise operations or are supporting the school physical environment.

All the Directors for all of these departments, however, are still included in the Supervisory Category of Directors and Asst. Directors. All managers and supervisors of the specific departments listed under Support and Administration are included in their respective departments.

In addition, Student Services and Support and Administrative categories were updated to align with current departmental organization.

** The Administrator Support Category includes all positions that are registrars, school secretaries, attendance clerks as well as those administrative support positions that support the Supervisory staff under Supervisory. Any administrative assistant type position within the Facilities, Transportation, Food Service or Community Education are included in those specific departments.

Full-time Equivalent Employees as of June 30					
<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
51	40	47	41	41	41
40	38	39	39	38	40
23	23	22	22	21	21
11	11	11	9	11	8
22	36	29	36	98	98
146	148	148	147	209	208
1,936	1,907	1,898	1,911	1,866	1,831
64	54	59	54	57	52
504	518	502	506	566	582
2,504	2,479	2,459	2,471	2,489	2,465
8	8	8	34	19	19
12	12	13	8	13	13
40	38	38	40	38	40
50	49	39	39	37	41
24	23	27	24	22	25
133	130	125	145	129	138
181					
153					
853	1,188	1,178	1,180	1,143	1,173
1,187	1,188	1,178	1,180	1,143	1,173
3,971	3,945	3,910	3,943	3,970	3,984

Gilbert Unified School District No. 41

Operating Statistics

Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership (ADM)*	Governmental Operating Expenditures	Cost per ADM	Percentage Change
2024	30,916	\$ 368,156,951	\$ 11,908	7.49 %
2023	31,596	350,052,067	11,079	12.71
2022	31,836	312,938,926	9,830	2.68
2021	30,789	294,745,174	9,573	11.73
2020	33,154	284,054,849	8,568	1.28
2019	32,933	278,595,802	8,459	7.58
2018	33,300	261,850,896	7,863	2.87
2017	33,679	257,450,411	7,644	7.73
2016	34,196	242,641,576	7,096	2.57
2015	35,357	244,587,959	6,918	(1.06)

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

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

* Average daily membership (ADM) represents the average enrollment or "member days" through the first 100 days of the school year. In Arizona, school is generally in session for 180 days.

Government-Wide Activities Expenses		Cost per ADM	Percentage Change		Teaching Staff	Pupil- Teacher Ratio	Percentage of Free/Reduced Students	
\$	419,832,555	\$ 13,580	10.41	%	1,953	15.8	34.6	%
	388,628,770	12,300	13.37		1,925	16.4	30.0	
	345,397,167	10,849	0.77		1,953	16.3	20.9	
	331,499,784	10,767	15.13		1,954	15.8	20.5	
	310,053,116	9,352	7.72		1,936	17.1	23.8	
	285,917,608	8,682	4.45		1,907	17.3	25.3	
	276,787,582	8,312	4.15		1,898	17.5	29.2	
	268,771,839	7,980	7.06		1,911	17.6	27.6	
	254,903,776	7,454	(4.30)		1,866	18.3	27.9	
	275,392,973	7,789	(0.20)		1,831	19.3	27.8	

Gilbert Unified School District No. 41
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30			
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<u>Schools</u>				
Elementary				
Buildings	127	127	127	128
Square feet	2,171,752	2,171,752	2,171,752	2,019,090
Capacity	21,184	21,184	21,184	23,875
Enrollment	14,394	14,687	16,216	16,297
Middle				
Buildings	49	49	49	50
Square feet	659,895	659,895	659,895	831,896
Capacity	7,356	7,356	7,356	8,362
Enrollment	4,968	5,094	5,486	5,481
High				
Buildings	101	101	101	101
Square feet	1,783,960	1,783,960	1,783,960	1,789,491
Capacity	13,819	13,819	13,819	15,652
Enrollment	11,260	11,561	11,877	11,901
<u>Administrative</u>				
Buildings	24	24	24	24
Square feet	184,405	184,405	184,405	184,405
<u>Transportation</u>				
Garages	9,660	9,660	9,660	9,660
Buses	180	180	180	197
<u>Athletics</u>				
Football fields	31	31	31	31
Running tracks	11	11	11	11
Baseball/softball	50	50	50	50
Swimming pools	2	2	2	2
Playgrounds	26	26	26	27

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

Fiscal Year Ended June 30

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
128	128	128	128	128	128
2,019,090	2,019,090	2,019,090	2,019,090	2,019,090	2,019,090
23,875	23,875	23,875	23,875	23,875	23,875
17,318	17,318	17,440	18,307	18,307	18,307
50	50	50	50	50	50
831,896	831,896	831,896	831,896	831,896	831,896
8,362	8,362	8,362	8,362	8,362	8,362
5,323	5,323	5,579	6,204	6,204	6,204
101	101	101	101	101	101
1,784,397	1,784,397	1,784,397	1,784,397	1,784,397	1,784,397
15,448	15,448	15,448	15,448	15,448	15,448
12,127	12,127	12,052	12,725	12,725	12,725
24	24	24	24	24	24
181,102	181,102	181,102	181,102	181,102	181,102
18,056	18,056	18,056	18,056	18,056	18,056
197	197	253	253	253	253
31	31	31	31	31	31
11	11	11	11	11	11
50	50	50	50	50	50
2	2	3	3	3	3
27	27	27	27	27	27



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