Madison Elementary
School District No. 38

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

5601 North 16th Street ▪ Phoenix, Arizona 85016-2903

Madison Elementary School District No. 38

Phoenix, Arizona

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025

Issued by:
Business Services Department

Madison Elementary School District No. 38

Table of Contents

Introductory Section	**Page**
Letter of Transmittal	1
ASBO Certificate of Excellence	6
Organizational Chart	7
List of Principal Officials	8
Financial Section	
Independent Auditor's Report	11
Management's Discussion and Analysis (MD&A)	17
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	30
Statement of Activities	31
Fund Financial Statements:	
Balance Sheet – Governmental Funds	34
Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position	37
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	38
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to the Statement of Activities	40
Notes to Financial Statements	41
Required Supplementary Information	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	65
Federal and State Grants	66
Other Special Revenue Fund	67
Schedule of Proportionate Share of the Net Pension Liability	68
Schedule of Pension Contributions	68
Notes to Required Supplementary Information	70
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All Non-Major Governmental Funds	78
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Classroom Site	80
Instructional Improvement	81
Food Service	82
Debt Service	83
Adjacent Ways	84
Bond Building	85
Other Capital Projects	86

Madison Elementary School District No. 38

Table of Contents

Statistical Section	Page
Financial Trends:	
Net Position by Component	89
Expenses, Program Revenues, and Net (Expense)/Revenue	90
General Revenues and Total Changes in Net Position	92
Fund Balances – Governmental Funds	94
Governmental Funds Revenues	96
Governmental Funds Expenditures and Debt Service Ratio	98
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	100
Revenue Capacity:	
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	101
Net Full Cash Assessed Value of Taxable Property by Class	102
Property Tax Assessment Ratios	103
Direct and Overlapping Property Tax Rates	104
Principal Property Taxpayers	105
Property Tax Levies and Collections	106
Debt Capacity:	
Outstanding Debt by Type	107
Direct and Overlapping Governmental Activities Debt	108
Direct and Overlapping General Bonded Debt Ratios	108
Legal Debt Margin Information	109
Demographic and Economic Information:	
County-Wide Demographic and Economic Statistics	110
Principal Employers	111
Operating Information:	
Full-Time Equivalent District Employees by Type	112
Operating Statistics	114
Capital Assets Information	115

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Introductory Section

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5601 North 16th Street, Phoenix, AZ 85016 • (602) 664-7900 • madisonaz.org

Dr. Kimberly Guerin
Superintendent

Scott Thompson
Assistant Superintendent

January 20, 2026

Citizens and Governing Board
Madison Elementary School District No. 38
5601 N. 16th St.
Phoenix, AZ 85016-2903

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 Madison Elementary School District No. 38 (District) for the fiscal year ended June 30, 2025.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2025, 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, 2025, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the District

The District is one of 58 public school districts located in Maricopa County, Arizona. It provides a program of public education from pre-kindergarten through grade eight, with an estimated current enrollment of approximately 5,802 students.

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

Factors Affecting Financial Condition

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

Local Economy. Maricopa County is located in the south-central portion of Arizona and encompasses an area of approximately 9,222 square miles. Its boundaries encompass the cities of Phoenix, Scottsdale, Mesa, Tempe, Glendale, Chandler, and such towns as Gilbert, Paradise Valley and Fountain Hills. Maricopa County is currently the nation's fourth largest county in terms of population size and the 15th in land area. The County's population is estimated at just over 4.5 million and expected to reach 6 million by 2030. Maricopa County has a very wide range of economic sectors supporting its substantial growth. Maricopa County has a very wide range of economic sectors supporting it, and for some time, the County enjoyed an unemployment rate that was somewhat lower than the national average. Service is the largest employment sector in the County, partly fueled by the tourist industry. The County has excellent accommodations, diverse cultural and recreational activities, and a favorable climate attracting millions to the area annually. Wholesale and retail trade is the second largest employment category, employing over a quarter million people. Manufacturing consisting primarily of high technology companies is the third largest employer. Other factors aiding economic growth include major expansions of the international airport serving the area, a favorable business climate and the presence of a well-developed and expanding transportation infrastructure.

The City of Phoenix is the capital and largest city of Arizona and is the county seat as well. Phoenix was founded in 1870 and incorporated in 1881. The city encompasses an area of over 500 square miles. Phoenix is the fifth most populous city in the United States with a 2022 population estimate of 1,786,000. The Phoenix metropolitan area is the population and economic activity center of the entire state. Phoenix is one of the leaders in the economics of the Southwestern area of the United States. It enjoys a highly diversified economic base consisting of manufacturing, agriculture, tourism, construction, education, distribution centers, finance and retailing. The Phoenix metropolitan area still includes major employers such as Banner Health Systems, Wal-Mart Stores, Inc., Wells Fargo Company and Fry's Food & Drug. In addition, the metropolitan area provides excellent educational and training opportunities through ten community colleges, four private colleges and graduate schools, and one state university.

Long-term Financial Planning. The District has experienced a small decline in enrollment over the last five years, though the percentage decrease is small compared to other nearby elementary districts. To proactively address this trend, the District established the following signature programs to attract students: a Traditional School, two Science, Technology, Engineering, Arts, and Mathematics (STEAM) Schools, a Spanish Immersion School, two Visual and Performing Arts Schools, an International Baccalaureate (IB) Primary Years Programme School, and an IB Middle Years Programme School. Additionally, targeted marketing campaigns to bolster enrollment have been implemented.

In November 2023, voters passed a $105.0 million bond that will fund the rebuild of one elementary school, the remodel of a middle school gymnasium and an elementary school, safety and security measures, and capital projects not eligible for funding through the Arizona School Facilities Oversight Board. A committee identified the need for these projects by focusing on the age and major infrastructure of the schools and facilities within the district. The elementary school rebuild has commenced, with an estimated completion date of summer 2027. Furthermore, the District is in the final phase of projects funded by a $90.0 million bond that voters approved in November 2019.

This locally approved funding was necessary because, in 2013, the state legislature eliminated formula funding for the Building Renewal Fund, thereby significantly reducing state support for school building renovation and maintenance projects. The legislature replaced the formula funding with a grant-based program. The District will continue to evaluate needs and submit applications for these grants, but the success of being awarded funding is limited due to finite state funding and a review process that often takes several years. To cover the shortfall in this capital funding, District voters have approved both the bonds mentioned above and an annual capital override. The capital override is intended to address needs in the areas of instructional technology and preventative facilities maintenance.

In November 2023, District voters approved the renewal of a maintenance and operation (M&O) override. The override improves the ability of the district to recruit and retain both highly qualified education professionals and student/staff support services .

Awards and Acknowledgment

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, 2024. In order to be awarded this certificate, 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.

This certificate is 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, 2025 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. Kimberly Guerin
Superintendent

Scott Thompson
Assistant Superintendent of
Business and Support Services

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Madison School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2024.

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

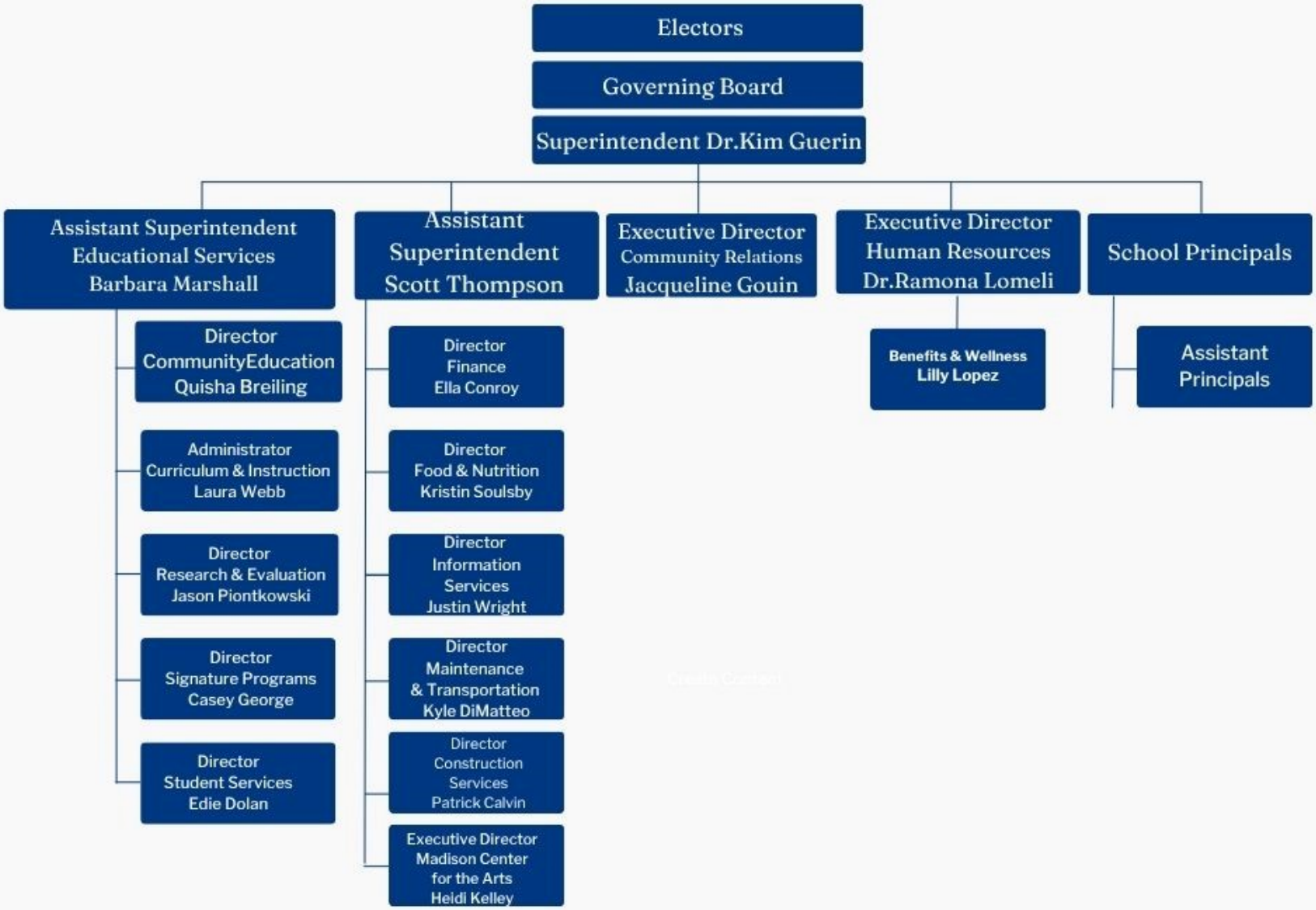
CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

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

Madison Elementary School District No. 38

Organizational Chart



Madison Elementary School District No. 38

List of Principal Officials

Governing Board

Christine M. Thompson, President

Mitra Khazai, Vice President

Karen Gresham, Member

Scott Holcomb, Member

Brett Hunt, Member

Administrative Staff

Dr. Kimberly Guerin
Superintendent

Scott Thompson
Assistant Superintendent of Business and Support Services

Barbara Marshall
Assistant Superintendent for Educational Services

Financial Section

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Independent Auditor's Report

Governing Board
Madison Elementary School District No. 38

Report on Audit of Financial Statements

Opinions
We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Madison Elementary School District No. 38 (District), as of and for the year ended June 30, 2025, 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 Madison Elementary School District No. 38, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Madison Elementary School District No. 38 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle
As described in Note 1 to the financial statements, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Our opinion is not modified with respect to this matter.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2026, on our consideration of Madison Elementary School District No. 38'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 Madison Elementary School District No. 38'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 Madison Elementary School District No. 38's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
January 20, 2026

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

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As management of the Madison Elementary School District No. 38 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased $706,433 which represents a one percent increase from the prior fiscal year. Overall, revenues decreased $1.0 million, or one percent, and expenses decreased $433,652, or less than one percent.

- General revenues accounted for $75.4 million in revenue, or 80 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for $18.6 million or 20 percent of total current fiscal year revenues.

- The District had approximately $93.2 million in expenses related to governmental activities, a decrease of less than one percent from the prior fiscal year.

- Among major funds, the General Fund had $53.2 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and $54.8 million in expenditures. The General Fund's fund balance decrease from $29.6 million at the prior fiscal year end to $28.5 million at the end of the current fiscal year was primarily due to a decrease in both local revenue and state aid and grants.

Overview of Financial Statements

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

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

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

Overview of Financial Statements

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

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

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

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

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

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

Overview of Financial Statements

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

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

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by $94.3 million at the current fiscal year end.

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

Government-Wide Financial Analysis

The following table presents a summary of the District's net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	As of June 30, 2025	As of June 30, 2024
Current and other assets	$ 117,448,407	$ 94,460,126
Capital assets, net	183,452,952	186,120,603
Total assets	300,901,359	280,580,729
Deferred outflows	10,996,821	6,236,386
Current liabilities	11,396,293	12,688,749
Long-term liabilities	201,304,932	175,674,143
Total liabilities	212,701,225	188,362,892
Deferred inflows	4,905,526	4,869,227
Net position:		
Net investment in capital assets	83,328,023	79,070,389
Restricted	16,012,350	18,102,791
Unrestricted	(5,048,944)	(3,588,184)
Total net position	$ 94,291,429	$ 93,584,996

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

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

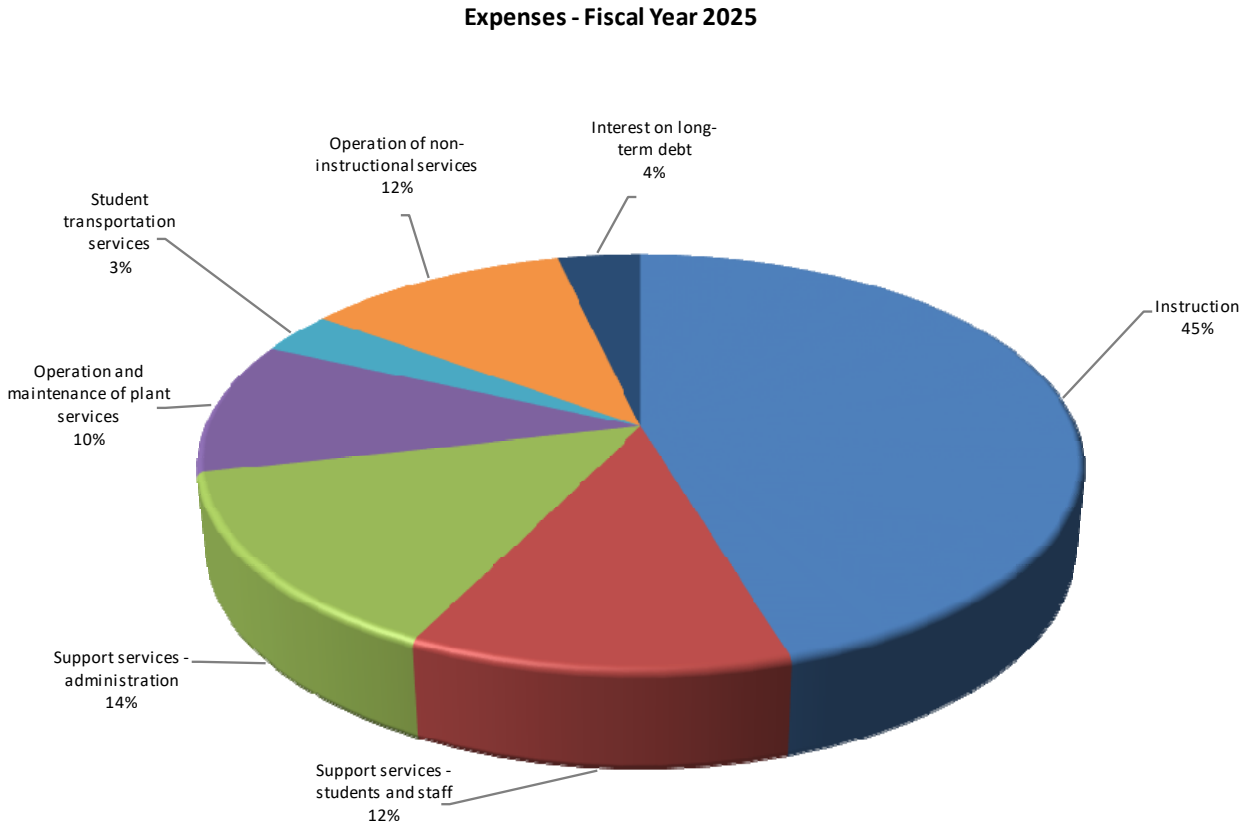
- The issuance of $30.6 million of school improvement bonds and $4.6 million of bond premium.
- The principal retirement of $12.7 million of bonds and $3.0 million of bond premium.
- The disposal of $12.2 million of buildings and improvements and $8.6 million in accumulated depreciation after the Madison Park Middle School campus was rebuilt.
- The addition of $8.1 million in capital assets through school reconstruction and purchases of vehicles, furniture and equipment.
- The increase of $4.4 million in pension liabilities.

Government-Wide Financial Analysis

Changes in net position. The District's total revenues for the current fiscal year were $93.9 million. The total cost of all programs and services was $93.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Revenues:		
Program revenues:		
Charges for services	$ 11,574,387	$ 10,423,184
Operating grants and contributions	6,843,956	7,579,010
Capital grants and contributions	146,674	1,622,512
General revenues:		
Property taxes	45,159,181	45,355,609
Investment income	3,018,409	2,217,189
Unrestricted state aid	26,641,838	27,199,941
Unrestricted federal aid	558,980	572,975
Total revenues	93,943,425	94,970,420
Expenses:		
Instruction	42,254,454	44,099,118
Support services - students and staff	11,159,894	11,395,237
Support services - administration	13,292,919	11,211,189
Operation and maintenance of plant services	9,539,059	9,717,388
Student transportation services	3,070,608	2,706,583
Operation of non-instructional services	10,592,313	10,188,656
Interest on long-term debt	3,327,745	4,352,473
Total expenses	93,236,992	93,670,644
Changes in net position	706,433	1,299,776
Net position, beginning	93,584,996	92,285,220
Net position, ending	$ 94,291,429	$ 93,584,996

Government-Wide Financial Analysis



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

- Capital grants and contributions decreased $1.5 million as a result of the closing out of COVID-19 related funding.
- Instruction expenses decreased $1.8 million due to a decrease in instructional equipment purchases that fell under the capitalization threshold.
- Support services – adminstration expenses increased $2.1 million due to increased employee health insurance costs.

Financial Analysis of The District's Funds

The General Fund comprises 31 percent of the total fund balance. Approximately $28.2 million, or 99 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance of $1.1 million to $28.5 million as of fiscal year end was a result of a decrease in both local revenue and state aid and grants. General Fund revenues decreased $1.6 million as a result of a decrease in both local revenue and state aid and grants. General Fund expenditures increased $1.5 million as a result of increased employee health insurance costs.

The fund balance in the Federal and State Grants Fund increased $575,872 to $108,311 as of fiscal year end as a result of expenditures previously funded by COVID-19 funding shifting to the General Fund.

Expenditures within the Other Special Revenue Fund of $9.9 million exceeded revenues of $9.5 million, leading to a decrease in fund balance of $373,006. Community education operations and expenditures remained consistent with previous years.

The fund balance in the Debt Service Fund decreased $9,922 to $2.0 million as of fiscal year end, or less than one percent. Revenues and transfers in of $19.2 million were sufficient to fulfill debt service requirements of $19.2 million during the year.

The fund balance in the Bond Building Fund increased $26.5 million to $48.3 million as of fiscal year end as a result of the issuance of $30.6 million of school improvement bonds and $4.6 million of bond premium, paired with a $13.2 million decrease in capital outlay expenditures due to the timing of various school site rebuild projects.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a $420,287 decrease, or less than one percent.

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

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Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested $266.0 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net decrease prior to depreciation of $5.9 million from the prior fiscal year primarily due to the timing of various school site rebuild projects, impacting construction in progress figures. Total depreciation expense for the current fiscal year was $7.1 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2025 and June 30, 2024.

	As of June 30, 2025	As of June 30, 2024
Capital assets - non-depreciable	$ 9,107,328	$ 51,390,351
Capital assets - depreciable, net	174,345,624	134,730,252
Total	$ 183,452,952	$ 186,120,603

The estimated cost to complete current construction projects is $79.6 million.

Additional information on the District's capital assets can be found in Note 6.

Debt Administration. At year end, the District had $148.5 million in long-term debt outstanding, $13.0 million due within one year. Long-term debt increased by $19.5 million due to the issuance of $30.6 million of school improvement bonds and $4.6 million of bond premium, paired with regularly scheduld principal and interest payments on the bonded debt.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or $1,500 per student). The current total debt limitation for the District is $382.4 million and the Class B debt limit is $255.0 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 8 and 9.

Economic Factors and Next Year's Budget and Rates

Many factors were considered by the District's administration during the process of developing the fiscal year 2025-26 budget. Among them:

- Fiscal year 2024-25 budget balance carry forward (estimated $1.5 million).
- District student population (estimated 5,292).
- Staff salary increase – three percent average increase.

Economic Factors and Next Year's Budget and Rates

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

Budgeted expenditures in the General Fund increased $1.3 million to $48.8 million in fiscal year 2025-26 due to a planned budget carryforward. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2025-26 budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department; Madison Elementary District No. 38; 5601 North 16th Street; Phoenix, Arizona 85016-2903.

Basic Financial Statements

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Government-Wide Financial Statements

Madison Elementary School District No. 38
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Current assets:	
Cash and investments	$ 108,083,225
Deposits	71,506
Property taxes receivable	675,500
Accounts receivable	512,187
Due from governmental entities	6,095,760
Inventory	106,950
Leases receivable	159,476
Total current assets	115,704,604
Noncurrent assets:	
Net other post employment benefit plan assets	1,743,803
Capital assets not being depreciated	9,107,328
Capital assets, net accumulated depreciation	174,345,624
Total noncurrent assets	185,196,755
Total assets	300,901,359
Deferred outflows of resources	
Pension plan items	10,872,667
Other postemployment benefit plan items	124,154
Total deferred outflows of resources	10,996,821
Liabilities	
Current liabilities:	
Accounts payable	5,534,391
Accrued payroll and employee benefits	2,119,270
Unearned revenues	490,800
Compensated absences payable	1,274,396
Bonds payable	12,970,000
Accrued interest payable	3,251,832
Total current liabilities	25,640,689
Noncurrent liabilities:	
Non-current portion of long-term obligations	187,060,536
Total noncurrent liabilities	187,060,536
Total liabilities	212,701,225
Deferred inflows of resources	
Pension plan items	4,100,480
Other postemployment benefit plan items	631,877
Leases	173,169
Total deferred inflows of resources	4,905,526
Net position	
Net investment in capital assets	83,328,023
Restricted for:	
Instruction	7,404,886
Food service	1,031,818
Non-instructional purposes	3,500,471
Debt service	2,052,335
Capital outlay	279,037
Other post employment benefit plan items	1,743,803
Unrestricted	(5,048,944)
Total net position	$ 94,291,429

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

Madison Elementary School District No. 38
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities					
Instruction	$ 42,254,454	$ 68,285	$ 2,166,328	$ 106,402	$ (39,913,439)
Support services - students and staff	11,159,894	39,972	2,278,913		(8,841,009)
Support services - administration	13,292,919	845,358	179,112		(12,268,449)
Operation and maintenance of plant services	9,539,059	1,094,070	148,423	39,749	(8,256,817)
Student transportation services	3,070,608		147		(3,070,461)
Operation of non-instructional services	10,592,313	9,526,702	2,071,033	523	1,005,945
Interest on long-term debt	3,327,745				(3,327,745)
Total governmental activities	$ 93,236,992	$ 11,574,387	$ 6,843,956	$ 146,674	(74,671,975)
	General revenues				
	Property taxes				45,159,181
	Investment income				3,018,409
	Unrestricted state aid				26,641,838
	Unrestricted federal aid				558,980
	Total general revenues				75,378,408
	Changes in net position				706,433
	Net position, beginning of year				93,584,996
	Net position, end of year				$ 94,291,429

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

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Fund Financial Statements

Madison Elementary School District No. 38
Balance Sheet
Governmental Funds
June 30, 2025

	General	Federal and State Grants	Other Special Revenue	Debt Service
Assets				
Cash and investments	$ 24,952,078	$	$ 4,974,679	$ 18,017,828
Property taxes receivable	419,161			256,339
Accounts receivable	488,527		11,471	
Due from governmental entities	5,038,363	679,070		
Due from other funds	235,455			
Inventory	53,342			
Deposits				
Leases receivable			159,476	
Total assets	$ 31,186,926	$ 679,070	$ 5,145,626	$ 18,274,167
Liabilities				
Accounts payable	$ 1,001,256	$ 39,206	$ 69,094	$
Due to other funds		235,455		
Accrued payroll and employee benefits	1,621,878	137,339	199,068	
Unearned revenues		21,248	182,979	
Bonds payable				12,970,000
Bond interest payable				3,251,832
Total liabilities	2,623,134	433,248	451,141	16,221,832
Deferred inflows of resources				
Unavailable revenues - property taxes	26,157			10,020
Unavailable revenues - intergovernmental		137,511		
Leases			173,169	
Total deferred inflows of resources	26,157	137,511	173,169	10,020
Fund balances				
Nonspendable	53,342			
Restricted	255,718	108,311	4,521,316	2,042,315
Unassigned	28,228,575			
Total fund balances	28,537,635	108,311	4,521,316	2,042,315
Total liabilities, deferred inflows of resources and fund balances	$ 31,186,926	$ 679,070	$ 5,145,626	$ 18,274,167

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

Bond Building	Non-Major Governmental Funds	Total Governmental Funds
$ 52,725,023	$ 7,413,617	$ 108,083,225
		675,500
	12,189	512,187
	378,327	6,095,760
		235,455
	53,608	106,950
	71,506	71,506
		159,476
$ 52,725,023	$ 7,929,247	$ 115,940,059
$ 4,392,220	$ 32,615	$ 5,534,391
		235,455
	160,985	2,119,270
	286,573	490,800
		12,970,000
		3,251,832
4,392,220	480,173	24,601,748
		36,177
		137,511
		173,169
		346,857
	53,608	106,950
48,332,803	7,395,466	62,655,929
		28,228,575
48,332,803	7,449,074	90,991,454
$ 52,725,023	$ 7,929,247	$ 115,940,059

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Madison Elementary School District No. 38
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds		**$ 90,991,454**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 266,020,794	
Less accumulated depreciation	(82,567,842)	
		183,452,952
Some receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds.		
Property taxes	36,177	
Intergovernmental	137,511	
		173,688
Deferred outflows and inflows of resources related to pensions/OPEB are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions/OPEB	10,996,821	
Deferred inflows of resources related to pensions/OPEB	(4,732,357)	
		6,264,464
The net OPEB assets are not a current financial resource and, therefore, are not reported in the funds.		1,743,803
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Compensated absences payable	(5,487,545)	
Bonds payable	(135,487,732)	
Net pension liability	(47,359,655)	
		(188,334,932)
Net position of governmental activities		**$ 94,291,429**

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

Madison Elementary School District No. 38
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Federal and State Grants	Other Special Revenue	Debt Service
Revenues				
Other local	$ 2,470,813	$ 22,268	$ 9,545,270	$ 98,324
Property taxes	28,025,777			17,424,726
State aid and grants	22,160,771	946,478		
Federal aid, grants and reimbursements	558,980	3,469,530		
Total revenues	53,216,341	4,438,276	9,545,270	17,523,050
Expenditures				
Current:				
Instruction	22,735,856	1,133,703	772,884	
Support services - students and staff	7,789,241	2,159,958	298,024	
Support services - administration	10,034,833	169,763	1,221,808	
Operation and maintenance of plant services	6,870,491	119,350	1,166,502	
Student transportation services	2,665,702	139	75,696	
Operation of non-instructional services	204,198		6,377,400	
Capital outlay	4,513,748	99,241	5,962	
Debt service:				
Principal retirement				12,970,000
Interest and fiscal charges				6,269,219
Bond issuance costs				
Total expenditures	54,814,069	3,682,154	9,918,276	19,239,219
Excess (deficiency) of revenues over expenditures	(1,597,728)	756,122	(373,006)	(1,716,169)
Other financing sources (uses)				
Transfers in	500,577			1,706,247
Transfers out		(180,250)		
Issuance of school improvement bonds				
Premium on sale of bonds				
Total other financing sources (uses)	500,577	(180,250)		1,706,247
Changes in fund balances	(1,097,151)	575,872	(373,006)	(9,922)
Fund balances, beginning of year	29,634,786	(467,561)	4,894,322	2,052,237
Fund balances, end of year	$ 28,537,635	$ 108,311	$ 4,521,316	$ 2,042,315

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

Bond Building	Non-Major Governmental Funds	Total Governmental Funds
$ 1,706,247	$ 1,811,624	$ 15,654,546
		45,450,503
	5,323,320	28,430,569
	2,049,508	6,078,018
1,706,247	9,184,452	95,613,636
	4,775,789	29,418,232
	76,862	10,324,085
	7,878	11,434,282
	89,879	8,246,222
		2,741,537
	3,998,257	10,579,855
8,412,632	135,837	13,167,420
		12,970,000
		6,269,219
313,557		313,557
8,726,189	9,084,502	105,464,409
(7,019,942)	99,950	(9,850,773)
		2,206,824
(1,706,247)	(320,327)	(2,206,824)
30,635,000		30,635,000
4,627,382		4,627,382
33,556,135	(320,327)	35,262,382
26,536,193	(220,377)	25,411,609
21,796,610	7,669,451	65,579,845
$ 48,332,803	$ 7,449,074	$ 90,991,454

Madison Elementary School District No. 38
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Changes in fund balances - total governmental funds		**$ 25,411,609**
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Expenditures for capitalized assets	$ 8,122,224	
Less current year depreciation	(7,114,461)	
		1,007,763
Issuance of school improvement bond provides current financial resources to governmental funds, but the issuance increases long-term liabilities in the Statement of Net Position.		(35,262,382)
Some revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	(291,322)	
Intergovernmental	(1,378,889)	
		(1,670,211)
Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		12,970,000
Governmental funds report pension/OPEB contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension/OPEB liability/asset, adjusted for deferred items, is reported as pension/OPEB expense in the Statement of Activities.		
Current year pension/OPEB contributions	5,018,054	
Pension/OPEB expense	(4,260,540)	
		757,514
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Deferred bond items on issuance of refunding debt	(76,964)	
Loss on disposal of assets	(3,675,414)	
Amortization of deferred bond items	3,018,438	
Compensated absences	(1,773,920)	
		(2,507,860)
Changes in net position in governmental activities		**$ 706,433**

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

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Madison Elementary School District No. 38 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*. This Statement updates the recognition and measurement guidance for compensated absences. Liabilities are recognized for leave that has not been used, as well as leave that has been used but not yet paid in cash or settled through noncash means. The District's analysis of compensated absences in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

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

A. Reporting Entity

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

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

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

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

Note 1 – Summary of Significant Accounting Policies

B. Government-Wide and Fund Financial Statements

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

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

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

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

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Note 1 – Summary of Significant Accounting Policies

However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the "early recognition" option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

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

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

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

The District reports the following major governmental funds:

General Fund – The General Fund is the District's primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District's Maintenance and Operation Fund and the Unrestricted Capital Outlay Fund, as well as other funds that do not meet the criteria for separate reporting in the financial statements.

Federal and State Grants Fund – The Federal and State Grants Fund accounts for financial assistance received for federal and state grants and projects.

Other Special Revenue Fund – The Other Special Revenue Fund accounts for the revenues and expenditures of other special revenue activities, including the following: civic center, community school, extracurricular activities fees tax credit, fingerprinting, textbooks, and student activities.

Note 1 – Summary of Significant Accounting Policies

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

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

D. Cash and Investments

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

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

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

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

Note 1 – Summary of Significant Accounting Policies

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

H. Inventory

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

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

Note 1 – Summary of Significant Accounting Policies

I. Prepaid Items

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

J. Capital Assets

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

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

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

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

Land improvements	5 – 20 years
Buildings and improvements	7 – 50 years
Vehicles, furniture and equipment	4 – 20 years

K. Deferred Outflows/Inflows of Resources

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

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

Note 1 – Summary of Significant Accounting Policies

L. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered more likely than not to be used or paid 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.

M. Leases

As lessor, the District recognizes all lease receivables. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses an interest rate based on the applicable federal treasury rate as the discount rate to measure lease receivables.

N. Pensions and Other Postemployment Benefits

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

O. Long-term Obligations

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

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

Note 1 – Summary of Significant Accounting Policies

P. Interfund Activity

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

Q. Net Position Flow Assumption

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

R. Estimates

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

Note 2 – Fund Balance Classifications

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

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

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

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

Note 2 – Fund Balance Classifications

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

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

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

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

	General	Federal and State Grants	Other Special Revenue	Debt Service	Bond Building	Non-Major Governmental Funds
Fund Balances:						
Nonspendable:						
Inventory	$ 53,342	$	$	$	$	$ 53,608
Restricted:						
Debt service				2,042,315		
Capital projects	255,718					279,037
Bond building projects					48,332,803	
Voter approved initiatives						6,138,219
Federal and state projects		108,311				
Food service						978,210
Civic center			1,946,764			
Community schools			1,552,502			
Extracurricular activities			884,803			
Student activities			108,946			
Other purposes			28,301			
Unassigned	28,228,575					
Total fund balances	$ 28,537,635	$ 108,311	$ 4,521,316	$ 2,042,315	$ 48,332,803	$ 7,449,074

Note 3 – Stewardship, Compliance and Accountability

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

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was $2,851,404 and the bank balance was $3,598,822. At year end, $3,348,822 of the District's deposits were covered by collateral held by the pledging financial institution's trust department or agent but not in the District's name. In addition, the District holds $71,506 on deposit with others.

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

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

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

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

	Average Maturities	Fair Value
County Treasurer's investment pool	452 days	$ 105,231,821

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

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

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

Note 5 – Receivables

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

	General	Federal and State Grants	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	$ 221,400	$ 601,440	$ 184,971
Due from state government	4,816,963	77,630	193,356
Net due from governmental entities	$ 5,038,363	$ 679,070	$ 378,327

Note 6 – Leases Receivable

The District acts as lessor in telecommunications ground lease agreements under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of $53,526 and related interest revenue of $529 are recorded as other local revenue in the Other Special Revenue Fund.

Note 7 – Capital Assets

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	$ 3,420,264	$	$	$ 3,420,264
Construction in progress	47,970,087	7,286,428	49,569,451	5,687,064
Total capital assets, not being depreciated	51,390,351	7,286,428	49,569,451	9,107,328
Capital assets, being depreciated:				
Land improvements	16,408,865	1,631,197	681,514	17,358,548
Buildings and improvements	190,140,157	48,140,788	12,162,909	226,118,036
Vehicles, furniture and equipment	14,002,225	633,262	1,198,605	13,436,882
Total capital assets being depreciated	220,551,247	50,405,247	14,043,028	256,913,466
Less accumulated depreciation for:				
Land improvements	(11,518,295)	(518,518)	(555,975)	(11,480,838)
Buildings and improvements	(61,985,812)	(5,760,325)	(8,625,733)	(59,120,404)
Vehicles, furniture and equipment	(12,316,888)	(835,618)	(1,185,906)	(11,966,600)
Total accumulated depreciation	(85,820,995)	(7,114,461)	(10,367,614)	(82,567,842)
Total capital assets being depreciated, net	134,730,252	43,290,786	3,675,414	174,345,624
Governmental activities capital assets, net	$ 186,120,603	$ 50,577,214	$ 53,244,865	$ 183,452,952

Depreciation expense was charged to governmental functions as follows:

Instruction	$ 4,991,946
Support services – students and staff	92,654
Support services – administration	905,564
Operation and maintenance of plant services	797,390
Student transportation services	306,152
Operation of non-instructional services	20,755
Total depreciation expense – governmental activities	$ 7,114,461

Construction Commitments – At year end, the District had contractual commitments related to the reconstruction of Rose Lane Elementary School and the gymnasium at Madison Meadows Middle School. At year end, the District had spent $5.7 million on the projects and had estimated remaining contractual commitments of $79.6 million. These projects are being funded with bond proceeds.

Note 8 – Short Term Debt – Revolving Line of Credit

The District has a revolving line of credit to provide cash flow during the year to mitigate the impact of timing differences of expenditures and the receipt of state aid and property tax revenues. At year end, the District had $5.0 million in unused line of credit.

Note 9 – General Obligation Bonds Payable

Bonds payable at year end consisted of the following outstanding general obligation bonds. Of the total amount originally authorized, $70.0 million remains unissued. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District's legal debt limit is $382.4 million and the available margin is $227.4 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025	Due Within One Year
Governmental activities:					
School Improvement Bond, Project of 2014, Series A (2015)	$ 34,000,000	3.00-3.25%	7/1/25	$ 4,035,000	$ 4,035,000
Refunding Bonds, Series 2015	19,700,000	3.25-5.00%	7/1/25	830,000	830,000
School Improvement Bond, Project of 2014, Series B (2017)	30,500,000	5.00%	7/1/25-27	10,650,000	4,000,000
School Improvement Bond, Project of 2014, Series C (2019)	22,400,000	2.25-5.00%	7/1/25-27	13,700,000	1,050,000
Refunding Bonds, Series 2020	9,520,000	4.00%	7/1/25-26	4,070,000	2,005,000
School Improvement Bond, Project of 2019, Series A (2020)	27,705,000	3.00-5.00%	7/1/25-29	22,430,000	650,000
School Improvement Bond, Project of 2019, Series B (2023)	48,340,000	3.00-5.00%	7/1/27-34	47,840,000	
School Improvement Bond, Project of 2023, Series A (2024)	30,635,000	4.75%	7/1/25-34	30,635,000	400,000
Total				$ 134,190,000	$ 12,970,000

Note 9 – General Obligation Bonds Payable

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

	Governmental Activities	
Year ending June 30:	Principal	Interest
2026	$ 12,970,000	$ 6,238,507
2027	13,415,000	5,648,300
2028	14,100,000	4,985,750
2029	14,625,000	4,301,125
2030	13,105,000	3,626,375
2031-35	65,975,000	8,490,125
Total	$ 134,190,000	$ 33,290,182

Note 10 – Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 116,265,000	$ 30,635,000	$ 12,710,000	$ 134,190,000	$ 12,970,000
Premium	12,658,788	4,627,382	3,018,438	14,267,732	
Total bonds payable	128,923,788	35,262,382	15,728,438	148,457,732	12,970,000
Net OPEB liability	34,540		34,540		
Net pension liability	43,002,190	4,357,465		47,359,655	
Compensated absences payable	3,713,625	1,773,920		5,487,545	1,274,396
Total long-term liabilities	$ 175,674,143	$ 41,393,767	$ 15,762,978	$ 201,304,932	$ 14,244,396

Note 11 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Federal and State Grants Fund had a negative cash balance in the Treasurer's pooled cash accounts of $235,455. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Note 11 – Interfund Receivables, Payables, and Transfers

Interfund transfers:

	Transfers in		
Transfers out	General	Debt Service	Total
Federal and State Grants	$ 180,250	$	$ 180,250
Bond Building		1,706,247	1,706,247
Non-Major Governmental Funds	320,327		320,327
Total	$ 500,577	$ 1,706,247	$ 2,206,824

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

Note 12 – Contingent Liabilities

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

Note 13 – Risk Management

The District 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's employees have health and accident insurance coverage with the Arizona School Board Association Insurance Trust (ASBAIT). ASBAIT is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to ASBAIT for employees' health and accident insurance coverage. The agreement provides that ASBAIT will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

Note 13 – Risk Management

The District joined the Arizona School Alliance for Workers' Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers' compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays 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 all other risks of loss, including dental, vision and short term disability.

Note 14 – Pensions

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

Aggregate Amounts. At June 30,2025, the District reported the following aggregate amounts related to pensions and OPEB for all plans to which it contributes:

	Pension	OPEB	Total
Net assets	$	$ (1,743,803)	$ (1,743,803)
Net liability	47,359,655		47,359,655
Deferred outflows of resources	10,872,667	124,154	10,996,821
Deferred inflows of resources	4,100,480	631,877	4,732,357
Expense	4,520,466	(259,926)	4,260,540
Contributions	4,989,073	28,981	5,018,054

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

Note 14 – Pensions

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.27 percent (12.12 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.27 percent (12.05 percent for retirement, 0.07 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. The District's contributions to the pension plan for the year ended June 30,2025 were $4,989,073.

Note 14 – Pensions

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.19 percent (10.14 for retirement and 0.05 percent for long-term disability). ACR contributions are included in employer contributions presented above.

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

Pension Liability. The net pension liability was measured as of June 30, 2024. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024. The District's proportion of the net liability was based on the District's actual contributions to the applicable plan relative to the total of all participating employers' contributions to the plan for the year ended June 30, 2024.

At June 30, 2024, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2024, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2023 was:

Net Liability	District % Proportion	Increase (Decrease)
$ 47,359,655	0.296	0.030

Pension Expense and Deferred Outflows/Inflows of Resources. The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District's pension expense for the year ended June 30,2025 was $4,520,466.

Note 14 – Pensions

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,643,572	$
Net difference between projected and actual earnings on pension investments		3,024,432
Changes in proportion and differences between contributions and proportionate share of contributions	3,240,022	1,076,048
Contributions subsequent to the measurement date	4,989,073	
Total	$ 10,872,667	$ 4,100,480

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:	
2026	$ (747,745)
2027	3,851,461
2028	(765,583)
2029	(555,019)

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

Actuarial valuation date	June 30, 2023
Actuarial roll forward date	June 30, 2024
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

Note 14 – Pensions

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	4.48%
Credit	23%	4.40
Interest rate sensitive	6%	(0.45)
Private equity	10%	6.11
Real estate	17%	6.05
Total	100%	

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

Note 14 – Pensions

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	$ 72,517,316	$ 47,359,655	$ 26,392,941

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at www.azasrs.gov.

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Required Supplementary Information

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Madison Elementary School District No. 38
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2025

	Budget			
	Original	Final	Non-GAAP Actual	Variance with Final Budget
Revenues				
Other local	$	$	$ 183,463	$ 183,463
Property taxes			23,753,157	23,753,157
State aid and grants			22,160,771	22,160,771
Total revenues			46,097,391	46,097,391
Expenditures				
Current:				
Instruction	23,806,384	23,129,210	22,579,028	550,182
Support services - students and staff	7,286,537	7,372,255	7,366,659	5,596
Support services - administration	7,012,000	7,052,720	7,011,420	41,300
Operation and maintenance of plant services	6,501,075	6,898,192	5,854,312	1,043,880
Student transportation services	2,396,000	2,032,332	2,396,534	(364,202)
Operation of non-instructional services	172,500	269,500	203,371	66,129
Total expenditures	47,174,496	46,754,209	45,411,324	1,342,885
Changes in fund balances	(47,174,496)	(46,754,209)	686,067	47,440,276
Fund balances, beginning of year			7,163,060	7,163,060
Fund balances, end of year	$ (47,174,496)	$ (46,754,209)	$ 7,849,127	$ 54,603,336

See accompanying notes to this schedule.

Madison Elementary School District No. 38
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2025

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Other local	$	$	$ 22,268	$ 22,268
State aid and grants			946,478	946,478
Federal aid, grants and reimbursements			3,469,530	3,469,530
Total revenues			4,438,276	4,438,276
Expenditures				
Current:				
Instruction	1,587,179	1,631,824	1,133,703	498,121
Support services - students and staff	3,023,932	3,108,989	2,159,958	949,031
Support services - administration	237,667	244,353	169,763	74,590
Operation and maintenance of plant services	167,089	171,789	119,350	52,439
Student transportation services	195	200	139	61
Capital outlay	138,938	142,845	99,241	43,604
Total expenditures	5,155,000	5,300,000	3,682,154	1,617,846
Excess (deficiency) of revenues over expenditures	(5,155,000)	(5,300,000)	756,122	6,056,122
Other financing sources (uses)				
Transfers out			(180,250)	(180,250)
Total other financing sources (uses)			(180,250)	(180,250)
Changes in fund balances	(5,155,000)	(5,300,000)	575,872	5,875,872
Fund balances, beginning of year			(467,561)	(467,561)
Fund balances, end of year	$ (5,155,000)	$ (5,300,000)	$ 108,311	$ 5,408,311

See accompanying notes to this schedule.

Madison Elementary School District No. 38
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2025

	Budget		
	Original and Final	**Actual**	**Variance with Final Budget**
Revenues			
Other local	$	$ 9,545,270	$ 9,545,270
Total revenues		9,545,270	9,545,270
Expenditures			
Current:			
Instruction	826,491	772,884	53,607
Support services - students and staff	318,695	298,024	20,671
Support services - administration	1,306,552	1,221,808	84,744
Operation and maintenance of plant services	1,247,410	1,166,502	80,908
Student transportation services	80,946	75,696	5,250
Operation of non-instructional services	6,819,730	6,377,400	442,330
Capital outlay	6,376	5,962	414
Total expenditures	10,606,200	9,918,276	687,924
Changes in fund balances	(10,606,200)	(373,006)	10,233,194
Fund balances, beginning of year		4,977,692	4,977,692
Fund balances, end of year	$ (10,606,200)	$ 4,604,686	$ 15,210,886

See accompanying notes to this schedule.

Madison Elementary School District No. 38
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
District's proportion of the net pension (assets) liability	0.30%	0.27%	0.29%	0.29%
District's proportionate share of the net pension (assets) liability	$ 47,359,655	$ 43,002,190	$ 47,264,255	$ 37,962,805
District's covered payroll	$ 40,628,728	$ 38,230,614	$ 35,200,968	$ 32,977,416
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	116.57%	112.48%	134.27%	115.12%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%

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

	2025	2024	2023	2022
Actuarially determined contribution	$ 4,989,073	$ 4,887,636	$ 4,330,369	$ 4,082,644
Contributions in relation to the actuarially determined contribution	4,989,073	4,887,636	4,330,369	4,082,644
Contribution deficiency (excess)	$	$	$	$
District's covered payroll	$ 41,403,095	$ 40,628,728	$ 38,230,614	$ 35,200,968
Contributions as a percentage of covered payroll	12.05%	12.03%	11.33%	11.60%

See accompanying notes to this schedule.

2021	2020	2019	2018	2017	2016
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
0.30%	0.29%	0.26%	0.27%	0.28%	0.28%
$ 51,504,813	$ 42,258,034	$ 36,772,686	$ 41,767,870	$ 45,001,121	$ 43,924,847
$ 32,465,790	$ 31,285,590	$ 27,172,398	$ 26,644,898	$ 26,586,400	$ 26,885,009
158.64%	135.07%	135.33%	156.76%	169.26%	163.38%
69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

2021	2020	2019	2018	2017	2016
$ 3,841,869	$ 3,717,333	$ 3,393,244	$ 2,836,085	$ 2,764,167	$ 3,028,208
3,841,869	3,717,333	3,393,244	2,836,085	2,764,167	3,028,208
$	$	$	$	$	$
$ 32,977,416	$ 32,465,790	$ 31,285,590	$ 27,172,398	$ 26,644,898	$ 26,586,400
11.65%	11.45%	10.85%	10.44%	10.37%	11.39%

Note 1 – Budgetary Basis of Accounting

The District's budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, except for employee insurance expenditures are budgeted in the year the employee insurance account is funded. Additionally, the General Fund includes the Maintenance and Operations Fund and other funds that do not meet the criteria for separate reporting in the financial statements. Arizona Revised Statutes requires the Maintenance and Operations Fund budget, and therefore these other funds must be subtracted to present only the activity of the Maintenance and Operations Fund.

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

	Total Expenditures	Fund Balances End of Year
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 54,814,069	$ 28,537,635
Other funds presented in the General Fund	(8,081,125)	(18,523,002)
Employee insurance account	(1,321,620)	(2,165,506)
Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual - General Fund	$ 45,411,324	$ 7,849,127

Note 2 – Pension Plan Schedules

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

Combining and Individual
Fund Financial Statements and Schedules

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

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

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

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

Capital Projects Funds

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

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

Madison Elementary School District No. 38
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025

	Special Revenue Funds			Capital Projects Funds
	Classroom Site	Instructional Improvement	Food Service	Adjacent Ways
Assets				
Cash and investments	$ 5,309,419	$ 772,902	$ 1,052,259	$ 252,406
Accounts receivable			12,189	
Due from governmental entities		193,356	184,971	
Inventory			53,608	
Deposits			71,506	
Total assets	$ 5,309,419	$ 966,258	$ 1,374,533	$ 252,406
Liabilities				
Accounts payable	$	$	$ 32,615	$
Accrued payroll and employee benefits	125,194	12,264	23,527	
Unearned revenues			286,573	
Total liabilities	125,194	12,264	342,715	
Fund balances				
Nonspendable			53,608	
Restricted	5,184,225	953,994	978,210	252,406
Total fund balances	5,184,225	953,994	1,031,818	252,406
Total liabilities, deferred inflows of resources and fund balances	$ 5,309,419	$ 966,258	$ 1,374,533	$ 252,406

Capital Projects Funds	
Other Capital Projects	Total Non-Major Governmental Funds
$ 26,631	$ 7,413,617
	12,189
	378,327
	53,608
	71,506
$ 26,631	$ 7,929,247
$	$ 32,615
	160,985
	286,573
	480,173
	53,608
26,631	7,395,466
26,631	7,449,074
$ 26,631	$ 7,929,247

Madison Elementary School District No. 38
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			Capital Projects Funds
	Classroom Site	Instructional Improvement	Food Service	Adjacent Ways
Revenues				
Other local	$ 198,282	$ 26,655	$ 1,553,060	$ 25,342
State aid and grants	4,855,870	405,653	22,048	
Federal aid, grants and reimbursements			2,049,508	
Total revenues	5,054,152	432,308	3,624,616	25,342
Expenditures				
Current:				
Instruction	4,586,166	189,623		
Support services - students and staff		76,862		
Support services - administration			7,878	
Operation and maintenance of plant services			89,879	
Operation of non-instructional services			3,998,257	
Capital outlay			523	20,207
Total expenditures	4,586,166	266,485	4,096,537	20,207
Excess (deficiency) of revenues over expenditures	467,986	165,823	(471,921)	5,135
Other financing sources (uses)				
Transfers out			(320,327)	
Total other financing sources (uses)			(320,327)	
Changes in fund balances	467,986	165,823	(792,248)	5,135
Fund balances, beginning of year	4,716,239	788,171	1,824,066	247,271
Fund balances, end of year	$ 5,184,225	$ 953,994	$ 1,031,818	$ 252,406

Capital Projects Funds	
Other Capital Projects	Total Non-Major Governmental Funds
$ 8,285	$ 1,811,624
39,749	5,323,320
	2,049,508
48,034	9,184,452
	4,775,789
	76,862
	7,878
	89,879
	3,998,257
115,107	135,837
115,107	9,084,502
(67,073)	99,950
	(320,327)
	(320,327)
(67,073)	(220,377)
93,704	7,669,451
$ 26,631	$ 7,449,074

Madison Elementary School District No. 38
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2025

	Budget			
	Original	Final	Actual	Variance with Final Budget
Revenues				
Other local	$	$	$ 198,282	$ 198,282
State aid and grants			4,855,870	4,855,870
Total revenues			5,054,152	5,054,152
Expenditures				
Current:				
Instruction	8,112,523	8,371,430	4,586,166	3,785,264
Support services - students and staff	1,200,820	1,200,820		1,200,820
Total expenditures	9,313,343	9,572,250	4,586,166	4,986,084
Changes in fund balances	(9,313,343)	(9,572,250)	467,986	10,040,236
Fund balances, beginning of year			4,716,239	4,716,239
Fund balances, end of year	$ (9,313,343)	$ (9,572,250)	$ 5,184,225	$ 14,756,475

Madison Elementary School District No. 38
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2025

	Budget		
	Original and Final	**Actual**	**Variance with Final Budget**
Revenues			
Other local	$	$ 26,655	$ 26,655
State aid and grants		405,653	405,653
Total revenues		432,308	432,308
Expenditures			
Current:			
Instruction	754,265	189,623	564,642
Support services - students and staff	305,735	76,862	228,873
Total expenditures	1,060,000	266,485	793,515
Changes in fund balances	(1,060,000)	165,823	1,225,823
Fund balances, beginning of year		788,171	788,171
Fund balances, end of year	$ (1,060,000)	$ 953,994	$ 2,013,994

Madison Elementary School District No. 38
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2025

	Budget		
	Original and Final	**Actual**	**Variance with Final Budget**
Revenues			
Other local	$	$ 1,553,060	$ 1,553,060
State aid and grants		22,048	22,048
Federal aid, grants and reimbursements		2,049,508	2,049,508
Total revenues		3,624,616	3,624,616
Expenditures			
Current:			
Support services - administration	8,077	7,878	199
Operation and maintenance of plant services	92,149	89,879	2,270
Operation of non-instructional services	4,099,238	3,998,257	100,981
Capital outlay	536	523	13
Total expenditures	4,200,000	4,096,537	103,463
Excess (deficiency) of revenues over expenditures	(4,200,000)	(471,921)	3,728,079
Other financing sources (uses)			
Transfers out		(320,327)	(320,327)
Total other financing sources (uses)		(320,327)	(320,327)
Changes in fund balances	(4,200,000)	(792,248)	3,407,752
Fund balances, beginning of year		1,824,066	1,824,066
Fund balances, end of year	$ (4,200,000)	$ 1,031,818	$ 5,231,818

Madison Elementary School District No. 38
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2025

	Budget		
	Original and Final	**Actual**	**Variance with Final Budget**
Revenues			
Other local	$	$ 98,324	$ 98,324
Property taxes		17,424,726	17,424,726
Total revenues		17,523,050	17,523,050
Expenditures			
Debt service:			
Principal retirement	12,970,000	12,970,000	
Interest and fiscal charges	4,608,913	6,269,219	(1,660,306)
Total expenditures	17,578,913	19,239,219	(1,660,306)
Excess (deficiency) of revenues over expenditures	(17,578,913)	(1,716,169)	15,862,744
Other financing sources (uses)			
Transfers in		1,706,247	1,706,247
Total other financing sources (uses)		1,706,247	1,706,247
Changes in fund balances	(17,578,913)	(9,922)	17,568,991
Fund balances, beginning of year		2,052,237	2,052,237
Fund balances, end of year	$ (17,578,913)	$ 2,042,315	$ 19,621,228

Madison Elementary School District No. 38
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2025

	Budget		
	Original and Final	**Actual**	**Variance with Final Budget**
Revenues			
Other local	$	$ 25,342	$ 25,342
Total revenues		25,342	25,342
Expenditures			
Capital outlay	2,060,000	20,207	2,039,793
Total expenditures	2,060,000	20,207	2,039,793
Changes in fund balances	(2,060,000)	5,135	2,065,135
Fund balances, beginning of year		247,271	247,271
Fund balances, end of year	$ (2,060,000)	$ 252,406	$ 2,312,406

Madison Elementary School District No. 38
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2025

	Budget		
	Original and Final	**Actual**	**Variance with Final Budget**
Revenues			
Other local	$	$ 1,706,247	$ 1,706,247
Total revenues		1,706,247	1,706,247
Expenditures			
Capital outlay	52,686,443	8,412,632	44,273,811
Debt service:			
Bond issuance costs	313,557	313,557	
Total expenditures	53,000,000	8,726,189	44,273,811
Excess (deficiency) of revenues over expenditures	(53,000,000)	(7,019,942)	45,980,058
Other financing sources (uses)			
Transfers out		(1,706,247)	(1,706,247)
Issuance of school improvement bonds		30,635,000	30,635,000
Premium on sale of bonds		4,627,382	4,627,382
Total other financing sources (uses)		33,556,135	33,556,135
Changes in fund balances	(53,000,000)	26,536,193	79,536,193
Fund balances, beginning of year		21,796,610	21,796,610
Fund balances, end of year	$ (53,000,000)	$ 48,332,803	$ 101,332,803

Madison Elementary School District No. 38
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2025

	Budget		
	Original and Final	Actual	Variance with Final Budget
Revenues			
Other local	$	$ 8,285	$ 8,285
State aid and grants		39,749	39,749
Total revenues		48,034	48,034
Expenditures			
Capital outlay	187,000	115,107	71,893
Total expenditures	187,000	115,107	71,893
Changes in fund balances	(187,000)	(67,073)	119,927
Fund balances, beginning of year		93,704	93,704
Fund balances, end of year	$ (187,000)	$ 26,631	$ 213,631

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Due to cost considerations for the accumulation of data, the District has elected to present less than ten years of data, or data from less than nine years prior, for certain statistical schedules. This information will be accumulated and reported each year until the complete ten years of data is presented.

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Madison Elementary School District No. 38
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Net Position:					
Net investment in capital assets	$ 83,328,023	$ 79,070,389	$ 77,799,681	$ 67,678,364	$ 73,088,054
Restricted	16,012,350	18,102,791	29,977,631	27,492,990	9,041,620
Unrestricted	(5,048,944)	(3,588,184)	(15,492,092)	(19,160,228)	(21,114,939)
Total net position	$ 94,291,429	$ 93,584,996	$ 92,285,220	$ 76,011,126	$ 61,014,735

	2020	**2019**	**2018**	**2017**	**2016**
Net Position:					
Net investment in capital assets	$ 62,640,532	$ 57,279,443	$ 49,400,667	$ 41,487,673	$ 41,702,942
Restricted	10,640,755	10,166,771	10,028,738	8,400,595	8,478,182
Unrestricted	(20,734,716)	(19,724,392)	(21,578,239)	(24,922,798)	(29,587,767)
Total net position	$ 52,546,571	$ 47,721,822	$ 37,851,166	$ 24,965,470	$ 20,593,357

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

Madison Elementary School District No. 38
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Expenses					
Instruction	$ 42,254,454	$ 44,099,118	$ 31,864,021	$ 34,277,373	$ 32,201,204
Support services - students and staff	11,159,894	11,395,237	9,701,896	8,502,257	7,786,875
Support services - administration	13,292,919	11,211,189	9,629,015	8,998,972	8,563,914
Operation and maintenance of plant services	9,539,059	9,717,388	8,808,153	8,041,375	7,839,795
Student transportation services	3,070,608	2,706,583	2,667,254	2,171,908	1,926,810
Operation of non-instructional services	10,592,313	10,188,656	9,042,432	8,631,319	7,183,699
Interest on long-term debt	3,327,745	4,352,473	1,857,389	1,759,136	1,946,239
Total expenses	93,236,992	93,670,644	73,570,160	72,382,340	67,448,536
Program Revenues					
Charges for services:					
Instruction	68,285	8,003,522	8,883,576	6,697,240	3,356,306
Operation of non-instructional services	9,526,702	1,528,563	1,322,858	571,027	367,943
Other activities	1,979,400	891,099			
Operating grants and contributions	6,843,956	7,579,010	13,018,322	17,933,396	11,082,328
Capital grants and contributions	146,674	1,622,512	45,619		24,456
Total program revenues	18,565,017	19,624,706	23,270,375	25,201,663	14,831,033
Net (Expense)/Revenue	$ (74,671,975)	$ (74,045,938)	$ (50,299,785)	$ (47,180,677)	$ (52,617,503)

(Continued)

Madison Elementary School District No. 38
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2020	**2019**	**2018**	**2017**	**2016**
Expenses					
Instruction	$ 34,150,236	$ 28,683,960	$ 25,519,103	$ 24,529,178	$ 26,284,948
Support services - students and staff	7,551,536	6,406,290	5,590,947	5,296,850	5,719,318
Support services - administration	8,467,544	6,830,135	5,756,053	6,381,995	6,948,868
Operation and maintenance of plant services	7,438,146	6,825,244	6,912,434	6,660,994	7,098,016
Student transportation services	2,079,706	2,299,510	1,994,677	1,723,903	2,039,168
Operation of non-instructional services	7,838,617	7,479,698	6,542,419	6,425,419	6,207,372
Interest on long-term debt	2,898,181	2,944,299	2,953,970	2,759,879	2,464,906
Total expenses	70,423,966	61,469,136	55,269,603	53,778,218	56,762,596
Program Revenues					
Charges for services:					
Instruction	5,168,551	6,133,436	5,529,413	5,688,882	5,447,725
Operation of non-instructional services	1,258,798	1,565,531	1,331,647	1,059,846	1,104,413
Other activities					
Operating grants and contributions	8,524,455	8,590,839	8,551,032	7,695,717	7,124,468
Capital grants and contributions	32,035		225,085		
Total program revenues	14,983,839	16,289,806	15,637,177	14,444,445	13,676,606
Net (Expense)/Revenue	$ (55,440,127)	$ (45,179,330)	$ (39,632,426)	$ (39,333,773)	$ (43,085,990)

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

(Concluded)

Madison Elementary School District No. 38
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Net (Expense)/Revenue	$ (74,671,975)	$ (74,045,938)	$ (50,299,785)	$ (47,180,677)	$ (52,617,503)
General Revenues:					
Property taxes	45,159,181	45,355,609	44,579,853	43,441,497	43,413,110
Investment income	3,018,409	2,217,189	1,098,770	605,659	677,301
Unrestricted county aid				1,154,594	1,070,290
Unrestricted state aid	26,641,838	27,199,941	19,414,831	14,383,789	12,851,973
Unrestricted federal aid	558,980	572,975		422,311	293,265
Other			1,480,425	969,218	1,149,623
Total general revenues	75,378,408	75,345,714	66,573,879	60,977,068	59,455,562
Special item - loss on disposal of assets					
Changes in Net Position	$ 706,433	$ 1,299,776	$ 16,274,094	$ 13,796,391	$ 6,838,059

(Continued)

Madison Elementary School District No. 38
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	2020	2019	2018	2017	2016
Net (Expense)/Revenue	$ (55,440,127)	$ (45,179,330)	$ (39,632,426)	$ (39,333,773)	$ (43,085,990)
General Revenues:					
Property taxes	42,512,628	38,387,816	39,282,450	37,395,083	36,946,942
Investment income	1,099,627	1,045,803	649,434	272,318	260,628
Unrestricted county aid	1,115,123	1,079,883	894,346	880,839	895,811
Unrestricted state aid	14,196,526	13,277,943	10,594,429	10,812,350	11,942,536
Unrestricted federal aid	315,555	204,720	229,869	51,511	252,942
Other	1,025,417	1,053,821	867,594	820,628	643,396
Total general revenues	60,264,876	55,049,986	52,518,122	50,232,729	50,942,255
Special item - loss on disposal of assets				(6,526,843)	
Changes in Net Position	$ 4,824,749	$ 9,870,656	$ 12,885,696	$ 4,372,113	$ 7,856,265

Source: The source of this information is the District's financial records.
Note: Due to a change in legislation, beginning with fiscal year 2023, unrestricted county aid is now presented with property taxes.

(Concluded)

Madison Elementary School District No. 38
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
General Fund:					
Nonspendable	$ 53,342	$ 46,263	$ 1,210,583	$ 56,877	$ 64,137
Restricted	255,718	1,682,253			
Unassigned	28,228,575	27,906,270	29,536,654	26,229,662	22,351,361
Total General Fund	$ 28,537,635	$ 29,634,786	$ 30,747,237	$ 26,286,539	$ 22,415,498
All Other Governmental Funds:					
Nonspendable	$ 53,608	$ 22,864	$ 5,952	$ 12,974	$ 33,657
Restricted	62,400,211	36,389,756	58,696,826	37,047,337	43,037,510
Unassigned		(467,561)	(224,031)	(458,386)	
Total all other governmental funds	$ 62,453,819	$ 35,945,059	$ 58,478,747	$ 36,601,925	$ 43,071,167

(Continued)

Madison Elementary School District No. 38
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2020	2019	2018	2017	2016
General Fund:					
Nonspendable	$ 53,265	$ 43,570	$ 6,241	$ 11,217	$ 38,438
Unassigned	20,015,442	19,684,889	19,365,303	18,218,494	13,717,929
Total General Fund	$ 20,068,707	$ 19,728,459	$ 19,371,544	$ 18,229,711	$ 13,756,367
All Other Governmental Funds:					
Nonspendable	$ 47,125	$ 24,136	$	$	$
Restricted	56,497,450	34,746,835	20,715,689	48,051,134	24,836,972
Unassigned				(28,377)	
Total all other governmental funds	$ 56,544,575	$ 34,770,971	$ 20,715,689	$ 48,022,757	$ 24,836,972

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

(Concluded)

Madison Elementary School District No. 38
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Federal sources:					
Federal grants	$ 4,028,510	$ 5,066,507	$ 4,926,324	$ 514,131	$ 5,495,014
National School Lunch Program	2,049,508	2,116,571	2,105,502	4,742,944	2,523,451
Total federal sources	6,078,018	7,183,078	7,031,826	5,257,075	8,018,465
State sources:					
State equalization assistance	22,160,771	19,706,754	19,114,506	13,980,949	12,481,844
State grants	946,478	1,017,666	1,132,650	7,452,515	370,129
School Facilities Oversight Board	39,749	72,686	45,619		24,456
Other revenues	5,283,571	6,712,731	4,736,253	4,810,616	2,996,166
Total state sources	28,430,569	27,509,837	25,029,028	26,244,080	15,872,595
Local sources:					
Property taxes	45,450,503	45,422,991	44,525,284	43,455,984	43,484,102
County aid				1,154,594	1,070,290
Food service sales	1,553,060	1,528,563	1,231,580	480,648	298,856
Investment income	3,018,409	2,217,189	1,098,770	605,659	677,301
Other revenues	11,083,077	9,981,342	11,262,357	8,273,992	4,935,978
Total local sources	61,105,049	59,150,085	58,117,991	53,970,877	50,466,527
Total revenues	$ 95,613,636	$ 93,843,000	$ 90,178,845	$ 85,472,032	$ 74,357,587

(Continued)

Madison Elementary School District No. 38
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2020	2019	2018	2017	2016
Federal sources:					
Federal grants	$ 3,605,134	$ 3,142,102	$ 3,435,017	$ 2,752,109	$ 2,515,831
National School Lunch Program	1,454,153	1,835,826	1,750,020	1,838,248	1,733,106
Total federal sources	5,059,287	4,977,928	5,185,037	4,590,357	4,248,937
State sources:					
State equalization assistance	13,970,886	12,990,132	10,316,837	10,541,683	11,691,784
State grants	225,640	289,811	277,592	270,667	250,752
School Facilities Oversight Board	32,035		225,085		
Other revenues	3,106,073	2,950,078	2,714,107	2,331,982	2,362,547
Total state sources	17,334,634	16,230,021	13,533,621	13,144,332	14,305,083
Local sources:					
Property taxes	42,457,605	40,604,197	39,328,787	37,377,781	36,280,473
County aid	1,115,123	1,079,883	894,346	880,839	895,811
Food service sales	1,258,798	1,565,531	1,331,647	1,059,846	1,104,413
Investment income	1,098,770	1,045,719	649,434	272,318	260,341
Other revenues	6,869,472	8,052,810	7,278,764	7,334,399	6,857,048
Total local sources	52,799,768	52,348,140	49,482,978	46,925,183	45,398,086
Total revenues	$ 75,193,689	$ 73,556,089	$ 68,201,636	$ 64,659,872	$ 63,952,106

Source: The source of this information is the District's financial records.
Note: Due to a change in legislation, beginning with fiscal year 2023, county aid is now presented with property taxes.

(Concluded)

Madison Elementary School District No. 38
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Expenditures:					
Current -					
Instruction	$ 29,418,232	$ 29,043,182	$ 27,697,852	$ 30,931,447	$ 27,145,890
Support services - students and staff	10,324,085	10,761,657	9,531,248	8,247,879	7,354,738
Support services - administration	11,434,282	10,206,436	8,734,085	7,479,474	7,471,431
Operation and maintenance of plant services	8,246,222	8,345,786	7,742,525	6,892,379	6,660,786
Student transportation services	2,741,537	2,369,021	3,235,443	1,952,170	1,613,198
Operation of non-instructional services	10,579,855	10,279,460	8,990,496	8,520,372	6,783,475
Capital outlay	13,167,420	28,051,559	37,768,268	6,663,129	11,029,972
Debt service -					
Principal retirement	12,970,000	12,710,000	12,745,000	13,205,000	12,730,000
Interest and fiscal charges	6,269,219	5,732,466	3,640,700	4,150,400	4,692,118
Bond issuance costs	313,557		316,968		
Total expenditures	$ 105,464,409	$ 117,499,567	$ 120,402,585	$ 88,042,250	$ 85,481,608
Expenditures for capitalized assets	$ 8,122,224	$ 19,623,094	$ 38,846,908	$ 6,886,779	$ 11,138,405
Debt service as a percentage of noncapital expenditures	20%	19%	20%	21%	23%

(Continued)

Madison Elementary School District No. 38
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	2020	2019	2018	2017	2016
Expenditures:					
Current -					
Instruction	$ 28,434,550	$ 27,116,197	$ 23,551,435	$ 22,090,820	$ 23,511,724
Support services - students and staff	7,293,886	6,772,769	5,581,162	5,174,747	5,603,618
Support services - administration	7,359,419	6,970,763	5,754,737	6,277,297	7,159,382
Operation and maintenance of plant services	6,343,447	6,025,449	5,959,603	5,692,886	5,915,974
Student transportation services	2,114,933	2,232,135	2,062,426	1,986,481	2,104,368
Operation of non-instructional services	7,629,559	7,851,127	6,753,757	6,686,039	6,198,277
Capital outlay	12,432,155	11,287,666	29,342,330	13,010,048	17,325,778
Debt service -					
Principal retirement	12,705,000	12,665,000	11,625,000	8,840,000	8,810,000
Interest and fiscal charges	3,568,234	3,703,934	3,732,694	2,732,740	2,714,276
Bond issuance costs	388,275	210,412		276,509	
Total expenditures	$ 88,269,458	$ 84,835,452	$ 94,363,144	$ 72,767,567	$ 79,343,397
Expenditures for capitalized assets	$ 11,870,896	$ 11,412,672	$ 29,799,388	$ 14,100,597	$ 18,376,933
Debt service as a percentage of noncapital expenditures	21%	22%	24%	20%	19%

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

(Concluded)

Madison Elementary School District No. 38
Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Excess (deficiency) of revenues over expenditures	$ (9,850,773)	$ (23,656,567)	$ (30,223,740)	$ (2,570,218)	$ (11,124,021)
Other financing sources (uses):					
Issuance of school improvement bonds	30,635,000		48,340,000		27,705,000
Issuance of refunding bonds					9,520,000
Premium on sale of bonds	4,627,382		7,012,727		8,574,463
Payment to refunded bond escrow agent					(10,642,526)
Transfers in	2,206,824	1,692,412	699,083	240,955	41,259
Transfers out	(2,206,824)	(1,692,412)	(699,083)	(240,955)	(41,259)
Insurance recoveries		10,428			
Total other financing sources (uses)	35,262,382	10,428	55,352,727		35,156,937
Changes in fund balances	$ 25,411,609	$ (23,646,139)	$ 25,128,987	$ (2,570,218)	$ 24,032,916

	2020	**2019**	**2018**	**2017**	**2016**
Excess (deficiency) of revenues over expenditures	$ (13,075,769)	$ (11,279,363)	$ (26,161,508)	$ (8,107,695)	$ (15,391,291)
Other financing sources (uses):					
Issuance of school improvement bonds	22,400,000		30,500,000		19,700,000
Issuance of refunding bonds					34,000,000
Premium on sale of bonds	3,252,494		5,293,548		2,485,933
Payment to refunded bond escrow agent					(20,469,640)
Transfers in	259,772	214,381	383,782	328,461	404,539
Transfers out	(259,772)	(214,381)	(383,782)	(328,461)	(404,539)
Total other financing sources (uses)	25,652,494		35,793,548		35,716,293
Changes in fund balances	$ 12,576,725	$ (11,279,363)	$ 9,632,040	$ (8,107,695)	$ 20,325,002

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

Madison Elementary School District No. 38
Net Limited Assessed Value and Full Cash Value of Taxable Property by Class
Last Ten Fiscal Years

Class	Fiscal Year 2025	2024	2023	2022	2021
Commercial, Industrial, Utilities and Mining	$ 478,821,803	$ 465,236,577	$ 482,739,346	$ 462,040,269	$ 452,899,663
Agricultural and Vacant	10,609,879	10,908,270	10,684,888	16,838,323	9,796,921
Residential (Owner Occupied)	545,155,582	522,778,315	499,721,604	482,531,620	448,314,563
Residential (Rental)	277,368,925	259,345,169	241,199,874	226,059,995	212,675,863
Historical Property	6,004,480	5,179,571	4,956,615	4,677,508	4,347,386
Certain Government Property Improvements	14,738		13,367	12,731	12,125
Total	$ 1,317,975,407	$ 1,263,447,902	$ 1,239,315,694	$ 1,192,160,446	$ 1,128,046,521
Gross Full Cash Value	$ 23,892,147,869	$ 20,031,994,223	$ 16,099,368,786	$ 15,276,426,717	$ 14,162,717,110
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6%	6%	8%	8%	8%
Total Direct Rate	3.76	3.77	4.52	3.86	3.86

Class	Fiscal Year 2020	2019	2018	2017	2016
Commercial, Industrial, Utilities and Mining	$ 435,786,997	$ 401,312,465	$ 380,449,871	$ 364,348,691	$ 363,084,108
Agricultural and Vacant	12,473,560	10,717,146	10,176,270	10,778,380	11,757,950
Residential (Owner Occupied)	421,389,295	403,136,792	381,417,366	357,535,422	344,764,358
Residential (Rental)	195,402,301	175,233,795	154,885,434	141,057,330	125,569,376
Historical Property	3,965,712	3,754,105	3,511,839	3,404,135	3,182,725
Certain Government Property Improvements	11,547	8,688	8,274	7,880	
Total	$ 1,069,029,412	$ 994,162,991	$ 930,449,054	$ 877,131,838	$ 848,358,517
Gross Full Cash Value	$ 12,819,552,745	$ 11,645,960,273	$ 10,765,008,766	$ 9,930,593,790	$ 8,883,800,443
Ratio of Net Limited Assessed Value to Gross Full Cash Value	8%	9%	9%	9%	10%
Total Direct Rate	4.24	4.36	4.48	4.56	4.65

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

Madison Elementary School District No. 38
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

Class	Fiscal Year 2025	2024	2023	2022	2021
Commercial, Industrial, Utilities and Mining	$ 796,891,479	$ 782,732,762	$ 654,042,925	$ 689,651,043	$ 626,989,852
Agricultural and Vacant	25,639,710	21,778,875	17,508,139	17,194,048	17,309,458
Residential (Owner Occupied)	1,026,556,494	863,646,444	678,771,510	630,193,631	600,216,375
Residential (Rental)	688,136,261	523,678,351	424,475,421	387,800,042	346,653,422
Historical Property	12,391,298	9,526,111	7,545,808	7,026,793	6,257,187
Certain Government Property Improvements	41,128		29,841	29,784	27,569
Total	$ 2,549,656,370	$ 2,201,362,543	$ 1,782,373,644	$ 1,731,895,341	$ 1,597,453,863
Gross Full Cash Value	$ 23,892,147,869	$ 20,031,994,223	$ 16,099,368,786	$ 15,276,426,717	$ 14,162,717,110
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	21,962,253,395	18,498,562,638	14,780,655,690	14,043,382,762	12,976,025,984
Total Direct Rate	3.76	3.77	4.52	3.86	3.86

Class	Fiscal Year 2020	2019	2018	2017	2016
Commercial, Industrial, Utilities and Mining	$ 571,488,786	$ 507,134,329	$ 474,899,648	$ 446,655,342	$ 399,239,111
Agricultural and Vacant	19,341,578	16,470,635	16,163,816	15,883,016	14,247,770
Residential (Owner Occupied)	553,575,130	520,908,322	491,460,718	459,315,030	429,914,577
Residential (Rental)	304,919,941	259,180,749	220,972,743	195,298,428	164,022,275
Historical Property	5,430,597	5,035,483	4,744,390	4,422,829	3,983,480
Certain Government Property Improvements		9,923	9,214	9,776	
Total	$ 1,454,756,032	$ 1,308,739,441	$ 1,208,250,529	$ 1,121,584,421	$ 1,011,407,213
Gross Full Cash Value	$ 12,819,552,745	$ 11,645,960,273	$ 10,765,008,766	$ 9,930,593,790	$ 8,883,800,443
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	11,815,306,205	10,641,303,125	9,793,573,480	9,070,891,732	8,095,770,247
Total Direct Rate	4.24	4.36	4.48	4.56	4.65

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

Madison Elementary School District No. 38
Property Tax Assessment Ratios
Last Ten Fiscal Years

Class	Fiscal Year 2025	2024	2023	2022	2021
Commercial, Industrial, Utilities and Mining	17 %	17 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	14	15	15	15

Class	Fiscal Year 2020	2019	2018	2017	2016
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	19 %
Agricultural and Vacant	15	15	15	15	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	14	15

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

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

Madison Elementary School District No. 38
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Overlapping Rates									District Direct Rates		
Fiscal Year Ended June 30	State Equalization	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Central Arizona Water	City of Phoenix	Phoenix Union High School District	Primary	Secondary	Total
2025		1.16	0.05	0.15	1.10	0.01	0.14	2.08	4.33	1.71	2.05	3.76
2024		1.20	0.05	0.15	1.14	0.01	0.14	2.10	4.50	1.71	2.06	3.77
2023		1.25	0.05	0.16	1.19	1.25	0.14	2.11	4.61	1.74	2.78	4.52
2022	0.43	1.35	0.06	0.18	1.23	0.01	0.14	2.12	4.72	1.83	2.03	3.86
2021	0.44	1.40	0.06	0.18	1.29	0.01	0.14	2.13	4.72	1.83	2.03	3.86
2020	0.46	1.40	0.06	0.18	1.33	0.01	0.14	2.13	4.98	1.95	2.29	4.24
2019	0.47	1.40	0.06	0.18	1.38	0.01	0.14	2.14	5.20	2.03	2.33	4.36
2018	0.49	1.40	0.06	0.18	1.41	0.01	0.14	2.16	2.03	2.09	2.39	4.48
2017	0.50	1.40	0.06	0.18	1.47	0.01	0.14	2.17	5.07	2.37	2.19	4.56
2016	0.51	1.36	0.06	0.16	1.49	0.01	0.14	1.82	4.96	2.40	2.25	4.65

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

Madison Elementary School District No. 38
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior

	2025		2016	
Taxpayer	**Net Limited Assessed Valuation**	**Percentage of District's Net Limited Assessed Valuation**	**Net Full Cash Assessed Valuation**	**Percentage of District's Net Full Cash Assessed Valuation**
Esplanade Owner LP	$ 34,256,144	2.60 %	$	%
Biltmore Center Owner LLC	21,382,520	1.62		
HP AZB Investments LP	18,857,905	1.43		
Biltmore Shopping Center Partners	13,298,529	1.01	10,883,086	1.08
FR Camelback Colonnade, LLC	13,151,152	1.00		
Arizona Public Service Company	11,891,659	0.90	9,892,218	0.98
24th and Camelback Phase II L.L.C.	11,729,848	0.89	11,115,000	1.10
Town & Country Camelback LLCETAL	8,852,343	0.67		
BOF III AZ Camelback Center LLC	8,822,520	0.67		
Pearl Biltmore LLC	8,329,602	0.63		
Metropolitan Life Insurance Co.			25,631,057	2.53
ABR Property LLC			16,008,374	1.58
East Camelback Road, Inc.			15,884,627	1.57
Hines VAV III 2375 East Camelback			11,100,207	1.10
Camelback Colonnade SPE LLC			9,587,039	0.95
TR Camelback Corp			7,693,271	0.76
Teachers Insurance and Annuity			7,556,946	0.75
Total	$ 150,572,222	11.42 %	$ 125,351,825	12.40 %

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

Madison Elementary School District No. 38
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	$ 49,254,604	$ 47,801,529	97.05 %	$	$ 47,801,529	97.05 %
2024	48,746,868	46,895,243	96.20	1,842,252	48,737,495	99.98
2023	47,390,993	46,925,365	99.02	461,867	47,387,232	99.99
2022	46,077,162	45,552,484	98.86	520,428	46,072,912	99.99
2021	46,051,768	45,475,472	98.75	574,476	46,049,948	100.00
2020	45,027,439	44,296,040	98.38	729,299	45,025,339	100.00
2019	43,932,565	43,365,819	98.71	565,298	43,931,117	100.00
2018	41,765,612	40,604,197	97.22	1,160,100	41,764,297	100.00
2017	39,902,702	37,337,781	93.57	2,564,236	39,902,017	100.00
2016	39,512,888	36,280,473	91.82	3,232,038	39,512,511	100.00

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

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

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

Madison Elementary School District No. 38
Outstanding Debt by Type
Last Ten Fiscal Years

	General Obligation Bonds						Total Outstanding Debt			
Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases/ Leases/SBITAs	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2025	$ 148,457,732	$ 2,052,335	$ 146,405,397	0.61 %	$ 2,255	$	$ 148,457,732	0.62 %	$ 2,287	0.05 %
2024	128,923,788	2,177,444	126,746,344	0.63	1,967		128,923,788	0.64	2,001	0.03
2023	130,380,745	14,787,743	115,593,002	0.72	1,816		130,380,745	0.81	2,048	0.03
2022	89,950,261	14,282,485	75,667,776	0.50	1,166		89,950,261	0.59	1,386	0.02
2021	105,623,489	1,719,406	103,904,083	0.73	1,629		105,623,489	0.75	1,656	0.03
2020	122,806,437	2,137,603	120,668,834	0.94	1,891		122,806,437	0.96	1,925	0.04
2019	101,489,792	1,381,507	100,108,285	0.86	1,607		101,489,792	0.87	1,629	0.03
2018	89,549,309	1,337,091	88,212,218	0.82	1,437		89,549,309	0.83	1,459	0.03
2017	102,029,997	758,384	101,271,613	1.02	1,680		102,029,997	1.03	1,692	0.04
2016	75,402,783	1,300,636	74,102,147	0.83	1,253		75,402,783	0.85	1,275	0.03

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

Madison Elementary School District No. 38
Direct and Overlapping Governmental Activities Debt
June 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable to School District	Estimated Amount Applicable to School District
Overlapping:			
Maricopa County Community College District	$ 87,320,000	2.36 %	$ 2,060,752
Maricopa County Special Healthcare District	574,205,000	2.36	13,551,238
City of Phoenix	1,204,104,000	7.92	95,365,037
Phoenix Union High School District No. 210	364,285,000	19.92	72,565,572
Subtotal, Overlapping Debt			183,542,599
Direct:			
Madison Elementary School District No. 38			148,457,732
Total Direct and Overlapping Governmental Activities Debt			$ 332,000,331

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	11.11 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	$ 5,083
As a Percentage of Net Limited Assessed Valuation	25.03 %
As a Percentage of Gross Full Cash Value	1.38 %

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

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

2) Outstanding debt as of June 30, 2024 is presented for the overlapping governments as this is the most recent available information.

Madison Elementary School District No. 38
Legal Debt Margin Information
Last Ten Fiscal Years

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2025:

Net full cash assessed valuation	$ 2,549,656,370
Debt limit (10% of assessed value)	254,965,637
Debt applicable to limit	155,047,096
Legal debt margin	$ 99,918,541

Total Legal Debt Margin Calculation for Fiscal Year 2025:

Net full cash assessed valuation	$ 2,549,656,370
Debt limit (15% of assessed value)	382,448,456
Debt applicable to limit	155,047,096
Legal debt margin	$ 227,401,360

	Fiscal Year Ended June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Debt Limit	$ 382,448,456	$ 330,204,381	$ 267,356,047	$ 259,784,301	$ 239,618,079
Total net debt applicable to limit	155,047,096	133,860,882	128,486,434	89,000,617	104,038,713
Legal debt margin	$ 227,401,360	$ 196,343,499	$ 138,869,613	$ 170,783,684	$ 135,579,366
Total net debt applicable to the limit as a percentage of debt limit	41%	41%	48%	34%	43%

	2020	**2019**	**2018**	**2017**	**2016**
Debt Limit	$ 218,217,334	$ 196,310,916	$ 181,237,579	$ 168,237,663	$ 151,711,082
Total net debt applicable to limit	120,831,029	100,252,789	81,557,030	93,735,295	71,531,078
Legal debt margin	$ 97,386,305	$ 96,058,127	$ 99,680,549	$ 74,502,368	$ 80,180,004
Total net debt applicable to the limit as a percentage of debt limit	55%	51%	45%	56%	47%

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

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

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

Madison Elementary School District No. 38
County-Wide Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated District Population
2024	4,726,247	$ 312,350,417	$ 68,111	3.1 %	64,915
2023	4,665,020	288,842,282	63,461	3.4	64,429
2022	4,586,431	268,713,717	59,759	3.3	63,651
2021	4,507,419	249,677,860	56,255	4.5	64,879
2020	4,439,220	245,077,753	53,521	6.6	63,800
2019	4,367,835	222,943,072	49,704	3.6	63,800
2018	4,294,460	210,370,180	47,694	4.1	62,301
2017	4,221,684	196,286,191	45,573	4.2	61,373
2016	4,137,076	280,120,037	40,415	4.5	60,287
2015	4,076,438	184,784,917	42,092	5.5	59,119

Sources: The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.
The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics.

Madison Elementary School District No. 38
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior

	2025			2016		
Employer	**Employees**	**Percentage of Total Employment**		**Employees**	**Percentage of Total Employment**	
State of Arizona	28,870	1.49	%	48,910	2.71	%
Banner Health	28,350	1.47		30,266	1.67	
Amazon	25,570	1.32				
Walmart Stores, Inc.	18,050	0.93		32,438	1.79	
Maricopa County	15,320	0.79		13,341	0.74	
Frys Food Stores	14,790	0.77				
Intel Corporation	12,990	0.67		11,700	0.65	
Wells Fargo	12,200	0.63		14,126	0.78	
Maricopa County Community College District	11,670	0.60				
Arizona State University	10,970	0.57		12,229	0.68	
City of Phoenix				14,875	0.82	
JP Morgan Chase				9,600	0.53	
Apollo Group Inc.				9,417	0.52	
Total	178,780	9.24	%	196,902	10.89	%
Total employment	1,933,200			1,807,624		

Source: The source of this information is the 2024 Maricopa Association of Governments Employer Database and the 2015 Business Journal Book of Lists.

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

Madison Elementary School District No. 38
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	2025	**2024**	**2023**	**2022**	**2021**
Supervisory					
Directors/supervisors of instruction	5	5	6	6	11
Principals	8	8	8	8	6
Assistant principals	8	8	8	6	5
Total supervisory	21	21	22	20	22
Instruction					
Teachers	299	287	290	326	288
Other teachers (adult)	16	15	10	9	15
Other professionals (instructional)	23	25	24	23	24
Aides	58	46	58	54	86
Total instruction	396	373	382	412	413
Student Services					
Counselors/Advisors	8	7	6	7	8
Librarians	8	8	8	8	9
Total student services	16	15	14	15	17
Support and Administration					
Service workers	359	350	320	308	281
Total support and administration	359	350	320	308	281
Total	792	759	738	755	733

(Continued)

Madison Elementary School District No. 38
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	2020	**2019**	**2018**	**2017**	**2016**
Supervisory					
Directors/supervisors of instruction	10	10	8	15	15
Principals	8	8	8	8	8
Assistant principals	6	7	6	6	6
Total supervisory	24	25	22	29	29
Instruction					
Teachers	284	283	280	280	282
Other teachers (adult)	14	8	7	10	12
Other professionals (instructional)	22	21	16	17	15
Aides	107	80	84	84	76
Total instruction	427	392	387	391	385
Student Services					
Counselors/Advisors	8	8	7	7	8
Librarians	8	8	8	8	9
Total student services	16	16	15	15	17
Support and Administration					
Service workers	262	294	296	243	248
Total support and administration	262	294	296	243	248
Total	729	727	720	678	679

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

(Concluded)

Madison Elementary School District No. 38
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2025	5,292	$ 72,744,213	$ 13,746	2.41 %	$ 93,236,992	$ 17,618	(0.50) %	299	17.7	37.3 %
2024	5,290	71,005,542	13,423	7.06	93,670,644	17,707	26.58	287	18.4	32.2
2023	5,259	65,931,649	12,537	4.29	73,570,160	13,989	2.94	290	18.1	30.0
2022	5,326	64,023,721	12,021	11.91	72,382,340	13,590	6.97	326	16.3	30.4
2021	5,309	57,029,518	10,742	1.55	67,448,536	12,705	0.92	288	18.4	30.4
2020	5,594	59,175,794	10,578	5.12	70,423,966	12,589	15.94	284	19.7	34.8
2019	5,661	56,968,440	10,063	12.04	61,469,136	10,858	8.62	283	20.0	34.8
2018	5,529	49,663,120	8,982	3.74	55,269,603	9,996	2.85	280	19.7	34.8
2017	5,533	47,908,270	8,659	(3.73)	53,778,218	9,720	(3.87)	280	19.8	38.2
2016	5,614	50,493,343	8,994	4.01	56,762,596	10,111	0.83	282	19.9	39.2

Source: The source of this information is the District's financial records.
Note: Operating expenditures are total expenditures less debt service and capital outlay.

Madison Elementary School District No. 38
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
Schools										
Elementary										
Buildings	27	27	27	27	27	27	32	32	32	32
Square feet	362,841	362,841	362,841	362,841	362,841	334,748	424,649	424,649	406,456	406,456
Enrollment	2,581	3,355	2,801	2,429	2,667	2,990	3,428	3,537	3,548	3,549
Middle										
Buildings	15	15	21	21	21	23	33	33	33	33
Square feet	411,324	411,324	384,783	377,768	377,768	337,994	323,184	323,184	323,184	323,784
Enrollment	2,939	2,517	2,438	2,890	2,431	2,604	2,233	2,808	2,366	2,414
Other										
Buildings	7	7	7	7	7	6	5	4	4	4
Square feet	190,482	190,482	190,482	190,482	190,482	83,644	50,370	50,370	50,370	44,570

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

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