

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

TEMPE ELEMENTARY SCHOOL DISTRICT #3 TEMPE, AZ

For Fiscal Year Ended June 30, 2024

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ANNUAL COMPREHENSIVE FINANCIAL REPORT  
OF THE  
TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
TEMPE, ARIZONA  
FOR THE  
YEAR ENDED JUNE 30, 2024

Issued by  
Business and Finance Department  
Tempe Elementary School District No. 3  
3205 S Rural Rd  
Tempe, AZ 85282

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**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**TABLE OF CONTENTS**  
**YEAR ENDED JUNE 30, 2024**

**INTRODUCTORY SECTION**

LETTER OF TRANSMITTAL	1
LIST OF PRINCIPAL OFFICIALS	6
ORGANIZATIONAL CHART	7
ASBO CERTIFICATE OF EXCELLENCE	8
GFOA CERTIFICATE OF ACHIEVEMENT	9

**FINANCIAL SECTION**

INDEPENDENT AUDITORS' REPORT	10
REQUIRED SUPPLEMENTARY INFORMATION	
MANAGEMENT'S DISCUSSION AND ANALYSIS	14
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	23
STATEMENT OF ACTIVITIES	24
BALANCE SHEET – GOVERNMENTAL FUNDS	25
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION	27
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE GOVERNMENTAL FUNDS	28
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	30
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	31
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	32
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	33
NOTES TO BASIC FINANCIAL STATEMENTS	34
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND PENSION CONTRIBUTIONS	62

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND PENSION CONTRIBUTIONS	64
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS – OTHER POSTEMPLOYMENT BENEFITS PLAN	66
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND	68
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – SPECIAL PROJECTS FUND	69
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	70
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
COMBINING BALANCE SHEET	74
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE	76
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – BOND BUILDING FUND	78
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – DEBT SERVICE FUND	79
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – INSTRUCTIONAL IMPROVEMENT FUND	80
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – CLASSROOM SITE FUND	81
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – OTHER SPECIAL REVENUE FUND	82
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – FOOD SERVICE FUND	83
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – STUDENT ACTIVITIES FUND	84
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – ADJACENT WAYS FUND	85
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – BUILDING RENEWAL FUND	86

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE – BUDGET AND ACTUAL – UNRESTRICTED CAPITAL OUTLAY FUND	87
INTERNAL SERVICE FUNDS	
COMBINING STATEMENT OF NET POSITION	89
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	90
COMBINING STATEMENT OF CASH FLOWS	91
<b>STATISTICAL SECTION (UNAUDITED)</b>	
FINANCIAL TRENDS	
NET POSITION BY COMPONENT	93
CHANGE IN NET POSITION	94
FUND BALANCES OF GOVERNMENTAL FUNDS	96
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS	97
REVENUE CAPACITY	
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE OF TAXABLE PROPERTY BY CLASS	99
NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS	101
PROPERTY TAX ASSESSMENT RATIOS	103
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS	105
PRINCIPAL PROPERTY TAXPAYERS	106
PROPERTY TAX LEVIES AND COLLECTIONS	107
DEBT CAPACITY	
OUTSTANDING DEBT BY TYPE	108
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	109
LEGAL DEBT MARGIN INFORMATION	110
CALCULATION OF LEGAL DEBT MARGIN	111

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
TABLE OF CONTENTS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

DEMOGRAPHIC AND ECONOMIC INFORMATION	
DEMOGRAPHIC AND ECONOMIC STATISTICS	112
PRINCIPAL EMPLOYERS	113
OPERATING INFORMATION	
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION	114
OPERATING STATISTICS	115
SCHOOL BUILDING INFORMATION	116

## **INTRODUCTORY SECTION**

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February 28, 2025

Governing Board and Citizens  
Tempe Elementary School District No. 3  
P.O. Box 27708  
Tempe, Arizona 85285-7708

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Tempe Elementary School District No. 3 (the District) for the fiscal year ended June 30, 2024.

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

The District's financial statements have been audited by CliftonLarsonAllen LLP, 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 & Audit Requirements for Federal Awards* (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit 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**

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from preschool through grade eight, with an estimated current enrollment of 9,500 students.

The District celebrated its 150<sup>th</sup> anniversary in 2024 and is one of the oldest school districts in the state of Arizona.

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

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

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

The District encompasses an area of 36 square miles. The District boundaries include parts of the City of Phoenix and the Town of Guadalupe, but the largest part of the District is in the City of Tempe, an urban hub of the greater Phoenix metropolitan area. Tempe is the ninth largest city in the state of Arizona and is the home of one of the largest public university in the country, Arizona State University. The City of Tempe's central location makes it an ideal destination with easy access to work, restaurants, entertainment and recreation.

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

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

## **FACTORS AFFECTING FINANCIAL CONDITION**

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

**Local Economy.** The greater Phoenix area, which includes the City of Tempe, has remained one of the most rapidly growing metropolitan areas in the country in terms of population, employment, and retail sales. Tempe's proximity to Arizona State University helps provide a well-educated labor pool that gives the area support for economic growth and investment.

The City of Tempe itself is an attractive employment location with its proximity to Sky Harbor International airport, its central location to freeways to the metropolitan Phoenix area and its access to the light rail system. The City of Tempe has seen substantial growth from several major commercial developments over the last few years including Marina Heights at Tempe Town Lake and Liberty Center at Rio Salado. Financial, insurance, and technology companies now occupy approximately 19 million square feet of office space in the City. Companies like State Farm, Wells Fargo, LifeLock, First Solar, and Go Daddy all have a major presence in Tempe.

The economic engines of Tempe focus on higher education, manufacturing, tourism, and commercial and retail trade. The presence of Arizona State University gives the city financial stability due to the regular influx of students, faculty, and visitors.

Tempe Town Lake continues to be not only an economic centerpiece of Tempe, with more than 40,000 people working within a mile of the lake, but a recreational one as well. It is the second most visited tourist attraction behind the Grand Canyon and hosts many local events such as the P.F. Chang's Rock 'n' Roll Marathon and the annual New Year's Eve Block Party. Residents and visitors can enjoy many recreational activities such as rowing, sailing and biking along the lake or enjoy arts and entertainment at the Tempe Center for the Arts.

**Long-term Financial Planning.** The District has been very fortunate to have received the support of voters in the passage of bonds and overrides. The additional funding that those ballot measures have given the District have allowed Tempe Elementary to have more financial stability and flexibility. Voters in November of 2024 approved budget overrides for District Additional Assistance (DAA) and Maintenance and Operations (M&O). The DAA override will provide \$7 million annually for seven years for musical instruments, school-based educational technology, school furniture and equipment, and information, management and security technology systems district wide. The M&O override will provide approximately \$10 million annually to maintain smaller class sizes in kindergarten through fifth grades, provide general and instrumental music in preschool through 8th grades, physical education classes, gifted education programs, counseling services in every school and additional support for students to increase academic achievement.

The District continues to invest in increasing teacher compensation. The District has increased starting teacher pay to more than \$50,000. Additionally, in the last few years, the District has significantly increased the starting wages of many support staff positions. The District will continue to infuse available funds into teacher compensation in order to remain competitive in future years. In order to try to attract and retain more employees, in 2024 the District became the first school district in Arizona to offer paid parental leave to employees for the birth or adoption of a child.

Student enrollment continues to be a challenge for the District and similar urban districts. The District's enrollment has dropped more than 10% over the last five years. The projected enrollment for the next fiscal year is about 9,300 students. The District has added new programs such as a dual-language program or E-Sports to try to attract more students to reverse or slow the enrollment decline.

The District is well positioned to move forward with improving the buildings and learning environments for all its students. The voters approved a \$196.5 million bond program in 2022. This bond program will build on the District's 2004 Long-range Facility Plan to build modern schools throughout the District. Since 2005, the District has systematically renovated 13 of the 22 school sites. The District opened the newly rebuilt Mosley Middle School in July 2023.

**Awards.** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 36th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual financial comprehensive report for the fiscal year ended June 30, 2023. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

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

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

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

Respectfully submitted,



Dr. James Driscoll  
Superintendent



Eric Thompson, CPA  
Chief Financial Officer

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
LIST OF PRINCIPAL OFFICIALS  
JUNE 30, 2024**

**GOVERNING BOARD**

Allison Ewers  
President

Ray Thiry  
Vice President

Jim Lemmon  
Member

Eric Miller  
Member

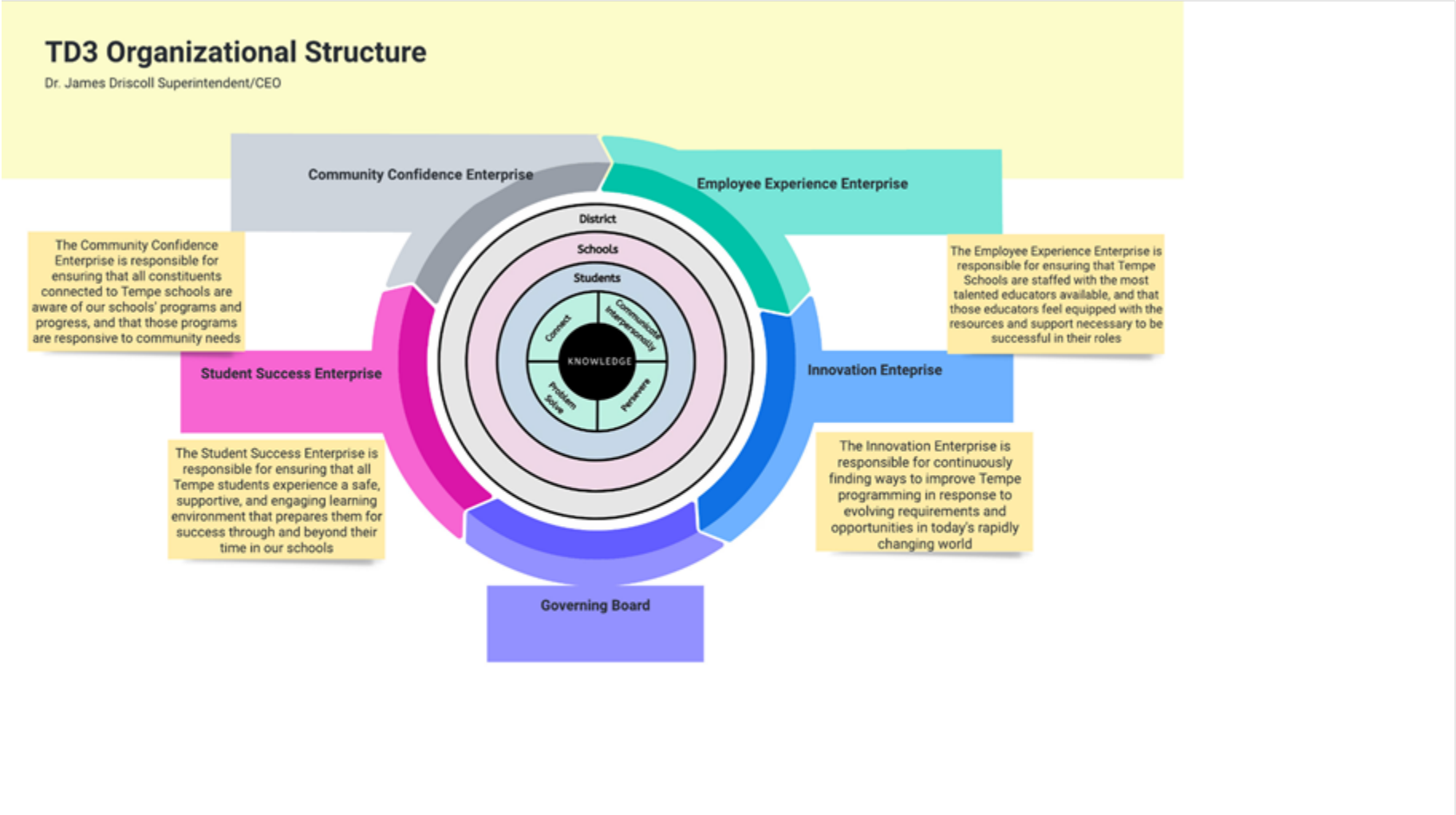
Charlotte Winsor  
Member

**ADMINISTRATIVE STAFF**

Dr. James Driscoll  
Superintendent

Eric Thompson, CPA  
Chief Financial Officer

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
ORGANIZATIONAL CHART  
JUNE 30, 2024**





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Tempe Elementary School District No.3

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

**Tempe Elementary School District No. 3  
Arizona**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

Governing Board  
Tempe Elementary School District No. 3  
Tempe, Arizona

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Tempe Elementary School District No. 3 (the 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 District, 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District 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.

#### *Emphasis of Matter*

As discussed in Note 1 to the financial statements, effective July 1, 2023, the District has adopted new accounting guidance for Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. Our opinion is not modified with respect to that matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' 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 auditors' 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 GAAS 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 GAAS 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.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules, OPEB schedules and budgetary comparison information 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 GAAS, 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 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. The 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 GAAS. In our opinion, the combining and individual fund financial statements are 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 and statistical sections but does not include the basic financial statements and our auditors' 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 the 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 February 28, 2025, on our consideration of the District'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 District'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 the District's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Phoenix, Arizona  
February 28, 2025

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2024**

As management of the Tempe Elementary School District No. 3 (the District), we offer the 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.

**FINANCIAL HIGHLIGHTS**

- ◆ The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$86,878,034 (net position).
- ◆ The District's total net position increased by \$22,495,352.
- ◆ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$68,359,094, a decrease of \$3,913,834 in comparison with the prior year. The most significant factor for the decrease was increased personnel costs and scheduled debt service payments.
- ◆ At the end of the current fiscal year, unassigned fund balance for the General Fund was \$32,578,640, or 31.3% of total General Fund expenditures.
- ◆ The District's total bonded debt decreased by \$16,950,000 (10.7%) during the current fiscal year. The decrease was due to regularly scheduled principal payments.

**OVERVIEW OF THE 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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements.

**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 statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference being reported as net position. Over time, increases or decreases in net position may serve as useful indicators 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 the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the District are for public education.

The government-wide financial statements can be found immediately following this MD&A.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2024**

**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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

- ◆ *Governmental Funds* – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows 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 a government'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains twelve individual governmental funds. 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 Fund, Special Projects Fund, Bond Building Fund, and Debt Service Fund, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation.

An operating budget for expenditures is prepared and adopted by the District each fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds. Budgetary control is ultimately exercised at the fund level. Budgetary control is maintained through the use of periodic reports that compare actual expenditures against budgeted amounts. The expenditure budget can be revised annually, per Arizona Revised Statutes. The District also maintains an encumbrance accounting system as one technique of maintaining budgetary control. Encumbered amounts lapse at year-end. An annual budget of revenue from all sources is not prepared.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The basic governmental fund financial statements can be found on pages 23 – 33 of this report.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2024**

- ◆ *Proprietary Funds* – The District maintains one type of proprietary fund. The internal service funds are accounting devices used to accumulate and allocate costs internally among the District's various functions. The District uses its internal service funds to account for its self-insurance and transportation activities. Because this service predominantly benefits governmental functions, it has been included within governmental activities in the government-wide financial statements. The Insurance Benefit Fund functions for all employees of the District, and therefore has been included as an internal service fund. The other internal service fund includes the Transportation Services Fund which accounts for the operation of District functions that provide goods or services to other District departments on a cost reimbursement basis. Because this activity predominately benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 31 – 33 of this report.

**Notes to Basic Financial Statements**

The notes to basic financial statements 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 basic financial statements can be found on pages 34 – 61 of this report.

**Required Supplementary Information Other Than MD&A**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's pension, OPEB and the budgetary schedule of the General Fund and Special Projects Fund. Required supplementary information may be found on pages 61 – 69.

Governments have the option of presenting budgetary comparison schedules for the General Fund and major Special Revenue Funds as part of the basic financial statements or as required supplementary information other than MD&A. The District has presented the General Fund and Special Projects Fund budgetary comparison schedules as required supplementary information.

**Other Information**

The combining and individual fund financial statements are presented immediately following the note to required supplementary information. Combining and individual fund statements and schedules can be found on pages 68 – 84 of this report.

The statistical section includes selected financial demographic information, generally presented on a multi-year basis. The statistical section can be found on pages 85 – 108 of this report.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2024**

**Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as useful indicators of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$86,878,034 at the close of the most recent fiscal year.

**Net Position**

A Summary of the District's statement of net position is as follows:

**Table A-1  
The District's Net Position**

	Governmental Activities		
	2024	2023	% Change
<b>Assets:</b>			
Current and Other Assets	\$ 114,357,936	\$ 122,354,486	(6.5)%
Capital Assets, Net	<u>264,371,790</u>	<u>257,296,242</u>	2.7
Total Assets	378,729,726	379,650,728	(0.2)
Deferred Outflows of Resources	17,891,534	23,511,445	(23.9)
<b>Liabilities:</b>			
Current and Other Liabilities	25,789,298	30,865,350	(16.4)
Long-Term Liabilities	<u>261,816,315</u>	<u>291,820,875</u>	(10.3)
Total Liabilities	<u>287,605,613</u>	<u>322,686,225</u>	(10.9)
Deferred Inflows of Resources	22,137,613	16,093,266	37.6
<b>Net Position:</b>			
Net Investment in Capital Assets	121,302,487	105,537,854	14.9
Restricted	29,235,910	22,825,886	28.1
Unrestricted	<u>(63,660,363)</u>	<u>(63,981,058)</u>	0.5
Total Net Position	<u>\$ 86,878,034</u>	<u>\$ 64,382,682</u>	34.9

By far the largest portion of the District's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's net investment in its capital assets is reported net of related 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. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the District's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the District was able to report positive balances in the net investment of capital assets and restricted net position. Unrestricted net position reported a deficit of \$(63,660,363). The deficit is mainly due to the implementation of GASB No. 68 in a prior year which recorded the District's pension liability. The District's net position increased by \$22,495,352 during the current fiscal year.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2024**

**Changes in Net Position**

A summary of the District's statement of activities is as follows:

**Table A-2  
Changes in Net Position**

	Governmental Activities		
	2024	2023	% Change
<b>REVENUES</b>			
Program Revenues:			
Charges for Services	\$ 1,495,832	\$ 1,149,264	30.2 %
Operating Grants and Contributions	39,163,272	34,822,667	12.5
Capital Grants and Contributions	4,619,550	2,475,816	86.6
General Revenues:			
Property Taxes	87,675,350	87,127,574	0.6
Unrestricted State, County and Federal Aid	47,625,209	44,466,888	7.1
Investment Earnings	2,135,617	2,017,021	5.9
Other	2,288,332	2,481,653	100.0
Total Revenues	<u>185,003,162</u>	<u>174,540,883</u>	6.0
<b>EXPENSES</b>			
Instruction	84,368,782	93,465,008	(9.7)
Support Services:			
Students and Staff	30,759,415	28,222,159	9.0
Administration	14,190,492	13,009,369	9.1
Operation and Maintenance of Plant	13,791,429	12,841,586	7.4
Student Transportation	5,455,394	5,418,114	0.7
Operation of Noninstructional Services	9,651,093	8,035,887	20.1
Interest on Long-Term Debt	4,291,205	3,927,191	9.3
Total Expenses	<u>162,507,810</u>	<u>164,919,314</u>	(1.5)
<b>CHANGE IN NET POSITION</b>	22,495,352	9,621,569	133.8
Net Position - Beginning of Year	64,382,682	54,761,113	17.6
<b>NET POSITION - END OF YEAR</b>	<u>\$ 86,878,034</u>	<u>\$ 64,382,682</u>	34.9

Charges for Services increased \$346,568 (30.2%) mainly due to an increase in tuition fees received for the District's community education programs.

Operating Grants and Contributions increased \$4,340,605 (12.5%) mainly due to continued drawdown and reimbursements received for the COVID-19 ESSER III grant award.

Capital Grants and Contributions increased \$2,143,734 (328.3%) due to more School Facilities Board grant monies received for capital projects in comparison to prior year.

Property tax revenues increased overall by \$547,776 (0.6%) mainly due to an increase in property tax assessed values.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2024**

Investment Earnings decreased \$118,596 (5.9%) due to the decline of the national market.

The change in Unrestricted State, County, and Federal Aid and Other Revenue of \$3,158,321 (7.1%) was due to increased state aid and Proposition 123.

Expenses decreased \$2,581,505 (1.6%) mainly from decreasing student average daily membership and decreases in instructional expenses.

**FINANCIAL ANALYSIS OF THE GOVERNMENT'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 a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$68,359,094, a decrease of \$3,913,834 in comparison with the prior year. Approximately 45.9% of this total amount (\$31,388,339) constitutes unassigned fund balance, which is available for spending at the government's discretion. Additionally, 17.8% (\$12,185,789) of fund balance is restricted in the Bond Building Fund from bond proceeds received. The remainder is either in nonspendable form or restricted to indicate that is not available for new spending.

At June 30, 2024, fund balances were as follows:

**Table A-3  
Fund Balances (Deficits)**

Fund	Balance (Deficit)	Increase (Decrease) From 2022-23
General Fund	\$ 32,618,093	\$ 497,388
Special Projects Fund	(1,055,792)	(940,618)
Bond Building Fund	12,185,789	(11,292,544)
Unrestricted Capital Outlay Fund	9,766,293	3,356,639
Debt Service Fund	5,032,844	3,105,025
Nonmajor Governmental Funds	9,811,867	1,360,276

The General Fund increase of \$497,388 was mainly due to increases in property tax revenue and state aid received.

The Special Projects Fund decrease of \$940,618 was mainly due to the timing of grant reimbursement requests near year end which resulted in significant unavailable revenue balances in the current year.

The Bond Building Fund decrease of \$11,292,544 was due to the continued spending of school improvement bonds in the current year.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2024**

The Unrestricted Capital Outlay Fund increase of \$3,356,639 was due to increased property tax revenue.

The Debt Service Fund increase of \$3,105,025 was mainly due to increased property tax revenue.

The Nonmajor Governmental Funds increase of \$1,360,276 was mainly due to more School Facilities Board grant monies received for capital projects in comparison to prior year.

*Proprietary Funds* – Unrestricted net position of the Internal Service Funds as the end of the fiscal year amounted to \$5,200,602, which is an increase of \$986,226 from the prior fiscal year.

**Changes to Financial Reporting Entities**

During the year, the District had changes in reporting units as a result of the implementation of GASB Statement No. 100, *Accounting Changes and Error Corrections*. The table below summarizes the changes in reporting units and the beginning balances at 6/30/2023, as adjusted, presented in the basic financial statements. Additional information on the changes can be found in Note 1 and Note 1.A to the financial statements.

	Reporting Units Affected by Adjustments to Beginning Balances	
	Funds	
	Unrestricted Capital Outlay	Nonmajor Governmental Funds
June 30, 2023, As Previously Reported	\$ -	\$ 14,861,245
Change in Fund Presentation from Nonmajor to Major	6,409,654	(6,409,654)
June 30, 2023, As Adjusted	\$ 6,409,654	\$ 8,451,591

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the original budget and the final amended budget totaled \$809,536. In Arizona, school districts build their original "adopted" budget based on the previous year's 100th day average daily attendance. The District is allowed to increase or decrease its budget. The most significant factors for the increase in budgeted expenditures were increases in Regular Education and Pupil Transportation.

Actual expenditures of the General Fund were \$11,219,965 less than the final budget amounts due to the District reserving funds for future purchases.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2024**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$264,371,790 (net of accumulated depreciation). This net investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, furniture, equipment and vehicles, and intangible right-to-use subscription assets. The net increase in the District's net investment in capital assets for the current fiscal year was 2.7%.

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

**Table A-4  
Capital Assets (Net)**

	Governmental Activities	
	2024	2023
Land	\$ 1,748,080	\$ 1,748,080
Construction in Progress	2,792,547	48,630,549
Land Improvements	26,005,361	18,590,456
Buildings and Improvements	217,776,642	174,437,058
Intangible Assets	1,197,187	1,189,588
Furniture, Equipment, and Vehicles	14,851,973	12,700,511
Total Capital Assets, Net	\$ 264,371,790	\$ 257,296,242

Additional information on the District's capital assets can be found in Note 3.A.4. of this report.

**Long-Term Debt**

At the end of the current fiscal year, the District had total bonded debt outstanding of \$141,985,000. This debt is backed by the full faith and credit of the District.

**Table A-5  
Outstanding Obligations**

	Governmental Activities	
	2024	2023
Bonds Payable	\$ 141,985,000	\$ 158,935,000
Premium on Bonds Payable	12,111,585	14,737,579
Total Outstanding Debt	\$ 154,096,585	\$ 173,672,579

The District's bonded debt decreased by \$16,950,000 ( 10.7 %) during the current fiscal year. This change was due to regularly scheduled principal payments.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FISCAL YEAR ENDED JUNE 30, 2024**

The District's general obligation bonds are subject to a Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15% of the net full cash value). The current total debt limitation for the District is \$524,766,176 which is more than the District's total outstanding general obligation bonded debt. At June 30, 2024 the District's net Class B bonded debt outstanding was \$141,985,000 which was below the Class B debt limit. Additional information on the legal debt limit can be found on page 103.

Additional information on the District's long-term debt can be found in Note 3.E. of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Many factors were considered by the District's administration during the process of developing the fiscal year 2024-25 budget. Among them:

- Challenges related to declining enrollment
- Rising health care costs
- Sunsetting of federal COVID-19 grants
- Arizona Aggregate Expenditure Limit reductions
- Increasing salaries to stay competitive

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Tempe Elementary School District No. 3 Business and Finance Department, 3205 S. Rural Road, Tempe, Arizona, 85282.

## **BASIC FINANCIAL STATEMENTS**

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Governmental Activities
<b>ASSETS</b>	
Cash and Investments	\$ 65,749,245
Restricted Assets	13,387,765
Receivables:	
Accounts Receivable	971,814
Property Taxes	1,667,856
Intergovernmental	19,845,725
Leases	9,106,005
Inventory, at Cost	137,907
Other Assets	100,552
OPEB Assets	3,391,067
Capital Assets:	
Nondepreciable	4,540,627
Depreciable, Net	259,831,163
Total Assets	378,729,726
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Outflows of Resources from Pensions	13,589,291
Deferred Outflows of Resources from Pension OPEB	620,272
Deferred Outflows of Resources from OPEB	3,170,343
Deferred Outflows of Resources from Refunding	511,628
Total Deferred Outflows of Resources	17,891,534
<b>LIABILITIES</b>	
Accounts Payable	3,940,438
Accrued Wages and Benefits	829,100
Accrued Interest	3,298,494
Claims Payable	2,386,266
Matured Debt Principal Payable	15,335,000
Long-Term Liabilities:	
Due Within One Year	3,553,729
Due in More Than One Year	258,262,586
Total Liabilities	287,605,613
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred Inflows of Resources from Leases	9,105,400
Deferred Inflows of Resources from Pensions	10,807,586
Deferred Inflows of Resources from Pension OPEB	1,699,445
Deferred Inflows of Resources from OPEB	525,182
Total Deferred Inflows of Resources	22,137,613
<b>NET POSITION</b>	
Net Investment in Capital Assets	121,302,487
Restricted for:	
Instructional Improvement	1,122,362
Classroom Site	4,510,363
Special Projects	3,014
Food Service	1,434,746
Debt Service	5,334,579
Capital Projects	10,737,259
Community Education	957,751
Noninstructional Programs	761,130
Civic Center	826,461
Other Special Revenue	157,178
Other Postemployment Benefits	3,391,067
Unrestricted	(63,660,363)
Total Net Position	\$ 86,878,034

See accompanying Notes to Basic Financial Statements.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
Governmental Activities:					
Instruction	\$ 84,368,782	\$ 910,263	\$ 18,080,668	\$ 4,619,550	\$ (60,758,301)
Support Services:					
Students	14,587,152	-	1,006,747	-	(13,580,405)
Instructional Staff	16,172,263	-	7,953,745	-	(8,218,518)
General Administration	838,826	-	254	-	(838,572)
School Administration	5,657,071	-	72,435	-	(5,584,636)
Business and Other Support Services	7,694,595	-	36,674	-	(7,657,921)
Operation and Maintenance of Plant	13,791,429	-	4,215,846	-	(9,575,583)
Student Transportation	5,455,394	-	496,951	-	(4,958,443)
Operation of Noninstructional Services	9,651,093	585,569	7,299,952	-	(1,765,572)
Interest on Long-Term Debt	4,291,205	-	-	-	(4,291,205)
<b>Total</b>	<b>\$ 162,507,810</b>	<b>\$ 1,495,832</b>	<b>\$ 39,163,272</b>	<b>\$ 4,619,550</b>	<b>(117,229,156)</b>
General Revenues:					
Property Taxes					87,675,350
Grants and Contributions Not Restricted to Specific Programs:					
State Equalization and Additional State Aid					45,601,566
Federal Aid, Not Restricted					2,023,643
Investment Earnings					2,135,617
Other					2,288,332
<b>Total General Revenues</b>					<b>139,724,508</b>
Change in Net Position					22,495,352
Net Position - Beginning of Year					64,382,682
Net Position - End of Year					<b>\$ 86,878,034</b>

See accompanying Notes to Basic Financial Statements.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**JUNE 30, 2024**

	General	Special Projects	Bond Building	Debt Service
<b>Assets</b>				
Cash and Investments	\$ 15,552,867	\$ -	\$ -	\$ 23,511,752
Restricted Assets	-	-	13,387,765	-
Receivables:				
Accounts Receivable	844,579	-	-	-
Property Taxes	1,100,508	-	-	456,321
Intergovernmental	8,519,491	10,027,471	-	-
Lease Receivable	8,963,190	-	-	-
Inventory, at Cost	39,453	-	-	-
Due from Other Funds	9,383,729	-	-	-
Other Assets	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<b><u>\$ 44,403,817</u></b>	<b><u>\$ 10,027,471</u></b>	<b><u>\$ 13,387,765</u></b>	<b><u>\$ 23,968,073</u></b>
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 1,154,049	\$ 425,245	\$ 1,201,736	\$ -
Accrued Wages and Benefits	420,752	362,707	240	-
Accrued Interest	-	-	-	3,298,494
Due to Other Funds	-	9,236,505	-	-
Matured Debt Principal Payable	-	-	-	15,335,000
<b>Total Liabilities</b>	<b><u>1,574,801</u></b>	<b><u>10,024,457</u></b>	<b><u>1,201,976</u></b>	<b><u>18,633,494</u></b>
 <b>Deferred Inflows of Resources:</b>				
Unavailable Revenue	1,248,591	1,058,806	-	301,735
Lease Related	8,962,332	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b><u>10,210,923</u></b>	<b><u>1,058,806</u></b>	<b><u>-</u></b>	<b><u>301,735</u></b>
 <b>Fund Balance:</b>				
<b>Nonspendable:</b>				
Inventory	39,453	-	-	-
Restricted	-	-	12,185,789	5,032,844
Unassigned	32,578,640	(1,055,792)	-	-
<b>Total Fund Balance</b>	<b><u>32,618,093</u></b>	<b><u>(1,055,792)</u></b>	<b><u>12,185,789</u></b>	<b><u>5,032,844</u></b>
 <b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>				
	<b><u>\$ 44,403,817</u></b>	<b><u>\$ 10,027,471</u></b>	<b><u>\$ 13,387,765</u></b>	<b><u>\$ 23,968,073</u></b>

See accompanying Notes to Basic Financial Statements.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2024**

Unrestricted Capital Outlay	Nonmajor Governmental Funds	Totals
\$ 9,936,418	\$ 9,404,738	\$ 58,405,775
-	-	13,387,765
-	-	844,579
96,001	15,026	1,667,856
-	1,298,763	19,845,725
-	142,815	9,106,005
-	98,454	137,907
-	-	9,383,729
-	100,552	100,552
<u>\$ 10,032,419</u>	<u>\$ 11,060,348</u>	<u>\$ 112,879,893</u>

\$ 202,361	\$ 933,056	\$ 3,916,447
53	15,500	799,252
-	-	3,298,494
-	147,224	9,383,729
-	-	15,335,000
<u>202,414</u>	<u>1,095,780</u>	<u>32,732,922</u>

63,712	9,633	2,682,477
-	143,068	9,105,400
<u>63,712</u>	<u>152,701</u>	<u>11,787,877</u>

-	98,454	137,907
9,766,293	9,847,922	36,832,848
-	(134,509)	31,388,339
<u>9,766,293</u>	<u>9,811,867</u>	<u>68,359,094</u>

<u>\$ 10,032,419</u>	<u>\$ 11,060,348</u>	<u>\$ 112,879,893</u>
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See accompanying Notes to Basic Financial Statements.

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**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024**

Total Fund Balances for Governmental Funds	\$ 68,359,094
Amounts reported for governmental activities in the statement of activities are different because:	
Property taxes and intergovernmental revenues not collected within 60 days subsequent to fiscal year-end are unavailable in the governmental funds.	2,682,477
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental Capital Assets	396,203,275
Less: Accumulated Depreciation/Amortization	<u>(131,831,485)</u>
Capital Assets Used in Governmental Activities	264,371,790
Net OPEB assets are not current resources and therefore are not reported in the governmental funds.	3,391,067
Deferred outflows relating to issuance of long term liabilities are not financial resources and therefore are not reported in the governmental funds.	511,628
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.	
Deferred Outflows of Resources Related to Pensions	13,589,291
Deferred Outflows of Resources from Pension OPEB	620,272
Deferred Outflows of Resources from OPEB	3,170,343
Deferred Inflows of Resources from Pensions	(10,807,586)
Deferred Inflows of Resources from Pension OPEB	(1,699,445)
Deferred Inflows of Resources from OPEB	(525,182)
Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.	
Bonds Payable	(126,650,000)
Premium on Bonds Payable	(12,111,585)
Subscription Payables	(814,390)
Total OPEB Liability	(17,068,229)
Net Pension OPEB Liability	(82,143)
Net Pension Liability	(101,456,042)
Compensated Absences Payable	(3,633,926)
The Internal Service Fund is used by management to charge the cost of insurance to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position.	<u>5,030,600</u>
Total Net Position of Governmental Activities	<u>\$ 86,878,034</u>

See accompanying Notes to Basic Financial Statements.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE**  
**IN FUND BALANCE GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2024**

	General	Special Projects	Bond Building	Debt Service
Revenues:				
Property Taxes	\$ 52,518,713	\$ -	\$ -	\$ 24,120,885
Intergovernmental	47,625,775	21,206,563	-	-
Food Service Sales	-	-	-	-
Charges for Services	-	-	-	-
Contributions and Donations	722,889	-	-	-
Investment Earnings	741,864	11,143	-	936,278
Other	2,026,145	579	-	-
Total Revenues	<u>103,635,386</u>	<u>21,218,285</u>	<u>-</u>	<u>25,057,163</u>
Expenditures:				
Current:				
Instruction	54,218,023	7,777,832	479,461	-
Support Services:				
Students	13,489,419	927,847	-	-
Instructional Staff	8,228,400	7,134,481	-	-
General Administration	937,396	248	-	-
School Administration	5,526,636	70,840	-	-
Business and Other Support Services	5,946,049	35,866	-	-
Operation and Maintenance of Plant	9,326,980	4,067,564	972,919	-
Student Transportation	3,621,410	486,008	762,151	-
Operation of Noninstructional Services	232,448	238,916	-	-
Debt Service:				
Principal Retirement	-	-	-	15,335,000
Interest on Long-Term Debt	-	-	-	6,596,988
Issuance Costs	-	-	-	20,150
Capital Outlay:				
Facilities Acquisition	2,520,864	778,409	9,078,013	-
Total Expenditures	<u>104,047,625</u>	<u>21,518,011</u>	<u>11,292,544</u>	<u>21,952,138</u>
Excess (Deficiency) of Revenue Over Expenditures	(412,239)	(299,726)	(11,292,544)	3,105,025
Other Financing Sources (Uses):				
Transfers In	776,675	-	-	-
Transfers Out	-	(640,892)	-	-
Sale of Capital Assets	158,476	-	-	-
Issuance of Debt Related to Subscription Assets	-	-	-	-
Total Other Financing Sources (Uses)	<u>935,151</u>	<u>(640,892)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	522,912	(940,618)	(11,292,544)	3,105,025
Fund Balance:				
Beginning of Year, as Previously Presented	32,120,705	(115,174)	23,478,333	1,927,819
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	-	-	-	-
Beginning of Year, as Adjusted	<u>32,120,705</u>	<u>(115,174)</u>	<u>23,478,333</u>	<u>1,927,819</u>
Decrease in Inventories	(25,524)	-	-	-
End of Year	<u>\$ 32,618,093</u>	<u>\$ (1,055,792)</u>	<u>\$ 12,185,789</u>	<u>\$ 5,032,844</u>

See accompanying Notes to Basic Financial Statements.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE  
IN FUND BALANCE GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

<i>Formerly Nonmajor Fund</i> Unrestricted Capital Outlay	Nonmajor Governmental Funds	Totals
\$ 10,713,208	\$ 258	\$ 87,353,064
-	20,844,959	89,677,297
-	585,569	585,569
-	910,263	910,263
-	399,725	1,122,614
162,385	283,947	2,135,617
2,897	258,146	2,287,767
<u>10,878,490</u>	<u>23,282,867</u>	<u>184,072,191</u>
3,702,986	8,218,096	74,396,398
52,522	207,017	14,676,805
595,839	682,266	16,640,986
11,593	1,922	951,159
3,336	92	5,600,904
1,660,016	11,389	7,653,320
615,757	212,643	15,195,863
44,061	66,852	4,980,482
5,061	7,329,608	7,806,033
300,757	33,880	15,669,637
-	-	6,596,988
-	-	20,150
829,949	4,970,469	18,177,704
<u>7,821,877</u>	<u>21,734,234</u>	<u>188,366,429</u>
3,056,613	1,548,633	(4,294,238)
-	-	776,675
-	(135,783)	(776,675)
-	-	158,476
300,026	-	300,026
<u>300,026</u>	<u>(135,783)</u>	<u>458,502</u>
3,356,639	1,412,850	(3,835,736)
-	14,861,245	72,272,928
6,409,654	(6,409,654)	-
6,409,654	8,451,591	72,272,928
-	(52,574)	(78,098)
<u>\$ 9,766,293</u>	<u>\$ 9,811,867</u>	<u>\$ 68,359,094</u>

See accompanying Notes to Basic Financial Statements.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES, AND CHANGE IN  
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances-Total Governmental Funds \$ (3,835,736)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/amortization expense.

Expenditures for Capital Assets	18,177,704
Less: Current Year Depreciation/Amortization	(11,083,249)
Excess Capital Expenditures Over Depreciation/Amortization	7,094,455

The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on disposals of capital assets. (18,907)

Property tax and intergovernmental revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (953,088)

The issuance of long term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long term debt increases long term liabilities on the statement of net position and the repayment of principal on long term debt reduces long term debt on the statement of net position.

Principal Payments on Bonds	15,335,000
Principal Payments on Subscription Payables	334,637
Proceeds from Subscription Payables	(300,026)
Deferred Amount on Refunding	(300,061)
Amortization of Premium	2,625,994

Governmental funds report District pension and OPEB contributions as expenditures when made. However in the Statement of Activities, pension and OPEB expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows or resources related to pensions and OPEB, and the investment experience.

OPEB Contributions	1,825,439
OPEB Expense	(1,016,791)
Pension Contributions	10,174,005
Pension Expense	(9,405,492)

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 the governmental funds.

Net Decrease in Compensated Absences	197,797
Change in Inventory Balances	(78,098)

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

816,224

Change in Net Position of Governmental Activities \$ 22,495,352

See accompanying Notes to Basic Financial Statements.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
JUNE 30, 2024**

	Governmental Activities: Internal Service Funds
<b>ASSETS</b>	
Current:	
Cash and Cash Equivalents	\$ 7,343,470
Receivables, Net	127,235
Total Assets	7,470,705
 <b>LIABILITIES</b>	
Current:	
Accounts Payable	23,991
Accrued Wages	29,848
Claims Payable	2,386,266
Total Liabilities	2,440,105
 <b>NET POSITION</b>	
Unrestricted	\$ 5,030,600

See accompanying Notes to Basic Financial Statements.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET POSITION – PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Governmental Activities: Internal Service Funds
<b>OPERATING REVENUES</b>	
Contributions	\$ 13,601,052
Charges for services	112,817
Other	107,532
Total Operating Revenues	13,821,401
<b>OPERATING EXPENSES</b>	
Claims	10,342,447
Premiums	1,181,312
Administrative Fees	1,479,799
Cost of Services	158,999
Total Operating Expenses	13,162,557
<b>OPERATING INCOME</b>	658,844
<b>NONOPERATING REVENUES</b>	
Investment Income	157,380
<b>CHANGE IN NET POSITION</b>	816,224
Total Net Position - Beginning of Year	4,214,376
<b>TOTAL NET POSITION - END OF YEAR</b>	\$ 5,030,600

See accompanying Notes to Basic Financial Statements.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2024**

	Governmental Activities: Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Contributions	\$ 13,603,157
Cash Received from Other Sources	220,349
Cash Payments for Claims and Administrative Fees	(11,781,638)
Cash Payments for Premiums	(1,179,180)
Cash Payments for Supplies for Goods and Services/Employees	(152,203)
Net Cash Used by Operating Activities	710,485
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment Income	157,380
Net Cash Provided by Investing Activities	157,380
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	867,865
Cash and Cash Equivalents - Beginning of Year	6,475,605
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 7,343,470
 <b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating Loss	\$ 658,844
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Change in Accounts Receivable	2,105
Change in Accounts Payable	219
Change in Accrued Liabilities	8,643
Change in Claims Payable	40,674
Total Adjustments	51,641
Net Cash Used by Operating Activities	\$ 710,485

See accompanying Notes to Basic Financial Statements.

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Tempe Elementary School District No. 3 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows.

GASB Statement No. 100, *Accounting Changes and Error Corrections* defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. The District implemented this standard in fiscal year 2024.

GASB Statement No. 101, *Compensated Absences* establishes standards of accounting and financial reporting for (a) compensated absences and (b) associated salary-related payments, including certain defined contribution pensions and defined contribution other postemployment benefits (OPEB). The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The District will implement this standard in fiscal year 2025.

GASB Statement No. 102, *Certain Risk Disclosures* establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. The requirements of this Standard are effective for fiscal years beginning after June 15, 2024. The District will implement this standard in fiscal year 2025.

**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.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**A. Reporting Entity (Continued)**

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

The District's major operations include education, student transportation, construction and maintenance of District facilities and food services.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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 provider have been met.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

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 tax revenues and intergovernmental revenues to be available if they are collected within 60 and 180 days, respectively, of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of long-term principal and interest due early in the following year (within one month), the expenditures and related liabilities have been recognized in the Debt Service Fund.

Property taxes, intergovernmental grants and aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following major governmental funds:

*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. It is described as the Maintenance and Operation Fund by Arizona Revised Statutes (A.R.S.) and is budgeted within five subsections titled regular education programs, special education programs, pupil transportation, desegregation, and special K-3 reading program.

Special Projects Fund

The Special Projects Fund, a Special Revenue Fund accounts for the revenues and expenditures of state and federally funded educational grants.

Bond Building Fund

The Bond Building Fund, a Capital Projects Fund, accounts for monies received from District bond issues that are used to acquire sites, construct school buildings, supply school buildings with furniture and apparatus, improve school grounds, and purchase pupil transportation vehicles.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)**

Debt Service Fund

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

Unrestricted Capital Outlay Fund

The Unrestricted Capital Outlay Fund accounts for transactions relating to the acquisition of items by purchase, lease-purchase, or lease as prescribed by §15-903(C).

Additionally, the District reports the following fund type:

Proprietary Fund

The Proprietary Fund is an Internal Service Fund that accounts for activities related to the District's transportation services and insurance benefits.

The proprietary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting and are presented in a single column. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are charges for health and welfare benefits and charges to District departments and other governments for transportation services. Operating expenses for internal service funds include the cost of goods and services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use for governmental activities, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity**

**1. Deposits and Investments**

The District's cash and investments include cash on hand, demand deposits, and cash and investments held by the County Treasurer.

A.R.S. require the District to deposit certain cash with the County Treasurer. That cash is pooled for investment purposes, except for cash in the Debt Service and Bond Building Funds, which is invested separately. As required by statute, interest earned by the Debt Service and Bond Building Funds is recorded in the Debt Service Fund.

A.R.S. authorize the District to invest public monies in the State and County Treasurer's investment pools; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories.

The State Board of Deposit provides oversight for the State Treasurer's pools, and the Local Government Investment Pool Advisory Committee provides consultation and advice to the Treasurer. The fair value of a participant's position in the pool approximates the value of that participant's pool shares. No comparable oversight is provided for the County Treasurer's investment pool, and that pool's structure does not provide for shares.

**2. Receivables**

Maricopa County levies real 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.

A lien assessed against real and personal property attaches on the first day of January preceding assessment and levy.

**3. Short-Term Interfund Receivables/Payables**

During the course of operations, individual funds within the District's pooled cash accounts may borrow money from the other funds within the pool on a short-term basis. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet of the fund financial statements and are eliminated in the preparation of the government-wide financial statements.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**4. Inventories**

Inventories consist of expendable supplies held for consumption. Inventories are valued at cost using the first-in/first-out (FIFO) method. In addition, certain payments to vendors reflect costs applicable to future accounting periods. Inventories of governmental funds are recorded as expenses when consumed rather than when purchased in the government-wide statements and are recorded as an expenditure at the time of purchase in the fund financial statements.

**5. Restricted Assets**

Proceeds of the District's bonds are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants.

**6. Leases**

As the lessor, the District recognizes lease receivables with an initial, individual value of \$5,000 or more. If there is no stated interest 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 its own estimated incremental borrowing rate as the discount rate to measure lease receivables. The District's estimated incremental borrowing rate is based on the state of Arizona lease rates.

**7. Capital Assets**

Capital assets, which include land, construction in progress, land improvements, buildings and improvements, furniture, equipment and vehicles are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Donated assets are recorded at the acquisition value. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation/amortization on all assets is provided on a straight-line basis over the following estimated useful lives:

Land Improvements	15 to 50 Years
Buildings and Improvements	15 to 80 Years
Furniture, Equipment, and Vehicles	5 to 15 Years
Intangibles:	
Right-to-Use Subscription Assets	1 to 6 Years

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**8. Deferred Outflows of Resources**

The District recognizes the consumption of net assets that is applicable to a future reporting period as deferred outflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for pensions, OPEB and deferred outflows from the refunding of bonds.

**9. 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.

**10. Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the statements of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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.

**11. Pension Plans**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Arizona State Retirement System (ASRS) and additions to/deductions from ASRS fiduciary net position have been determined on the same basis as they are reported by ASRS. 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.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**12. Deferred Inflows of Resources**

The deferred inflows of resources reported in the governmental fund financial statements represent resources that are not available to the District as of June 30, 2024 or within 60 days of fiscal year-end. The deferred inflows of resources represent a reconciling item between the governmental fund financial statements and the government-wide financial statements.

The District also recognizes the acquisition of net assets that is applicable to a future reporting period as deferred inflows of resources. Reported amounts are related to the requirements of accounting and financial reporting for leases, pensions and OPEB.

**13. Net Position**

In the government-wide financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets is separately reported because the District reports all District assets which make up a significant portion of total net position. Restricted net position account for the portion of net position restricted by parties outside the District. Unrestricted net position is the remaining net position not included in the previous two categories.

**14. 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, committed, assigned, and unassigned fund balance classifications.

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

Restricted fund balances are those that have externally imposed restrictions on their usage by creditors (such as through debt covenants), grantors, contributors, or laws and regulations.

Committed fund balances are self-imposed limitations approved by the District's Governing Board, which is the highest level of decision-making authority within the District. Only the Governing Board can remove or change the constraints placed on committed fund balances.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)**

**14. Fund Balance Classifications (Continued)**

Assigned fund balances are resources constrained by the District’s intent to be used for specific purposes, but are neither restricted nor committed. The Governing Board has authorized the Assistant Superintendent of Administrative Services to make assignments of resources for a specific purpose.

The unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not reported in the other classifications. Also, deficits in fund balances of the other governmental funds are reported as unassigned.

When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, it is the District’s policy to use restricted fund balance first. For the disbursement of unrestricted fund balances, it is the District’s policy to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

**15. Changes to or Within Financial Reporting Entity**

Change in Fund Presentation from Nonmajor to Major Fund

The Unrestricted Capital Outlay Fund previously did not meet the criteria to be reported as a major governmental fund. However, effective July 1, 2023, the fund met the criteria to be reported as a major fund and is reported as a major fund for the fiscal year ended June 30, 2024. The effect of this change to or within the financial reporting entity is shown in the table below:

	Reporting Units Affected by Adjustments to Beginning Balances	
	Funds	
	Unrestricted Capital Outlay	Nonmajor Governmental Funds
June 30, 2023, As Previously Reported	\$ -	\$ 14,861,245
Change in Fund Presentation from Nonmajor to Major	6,409,654	(6,409,654)
June 30, 2023, As Adjusted	\$ 6,409,654	\$ 8,451,591

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The District adopts an annual operating budget for expenditures for all governmental fund types, on essentially the same modified accrual basis of accounting used to record actual expenditures. The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted the budget can be increased or decreased only for specific reasons set forth in the A.R.S. All appropriations lapse at year-end. An annual budget of revenue from all sources is not prepared.

Budgetary control over expenditures is exercised at the fund level. However, the General Fund is budgeted within five subsections (see preceding description of General Fund), any of which may be over expended with the prior approval of the Governing Board at a public meeting, providing the expenditures for all subsections do not exceed the General Fund's total budget.

**B. Excess of Expenditures Over Appropriations**

Expenditures did not exceed appropriations in any individual funds in the current fiscal year.

**C. Deficit Fund Balances**

The District had a deficit fund balance of \$1,055,792 in its Special Projects Fund and \$134,509 in its Building Renewal Fund due to the District not receiving grant reimbursements within the District's period of availability.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Assets**

**1. Deposits and Investments**

Deposits and investments at June 30, 2024 consist of the following:

Deposits:	
Cash in Bank	\$ 805,231
Cash on Deposit with County Treasurer	78,331,779
Total Deposits	79,137,010
Less: Restricted Assets	(13,387,765)
Total Cash and Investments	\$ 65,749,245

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

**1. Deposits and Investments (Continued)**

**Deposits**

The carrying amount on the District’s deposits at June 30, 2024, was \$805,231 and the bank balance was \$757,627. Of the bank balance, \$250,000 was insured by federal depository insurance and the remainder \$507,627 was insured by the statewide pooled collateral program.

**Investments**

At June 30, 2024, the District’s investments were reported at fair value. The District’s investments consisted of cash on deposit with the County Treasurer.

*Custodial Credit Risk* – The District does not have a formal policy for custodial credit risk. The District’s investment in the County Treasurer’s investment pools represents a proportionate interest in those pools’ portfolios; however, the District’s portion is not identified with specific investment and is not subject to custodial credit risk.

*Interest Rate Risk* – The District does not have a formal investment policy regarding interest rate risk, however, the District manages its exposure to declines in fair value by limiting the average maturity of its investment portfolio to one year or less.

*Credit Risk* – The District does not have a formal investment policy regarding credit risk. However, the District is prohibited by State law from investing in investments other than State and County Treasurer’s investment pools, U.S. Treasury obligations, specified state and local government bonds and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements. The District’s investment in the County Treasurer’s investment pool did not receive a credit quality rating from a national rating agency.

*Concentration of Credit Risk* – The District does not have an investment policy with respect to concentration credit risk. The District’s investments consist of cash and investments on deposit with County Treasurer previously discussed.

**2. Restricted Assets**

Restricted assets at June 30, 2024 consisted of the following:

	Bond Building
	Fund
Future Construction	\$ 13,387,765

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

**3. Receivables**

The Maricopa County Treasurer is responsible for collecting property taxes for all governmental entities within the County. The County levies the property taxes due to the District in August. Two equal installments, payable in October and March, become delinquent after the first business days in November and May. During the year, the County also levies various personal property taxes that are due the second Monday of the month following receipt of the tax notice and become delinquent 30 days later. A lien assessed against real and personal property attaches on the first day of January preceding the assessment levy.

Property taxes are recognized as revenues in the fiscal year they are levied in the government-wide financial statements and represent a reconciling item between the government-wide and fund financial statements. In the fund financial statements, property taxes are recognized as revenues in the fiscal year they are levied and collected or if they are collected within 60 days subsequent to fiscal year-end. Property taxes not collected within 60 days subsequent to fiscal year-end or collected in advance of the fiscal year for which they are levied are reported as unavailable revenues.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Unavailable
Delinquent Property Taxes Receivable:	
General Fund	\$ 1,248,591
Debt Service Fund	301,735
Unrestricted Capital Outlay	63,712
Nonmajor Governmental Funds	9,633
Intergovernmental Revenue:	
Special Projects Fund	1,058,806
Total	\$ 2,682,477

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

**4. Capital Assets**

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,748,080	\$ -	\$ -	\$ 1,748,080
Construction in Progress	48,630,549	13,708,938	(59,546,940)	2,792,547
Total Capital Assets, Not Being Depreciated/Amortized	50,378,629	13,708,938	(59,546,940)	4,540,627
Capital Assets, Being Depreciated/Amortized:				
Land Improvements	30,687,999	8,854,879	-	39,542,878
Buildings and Improvements	265,801,444	50,460,928	-	316,262,372
Vehicles, Furniture, and Equipment	29,977,541	4,091,994	(369,475)	33,700,060
Intangibles:				
Right-to-Use Assets:				
Subscription-Based IT Arrangements	1,549,433	607,905	-	2,157,338
Depreciated/Amortized	328,016,417	64,015,706	(369,475)	391,662,648
Accumulated Depreciation/Amortization for:				
Land Improvements	(12,097,543)	(1,439,974)	-	(13,537,517)
Buildings and Improvements	(91,364,386)	(7,121,344)	-	(98,485,730)
Vehicles, Furniture, and Equipment	(17,277,030)	(1,921,625)	350,568	(18,848,087)
Intangibles:				
Right-to-Use Assets:				
Subscription-Based IT Arrangements	(359,845)	(600,306)	-	(960,151)
Total Accumulated Depreciation/Amortization	(121,098,804)	(11,083,249)	350,568	(131,831,485)
Total Capital Assets, Being Depreciated/ Amortized, Net	206,917,613	52,932,457	(18,907)	259,831,163
Governmental Activities Capital Assets, Net	\$ 257,296,242	\$ 66,641,395	\$ (59,565,847)	\$ 264,371,790

Depreciation/amortization expense was charged to functions/programs as follows:

<b>Governmental Activities:</b>	
Instruction	\$ 7,988,602
Support Services:	
Students and Staff	4,520
Instructional Staff	495,325
General Administration	94,443
Business and Other Support Services	764,306
Operation and Maintenance of Plant	184,250
Student Transportation	1,278,161
Operation of Noninstructional Services	273,642
Total	\$ 11,083,249

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Assets (Continued)**

**5. Construction and Other Commitments**

At year-end, the District had contractual commitments related to the renovation and reconstruction of several schools. At year-end, the District had spent \$62.3 million on the ongoing projects and had estimated remaining contract commitments of \$598,043. These projects are being funded with adjacent ways funds, bond proceeds, and School Facilities Board grants. The District had no other significant commitments or encumbrances at June 30, 2024.

**B. Interfund Receivables, Payables and Transfers**

Interfund receivables and payables for the year ended June 30, 2024, were made to eliminate deficit cash balances at year end and consisted of the following:

	Due From		
Due To	Special Projects Fund	Nonmajor Governmental Funds	Total
General Fund	\$ 9,236,505	\$ 147,224	\$ 9,383,729

Interfund transfers for the year ended June 30, 2024 consisted of the following:

	Transfers Out		
Transfers In	Special Projects Fund	Nonmajor Governmental Funds	Total
General Fund	\$ 640,892	\$ 135,783	\$ 776,675

The transfers from the Special Projects Fund to the General Fund were made to record the District's indirect costs on grants passed through the Arizona Department of Education. The District did not exceed the approved indirect cost rate on any grants.

**C. Lease Receivable**

The District, acting as a lessor, leases land and building space under long-term, noncancelable lease agreements. The leases expire at various dates through June 30, 2040 and provide for renewal options up to 20 years. During the year ended June 30, 2024, the District recognized \$255,896 and \$138,217 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Governmental Activities

*Land Lease.* Annual installments totaling \$152,688 plus interest at an interest rate of 1.50%, due dates ranging from 2025 to 2060.

*Building Space Leases.* Annual installments totaling \$105,991 plus interest at rates ranging from 0.73% to 1.50%, due dates ranging from 2025 to 2060.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Short-Term Debt**

The District did not have any short-term debt during the year.

**E. Long-Term Obligations**

The District had long-term bonds payable to provide funds for the acquisition and construction of major capital facilities. The District issued debt to refund earlier obligations with higher interest rates. The bonds are both callable and noncallable with interest payable semiannually. The principal and interest paid on the bonds are recorded in the Debt Service Fund. All bonds refunded in previous years have been redeemed. Compensated absences, pensions and OPEB are paid by the applicable fund where each employee is regularly paid, primarily the General Fund.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Maturity Dates	Original Issue Amounts	Amount Outstanding	Due Within One Year
Refunding Bonds, Series 2007	4.00-5.00%	7/1/23-25	\$ 16,550,000	\$ 8,780,000	\$ 5,630,000
Refunding Bonds, Series 2015	3.00-4.00%	7/1/23-25	27,500,000	6,120,000	3,825,000
School Improvement Bonds, Project of 2016, Series 2017A	3.5-5.00%	7/1/23-30	47,875,000	31,775,000	1,250,000
School Improvement Bonds, Project of 2016, Series 2019B	3.00-5.00%	7/1/23-32	47,980,000	44,785,000	1,750,000
School Improvement Bonds, Project of 2016, Series 2021	4.00-5.00%	7/1/23-34	28,950,000	26,760,000	1,250,000
Refunding Bonds, Series 2020	4.00-5.00%	7/1/23-27	10,030,000	7,015,000	1,380,000
School Improvement Bonds, Project of 2016, Series 2022	3.00%	7/1/23-35	20,000,000	16,750,000	250,000
Total General Obligation Bonds Payable			<u>\$ 236,445,000</u>	<u>\$ 141,985,000</u>	<u>\$ 15,335,000</u>

Changes in long-term obligations for the year ended June 30, 2024 are as follows:

	July 1, 2023	Additions	Retirements	June 30, 2024	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 158,935,000	\$ -	\$ (16,950,000)	\$ 141,985,000	\$ 15,335,000
Premium on Bonds Payable	14,737,579	-	(2,625,994)	12,111,585	-
Total Bonds Payable	<u>173,672,579</u>	<u>-</u>	<u>(19,575,994)</u>	<u>154,096,585</u>	<u>15,335,000</u>
Other Liabilities:					
Subscription Payables	849,001	300,026	(334,637)	814,390	402,878
Compensated Absences	3,831,723	1,242,646	(1,440,443)	3,633,926	1,545,299
Net OPEB Liability	16,422,389	645,840	-	17,068,229	-
Net Pension OPEB Liability	64,449	17,694	-	82,143	-
Net Pension Liability	113,930,734	-	(12,474,692)	101,456,042	-
Total Other Liabilities	<u>135,098,296</u>	<u>2,206,206</u>	<u>(14,249,772)</u>	<u>123,054,730</u>	<u>1,948,177</u>
Governmental Activities Long-Term Debt	<u>\$ 308,770,875</u>	<u>\$ 2,206,206</u>	<u>\$ (33,825,766)</u>	<u>\$ 277,151,315</u>	<u>\$ 17,283,177</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

The following table summarizes the District's debt service requirements on long-term bonds to maturity at June 30, 2024.

<u>Year Ending June 30.</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 15,335,000	\$ 6,248,007
2026	14,510,000	5,564,291
2027	14,480,000	4,873,489
2028	13,230,000	4,191,714
2029	13,180,000	3,539,049
2030-2034	61,210,000	7,506,358
2035-2039	10,040,000	295,560
Totals	<u>\$ 141,985,000</u>	<u>\$ 32,218,468</u>

**F. Subscription-Based Information Technology Arrangements (SBITAs)**

The District has obtained the right to use several IT software's and underlying IT assets under the provisions of various subscription-based information technology arrangements.

The total amount of subscription assets and the related accumulated amortization are as follows:

Total intangible right-to-use subscription assets	\$ 2,157,338
Less: accumulated amortization	<u>(960,151)</u>
Carrying value	<u>\$ 1,197,187</u>

The following schedule details minimum subscription payments to maturity for the District's subscriptions liability at June 30, 2024:

Year Ending June 30	Principal	Interest
2025	\$ 402,878	\$ 19,656
2026	242,286	8,536
2027	109,815	3,539
2028	59,411	901
Total	<u>\$ 814,390</u>	<u>\$ 32,632</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Fund Balance Classifications of Governmental Funds**

The District has classified its fund balances as follows:

Fund Balances:	General Fund	Special Projects Fund	Bond Building Fund	Debt Service Fund	Unrestricted Capital Outlay	Nonmajor Governmental Funds	Totals
<b>Nonspendable:</b>							
Inventory	\$ 39,453	\$ -	\$ -	\$ -	\$ -	\$ 98,454	\$ 137,907
<b>Restricted:</b>							
Classroom Site	-	-	-	-	-	4,510,363	4,510,363
Instructional Improvement	-	-	-	-	-	1,122,362	1,122,362
Food Service	-	-	-	-	-	1,336,292	1,336,292
Community Education	-	-	-	-	-	957,751	957,751
Noninstructional Programs	-	-	-	-	-	761,130	761,130
Civic Center	-	-	-	-	-	826,461	826,461
Other Special Revenues	-	-	-	-	-	157,178	157,178
Capital Projects	-	-	12,185,789	-	9,766,293	-	21,952,082
Adjacent Ways	-	-	-	-	-	176,385	176,385
Debt Service	-	-	-	5,032,844	-	-	5,032,844
Total Restricted	-	-	12,185,789	5,032,844	9,766,293	9,847,922	36,832,848
<b>Unassigned</b>	32,578,640	(1,055,792)	-	-	-	(134,509)	31,388,339
<b>Total Fund Balance</b>	<u>\$ 32,618,093</u>	<u>\$ (1,055,792)</u>	<u>\$ 12,185,789</u>	<u>\$ 5,032,844</u>	<u>\$ 9,766,293</u>	<u>\$ 9,811,867</u>	<u>\$ 68,359,094</u>

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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 continues to carry commercial insurance for other risks of loss, including life, dental and short-term disability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 5 OTHER INFORMATION (CONTINUED)**

**B. Risk Management (Continued)**

The District established the Insurance Benefit Fund (an Internal Service Fund) to account for and finance its uninsured risks of loss related to employee health. In addition, employee withholdings for other insurance coverages are processed through this fund. Under this program, the Fund provides coverage for up to a maximum of \$200,000 for each claim, not to exceed an annual aggregate percentage of 125%. The Fund purchases commercial insurance for claims in excess of this coverage. Settled claims have not exceeded this coverage in any of the past three fiscal years.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of 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. All unpaid claims at year-end are expected to be paid within one year.

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

	<u>2024</u>	<u>2023</u>
Beginning Unpaid Claims	\$ 2,345,592	\$ 1,999,591
Claims Incurred and Changes in Estimate	10,342,447	11,999,738
Claims Paid	<u>(10,301,773)</u>	<u>(11,653,737)</u>
Ending Unpaid Claims	<u>\$ 2,386,266</u>	<u>\$ 2,345,592</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Retirement Plans**

**Cost Sharing Employer Plans**

The District contributes to the Arizona State Retirement System (ASRS). The plan is a component unit of the state of Arizona.

At June 30, 2024, the District reported the following amounts related to ASRS:

<u>Statement of Net Position and Statement of Activities</u>	<u>Net Pension Liability</u>	<u>Health Insurance Premium (OPEB)</u>	<u>Long-Term Disability (OPEB)</u>
Net Pension/OPEB (Asset) Liability	\$ 101,456,042	\$ (3,391,067)	\$ 82,143
Deferred Outflows of Resources	13,589,291	383,163	237,109
Deferred Inflows of Resources	10,807,586	1,503,417	196,028
Pension/OPEB Expense	9,405,492	(377,640)	78,627

**Arizona State Retirement System**

**Plan Description** – District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing, multiple-employer defined benefit pension plan; a cost-sharing, multiple-employer defined benefit health insurance premium benefit (OPEB); 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. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on its website at [www.azasrs.gov](http://www.azasrs.gov).

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

**Arizona State Retirement System (Continued)**

**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 Consecutive months of last 120 months	Highest 60 consecutive months of last 120 months
Benefit Percentage 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.

Health insurance premium benefits are available to retired or disabled members with 5 years of credited service. The benefits are payable only with respect to allowable health insurance premiums for which the member is responsible. For members with 10 or more years of service, benefits range from \$100 per month to \$260 per month depending on the age of the member and dependents. For members with 5 to 9 years of service, the benefits are the same dollar amounts as above multiplied by a vesting fraction based on completed years of service.

Active members are eligible for a monthly long-term disability benefit equal to two-thirds of monthly earnings. Members receiving benefits continue to earn service credit up to their normal retirement dates. Members with long-term disability commencement dates after June 30, 1999, are limited to 30 years of service or the service on record as of the effective disability date if their service is greater than 30 years.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

**Arizona State Retirement System (Continued)**

**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 year ended June 30, 2024, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.29% (12.14% for retirement and 0.15% for long-term disability) of the members’ annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.29% (12.03% for retirement, 0.11% for health insurance premium benefit, and 0.15% for long-term disability) of the active members’ annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 9.99% (9.94% for retirement and 0.05% for long-term disability) of annual covered payroll of retired members who worked for the District in positions that would typically be filled by an employee who contributes to the ASRS. The District’s contributions to the pension plan, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2024, were \$10,174,005, \$93,029, and \$126,858.

During the fiscal year ended June 30, 2024 the District paid for ASRS pension and OPEB contributions as follows: 78% from the General Fund, 10% from major governmental funds, and 12% other governmental funds.

**Liability** – At June 30, 2024, the District reported the following asset and liabilities for its proportionate share of the ASRS’ net pension/OPEB asset or liability.

	Net Pension/OPEB (Asset) Liability
Pension	\$ 101,456,042
Health Insurance Premium Benefit	(3,391,067)
Long-Term Disability	82,143

The net asset and net liabilities were measured as of June 30, 2023. The total liability used to calculate the net asset or 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 asset or net liability was based on the District’s actual contributions to the plan relative to the total of all participating employers’ contributions for the year ended June 30, 2022, and the change from its proportions measured as of June 30, 2022.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

**Arizona State Retirement System (Continued)**

**Expense** – For the year ended June 30, 2024, the District recognized pension and OPEB expense of \$13,292,940 (\$9,405,492 for retirement, (\$377,640) for health insurance premium benefit, and \$78,627 for long-term disability).

**Deferred outflows/inflows of resources** – At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

<b>Pension</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 2,292,502	\$ -
Changes of Assumptions or Other Inputs	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,589,603
Changes in Proportion and Differences Between District's Contributions and Proportionate Share of Contributions	1,122,784	7,217,983
Contributions Subsequent to the Measurement Date	10,174,005	-
Total	<u>\$ 13,589,291</u>	<u>\$ 10,807,586</u>
<b>Health Insurance Premium (OPEB)</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 143,097	\$ 1,264,613
Changes of Assumptions or Other Inputs	-	67,481
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	148,943
Changes in Proportion and Differences Between District's Contributions and Proportionate Share of Contributions	147,037	22,380
Contributions Subsequent to the Measurement Date	93,029	-
Total	<u>\$ 383,163</u>	<u>\$ 1,503,417</u>
<b>Long-Term Disability (OPEB)</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 74,165	\$ 46,234
Changes of Assumptions or Other Inputs	21,678	119,569
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	6,574
Changes in Proportion and Differences Between District's Contributions and Proportionate Share of Contributions	14,408	23,651
Contributions Subsequent to the Measurement Date	126,858	-
Total	<u>\$ 237,109</u>	<u>\$ 196,028</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

**Arizona State Retirement System (Continued)**

The amounts reported as deferred outflows of resources related to ASRS pension/OPEB (asset) liability resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net (asset) liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Pension</u>	<u>Health Insurance Premium</u>	<u>Long-Term Disability</u>
2025	\$ (3,404,396)	\$ (538,784)	\$ (9,860)
2026	(7,410,370)	(594,769)	(23,418)
2027	3,868,531	(52,407)	1,423
2028	(446,065)	(47,396)	(23,662)
2029	-	20,073	(22,824)
Thereafter	-	-	(7,436)

**Actuarial Assumptions** – The significant actuarial assumptions used to measure the total pension/OPEB 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%
Projected Salary Increases	2.9 - 8.4%
Inflation	2.3%
Permanent Benefit Increase	Included
Mortality Rates	2017 SRA Scale U-MP
Recovery Rates	2012 GLDT
Healthcare Cost Trend Rate	Not applicable

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2020.

The long-term expected rate of return on ASRS plan investments was determined to be 7.00% using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan 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. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Retirement Plans (Continued)**

**Arizona State Retirement System (Continued)**

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

**Discount Rate** – At June 30, 2023, the discount rate used to measure the ASRS total pension/OPEB liability was 7.00%. 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 statutes. 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 plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

**Sensitivity of the District’s Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate** – The following table presents the District’s proportionate share of the net pension/OPEB (asset) liability calculated using the discount rate of 7.0%, as well as what the District’s proportionate share of the net pension/OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate.

	<u>1% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
District’s Proportionate Share of the Net Pension Liability	\$ 151,966,250	\$ 101,456,042	\$ 59,339,463
Health Insurance Premium	\$ (2,808,720)	\$ (3,391,067)	\$ (4,837,260)
Long-Term Disability	\$ 106,839	\$ 82,143	\$ 23,368

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits**

**Plan Description** – Under authority of the Governing Board, the District provides postretirement insurance benefits, for certain retirees and their dependents, in accordance with the plan. The plan is a single-employer defined benefit OPEB plan administered by the District. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Generally, resources from the General Fund are used to pay for postemployment benefits.

A retiree who was an employee of Tempe Elementary School District immediately prior to retirement and who was hired prior to July 1, 2004, is eligible for health benefits. The number of participants as of the effective date of the biannual OPEB valuation, follows.

Retirees Receiving Benefits	105
Active Employees	<u>235</u>
Total	<u><u>340</u></u>

**Benefits Provided** – The District provides postretirement insurance (medical and dental) benefits (OPEB), in accordance with the District’s Post Employment Benefit Plan, to eligible employees. Currently, 105 retirees meet those eligibility requirements.

**Funding Policy** – The District contributes health premiums for employees who retire with 10 years of service and retire before July 1, 2009, or 20 years of service and retire on or after July 1, 2009 and has reached age 55. Participation ceases at age 65 or age 70 for administrators who retire prior to July 1, 2009. Benefits cease when the retiree’s benefit ceases. The District’s regular insurance providers underwrite the retiree policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. The District currently pays for postemployment benefits on a pay-as-you-go basis.

**Contributions** – The District contributes \$6,788 for employees who retired with 10 years of service before July 1, 2009, or employees who retire with 20 years of service and retire on or after July 1, 2009, and have reached age 55. For the current fiscal year, the District contributed \$1,605,552 for these benefits. The District’s regular insurance providers underwrite the retiree policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. A separate financial report is not issued for the plan.

**Total OPEB Liability** – The District’s total OPEB liability of \$17,068,229 had a measurement date of June 30, 2023, based on an actuarial valuation dated June 30, 2023.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits (Continued)**

**Actuarial Methods and Assumptions** – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of the occurrence of events far into the future. Actuarially determined amounts are subject of continual revision as actual results are compared to past expectations and new estimates are made about the future.

The total OPEB liability as of June 30, 2024, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Actuarial Cost Method	Entry Age, level percent of pay
Salary Increases	2.90%
Discount Rate	3.65%
Health Care Trend Rates	7.50% graded down to 4.50% over 12 years.

Mortality rates were based on the PubG-2010 Headcount Weighted General Employee Table, Projected to 2017 using the Ultimate MP 2020 unisex scales for active employees. Morality rates for retirees were based on the 2017 State Retirees of Arizona (SRA) Mortality Table, projected to 2017 using the Ultimate MP 2020 Unisex scales for retired employees. Disabled Mortality Rates were based on PubNS-2010 disabled retiree mortality table.

**Changes in Total OPEB Liability** – The following table shows the changes in OPEB liability as of June 30, 2024.

Balances at June 30, 2023	\$ 16,422,389
Changes for the Year:	
Service Cost	251,515
Interest	566,696
Current-Period Benefit Changes	1,614,093
Change in Assumptions	(443,728)
Benefit Payments	(1,342,736)
Net Changes	<u>645,840</u>
Balances at June 30, 2024	<u><u>\$ 17,068,229</u></u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits (Continued)**

**Discount Rate** – The discount rate used to measure the OPEB liability was 3.65%. The discount rate increased from 3.54% to 3.65% as a result of modifying future trend on per capita health costs and retiree contributions to reflect actual experience. The discount rate was determined by using a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2023.

**Sensitivity Results** – The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB Liability	\$ 18,092,832	\$ 17,068,229	\$ 16,112,186

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

	Healthcare Cost		
	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates	1% Increase in Health Care Cost Trend Rates
Net OPEB Liability	\$ 15,892,124	\$ 17,068,229	\$ 18,362,044

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**C. Other Postemployment Benefits (Continued)**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – For the year ended June 30, 2024, the District recognized OPEB expense of \$3,254,986. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ 881,334	\$ 525,182
Differences Between Expected and Actual Experience	683,457	-
Employer Benefits Paid Subsequent to the Measurement Date	1,605,552	-
Total	\$ 3,170,343	\$ 525,182

The \$1,605,552 reported as deferred outflows of resources related to OPEB resulting from District benefit payments made subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Future Recognition
2025	\$ 1,134,992
2026	(85,266)
2027	(10,117)

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION/OPEB LIABILITY**  
**AND RELATED RATIOS**  
**JUNE 30, 2024 AND NINE PREVIOUS FISCAL YEARS**

	Reporting Year (Measurement Date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
District's Proportion of the Net Pension Liability	0.63%	0.70%	0.67%	0.68%	0.68%
District's Proportionate Share of the Net Pension Liability	\$ 101,456,042	\$ 113,930,734	\$ 88,615,794	\$ 118,551,515	\$ 98,661,254
District's Covered Payroll	\$ 75,075,352	\$ 83,579,379	\$ 75,890,318	\$ 74,540,969	\$ 71,028,587
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	135.14%	136.31%	116.77%	159.04%	138.90%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.47%	74.26%	78.58%	69.33%	73.24%

	Reporting Year (Measurement Date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
District's Proportion of the Net OPEB (Asset)	0.63%	0.70%	0.68%	0.69%	0.68%
District's Proportionate Share of the OPEB (Asset)	\$ (3,391,067)	\$ (3,906,128)	\$ (3,291,042)	\$ (487,576)	\$ (188,426)
District's Covered Payroll	\$ 75,075,352	\$ 83,579,379	\$ 75,890,318	\$ 74,540,969	\$ 71,028,587
District's Proportionate Share of the Net OPEB (Asset) as a Percentage of its Covered Payroll	-4.52%	-4.67%	-4.34%	-0.65%	-0.27%
Plan Fiduciary Net Position as a Percentage of the Total OPEB (Asset)	75.47%	74.26%	78.58%	69.33%	73.24%

	Reporting Year (Measurement Date)				
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)
District's Proportion of the Net OPEB Liability	0.63%	0.70%	0.67%	0.69%	0.68%
District's Proportionate Share of the OPEB Liability	\$ 82,143	\$ 64,449	\$ 139,235	\$ 520,559	\$ 443,009
District's Covered Payroll	\$ 75,075,352	\$ 83,579,379	\$ 75,890,318	\$ 74,540,969	\$ 71,028,587
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.11%	0.08%	0.18%	0.70%	0.62%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	75.47%	74.26%	78.58%	69.33%	73.24%

See accompanying Notes to Required Supplementary Information.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION/OPEB LIABILITY**  
**AND RELATED RATIOS**  
**JUNE 30, 2024 AND NINE PREVIOUS FISCAL YEARS (CONTINUED)**

Reporting Year (Measurement Date)				
2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)	2015 (2014)
0.66%	0.65%	0.66%	0.66%	0.66%
\$ 91,550,278	\$ 101,816,582	\$ 105,813,970	\$ 102,914,086	\$ 97,280,165
\$ 64,913,000	\$ 63,711,364	\$ 60,236,276	\$ 60,841,120	\$ 55,339,167
141.04%	159.81%	175.66%	169.15%	175.79%
73.40%	69.92%	67.06%	68.35%	69.49%

Reporting Year (Measurement Date)		
2019 (2018)	2018 (2017)	2017 through 2015 Information not available
0.66%	0.66%	
\$ (237,469)	\$ (357,219)	
\$ 64,913,000	\$ 63,711,364	
-0.37%	-0.56%	
73.40%	69.92%	

Reporting Year (Measurement Date)		
2019 (2018)	2018 (2017)	2017 through 2015 Information not available
0.66%	0.65%	
\$ 343,489	\$ 236,781	
\$ 64,913,000	\$ 63,711,364	
0.53%	0.37%	
73.40%	69.92%	

See accompanying Notes to Required Supplementary Information.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**SCHEDULE OF DISTRICT'S PENSION/OPEB CONTRIBUTIONS**  
**JUNE 30, 2024 AND NINE PREVIOUS FISCAL YEARS**

<b>Pension</b>	Reporting Year				
	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 10,174,005	\$ 9,960,701	\$ 9,962,662	\$ 8,841,222	\$ 8,534,941
Contributions in Relation to the Contractually Required Contribution	<u>10,174,005</u>	<u>9,960,701</u>	<u>9,962,662</u>	<u>8,841,222</u>	<u>8,534,941</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 84,571,945	\$ 75,075,352	\$ 83,579,379	\$ 75,890,318	\$ 74,540,969
Contributions as a Percentage of Covered Payroll	12.03%	13.27%	11.92%	11.65%	11.45%
<b>Health Insurance Premium Benefit</b>	Reporting Year				
	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 93,029	\$ 88,039	\$ 170,721	\$ 288,870	\$ 360,065
Contributions in Relation to the Contractually Required Contribution	<u>93,029</u>	<u>88,039</u>	<u>170,721</u>	<u>288,870</u>	<u>360,065</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 84,571,945	\$ 75,075,352	\$ 83,579,379	\$ 75,890,318	\$ 74,540,969
Contributions as a Percentage of Covered Payroll	0.11%	0.12%	0.20%	0.38%	0.48%
<b>Long-Term Disability</b>	Reporting Year				
	2024	2023	2022	2021	2020
Contractually Required Contribution	\$ 126,858	\$ 113,416	\$ 156,356	\$ 134,741	\$ 125,783
Contributions in Relation to the Contractually Required Contribution	<u>126,858</u>	<u>113,416</u>	<u>156,356</u>	<u>134,741</u>	<u>125,783</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 84,571,945	\$ 75,075,352	\$ 83,579,379	\$ 75,890,318	\$ 74,540,969
Contributions as a Percentage of Covered Payroll	0.15%	0.15%	0.19%	0.18%	0.17%

See accompanying Notes to Required Supplementary Information.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
SCHEDULE OF DISTRICT'S PENSION/OPEB CONTRIBUTIONS  
JUNE 30, 2024 AND NINE PREVIOUS FISCAL YEARS (CONTINUED)**

Reporting Year				
2019	2018	2017	2016	2015
\$ 7,940,996	\$ 7,075,517	\$ 6,868,085	\$ 6,535,636	\$ 6,625,598
<u>7,940,996</u>	<u>7,075,517</u>	<u>6,868,085</u>	<u>6,535,636</u>	<u>6,625,598</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 71,028,587	\$ 64,913,000	\$ 63,711,364	\$ 60,236,276	\$ 60,841,120
11.18%	10.90%	10.78%	10.85%	10.89%

Reporting Year		
2019	2018	2017 through 2015
\$ 322,794	\$ 283,036	Information not available
<u>322,794</u>	<u>283,036</u>	
<u>\$ -</u>	<u>\$ -</u>	
\$ 71,028,587	\$ 64,913,000	
0.45%	0.44%	

Reporting Year		
2019	2018	2017 through 2015
\$ 113,005	\$ 104,307	Information not available
<u>113,005</u>	<u>104,307</u>	
<u>\$ -</u>	<u>\$ -</u>	
\$ 71,028,587	\$ 64,913,000	
0.16%	0.16%	

See accompanying Notes to Required Supplementary Information.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
AND RELATED RATIOS – OTHER POSTEMPLOYMENT BENEFITS PLAN  
JUNE 30, 2024 AND SEVEN PREVIOUS FISCAL YEARS**

	Reporting Year (Measurement Date)			
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)
Total OPEB Liability				
Service Cost	\$ 251,515	\$ 332,433	\$ 351,348	\$ 208,743
Interest	566,696	356,157	396,945	421,254
Change of Benefit Terms	1,614,093	629,764	(894,470)	-
Differences Between Expected and Actual Experience	-	-	-	1,981,259
Changes of Assumptions	(443,728)	(446,932)	(99,706)	4,300,819
Benefit Payments	(1,342,736)	(1,204,244)	(1,211,086)	(1,044,992)
Net Change in Total OPEB Liability	645,840	(332,822)	(1,456,969)	5,867,083
Total OPEB Liability - Beginning	16,422,389	16,755,211	18,212,180	12,345,097
Total OPEB Liability - Ending (a)	<u>\$ 17,068,229</u>	<u>\$ 16,422,389</u>	<u>\$ 16,755,211</u>	<u>\$ 18,212,180</u>
Covered-Employee Payroll	\$ 12,496,698	\$ 14,658,294	\$ 14,154,352	\$ 16,597,470
District's Total OPEB Liability as a Percentage of Covered-Employee Payroll	136.58%	121.97%	118.37%	109.73%

Note: Information prior to the measurement date (June 30, 2017) was not available.  
Additional years' information will be displayed as it becomes available.  
There are no assets accumulated in a trust to pay the related benefits for this plan.

See accompanying Notes to Required Supplementary Information.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY  
AND RELATED RATIOS – OTHER POSTEMPLOYMENT BENEFITS PLAN  
JUNE 30, 2024 AND SEVEN PREVIOUS FISCAL YEARS (CONTINUED)**

Reporting Year (Measurement Date)		
2020 (2019)	2019 (2018)	2018 (2017)
\$ 203,938	\$ 302,810	\$ 428,845
467,503	582,440	521,599
-	-	-
299,196	(2,663,170)	302,593
109,181	(1,099,131)	(1,765,095)
(1,210,431)	(1,227,432)	(1,561,262)
(130,613)	(4,104,483)	(2,073,320)
12,475,710	16,580,193	18,653,513
\$ 12,345,097	\$ 12,475,710	\$ 16,580,193
\$ 17,305,551	\$ 16,971,045	\$ 18,715,107
71.34%	73.51%	88.59%

See accompanying Notes to Required Supplementary Information.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL (BUDGETARY BASIS) – GENERAL FUND**  
**YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue:				
Property Taxes	\$ -	\$ -	\$ 51,622,111	\$ 51,622,111
Intergovernmental	-	-	45,602,132	45,602,132
Investment Earnings	-	-	626,889	626,889
Other	-	-	928,331	928,331
Total Revenue	-	-	98,779,463	98,779,463
Expenditures:				
Current:				
Regular Education:				
Instruction	40,648,213	41,697,749	35,599,249	6,098,500
Support Services - Students	3,110,377	3,110,377	3,004,654	105,723
Support Services - Instructional Staff	4,457,267	4,457,267	4,030,022	427,245
Support Services - General Administration	636,371	636,371	724,575	(88,204)
Support Services - School Administration	4,308,647	4,068,647	4,583,049	(514,402)
Support Services - Business and Other	4,506,450	4,506,450	4,780,959	(274,509)
Operation and Maintenance of Plant	12,009,362	12,009,362	8,800,669	3,208,693
Operation of Noninstructional Services	130,546	130,546	130,709	(163)
School-Sponsored Cocurricular Activities	12,100	12,100	18,140	(6,040)
School-Sponsored Athletics	191,830	191,830	147,956	43,874
Total Regular Education	70,011,163	70,820,699	61,819,982	9,000,717
Special Education:				
Instruction	14,436,926	14,436,926	13,349,449	1,087,477
Support Services - Students	5,387,646	5,387,646	5,804,889	(417,243)
Support Services - Instructional Staff	1,597,184	1,597,184	847,152	750,032
Support Services - School Administration	204,419	204,419	182,646	21,773
Operation and Maintenance of Plant	195,947	195,947	163,948	31,999
Total Special Education	21,822,122	21,822,122	20,348,084	1,474,038
Pupil Transportation:				
Student Transportation Services	3,343,384	3,343,384	2,581,643	761,741
Desegregation	13,678,248	13,678,248	13,678,274	(26)
Special K-3 Reading Program				
Instruction	1,010,000	1,010,000	1,026,505	(16,505)
Total Expenditures	109,864,917	110,674,453	99,454,488	11,219,965
Excess (Deficiency) of Revenue Over Expenditures	(109,864,917)	(110,674,453)	(675,025)	109,999,428
Fund Balance - Beginning of Year	-	-	27,492,013	27,492,013
Decrease in Inventories	-	-	(25,524)	(25,524)
Fund Balance - End of Year	<u>\$ (109,864,917)</u>	<u>\$ (110,674,453)</u>	<u>\$ 26,791,464</u>	<u>\$ 137,465,917</u>

See accompanying Notes to Required Supplementary Information.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCE – BUDGET AND ACTUAL – SPECIAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenue:</b>				
Intergovernmental	\$ -	\$ -	\$ 21,206,563	\$ 21,206,563
Investment Earnings	-	-	11,143	11,143
Other	-	-	579	579
Total Revenue	-	-	21,218,285	21,218,285
<b>Expenditures:</b>				
Instruction	10,978,528	8,687,615	7,777,832	909,783
<b>Support Services:</b>				
Students	1,309,670	1,036,378	927,847	108,531
Instructional Staff	10,070,429	7,969,010	7,134,481	834,529
General Administration	350	277	248	29
School Administration	99,992	79,126	70,840	8,286
Business and Other Support Services	50,625	40,061	35,866	4,195
Operation and Maintenance of Plant	5,741,428	4,543,352	4,067,564	475,788
Student Transportation	686,008	542,857	486,008	56,849
Operation of Noninstructional Services	337,234	266,862	238,916	27,946
Facilities Acquisition	1,098,736	869,460	778,409	91,051
Total Expenditures	30,373,000	24,035,000	21,518,011	2,516,989
Excess (Deficiency) of Revenue Over Expenditures	(30,373,000)	(24,035,000)	(299,726)	23,735,274
<b>Other Financing Sources (Uses):</b>				
Transfers Out	-	-	(640,892)	(640,892)
Net Change in Fund Balance	(30,373,000)	(24,035,000)	(940,618)	23,094,382
<b>Fund Balance:</b>				
Beginning of Year	-	-	(115,174)	(115,174)
End of Year	\$ (30,373,000)	\$ (24,035,000)	\$ (1,055,792)	\$ 22,979,208

See accompanying Notes to Required Supplementary Information.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2024**

**NOTE 1 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

The District's adopted budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the following exceptions: the General Fund as reported in the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances includes the District's Maintenance and Operation Fund in addition to several other District funds as required by GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. However, for budgetary purposes, the District prepares a separate Maintenance and Operation Fund budget. Therefore, the following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District's Maintenance and Operation Fund for budgetary purposes.

	Total Revenues	Total Expenditures	Other Financing Sources/Uses	Beginning Fund Balance	Ending Fund Balance
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances	\$ 103,635,386	\$ 104,047,625	\$ 935,151	\$ 31,402,846	\$ 31,900,234
Less: Non Maintenance and Operation Funds included in General Fund for GASB Statement No. 54 Purposes	(4,855,923)	(4,593,137)	(935,151)	(3,910,833)	(5,108,770)
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Budgetary Basis	\$ 98,779,463	\$ 99,454,488	\$ -	\$ 27,492,013	\$ 26,791,464

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

*See accompanying Notes to Required Supplementary Information.*

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## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

*Instructional Improvement Fund* – accounts for the revenues and expenditures for State apportioned Indian Gaming monies.

*Classroom Site Fund* – accounts for the revenues and expenditures of State apportioned education sales tax monies.

*Other Special Revenue Fund* – accounts for the revenues and expenditures of the following activities: civic center, community school, extracurricular activity fee tax credit, fingerprinting and textbooks.

*Food Service Fund* – accounts for the financial operations of preparing and serving regular and incidental meals and snacks in connection with school functions.

*Student Activities Fund* – accounts for monies raised by students to finance student clubs and organizations.

### **CAPITAL PROJECTS FUND**

*Adjacent Ways Fund* – accounts for monies received to finance such improvements as public streets or alleys adjacent to school property.

*Building Renewal Fund* – accounts for monies received from the School Facilities Board that are used for infrastructure or for major upgrades, repairs, or renovation to areas, systems, or buildings that will maintain or extend their useful life.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
COMBINING BALANCE SHEET  
JUNE 30, 2024**

	Special Revenue					Total Special Revenue Funds
	Instructional Improvement	Classroom Site	Other Special Revenue	Food Service	Student Activities	
<b>Assets</b>						
Cash and Investments	\$ 791,058	\$ 4,510,119	\$ 2,615,142	\$ 1,176,503	\$ 110,900	\$ 9,203,722
Receivables:						
Property Taxes	-	-	-	-	-	-
Intergovernmental	331,372	-	-	98,691	-	430,063
Lease Receivable	-	-	142,815	-	-	142,815
Inventory, at Cost	-	-	-	98,454	-	98,454
Other Assets	-	-	-	100,552	-	100,552
<b>Total Assets</b>	<b>\$ 1,122,430</b>	<b>\$ 4,510,119</b>	<b>\$ 2,757,957</b>	<b>\$ 1,474,200</b>	<b>\$ 110,900</b>	<b>\$ 9,975,606</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>						
<b>Liabilities:</b>						
Accounts Payable	\$ -	\$ -	\$ 16,931	\$ 23,483	\$ 6,633	\$ 47,047
Accrued Wages and Benefits	68	(244)	(295)	15,971	-	15,500
<b>Total Liabilities</b>	68	(244)	16,636	39,454	6,633	62,547
<b>Deferred Inflows of Resources:</b>						
Unavailable Revenue	-	-	-	-	-	-
Lease Related	-	-	143,068	-	-	143,068
<b>Total Deferred Inflows of Resources</b>	-	-	143,068	-	-	143,068
<b>Fund Balance:</b>						
Nonspendable	-	-	-	98,454	-	98,454
Restricted	1,122,362	4,510,363	2,598,253	1,336,292	104,267	9,671,537
Unassigned	-	-	-	-	-	-
<b>Total Fund Balance</b>	1,122,362	4,510,363	2,598,253	1,434,746	104,267	9,769,991
<b>Total Liabilities, Deferred Inflows     of Resources, and Fund Balance</b>	<b>\$ 1,122,430</b>	<b>\$ 4,510,119</b>	<b>\$ 2,757,957</b>	<b>\$ 1,474,200</b>	<b>\$ 110,900</b>	<b>\$ 9,975,606</b>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2024**

<u>Capital Projects</u>			
<u>Adjacent Ways</u>	<u>Building Renewal</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 201,016	\$ -	\$ 201,016	\$ 9,404,738
15,026	-	15,026	15,026
-	868,700	868,700	1,298,763
-	-	-	142,815
-	-	-	98,454
-	-	-	100,552
<u>\$ 216,042</u>	<u>\$ 868,700</u>	<u>\$ 1,084,742</u>	<u>\$ 11,060,348</u>
\$ 30,024	\$ 855,985	\$ 886,009	\$ 933,056
-	-	-	15,500
<u>30,024</u>	<u>1,003,209</u>	<u>1,033,233</u>	<u>1,095,780</u>
9,633	-	9,633	9,633
-	-	-	143,068
<u>9,633</u>	<u>-</u>	<u>9,633</u>	<u>152,701</u>
-	-	-	98,454
176,385	-	176,385	9,847,922
-	(134,509)	(134,509)	(134,509)
<u>176,385</u>	<u>(134,509)</u>	<u>41,876</u>	<u>9,811,867</u>
<u>\$ 216,042</u>	<u>\$ 868,700</u>	<u>\$ 1,084,742</u>	<u>\$ 11,060,348</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND  
CHANGE IN FUND BALANCE  
YEAR ENDED JUNE 30, 2024**

	Special Revenue					
	Instructional Improvement	Classroom Site	Other Special Revenue	Food Service	Student Activities	Total Special Revenue Funds
Revenue:						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	715,674	8,643,995	-	6,865,740	-	16,225,409
Food Service Sales	-	-	-	585,569	-	585,569
Charges for Services	-	-	910,263	-	-	910,263
Contributions and Donations	-	-	270,895	-	128,830	399,725
Investment Earnings (Loss)	17,739	192,527	57,767	22,052	-	290,085
Other	-	-	251,966	6,180	-	258,146
Total Revenue	<u>733,413</u>	<u>8,836,522</u>	<u>1,490,891</u>	<u>7,479,541</u>	<u>128,830</u>	<u>18,669,197</u>
Expenditures:						
Current:						
Instruction	184,596	7,182,724	850,776	-	-	8,218,096
Support Services:						
Students	-	50,776	10,205	-	146,036	207,017
Instructional Staff	269,816	332,721	79,729	-	-	682,266
General Administration	-	-	1,922	-	-	1,922
School Administration	-	-	92	-	-	92
Business and Other Support Services	-	-	11,389	-	-	11,389
Operations and Maintenance of Plant	-	-	151,649	60,994	-	212,643
Student Transportation	-	-	66,065	-	787	66,852
Operation of Noninstructional Services	-	-	4,836	7,324,772	-	7,329,608
Debt Service:						
Principal Retirement	-	-	-	33,880	-	33,880
Capital Outlay:						
Facilities Acquisition	-	-	-	-	-	-
Total Expenditures	<u>454,412</u>	<u>7,566,221</u>	<u>1,176,663</u>	<u>7,419,646</u>	<u>146,823</u>	<u>16,763,765</u>
Excess (Deficiency) of Revenue Over Expenditures	279,001	1,270,301	314,228	59,895	(17,993)	1,905,432
Other Financing Sources (Uses):						
Transfers Out	-	-	-	(135,783)	-	(135,783)
Net Change in Fund Balance	279,001	1,270,301	314,228	(75,888)	(17,993)	1,769,649
Fund Balance:						
Beginning of Year, as Previously Presented	843,361	3,240,062	2,284,025	1,563,208	122,260	8,052,916
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	-	-	-	-	-	-
Beginning of Year, as Adjusted	<u>843,361</u>	<u>3,240,062</u>	<u>2,284,025</u>	<u>1,563,208</u>	<u>122,260</u>	<u>8,052,916</u>
Decrease in Inventories	-	-	-	(52,574)	-	(52,574)
End of Year	<u>\$ 1,122,362</u>	<u>\$ 4,510,363</u>	<u>\$ 2,598,253</u>	<u>\$ 1,434,746</u>	<u>\$ 104,267</u>	<u>\$ 9,769,991</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND  
CHANGE IN FUND BALANCE (CONTINUED)  
YEAR ENDED JUNE 30, 2024**

Capital Projects				
Adjacent Ways	Building Renewal	<i>Formerly Nonmajor Fund</i> Unrestricted Capital Outlay	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 258	\$ -	\$ -	\$ 258	\$ 258
-	4,619,550	-	4,619,550	20,844,959
-	-	-	-	585,569
-	-	-	-	910,263
-	-	-	-	399,725
-	(6,138)	-	(6,138)	283,947
-	-	-	-	258,146
<u>258</u>	<u>4,613,412</u>	<u>-</u>	<u>4,613,670</u>	<u>23,282,867</u>
-	-	-	-	8,218,096
-	-	-	-	207,017
-	-	-	-	682,266
-	-	-	-	1,922
-	-	-	-	92
-	-	-	-	11,389
-	-	-	-	212,643
-	-	-	-	66,852
-	-	-	-	7,329,608
-	-	-	-	33,880
<u>251,635</u>	<u>4,718,834</u>	<u>-</u>	<u>4,970,469</u>	<u>4,970,469</u>
<u>251,635</u>	<u>4,718,834</u>	<u>-</u>	<u>4,970,469</u>	<u>21,734,234</u>
(251,377)	(105,422)	-	(356,799)	1,548,633
-	-	-	-	(135,783)
(251,377)	(105,422)	-	(356,799)	1,412,850
427,762	(29,087)	6,409,654	6,808,329	14,861,245
-	-	(6,409,654)	(6,409,654)	(6,409,654)
<u>427,762</u>	<u>(29,087)</u>	<u>-</u>	<u>398,675</u>	<u>8,451,591</u>
-	-	-	-	(52,574)
<u>\$ 176,385</u>	<u>\$ (134,509)</u>	<u>\$ -</u>	<u>\$ 41,876</u>	<u>\$ 9,811,867</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE –  
BUDGET AND ACTUAL – BOND BUILDING FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Expenditures:				
Instruction	\$ -	\$ -	\$ 479,461	\$ (479,461)
Support Services:				
Operation and Maintenance of Plant	-	-	972,919	(972,919)
Student Transportation	-	-	762,151	(762,151)
Facilities Acquisition	<u>30,677,377</u>	<u>37,505,254</u>	<u>9,078,013</u>	<u>28,427,241</u>
Total Expenditures	<u>30,677,377</u>	<u>37,505,254</u>	<u>11,292,544</u>	<u>26,212,710</u>
Excess (Deficiency) of Revenue Over Expenditures	(30,677,377)	(37,505,254)	(11,292,544)	26,212,710
Fund Balance:				
Beginning of Year	-	-	23,478,333	23,478,333
End of Year	<u>\$ (30,677,377)</u>	<u>\$ (37,505,254)</u>	<u>\$ 12,185,789</u>	<u>\$ 49,691,043</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE –**  
**BUDGET AND ACTUAL – DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenue:			
Property Taxes	\$ -	\$ 24,120,885	\$ 24,120,885
Investment Earnings	-	936,278	936,278
Total Revenue	<u>-</u>	<u>25,057,163</u>	<u>25,057,163</u>
Expenditures:			
Debt Service:			
Principal Retirement	15,335,000	15,335,000	-
Interest on Long-Term Debt	6,665,000	6,596,988	68,012
Issuance Costs	-	20,150	(20,150)
Total Expenditures	<u>22,000,000</u>	<u>21,952,138</u>	<u>47,862</u>
Excess (Deficiency) of Revenue Over Expenditures	(22,000,000)	3,105,025	(25,105,025)
Fund Balance:			
Beginning of Year	-	1,927,819	1,927,819
End of Year	<u>\$ (22,000,000)</u>	<u>\$ 5,032,844</u>	<u>\$ 27,032,844</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE –  
BUDGET AND ACTUAL – INSTRUCTIONAL IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue:				
Intergovernmental	\$ -	\$ -	\$ 715,674	\$ 715,674
Investment Earnings	-	-	17,739	17,739
Total Revenue	<u>-</u>	<u>-</u>	<u>733,413</u>	<u>733,413</u>
Expenditures:				
Instruction	203,115	203,115	184,596	18,519
Support Services:				
Instructional Staff	296,885	296,885	269,816	27,069
Total Expenditures	<u>500,000</u>	<u>500,000</u>	<u>454,412</u>	<u>45,588</u>
Excess (Deficiency) of Revenue Over Expenditures	(500,000)	(500,000)	279,001	779,001
Fund Balance:				
Beginning of Year	-	-	843,361	843,361
End of Year	<u>\$ (500,000)</u>	<u>\$ (500,000)</u>	<u>\$ 1,122,362</u>	<u>\$ 1,622,362</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE –  
BUDGET AND ACTUAL – CLASSROOM SITE FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue:				
Intergovernmental	\$ -	\$ -	\$ 8,643,995	\$ 8,643,995
Investment Earnings	-	-	192,527	192,527
Total Revenue	-	-	8,836,522	8,836,522
Expenditures:				
Instruction	11,337,906	11,466,278	7,182,724	4,283,554
Support Services:				
Students	66,550	66,550	50,776	15,774
Instructional Staff	271,040	271,040	332,721	(61,681)
Total Expenditures	11,675,496	11,803,868	7,566,221	4,237,647
Excess (Deficiency) of Revenue Over Expenditures	(11,675,496)	(11,803,868)	1,270,301	13,074,169
Fund Balance:				
Beginning of Year	-	-	3,240,062	3,240,062
End of Year	\$ (11,675,496)	\$ (11,803,868)	\$ 4,510,363	\$ 16,314,231

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE –**  
**BUDGET AND ACTUAL – OTHER SPECIAL REVENUE FUND**  
**YEAR ENDED JUNE 30, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenue:			
Charges for Services	\$ -	\$ 910,263	\$ 910,263
Contributions and Donations	-	270,895	270,895
Investment Earnings	-	57,767	57,767
Other	-	251,966	251,966
Total Revenue	<u>-</u>	<u>1,490,891</u>	<u>1,490,891</u>
Expenditures:			
Instruction	2,299,271	850,776	1,448,495
Support Services:			
Students	27,580	10,205	17,375
Instructional Staff	215,472	79,729	135,743
General Administration	5,194	1,922	3,272
Business and Other Support Services	30,779	11,389	19,390
Operations and Maintenance of Plant	409,840	151,649	258,191
Student Transportation	178,544	66,065	112,479
Operation of Noninstructional Services	13,070	4,836	8,234
Total Expenditures	<u>3,180,000</u>	<u>1,176,663</u>	<u>2,003,337</u>
Excess (Deficiency) of Revenue Over Expenditures	(3,180,000)	314,228	3,494,228
Fund Balance:			
Beginning of Year	-	2,284,025	2,284,025
End of Year	<u>\$ (3,180,000)</u>	<u>\$ 2,598,253</u>	<u>\$ 5,778,253</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE –**  
**BUDGET AND ACTUAL – FOOD SERVICE FUND**  
**YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenue:</b>				
Intergovernmental	\$ -	\$ -	\$ 6,865,740	\$ 6,865,740
Food Service Sales	-	-	585,569	585,569
Investment Earnings (Loss)	-	-	22,052	22,052
Other	-	-	6,180	6,180
Total Revenue	-	-	7,479,541	7,479,541
<b>Expenditures:</b>				
Support Services				
Operations and Maintenance of Plant	65,765	65,765	60,994	4,771
Operation of Noninstructional Services	7,897,705	7,897,705	7,324,772	572,933
Debt Service				
Principal Retirement	36,530	36,530	33,880	2,650
Total Expenditures	8,000,000	8,000,000	7,419,646	580,354
Excess (Deficiency) of Revenue Over Expenditures	(8,000,000)	(8,000,000)	59,895	8,059,895
<b>Other Financing Sources (Uses):</b>				
Transfers Out	-	-	(135,783)	(135,783)
Net Change in Fund Balance	(8,000,000)	(8,000,000)	(75,888)	7,924,112
<b>Fund Balance:</b>				
Beginning of Year	-	-	1,563,208	1,563,208
Decrease in Inventories	-	-	(52,574)	(52,574)
End of Year	\$ (8,000,000)	\$ (8,000,000)	\$ 1,434,746	\$ 9,434,746

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE –  
BUDGET AND ACTUAL – STUDENT ACTIVITIES FUND  
YEAR ENDED JUNE 30, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenue:			
Contributions and Donations	\$ -	\$ 128,830	\$ 128,830
Total Revenue	<u>-</u>	<u>128,830</u>	<u>128,830</u>
Expenditures:			
Support Services:			
Students	200,000	146,036	53,964
Student Transportation	-	787	(787)
Total Expenditures	<u>200,000</u>	<u>146,823</u>	<u>53,177</u>
Excess (Deficiency) of Revenue Over Expenditures	(200,000)	(17,993)	10,997,492
Fund Balance:			
Beginning of Year	-	122,260	122,260
End of Year	<u>\$ (200,000)</u>	<u>\$ 104,267</u>	<u>\$ 304,267</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE –  
BUDGET AND ACTUAL – ADJACENT WAYS FUND  
YEAR ENDED JUNE 30, 2024**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenue:			
Property Taxes	\$ -	\$ 258	\$ 258
Total Revenue	-	258	258
Expenditures:			
Facilities Acquisition	<u>1,600,000</u>	<u>251,635</u>	<u>1,348,365</u>
Excess (Deficiency) of Revenue Over Expenditures	(1,600,000)	(251,377)	1,348,623
Fund Balance:			
Beginning of Year	-	427,762	427,762
End of Year	<u>\$ (1,600,000)</u>	<u>\$ 176,385</u>	<u>\$ 1,776,385</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE –  
BUDGET AND ACTUAL – BUILDING RENEWAL FUND  
YEAR ENDED JUNE 30, 2024**

	Original and Final Budget	Actual	Variance with Final Budget
Revenue:			
Intergovernmental	\$ -	\$ 4,619,550	\$ 4,619,550
Investment Earnings (Loss)	-	(6,138)	(6,138)
Total Revenue	-	4,613,412	4,613,412
Expenditures:			
Facilities Acquisition	6,500,000	4,718,834	1,781,166
Excess (Deficiency) of Revenue Over Expenditures	(6,500,000)	(105,422)	6,394,578
Fund Balance:			
Beginning of Year	-	(29,087)	(29,087)
End of Year	\$ (6,500,000)	\$ (134,509)	\$ 6,365,491

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGE IN FUND BALANCE –**  
**BUDGET AND ACTUAL – UNRESTRICTED CAPITAL OUTLAY FUND**  
**YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenue:				
Property Taxes	\$ -	\$ -	\$ 10,713,208	\$ 10,713,208
Investment Earnings	-	-	162,385	162,385
Other	-	-	2,897	2,897
Total Revenue	-	-	10,878,490	10,878,490
Expenditures:				
Instruction	10,830,997	12,792,144	3,702,986	9,089,158
Support Services:				
Students	52,522	52,522	52,522	-
Instructional Staff	3,867,478	3,567,478	595,839	2,971,639
General Administration	286,648	86,648	11,593	75,055
School Administration	3,336	3,336	3,336	-
Business and Other Support Services	1,660,016	1,660,016	1,660,016	-
Operations and Maintenance of Plant	800,000	800,000	615,757	184,243
Student Transportation	377,328	377,328	44,061	333,267
Operation of Noninstructional Services	100,000	100,000	5,061	94,939
Facilities Acquisition	1,100,000	1,100,000	829,949	270,051
Total Expenditures	19,078,325	20,539,472	7,821,877	13,319,109
Excess (Deficiency) of Revenue Over Expenditures	(19,078,325)	(20,539,472)	3,056,613	23,596,085
Fund Balance:				
Beginning of Year	-	-	6,409,654	6,409,654
End of Year	\$ (19,078,325)	\$ (20,539,472)	\$ 9,766,293	\$ 30,305,765

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## **INTERNAL SERVICE FUNDS**

*Transportation Services* – accounts for charges to other departments for transportation services.

*Insurance Benefit* – accounts for the financial activity associated with the District's self-insurance program and other insurance related withholdings.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

	Transportation Services	Insurance Benefit	Totals
<b>ASSETS</b>			
Current:			
Cash and Investments	\$ 321,704	\$ 7,021,766	\$ 7,343,470
Accounts Receivable	-	127,235	127,235
Total Assets	321,704	7,149,001	7,470,705
<b>LIABILITIES</b>			
Accounts Payable	-	23,991	23,991
Accrued Wages	29,914	(66)	29,848
Claims Payable	-	2,386,266	2,386,266
Total Liabilities	29,914	2,410,191	2,440,105
<b>NET POSITION</b>			
Unrestricted	\$ 291,790	\$ 4,738,810	\$ 5,030,600

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2024**

	Transportation Services	Insurance Benefit	Totals
<b>OPERATING REVENUES</b>			
Contributions	\$ -	\$ 13,601,052	\$ 13,601,052
Charges for services	112,817	-	112,817
Other	-	107,532	107,532
<b>Total Revenues</b>	<u>112,817</u>	<u>13,708,584</u>	<u>13,821,401</u>
<b>OPERATING EXPENSES</b>			
Claims	-	10,342,447	10,342,447
Premiums	-	1,181,312	1,181,312
Administrative fees	-	1,479,799	1,479,799
Cost of Services	158,999	-	158,999
<b>Total Expenditures</b>	<u>158,999</u>	<u>13,003,558</u>	<u>13,162,557</u>
<b>OPERATING INCOME (LOSS)</b>	(46,182)	705,026	658,844
<b>NONOPERATING REVENUES</b>			
Investment Income	8,048	149,332	157,380
<b>CHANGE IN NET POSITION</b>	(38,134)	854,358	816,224
Net Position - Beginning of Year	<u>329,924</u>	<u>3,884,452</u>	<u>4,214,376</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 291,790</u>	<u>\$ 4,738,810</u>	<u>\$ 5,030,600</u>

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2024**

	Transportation Services	Insurance Benefit	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Contributions	\$ -	\$ 13,603,157	\$ 13,603,157
Cash Received from Other Sources	112,817	107,532	220,349
Cash Payments for Claims and Administrative Fees	-	(11,781,638)	(11,781,638)
Cash Payments for Premiums	-	(1,179,180)	(1,179,180)
Cash Payments for Supplies for Goods and Services/Employees	(152,203)	-	(152,203)
Net Cash Provided (Used) by Operating Activities	(39,386)	749,871	710,485
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment Income	8,048	149,332	157,380
Net Cash Provided by Investing Activities	8,048	149,332	157,380
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(31,338)	899,203	867,865
Cash and Cash Equivalents - Beginning of Year	353,042	6,122,563	6,475,605
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 321,704</u>	<u>\$ 7,021,766</u>	<u>\$ 7,343,470</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (46,182)	\$ 705,026	\$ 658,844
Adjustments to Reconcile Operating Income (Loss) to Net Cash Used by Operating Activities:			
Change in Accounts Receivable	-	2,105	2,105
Change in Accounts Payable	(1,913)	2,132	219
Change in Accrued Liabilities	8,709	(66)	8,643
Change in Claims Payable	-	40,674	40,674
Total Adjustments	6,796	44,845	51,641
Net Cash Used by Operating Activities	<u>\$ (39,386)</u>	<u>\$ 749,871</u>	<u>\$ 710,485</u>

## **STATISTICAL SECTION (UNAUDITED)**

This section of the Tempe Elementary School District No. 3's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **Financial Trends**

*These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.*

### **Revenue Capacity**

*These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.*

### **Debt Capacity**

*These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.*

### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.*

### **Operating Information**

*These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.*

*See the table of contents for page numbers of the schedules that encompass the above sections.*

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**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net Position:										
Net Investment in										
Capital Assets	\$ 78,080,726	\$ 68,816,757	\$ 76,458,833	\$ 84,223,924	\$ 84,835,044	\$ 87,520,131	\$ 107,496,396	\$ 116,373,534	\$ 105,537,854	\$ 121,302,487
Restricted	8,085,327	15,701,861	15,400,743	18,620,858	19,596,927	19,658,619	17,290,732	17,089,997	22,825,886	29,235,910
Unrestricted	<u>(86,045,164)</u>	<u>(78,656,580)</u>	<u>(72,713,490)</u>	<u>(85,234,179)</u>	<u>(72,803,645)</u>	<u>(72,834,757)</u>	<u>(88,650,391)</u>	<u>(78,702,418)</u>	<u>(63,981,058)</u>	<u>(63,660,363)</u>
Total Net Position	<u>\$ 120,889</u>	<u>\$ 5,862,038</u>	<u>\$ 19,146,086</u>	<u>\$ 17,610,603</u>	<u>\$ 31,628,326</u>	<u>\$ 34,343,993</u>	<u>\$ 36,136,737</u>	<u>\$ 54,761,113</u>	<u>\$ 64,382,682</u>	<u>\$ 86,878,034</u>

Source: District's Business and Finance Department

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**CHANGE IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental Activities:										
Instruction	\$ 62,967,577	\$ 61,995,783	\$ 59,823,134	\$ 61,693,826	\$ 71,322,023	\$ 78,144,575	\$ 81,644,576	\$ 86,968,612	\$ 93,465,008	\$ 84,283,269
Support Services:										
Students	18,370,386	17,314,563	18,433,190	17,789,405	18,041,464	19,734,189	11,674,523	12,300,240	13,113,761	14,570,282
Instructional Staff	-	-	-	-	-	-	11,698,478	10,723,503	15,108,398	16,153,135
General Administration	6,208,030	10,337,501	10,436,681	9,777,558	10,064,378	13,753,415	1,093,541	999,357	857,790	837,733
School Administration	-	-	-	-	-	-	5,594,161	5,487,563	5,739,910	5,650,634
Business and Other Support Services	-	-	-	-	-	-	6,219,024	6,994,318	6,411,669	7,685,798
Operation and Maintenance of Plant	15,461,439	10,706,868	10,254,210	10,336,344	10,613,764	11,608,596	12,344,779	11,901,212	12,841,586	13,773,962
Student Transportation	5,279,882	5,237,098	5,296,198	4,696,363	4,723,021	6,442,744	4,602,263	4,753,324	5,418,114	5,449,670
Operation of Noninstructional Services	6,215,872	6,696,722	7,261,845	6,948,276	7,362,800	7,450,710	5,671,966	6,284,000	8,035,887	9,642,121
Interest on Long-Term Debt	4,534,064	4,011,125	3,076,668	4,523,557	4,552,261	5,247,156	4,635,783	3,441,132	3,927,191	4,291,205
Total Governmental Activities	<u>119,037,250</u>	<u>116,299,660</u>	<u>114,581,926</u>	<u>115,765,329</u>	<u>126,679,711</u>	<u>142,381,385</u>	<u>145,179,094</u>	<u>149,853,262</u>	<u>164,919,314</u>	<u>162,337,809</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
Instruction	750,044	1,445,525	1,464,610	3,034,762	2,090,632	2,107,095	268,771	471,072	572,580	910,263
Operation of Noninstructional services	670,927	1,490,924	1,297,180	1,581,192	1,483,457	1,261,515	20,594	66,085	576,684	585,569
Operating Grants and Contributions	19,660,855	15,050,097	15,954,439	15,548,304	18,391,417	18,024,180	27,454,495	42,330,069	34,822,667	39,163,272
Capital Grants and Contributions	-	416,099	985,385	559,304	1,351,053	2,189,807	2,815,445	578,007	2,475,816	4,619,550
Total Governmental Activities										
Program Revenues	<u>21,081,826</u>	<u>18,402,645</u>	<u>19,701,614</u>	<u>20,723,562</u>	<u>23,316,559</u>	<u>23,582,597</u>	<u>30,559,305</u>	<u>43,445,233</u>	<u>38,447,747</u>	<u>45,278,654</u>

(Continued)

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**CHANGE IN NET POSITION (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
(Concluded)										
<b>Net (Expense)/Revenue</b>										
Governmental activities	<u>\$ (97,955,424)</u>	<u>\$ (97,897,015)</u>	<u>\$ (94,880,312)</u>	<u>\$ (95,041,767)</u>	<u>\$ (103,363,152)</u>	<u>\$ (118,798,788)</u>	<u>\$ (114,619,789)</u>	<u>\$ (106,408,029)</u>	<u>\$ (126,471,567)</u>	<u>\$ (117,059,155)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes	75,063,132	68,974,354	72,426,319	72,489,514	73,643,207	74,185,738	76,885,315	83,622,343	87,127,574	87,675,350
Unrestricted Grants and Contributions	29,559,784	34,338,398	35,331,795	35,893,627	41,761,931	45,136,941	36,551,529	38,452,151	44,466,888	47,625,209
Investment earnings	182,748	325,412	406,246	987,543	1,975,737	2,101,479	703,245	668,567	2,017,021	2,135,617
Other	1,265,964	-	-	-	-	-	2,272,444	2,289,344	2,481,653	2,288,333
Total Governmental Activities	<u>106,071,628</u>	<u>103,638,164</u>	<u>108,164,360</u>	<u>109,370,684</u>	<u>117,380,875</u>	<u>121,424,158</u>	<u>116,412,533</u>	<u>125,032,405</u>	<u>136,093,136</u>	<u>139,724,509</u>
<b>Change in Net Position</b>										
Governmental Activities	<u>\$ 8,116,204</u>	<u>\$ 5,741,149</u>	<u>\$ 13,284,048</u>	<u>\$ 14,328,917</u>	<u>\$ 14,017,723</u>	<u>\$ 2,625,370</u>	<u>\$ 1,792,744</u>	<u>\$ 18,624,376</u>	<u>\$ 9,621,569</u>	<u>\$ 22,665,354</u>

Source: District's Business and Finance Department

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**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)  
(UNAUDITED)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Fund:</b>										
Nonspendable	\$ 30,418	\$ 53,104	\$ 30,994	\$ 67,650	\$ 38,954	\$ 81,758	\$ 111,250	\$ 40,636	\$ 64,977	\$ 39,453
Assigned	1,648,683	-	-	-	-	-	-	-	-	-
Unassigned	5,917,429	8,622,475	8,223,014	9,663,531	11,450,598	15,334,323	17,149,365	25,358,583	32,055,728	32,578,640
<b>Total General Fund</b>	<b>\$ 7,596,530</b>	<b>\$ 8,675,579</b>	<b>\$ 8,254,008</b>	<b>\$ 9,731,181</b>	<b>\$ 11,489,552</b>	<b>\$ 15,416,081</b>	<b>\$ 17,260,615</b>	<b>\$ 25,399,219</b>	<b>\$ 32,120,705</b>	<b>\$ 32,618,093</b>
<b>All Other Governmental Funds:</b>										
Nonspendable	\$ 163,394	\$ 80,723	\$ 98,841	\$ 151,175	\$ 124,236	\$ 236,599	\$ 194,697	\$ 82,793	\$ 151,028	\$ 98,454
Restricted	50,063,843	38,669,865	79,966,972	66,631,657	87,200,871	59,854,117	40,003,837	60,152,576	40,145,456	36,832,848
Assigned	7,398,023	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(1,110,489)	(928,292)	(1,918,979)	-	(4,234,407)	(144,261)	(1,190,301)
<b>Total All Other Governmental Funds</b>	<b>\$ 57,625,260</b>	<b>\$ 38,750,588</b>	<b>\$ 80,065,813</b>	<b>\$ 65,672,343</b>	<b>\$ 86,396,815</b>	<b>\$ 58,171,737</b>	<b>\$ 40,198,534</b>	<b>\$ 56,000,962</b>	<b>\$ 40,152,223</b>	<b>\$ 35,741,001</b>

Source: District's Business and Finance Department.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Property Taxes	\$ 75,403,212	\$ 70,251,722	\$ 71,234,640	\$ 72,484,165	\$ 74,018,751	\$ 75,932,196	\$ 76,865,676	\$ 83,953,230	\$ 87,316,342	\$ 87,353,064
Intergovernmental:										
Federal Aid and Grants	20,250,982	14,952,965	15,597,908	13,668,364	15,883,582	14,350,673	4,752,861	10,293,222	7,940,056	8,889,383
State Aid and Grants	25,940,157	27,999,490	28,653,346	28,875,821	34,252,210	37,475,843	59,287,742	62,980,345	76,323,086	80,787,914
County aid and grants	2,635,800	2,677,945	2,718,749	2,775,814	3,047,158	3,115,998	3,180,409	3,061,444	896,699	-
Food Services Sales	318,624	768,191	736,772	789,090	799,386	611,788	20,594	66,085	576,684	585,569
Charges for Services	431,420	-	-	-	-	-	268,771	471,072	572,580	910,263
Contributions and Donations	507,797	-	-	-	-	-	411,936	513,741	666,884	1,122,614
Investment Earnings	182,748	301,010	376,670	949,357	1,850,852	1,948,062	702,706	668,567	2,017,021	2,135,617
Other	758,167	7,420,705	7,325,682	9,746,823	11,401,005	13,190,429	2,272,444	2,289,344	1,992,488	2,287,767
<b>Total Revenues</b>	<b>127,099,834</b>	<b>124,372,028</b>	<b>126,643,767</b>	<b>129,289,434</b>	<b>141,252,944</b>	<b>146,624,989</b>	<b>147,763,139</b>	<b>164,297,050</b>	<b>178,301,840</b>	<b>184,072,191</b>
<b>Expenditures</b>										
Current:										
Instruction	54,945,194	50,126,449	51,757,173	53,903,105	59,727,476	62,630,493	68,688,818	77,233,807	75,393,387	74,396,398
Support Services:										
Students	18,129,398	16,643,543	18,061,448	17,936,244	19,106,124	18,726,383	10,828,894	11,807,533	12,562,538	14,676,805
Instructional Staff	-	-	-	-	-	-	11,278,820	10,817,356	14,796,066	16,640,986
General Administration	6,095,443	9,592,017	10,039,957	9,839,611	10,575,473	11,719,606	492,090	891,686	759,421	951,159
School Administration	-	-	-	-	-	-	5,322,096	5,474,711	5,524,639	5,600,904
Business and Other	-	-	-	-	-	-	5,927,101	7,742,456	7,897,945	7,653,320
Operation/Maintenance of Plant	15,422,661	10,320,378	9,937,379	10,305,604	10,955,449	10,842,862	11,838,277	12,091,921	12,787,888	15,195,863
Student Transportation	4,386,114	4,077,837	3,976,784	3,770,358	3,891,478	3,608,508	3,114,714	5,839,987	4,044,004	4,980,482
Operation of Noninstructional Services	5,928,638	6,378,936	6,990,766	6,896,740	7,260,816	7,043,305	5,444,438	7,599,651	8,338,902	7,806,033
Capital Outlay:										
Facilities										
Acquisition/Construction	3,989,349	25,462,257	19,968,195	21,551,196	44,685,132	36,210,175	21,376,400	13,435,525	42,338,612	18,177,704
Debt Service:										
Principal	11,625,000	12,835,000	15,800,000	12,680,000	13,640,000	13,475,000	13,280,000	15,580,000	16,950,000	15,669,637
Interest and Fiscal Charges	4,134,823	4,154,615	4,172,944	5,411,863	6,032,822	6,727,717	6,287,750	6,615,538	7,206,103	6,596,988
Bond Issuance Costs	583,911	-	432,013	-	393,981	152,808	-	281,532	177,026	20,150
<b>Total Expenditures</b>	<b>125,240,531</b>	<b>139,591,032</b>	<b>141,136,659</b>	<b>142,294,721</b>	<b>176,268,751</b>	<b>171,136,857</b>	<b>163,879,398</b>	<b>175,411,703</b>	<b>208,776,531</b>	<b>188,366,429</b>

(continued)

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**  
**(UNAUDITED)**

	Fiscal Year									
(Concluded)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess of Revenues Over (Under) Expenditures	\$ 1,859,303	\$ (15,219,004)	\$ (14,492,892)	\$ (13,005,287)	\$ (35,015,807)	\$ (24,511,868)	\$ (16,116,259)	\$ (11,114,653)	\$ (30,474,691)	\$ (4,294,238)
<b>Other Financing Sources (Uses)</b>										
Proceeds of Issuance of										
Long-Term Debt	37,560,000	-	47,875,000	-	47,980,000	10,030,000	-	28,950,000	20,000,000	-
Proceeds from Subscription Assets	-	-	-	-	-	-	-	-	1,103,986	300,026
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	158,476
Proceeds of Refunding Debt										
Issuance	27,500,000	-	-	-	-	-	-	-	-	-
Premium on Issuance of										
Long-Term Debt	4,875,508	-	7,515,538	-	9,574,285	1,510,572	-	6,288,203	150,876	-
Payment to Refunded Bond										
Escrow Agent	(30,053,852)	-	-	-	-	(11,572,717)	-	-	-	-
Transfers In	761,323	1,078,393	841,410	1,509,082	4,014,326	1,877,621	593,800	1,277,852	888,703	776,675
Transfers Out	(761,323)	(3,595,027)	(841,410)	(1,509,082)	(4,014,326)	(1,877,621)	(593,800)	(1,277,852)	888,703	(776,675)
<b>Total Other Financing Sources (Uses)</b>	<b>39,881,656</b>	<b>(2,516,634)</b>	<b>55,390,538</b>	<b>-</b>	<b>57,554,285</b>	<b>(32,145)</b>	<b>-</b>	<b>35,238,203</b>	<b>21,254,862</b>	<b>458,502</b>
<b>Net Change in Fund Balance</b>	<b>\$ 41,740,959</b>	<b>\$ (17,735,638)</b>	<b>\$ 40,897,646</b>	<b>\$ (13,005,287)</b>	<b>\$ 22,538,478</b>	<b>\$ (24,544,013)</b>	<b>\$ (16,116,259)</b>	<b>\$ 24,123,550</b>	<b>\$ (9,219,829)</b>	<b>\$ (3,835,736)</b>
Debt Service as a Percentage of Noncapital Expenditures	13%	15%	16%	15%	15%	15%	14%	14%	15%	13%

Source: District's Business and Finance Department.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NET LIMITED ASSESSED VALUE AND FULL CASH VALUE**  
**OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Description	Fiscal Year				
	2015	2016	2017	2018	2019
Mining, Utility, Telecommunications, Commercial, and Industrial	\$ 718,421,648	\$ 728,372,625	\$ 745,160,300	\$ 783,383,606	\$ 809,612,473
Agricultural and Vacant Land	28,702,080	28,648,961	25,329,026	25,388,890	27,340,780
Residential (Owner Occupied)	238,170,353	242,406,047	252,589,951	263,571,607	277,023,176
Residential (Rental)	228,803,484	243,399,914	273,930,023	303,170,419	330,145,037
Railroad, Private Car Companies and Flight Property	2,654,097	2,480,172	2,240,326	2,270,572	2,096,760
Historic Property	5,657,136	5,487,552	5,316,652	5,391,485	3,218,352
Improvements on Federal, State, County or Municipal Property	30,141	34,160	38,964	39,895	23,942
	<u>\$ 1,222,438,939</u>	<u>\$ 1,250,829,431</u>	<u>\$ 1,304,605,242</u>	<u>\$ 1,383,216,474</u>	<u>\$ 1,449,460,520</u>
Gross Full Cash Value	\$ 13,867,445,296	\$ 15,999,520,131	\$ 18,376,484,607	\$ 20,077,779,677	\$ 21,702,277,454
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	8%	7%	7%	7%
Total Direct Rate	5.75	5.47	5.29	5.05	4.9

**Source:** State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
NET LIMITED ASSESSED VALUE AND FULL CASH VALUE  
OF TAXABLE PROPERTY BY CLASS (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

		Fiscal Year							
		2020	2021	2022	2023	2024			
\$	871,493,556	\$	909,538,270	\$	995,895,142	\$	1,021,985,352	\$	1,048,659,297
	29,421,400		27,271,278		26,243,902		36,978,083		35,224,899
	287,108,929		305,418,247		320,638,736		338,356,554		352,318,288
	371,583,426		411,652,213		438,241,053		477,050,547		508,665,513
	2,137,105		2,110,000		2,262,696		2,837,456		3,966,663
	5,449,362		5,524,113		5,665,576		5,863,738		5,851,676
	25,139		26,396		27,716		29,102		19,807
\$	<u>1,567,218,917</u>	\$	<u>1,661,540,517</u>	\$	<u>1,788,974,821</u>	\$	<u>1,883,100,832</u>	\$	<u>1,954,706,143</u>
\$	24,024,741,237	\$	27,068,972,333	\$	30,124,996,206	\$	32,317,587,433	\$	22,302,261,465
	7%		6%		6%		6%		9%
	4.71		4.47		4.45		4.48		4.48

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Description	Fiscal Year				
	2015	2016	2017	2018	2019
Mining, Utility, Telecommunications, Commercial and Industrial	\$ 727,469,438	\$ 798,328,358	\$ 901,977,115	\$ 979,872,909	\$ 1,034,794,904
Agricultural and Vacant Land	30,215,489	32,999,881	30,989,118	35,138,313	38,115,320
Residential (Owner Occupied)	258,594,273	315,592,574	347,072,484	358,121,756	389,881,828
Residential (Rental)	261,177,465	319,103,325	386,872,145	440,405,986	507,707,050
Railroad, Private Car Companies and Flight Property	2,679,973	2,529,283	2,403,955	2,659,239	2,542,905
Historic Property	7,113,525	6,434,518	6,489,499	5,961,240	3,871,735
Improvements on Federal, State, County or Municipal Property	30,141	34,682	41,531	43,895	28,898
	<u>\$ 1,287,280,304</u>	<u>\$ 1,475,022,621</u>	<u>\$ 1,675,845,847</u>	<u>\$ 1,822,203,338</u>	<u>\$ 1,976,942,640</u>
Gross Full Cash Value	\$ 13,867,445,296	\$ 15,999,520,131	\$ 18,376,484,607	\$ 20,077,779,677	\$ 21,702,277,454
Ratio of Net Limited Assessed Value to Gross Full Cash Value	9%	9%	9%	9%	9%
Total Direct Rate	5.75	5.47	5.29	5.05	4.9

**Source:** State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**NET FULL CASH ASSESSED VALUE OF TAXABLE PROPERTY BY CLASS (CONTINUED)**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year					
2020	2021	2022	2023	2024	
\$ 1,143,359,490	\$ 1,240,815,516	\$ 1,355,673,489	\$ 1,353,009,099	\$ 1,621,069,437	
43,086,115	41,683,753	41,024,162	52,176,429	61,645,655	
414,496,770	457,153,921	497,814,522	537,963,142	703,136,109	
595,960,219	695,209,259	811,168,462	906,612,394	1,100,276,495	
2,657,076	2,689,670	2,957,208	3,760,017	5,137,973	
6,210,410	6,267,465	6,464,275	6,697,005	7,154,413	
29,413	30,128	29,758	31,266	21,089	
<u>\$ 2,205,799,493</u>	<u>\$ 2,443,849,712</u>	<u>\$ 2,715,131,876</u>	<u>\$ 2,860,249,352</u>	<u>\$ 3,498,441,171</u>	
\$ 24,024,741,237	\$ 27,068,972,333	\$ 30,124,996,206	\$ 32,317,587,433	\$ 39,016,012,953	
9%	9%	9%	9%	9%	
4.71	4.47	4.45	4.48	4.48	

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**PROPERTY TAX ASSESSMENT RATIOS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

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

**Source:** State and County Abstract of the Assessment Roll, Arizona Department of Revenue.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
PROPERTY TAX ASSESSMENT RATIOS (CONTINUED)  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year				
2020	2021	2022	2023	2024
18 %	18 %	18 %	18 %	17 %
15	15	15	15	15
10	10	10	10	10
10	10	10	10	10
15	15	15	15	14

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	District Direct Rates			Overlapping Rates				Overlapping Rates							
	Primary	Secondary	Total	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Tempe	East Valley Inst. of Technology	Tempe Union High School District No. 213	City of Phoenix	City of Mesa	City of Scottsdale
2023	2.51	1.97	4.48	1.25	0.06	0.16	1.19	0.01	0.14	2.38	0.05	2.45	2.11	0.92	0.91
2022	2.61	1.84	4.45	1.35	0.06	0.18	1.23	0.01	0.14	2.37	0.05	2.45	2.12	1.13	1.01
2021	2.62	1.85	4.47	1.40	0.06	0.18	1.23	0.01	0.14	2.37	0.05	2.5	2.12	1.13	1.01
2020	2.71	2.01	4.71	1.40	0.06	0.18	1.33	0.01	0.14	2.40	0.05	2.56	2.13	1.19	1.04
2019	2.05	2.85	4.90	1.40	0.06	0.18	1.38	0.01	0.14	2.42	0.05	2.64	2.14	1.02	1.1
2018	2.96	2.09	5.05	1.40	0.06	0.18	1.41	0.01	0.14	2.49	0.05	2.66	2.16	1.1	1.09
2017	3.09	2.2	5.29	1.40	0.06	0.18	1.47	0.01	0.14	2.52	0.05	2.9	2.17	1.16	1.13
2016	3.22	2.25	5.47	1.36	0.06	0.16	1.49	0.01	0.14	2.44	0.05	2.88	1.82	1.21	1.15
2015	3.30	2.45	5.75	1.32	0.06	0.14	1.52	0.01	0.14	2.44	0.05	3.06	1.82	1.19	1.24
2014	3.22	2.94	6.16	1.28	0.04	0.14	1.53	0.01	0.14	2.49	0.05	2.66	1.82	0.86	1.29

Source: Property Tax Rates and Assessed Values, Arizona Tax Research Foundation.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**JUNE 30, 2024 AND 2015**  
**(UNAUDITED)**

Taxpayer	2024		2015	
	Total Assessed Value	Percentage of District's Assessed Valuation	Total Assessed Value	Percentage of District's Assessed Valuation
Arizona Public Service Company	\$ 85,851,745	4.39 %	\$ 22,154,504	0.93 %
Arizona Mills Mall LLC	19,068,132	0.98	24,609,104	1.04
WPT Land 2 LP	11,894,597	0.61		
JDM II Tempe OC LLC	10,364,244	0.53	-	-
Cousins Fund II Phoenix IV LLC	10,348,965	0.53	-	-
University House Tempe LLC	9,778,752	0.50	-	-
JP Morgan Chase Bank NA	8,863,765	0.45	-	-
Cousins Fund II Phoenix II LLC	8,770,419	0.45	-	-
PR II TRG Watermark LLC	8,252,379	0.42		
Southwest Gas Corporation	8,155,815	0.42		
Verizon Wireless	-	-	16,681,774	0.70
Honeywell International Inc	-	-	9,966,855	0.42
KM Sonoma LLC/MT Sonoma LLC	-	-	-	-
Qwest Communications	-	-	12,794,159	0.54
KBSII Fountainhead LLC	-	-	10,878,779	0.46
Tempe Fountainhead Corporate LLC	-	-	9,243,000	0.39
State Farm Insurance	-	-	7,285,008	0.31
BreofBnk2 Southwest LLC	-	-	7,005,964	0.30
T-Mobile	-	-	6,606,203	0.28
<b>Total</b>	<b>\$ 181,348,813</b>	<b>9.28 %</b>	<b>\$ 127,225,350</b>	<b>5.37 %</b>

Source: Maricopa County Assessor's records.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Taxes Levied for the Fiscal Year	Current Collections			Collections to Date	
		Current Tax Collections	Percent of Current Taxes Collected	Collections in Subsequent Fiscal Years	Total to Date	Percentage of Levy
2015	\$ 72,270,506	\$ 70,609,571	97.70 %	\$ 1,638,090	\$ 72,247,661	99.97 %
2016	69,034,706	68,103,388	98.65	914,317	69,017,705	99.98
2017	69,401,151	67,089,149	96.67	2,303,012	69,392,161	99.99
2018	69,682,185	67,718,197	97.18	1,955,561	69,673,758	99.99
2019	71,611,074	69,865,123	97.56	1,729,894	71,595,017	99.98
2020	73,797,283	71,613,457	97.04	2,152,108	73,765,565	99.96
2021	74,168,345	72,959,359	98.37	1,162,707	74,122,066	99.94
2022	80,109,780	78,993,084	98.61	1,099,540	80,092,624	99.98
2023	84,380,146	82,654,745	97.96	-	82,654,745	97.96
2024	85,069,556	87,353,064	102.68	-	87,353,064	102.68

Source: The Maricopa County Treasurer.

- Note 1:
- 1) Amounts collected are on a cash basis
  - 2) Unsecured personal property taxes are not included in this schedule because the dates of the monthly rolls vary each year. On the average, 90% of unsecured property taxes are collected within 90 days after the due date.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year	Governmental Activities				Ratio of Net Bonded Debt to the Estimated Actual Value of Taxable Property	Population	Debt Per Capita	Total Outstanding Debt			
	General Obligation Bonds	Less: Amounts Restricted for Principal	Subscription Payables	Total Primary Government				Total	Ratio of Total Bonded Debt to the Estimated Actual Value of Taxable Property	Debt Per Capita	Percentage of Personal Income
2015	\$ 130,010,511	\$ (2,840,019)	\$ -	\$ 127,170,492	0.92%	147,734	\$ 861	\$ 130,010,511	0.94%	\$ 880	0.08%
2016	117,969,363	(3,620,807)	-	114,348,556	0.71%	158,032	724	117,969,363	0.74%	746	0.07%
2017	159,155,954	(1,189,779)	-	157,966,175	0.86%	176,584	895	159,155,954	0.87%	901	0.06%
2018	142,194,991	(1,821,648)	-	140,373,343	0.70%	179,794	781	142,194,991	0.71%	791	0.08%
2019	185,316,058	(3,913,033)	-	181,403,025	0.84%	185,301	979	185,316,058	0.85%	1,000	0.00%
2020	170,082,526	(4,199,736)	-	165,882,790	0.69%	192,364	862	170,082,526	0.71%	884	0.09%
2021	154,655,498	(2,330,584)	-	152,324,914	0.56%	180,587	843	154,655,498	0.57%	856	0.03%
2022	172,857,702	(942,187)	-	171,915,515	0.57%	162,866	1,056	172,857,702	0.57%	1,061	0.03%
2023	173,672,579	(1,927,819)	849,001	172,593,761	0.53%	164,856	1,047	174,521,580	0.54%	1,059	0.04%
2024	154,096,585	(5,032,844)	814,390	149,878,131	0.38%	162,866	920	154,910,975	0.40%	951	0.04%

Source: The District Business and Finance Department for long-term debt. The source of the estimated district population is the U.S. Census Bureau, 2010 Census, as reported by the National Center for Education Statistics, School District Demographics System.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2024**  
**(UNAUDITED)**

Governmental Unit	Outstanding Debt	Estimated Percentage Applicable to School District	Estimated Share of Overlapping Debt Applicable to School District
Maricopa Community College District	\$87,320,000	3.48%	\$ 3,038,736
Maricopa County Special Health Care District	574,205,000	3.48%	19,982,334
City of Phoenix	647,900,000	1.69%	10,949,510
City of Mesa	368,295,000	0.49%	1,804,646
City of Tempe	408,355,000	68.81%	280,989,076
Tempe Union High School District No. 213	111,280,000	42.66%	<u>47,472,048</u>
Subtotal, Overlapping Debt			<u>364,236,349</u>
Tempe Elementary School District No. 3 Direct Debt			<u>154,910,975</u>
Total Direct and Overlapping Debt			<u><u>\$ 519,147,324</u></u>

**Direct and Overlapping General Obligation Bonded Debt Ratios**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		4.43%
Net Direct and Overlapping General Bonded Debt		
Per Capita		\$ 3,188
As a Percentage of Net Limited Assessed Valuation		14.84%
As a Percentage of Gross Full Cash Value		1.33%

Source: District's Business and Finance Department and the State and County Abstract of the Assessment  
Arizona Department of Revenue, District's Bond Offering document and the applicable governmental unit.

Note: Percentage of overlap based on assessed property values.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt Limit	\$ 180,879,038	\$ 193,092,046	\$ 193,092,046	\$ 221,253,393	\$ 251,376,877	\$ 273,330,501	\$ 330,869,924	\$ 407,269,781	\$ 429,037,403	\$ 524,766,176
Total Applicable to Limit	<u>86,700,000</u>	<u>112,635,000</u>	<u>112,635,000</u>	<u>112,635,000</u>	<u>155,190,538</u>	<u>126,320,000</u>	<u>167,099,582</u>	<u>171,915,515</u>	<u>171,744,760</u>	<u>149,063,741</u>
Legal Debt Margin	<u>\$ 94,179,038</u>	<u>\$ 80,457,046</u>	<u>\$ 80,457,046</u>	<u>\$ 108,618,393</u>	<u>\$ 96,186,339</u>	<u>\$ 147,010,501</u>	<u>\$ 163,770,342</u>	<u>\$ 235,354,266</u>	<u>\$ 257,292,643</u>	<u>\$ 375,702,435</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	48%	58%	58%	51%	62%	46%	51%	42%	40%	28%
Total Class B Debt Limit	\$ 120,586,025	\$ 128,728,030	\$ 128,728,031	\$ 147,502,262	\$ 167,584,585	\$ 182,220,334	\$ 220,579,949	\$ 271,513,188	\$ 286,024,935	\$ 349,844,117
Total Applicable to Limit	<u>86,700,000</u>	<u>112,635,000</u>	<u>112,635,000</u>	<u>112,635,000</u>	<u>155,190,538</u>	<u>126,320,000</u>	<u>167,099,582</u>	<u>171,915,515</u>	<u>171,744,760</u>	<u>149,063,741</u>
Class B Legal debt Margin	<u>\$ 33,886,025</u>	<u>\$ 16,093,030</u>	<u>\$ 16,093,031</u>	<u>\$ 34,867,262</u>	<u>\$ 12,394,047</u>	<u>\$ 55,900,334</u>	<u>\$ 53,480,367</u>	<u>\$ 99,597,673</u>	<u>\$ 114,280,175</u>	<u>\$ 200,780,376</u>
Total Net Debt Applicable to the Limit as a Percentage of the Debt Limit	71.90%	87.50%	87.50%	76.36%	92.60%	69.32%	75.75%	63.32%	60.05%	42.61%

Source: The District's Business and Finance Department

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**CALCULATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2024**  
**(UNAUDITED)**

Net Assessed Full Cash Value		\$ 3,498,441,171
<hr/>		
Legal Debt Margin		
<hr/>		
Debt Limitation - 15% of Assessed Value		\$ 524,766,176
Amount of Debt Applicable to Debt Limit:		
Class B General Obligation and Refunding Bonds Outstanding	\$ 141,985,000	
Premium	12,111,585	
Less: Assets in Debt Service Fund Available for Payment of Principal	<u>(5,032,844)</u>	
Total Amount of Debt Applicable to Debt Limit		<u>149,063,741</u>
Legal Debt Margin		<u>\$ 375,702,435</u>
<hr/>		
Class B Legal Debt Margin		
<hr/>		
Debt Limit - the greater of 10% of the net secondary assessed valuation or \$1,500 per student (ADM)		
10% of Net Secondary Assessed Valuation		\$ 349,844,117
\$1,500 Per Student (ADM)		14,175,000
Amount of Debt Applicable to Debt Limit:		
Class B General Obligation and Refunding Bonds Outstanding	\$ 141,985,000	
Premium	12,111,585	
Less: Assets in Debt Service Fund Available for Payment of Principal	<u>(5,032,844)</u>	
Total Amount of Debt Applicable to Debt Limit		<u>149,063,741</u>
Class B Legal Debt Margin		<u>\$ 200,780,376</u>

Source: Maricopa County Assessor's Office

Note: State Statutes limit the total amount of bonded debt for a nonunified school district to 15% of the net full cash assessed valuation of the District. In addition, Class B bonded debt is limited to the greater of 10% of the net secondary assessed valuation of the district or \$1,500 per student for a nonunified school district.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN CALENDAR YEARS  
 (UNAUDITED)**

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Estimated District Population
2015	4,076,438	168,483,421	41,222	5.50%	158,032
2016	4,137,076	280,120,037	43,628	4.50%	176,584
2017	4,221,684	185,111,698	43,628	4.20%	179,794
2018	4,294,460	196,286,191	45,573	4.10%	185,301
2019	4,367,835	223,097,349	49,663	3.60%	192,364
2020	4,420,568	245,077,753	53,521	5.30%	180,587
2021	4,497,000	268,736,223	59,759	2.60%	162,866
2022	4,497,000	268,736,223	59,759	2.60%	162,866
2023	4,551,524	288,842,282	63,461	3.42%	164,856
2024	4,585,871	312,350,417	68,111	3.16%	166,100

Sources: Bureau of Economic Analysis; US Department of Labor  
 This Data is for the County as data for the District is unavailable.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3  
PRINCIPAL EMPLOYERS  
JUNE 30, 2024 AND 2015  
(UNAUDITED)**

Employer	2024		2015	
	Employees	Percentage of Total Employment	Employees	Percentage of Total Employment
Arizona State University	8,330	21.0 %	11,185	27.7 %
State Farm Insurance	7,540	19.0	-	-
JPMorgan Chase Bank National Association	5,410	13.6		
Amazon	5,050	12.7	2,377	5.9
SRP	2,970	7.5	4,374	10.8
Wells Fargo	2,110	5.3	3,576	8.8
Kyrene School District	2,260	5.7	2,401	5.9
Doordash	2,060	5.2		
ABM Industries Inc.	2,000	5.0	-	-
Freedom Financial Network	-	4.8	-	-
Honeywell	-	-	3,000	7.4
Maricopa County Community College District	1,920	-	4,611	11.4
Safeway Inc.	-	-	3,996	9.9
Motorola	-	-	3,000	7.4
US Airways	-	-	1,898	4.7
<b>Total</b>	<b>39,650</b>	<b>100.0 %</b>	<b>40,418</b>	<b>100.0 %</b>

Source: City of Tempe, Arizona

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Administrative:</b>										
District	9	9	10	11	12	13	8	8	8	7
Principals	21	21	21	22	23	23	23	23	24	23
Assistant Principals	13	13	12	11	9	13	8	8	7	6
Total Supervisory	<u>43</u>	<u>43</u>	<u>43</u>	<u>44</u>	<u>44</u>	<u>49</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>36</u>
<b>Specialists:</b>										
Guidance Counselors	21	21	21	21	30	24	22	25	23	23
Librarians	16	17	17	17	18	16	15	17	15	18
Psychologist	17	18	18	17	19	17	19	20	33	25
Other	29	45	49	49	24	45	41	48	96	95
Total Specialist	<u>83</u>	<u>101</u>	<u>105</u>	<u>104</u>	<u>91</u>	<u>102</u>	<u>97</u>	<u>110</u>	<u>167</u>	<u>161</u>
<b>Teachers:</b>										
Regular Education	604	600	590	592	723	613	614	647	640	592
Special Education	114	112	108	115	126	109	109	117	116	150
Total Teachers	<u>718</u>	<u>712</u>	<u>698</u>	<u>707</u>	<u>849</u>	<u>722</u>	<u>723</u>	<u>764</u>	<u>756</u>	<u>742</u>
<b>Support and Administration:</b>										
Instructional Aides	191	187	172	183	248	196	174	180	190	176
Office Staff	100	102	106	106	139	80	81	90	97	68
Managers/Directors	22	27	24	24	13	22	29	24	21	29
Student Support	55	59	59	65	53	58	55	60	83	49
Plant Operations Staff	113	113	112	112	141	108	107	104	106	105
Other	187	171	170	164	200	194	221	242	146	231
Total support and administration	<u>668</u>	<u>659</u>	<u>643</u>	<u>654</u>	<u>794</u>	<u>658</u>	<u>667</u>	<u>700</u>	<u>643</u>	<u>658</u>
<b>Total</b>	<u><u>1,512</u></u>	<u><u>1,515</u></u>	<u><u>1,489</u></u>	<u><u>1,509</u></u>	<u><u>1,778</u></u>	<u><u>1,531</u></u>	<u><u>1,526</u></u>	<u><u>1,613</u></u>	<u><u>1,605</u></u>	<u><u>1,597</u></u>

Source: District information.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**OPERATING STATISTICS**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

Fiscal Year	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Total Expenditures	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals
2015	11,115	\$ 104,907,448	\$ 9,438	27.85%	\$ 119,037,250	\$ 10,710	260.33%	718	15.5	73.8
2016	11,030	97,139,160	8,807	(6.7)	116,299,660	10,544	(1.5)	712	15.5	74.0
2017	10,915	100,763,507	9,232	4.82	114,581,926	10,498	(0.4)	698	15.6	67.0
2018	10,770	102,651,662	9,531	3.25	115,765,329	10,749	2.39	707	15.2	65.0
2019	10,905	111,516,816	10,226	7.29	126,679,711	11,617	8.07	849	12.8	72.4
2020	10,923	114,571,157	10,489	2.57	142,381,385	13,035	12.21	722	15.1	69.0
2021	10,399	122,935,248	11,822	12.71	163,879,398	15,759	20.90	824	12.6	71.0
2022	10,157	139,499,108	13,734	16.18	175,411,703	17,270	9.59	944	10.8	65.2
2023	9,840	142,104,790	14,441	5.14	208,776,531	21,216	22.85	962	10.2	58.0
2024	9,450	147,901,950	15,651	13.96	188,366,429	19,933	15.42	939	10.1	57.6

Source: Data for Operating Expenditures is Total Expenditures less Debt Service and Facilities Acquisition and Construction.

**TEMPE ELEMENTARY SCHOOL DISTRICT NO. 3**  
**SCHOOL BUILDING INFORMATION**  
**LAST TEN FISCAL YEARS**  
**(UNAUDITED)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b><u>Schools</u></b>										
<b><u>Elementary</u></b>										
Buildings	57	63	61	63	62	60	60	60	60	60
Square Feet	883,446	956,962	978,653	978,653	978,653	983,664	983,664	983,664	983,664	983,664
Capacity	8,755	9,521	9,654	9,682	9,682	9,682	9,682	9,682	9,682	9,682
Enrollment	8,052	7,534	7,390	7,265	7,351	7,187	6,780	6,780	6,780	6,780
<b><u>Middle</u></b>										
Buildings	36	38	38	38	38	38	38	38	38	36
Square Feet	498,931	519,742	519,742	519,742	519,742	519,742	519,742	519,742	519,742	510,569
Capacity	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100	5,350
Enrollment	3,098	3,135	3,081	3,154	3,156	3,244	3,181	3,181	3,181	2,639
<b><u>K-8</u></b>										
Buildings	10	3	7	7	8	8	8	8	8	8
Square Feet	95,960	43,991	118,203	118,203	132,996	132,996	132,996	132,996	132,996	132,996
Capacity	1,079	504	1,079	1,079	1,079	1,079	1,079	1,079	1,079	1,079
Enrollment	901	905	962	1,030	1,046	974	908	908	908	908
<b><u>Administrative</u></b>										
Buildings	4	3	2	2	2	2	2	2	2	2
Square Feet	95,301	77,348	94,371	94,371	94,371	94,371	94,371	94,371	94,371	94,371
<b><u>Maintenance</u></b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square Feet	77,348	77,348	77,348	77,348	77,348	77,348	77,348	77,348	77,348	77,348
<b><u>Other</u></b>										
Buildings	15	7	7	6	6	6	6	6	6	6
Square Feet	120,288	25,961	25,961	23,521	23,521	23,521	23,521	23,521	23,521	23,521
Capacity	1,020	293	293	265	265	265	265	265	265	265

Source: The District's facilities records.

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