



Photos of GPS Career & Technical Education Programs

Maricopa County, Arizona

PUBLIC SCHOOLS

140 South Gilbert Road, Gilbert, Arizona

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2025**

Gilbert Unified School District No. 41

Gilbert, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2025**

Issued by:
Business Services Department

Gilbert Unified School District No. 41

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Introductory Section



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SUPERINTENDENT

Dr. Shane McCord

ASSOCIATE SUPERINTENDENT

Ms. Bonnie J. Betz

ASSISTANT SUPERINTENDENTS

Dr. Jason Martin

Ms. Marcie Taylor

Mr. Shawn McIntosh

Dr. Jared Ryan

GILBERT PUBLIC SCHOOLS

GOVERNING BOARD

Mr. Chad Thompson, President

Dr. Blake Robison, Clerk

Mrs. Jill Humpherys, Member

Mrs. Shana Murray, Member

Mr. Jesse Brainard, Member

December 29, 2025

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

It is our pleasure to submit to you the Gilbert Unified School District No. 41 (the District otherwise known as Gilbert Public Schools) Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all 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 audited District's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

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

PROFILE OF THE DISTRICT

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

District Governance

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

The Governing Board consists of five members elected by the public. Beginning in January of 2025, these five individuals included Board President, Mr. Chad Thompson, Board Clerk, Dr. Blake Robison, and Board members, Mrs. Jill Humpherys, Mrs. Shana Murray and Mr. Jesse Brainard.

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

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

District Leadership and School Performance

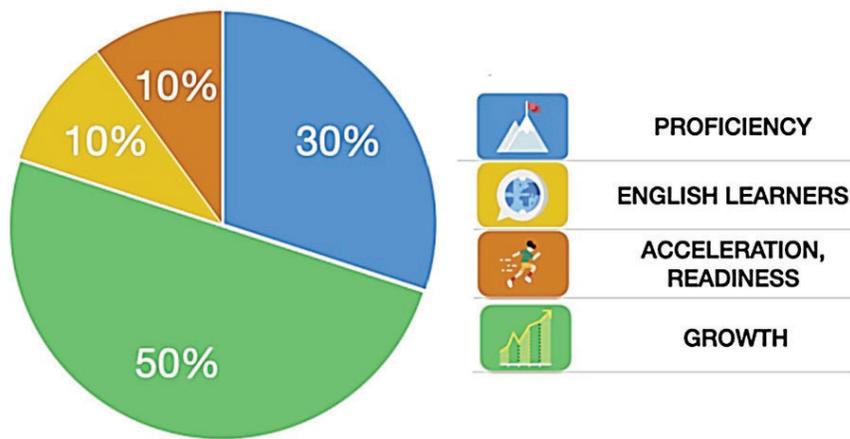
Dr. Shane McCord, at the end of FY 2025, completed his 8th year as Superintendent of Gilbert Public Schools. During FY 2019, he led his leadership team in the process of creating a Strategic Operating Plan (SOP). This plan included four main elements surrounding the overall priority of Student Success: Safe and Supportive Schools, Employee Excellence, Family and Community Engagement and finally, Operational Excellence.

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

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

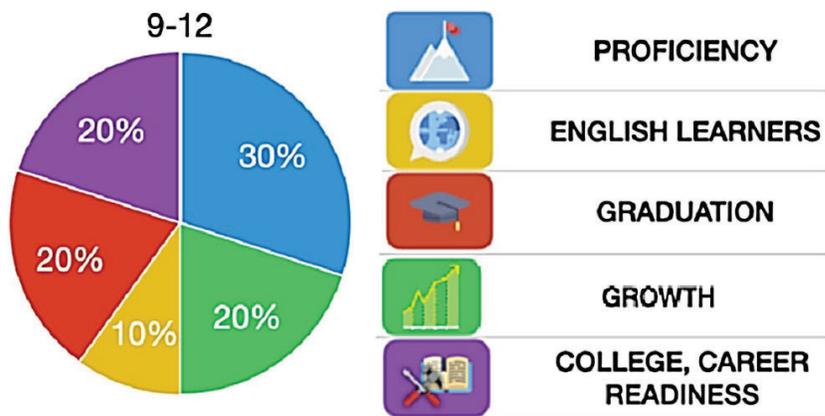
Note that for FY 2025, Canyon Valley School applied for alternative school status and was approved. In addition, Global Academy, the GPS Online School offering, was reconstituted as a district-wide program serving high school students only.

The academic achievement for FY 2025 has been reported and is again, improved over the great successes of FY 2024. For background, academic achievement in Arizona is measured based on Section 15-241 of the Arizona Revised Statutes (A.R.S). This statute requires the Arizona Department of Education to develop an annual achievement profile for every public school in the State based on an A through F scale. For Kindergarten through 8th grade schools, this accountability formula is defined below in order to assess a student’s year over year academic performance.

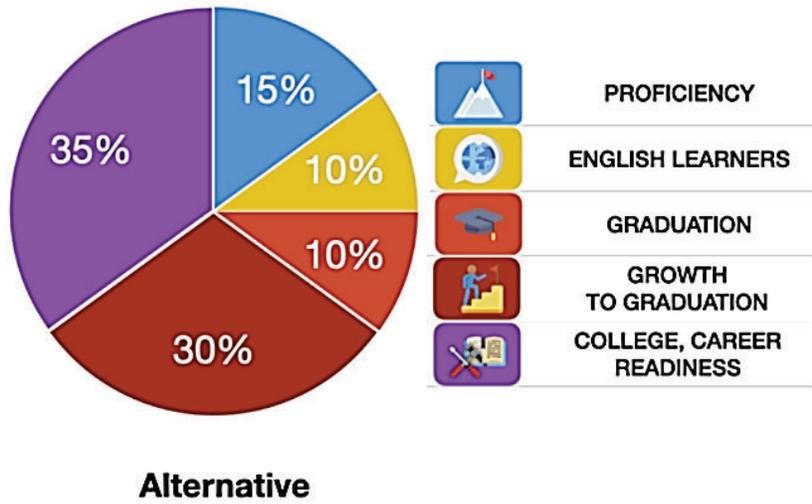


K-8

For high school (9th thru 12 grade), the accountability formula is defined as follows:



For the lone alternative school, Canyon Valley, the accountability formula is defined below:



The reports released at the end of October, 2025, have re-affirmed the “A” Rating for GPS identifying GPS as an excelling school district in Arizona. All 38 schools achieved an “A” or “B” rating indicating an Excelling or Highly Performing school. Again, Canyon Valley, newly formed as an alternative school, also achieved a “B” rating.

Five (5) of the six (6) high schools achieved their own “A” rating (to include Gilbert Classical Academy, a 7-12 school). Three of the GPS high schools achieved point totals that ranked them in the top 50 high schools in the State. All six high schools achieved the total points (20 out of 20) on College and Career Readiness for the 2nd year in a row. All high schools saw dramatic improvements associated with the performance of all subgroups. Every school increased Advanced Placement participation with an overall 7% increase in the number of passing grades. Participation in accelerated and honors courses also has increased over last year. Finally, the graduation rate increased from 90% to 92.4% - the highest graduation rate ever recorded in Gilbert Public Schools.

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

Finally, twenty-four (24) of the twenty-six (26) K-6 elementary schools earned an “A” rating with two (2) elementary schools achieving a “B” rating. In summary, 100% of all GPS schools achieved an “A” or “B” rating with over 88% earning an “A” and GPS has successfully achieved an “A” district rating for three years in a row.

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

Other notable achievements include:

- Offering Excelling or Highly Performing Educational Choice with Accelerated Instruction, Traditional, Dual-Language, Advanced Placement, International Baccalaureate, and numerous Career and Technical Education (CTE) classes all of which earned a Proficient or Distinguished Quality Rating from the Arizona Department of Education CTE Department
- Expansion of Gifted learning opportunities as well as increasing staff supporting English language acquisition
- Athletic Achievements with State Champions in Cheer and Pom, Men’s Volleyball, Track and Field, and Cross Country.
- Performing Arts Successes with the NAMM Award for Music Education 6 years in a row.

FACTORS AFFECTING FINANCIAL CONDITION

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

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

The various circumstances impacting the financial condition of Gilbert Public Schools in this reporting year as well as the current year are discussed below.

The FY 2025 Operating Budget

The State of Arizona enacted a budget for FY 2025 that included an ongoing increase in operational funding and increased the District Additional Assistance (DAA) allocation by 2% as a one-time increase. The District Additional Assistance, or DAA, is the State public-school district capital funding and had been adjusted down from the statutory formula from 2015 through 2020. In the aggregate for Gilbert Public Schools, this decrease in capital funding amounted to a loss of over \$75 million.

The District, in addition to budgeting for a 15% override (the final year of the five-year authority), and considering the legislative actions associated with the State budget, adopted a FY 2025 budget assuming a loss of 1,200 students from FY 2024. The District adopted an operating budget of about \$287.7 million, a value \$4.45 million less than the prior fiscal year due to the projected loss of 1,200 students.

As Gilbert Public Schools continues with full in-person learning, the GPS online school – Global Academy – has transitioned in FY 2025 from an online school to a District program. Only high school students are eligible to take online courses and their associated ADM is accounted for at their home school.

The table below shows the changes in student counts, or Average Daily Membership (ADM) through 100 days. As a reminder, the definition of student count or ADM is the number of student full time equivalent (FTE) in membership from day 1 to day 100 of the 180 school days required in Arizona. As explained above, note that in FY 2025, GPS did not report Online ADM to the State of Arizona.

	FY 2024 Final Recalc	FY 2025 Adopted	FY 2025 Revised #4	FY 2025 Final Recalc
In Person	30,627	29,707	30,002	30,017
Arizona Online Full-Time	127	-0-	-0-	-0-
Arizona Online Part-Time	106	-0-	-0-	-0-
TOTAL	30,860	29,707	30,002	30,017
Weighted Student Counts	45,444	45,340	44,586	44,801

From the table above, at year end, GPS realized a total student count loss of about 843 students resulting in an increased budget capacity from adopted. The weighted student counts, however, decreased by only 643 students from the prior year. As competition for student enrollment continues to grow with educational choice expanded to Empowerment Scholarship Accounts (ESA's or school vouchers), students with a disability or higher need continue to enroll in the local public school district. In Arizona, the funding formula provides add-on student counts for those students with a special education need, or are identified as at-risk. Today, it is expected that student counts change each month as student enrollment changes. As a reminder, Arizona school districts have been funded based on current year student counts (ADM) since fiscal year 2017.

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

Budget Item	FY2024 Revised #2	FY 2025 Adopted	FY 2025 Revised #4	Difference Adopted to Revised
Weighted Student Count	45,388	43,971	44,586	615
Revenue Control Limit (RCL)	\$ 235.22 M	\$ 232.37 M	\$ 223.23 M	\$ (9.14) M
DAA to M&O	0.00 M	2.00 M	0.00 M	(2.00) M
15% Override (Based on PY Weighted ADM)	35.77 M	35.10 M	36.01 M	0.91 M
Budget Balance Carry Forward (BBCF)	18.86 M	15.93 M	20.26 M	4.33 M
FRPL & DAA One-time Funding	0.00 M	0.00 M	1.50 M	1.50 M
Proposition 123 (Expires FY25) & Tuition In	2.25 M	2.24 M	1.95 M	(0.29) M
TOTAL Budget Limit for M&O	\$ 292.10 M	\$ 287.64 M	\$ 282.95 M	\$ (4.69) M

First, note the decrease in the RCL of about \$9.14 M from FY 2025 Adopted to FY 2025 Revised #4. Due to the gain in students from projected, the RCL (the base funding level) increased. Due to this increase, it was recommended to the Governing Board to transfer \$12.5 M from Maintenance and Operations (M&O) to Unrestricted Capital. Due to state law, the M&O fund earns interest from the State Treasurer but school districts are not allowed to increase their budget capacity associated with these interest earnings. Unrestricted Capital interest earnings, however, are included in the budget capacity calculation. This transfer was intended to realize interest earnings to fund future capital projects. During the past two years, interest earnings in Unrestricted Capital have been about \$1 million. In the event that additional monies are required in M&O, these monies are easily transferred back. It is important to note that both M&O and Unrestricted Capital are considered a part of the General fund as reported in this Financial Report.

Note the Budget Balance Carry-forward (BBCF) increase from Adopted. Finance staff are conservative in estimating BBCF for the Adopted Budget. The final budget must be approved no later than May 15 prior to the end of the school year and prior to the 60-day encumbrance period. As purchase orders are closed and appropriate journal entries are made, additional BBCF is realized.

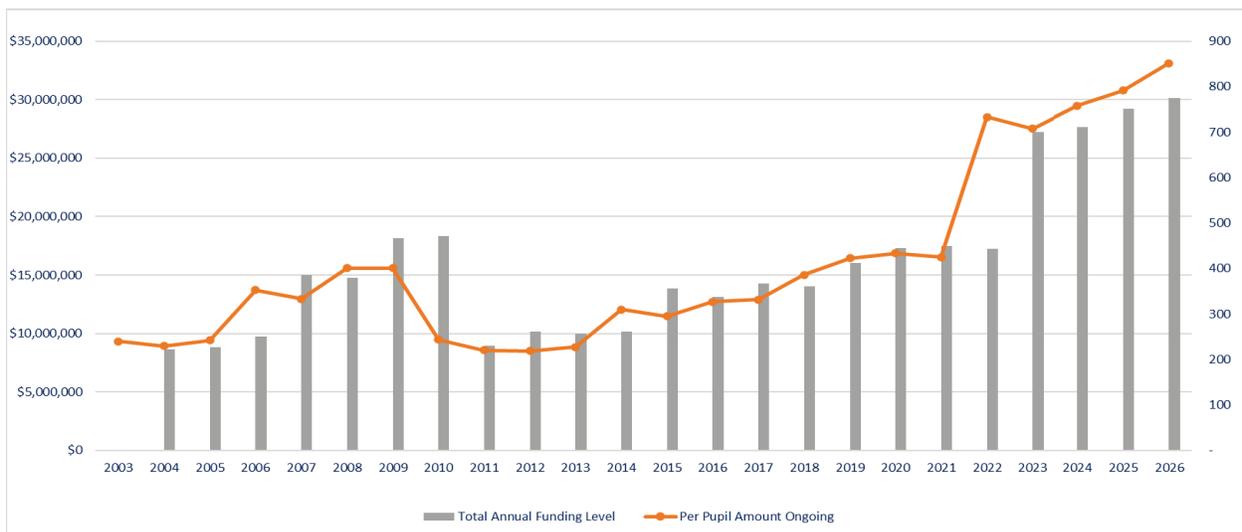
Due to the overall increase in State resources, most notably Classroom Site Fund, as well as realized staffing savings associated with fewer students, the Governing Board approved inflationary increases as well as a 2% pay increase for all staff. In addition, in the November 2024 election, the District successfully passed the 15% Override renewal securing this much needed override budget for the next five years (pursuant to State law, the Override includes 5% phase downs in years 6 and 7 unless renewed again.) Because of the success of the election, at the semester end, a \$1,200 stipend was awarded to all teachers and exempt staff and \$1,000 was awarded to all hourly staff. Over \$ 8 M was added to retain and attract high quality personnel in all positions throughout the District. All recommended and approved budgetary increases were consistent with the goals specified in the Strategic Operating Plan.

As has been the practice from FY 2020 through FY 2024, the District purposefully controlled FY 2025 spend of local funds. The control of spend is always important due to the uncertainty of ongoing revenue streams as well as the future potential for continued enrollment loss.

Classroom Site Fund (CSF) Contribution to Operating Budget:

In balancing the FY 2025 budget, Classroom Site Fund (CSF) revenues of \$ 4 M were allocated to help pay the 2% salary increases for certified and other certificated professional staff at our schools to include social workers, speech pathologists and psychologists. CSF monies were also allocated to pay the \$1,200 stipend to all those eligible for CSF monies.

The Classroom Site Fund is a Special Revenue fund that accounts for State Land Trust revenues as well as a 0.01 cent sales tax approved by the voters in 2002 and approved to be ongoing by the legislature for FY 2023 and on. In addition, for FY 2024, CSF use was expanded to include other certificated personnel – not just teachers – supporting students at our schools. For FY 2025, the amount per pupil was \$792 with a budgeted expected revenue of \$30.2 M, an increase of over \$700,000 M from FY 2024. Without this important revenue source, salary increases at this level would not have been possible. Below is a graph showing the significant increases in Classroom Site Fund on a per student basis since approval in November of 2002.



Local Economy

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

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

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

Maricopa County is currently the nation's fourth largest county in terms of population size. Maricopa County has a very wide range of economic sectors supporting its substantial growth. Less than 16 percent of the County is incorporated in cities and towns. As of this writing, the County's population is estimated to be approaching 4.7 M

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

Gilbert is the principal town within Gilbert Public Schools along with portions of Maricopa County property and portions of the cities of Mesa and Chandler. For the past 10 years, Gilbert Public Schools has been ranked first as the largest employer within the Town reporting over 4,000 employees.

Gilbert became a prime farming community fueled by the construction of a railroad line in 1902 as well as construction of the Roosevelt Dam and the Eastern and Consolidated Irrigation Canals in 1911. Gilbert has experienced a rapid transition from a historically agriculture-based community to an urban center and suburb in the Phoenix Metropolitan area, which is ranked in the top ten best areas in the country for business, with technology leading the field of growth. Gilbert has grown at a pace unparalleled by most communities in the United States, increasing in population from 5,717 in 1980 to over an estimated population of 292,711 at the end of FY 2024. As Gilbert has aged and grown – the Town turned 100 in 2020 - the community has recognized the need to develop a strong, diverse economy while reserving its highly desirable quality of life.

Today, the Town of Gilbert is a young, affluent community that saw tremendous growth during the past two decades. Gilbert is a safe, clean and vibrant community dedicated to providing quality services at the best value. Gilbert is a community committed to education; 49.1% of residents age 25 and older hold a bachelor's degree or higher, compared with about 34.3% statewide and 36.8% nationally. Notable employers like Banner Health, Banner MD Anderson Cancer Center, Dignity Health, Deloitte, Footprint, Silent-Aire, Northrop Grumman, Zero Electric Vehicles, Li-Cycle, Lockheed Martin, and the worldwide headquarters of Isagenix benefit from this commitment to education and have helped keep Gilbert's fiscal year 2024 unemployment rate at 3.0%, as compared to 3.9% for the State of Arizona.

Gilbert has received numerous awards and recognitions, three notable ones are included below:

- AAA Bond rating from all three major rating agencies (S&P, Moody's, and Fitch)
- #1 City for Economic Growth, 250K - 500K Population (CoworkingCafe, 2024)
- 6th Best Place to Raise a Family (WalletHub, 2024)

Finally, the housing market and commercial development within the Town of Gilbert continues to be strong. During FY 2025, the limited assessed value grew by 7.3% from \$2.999 billion to \$3.217 billion. This continued assessed value growth decreases the risk of greater property tax delinquencies associated with economic declines and allows the Town to continue to provide community services within a very affordable tax rate.

Long-term Financial Planning

Beginning in 1985, Gilbert Public Schools experienced a twenty-year period of rapid enrollment growth. This enrollment growth began slowing down in 2006. Since the 2010-2011 school year GPS has experienced a trend of declining enrollment. Though there was an uptick in student counts in FY 2020, as previously mentioned, and a significant reduction in FY 2021 due to the pandemic, student counts increased from 2021 but continues a slow decline in 2023 and has accelerated a bit in the current year, 2025, with the reported 843 ADM loss.

Due to this continuing slow decline, GPS engaged in a Master Capital Planning process during FY 2023 and continued throughout FY 2025 and ongoing into the future. It is important that GPS prioritizes capital spend where it is most needed. The District partnering firms, Orcutt-Winslow and Ameresco presented the status of GPS facilities in the spring of 2023. Presently, staff is working on an update to this formal Master Capital Plan to be published in the Spring of 2026.

The overall facility portfolio statistics are included below:

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

At the end of FY 2025, there was an outstanding deferred maintenance amount of about \$89.6 million, considerably improved over the original amount reported in FY 2023 of \$198 M. This improvement is a result of spending the bond dollars on the most urgent needs as well as continuing to clean up the database ensuring the data is accurate and that the life cycle data represents the experiences here in Arizona.

The Bond spend during FY 2025 was prioritized to the highest needs with expenditures of just under \$5 million exhausting nearly all of the available bond funds and bonding authority. At year-end, a \$633,000 balance is being reported within the Transportation category identified for the purchase of student transportation vehicles. Because of this drawdown of Bond funds but continued aging of facilities, Gilbert Public Schools held a Bond and 15% Override Continuation election in November of 2023. Unfortunately, both the Bond and Override questions failed.

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

Presently, the Asset Planner database has been updated to reflect current capital project costing and an updated FCI (Facility Condition Index) ensuring GPS has all the information needed to continue prioritizing capital projects given the limited capital funding. As a reminder, in FY 2023, an FCI of 10.7% was reported representing a value in the "fair" range. Today, GPS is reporting an FCI of 4.6 %, a value in the "good" range.

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

Finance staff continue to plan for future needs without increasing the Bond Debt Service tax rate. GPS continues to amortize outstanding debt over short timeframes providing an opportunity for new debt to fill in older debt as debt is paid off. Due to these strategies, there is still an opportunity in November of 2026 to manage a no tax rate increase even with an additional \$100 M to \$200 M request of bonding authority. Conversations regarding a future Bond question have begun but final decisions for a November 2026 Bond election have not been made.

AWARDS AND ACKNOWLEDGMENTS

Awards. The Association of School Business Officials (ASBO) International awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the 39th consecutive year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2024. In order to be awarded these certificates, the District publishes an easily readable and efficiently organized annual comprehensive financial report. This report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements. These certificates are valid for a period of one year only.

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

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

Respectfully submitted,


Dr. Shane McCord
Superintendent


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



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Gilbert Unified School District #41

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

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'. The signature is written in a cursive style and is positioned above a horizontal line.

Ryan S. Stechschulte
President

A handwritten signature in black ink, reading 'James M. Rowan'. The signature is written in a cursive style and is positioned above a horizontal line.

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



2025-2026
Gilbert Public Schools
Organizational Chart

GPS GOVERNING BOARD

President Chad Thompson, Clerk Dr. Blake Robison, Member Jesse Brainard, Member Jill Humpherys, Member Shana Murray

Superintendent
Dr. Shane McCord

Executive Director
Communications & Marketing
Dawn Mackay

Assistant Superintendent
Talent Management
Shawn McIntosh

Assistant Superintendent
Teaching & Learning
Jared Ryan

Associate Superintendent
Business Services
Bonnie Betz

Assistant Superintendent
Elementary Education
Dr. Jason Martin

Assistant Superintendent
Secondary Education
Marcie Taylor

Chief Technology Officer
Technology
Jon Castelhana

Director
Tech Infrastructure and
Cyber Security
Scott Haase

Director
Data & Research
Ryan Nelson

Coordinator
Instructional Technology
Shawn Abele

Executive Director
Talent Management
Dr. Joyce Jacobs

Executive Director
Talent Management
Missy Udall

Director
Curriculum & Assessment
Elementary
Robert Bircher

Director
Curriculum & Assessment
Secondary
Dr. Krista Cox

Director
CTE
Doug Daley

Director
Professional Growth
& Development
Julie Oster

Director
Special Education
Darrin Praska

Assistant Director
Special Education
Courtney Medina

Director
Federal & State Programs
Cheryl Pollack-Neuser

Coordinator
Adult Education
Delia Flores

Director
Finance
Jackie Mattinen

Director
Maintenance &
Operations
Albert Dutchover

Director
Nutrition Services
Natalie Tenney

Director
Transportation
Trace Tolby

Elementary Principals

Director
Health Services
Jennefer Frost

Director
Community Education
Rod Huston

Director
Early Childhood
Dawn Koberstein

Coordinator
K-12 Prevention
Susan Cadena

Instructional Leadership Coach
Elementary
Thea Hansen

Secondary Principals

Director
District Athletics
Steve McDowell

Director
Safety & Security
Allen Cain

Coordinator
Student Hearings
Dr. Jim Lockwood

Coordinator
Title IX & Secondary
Summer School Principal
Dr. Danielle Fuchs

Instructional Leadership Coach
Secondary
Tim Cannon

Gilbert Unified School District No. 41

List of Principal Officials

Governing Board

Mr. Chad Thompson, President

Dr. Blake Robison, Clerk

Mrs. Jill Humpherys, Member

Mr. Jesse Brainard, Member

Ms. Shana Murray, Member

Administrative Staff

Dr. Shane McCord, Superintendent

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

Mr. Shawn McIntosh, Assistant Superintendent of Talent Management

Dr. Jared Ryan, Assistant Superintendent of Teaching and Learning

Ms. Marcie Taylor, Assistant Superintendent of Secondary Schools

Dr. Jason Martin, Assistant Superintendent of Elementary Schools



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Financial Section



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Independent Auditor's Report

Governing Board
Gilbert Unified School District No. 41

Report on Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilbert Unified School District No. 41 (District), as of and for the year ended June 30, 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 Gilbert Unified School District No. 41, as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Change in Accounting Principle

As described in Note 1 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, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2025, on our consideration of Gilbert Unified School District No. 41's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Gilbert Unified School District No. 41's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gilbert Unified School District No. 41's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Scottsdale, Arizona
December 29, 2025



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



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Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

As management of the Gilbert Unified School District No. 41 (District, or GPS), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. The Management's Discussion and Analysis is presented as required supplementary information to the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Letter of Transmittal which can be found in the Introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased \$15.6 million which represents a four percent increase from the prior fiscal year. This increase was due to the substantial decrease in outstanding current and long-term liabilities which outpaced the decrease of \$40 million in assets. During FY 2025, General Obligation debt decreased by \$22 million to \$108.9 million and the net pension liability decreased by \$21.1 million. In addition, due to the substantial spend of Bond dollars in FY 2024 as well as the final spend down of ESSER (Covid-19 related) Grants, the current liabilities associated with Accounts Payable decreased from \$15.8 million down to \$4.2 million at the end of FY 2025.
- General revenues from the Government-wide activities accounted for \$360.1 million in revenue, or 86 percent of all current fiscal year revenues. This revenue amounts to over \$17.2 million in decreased revenues from the prior year. Program specific revenues in the form of charges for services and grants and contributions accounted for \$58.3 million or 14 percent of total current fiscal year revenues.
- The District reported approximately \$402.8 million in expenses related to governmental activities, a decrease of four percent from the prior fiscal year for a total decrease of about \$17.0 million. Explanations are included below.
 - During FY 2025, GPS planned for a 1,200 ADM loss and realized a loss of 843 ADM. Because of this student loss, it was not necessary to hire about 40 teachers as well as other personnel supporting students. In addition, due to natural retirements - replacing more experienced teachers with less experienced teachers - there was an overall decrease in instructional spend associated with lower salaries. Due to natural attrition, it was not necessary to implement a formal reduction in force (RIF) process.
 - In spite of the loss of students and associated spend, the Governing Board approved a 2% pay increase for all staff and committed to an additional stipend if GPS was successful in passing the 15% Override Renewal. As reported earlier, GPS was successful in getting the Override Renewal passed so the stipends were paid at the end of the first semester.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Financial Highlights (Cont'd)

- Among major funds, the General Fund had \$312.1 million in current fiscal year revenues, primarily consisting of state aid and property taxes, with a small amount associated with Federal Aid from Medicaid and E-Rate. There were \$305.6 million in General Fund expenditures. The General Fund's fund balance increase from \$146.4 million at the prior fiscal year end to \$154.7 million at the end of the current fiscal year was primarily due to continued control of spend as well as purposely preserving unrestricted capital monies for future years especially given the age of District buildings and equipment and the lack of Bond dollars.
- Net position for the Internal Service Funds decreased by \$215,448 from the prior fiscal year due to increased claims expense from FY 2024. The Employee Benefit Trust (EBT) is the largest fund within the Internal Service funds. Some of the higher claims were partially offset by stop loss reimbursements as well as higher than expected pharmacy rebates. In one case, during the FY 2025 Stop Loss premium renewal process, the Stop Loss Insurance provider, Matrix, imposed a "laser" on one claimant with a rare disease requiring a high cost pharmaceutical. This "laser" imposed a direct claim of over \$850,000 to the EBT plan that normally would have been offset by a stop loss reimbursement. Finally, due to the investment strategies approved by the EBT Trust Board and the GPS Governing Board, the investment income was \$835,755 offsetting a larger operating loss.

As a reminder, a major change to the financial operation of the EBT was adopted in December of 2022. At the December 14, 2022 Governing Board Meeting, Staff recommended that the District form a formal Employee Benefit Trust and create a formal Employee Benefit Trust Board. Later in the Spring, the Governing Board also adopted a conservative investment policy complying with State statute and ensuring the preservation of EBT reserve balances. Since that time, the investment income continues to assist in offsetting high pharmacy and medical claims expenses.

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

- Due to a change in Arizona Revised Statutes, in the Spring of FY 2023, Gilbert Public Schools prefunded the Arizona State Retirement System (ASRS) Contribution in an amount of \$20 million with the intent of providing greater fiscal flexibility into the future. Note in the Governmental Fund Balance Sheet on page 48 the Restricted cash and investments under the General Fund of \$ 24.6 million. In a little over two years, this contribution has increased in value by 23% or \$ 4.6 million. In Arizona, the M&O Fund (the largest fund within the General Fund) is the primary District operating fund but State law does not allow school districts to increase their budgets with interest earnings.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Overview of Financial Statements

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

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

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

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

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

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

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

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Overview of Financial Statements (Cont'd)

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

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 Fund, and Debt Service Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and schedules.

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

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

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

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Overview of Financial Statements (Cont'd)

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

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 \$420.7 million at the current fiscal year end. This net position represents an increase over the prior year of \$15.6 million.

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

**Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Government-Wide Financial Analysis (Cont'd)

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	\$ 293,804,105	\$ 321,393,410
Capital assets, net	532,148,190	544,282,682
Total assets	<u>825,952,295</u>	<u>865,676,092</u>
 Deferred outflows	 <u>43,933,221</u>	 <u>36,942,892</u>
 Current and other liabilities	 18,227,501	 38,280,160
Long-term liabilities	<u>393,398,659</u>	<u>439,404,184</u>
Total liabilities	<u>411,626,160</u>	<u>477,684,344</u>
 Deferred inflows	 <u>37,509,861</u>	 <u>19,769,595</u>
 Net position:		
Net investment in capital assets	410,970,543	404,276,364
Restricted	66,572,794	62,180,940
Unrestricted	<u>(56,793,842)</u>	<u>(61,292,259)</u>
Total net position	<u>\$ 420,749,495</u>	<u>\$ 405,165,045</u>

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

- The principal retirement of \$21.9 million of bonds.
- The addition of \$18.2 million in capital assets net of depreciation through school and administrative building and land improvements and purchases of vehicles, furniture, and equipment.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis (Cont'd)

- Interest earnings of \$2.2 million associated with the ASRS prepayment of \$20.0 million in future ASRS required contributions.

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

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

As Gilbert Public Schools prepaid \$20 million at the end of fiscal year 2023, the value today exceeds \$24.6 million increasing the value of this asset to be used in the future. Because these prepaid contributions made to the ASRS Trust pool have been invested pursuant to their investment policies and ASRS has had significantly favorable returns, GPS has realized over \$4.6 million in investment earnings. Overall, ASRS outperforms most comparable organizations throughout the Nation.

**Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Government-Wide Financial Analysis (Cont'd)

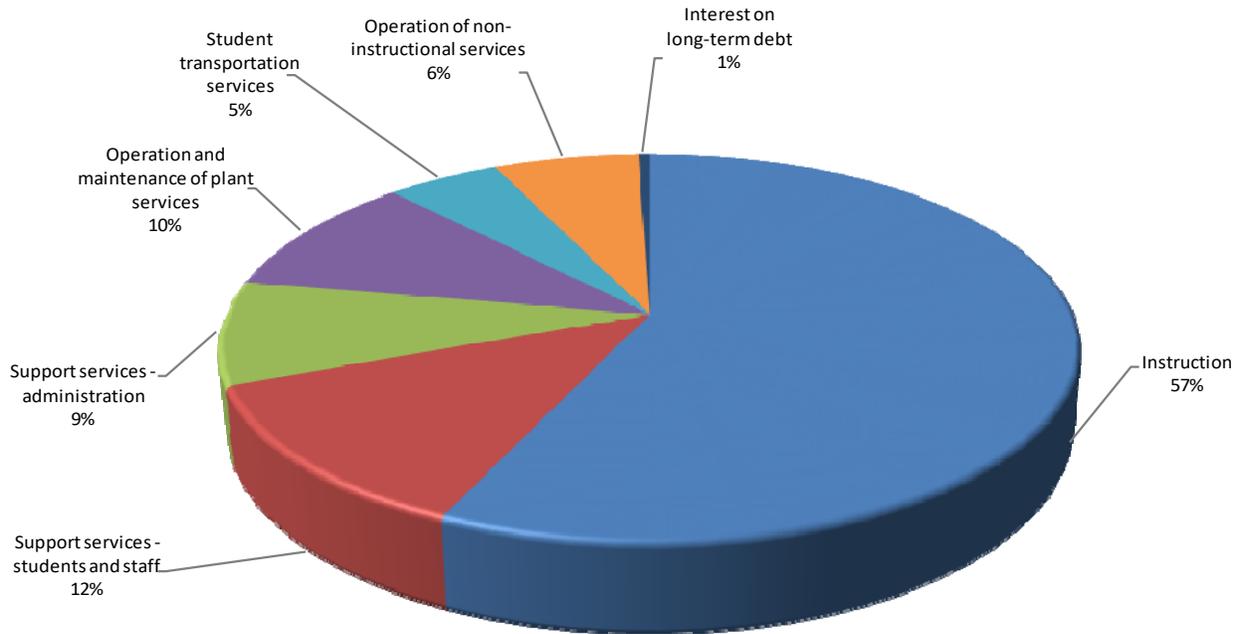
Changes in net position. The District's total revenues for the current fiscal year were \$418.4 million. The total cost of all programs and services was \$402.8 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Revenues:		
Program revenues:		
Charges for services	\$ 34,238,535	\$ 32,391,349
Operating grants and contributions	22,335,942	37,804,181
Capital grants and contributions	1,760,607	417,922
General revenues:		
Property taxes	132,703,716	136,553,994
Investment income	8,882,421	8,092,310
Unrestricted state aid	215,371,983	229,417,684
Unrestricted federal aid	3,111,792	3,179,398
Total revenues	<u>418,404,996</u>	<u>447,856,838</u>
Expenses:		
Instruction	228,813,800	238,504,516
Support services - students and staff	50,065,761	51,669,485
Support services - administration	34,393,830	40,149,680
Operation and maintenance of plant services	41,159,654	38,159,512
Student transportation services	20,274,119	20,311,178
Operation of non-instructional services	26,056,531	27,958,045
Interest on long-term debt	2,056,851	3,080,139
Total expenses	<u>402,820,546</u>	<u>419,832,555</u>
Changes in net position	15,584,450	28,024,283
Net position, beginning	<u>405,165,045</u>	<u>377,140,762</u>
Net position, ending	<u>\$ 420,749,495</u>	<u>\$ 405,165,045</u>

**Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Government-Wide Financial Analysis (Cont'd)

Expenses - Fiscal Year 2025



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

- Operating grants and contributions decreased \$15.5 million due to Covid-19 grants coming to an end during the prior fiscal year.
- Unrestricted state aid decreased by \$14.0 million due to the loss of 843 ADM, elimination of the one-time unrestricted capital amount of \$8.7 million received in FY 2024 as well as the elimination of the Results Based Funding Fund and the decrease in the level of funding for the College Credit by Examination Incentive Program (CCEIP).
- Instruction expenses decreased \$9.7 million due to fewer teachers and aids associated with the student loss as well as normal attrition associated with retirees being replaced with newer teachers earning lower salaries than their highly experienced predecessors.

**Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Government-Wide Financial Analysis (Cont'd)

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

	Year Ended June 30, 2025		Year Ended June 30, 2024	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 228,813,800	\$(207,435,184)	\$ 238,504,516	\$(206,619,968)
Support services - students and staff	50,065,761	(45,744,763)	51,669,485	(46,997,240)
Support services - administration	34,393,830	(33,792,396)	40,149,680	(38,582,048)
Operation and maintenance of plant services	41,159,654	(39,731,330)	38,159,512	(34,516,853)
Student transportation services	20,274,119	(18,253,597)	20,311,178	(20,265,709)
Operation of non-instructional services	26,056,531	2,528,659	27,958,045	842,854
Interest on long-term debt	2,056,851	(2,056,851)	3,080,139	(3,080,139)
Total	\$ 402,820,546	\$(344,485,462)	\$ 419,832,555	\$(349,219,103)

- The cost of all governmental activities this year was \$402.8 million.
- Federal and state governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$58.3 million.
- Net cost of governmental activities of \$344.5 million was financed by general revenues, which are made up of primarily property taxes of \$132.7 million and state aid of \$215.4 million. Investment earnings accounted for \$8.9 million of funding, along with about \$3.1 million in Medicaid reimbursements.

Financial Analysis of the District's Funds

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

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

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$205.3 million, an increase of \$11.4 million due primarily to the planning of fewer students but realizing greater budget capacity due to enrolling about 350 students more than projected combined with the review and monitoring of spend increasing budget balance carryforward. GPS has sold all bonds available to sell within the November 2019 Bond authorization by the taxpayers. As of June 30, 2025, a balance of \$633,399 was available. This balance is assigned to Transportation and student vehicles have been ordered to expend this final amount.

The General Fund comprises 75 percent of the total fund balance. Approximately \$107.4 million, or 69 percent of the General Fund's fund balance is unassigned providing flexibility in how those monies might be spent.

The General Fund is the principal operating fund of the District. General Fund expenditures decreased \$2.7 million or one percent. This \$2.7 million was due to the decreased need in teachers because of the loss of students. As of FY 2022, the District includes the Unrestricted Capital Fund as a part of the General Fund.

As mentioned in the Letter of Transmittal, FY 2022 represents the first year since FY 2015 that the District Additional Assistance (the main statutory formula providing capital funds in the Unrestricted Capital Fund) was fully funded. The cumulative loss in capital funding since fiscal year 2015 exceeds \$75.5 million. This reporting year included a 2% percent one-time increase in the District Additional Assistance per pupil allocation which was well received.

The General Fund contributed \$8.3 million additional monies to the fund balance due to the careful spend of unrestricted capital dollars as well as of Maintenance and Operations monies. As always, GPS continues to spend carefully with close monitoring of all revenue sources.

Fund balance in the Federal and State Grants was a deficit of \$6.7 million, a decreased deficit from prior year due to the expiration of ESSER Funds at the end of FY 2024, the Covid-19 related Federal Funds.

Fund Balance in the Other Special Revenue Fund was \$18.6 million, an increase of \$2.8 million over FY 2024. This increase is associated with the CTED Fund which accounts for monies passed through the East Valley Institute of Technology (EVIT) in support of GPS Satellite Career and Technical Education Programs approved by EVIT. This increase is much needed as many of the District CTED classes require high cost equipment with many programs still utilizing original equipment over 20 years old. As an example, in FY 2026, the Governing Board has approved the replacement of the Gilbert High School Meats Lab classroom refrigeration units at a cost exceeding \$1 million.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

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

The fund balance in the Debt Service Fund decreased \$1.3 million at year end as a result of a decrease in the transfer from the Bond fund as interest earnings were significantly less due to the amount of Bond dollars held as well as an Arbitrage calculation payment to the IRS. By statute, any available fund balance in the Debt Service fund must be used to offset the tax rate and tax levy in the subsequent year. As shared in the Notes section of this report, to date, over \$21.9 million has been spent to decrease the District's outstanding debt.

Proprietary funds. Unrestricted net position of the Internal Service Fund at the end of the fiscal year amounted to \$25.0 million. The \$215,488 decrease from prior fiscal year was primarily due to increased medical and pharmacy claims experience. In addition, the drawdown of net position was offset by about \$800,000 in investment income. Finance staff continues to monitor cash flow needs closely ensuring that cash is available to pay claims but any excess cash is invested pursuant to the EBT Investment policy to maximize interest earnings. All investment timeframes ranged from three months to one year pursuant to policy.

General Fund Budgetary Highlights

Over the course of the year, the District revised the Maintenance and Operations Fund, the main operating fund within the General Fund, annual expenditure budget for changes in statutory allowances to include weighted ADM increases from the Adopted Budget as well as the expenditure results from the Annual Financial Report that determines the M&O BBCF (budget balance carry-forward). Arizona school districts are now funded based on current year ADM or student counts. The difference between the original budget and the final amended budget was a \$4.7 million decrease due to the action of the Governing Board to transfer \$12.5 million from M&O into Unrestricted Capital. This strategy of maximizing dollars into unrestricted capital temporarily to allow for interest earnings to increase budget capacity has been in practice since FY 2023. Upon planning for FY 2026, about \$3.0 million has been designated to payback a portion of this \$12.5 million to meet FY 2026 budgeted expenditures. Had this transfer to Unrestricted Capital not occurred, the net increase to M&O would have been \$7.8 million associated with increased BBCF as well as increases associated with the enrollment loss realized that was less than originally projected.

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

- Instruction expenditures were \$7.6 million less than budgeted. This occurred primarily due to the loss of students and turnover savings associated with more experienced teachers retiring and being replaced with less experienced teachers. Also note that the actual student counts, or ADM dropped by over 800 students (about 350 student loss less than projected). In spite of more students than expected, the addition of teachers at semester was minimal.

**Gilbert Unified School District No. 41
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

General Fund Budgetary Highlights (Cont’d)

- In Arizona, in order to have the authority to spend all the Maintenance and Operations budget capacity as well as Unrestricted Capital resources available, the full amount of available resources must be budgeted to spend. When budgeting to the maximum general budget limit but spend is not required, the result is an increase in the budget balance carryforward. This results in greater budget capacity in future years allowing GPS flexibility in the event of a future downturn in the economy or the advent of an unforeseen event such as the Covid-19 pandemic. The Governing Board has approved in policy a Maintenance and Operations fund (the largest fund in the General Fund) carryover target of 4 percent. This amounts to about \$11.5 million in the main operating fund of GPS.
- Student transportation expenditures were \$2.3 million less than budgeted due to the decrease in fuel prices and the continued work of increasing bus routing efficiencies.

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$854.0 million in capital assets including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$16.9 million from the prior fiscal year. Total depreciation expense for the current fiscal year was \$29.8 million. Thanks to the support of the local taxpayer, Gilbert Public Schools has been able to invest in school buildings and equipment on behalf of the about 31,000 students.

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	\$ 40,686,293	\$ 45,972,301
Capital assets - depreciable, net	491,461,897	498,310,381
Total	\$ 532,148,190	\$ 544,282,682

The estimated cost to complete current construction projects is \$5.2 million. After the current projects are completed, it is estimated that about \$16 million will be available for projects scheduled for FY 2026 funded by the balance in the Unrestricted Capital Fund which is a part of the General Fund. The total Bond spend for fiscal year 2025 was \$4.9 million. It is expected that the final \$633,000 of Bond proceeds encumbered for student transportation vehicles will be fully spent by the end of FY 2026 .

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

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Capital Assets and Debt Administration (Cont'd)

Debt Administration. At year-end, the District had \$108.9 million in Bonds Payable and a total of \$393.4 million in long-term debt outstanding to include the Net Pension Liability associated with ASRS as well as a compensated absence payable of just over \$15.7 million. \$21.9 million of total bonds payable are due within one year. Long-term debt decreased by \$22.8 million due to the pay-off of existing debt.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 30 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 20 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$1.7 billion and the Class B debt limit is \$1.1 million, both of which are substantially more than the District's total outstanding general obligation and Class B debt, respectively.

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

Economic Factors and Next Year's Budget and Rates

Many factors were considered by the District's administration during the process of developing the FY 2026 budget. The main assumptions are discussed below:

- FY 2025 Maintenance & Operations (main component of the General Fund) budget balance carryforward: At FY 2026 Budget Adoption, this amount was estimated at about \$11.5 million. Based on the end of year work to maximize budget balance carryforward (BBCF) as much as possible due to the unknowns associated with the ongoing decline in enrollment, and continued stress on the State General Fund, it is expected that the final BBCF will increase to about \$18.8 million. Again, this expected increase is directly attributable to moving appropriate general fund expenses into Federal and/or other eligible Special Revenue Funds as well as encumbrance release associated with the control of spending.
- Average daily membership (ADM): At Adoption, based on a cohort movement analysis as well as a desire to project conservatively, the ADM was estimated at 1,300 ADM less than the final revised budget for fiscal year 2025 for a total of 28,702 ADM from 30,002 at final FY 2025 Revision. The total student counts realized to date are actually closer to an 850 ADM loss providing GPS an opportunity to eliminate the transfer from the DAA (District Additional Assistance) of \$3.0 million to Maintenance and Operations. Because the ADM loss was not as severe and the BBCF was greater than expected, GPS was not required to revise the FY 2026 budget by December 15, 2025. GPS was required, however, to immediately approve Revised #1 so that the budget was uploaded to ADE on the current year budget forms. As has been the practice of GPS, the new year budget is adopted in June often prior to the legislative session ending.

Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

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

Budget Revision #2 is scheduled to be presented to the Governing Board at the first meeting in February, 2026 with the result of increasing expected revenues by over \$2.00 million. It is expected that ADM will continue to change through the remainder of fiscal year 2026 as mid-year enrollment declines continue.

- The Teacher Experience Index (TEI) is a calculation that provides additional funding for those school districts that have experienced teaching staff with a District average that exceeds the State of Arizona average. The TEI factor was increased from 1.0118 to 1.0121 in FY 2026.
- The State of Arizona Legislature approved a State budget that included a 2.0 percent inflationary increase to the Base Level amount per student. The District Additional Assistance (DAA) allocated amount was equivalent to FY 2025 with no additional funding.
- Finally, the Classroom Site Fund (CSF) Allocation was increased by \$50 per student from \$792 to \$842. This allocation was used to provide much needed salary increases to all staff eligible to receive CSF monies.

Budgeted expenditures in the General Fund decreased by about \$130,000 to \$282.8 million in fiscal year 2026 (compared to \$283.0 million in 2025). In spite of this decline in budget capacity and declines in student enrollment, the Governing Board approved an ongoing 2 percent pay increase for all staff. In addition, they approved a 1% increase to every employee's salary or wage at the semester if the loss in students was at least 300 students less than projected. This goal was achieved so effective January 4, 2026, all personnel will see a 1% increase to their base pay.

With the additional 1% to be added the 2nd half of the school year, over \$7 million was budgeted in pay increases. Because of the \$50 per student increase in the Classroom Site Fund allocation, about \$5 million of CSF monies was used to help pay for these increases to eligible employees. About \$1.4 million was also budgeted to increase English Language Learner and Gifted teacher FTE (full time equivalency) and to upgrade all elementary and junior high Dean positions to Assistant Principals.

State aid and property taxes are the primary funding sources for the General Fund. Due to various parameters, the final tax rate levied for Gilbert Public Schools for both primary and secondary purposes was 9.4 cents less than fiscal year 2025 for a total rate of \$5.18 per \$100 of assessed value from \$5.27 per \$100 of assessed value in 2025.

One final note, Dr. Shane McCord has announced his retirement effective June 30, 2026, making FY 2026 his last year as Superintendent of Gilbert Public Schools. He has successfully led the District through nine (9) years and will leave a strong legacy. The Governing Board has begun the difficult task of replacing Dr. McCord and is expected to make a decision regarding the new superintendent in early February, 2026.

**Gilbert Unified School District No. 41
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Contacting the District's Financial Management

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

Basic Financial Statements



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Government-Wide Financial Statements

Gilbert Unified School District No. 41
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 197,160,740
Deposits	202,576
Property taxes receivable	1,548,159
Accounts receivable	299,289
Due from governmental entities	49,958,124
Prepaid items	3,276,748
Inventory	1,284,013
Leases receivable	<u>6,031,865</u>
Total current assets	<u>259,761,514</u>
Noncurrent assets:	
Restricted cash and investments	24,564,968
Net other postemployment benefit plan assets	9,477,623
Capital assets not being depreciated	40,686,293
Capital assets, net accumulated depreciation	<u>491,461,897</u>
Total noncurrent assets	<u>566,190,781</u>
Total assets	<u>825,952,295</u>
 Deferred outflows of resources	
Pension plan items	43,152,546
Other postemployment benefit plan items	<u>780,675</u>
Total deferred outflows of resources	<u>43,933,221</u>
 Liabilities	
Current liabilities:	
Accounts payable	4,193,785
Claims payable	3,475,000
Accrued payroll and employee benefits	4,800,695
Unearned revenues	3,377,865
Compensated absences payable	7,402,430
Bonds payable	21,930,000
Accrued interest payable	<u>2,380,156</u>
Total current liabilities	<u>47,559,931</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	<u>364,066,229</u>
Total noncurrent liabilities	<u>364,066,229</u>
Total liabilities	<u>411,626,160</u>
 Deferred inflows of resources	
Pension plan items	28,566,158
Other postemployment benefit plan items	3,074,724
Leases	<u>5,868,979</u>
Total deferred inflows of resources	<u>37,509,861</u>
 Net position	
Net investment in capital assets	410,970,543
Restricted for:	
State funds/grants	26,405,647
Other local	19,973,184
Career technical education	9,116,856
Debt service	1,599,484
Other postemployment benefit plan assets	9,477,623
Unrestricted	<u>(56,793,842)</u>
Total net position	<u>\$ 420,749,495</u>

Gilbert Unified School District No. 41
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental activities					
Instruction	\$ 228,813,800	\$ 9,878,174	\$ 10,105,472	\$ 1,394,970	\$ (207,435,184)
Support services - students and staff	50,065,761	1,347,588	2,973,410		(45,744,763)
Support services - administration	34,393,830	560,785	40,649		(33,792,396)
Operation and maintenance of plant services	41,159,654	793,802	634,522		(39,731,330)
Student transportation services	20,274,119	1,996,217	24,305		(18,253,597)
Operation of non-instructional services	26,056,531	19,661,969	8,557,584	365,637	2,528,659
Interest on long-term debt	2,056,851				(2,056,851)
Total governmental activities	<u>\$ 402,820,546</u>	<u>\$ 34,238,535</u>	<u>\$ 22,335,942</u>	<u>\$ 1,760,607</u>	<u>(344,485,462)</u>
General revenues					
Property taxes					132,703,716
Investment income					8,882,421
Unrestricted state aid					215,371,983
Unrestricted federal aid					3,111,792
Total general revenues					<u>360,069,912</u>
Changes in net position					15,584,450
Net position, beginning of year					<u>405,165,045</u>
Net position, end of year					<u>\$ 420,749,495</u>



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Fund Financial Statements

Gilbert Unified School District No. 41

Balance Sheet

Governmental Funds

June 30, 2025

	<u>General</u>	<u>Federal and State Grants</u>	<u>Other Special Revenue</u>	<u>Debt Service</u>
Assets				
Cash and investments	\$ 89,313,906	\$	\$ 20,804,016	\$ 25,630,522
Restricted cash and investments	24,564,968			
Deposits				
Property taxes receivable	1,269,041			279,118
Due from governmental entities	40,101,147	6,988,392	1,527,784	
Due from other funds	3,427,806			
Prepaid items	3,276,748			
Inventory	792,157			
Leases receivable			6,031,865	
Total assets	<u>\$ 162,745,773</u>	<u>\$ 6,988,392</u>	<u>\$ 28,363,665</u>	<u>\$ 25,909,640</u>
Liabilities				
Accounts payable	\$ 3,492,804	\$ 87,733	\$ 402,056	\$
Due to other funds		3,418,041		
Accrued payroll and employee benefits	3,635,698	105,213	700,619	
Unearned revenues		3,209,544		
Bonds payable				21,930,000
Bond interest payable				2,380,156
Total liabilities	<u>7,128,502</u>	<u>6,820,531</u>	<u>1,102,675</u>	<u>24,310,156</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	912,683			197,110
Unavailable revenues - intergovernmental		6,915,036		
Leases			5,868,979	
Total deferred inflows of resources	<u>912,683</u>	<u>6,915,036</u>	<u>5,868,979</u>	<u>197,110</u>
Fund balances				
Nonspendable	4,068,905			
Restricted	25,211,904		21,392,011	1,402,374
Assigned	18,000,000			
Unassigned	107,423,779	(6,747,175)		
Total fund balances	<u>154,704,588</u>	<u>(6,747,175)</u>	<u>21,392,011</u>	<u>1,402,374</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 162,745,773</u>	<u>\$ 6,988,392</u>	<u>\$ 28,363,665</u>	<u>\$ 25,909,640</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 33,070,040	\$ 168,818,484
	24,564,968
202,576	202,576
	1,548,159
1,340,801	49,958,124
	3,427,806
	3,276,748
491,856	1,284,013
	6,031,865
<u>\$ 35,105,273</u>	<u>\$ 259,112,743</u>

\$	\$ 3,982,593
9,765	3,427,806
359,165	4,800,695
168,321	3,377,865
	21,930,000
	2,380,156
<u>537,251</u>	<u>39,899,115</u>

	1,109,793
	6,915,036
	5,868,979
	<u>13,893,808</u>

491,856	4,560,761
34,077,358	82,083,647
	18,000,000
(1,192)	100,675,412
<u>34,568,022</u>	<u>205,319,820</u>

<u>\$ 35,105,273</u>	<u>\$ 259,112,743</u>
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Gilbert Unified School District No. 41
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds **\$ 205,319,820**

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	\$ 854,039,588	
Less accumulated depreciation	<u>(321,891,398)</u>	
		532,148,190

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

Property taxes	1,109,793	
Intergovernmental	<u>6,915,036</u>	
		8,024,829

The net OPEB asset is not a current financial resource and, therefore, is not reported in the funds 9,477,623

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	43,933,221	
Deferred inflows of resources related to pensions/OPEB	<u>(31,640,882)</u>	
		12,292,339

The Internal Service Fund is used by management to charge the cost of insurance and other services to the individual funds. The assets and liabilities of the Internal Service Fund are included in the Statement of Net Position. 24,955,353

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

Compensated absences payable	(15,757,620)	
Bonds payable	(98,150,810)	
Net pension liability	<u>(257,560,229)</u>	
		<u>(371,468,659)</u>

Net position of governmental activities **\$ 420,749,495**

Gilbert Unified School District No. 41
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	\$ 11,852,637	\$	\$ 24,582,149	\$ 495,739
Property taxes	107,827,229			24,772,892
State aid and grants	186,920,744	1,805,281		
Federal aid, grants and reimbursements	<u>5,501,351</u>	<u>23,745,017</u>		
Total revenues	<u>312,101,961</u>	<u>25,550,298</u>	<u>24,582,149</u>	<u>25,268,631</u>
Expenditures				
Current:				
Instruction	155,111,912	10,888,245	7,059,634	
Support services - students and staff	41,586,324	3,284,864	859,616	
Support services - administration	30,244,587	215,955	554,559	
Operation and maintenance of plant services	37,988,819	569,945	343,253	
Student transportation services	15,892,506	26,851	565,796	
Operation of non-instructional services	1,263,942	32,460	11,215,592	
Capital outlay	23,553,113	1,394,970	1,173,160	
Debt service:				
Principal retirement				21,930,000
Interest and fiscal charges				<u>4,765,288</u>
Total expenditures	<u>305,641,203</u>	<u>16,413,290</u>	<u>21,771,610</u>	<u>26,695,288</u>
Excess (deficiency) of revenues over expenditures	<u>6,460,758</u>	<u>9,137,008</u>	<u>2,810,539</u>	<u>(1,426,657)</u>
Other financing sources (uses)				
Transfers in	1,854,228			130,707
Transfers out		(595,545)		
Total other financing sources (uses)	<u>1,854,228</u>	<u>(595,545)</u>		<u>130,707</u>
Changes in fund balances	<u>8,314,986</u>	<u>8,541,463</u>	<u>2,810,539</u>	<u>(1,295,950)</u>
Fund balances, beginning of year, previously reported	146,389,602	(15,288,638)		2,698,324
Adjustments to beginning fund balances			18,581,472	
Fund balances, beginning of year, as restated	<u>146,389,602</u>	<u>(15,288,638)</u>	<u>18,581,472</u>	<u>2,698,324</u>
Fund balances, end of year	<u>\$ 154,704,588</u>	<u>\$ (6,747,175)</u>	<u>\$ 21,392,011</u>	<u>\$ 1,402,374</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 7,973,264	\$ 44,903,789
	132,600,121
32,541,575	221,267,600
<u>8,796,083</u>	<u>38,042,451</u>
<u>49,310,922</u>	<u>436,813,961</u>
31,163,708	204,223,499
4,814,479	50,545,283
277,919	31,293,020
170,661	39,072,678
	16,485,153
13,188,794	25,700,788
5,295,207	31,416,450
	21,930,000
	<u>4,765,288</u>
<u>54,910,768</u>	<u>425,432,159</u>
<u>(5,599,846)</u>	<u>11,381,802</u>
	1,984,935
<u>(1,389,390)</u>	<u>(1,984,935)</u>
<u>(1,389,390)</u>	
<u>(6,989,236)</u>	<u>11,381,802</u>
60,138,730	193,938,018
<u>(18,581,472)</u>	
<u>41,557,258</u>	<u>193,938,018</u>
<u>\$ 34,568,022</u>	<u>\$ 205,319,820</u>

Gilbert Unified School District No. 41
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Changes in fund balances - total governmental funds **\$ 11,381,802**

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	\$ 18,222,273	
Less current year depreciation	<u>(29,829,965)</u>	
		(11,607,692)

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

Property taxes	103,595	
Intergovernmental	<u>(19,348,315)</u>	
		(19,244,720)

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 21,930,000

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 liability, adjusted for deferred items, is reported as pension/OPEB expense in the Statement of Activities.

Current year pension/OPEB contributions	27,630,070	
Pension expense/OPEB	<u>(15,868,435)</u>	
		11,761,635

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.

Loss on disposal of assets	(526,800)	
Amortization of deferred bond items	2,708,437	
Compensated absences	<u>(602,764)</u>	
		1,578,873

The Internal Service Fund is used by management to charge the cost of insurance and other services to the individual funds. The changes in net position of the Internal Service Fund is reported with governmental activities in the Statement of Activities. (215,448)

Changes in net position in governmental activities **\$ 15,584,450**

Gilbert Unified School District No. 41
Statement of Net Position
Proprietary Funds
June 30, 2025

	Governmental
	Activities
	Internal Service
	Funds
Assets	
Current assets:	
Cash and investments	\$ 28,342,256
Accounts receivable	299,289
Total current assets	28,641,545
Total assets	\$ 28,641,545
Liabilities	
Current liabilities:	
Accounts payable	\$ 211,192
Claims payable	3,475,000
Total current liabilities	3,686,192
Net position	
Unrestricted	24,955,353
Total net position	\$ 24,955,353

Gilbert Unified School District No. 41
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Governmental Activities
	Internal Service Funds
Operating revenues	
Other local	\$ 374,490
Charges for services	685,727
Contributions	29,284,770
Total operating revenues	30,344,987
 Operating expenses	
Claims	27,560,887
Premiums	1,560,206
Administrative fees	1,421,264
Other	853,833
Total operating expenses	31,396,190
 Operating income (loss)	(1,051,203)
 Nonoperating revenues (expenses)	
Investment income	835,755
Total nonoperating revenue (expenses)	835,755
 Changes in net position	(215,448)
 Net position, beginning of year	25,170,801
 Net position, end of year	\$ 24,955,353

Gilbert Unified School District No. 41
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Governmental Activities Internal Service Funds
<u>Increase/Decrease in Cash and Cash Equivalents</u>	
Cash flows from operating activities	
Cash received from contributions	\$ 29,191,640
Cash received from other sources	1,060,217
Cash payments to suppliers for goods and services	(4,905,609)
Cash payments for claims	(27,636,887)
Net cash provided by/used for operating activities	(2,290,639)
Cash flows from investing activities	
Investment income	835,755
Proceeds from sales and maturities of investments	4,873,745
Net cash provided by/used for investing activities	5,709,500
Net increase/decrease in cash and cash equivalents	3,418,861
Cash and cash equivalents, beginning of year	24,923,395
Cash and cash equivalents, end of year	\$ 28,342,256
 <u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating</u>	
Operating income/loss	\$ (1,051,203)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:	
Changes in assets and liabilities:	
Increase/decrease in accounts receivable	(93,130)
Increase/decrease in accounts payable	(1,070,306)
Increase/decrease in claims payable	(76,000)
Total adjustments	(1,239,436)
Net cash provided by/used for operating activities	\$ (2,290,639)

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

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

During the year ended June 30, 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, the component unit combined with the District for financial statement presentation purposes and the District are not included in any other governmental reporting entity. Consequently, the District's financial statements include the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, bookstore, and athletic functions.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

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

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

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

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

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

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

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

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.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

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

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

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

Additionally, the District reports the following fund types:

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

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

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

D. Cash and Investments

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

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

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

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

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

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

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

E. Investment Income

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

F. Receivables and Payables

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

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

G. Property Tax Calendar

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

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

H. Inventory

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

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

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

I. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. 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:

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

K. Deferred Outflows/Inflows of Resources

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

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

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

L. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered 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 lease receivables with an initial, individual value of \$50,000 or more. If there is no stated rate in the lease contract (or if the stated rate is not the rate the District charges the lessee) and the implicit rate cannot be determined, the District uses an interest rate based on the Applicable Federal Rate as the discount rate to measure lease receivables.

N. Pensions

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

O. Long-term Obligations

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

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

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

P. Interfund Activity

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

Q. Net Position Flow Assumption

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

R. Estimates

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

Note 2 – Fund Balance Classifications

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 2 – Fund Balance Classifications (Cont'd)

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

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

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

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

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

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 2 – Fund Balance Classifications (Cont'd)

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

	General	Federal and State Grants	Other Special Revenue	Debt Service	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 792,157	\$	\$	\$	\$ 491,856
Prepaid items	3,276,748				
Restricted:					
Debt service				1,402,374	
Bond building projects					633,399
Voter approved initiatives:					
Classroom site fund					25,226,227
Instructional improvement					1,011,559
Food service					7,206,173
Civic center			3,864,261		
Community schools			3,185,361		
Extracurricular activities			3,201,215		
Career technical education			9,116,856		
Student activities			1,735,743		
ASRS CPP	24,564,968				
Other purposes	646,936		288,575		
Assigned:					
Capital Purposes	18,000,000				
Unassigned	107,423,779	(6,747,175)			(1,192)
Total fund balances	<u>\$ 154,704,588</u>	<u>\$ (6,747,175)</u>	<u>\$ 21,392,011</u>	<u>\$ 1,402,374</u>	<u>\$ 34,568,022</u>

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balance – At year end, the Federal and State Grants Fund and the Other Capital Projects Fund, a non-major governmental fund, reported deficits of \$6,747,175 and \$1,192 in fund balance, respectively. The deficits arose because of operations during the year and prior years and/or because of pending grant reimbursements. Additional revenues received in fiscal year 2025-26 are expected to eliminate the deficits.

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

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 \$35,279,865 and the bank balance was \$39,463,673. At year end, \$20,421,976 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 and \$18,291,697 was uninsured and uncollateralized. In addition, the District had \$780 of cash on hand at year end.

The District also had restricted cash and investments of \$24,564,968 held by the ASRS pension plan, related to the CPP. The employer pension plan contributions prepaid by the District and the related accrued earnings are managed at the discretion of ASRS.

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

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

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

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

	Average Maturities	Fair Value
County Treasurer’s investment pool	452 days	\$ 161,880,095

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.

The Employee Benefit Trust (EBT), a component unit of the District, does have an Investment Policy that limits investment maturities. This EBT Investment Policy has been approved by the EBT Trust Board as well as the GPS Governing Board.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 4 – Cash and Investments (Cont’d)

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. The Employee Benefit Trust (EBT), a component unit of the District, does have an Investment Policy that limits investment choices. Again, this EBT Investment Policy has been approved by the EBT Trust Board as well as the GPS Governing Board.

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

Note 5 – Receivables

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

	General	Federal and State Grants	Other Special Revenue	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$ 63,203	\$ 6,944,893	\$	\$ 189,010
Due from state government	40,037,944	43,499		1,151,791
Due from other districts			1,527,784	
Net due from governmental entities	<u>\$ 40,101,147</u>	<u>\$ 6,988,392</u>	<u>\$ 1,527,784</u>	<u>\$ 1,340,801</u>

Note 6 – Leases Receivable

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 7 – Capital Assets

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

<u>Governmental Activities</u>	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 35,992,704	\$	\$	\$ 35,992,704
Construction in progress	<u>9,979,597</u>	<u>7,563,988</u>	<u>12,849,996</u>	<u>4,693,589</u>
Total capital assets, not being depreciated	<u>45,972,301</u>	<u>7,563,988</u>	<u>12,849,996</u>	<u>40,686,293</u>
Capital assets, being depreciated:				
Land improvements	33,042,072	3,008,969		36,051,041
Buildings and improvements	676,155,091	16,203,013		692,358,104
Vehicles, furniture and equipment	<u>81,922,762</u>	<u>4,296,299</u>	<u>1,274,911</u>	<u>84,944,150</u>
Total capital assets being depreciated	<u>791,119,925</u>	<u>23,508,281</u>	<u>1,274,911</u>	<u>813,353,295</u>
Less accumulated depreciation for:				
Land improvements	(11,983,471)	(1,372,810)		(13,356,281)
Buildings and improvements	(249,253,426)	(19,193,289)		(268,446,715)
Vehicles, furniture and equipment	<u>(31,572,647)</u>	<u>(9,263,866)</u>	<u>(748,111)</u>	<u>(40,088,402)</u>
Total accumulated depreciation	<u>(292,809,544)</u>	<u>(29,829,965)</u>	<u>(748,111)</u>	<u>(321,891,398)</u>
Total capital assets being depreciated, net	<u>498,310,381</u>	<u>(6,321,684)</u>	<u>526,800</u>	<u>491,461,897</u>
Governmental activities capital assets, net	<u>\$ 544,282,682</u>	<u>\$ 1,242,304</u>	<u>\$ 13,376,796</u>	<u>\$ 532,148,190</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 25,074,579
Support services – students and staff	218,278
Support services – administration	1,220,467
Operation and maintenance of plant services	1,479,660
Student transportation services	1,578,523
Operation of non-instructional services	<u>258,458</u>
Total depreciation expense – governmental activities	<u>\$ 29,829,965</u>

Construction Commitments – At year end, the District had contractual commitments related to renovations at several school sites. At year end the District had spent \$4.7 million on the projects and had estimated remaining contractual commitments of \$5.2 million. These projects are being funded with bond proceeds and other allowable sources.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 8 – Short Term Debt

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

Note 9 – General Obligation Bonds Payable

Bonds payable at year end consisted of the following outstanding general obligation bonds. The bonds are both callable and noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$1.7 billion, and the available margin is \$1.5 billion.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025	Due Within One Year
Governmental activities:					
School Improvement Bonds					
Project of 2015, Series A (2016)	\$ 31,300,000	3-3.75%	7/1/26-31	\$ 17,810,000	\$
School Improvement Bonds					
Project of 2015, Series B (2018)	27,810,000	3.00-5.00%	7/1/26-31	15,785,000	
School Improvement Bonds					
Project of 2015, Series C (2019)	24,620,000	5.00%	7/1/2025	4,620,000	4,620,000
School Improvement Bonds					
Project of 2015 and 2019, Series 2020	34,345,000	1.00-5.00%	7/1/25-28	19,745,000	5,185,000
School Improvement Bonds					
Project of 2019B, Series 2022	43,750,000	2.00-5.00%	7/1/25-31	37,970,000	9,125,000
School Improvement Bonds					
Project of 2019C, Series 2023	16,970,000	5.00%	7/1/25-29	<u>12,970,000</u>	<u>3,000,000</u>
Total				<u>\$ 108,900,000</u>	<u>\$ 21,930,000</u>

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 9 – General Obligation Bonds Payable (Cont'd)

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2026	\$ 21,930,000	\$ 4,315,762
2027	22,995,000	3,344,487
2028	21,005,000	2,318,087
2029	16,165,000	1,464,137
2030	10,740,000	881,200
2031-35	16,065,000	705,107
Total	\$ 108,900,000	\$ 13,028,780

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	\$ 131,680,000	\$	\$ 22,780,000	\$ 108,900,000	\$ 21,930,000
Premium	13,889,247		2,708,437	11,180,810	
Total bonds payable	145,569,247		25,488,437	120,080,810	21,930,000
Net pension liability	278,680,081		21,119,852	257,560,229	
Compensated absences payable	15,154,856	602,764		15,757,620	7,402,430
Total long-term liabilities	\$ 439,404,184	\$ 602,764	\$ 46,608,289	\$ 393,398,659	\$ 29,332,430

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, and two funds within the non-major governmental funds, had negative cash balances in the Treasurer’s pooled cash accounts of \$3,418,041 and \$9,765, respectively, totaling \$3,427,806. 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.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 11 – Interfund Receivables, Payables, and Transfers (Cont’d)

Interfund transfers:

Transfers out	Transfers in		
	General	Debt Service	Total
Federal and State Grants	\$ 595,545	\$	\$ 595,545
Non-Major Governmental Funds	1,258,683	130,707	1,389,390
Total	<u>\$ 1,854,228</u>	<u>\$ 130,707</u>	<u>\$ 1,984,935</u>

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

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.

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

Note 13 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District was unable to obtain general property and liability insurance at a cost it considered to be economically justifiable. Therefore, the District joined 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.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 13 – Risk Management (Cont’d)

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

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

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

	Year ended June 30, 2025	Year ended June 30, 2024
Unpaid claims, beginning of fiscal year	\$ 3,551,000	\$ 2,546,000
Incurred claims (including IBNRs)	27,560,887	26,371,662
Claim payments	<u>(27,636,887)</u>	<u>(25,366,662)</u>
Unpaid claims, end of fiscal year	<u>\$ 3,475,000</u>	<u>\$ 3,551,000</u>

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 14 – Restatements of Beginning Balances

Change within the Financial Reporting Entity – The Other Special Revenue Fund was previously reported as a non-major governmental fund as it did not meet the criteria to be reported as a major fund. However, current year activity and/or balances for the Other Special Revenue Fund met the criteria to be reported as a major fund.

The effect of the matters noted above resulted in adjustments to and restatements of beginning net position and fund net position, as follows:

	June 30, 2024, As Previously Reported	Change within the Financial Reporting Entity	June 30, 2024, As Restated
Governmental Funds			
Major Funds:			
General Fund	\$ 146,389,602		\$ 146,389,602
Federal and State Grants	(15,288,638)		(15,288,638)
Other Special Revenue		18,581,472	18,581,472
Debt Service	2,698,324		2,698,324
Non-Major Governmental Funds	<u>60,138,730</u>	<u>(18,581,472)</u>	<u>41,557,258</u>
Total Governmental Funds	<u>\$ 193,938,018</u>	<u>\$</u>	<u>\$ 193,938,018</u>

Note 15 – Pensions

Plan Description. District employees participate in the Arizona State Retirement System (ASRS). The ASRS administers a cost-sharing multiple-employer defined benefit pension plan, a cost-sharing multiple-employer defined benefit health insurance premium benefit (OPEB) plan, and a cost-sharing multiple-employer defined benefit long-term disability (OPEB) plan. The Arizona State Retirement System Board governs the ASRS according to the provisions of A.R.S. Title 38, Chapter 5, Articles 2 and 2.1. ASRS is a component unit of the State of Arizona. The ASRS issues a publicly available financial report that includes its financial statements and required supplementary information. The report is available on the ASRS website at www.azsrs.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	\$	\$ (9,477,623)	\$ (9,477,623)
Net liability	257,560,229		257,560,229
Deferred outflows of resources	43,152,546	780,675	43,933,221
Deferred inflows of resources	28,566,158	3,074,724	31,640,882
Expense	17,138,396	(1,269,961)	15,868,435
Contributions	27,470,489	159,581	27,630,070

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 15 – Pensions (Cont’d)

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

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.27 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 \$27,470,489.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 15 – Pensions (Cont’d)

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 10.19 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)
\$ 257,560,229	1.610	(0.113)

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 \$17,138,396.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 15 – Pensions (Cont’d)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,376,771	\$
Net difference between projected and actual earnings on pension investments		16,448,040
Changes in proportion and differences between contributions and proportionate share of contributions	1,305,286	12,118,118
Contributions subsequent to the measurement date	27,470,489	
Total	\$ 43,152,546	\$ 28,566,158

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	\$ (12,561,186)
2027	6,859,034
2028	(4,163,540)
2029	(3,018,409)

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

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 15 – Pensions (Cont’d)

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%	(.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.

Gilbert Unified School District No. 41
Notes to Financial Statements
June 30, 2025

Note 15 – Pensions (Cont’d)

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 394,377,377	\$ 257,560,229	\$ 143,535,081

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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Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 734,259	\$ 734,259
Property taxes			107,902,403	107,902,403
State aid and grants			157,441,414	157,441,414
Total revenues			<u>266,078,076</u>	<u>266,078,076</u>
Expenditures				
Current:				
Instruction	167,416,532	158,151,666	150,564,975	7,586,691
Support services - students and staff	38,707,651	39,669,503	38,794,515	874,988
Support services - administration	29,009,328	29,564,340	27,635,742	1,928,598
Operation and maintenance of plant services	35,630,998	38,304,674	37,598,683	705,991
Student transportation services	16,438,318	16,714,956	14,434,327	2,280,629
Operation of non-instructional services	442,730	545,208	684,637	(139,429)
Total expenditures	<u>287,645,557</u>	<u>282,950,347</u>	<u>269,712,879</u>	<u>13,237,468</u>
Excess (deficiency) of revenues over expenditures	<u>(287,645,557)</u>	<u>(282,950,347)</u>	<u>(3,634,803)</u>	<u>279,315,544</u>
Changes in fund balances	<u>(287,645,557)</u>	<u>(282,950,347)</u>	<u>(3,634,803)</u>	<u>279,315,544</u>
Fund balances, beginning of year			<u>17,564,958</u>	<u>17,564,958</u>
Fund balances, end of year	<u>\$ (287,645,557)</u>	<u>\$ (282,950,347)</u>	<u>\$ 13,930,155</u>	<u>\$ 296,880,502</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State aid and grants	\$	\$	\$ 1,805,281	\$ 1,805,281
Federal aid, grants and reimbursements			23,745,017	23,745,017
Total revenues			<u>25,550,298</u>	<u>25,550,298</u>
Expenditures				
Current:				
Instruction	10,773,621	13,497,362	10,888,245	2,609,117
Support services - students and staff	3,250,283	4,072,006	3,284,864	787,142
Support services - administration	213,682	267,704	215,955	51,749
Operation and maintenance of plant services	563,945	706,519	569,945	136,574
Student transportation services	26,568	33,285	26,851	6,434
Operation of non-instructional services	32,118	40,238	32,460	7,778
Capital outlay	<u>1,380,285</u>	<u>1,729,242</u>	<u>1,394,970</u>	<u>334,272</u>
Total expenditures	<u>16,240,502</u>	<u>20,346,356</u>	<u>16,413,290</u>	<u>3,933,066</u>
Excess (deficiency) of revenues over expenditures	<u>(16,240,502)</u>	<u>(20,346,356)</u>	<u>9,137,008</u>	<u>29,483,364</u>
Other financing sources (uses)				
Transfers out			(595,545)	(595,545)
Total other financing sources (uses)			<u>(595,545)</u>	<u>(595,545)</u>
Changes in fund balances	<u>(16,240,502)</u>	<u>(20,346,356)</u>	<u>8,541,463</u>	<u>28,887,819</u>
Fund balances, beginning of year			<u>(15,288,638)</u>	<u>(15,288,638)</u>
Fund balances, end of year	<u>\$ (16,240,502)</u>	<u>\$ (20,346,356)</u>	<u>\$ (6,747,175)</u>	<u>\$ 13,599,181</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 24,582,149	\$ 24,582,149
Total revenues			<u>24,582,149</u>	<u>24,582,149</u>
Expenditures				
Current:				
Instruction	12,963,408	14,087,010	7,059,634	7,027,376
Support services - students and staff	1,578,489	1,715,304	859,616	855,688
Support services - administration	1,018,321	1,106,584	554,559	552,025
Operation and maintenance of plant services	630,306	684,938	343,253	341,685
Student transportation services	1,038,955	1,129,007	565,796	563,211
Operation of non-instructional services	20,594,877	22,379,936	11,215,592	11,164,344
Capital outlay	<u>2,154,241</u>	<u>2,340,959</u>	<u>1,173,160</u>	<u>1,167,799</u>
Total expenditures	<u>39,978,597</u>	<u>43,443,737</u>	<u>21,771,610</u>	<u>21,672,127</u>
Changes in fund balances	<u>(39,978,597)</u>	<u>(43,443,737)</u>	<u>2,810,539</u>	<u>46,254,276</u>
Fund balances, beginning of year			<u>18,581,472</u>	<u>18,581,472</u>
Fund balances, end of year	<u>\$ (39,978,597)</u>	<u>\$ (43,443,737)</u>	<u>\$ 21,392,011</u>	<u>\$ 64,835,748</u>

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Measurement date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
District's proportion of the net pension (assets) liability	1.61%	1.72%	1.69%	1.72%
District's proportionate share of the net pension (assets) liability	\$ 257,560,229	\$ 278,680,081	\$ 276,372,741	\$ 225,355,211
District's covered payroll	\$ 224,889,975	\$ 224,757,869	\$ 201,426,953	\$ 192,735,373
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	114.53%	123.99%	137.21%	116.92%
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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 27,470,489	\$ 27,054,264	\$ 26,791,138	\$ 24,191,377
Contributions in relation to the actuarially determined contribution	<u>27,470,489</u>	<u>27,054,264</u>	<u>26,791,138</u>	<u>24,191,377</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 227,970,863	\$ 224,889,975	\$ 224,757,869	\$ 201,426,953
Contributions as a percentage of covered payroll	12.05%	12.03%	11.92%	12.01%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
1.67%	1.66%	1.66%	1.70%	1.62%	1.72%
\$ 289,115,511	\$ 241,249,560	\$ 231,985,761	\$ 264,893,848	\$ 261,907,169	\$ 267,181,478
\$ 182,030,707	\$ 174,839,222	\$ 165,443,248	\$ 166,403,998	\$ 151,958,046	\$ 156,701,414
158.83%	137.98%	140.22%	159.19%	172.35%	170.50%
69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 22,453,671	\$ 20,842,516	\$ 19,547,025	\$ 18,033,314	\$ 17,938,351	\$ 16,487,448
<u>22,453,671</u>	<u>20,842,516</u>	<u>19,547,025</u>	<u>18,033,314</u>	<u>17,938,351</u>	<u>16,487,448</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 192,735,373	\$ 182,030,707	\$ 174,839,222	\$ 165,443,248	\$ 166,403,998	\$ 151,958,046
11.65%	11.45%	11.18%	10.90%	10.78%	10.85%

Gilbert Unified School District No. 41
Notes to Required Supplementary Information
June 30, 2025

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 the following items:

- Prepaid items are budgeted in the year prepaid.
- Payments to the ASRS Contribution Prepayment Program.
- Employee insurance expenditures are budgeted in the year the employee insurance amount is funded.
- Expenditures for claims and judgments are not budgeted.

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:

	<u>Total</u>	<u>Fund</u> <u>Balances</u>
	<u>Expenditures</u>	<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 305,641,203	\$ 154,704,588
Other funds presented in the General Fund	(36,013,299)	(107,605,056)
Pre-payment to ASRS (CPP)		(24,564,968)
Current-year prepaid items	3,276,748	(3,276,748)
Prior-year prepaid items	(3,240,936)	
Employee insurance account	49,163	(5,327,661)
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	\$ 269,712,879	\$ 13,930,155

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

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

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

Gilbert Unified School District No. 41
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025

	Special Revenue Funds			Capital Projects Funds
	Classroom Site	Instructional		Bond Building
		Improvement	Food Service	
Assets				
Cash and investments	\$ 25,330,681	\$	\$ 7,105,960	\$ 633,399
Deposits			202,576	
Due from governmental entities		1,151,791	189,010	
Inventory			491,856	
Total assets	<u>\$ 25,330,681</u>	<u>\$ 1,151,791</u>	<u>\$ 7,989,402</u>	<u>\$ 633,399</u>
Liabilities				
Accounts payable	\$	\$	\$	\$
Due to other funds		8,573		
Accrued payroll and employee benefits	104,454	131,659	123,052	
Unearned revenues			168,321	
Total liabilities	<u>104,454</u>	<u>140,232</u>	<u>291,373</u>	<u></u>
Fund balances				
Nonspendable			491,856	
Restricted	25,226,227	1,011,559	7,206,173	633,399
Unassigned				
Total fund balances	<u>25,226,227</u>	<u>1,011,559</u>	<u>7,698,029</u>	<u>633,399</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 25,330,681</u>	<u>\$ 1,151,791</u>	<u>\$ 7,989,402</u>	<u>\$ 633,399</u>

Capital Projects

<u>Funds</u>	
<u>Other Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
\$	\$ 33,070,040
	202,576
	1,340,801
	491,856
<u>\$</u>	<u>\$ 35,105,273</u>
\$	\$
1,192	9,765
	359,165
	168,321
<u>1,192</u>	<u>537,251</u>
	491,856
	34,077,358
<u>(1,192)</u>	<u>(1,192)</u>
<u>(1,192)</u>	<u>34,568,022</u>
<u>\$</u>	<u>\$ 35,105,273</u>

Gilbert Unified School District No. 41
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Food Service	Other Special Revenue
Revenues				
Other local	\$ 929,183	\$ 206,815	\$ 6,706,557	
State aid and grants	30,027,407	2,416,412	97,756	
Federal aid, grants and reimbursements			8,796,083	
Total revenues	<u>30,956,590</u>	<u>2,623,227</u>	<u>15,600,396</u>	
Expenditures				
Current:				
Instruction	29,175,090	1,988,618		
Support services - students and staff	3,660,446	1,154,033		
Support services - administration		149,122	128,797	
Operation and maintenance of plant services			170,661	
Operation of non-instructional services			13,188,794	
Capital outlay			365,637	
Total expenditures	<u>32,835,536</u>	<u>3,291,773</u>	<u>13,853,889</u>	
Excess (deficiency) of revenues over expenditures	<u>(1,878,946)</u>	<u>(668,546)</u>	<u>1,746,507</u>	
Other financing sources (uses)				
Transfers out			(1,258,683)	
Total other financing sources (uses)			<u>(1,258,683)</u>	
Changes in fund balances	<u>(1,878,946)</u>	<u>(668,546)</u>	<u>487,824</u>	
Fund balances, beginning of year, previously reported	27,105,173	1,680,105	7,210,205	18,581,472
Adjustments to beginning fund balances				(18,581,472)
Fund balances, beginning of year, as restated	<u>27,105,173</u>	<u>1,680,105</u>	<u>7,210,205</u>	
Fund balances, end of year	<u>\$ 25,226,227</u>	<u>\$ 1,011,559</u>	<u>\$ 7,698,029</u>	<u>\$</u>

Capital Projects Funds		Total Non-Major Governmental Funds
Bond Building Fund	Other Capital Projects	
\$ 130,707	\$ 2	\$ 7,973,264
		32,541,575
		8,796,083
<u>130,707</u>	<u>2</u>	<u>49,310,922</u>
		31,163,708
		4,814,479
		277,919
		170,661
		13,188,794
<u>4,929,530</u>	<u>40</u>	<u>5,295,207</u>
<u>4,929,530</u>	<u>40</u>	<u>54,910,768</u>
<u>(4,798,823)</u>	<u>(38)</u>	<u>(5,599,846)</u>
<u>(130,707)</u>	<u></u>	<u>(1,389,390)</u>
<u>(130,707)</u>	<u></u>	<u>(1,389,390)</u>
<u>(4,929,530)</u>	<u>(38)</u>	<u>(6,989,236)</u>
5,562,929	(1,154)	60,138,730
		(18,581,472)
<u>5,562,929</u>	<u>(1,154)</u>	<u>41,557,258</u>
<u>\$ 633,399</u>	<u>\$ (1,192)</u>	<u>\$ 34,568,022</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 929,183	\$ 929,183
State aid and grants			30,027,407	30,027,407
Total revenues			<u>30,956,590</u>	<u>30,956,590</u>
Expenditures				
Current:				
Instruction	54,742,037	54,799,276	29,175,090	25,624,186
Support services - students and staff	1,359,600	2,311,320	3,660,446	(1,349,126)
Support services - administration	951,720			
Total expenditures	<u>57,053,357</u>	<u>57,110,596</u>	<u>32,835,536</u>	<u>24,275,060</u>
Changes in fund balances	<u>(57,053,357)</u>	<u>(57,110,596)</u>	<u>(1,878,946)</u>	<u>55,231,650</u>
Fund balances, beginning of year			<u>27,105,173</u>	<u>27,105,173</u>
Fund balances, end of year	<u>\$ (57,053,357)</u>	<u>\$ (57,110,596)</u>	<u>\$ 25,226,227</u>	<u>\$ 82,336,823</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 206,815	\$ 206,815
State aid and grants			<u>2,416,412</u>	<u>2,416,412</u>
Total revenues			<u>2,623,227</u>	<u>2,623,227</u>
Expenditures				
Current:				
Instruction	2,193,572	2,542,336	1,988,618	553,718
Support services - students and staff	1,272,972	1,475,366	1,154,033	321,333
Support services - administration	<u>164,491</u>	<u>190,644</u>	<u>149,122</u>	<u>41,522</u>
Total expenditures	<u>3,631,035</u>	<u>4,208,347</u>	<u>3,291,773</u>	<u>916,574</u>
Changes in fund balances	<u>(3,631,035)</u>	<u>(4,208,347)</u>	<u>(668,546)</u>	<u>3,539,801</u>
Fund balances, beginning of year			<u>1,680,105</u>	<u>1,680,105</u>
Fund balances, end of year	<u>\$ (3,631,035)</u>	<u>\$ (4,208,347)</u>	<u>\$ 1,011,559</u>	<u>\$ 5,219,906</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 6,706,557	\$ 6,706,557
State aid and grants			97,756	97,756
Federal aid, grants and reimbursements			8,796,083	8,796,083
Total revenues			<u>15,600,396</u>	<u>15,600,396</u>
Expenditures				
Current:				
Support services - administration	172,316	209,582	128,797	80,785
Operation and maintenance of plant services	228,325	277,704	170,661	107,043
Operation of non-instructional services	17,645,121	21,461,135	13,188,794	8,272,341
Capital outlay	489,181	594,974	365,637	229,337
Total expenditures	<u>18,534,943</u>	<u>22,543,394</u>	<u>13,853,889</u>	<u>8,689,505</u>
Excess (deficiency) of revenues over expenditures	<u>(18,534,943)</u>	<u>(22,543,394)</u>	<u>1,746,507</u>	<u>24,289,901</u>
Other financing sources (uses)				
Transfers out			(1,258,683)	(1,258,683)
Total other financing sources (uses)			<u>(1,258,683)</u>	<u>(1,258,683)</u>
Changes in fund balances	<u>(18,534,943)</u>	<u>(22,543,394)</u>	<u>487,824</u>	<u>23,031,218</u>
Fund balances, beginning of year			<u>7,210,205</u>	<u>7,210,205</u>
Fund balances, end of year	<u>\$ (18,534,943)</u>	<u>\$ (22,543,394)</u>	<u>\$ 7,698,029</u>	<u>\$ 30,241,423</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$	\$ 495,739	\$ 495,739
Property taxes		<u>24,772,892</u>	<u>24,772,892</u>
Total revenues		<u>25,268,631</u>	<u>25,268,631</u>
Expenditures			
Debt service:			
Principal retirement	21,930,000	21,930,000	
Interest and fiscal charges	<u>4,760,313</u>	<u>4,765,288</u>	<u>(4,975)</u>
Total expenditures	<u>26,690,313</u>	<u>26,695,288</u>	<u>(4,975)</u>
Excess (deficiency) of revenues over expenditures	<u>(26,690,313)</u>	<u>(1,426,657)</u>	<u>25,263,656</u>
Other financing sources (uses)			
Transfers in		<u>130,707</u>	<u>130,707</u>
Total other financing sources (uses)		<u>130,707</u>	<u>130,707</u>
Changes in fund balances	<u>(26,690,313)</u>	<u>(1,295,950)</u>	<u>25,394,363</u>
Fund balances, beginning of year		<u>2,698,324</u>	<u>2,698,324</u>
Fund balances, end of year	<u>\$ (26,690,313)</u>	<u>\$ 1,402,374</u>	<u>\$ 28,092,687</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2025

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 130,707	\$ 130,707
Total revenues			<u>130,707</u>	<u>130,707</u>
Expenditures				
Capital outlay	2,840,879	5,562,930	4,929,530	633,400
Total expenditures	<u>2,840,879</u>	<u>5,562,930</u>	<u>4,929,530</u>	<u>633,400</u>
Excess (deficiency) of revenues over expenditures	<u>(2,840,879)</u>	<u>(5,562,930)</u>	<u>(4,798,823)</u>	<u>764,107</u>
Other financing sources (uses)				
Transfers out			(130,707)	(130,707)
Total other financing sources (uses)			<u>(130,707)</u>	<u>(130,707)</u>
Changes in fund balances	<u>(2,840,879)</u>	<u>(5,562,930)</u>	<u>(4,929,530)</u>	<u>633,400</u>
Fund balances, beginning of year			<u>5,562,929</u>	<u>5,562,929</u>
Fund balances, end of year	<u>\$ (2,840,879)</u>	<u>\$ (5,562,930)</u>	<u>\$ 633,399</u>	<u>\$ 6,196,329</u>

Gilbert Unified School District No. 41
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2025

	<u>Budget</u>		Variance with Final Budget
	<u>Original and Final</u>	<u>Actual</u>	
Revenues			
Other local	\$ _____	\$ _____ 2	\$ _____ 2
Total revenues	<u>_____</u>	<u>_____ 2</u>	<u>_____ 2</u>
Expenditures			
Capital outlay	_____	_____ 40	_____ (40)
Total expenditures	<u>_____</u>	<u>_____ 40</u>	<u>_____ (40)</u>
Excess (deficiency) of revenues over expenditures	_____	_____ (38)	_____ (38)
Changes in fund balances	_____	_____ (38)	_____ (38)
Fund balances, beginning of year	_____	_____ (1,154)	_____ (1,154)
Fund balances, end of year	<u>\$ _____</u>	<u>\$ _____ (1,192)</u>	<u>\$ _____ (1,192)</u>



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Internal Service Funds

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

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

Gilbert Unified School District No. 41
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Employee Benefit Trust	District Services	Total Internal Service Funds
Assets			
Current assets:			
Cash and investments	\$ 27,473,219	\$ 869,037	\$ 28,342,256
Accounts receivable	299,289		299,289
Total current assets	27,772,508	869,037	28,641,545
Liabilities			
Current liabilities:			
Accounts payable	211,192		211,192
Claims payable	3,475,000		3,475,000
Total current liabilities	3,686,192		3,686,192
Net position			
Unrestricted	24,086,316	869,037	24,955,353
Total net position	\$ 24,086,316	\$ 869,037	\$ 24,955,353

Gilbert Unified School District No. 41
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Employee Benefit Trust	District Services	Total Internal Service Funds
Operating revenues			
Other local	\$ 374,490	\$	\$ 374,490
Charges for services		685,727	685,727
Contributions	29,284,770		29,284,770
Total operating revenues	<u>29,659,260</u>	<u>685,727</u>	<u>30,344,987</u>
Operating expenses			
Claims	27,560,887		27,560,887
Premiums	1,560,206		1,560,206
Administrative fees	1,421,264		1,421,264
Other		853,833	853,833
Total operating expenses	<u>30,542,357</u>	<u>853,833</u>	<u>31,396,190</u>
Operating income (loss)	<u>(883,097)</u>	<u>(168,106)</u>	<u>(1,051,203)</u>
Nonoperating revenues (expenses)			
Investment income	804,427	31,328	835,755
Total nonoperating revenue (expenses)	<u>804,427</u>	<u>31,328</u>	<u>835,755</u>
Changes in net position	(78,670)	(136,778)	(215,448)
Total net position, beginning of year	<u>24,164,986</u>	<u>1,005,815</u>	<u>25,170,801</u>
Total net position, end of year	<u>\$ 24,086,316</u>	<u>\$ 869,037</u>	<u>\$ 24,955,353</u>

Gilbert Unified School District No. 41
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	<u>Employee Benefit Trust</u>	<u>District Services</u>	<u>Total Internal Service Funds</u>
<u>Increase/Decrease in Cash and Cash Equivalents</u>			
Cash flows from operating activities			
Cash received from contributions	\$ 29,191,640	\$	\$ 29,191,640
Cash received from other sources	374,490	685,727	1,060,217
Cash payments to suppliers for goods and services	(4,051,776)	(853,833)	(4,905,609)
Cash payments for claims	<u>(27,636,887)</u>		<u>(27,636,887)</u>
Net cash provided by/used for operating activities	<u>(2,122,533)</u>	<u>(168,106)</u>	<u>(2,290,639)</u>
Cash flows from investing activities			
Investment income	804,427	31,328	835,755
Proceeds from sales and maturities of investments	<u>4,873,745</u>		<u>4,873,745</u>
Net cash provided by/used for investing activities	<u>5,678,172</u>	<u>31,328</u>	<u>5,709,500</u>
Net increase/decrease in cash and cash equivalents	3,555,639	(136,778)	3,418,861
Cash and cash equivalents, beginning of year	<u>23,917,580</u>	<u>1,005,815</u>	<u>24,923,395</u>
Cash and cash equivalents, end of year	<u>\$ 27,473,219</u>	<u>\$ 869,037</u>	<u>\$ 28,342,256</u>
<u>Reconciliation of Operating Income/Loss to Net Cash Provided by/Used for Operating Activities</u>			
Operating income/loss	\$ (883,097)	\$ (168,106)	\$ (1,051,203)
Adjustments to reconcile operating income/loss to net cash provided by/used for operating activities:			
Changes in assets and liabilities:			
Increase/decrease in accounts receivable	(93,130)		(93,130)
Increase/decrease in accounts payable	(1,070,306)		(1,070,306)
Increase/decrease in claims payable	<u>(76,000)</u>		<u>(76,000)</u>
Total adjustments	<u>(1,239,436)</u>		<u>(1,239,436)</u>
Net cash provided by/used for operating activities	<u>\$ (2,122,533)</u>	<u>\$ (168,106)</u>	<u>\$ (2,290,639)</u>

Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

	Fiscal Year Ended June 30			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Net Position:				
Net investment in capital assets	\$ 410,970,543	\$ 404,276,364	\$ 397,210,926	\$ 378,649,477
Restricted	66,572,794	62,180,940	52,686,013	75,322,076
Unrestricted	(56,793,842)	(61,292,259)	(72,756,177)	(109,609,137)
Total net position	<u>\$ 420,749,495</u>	<u>\$ 405,165,045</u>	<u>\$ 377,140,762</u>	<u>\$ 344,362,416</u>

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

Fiscal Year Ended June 30

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 373,364,234	\$ 373,732,581	\$ 368,106,305	\$ 369,169,992	\$ 369,379,805	\$ 368,163,931
40,946,003	34,192,545	29,378,146	24,024,069	26,195,002	23,711,947
(124,590,425)	(149,878,859)	(160,480,781)	(188,487,609)	(202,231,939)	(226,155,937)
\$ 289,719,812	\$ 258,046,267	\$ 237,003,670	\$ 204,706,452	\$ 193,342,868	\$ 165,719,941

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

	Fiscal Year Ended June 30			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Expenses				
Instruction	\$ 228,813,800	\$ 238,504,516	\$ 222,645,033	\$ 198,299,042
Support services - students and staff	50,065,761	51,669,485	49,128,719	42,095,483
Support services - administration	34,393,830	40,149,680	31,905,385	28,626,134
Operation and maintenance of plant services	41,159,654	38,159,512	34,901,940	29,128,343
Student transportation services	20,274,119	20,311,178	19,817,082	18,054,689
Operation of non-instructional services	26,056,531	27,958,045	27,008,078	24,760,192
Interest on long-term debt	2,056,851	3,080,139	3,222,533	4,433,284
Total expenses	<u>402,820,546</u>	<u>419,832,555</u>	<u>388,628,770</u>	<u>345,397,167</u>
Program Revenues				
Charges for services:				
Instruction	9,878,174	11,064,362	11,377,692	10,151,655
Operation of non-instructional services	19,661,969	20,231,836	22,871,787	11,097,896
Other activities	4,698,392	1,095,151	1,278,240	1,025,832
Operating grants and contributions	22,335,942	37,804,181	35,431,596	51,117,253
Capital grants and contributions	1,760,607	417,922	2,604,818	622,385
Total program revenues	<u>58,335,084</u>	<u>70,613,452</u>	<u>73,564,133</u>	<u>74,015,021</u>
Net (Expense)/Revenue	(344,485,462)	(349,219,103)	(315,064,637)	(271,382,146)
General Revenues:				
Property taxes	132,703,716	136,553,994	131,181,082	128,822,945
Investment income	8,882,421	8,092,310	4,647,404	1,281,870
Unrestricted county aid				13,007,023
Unrestricted state aid	215,371,983	229,417,684	210,470,399	177,046,289
Unrestricted federal aid	3,111,792	3,179,398	1,544,098	2,236,384
Gain on sale of capital assets				3,630,239
Total general revenues	<u>360,069,912</u>	<u>377,243,386</u>	<u>347,842,983</u>	<u>326,024,750</u>
Changes in Net Position	<u>\$ 15,584,450</u>	<u>\$ 28,024,283</u>	<u>\$ 32,778,346</u>	<u>\$ 54,642,604</u>

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

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

Fiscal Year Ended June 30

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 197,355,466	\$ 183,861,160	\$ 166,987,026	\$ 162,590,105	\$ 157,426,855	\$ 154,128,237
39,203,942	34,929,905	31,634,799	30,841,479	30,352,121	29,642,416
27,652,584	25,427,659	23,228,383	21,560,630	21,705,726	18,846,108
28,203,969	26,601,544	25,427,027	26,489,799	26,507,174	23,823,376
15,312,352	15,026,792	15,399,427	14,886,579	12,792,658	11,214,240
19,498,371	19,719,237	19,236,180	16,949,156	15,918,136	13,154,128
4,273,100	4,486,819	4,004,766	3,469,834	4,069,169	4,095,271
<u>331,499,784</u>	<u>310,053,116</u>	<u>285,917,608</u>	<u>276,787,582</u>	<u>268,771,839</u>	<u>254,903,776</u>
6,510,181	8,477,389	8,072,895	7,936,031	9,694,680	10,784,142
7,754,332	12,240,068	15,557,972	14,192,708	12,753,327	8,212,428
231,071	939,042	1,289,155	1,122,862	1,219,367	3,047,863
54,368,656	21,527,404	24,351,578	22,397,093	18,410,264	17,999,558
1,501,749	939,213	1,047,789	678,735	1,376,388	1,890,779
<u>70,365,989</u>	<u>44,123,116</u>	<u>50,319,389</u>	<u>46,327,429</u>	<u>43,454,026</u>	<u>41,934,770</u>
(261,133,795)	(265,930,000)	(235,598,219)	(230,460,153)	(225,317,813)	(212,969,006)
125,597,704	105,082,914	104,540,476	99,737,239	106,226,141	90,261,559
1,096,272	2,142,036	1,405,894	669,955	779,066	401,054
12,388,665	12,124,808	11,298,195	11,569,739	11,249,447	11,682,660
152,201,630	162,992,543	148,576,069	134,899,010	132,708,624	140,225,946
1,523,069					
<u>292,807,340</u>	<u>282,342,301</u>	<u>265,820,634</u>	<u>246,875,943</u>	<u>250,963,278</u>	<u>242,571,219</u>
<u>\$ 31,673,545</u>	<u>\$ 16,412,301</u>	<u>\$ 30,222,415</u>	<u>\$ 16,415,790</u>	<u>\$ 25,645,465</u>	<u>\$ 29,602,213</u>

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

	Fiscal Year Ended June 30			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
General Fund:				
Nonspendable	\$ 4,068,905	\$ 4,033,447	\$ 4,178,195	\$ 4,079,805
Restricted	25,211,904	22,999,805	21,065,233	28,649,521
Assigned	18,000,000	36,163,216	49,988,108	20,150,000
Unassigned	<u>107,423,779</u>	<u>83,193,134</u>	<u>60,444,624</u>	<u>71,833,923</u>
Total General Fund	<u>\$ 154,704,588</u>	<u>\$ 146,389,602</u>	<u>\$ 135,676,160</u>	<u>\$ 124,713,249</u>
All Other Governmental Funds:				
Nonspendable	\$ 491,856	\$ 346,309	\$ 334,250	\$ 626,707
Restricted	56,871,743	62,491,899	77,820,571	101,113,224
Unassigned	<u>(6,748,367)</u>	<u>(15,289,792)</u>	<u>(5,687,306)</u>	<u>(12,522,937)</u>
Total all other governmental funds	<u>\$ 50,615,232</u>	<u>\$ 47,548,416</u>	<u>\$ 72,467,515</u>	<u>\$ 89,216,994</u>

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

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

Fiscal Year Ended June 30

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 687,786 481,931	\$ 732,654	\$ 651,345	\$ 617,103	\$ 563,436	\$ 514,992 329,742
83,344,661	71,186,999	49,868,336	44,967,229	37,419,754	29,915,504
\$ 84,514,378	\$ 71,919,653	\$ 50,519,681	\$ 45,584,332	\$ 37,983,190	\$ 30,760,238
\$ 524,903 74,295,594 (13,479,680)	\$ 396,595 53,349,955 (12,889,717)	\$ 279,926 62,909,517 (2,277,055)	\$ 342,621 49,483,865 (1,634,974)	\$ 245,095 33,725,085 (48,057)	\$ 291,799 47,295,881 (48,172)
\$ 61,340,817	\$ 40,856,833	\$ 60,912,388	\$ 48,191,512	\$ 33,922,123	\$ 47,539,508

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

	Fiscal Year Ended June 30			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Federal sources:				
Federal grants	\$ 29,246,368	\$ 13,696,869	\$ 29,928,638	\$ 27,747,322
National School Lunch Program	8,796,083	8,552,344	7,761,320	21,433,831
Total federal sources	<u>38,042,451</u>	<u>22,249,213</u>	<u>37,689,958</u>	<u>49,181,153</u>
State sources:				
State equalization assistance	187,311,389	193,664,067	178,322,981	147,983,924
State grants	1,512,392	2,290,583	3,450,031	2,679,085
School Facilities Oversight Board				7,696
Other revenues	32,443,819	31,761,037	32,208,062	29,062,365
Total state sources	<u>221,267,600</u>	<u>227,715,687</u>	<u>213,981,074</u>	<u>179,733,070</u>
Local sources:				
Property taxes	132,600,121	136,206,495	130,912,530	129,992,750
County aid				13,007,023
Food service sales	6,427,320	6,268,619	6,204,119	472,823
Investment income	5,774,092	7,031,163	1,005,281	1,294,045
Other revenues	32,702,377	28,738,620	35,214,544	24,436,981
Total local sources	<u>177,503,910</u>	<u>178,244,897</u>	<u>173,336,474</u>	<u>169,203,622</u>
Total revenues	<u>\$ 436,813,961</u>	<u>\$ 428,209,797</u>	<u>\$ 425,007,506</u>	<u>\$ 398,117,845</u>

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

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

Fiscal Year Ended June 30

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 27,761,177	\$ 15,491,196	\$ 15,200,841	\$ 11,418,261	\$ 11,057,491	\$ 11,254,086
14,026,784	5,419,789	6,127,333	6,048,844	6,265,992	5,916,547
<u>41,787,961</u>	<u>20,910,985</u>	<u>21,328,174</u>	<u>17,467,105</u>	<u>17,323,483</u>	<u>17,170,633</u>
133,514,064	143,504,926	128,265,649	115,807,324	117,226,363	124,414,856
2,216,371	2,469,663	2,094,551	1,969,707	492,736	489,604
	455,243		3,992	211,073	
18,696,191	19,032,374	20,311,406	19,091,686	15,499,224	15,811,090
<u>154,426,626</u>	<u>165,462,206</u>	<u>150,671,606</u>	<u>136,872,709</u>	<u>133,429,396</u>	<u>140,715,550</u>
125,879,690	109,317,269	106,088,152	99,595,684	106,292,637	94,691,372
12,388,665	12,124,808	11,298,195	11,569,739	11,249,447	11,682,660
359,724	4,792,015	6,003,586	5,912,582	6,012,612	5,735,863
1,047,509	2,123,625	1,238,975	669,955	773,605	366,409
15,851,904	20,154,408	22,670,851	20,872,222	21,312,654	20,295,561
<u>155,527,492</u>	<u>148,512,125</u>	<u>147,299,759</u>	<u>138,620,182</u>	<u>145,640,955</u>	<u>132,771,865</u>
<u>\$ 351,742,079</u>	<u>\$ 334,885,316</u>	<u>\$ 319,299,539</u>	<u>\$ 292,959,996</u>	<u>\$ 296,393,834</u>	<u>\$ 290,658,048</u>

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

	Fiscal Year Ended June 30			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Expenditures:				
Current -				
Instruction	\$ 204,223,499	\$ 203,720,821	\$ 197,897,685	\$ 179,540,384
Support services - students and staff	50,545,283	49,532,662	48,101,178	41,669,939
Support services - administration	31,293,020	35,702,123	28,350,158	25,297,662
Operation and maintenance of plant services	39,072,678	36,059,295	33,597,818	27,960,528
Student transportation services	16,485,153	16,216,556	15,941,342	14,242,669
Operation of non-instructional services	25,700,788	26,925,494	26,163,886	24,227,744
Capital outlay	31,416,450	45,594,793	72,892,705	46,004,841
Debt service -				
Principal retirement	21,930,000	22,780,000	19,973,852	22,405,136
Interest and fiscal charges	4,765,288	5,883,710	5,829,391	5,407,143
Bond issuance costs			252,849	431,350
Total expenditures	<u>\$ 425,432,159</u>	<u>\$ 442,415,454</u>	<u>\$ 449,000,864</u>	<u>\$ 387,187,396</u>
Expenditures for capitalized assets	\$ 18,222,273	\$ 33,964,418	\$ 60,139,038	\$ 33,011,332
Debt service as a percentage of noncapital expenditures	7%	7%	7%	8%

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

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

Fiscal Year Ended June 30

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$	175,701,730	\$ 168,487,533	\$ 164,284,356	\$ 154,589,610	\$ 150,480,746	\$ 145,431,243
	38,330,083	34,775,419	34,065,059	31,897,535	31,192,023	30,306,760
	23,841,097	23,055,999	22,445,848	20,257,822	21,655,148	19,316,560
	27,319,636	26,310,390	25,820,059	26,001,535	26,770,574	24,250,084
	10,895,348	12,216,822	12,483,445	11,907,039	11,082,580	10,017,582
	18,657,280	19,208,686	19,497,035	17,197,355	16,269,340	13,319,347
	37,112,981	25,983,386	27,207,515	20,394,334	23,004,112	13,337,653
	21,442,635	20,182,501	18,872,287	18,138,271	17,930,901	17,122,091
	5,321,445	4,990,743	4,508,690	3,799,253	4,404,583	4,252,028
	351,951		317,104	318,462		715,975
\$	<u>358,974,186</u>	<u>\$ 335,211,479</u>	<u>\$ 329,501,398</u>	<u>\$ 304,501,216</u>	<u>\$ 302,790,007</u>	<u>\$ 278,069,323</u>
\$	20,507,289	\$ 17,067,611	\$ 15,537,991	\$ 11,479,723	\$ 14,006,383	\$ 5,057,447
	8%	8%	7%	7%	8%	8%

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

	Fiscal Year Ended June 30			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Excess (deficiency) of revenues over expenditures	\$ 11,381,802	\$ (14,205,657)	\$ (23,993,358)	\$ 10,930,449
Other financing sources (uses):				
Issuance of school improvement bonds			16,970,000	43,750,000
Issuance of refunding bonds				
Premium on sale of bonds			1,180,249	6,526,033
Payment to refunded bond escrow agent				
Capital lease agreements				
Proceeds from sale of capital assets				6,847,911
Insurance recoveries			56,541	
Transfers in	1,984,935	2,500,129	2,644,228	2,375,396
Transfers out	(1,984,935)	(2,500,129)	(2,644,228)	(2,375,396)
Total other financing sources (uses)	<u> </u>	<u> </u>	<u>18,206,790</u>	<u>57,123,944</u>
Changes in fund balances	<u>\$ 11,381,802</u>	<u>\$ (14,205,657)</u>	<u>\$ (5,786,568)</u>	<u>\$ 68,054,393</u>

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

Note: In fiscal year 2021-22, the former Neely Traditional School site was sold to the Town of Gilbert. Neely Traditional took over the site formerly occupied by Houston Elementary.

Fiscal Year Ended June 30					
<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ (7,232,107)	\$ (326,163)	\$ (10,201,859)	\$ (11,541,220)	\$ (6,396,173)	\$ 12,588,725
34,345,000		24,620,000	27,810,000		31,300,000
5,882,376		3,266,537	3,510,900		38,445,000
			1,808,471		4,992,571
			96,839		(41,665,173)
2,796,574	2,829,159	2,751,474	2,931,147	2,249,003	2,762,026
(2,796,574)	(2,829,159)	(2,751,474)	(2,931,147)	(2,249,003)	(2,762,026)
<u>40,227,376</u>		<u>27,886,537</u>	<u>33,226,210</u>		<u>33,072,398</u>
<u>\$ 32,995,269</u>	<u>\$ (326,163)</u>	<u>\$ 17,684,678</u>	<u>\$ 21,684,990</u>	<u>\$ (6,396,173)</u>	<u>\$ 45,661,123</u>

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

<u>Class</u>	<u>Fiscal Year</u>			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Commercial, Industrial, Utilities and Mining	\$ 880,182,038	\$ 775,590,864	\$ 735,066,405	\$ 710,221,306
Agricultural and Vacant	57,974,888	54,563,224	47,082,003	44,047,881
Residential (Owner Occupied)	1,358,803,262	1,287,764,939	1,222,604,665	1,161,988,910
Residential (Rental)	541,135,607	506,727,866	463,449,871	422,124,534
Railroad, Private Cars and Airlines	2,276,072	2,313,231	2,050,000	1,507,914
Historical Property	25,564,486	25,569,761	22,225,178	16,870,815
Certain Government Property Improvements				
Total	\$ <u>2,865,936,353</u>	\$ <u>2,652,529,885</u>	\$ <u>2,492,478,122</u>	\$ <u>2,356,761,360</u>
Gross Full Cash Value	\$ 52,980,501,737	\$ 43,243,555,834	\$ 33,297,083,383	\$ 30,977,464,766
Ratio of Net Limited Assessed Value to Gross Full Cash Value	5%	6%	7%	8%
Total Direct Rate	5.28	5.70	5.81	6.03

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

Fiscal Year

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$	665,709,711	\$ 617,790,207	\$ 556,217,421	\$ 517,967,507	\$ 495,834,048	\$ 477,645,179
	44,243,927	53,855,388	45,422,784	49,498,228	66,671,921	49,588,003
	1,086,770,902	1,019,641,267	964,790,257	898,487,550	838,779,263	793,865,285
	387,448,527	363,034,707	327,663,163	303,980,168	284,151,038	260,141,723
	1,417,929	1,487,232	1,489,086	1,580,055	1,514,150	1,647,076
	15,815,568	10,660,319	5,396,650	4,730,381	5,086,859	229,375
	76,560			50,654	48,241	17,632
\$	<u>2,201,483,124</u>	<u>2,066,469,120</u>	<u>1,900,979,361</u>	<u>1,776,294,543</u>	<u>1,692,085,520</u>	<u>1,583,134,273</u>
\$	28,318,283,875	\$ 25,778,609,047	\$ 23,207,866,030	\$ 21,553,018,820	\$ 20,352,429,884	\$ 18,709,821,377
	8%	8%	8%	8%	8%	8%
	6.26	5.90	6.11	6.20	6.94	6.46

Fiscal Year

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$	895,014,582	\$ 802,752,785	\$ 695,967,407	\$ 640,989,816	\$ 591,416,565	\$ 518,168,909
	76,132,171	83,488,693	65,189,773	69,578,015	89,066,161	58,305,587
	1,420,832,553	1,296,342,099	1,208,589,150	1,116,488,221	1,062,190,894	1,017,388,568
	538,896,372	490,637,895	431,982,941	392,617,741	362,993,919	329,830,181
	1,798,250	1,840,893	1,798,045	1,843,637	1,621,779	1,678,781
	20,500,350	15,319,915	8,458,785	7,381,555	6,574,153	770,400
	92,887			73,580	56,843	19,436
	<u>2,953,267,165</u>	<u>2,690,382,280</u>	<u>2,411,986,101</u>	<u>2,228,972,565</u>	<u>2,113,920,314</u>	<u>1,926,161,862</u>
\$	28,318,283,875	\$ 25,778,609,047	\$ 23,207,866,030	\$ 21,553,018,820	\$ 20,352,429,884	\$ 18,709,821,377
	10%	10%	10%	10%	10%	10%
\$	22,410,050,580	\$ 20,153,347,500	\$ 18,689,377,268	\$ 18,538,625,398	\$ 17,546,793,058	\$ 15,854,084,576
	6.26	5.90	6.11	6.20	6.94	6.46

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

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

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

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

Fiscal Year

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
18 %	18 %	18 %	18 %	18 %	19 %
15	15	15	15	15	16
10	10	10	10	10	10
10	10	10	10	10	10
15	15	14	15	14	15

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

Fiscal Year Ended June 30	Overlapping Rates				
	State Equalization	County	Community College District	Flood Control District	Central Arizona Project
2025		1.16	1.10	0.15	0.14
2024		1.20	1.14	0.15	0.14
2023		1.25	1.19	0.16	0.14
2022	0.43	1.35	1.11	0.18	0.14
2021	0.44	1.40	1.29	0.18	0.14
2020	0.46	1.40	1.33	0.18	0.14
2019	0.47	1.40	1.38	0.18	0.14
2018	0.49	1.40	1.41	0.18	0.14
2017	0.50	1.40	1.47	0.18	0.14
2016	0.51	1.36	1.49	0.16	0.14

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

Overlapping Rates

City of Chandler	City of Mesa	Town of Gilbert	East Valley Institute of Technology School District No. 401	District Direct Rates		
				Primary	Secondary	Total
1.08	0.86	0.98	0.05	3.24	2.04	5.28
1.09	0.86	0.98	0.05	3.36	2.34	5.70
1.10	0.92	0.99	0.05	3.49	2.32	5.81
1.11	1.13	0.99	0.05	3.71	2.32	6.03
1.12	1.12	0.99	0.05	3.76	2.49	6.26
1.13	1.19	0.99	0.05	3.87	2.04	5.90
1.14	1.02	0.99	0.05	4.01	2.10	6.11
1.14	1.10	1.03	0.05	4.12	2.08	6.20
1.16	1.16	1.06	0.05	4.86	2.08	6.94
1.18	1.21	1.06	0.05	5.26	1.20	6.46

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

Taxpayer	2025		2016	
	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
Redale LLC	\$ 19,732,211	0.69 %		
Westcor Santan Village LLC	16,720,972	0.58	\$ 20,482,223	1.29 %
CSHV Elliot 202 LLC	14,365,081	0.50		
Hub at 202 OwnCo LLC	11,862,660	0.41		
Apple Inc.	11,798,184	0.41		
Whitestone Village Square at Dana Park LLC	9,830,108	0.34	8,127,547	0.51
Platypus Development LLC	9,800,236	0.34	11,111,746	0.70
NTT Global Data Centers PH LLC	8,791,240	0.31		
Wal-mart Stores Inc.	7,872,754	0.27	5,902,929	0.37
SP TIC 3 LLC	7,405,836	0.26		
Verizon Wireless			7,414,407	0.47
Mesa Financial Plaza LLC			5,102,623	0.32
Southwest Gas Corporation (T&D)			5,053,418	0.32
Vestar Ctc Phase 1 LLC			4,989,742	0.32
AX Stapley LP			4,793,585	0.30
Qwest Corporation			3,820,963	0.24
Total	<u>\$ 118,179,282</u>	<u>4.11 %</u>	<u>\$ 76,799,183</u>	<u>4.84 %</u>
Net Assessed Limited Property Value	<u><u>\$ 2,865,936,353</u></u>			

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

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

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

Fiscal Year Ended June 30	District Tax Rate	Adopted Taxes Levied for the Fiscal Year	Adjusted Tax Levy as of June 30th	Collected within the Fiscal Year of the Levy		Adjusted Tax Levy as of June 30, 2025	Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
				Amount	Percentage of Levy			Amount	Percentage of Levy
2025	5.28	\$ 149,480,468	\$ 148,600,128	\$ 143,826,802	96.22 %	\$ 149,122,670	\$	\$ 143,826,802	96.22 %
2024	5.70	152,215,819	151,205,630	145,357,193	95.49	149,967,108	4,456,946	149,814,139	98.42
2023	5.81	145,737,741	144,818,373	135,723,937	93.13	143,851,876	8,102,115	143,826,052	98.69
2022	6.03	142,198,673	141,828,405	135,723,937	95.45	140,889,456	5,147,535	140,871,472	99.07
2021	6.26	138,133,783	137,723,376	132,115,376	95.64	136,959,837	4,833,549	136,948,925	99.14
2020	5.90	121,254,037	120,986,366	114,943,129	94.80	120,405,814	5,430,956	120,374,085	99.27
2019	6.11	116,513,964	115,888,656	110,307,909	94.67	115,455,802	5,143,319	115,451,228	99.09
2018	6.20	110,150,673	109,846,087	103,677,940	94.12	109,846,087	5,888,115	109,566,055	99.47
2017	6.94	115,789,799	115,184,692	109,085,973	94.21	115,184,692	5,587,637	114,673,610	99.04
2016	6.46	102,693,269	101,721,316	100,774,920	98.13	101,721,316	870,707	101,645,627	98.98

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

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

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

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

Fiscal Year Ended June 30	General Obligation Bonds						Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value	Per Capita	Financed Purchases and Leases	Total	Percentage of Estimated Actual Value	Per Capita	Percentage of Personal Income	
2025	\$ 120,080,810	\$ 1,599,484	\$ 118,481,326	0.22 %	\$ 548	\$	\$ 120,080,810	0.23 %	\$ 548	0.04 %	
2024	145,569,247	2,892,795	142,676,452	0.33	669		145,569,247	0.34	669	0.05	
2023	168,434,702	1,982,829	166,451,873	0.50	783		168,434,702	0.51	783	0.06	
2022	174,953,197	1,084,966	173,868,231	0.56	791	273,852	175,227,049	0.57	791	0.07	
2021	146,367,909	1,538,450	144,829,459	0.51	675	978,988	147,346,897	0.52	675	0.06	
2020	127,049,484	1,602,455	125,447,029	0.49	660	2,066,623	129,116,107	0.50	660	0.06	
2019	146,114,011	1,421,810	144,692,201	0.62	702	3,194,124	149,308,135	0.58	702	0.07	
2018	136,582,001	670,907	135,911,094	0.63	666	4,311,411	140,893,412	0.65	666	0.07	
2017	123,326,123	613,495	122,712,628	0.60	499	3,596,211	126,922,334	0.62	499	0.07	
2016	140,587,140	3,109,338	137,477,802	0.73	579	4,597,112	145,184,252	0.78	579	0.08	

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

Note: The provisions of the Governmental Accounting Standards Board (GASB) Statement No. 87 were adopted in fiscal year 2022. The standard replaces the previous capital and operating lease designations with financed purchases or leases depending on the substance of the transactions. The fiscal year 2016-2021 information within this column relates to the transactions previously designated as capital leases.

Gilbert Unified School District No. 41
Direct and Overlapping Governmental Activities Debt
June 30, 2025

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Net Full Cash Assessed Value</u>	<u>Net Limited Assessed Value</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:					
Maricopa Community College District	\$ 87,320,000	\$ 91,557,158,472	\$ 54,722,326,231	4.83 %	\$ 4,217,556
Maricopa County Special Healthcare District	574,205,000	91,557,158,472	54,722,326,231	4.83	27,734,102
Eastmark Community Facilities District No. 1	54,870,000	61,345,000	120,115,355	11.45	6,282,615
Eastmark Community Facilities District No. 2	5,040,000	2,240,000	9,282,152	96.48	4,862,592
City of Chandler	496,840,000	6,280,177,157	3,900,095,513	1.8	8,943,120
City of Mesa	1,774,086,505	8,057,958,599	4,517,098,052	16.14	286,337,562
Town of Gilbert	863,325,000	5,367,120,476	3,197,458,863	57.51	496,498,208
Subtotal, Overlapping Debt					<u>834,875,755</u>
Direct:					
Gilbert Unified School District No. 41					<u>120,080,810</u>
Total Direct and Overlapping Governmental Activities Debt					<u>\$ 954,956,565</u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt	
As a Percentage of Net Limited Assessed Valuation	4.12 %
Net Direct and Overlapping General Bonded Debt	
Per Capita	\$4,345
As a Percentage of Net Limited Assessed Valuation	33.25 %
As a Percentage of Gross Full Cash Value	1.80 %

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.

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

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

Net full cash assessed valuation	\$ 5,516,315,222
Debt limit (20% of assessed value)	1,103,263,044
Debt applicable to limit	<u>119,584,016</u>
Legal debt margin	<u>\$ 983,679,028</u>

Total Legal Debt Margin Calculation for Fiscal Year 2025:

Net full cash assessed valuation	\$ 5,516,315,222
Debt limit (30% of assessed value)	1,654,894,567
Debt applicable to limit	<u>119,584,016</u>
Legal debt margin	<u>\$ 1,535,310,551</u>

	Fiscal Year Ended June 30				
	2025	2024	2023	2022	2021
Debt Limit	\$ 1,654,894,567	\$ 1,336,892,880	\$ 1,035,582,495	\$ 973,003,698	\$ 885,980,150
Total net debt applicable to limit	<u>119,584,016</u>	<u>146,315,497</u>	<u>168,567,832</u>	<u>173,949,104</u>	<u>144,489,320</u>
Legal debt margin	<u>\$ 1,535,310,551</u>	<u>\$ 1,190,577,383</u>	<u>\$ 867,014,663</u>	<u>\$ 799,054,594</u>	<u>\$ 741,490,830</u>
Total net debt applicable to the limit as a percentage of debt limit	7%	11%	16%	18%	16%

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

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

Fiscal Year Ended June 30

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 807,114,684	\$ 723,595,830	\$ 668,691,770	\$ 634,176,094	\$ 577,848,559
<u>123,636,927</u>	<u>141,450,000</u>	<u>130,835,000</u>	<u>116,725,000</u>	<u>132,845,000</u>
<u>\$ 683,477,757</u>	<u>\$ 582,145,830</u>	<u>\$ 537,856,770</u>	<u>\$ 517,451,094</u>	<u>\$ 445,003,559</u>
15%	20%	20%	18%	23%

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

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2024	4,726,247	\$ 312,350,417	\$ 68,111	3.1 %	219,299
2023	4,665,020	312,350,417	68,111	3.4	217,656
2022	4,586,431	268,713,717	59,759	3.0	215,029
2021	4,507,419	249,677,860	56,255	4.5	221,225
2020	4,439,220	245,077,753	53,521	6.6	216,700
2019	4,367,835	222,943,072	49,704	3.6	192,364
2018	4,294,460	210,370,180	47,694	4.1	208,084
2017	4,221,684	196,286,191	45,573	4.2	204,995
2016	4,137,076	185,111,698	43,628	4.5	247,000
2015	4,076,438	184,784,917	42,092	5.5	242,857

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

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

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

<u>Employer</u>	<u>2025</u>		<u>2016</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
State of Arizona	28,870	1.49 %	31,800	1.69 %
Banner Health Systems	28,350	1.47	27,200	1.45
Amazon	25,570	1.32		
Walmart Stores Inc.	18,050	0.93	21,000	1.12
Maricopa County	15,320	0.79	12,800	0.68
Frys Food Stores	14,790	0.77	11,000	0.58
Intel Corporation	12,990	0.67	10,800	0.57
Wells Fargo Company	12,200	0.63	12,000	0.64
Maricopa County Community College District	11,670	0.60		
Arizona State University	10,970	0.57	12,200	0.65
City of Phoenix			14,421	0.77
Honor Health			10,500	0.56
Total	<u>178,780</u>	<u>9.25 %</u>	<u>163,721</u>	<u>8.71 %</u>
Total employment	<u>1,933,200</u>		<u>1,880,900</u>	

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

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

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

	Full-time Equivalent Employees as of June 30			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Supervisory				
Superintendents, Directors, Asst. Directors & Coordinators	55	51	48	
Supervisors of Instruction/Superintendents/Directors/Coordinators				47
Principals	39	39	39	38
Assistant principals and Deans of Students	40	38	36	
Assistant principals				27
Dean of students				10
Non-instructional Managers and Supervisors	12	13	14	
Total supervisory	<u>146</u>	<u>141</u>	<u>136</u>	<u>122</u>
Instruction				
Teachers (Includes Flex Subs and Site Subs)	1,894	1,929	1,944	2,077
Other professionals (instructional)	81	89	80	245
Aides	626	637	633	658
Total instruction	<u>2,601</u>	<u>2,655</u>	<u>2,657</u>	<u>2,980</u>
Student Services				
Safety and Security Personnel	76	76	73	
Librarians and Media Assistants	39	40	41	
Librarians				7
Nurses and Health Assistants	54	54	53	
Psychologists	47	44	46	61
OTPT (includes assistants), SLP, Interpreters	129	124	121	
Academic Counselors	42	43	43	53
Technology Personnel	36	36	36	216
Social Workers and Mental Health Counselors	42	41	42	40
Total student services	<u>463</u>	<u>458</u>	<u>455</u>	<u>377</u>
Support and Administration				
Administrative Support**	275	267	264	1,555
Facilities Support	285	287	287	
Transportation Personnel	210	208	250	172
Nutrition Services Personnel	189	188	189	172
Community Education Personnel	138	135	138	
Total support and administration	<u>1,097</u>	<u>1,085</u>	<u>1,128</u>	<u>1,899</u>
Total	<u><u>4,307</u></u>	<u><u>4,339</u></u>	<u><u>4,375</u></u>	<u><u>5,378</u></u>

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

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

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

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

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

Full-time Equivalent Employees as of June 30

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
49	51	40	47	41	41
40	40	38	39	39	38
24	23	23	22	22	21
10	11	11	11	9	11
<u>123</u>	<u>124</u>	<u>112</u>	<u>119</u>	<u>111</u>	<u>111</u>
1,954	1,936	1,907	1,898	1,911	1,866
66	64	54	59	54	57
519	504	518	502	506	566
<u>2,539</u>	<u>2,504</u>	<u>2,479</u>	<u>2,459</u>	<u>2,471</u>	<u>2,489</u>
7	8	8	8	34	19
43	40	38	38	40	38
54	50	49	39	39	37
13	12	12	13	8	13
34	24	23	27	24	22
<u>151</u>	<u>134</u>	<u>130</u>	<u>125</u>	<u>145</u>	<u>129</u>
838	853	1,188	1,178		
166	181				
145	153				
<u>1,149</u>	<u>1,187</u>	<u>1,188</u>	<u>1,178</u>		
<u>3,962</u>	<u>3,949</u>	<u>3,909</u>	<u>3,881</u>	<u>2,727</u>	<u>2,729</u>

Gilbert Unified School District No. 41
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership (ADM)*	Governmental Operating Expenditures	Cost per ADM	Percentage Change
2025	30,017	\$ 367,320,421	\$ 12,237	2.57 %
2024	30,860	368,156,951	11,930	7.68
2023	31,596	350,052,067	11,079	12.71
2022	31,836	312,938,926	9,830	2.68
2021	30,789	294,745,174	9,573	11.73
2020	33,154	284,054,849	8,568	1.28
2019	32,933	278,595,802	8,459	7.58
2018	33,300	261,850,896	7,863	2.87
2017	33,679	257,450,411	7,644	7.73
2016	34,196	242,641,576	7,096	2.57

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

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

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

<u>Government-Wide Activities Expenses</u>	<u>Cost per ADM</u>	<u>Percentage Change</u>	<u>Teaching Staff</u>	<u>Pupil- Teacher Ratio</u>	<u>Percentage of Free/Reduced Students</u>
\$ 402,820,546	\$ 13,142	(3.23) %	1,953	15.7	33.8 %
419,832,555	13,580	10.41	1,924	16.1	34.6
388,628,770	12,300	13.37	1,920	16.5	30.0
345,397,167	10,849	0.77	1,953	16.3	20.9
331,499,784	10,767	15.13	1,954	15.8	20.5
310,053,116	9,352	7.72	1,936	17.1	23.8
285,917,608	8,682	4.45	1,907	17.3	25.3
276,787,582	8,312	4.15	1,898	17.5	29.2
268,771,839	7,980	7.06	1,911	17.6	27.6
254,903,776	7,454	(4.30)	1,866	18.3	27.9

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

	Fiscal Year Ended June 30			
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<u>Schools</u>				
Elementary				
Buildings	127	127	127	127
Square feet	2,171,752	2,171,752	2,171,752	2,171,752
Capacity	21,184	21,184	21,184	21,184
Enrollment	13,986	14,394	14,687	16,216
Middle				
Buildings	49	49	49	49
Square feet	659,895	659,895	659,895	659,895
Capacity	7,356	7,356	7,356	7,356
Enrollment	4,919	4,968	5,094	5,486
High				
Buildings	101	101	101	101
Square feet	1,783,960	1,783,960	1,783,960	1,783,960
Capacity	13,819	13,819	13,819	13,819
Enrollment	10,844	11,260	11,561	11,877
<u>Administrative</u>				
Buildings	24	24	24	24
Square feet	184,405	184,405	184,405	184,405
<u>Transportation</u>				
Garages - Square feet	9,660	9,660	9,660	9,660
Buses	180	180	180	180
<u>Athletics</u>				
Football fields	31	31	31	31
Running tracks	11	11	11	11
Baseball/softball	50	50	50	50
Swimming pools	2	2	2	2
Playgrounds	26	26	26	26

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

Fiscal Year Ended June 30

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
128	128	128	128	128	128
2,019,090	2,019,090	2,019,090	2,019,090	2,019,090	2,019,090
23,875	23,875	23,875	23,875	23,875	23,875
16,297	17,318	17,318	17,440	18,307	18,307
50	50	50	50	50	50
831,896	831,896	831,896	831,896	831,896	831,896
8,362	8,362	8,362	8,362	8,362	8,362
5,481	5,323	5,323	5,579	6,204	6,204
101	101	101	101	101	101
1,789,491	1,784,397	1,784,397	1,784,397	1,784,397	1,784,397
15,652	15,448	15,448	15,448	15,448	15,448
11,901	12,127	12,127	12,052	12,725	12,725
24	24	24	24	24	24
184,405	181,102	181,102	181,102	181,102	181,102
9,660	18,056	18,056	18,056	18,056	18,056
197	197	197	253	253	253
31	31	31	31	31	31
11	11	11	11	11	11
50	50	50	50	50	50
2	2	2	3	3	3
27	27	27	27	27	27



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