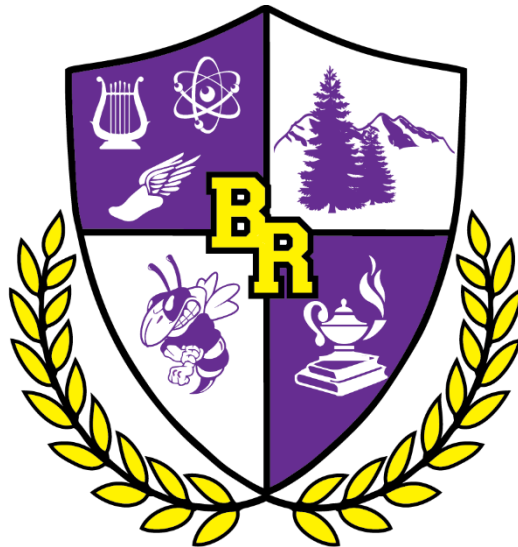

Blue Ridge Unified School District No. 32

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025



BLUE RIDGE SCHOOL DISTRICT

TRADITION • ACHIEVEMENT • INNOVATION

EST 1963

Blue Ridge Unified School District No. 32

Lakeside, Arizona

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

Issued by:
Business and Finance Department

Blue Ridge Unified School District No. 32

Table of Contents

<u>Introductory Section</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	7
GFOA Certificate of Achievement	8
Organization Chart	9
List of Principal Officials	10
<u>Financial Section</u>	
Independent Auditor's Report	13
Management's Discussion and Analysis (MD&A)	19
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	32
Statement of Activities	33
Fund Financial Statements:	
Balance Sheet – Governmental Funds	36
Reconciliation of the Balance Sheet –	
Governmental Funds to the Statement of Net Position	39
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds	40
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances – Governmental Funds to the Statement of Activities	42
Notes to Financial Statements	43
Required Supplementary Information	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	65
Federal and State Grants	66
Food Service	67
Pension Schedules	68
Notes to Required Supplementary Information	70
Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
All Non-Major Governmental Funds	78
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Classroom Site	80
Instructional Improvement	81
Other Special Revenue	82
Debt Service	83
Adjacent Ways	84
Bond Building	85
Other Capital Projects	86

Blue Ridge Unified School District No. 32

Table of Contents

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

(This page intentionally left blank)

Introductory Section

(This page intentionally left blank)



Blue Ridge Unified School District #32
1200 West White Mountain Blvd.
Lakeside, AZ 85929
(928) 368-6126
FAX 928-368-5570

Jonathan Rohloff
Superintendent of Schools

Courtney Hoffmeyer
Business Manager

March 3, 2026

Citizens and Governing Board
Blue Ridge Unified School District No. 32
1200 W. White Mountain Blvd.
Lakeside, AZ 85929

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Blue Ridge Unified School District No. 32 (District) for the fiscal year ended June 30, 2025.

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

The District's financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the District

The Blue Ridge District is located in the community of Pinetop-Lakeside, part of the scenic White Mountains, an area well-known for its outdoor activities, including hiking, hunting, fishing and skiing. There are approximately 4,100 year-round residents. The local community's economy is hospitality-based, relying most on tourism. Sitting at an elevation of 6,800 feet, Pinetop-Lakeside offers clean crisp air, miles of trails through the world's largest Ponderosa Pine Forest, and over 200 streams and lakes. The population of the area swell in the summer months to over 35,000 to 40,000 people. Households in Pinetop-Lakeside have a median annual income of \$52,207, which is less than the median annual income of \$77,719 across the entire United States.

Blue Ridge Unified School District No. 32 was established in 1963 and is one of 22 public school districts located in Navajo County, Arizona. Our three schools provide public education programs for approximately 1,536 students grades K-12 (51 of which are from the communities of Concho, McNary and Whiteriver). Blue Ridge Elementary supports approximately 792 students, grades PK-6. The junior high and high schools serve 251 and 573 students, respectively. Projected enrollment for 2025-26 is 1,581 students.

Students in grades 7-12 enjoy a wide range of curricular, co-curricular and extracurricular activities. Blue Ridge High School also provides opportunities for its students to participate in Career and Technology Education, CTE programs both onsite and through our association with Northern Arizona Vocational Institute of Technology (NAVIT); Northern Pioneer College provides concurrent enrollment opportunity for our high school students, enabling them to receive college credit while attending high school. Our academic, fine arts and athletic programs have longstanding traditions of excellence and high achievement.

A few large retailers such as Walmart, Summit Health Care, Home Depot and Lowes combined employ several hundred full-time employees. The Blue Ridge Unified School District employs about 250 people, making it one of the largest employers in the immediate area.

Property valuations have begun to improve over the last 24 months, and real estate locally has experienced an increase in value. Homes are selling faster than normal; however, the construction industry has not approached pre-recession levels, nor is it expected to do so. Most new construction is targeted to second home owners and retirees. There are no immediate plans for building large-scale single-family home projects. The District does not anticipate experiencing any significant growth over the next several years. However, it has consolidated its facilities to position itself in the event it experiences either rapid growth or declining enrollment. The average age of school buildings is 40 years old.

Arizona public school districts are supported on a current year funding basis which has further complicated school funding. Student enrollment drives district financial resources based on average daily membership (ADM), or student count. This reality makes long-term financial planning difficult for school districts statewide. The ability to maintain the current level of educational and extracurricular programs will be based largely on the District's ability to successfully pass future override initiatives. The current level of educational and extracurricular programming cannot be maintained past 2026 without additional override or state-funded support.

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

The 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 governance 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 body 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 with a separately elected governing body, is legally distinct, and is fiscally independent of other state or local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, and extracurricular functions including music and athletic programs.

The District has outstanding bond obligations in the amount of \$9.3 million against a total bonding capacity of \$169.2 million. It is important to note that Proposition 301 monies were set to expire in 2021 but were extended for another 20 years. These dollars provide much needed salary increases for instructional staff.

Capital funding for all public school districts remains woefully short of meeting operational needs. A recent lawsuit against the state was decided in favor of school districts, and restoration of funds is expected over the next two years.

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

Factors Affecting Financial Condition

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

Local Economy. The single most influential driver of our local economy is tourism. The town of Pinetop-Lakeside serves as a destination location for summer, fall and winter tourists. Hiking, fishing, hunting, and skiing draw considerable numbers of tourists each year. Wildfires and dry winter months present significant financial risks to the local economy.

Local business consist mostly of retail, restaurant, and lodging operations. Summit Health Care is the anchor for the community's medical facilities. The region has suffered a reduction in high paying jobs at three power plants operated by Tucson Electric, Arizona Public Service and the Salt River Project over the last several years. Each of these organizations is slowly scaling back their respective business operations locally in the coming years.

The District's growth in its free and reduced lunch programs demonstrates an increase in residents living at or below the poverty level. The current free and reduced lunch percentage for Blue Ridge Unified School District is 67%. Since the recession of 2008, unemployment in the broader region has remained higher than statewide levels. The surrounding communities generally have lower property values, driving a lower cost of living, which seems to attract young families to neighboring communities.

Long-term Financial Planning.

Funding for Arizona public schools is driven by average daily membership (ADM), or student count. Recently, the Arizona Legislature changed the way in which school districts receive funding. Until just recently, funding was based upon prior year's student population. This approach enabled school districts to estimate their financial resources for future planning. The new funding mechanism, (current year) forces districts to adjust their staffing and programing immediately to achieve operational alignment with allocated resources (as determined by current student populations). Strategic planning is made difficult in the absence of certainty of financial resources. Therefore, schools are forced to take a more reactive approach within their planning and operations.

In March 2015, the Governing School Board authorized its superintendent to implement a District-wide strategic plan which, among other things, called for an evaluation of the District's people, programs and future budget recommendations. As a result, by the end of the 2015 school year, several changes were made impacting both personnel and programs.

By the beginning of the 2016-17 school year, the District had consolidated a number of administrative positions, reducing its administrative costs by \$463,000 dollars. Additional operational changes were made to increase efficiency while reducing costs.

In the spring 2016, the superintendent formed a committee represented by all key educational stakeholders to evaluate the condition of the District's existing facilities and educational supports. Discovered by the Committee was the impact of years of deferred maintenance resulting from deep and lasting cuts to the District's capital funding. Subsequently, many of the District's facilities and assets were found in a state of disrepair. After a series of community hearings and committee meetings, the Board approved a \$15 million bond election. The bond was approved during the November 2016 presidential election, followed by a successful bond sale in December of that same year. Since that time, over \$10 million has been invested in busses, computers, facilities and buildings. The bond dollars also funded the consolidation of the elementary and middle schools, and the relocation of the junior high. In addition, the District strategically relocated students to our newest, most energy efficient campus, while restoring and reopening a school closed for seven years. The consolidation also repurposed our oldest, least efficient school building by leasing a good portion of it to a local church. The remaining portion services our pre-K programs.

The District Governing Board approved a \$12.0 million bond election in 2024; however, the measure did not pass. Declining enrollment and strategic financial planning led to a reduction in staff for the 2024-2025 school year. The District continues to face challenges related to aging facilities, buses, and technology.

Discussions are underway regarding a potential bond and override election in November 2026. Future planning will address operational adjustments needed to respond to fluctuations in enrollment and the outcome of the upcoming bond and override election.

Awards and Acknowledgment

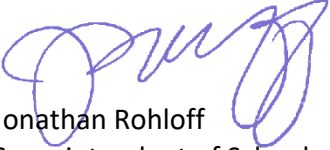
Awards. The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2024. This was the eighth consecutive year that the District has received 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 published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2025 certificates.

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

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

Respectfully submitted,



Jonathan Rohloff
Superintendent of Schools



Courtney Hoffmeyer
Business Manager



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Blue Ridge Unified School District

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

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte', is written over a horizontal line.

Ryan S. Stechschulte
President

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

**Blue Ridge Unified School District No. 32
Arizona**

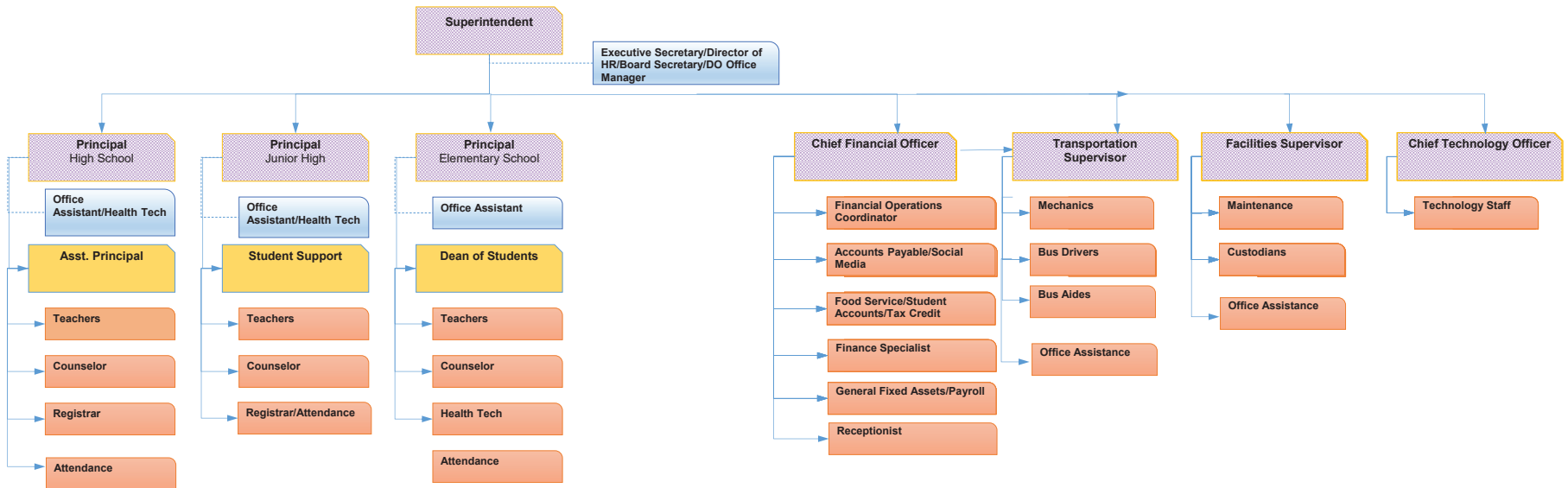
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Blue Ridge Unified School District Organization Chart 2024-2025



Blue Ridge Unified School District No. 32

List of Principal Officials

Governing Board

David Merrill, Board President

Michael Granillo, Vice President

Margaret Gabe, Board Member

Bridget Wood, Board Member

Sylviana Girardi-Stebbins, Board Member

Administrative Staff

Jonathan Rohloff, Superintendent of Schools

Courtney Hoffmeyer, Business Manager

Financial Section

(This page intentionally left blank)

Independent Auditor's Report

Governing Board
Blue Ridge Unified School District No. 32

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 Blue Ridge Unified School District No. 32 (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 Blue Ridge Unified School District No. 32, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Blue Ridge Unified School District No. 32 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 March 3, 2026, on our consideration of Blue Ridge Unified School District No. 32'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 Blue Ridge Unified School District No. 32'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 Blue Ridge Unified School District No. 32's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Flagstaff, Arizona
March 3, 2026

(This page intentionally left blank)

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

(This page intentionally left blank)

Blue Ridge Unified School District No. 32
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

As management of the Blue Ridge Unified School District No. 32 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The District's total net position of governmental activities increased \$1.5 million which represents a five percent increase from the prior fiscal year primarily as a result of conservative spending.
- General revenues accounted for \$20.1 million in revenue, or 80 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$5.2 million or 20 percent of total current fiscal year revenues.
- The District had approximately \$23.7 million in expenses related to governmental activities, a decrease of three percent from the prior fiscal year due to a similar decrease in revenues.
- Among major funds, the General Fund had \$14.8 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$15.1 million in expenditures. The General Fund's fund balance decrease from \$7.8 million at the prior fiscal year end to \$7.2 million at the end of the current fiscal year was primarily due to increased expenditures for increased payroll and maintenance costs.

Overview of Financial Statements

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

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

Blue Ridge Unified School District No. 32
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Overview of Financial Statements

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

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

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

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

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

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

Blue Ridge Unified School District No. 32
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Overview of Financial Statements

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

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

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

Government-Wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$33.4 million at the current fiscal year end.

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

Blue Ridge Unified School District No. 32
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis

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

	As of June 30, 2025	As of June 30, 2024
Current assets	\$ 13,252,831	\$ 13,220,769
Capital assets, net	46,277,501	47,398,950
Total assets	<u>59,530,332</u>	<u>60,619,719</u>
Deferred outflows	<u>2,005,063</u>	<u>1,899,550</u>
Current and other liabilities	584,765	280,110
Long-term liabilities	<u>25,265,117</u>	<u>28,890,633</u>
Total liabilities	<u>25,849,882</u>	<u>29,170,743</u>
Deferred inflows	<u>2,261,790</u>	<u>1,445,802</u>
Net position:		
Net investment in capital assets	34,988,868	33,414,229
Restricted	4,975,810	4,806,294
Unrestricted	<u>(6,540,955)</u>	<u>(6,317,799)</u>
Total net position	<u>\$ 33,423,723</u>	<u>\$ 31,902,724</u>

At the end of the current fiscal year the District reported positive balances in two categories of net position. Unrestricted net position, which is normally used to meet the District's mission, reported a deficit of \$6.5 million. The deficit is due to the District's proportionate share of the state pension plan's unfunded liability. The same situation held true for the prior fiscal year.

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

- The principal retirement of \$2.6 million of bonds and financed purchases payable.
- The increase in accumulated depreciation of \$2.8 million through depreciation expense.
- The decrease of \$1.4 million in pension liabilities.

Blue Ridge Unified School District No. 32
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis

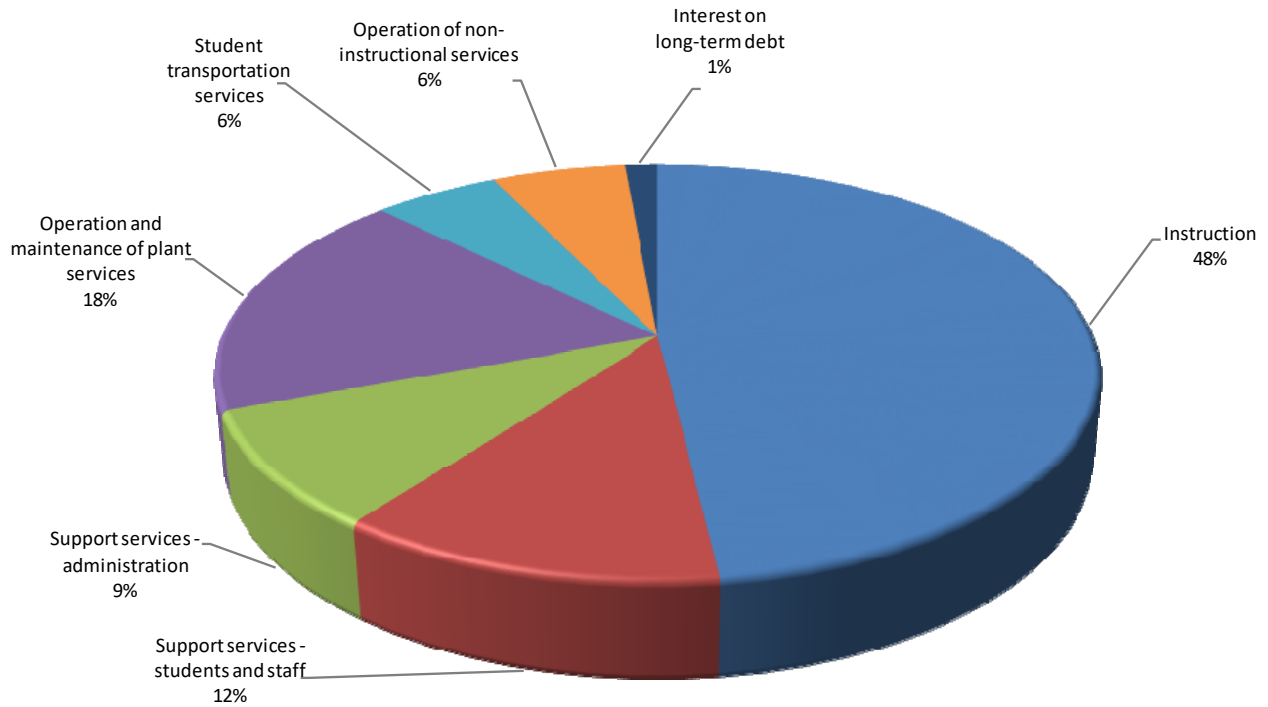
Changes in net position. The District's total revenues for the current fiscal year were \$25.3 million. The total cost of all programs and services was \$23.7 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2025 and June 30, 2024.

	Fiscal Year Ended June 30, 2025	Fiscal Year Ended June 30, 2024
Revenues:		
Program revenues:		
Charges for services	\$ 989,589	\$ 1,297,256
Operating grants and contributions	3,180,780	4,162,765
Capital grants and contributions	993,392	1,056,700
General revenues:		
Property taxes	13,309,141	12,818,423
Investment income	342,896	266,090
Unrestricted state aid	6,028,482	6,060,871
Unrestricted federal aid	425,073	1,156,579
Total revenues	<u>25,269,353</u>	<u>26,818,684</u>
Expenses:		
Instruction	11,423,711	12,617,569
Support services - students and staff	2,897,381	2,817,263
Support services - administration	2,173,391	2,241,269
Operation and maintenance of plant services	4,250,404	3,895,915
Student transportation services	1,298,053	1,381,345
Operation of non-instructional services	1,375,367	1,222,915
Interest on long-term debt	330,047	431,836
Total expenses	<u>23,748,354</u>	<u>24,608,112</u>
Changes in net position	1,520,999	2,210,572
Net position, beginning	<u>31,902,724</u>	<u>29,692,152</u>
Net position, ending	<u><u>\$ 33,423,723</u></u>	<u><u>\$ 31,902,724</u></u>

**Blue Ridge Unified School District No. 32
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025**

Government-Wide Financial Analysis

Expenses - Fiscal Year 2025



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

- Instruction expenses decreased \$1.2 million primarily due to the completion of grants received in response to COVID-19.
- Operating grants and contributions decreased \$981,985 primarily due to the completion of grants received in response to COVID-19.

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.

Blue Ridge Unified School District No. 32
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Government-Wide Financial Analysis

	Year Ended June 30, 2025		Year Ended June 30, 2024	
	Total	Net (Expense)/	Total	Net (Expense)/
	Expenses	Revenue	Expenses	Revenue
Instruction	\$ 11,423,711	\$ (9,331,020)	\$ 12,617,569	\$ (8,830,553)
Support services - students and staff	2,897,381	(2,331,208)	2,817,263	(2,247,888)
Support services - administration	2,173,391	(2,132,879)	2,241,269	(2,179,171)
Operation and maintenance of plant services	4,250,404	(3,175,608)	3,895,915	(2,939,806)
Student transportation services	1,298,053	(1,283,007)	1,381,345	(1,381,345)
Operation of non-instructional services	1,375,367	(824)	1,222,915	(80,792)
Interest on long-term debt	330,047	(330,047)	431,836	(431,836)
Total	\$ 23,748,354	\$ (18,584,593)	\$ 24,608,112	\$ (18,091,391)

- The cost of all governmental activities this year was \$23.7 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$5.2 million.
- Net cost of governmental activities of \$18.6 million was financed by general revenues, which are made up of primarily property taxes of \$13.3 million, state aid of \$6.0 million, and unrestricted federal aid of \$425,073. Investment earnings accounted for \$342,896 of funding.

Financial Analysis of the District's Funds

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$11.5 million, an increase of \$1.9 million.

Blue Ridge Unified School District No. 32
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Financial Analysis of the District's Funds

The General Fund comprises 63 percent of the total fund balance. Approximately \$7.1 million, or 99 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The decrease in fund balance of \$7.6 million to \$7.2 million as of fiscal year end was primarily a result of decreased allocations of federal grant monies received by the District.

The Federal and State Grants Fund's fund balance increased from a deficit balance of \$2.2 million to a deficit balance of \$46,719 primarily due to timely reimbursements for grant expenditures.

The Food Service Fund's fund balance decreased from \$620,822 to \$576,005 primarily due to an increase in indirect costs.

The Debt Service Fund's fund balance increased from a balance of \$855,349 to a balance of \$1.0 million primarily due to property taxes revenues being greater than debt payments.

The Other Capital Projects Fund's fund balance increased from a deficit balance of \$124,112 to a balance of \$83,610 primarily due to timely reimbursements of state grants.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget to recognize the carryover that was not included in the adopted budget. The difference between the original budget and the final amended budget was a \$3.3 million increase, or approximately 28 percent, as a result of including the maintenance and operations carryover in the amended budget.

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

- The favorable variance of \$2.8 million in instruction expenditures primarily because of the District's budget carryover.
- The unfavorable variance of \$257,803 in operation and maintenance of plant services was a result of increased maintenance and upkeep costs for District buildings and equipment.

Blue Ridge Unified School District No. 32
Management’s Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$104.1 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$1.6 million from the prior fiscal year, primarily due to purchases of land improvements, vehicles, furniture and equipment, and ongoing construction projects. Construction in progress at the end of the year totaled \$2.3 million. Total depreciation expense for the current fiscal year was \$2.8 million.

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

	As of June 30, 2025	As of June 30, 2024
Capital assets - non-depreciable	\$ 3,083,262	\$ 2,416,908
Capital assets - depreciable, net	43,194,239	44,982,042
Total	\$ 46,277,501	\$ 47,398,950

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

Debt Administration. At year end, the District had \$11.2 million in long-term debt outstanding, \$1.4 million due within one year.

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 \$169.2 million and the Class B debt limit is \$112.8 million, which are more than the District’s total outstanding general obligation and Class B debt, respectively.

Additional information on the District’s long-term debt can be found in Notes 9 through 11.

Economic Factors and Next Year’s Budget and Rates

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

- District student population (estimated 1,581).
- Employee salaries (estimated \$10.2 million).

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

Blue Ridge Unified School District No. 32
Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2025

Economic Factors and Next Year's Budget and Rates

Budgeted expenditures in the General Fund decreased 24 percent to \$11.6 million in fiscal year 2025-26. The carryover not being calculated at the time of the adoption of the budget is the primary reason for the decrease. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2025-26 budget.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Blue Ridge Unified School District No. 32, 1200 West White Mountain Boulevard, Lakeside, Arizona, 85929.

Basic Financial Statements

(This page intentionally left blank)

Government-Wide Financial Statements

Blue Ridge Unified School District No. 32
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 10,828,337
Deposits	41,543
Property taxes receivable	459,252
Due from governmental entities	1,124,427
Leases receivable	315,466
Total current assets	12,769,025
Noncurrent assets:	
Net other postemployment benefit plan assets	483,806
Capital assets not being depreciated	3,083,262
Capital assets, net accumulated depreciation	43,194,239
Total noncurrent assets	46,761,307
Total assets	59,530,332
 Deferred outflows of resources	
Pension plan items	1,962,061
Other postemployment benefit plan items	43,002
Total deferred outflows of resources	2,005,063
 Liabilities	
Current liabilities:	
Accounts payable	515,902
Accrued payroll and employee benefits	64,049
Unearned revenues	4,814
Compensated absences payable	343,906
Financed purchases payable	221,794
Bonds payable	1,190,000
Total current liabilities	2,340,465
Noncurrent liabilities:	
Non-current portion of long-term obligations	23,509,417
Total noncurrent liabilities	23,509,417
Total liabilities	25,849,882
 Deferred inflows of resources	
Pension plan items	1,800,362
Other postemployment benefit plan items	156,014
Leases	305,414
Total deferred inflows of resources	2,261,790
 Net position	
Net investment in capital assets	34,988,868
Restricted for:	
Instruction	2,010,471
Food service	576,005
Non-instructional purposes	400,877
Debt service	1,072,998
Capital outlay	431,653
Other postemployment benefit plan assets	483,806
Unrestricted	(6,540,955)
Total net position	\$ 33,423,723

Blue Ridge Unified School District No. 32
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction	\$ 11,423,711	\$ 624,371	\$ 1,459,905	\$ 8,415	\$ (9,331,020)
Support services - students and staff	2,897,381	143,675	422,498		(2,331,208)
Support services - administration	2,173,391	12,767	27,745		(2,132,879)
Operation and maintenance of plant services	4,250,404	31,987	59,444	983,365	(3,175,608)
Student transportation services	1,298,053	6,796	8,250		(1,283,007)
Operation of non-instructional services	1,375,367	169,993	1,202,938	1,612	(824)
Interest on long-term debt	330,047				(330,047)
Total governmental activities	<u>\$ 23,748,354</u>	<u>\$ 989,589</u>	<u>\$ 3,180,780</u>	<u>\$ 993,392</u>	<u>(18,584,593)</u>
General revenues					
Property taxes					13,309,141
Investment income					342,896
Unrestricted state aid					6,028,482
Unrestricted federal aid					425,073
Total general revenues					<u>20,105,592</u>
Changes in net position					1,520,999
Net position, beginning of year					<u>31,902,724</u>
Net position, end of year					<u>\$ 33,423,723</u>

(This page intentionally left blank)

Fund Financial Statements

Blue Ridge Unified School District No. 32

Balance Sheet

Governmental Funds

June 30, 2025

	Federal and State			
	General	Grants	Food Service	Debt Service
Assets				
Cash and investments	\$ 7,069,777	\$	\$ 318,269	\$ 971,058
Deposits			41,543	
Property taxes receivable	337,729			101,940
Due from governmental entities	222,182	44,176	363,996	
Due from other funds	205,034			
Leases receivable	245,067			
Total assets	<u>\$ 8,079,789</u>	<u>\$ 44,176</u>	<u>\$ 723,808</u>	<u>\$ 1,072,998</u>
Liabilities				
Accounts payable	\$ 282,355	\$ 19,246	\$ 147,803	\$
Due to other funds		52,792		
Accrued payroll and employee benefits	64,049			
Unearned revenues		4,814		
Total liabilities	<u>346,404</u>	<u>76,852</u>	<u>147,803</u>	
Deferred inflows of resources				
Unavailable revenues - property taxes	220,169			65,814
Unavailable revenues - intergovernmental	40,632	14,043		
Leases	239,744			
Total deferred inflows of resources	<u>500,545</u>	<u>14,043</u>		<u>65,814</u>
Fund balances				
Restricted	84,145		576,005	1,007,184
Unassigned	7,148,695	(46,719)		
Total fund balances	<u>7,232,840</u>	<u>(46,719)</u>	<u>576,005</u>	<u>1,007,184</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,079,789</u>	<u>\$ 44,176</u>	<u>\$ 723,808</u>	<u>\$ 1,072,998</u>

Other Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$	\$ 2,469,233	\$ 10,828,337
		41,543
	19,583	459,252
298,747	195,326	1,124,427
		205,034
	70,399	315,466
<u>298,747</u>	<u>2,754,541</u>	<u>12,974,059</u>
\$	\$	\$
66,498		515,902
148,639	3,603	205,034
		64,049
		4,814
<u>215,137</u>	<u>3,603</u>	<u>789,799</u>
	12,796	298,779
		54,675
	65,670	305,414
	78,466	658,868
83,610	2,672,472	4,423,416
		7,101,976
<u>83,610</u>	<u>2,672,472</u>	<u>11,525,392</u>
\$	\$	\$
<u>298,747</u>	<u>2,754,541</u>	<u>12,974,059</u>

(This page intentionally left blank)

Blue Ridge Unified School District No. 32
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds **\$ 11,525,392**

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	\$ 104,115,762	
Less accumulated depreciation/amortization	<u>(57,838,261)</u>	
		46,277,501

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

Property taxes	298,779	
Intergovernmental	<u>54,675</u>	
		353,454

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pensions and OPEB	2,005,063	
Deferred inflows of resources related to pensions and OPEB	<u>(1,956,376)</u>	
		48,687

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

Compensated absences payable	(882,376)	
Financed purchases payable	(1,108,964)	
OPEB net assets	483,806	
Bonds payable	(10,078,936)	
Net pension liability	<u>(13,194,841)</u>	
		<u>(24,781,311)</u>

Net position of governmental activities **\$ 33,423,723**

Blue Ridge Unified School District No. 32
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Federal and State			
	General	Grants	Food Service	Debt Service
Revenues				
Other local	\$ 347,648	\$	\$ 154,593	\$ 75,668
Property taxes	9,693,815			2,985,092
State aid and grants	4,291,548	83,266	5,155	
Federal aid, grants and reimbursements	<u>425,073</u>	<u>4,027,508</u>	<u>1,199,089</u>	
Total revenues	<u>14,758,084</u>	<u>4,110,774</u>	<u>1,358,837</u>	<u>3,060,760</u>
Expenditures				
Current:				
Instruction	6,404,818	1,367,448		
Support services - students and staff	2,106,587	414,105		
Support services - administration	2,128,031	27,194	63,255	
Operation and maintenance of plant services	3,064,651	18,438		
Student transportation services	1,067,500	8,086		
Operation of non-instructional services	29,546	300	1,298,219	
Capital outlay	345,624	8,415	1,612	
Debt service:				
Principal retirement				2,390,000
Interest and fiscal charges				518,925
Total expenditures	<u>15,146,757</u>	<u>1,843,986</u>	<u>1,363,086</u>	<u>2,908,925</u>
Excess (deficiency) of revenues over expenditures	<u>(388,673)</u>	<u>2,266,788</u>	<u>(4,249)</u>	<u>151,835</u>
Other financing sources (uses)				
Transfers in	120,095			
Transfers out	<u>(249,598)</u>	<u>(79,527)</u>	<u>(40,568)</u>	
Total other financing sources (uses)	<u>(129,503)</u>	<u>(79,527)</u>	<u>(40,568)</u>	
Changes in fund balances	<u>(518,176)</u>	<u>2,187,261</u>	<u>(44,817)</u>	<u>151,835</u>
Fund balances, beginning of year, previously reported	7,751,016	(2,233,980)		855,349
Adjustments to beginning fund balances			620,822	
Fund balances, beginning of year, as restated	<u>7,751,016</u>	<u>(2,233,980)</u>	<u>620,822</u>	<u>855,349</u>
Fund balances, end of year	<u>\$ 7,232,840</u>	<u>\$ (46,719)</u>	<u>\$ 576,005</u>	<u>\$ 1,007,184</u>

Other Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
\$ 2,022	\$ 817,298	\$ 1,397,229
	553,111	13,232,018
1,004,708	1,736,934	7,121,611
		<u>5,651,670</u>
<u>1,006,730</u>	<u>3,107,343</u>	<u>27,402,528</u>
	2,155,531	9,927,797
	332,415	2,853,107
		2,218,480
	31,898	3,114,987
	13,325	1,088,911
	14,594	1,342,659
799,008	633,975	1,788,634
208,685		2,598,685
40,913		<u>559,838</u>
<u>1,048,606</u>	<u>3,181,738</u>	<u>25,493,098</u>
<u>(41,876)</u>	<u>(74,395)</u>	<u>1,909,430</u>
249,598		369,693
		<u>(369,693)</u>
<u>249,598</u>		
<u>207,722</u>	<u>(74,395)</u>	<u>1,909,430</u>
	3,243,577	9,615,962
(124,112)	(496,710)	
<u>(124,112)</u>	<u>2,746,867</u>	<u>9,615,962</u>
<u>\$ 83,610</u>	<u>\$ 2,672,472</u>	<u>\$ 11,525,392</u>

Blue Ridge Unified School District No. 32
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 **\$ 1,909,430**

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

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

Expenditures for capitalized assets	\$ 1,635,684	
Less current year depreciation	<u>(2,757,133)</u>	
		(1,121,449)

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

Property taxes	77,123	
Intergovernmental	<u>(2,210,298)</u>	
		(2,133,175)

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.

Financed purchase principal retirement	208,685	
Bond principal retirement	<u>2,390,000</u>	
		2,598,685

Governmental funds report pension contributions as expenditures. However, they are reported as deferred outflows of resources in the Statement of Net Position. The change in the net pension liability, adjusted for deferred items, is reported as pension expense in the Statement of Activities.

Current year pension and OPEB contributions	1,232,656	
Pension and OPEB expense	<u>(614,418)</u>	
		618,238

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Deferred bond items on issuance of refunding debt	(26,901)	
Amortization of deferred bond items	256,692	
Compensated absences	<u>(580,521)</u>	
		<u>(350,730)</u>

Changes in net position in governmental activities **\$ 1,520,999**

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Blue Ridge Unified School District No. 32 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

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

A. Reporting Entity

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

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

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

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

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

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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.

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

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

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

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

The District reports the following major governmental funds:

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

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

Food Service Fund – The Food Service Fund accounts 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.

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

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

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

D. Cash and Investments

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

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

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

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

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

E. Investment Income

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

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

I. Capital Assets

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

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

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

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

Land improvements	15 – 25 years
Buildings and improvements	10 – 75 years
Vehicles, furniture and equipment	5 – 20 years

J. Deferred Outflows/Inflows of Resources

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

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

K. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered 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.

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

L. Leases

As lessor, the District recognizes lease receivables with an initial, individual value of \$13,000 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 to measure lease receivables.

M. Pensions and Other Post Employment Benefits

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

N. Long-term Obligations

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

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

O. Interfund Activity

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

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 1 – Summary of Significant Accounting Policies

P. Net Position Flow Assumption

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

Q. Estimates

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

Note 2 – Fund Balance Classifications

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

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

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

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

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

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 2 – Fund Balance Classifications

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

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

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

	General	Federal and State Grants	Food Service	Debt Service	Other Capital Projects	Non-Major Governmental Funds
Fund Balances:						
Restricted:						
Debt service	\$	\$	\$	\$ 1,007,184	\$	\$
Capital projects					83,610	335,247
Bond building projects						10,022
Voter approved initiatives						1,103,118
Food service			576,005			
Civic center						274,008
Community schools						38,464
Extracurricular activities						363,908
Insurance proceeds	64,284					
Insurance refund	19,861					
Student activities						402,893
Other purposes						144,812
Unassigned	7,148,695	(46,719)				
Total fund balances	<u>\$ 7,232,840</u>	<u>\$ (46,719)</u>	<u>\$ 576,005</u>	<u>\$ 1,007,184</u>	<u>\$ 83,610</u>	<u>\$ 2,672,472</u>

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balances –At year end, the Federal and State Grants Fund reported a deficit of \$46,719 in fund balance. The deficit arose because of operations during both the current and prior fiscal years because of pending grant reimbursements. Additional revenues received in future fiscal years are expected to eliminate the deficit.

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

Blue Ridge Unified School District No. 32
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 \$772,025 and the bank balance was \$1,035,419. At year end, \$535,419 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.

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

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

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

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

	<u>Average Maturities</u>		<u>Fair Value</u>
County Treasurer’s investment pool	2.0181 years	\$	10,056,312

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

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

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

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 5 – Receivables

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

	General	Federal and State Grants	Food Service	Other Capital Projects	Non-Major Governmental Funds
Due from other governmental entities:					
Due from federal government	\$ 46,957	\$ 44,176	\$ 363,996	\$	\$
Due from state government	<u>175,225</u>			<u>298,747</u>	<u>195,326</u>
Net due from governmental entities	<u>\$ 222,182</u>	<u>\$ 44,176</u>	<u>\$ 363,996</u>	<u>\$ 298,747</u>	<u>\$ 195,326</u>

Note 6 – Leases Receivable

The District acts as a lessor for various land agreements under the provisions of contracts classified as leases. The related receivables under the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date. Lease revenue of \$68,341 and related interest revenue of \$914 are recorded as other local revenue in the General Fund and the Other Special Revenue Fund, a non-major governmental fund.

Note 7 – Capital Assets

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 799,520	\$	\$	\$ 799,520
Construction in progress	<u>1,617,388</u>	<u>709,620</u>	<u>43,266</u>	<u>2,283,742</u>
Total capital assets, not being depreciated	<u>2,416,908</u>	<u>709,620</u>	<u>43,266</u>	<u>3,083,262</u>
Capital assets, being depreciated:				
Land improvements	5,276,499	706,105		5,982,604
Buildings and improvements	86,583,992	17,675		86,601,667
Vehicles, furniture and equipment	<u>8,202,679</u>	<u>245,550</u>		<u>8,448,229</u>
Total capital assets being depreciated	<u>100,063,170</u>	<u>969,330</u>		<u>101,032,500</u>
Less accumulated depreciation for:				
Land improvements	(3,314,514)	(187,400)		(3,501,914)
Buildings and improvements	(45,967,381)	(2,216,288)		(48,183,669)
Vehicles, furniture and equipment	<u>(5,799,233)</u>	<u>(353,445)</u>		<u>(6,152,678)</u>
Total accumulated depreciation	<u>(55,081,128)</u>	<u>(2,757,133)</u>		<u>(57,838,261)</u>
Total capital assets being depreciated, net	<u>44,982,042</u>	<u>(1,787,803)</u>		<u>43,194,239</u>
Governmental activities capital assets, net	<u>\$ 47,398,950</u>	<u>\$ (1,078,183)</u>	<u>\$ 43,266</u>	<u>\$ 46,277,501</u>

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 7 – Capital Assets

Depreciation expense was charged to governmental functions as follows:

Instruction	\$	1,355,225
Support services – students and staff		15,491
Support services – administration		15,366
Operation and maintenance of plant services		1,129,609
Student transportation services		213,074
Operation of non-instructional services		28,368
Total depreciation expense – governmental activities	\$	2,757,133

Construction Commitments – At year end, the District had contractual commitments related to various capital projects for the construction of weatherization, roof, and floor renovations. At year end, the District had spent \$2.3 million on the projects and had estimated remaining contractual commitments of \$2.4 million. These projects are being funded from the General Fund revenues and funding from the School Facilities Board.

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 has \$22,000 in unused line of credit.

Note 9 – Financed Purchases Payable

The District has acquired energy savings retrofits under the provisions of contracts classified as financed purchases payable. Revenues from the General Fund are transferred to the Other Capital Projects Fund, a non-major fund, to pay the debt obligations when due. The District receives a federal interest subsidy to fund the interest payments for the District-wide energy project.

Annual debt service requirements to maturity on financed purchases payable at year end are summarized as follows:

	Governmental Activities	
	Principal	Interest
Year ending June 30:		
2026	\$ 221,794	\$ 34,068
2027	235,479	26,795
2028	249,763	19,075
2029	264,667	10,889
2030	137,261	2,217
Total	\$ 1,108,964	\$ 93,044

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 10 – General Obligation Bonds Payable

Bonds payable at year end consisted of the following outstanding general obligation bonds. The bonds are callable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt. The District’s legal debt limit is \$169.2 million, and the available margin is \$159.1 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2025	Due Within One Year
Governmental activities:					
School Improvement Bond Series	\$ 13,920,000	3.625-5.00%	7/1/26-36	\$ 9,335,000	\$ 1,190,000

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	\$ 1,190,000	\$ 420,926
2027	1,245,000	361,426
2028	1,310,000	299,176
2029	1,375,000	233,676
2030	585,000	164,926
2031-35	3,030,000	460,430
2036	600,000	22,500
Total	<u>\$ 9,335,000</u>	<u>\$ 1,963,060</u>

Note 11 – Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 11,725,000	\$	\$ 2,390,000	\$ 9,335,000	\$ 1,190,000
Premium	1,000,628		256,692	743,936	
Total bonds payable	<u>12,725,628</u>		<u>2,646,692</u>	<u>10,078,936</u>	<u>1,190,000</u>
Financed purchases payable	1,317,649		208,685	1,108,964	221,794
Net pension liability	14,545,501		1,350,660	13,194,841	
Compensated absences payable	301,855	580,321		882,176	343,906
Total long-term liabilities	<u>\$ 28,890,633</u>	<u>\$ 580,321</u>	<u>\$ 4,206,037</u>	<u>\$ 25,264,917</u>	<u>\$ 1,755,700</u>

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 12 – Interfund Receivables, Payables, and Transfers

At year end, interfund balances were as follows:

Due to/from other funds – At year end, the Federal and State Grants Fund and Other Capital Projects Fund, both major governmental funds, and several non-major governmental funds had negative cash balances of \$52,792, \$148,639, and \$3,603, respectively, in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Interfund transfers:

Transfers out	Transfers in		
	General	Other Capital Projects	Total
General	\$	\$ 249,598	\$ 249,598
Federal and State Grants	79,527		79,527
Food Service	40,568		40,568
Total	\$ 120,095	\$ 249,598	\$ 369,693

Transfers between funds were used to (1) transfer energy savings from the General Fund to the Energy and Water Savings Fund, a non-major governmental fund, as allowed by statute, and (2) to move federal grant funds restricted for indirect costs.

Note 13 – Contingent Liabilities

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

Note 14 – Restatements of Beginning Balances

Change within the Financial Reporting Entity - The Food Service and Other Capital Projects Funds were previously reported as a non-major governmental funds as they did not meet the criteria to be reported as major funds. However, current year activity and/or balances for the Food Service and Other Capital Projects Funds met the criteria to be reported as major funds.

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 14 – Restatements of Beginning Balances

The effect of the matters noted above resulted in adjustments to and restatements of beginning fund balance and beginning 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	\$ 7,751,016	\$	\$ 7,751,016
Federal and State Grants Fund	(2,233,980)		(2,233,980)
Food Service Fund		620,822	620,822
Debt Service Fund	855,349		855,349
Other Capital Projects Fund		(124,112)	(124,112)
Non-Major Governmental Funds	<u>3,243,577</u>	<u>(496,710)</u>	<u>2,746,867</u>
Total Governmental Funds	<u>\$ 9,615,962</u>	<u>\$</u>	<u>\$ 9,615,962</u>

Note 15 – 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. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

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

The District joined the Arizona School Alliance for Workers’ Compensation, Inc. (Alliance) together with other school districts in the state for risks of loss related to workers’ compensation claims. The Alliance is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays 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’s employees have health and accident insurance coverage with Kairos Health Arizona, Inc. Kairos is a public entity risk pool currently operating as a common risk management and insurance program for school districts in the State. The District pays a monthly premium to Kairos for employees’ health and accident insurance coverage. The agreement provides that Kairos will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts.

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 16 – Pensions

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

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

	Pension	OPEB	Total
Net assets	\$	\$ (483,806)	\$ (483,806)
Net liability	13,194,841		13,194,841
Deferred outflows of resources	1,962,061	43,002	2,005,063
Deferred inflows of resources	1,800,362	156,014	1,956,376
Expense	677,639	(63,221)	614,418
Contributions	1,225,537	7,119	1,232,656

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

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 16 – Pensions

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 \$1,225,537.

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.

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 16 – Pensions

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	District	Increase
Liability	% Proportion	(Decrease)
\$13,194,841	0.082	(0.008)

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 \$677,639.

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

	<u>Deferred</u>	<u>Deferred</u>
	<u>Outflows of</u>	<u>Inflows of</u>
	<u>Resources</u>	<u>Resources</u>
Differences between expected and actual experience	\$ 736,524	\$
Net difference between projected and actual earnings on pension investments		842,635
Changes in proportion and differences between contributions and proportionate share of contributions		957,727
Contributions subsequent to the measurement date	<u>1,225,537</u>	
Total	<u>\$ 1,962,061</u>	<u>\$ 1,800,362</u>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 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	\$ (962,859)
2027	266,953
2028	(213,299)
2029	(154,633)

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 16 – Pensions

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

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%	4.05
Interest rate sensitive bonds	6%	(0.45)
Private equity	10%	6.11
Real estate	17%	6.05
Total	100%	

Blue Ridge Unified School District No. 32
Notes to Financial Statements
June 30, 2025

Note 16 – Pensions

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

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 20,204,000	\$ 13,194,841	\$ 7,353,319

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.

Required Supplementary Information

(This page intentionally left blank)

Blue Ridge Unified School District No. 32
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2025

	<u>Budget</u>		Non-GAAP Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 37,170	\$ 37,170
Property taxes			9,682,696	9,682,696
State aid and grants			4,029,733	4,029,733
Total revenues			<u>13,749,599</u>	<u>13,749,599</u>
Expenditures				
Current:				
Instruction	6,318,618	8,481,211	5,685,421	2,795,790
Support services - students and staff	1,336,915	1,370,265	1,502,018	(131,753)
Support services - administration	1,437,834	1,632,013	1,642,584	(10,571)
Operation and maintenance of plant services	2,854,612	2,708,580	2,966,383	(257,803)
Student transportation services		1,073,425	1,010,811	62,614
Operation of non-instructional services	44,086	36,424	29,546	6,878
Total expenditures	<u>11,992,065</u>	<u>15,301,918</u>	<u>12,836,763</u>	<u>2,465,155</u>
Excess (deficiency) of revenues over expenditures	<u>(11,992,065)</u>	<u>(15,301,918)</u>	<u>912,836</u>	<u>16,214,754</u>
Other financing sources (uses)				
Transfers in				
Transfers out			(249,598)	(249,598)
Total other financing sources (uses)			<u>(249,598)</u>	<u>(249,598)</u>
Changes in fund balances	<u>(11,992,065)</u>	<u>(15,301,918)</u>	<u>663,238</u>	<u>15,965,156</u>
Fund balances, beginning of year			<u>2,608,139</u>	<u>2,608,139</u>
Fund balances, end of year	<u>\$ (11,992,065)</u>	<u>\$ (15,301,918)</u>	<u>\$ 3,271,377</u>	<u>\$ 18,573,295</u>

Blue Ridge Unified School District No. 32
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	\$	\$	\$ 83,266	\$ 83,266
Federal aid, grants and reimbursements			4,027,508	4,027,508
Total revenues			<u>4,110,774</u>	<u>4,110,774</u>
Expenditures				
Current:				
Instruction	3,488,314	1,275,401	1,367,448	(92,047)
Support services - students and staff	1,056,368	386,230	414,105	(27,875)
Support services - administration	69,371	25,363	27,194	(1,831)
Operation and maintenance of plant services	47,035	17,197	18,438	(1,241)
Student transportation services	20,627	7,542	8,086	(544)
Operation of non-instructional services	765	280	300	(20)
Capital outlay	21,466	7,849	8,415	(566)
Total expenditures	<u>4,703,946</u>	<u>1,719,862</u>	<u>1,843,986</u>	<u>(124,124)</u>
Excess (deficiency) of revenues over expenditures	<u>(4,703,946)</u>	<u>(1,719,862)</u>	<u>2,266,788</u>	<u>3,986,650</u>
Other financing sources (uses)				
Transfers out			(79,527)	(79,527)
Total other financing sources (uses)			<u>(79,527)</u>	<u>(79,527)</u>
Changes in fund balances	<u>(4,703,946)</u>	<u>(1,719,862)</u>	<u>2,187,261</u>	<u>3,907,123</u>
Fund balances, beginning of year			<u>(2,233,980)</u>	<u>(2,233,980)</u>
Fund balances, end of year	<u>\$ (4,703,946)</u>	<u>\$ (1,719,862)</u>	<u>\$ (46,719)</u>	<u>\$ 1,673,143</u>

Blue Ridge Unified School District No. 32
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food 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	\$	\$ 154,593	\$ 154,593
State aid and grants		5,155	5,155
Federal aid, grants and reimbursements		1,199,089	1,199,089
Total revenues		<u>1,358,837</u>	<u>1,358,837</u>
Expenditures			
Current:			
Support services - administration	88,171	63,255	24,916
Operation of non-instructional services	1,809,582	1,298,219	511,363
Capital outlay	2,247	1,612	635
Total expenditures	<u>1,900,000</u>	<u>1,363,086</u>	<u>536,914</u>
Excess (deficiency) of revenues over expenditures	<u>(1,900,000)</u>	<u>(4,249)</u>	<u>1,895,751</u>
Other financing sources (uses)			
Transfers out		(40,568)	(40,568)
Total other financing sources (uses)		<u>(40,568)</u>	<u>(40,568)</u>
Changes in fund balances	<u>(1,900,000)</u>	<u>(44,817)</u>	<u>1,855,183</u>
Fund balances, beginning of year		<u>620,822</u>	<u>620,822</u>
Fund balances, end of year	<u>\$ (1,900,000)</u>	<u>\$ 576,005</u>	<u>\$ 2,476,005</u>

Blue Ridge Unified School District No. 32
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	0.08%	0.09%	0.09%	0.09%
District's proportionate share of the net pension (assets) liability	\$ 13,194,841	\$ 14,545,501	\$ 15,244,954	\$ 11,963,566
District's covered payroll	\$ 11,601,663	\$ 11,727,450	\$ 11,091,782	\$ 10,202,798
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	113.73%	124.03%	137.44%	117.26%
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	\$ 1,225,537	\$ 1,395,680	\$ 1,397,912	\$ 1,332,123
Contributions in relation to the actuarially determined contribution	<u>1,225,537</u>	<u>1,395,680</u>	<u>1,397,912</u>	<u>1,332,123</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 10,170,432	\$ 11,601,663	\$ 11,727,450	\$ 11,091,782
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
0.09%	0.10%	0.10%	0.10%	0.09%	0.09%
\$ 15,734,213	\$ 14,020,046	\$ 13,735,889	\$ 15,035,935	\$ 14,622,136	\$ 13,335,569
\$ 9,912,009	\$ 10,128,148	\$ 9,807,193	\$ 9,045,371	\$ 8,094,258	\$ 7,360,073
158.74%	138.43%	140.06%	166.23%	180.65%	181.19%
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>
\$ 1,188,626	\$ 1,134,925	\$ 1,132,327	\$ 1,068,984	\$ 975,091	\$ 878,227
<u>1,188,626</u>	<u>1,134,925</u>	<u>1,132,327</u>	<u>1,068,984</u>	<u>975,091</u>	<u>878,227</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 10,202,798	\$ 9,912,009	\$ 10,128,148	\$ 9,807,193	\$ 9,045,371	\$ 8,094,258
11.65%	11.45%	11.18%	10.90%	10.78%	10.85%

Blue Ridge Unified School District No. 32
Notes to Required Supplementary Information
June 30, 2025

Note 1 – Budgetary Basis of Accounting

The District budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America. 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, and which do not have legally adopted budgets. Arizona Revised Statutes requires a 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>Expenditures</u>	<u>Balances</u>
		<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 15,146,757	\$ 7,232,840
Other funds presented in the General Fund	<u>(2,309,994)</u>	<u>(3,961,463)</u>
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 12,836,763</u>	<u>\$ 3,271,377</u>

Note 2 – Pension Plan Schedules

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

Factors that Affect Trends. The actuarial assumptions used in the June 30, 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**

(This page intentionally left blank)

Governmental Funds

(This page intentionally left blank)

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.

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

Capital Projects Funds

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

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

Blue Ridge Unified School District No. 32
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025

Special Revenue Funds

	<u>Classroom Site</u>	<u>Instructional Improvement</u>	<u>Other Special Revenue</u>
Assets			
Cash and investments	\$ 911,395	\$	\$ 1,219,356
Property taxes receivable			
Due from governmental entities	134,028	61,298	
Leases receivable			70,399
Total assets	<u>\$ 1,045,423</u>	<u>\$ 61,298</u>	<u>\$ 1,289,755</u>
Liabilities			
Due to other funds		3,603	
Total liabilities		<u>3,603</u>	
Deferred inflows of resources			
Unavailable revenues - property taxes			
Leases			65,670
Total deferred inflows of resources			<u>65,670</u>
Fund balances			
Restricted	1,045,423	57,695	1,224,085
Total fund balances	<u>1,045,423</u>	<u>57,695</u>	<u>1,224,085</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,045,423</u>	<u>\$ 61,298</u>	<u>\$ 1,289,755</u>

Capital Projects Funds

Adjacent Ways	Bond Building	Total Non-Major Governmental Funds
\$ 328,460	\$ 10,022	\$ 2,469,233
19,583		19,583
		195,326
		70,399
<u>\$ 348,043</u>	<u>\$ 10,022</u>	<u>\$ 2,754,541</u>
		3,603
		3,603
12,796		12,796
		65,670
<u>12,796</u>		<u>78,466</u>
<u>335,247</u>	<u>10,022</u>	<u>2,672,472</u>
<u>335,247</u>	<u>10,022</u>	<u>2,672,472</u>
<u>\$ 348,043</u>	<u>\$ 10,022</u>	<u>\$ 2,754,541</u>

Blue Ridge Unified School District No. 32
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

Special Revenue Funds

	Special Revenue Funds			
	Classroom Site	Instructional Improvement	Food Service	
Revenues				
Other local	\$ 51,395	\$ 4,289	\$	\$ 733,228
Property taxes				
State aid and grants	1,608,333	128,601		
Total revenues	<u>1,659,728</u>	<u>132,890</u>		<u>733,228</u>
Expenditures				
Current:				
Instruction	1,495,769	78,236		581,526
Support services - students and staff	63,552	145,390		123,473
Operation and maintenance of plant services				31,898
Student transportation services				13,325
Operation of non-instructional services				14,594
Capital outlay				1,342
Total expenditures	<u>1,559,321</u>	<u>223,626</u>		<u>766,158</u>
Changes in fund balances	<u>100,407</u>	<u>(90,736)</u>		<u>(32,930)</u>
Fund balances, beginning of year, previously reported	945,016	148,431	620,822	1,257,015
Adjustments to beginning fund balances			(620,822)	
Fund balances, beginning of year, as restated	<u>945,016</u>	<u>148,431</u>		<u>1,257,015</u>
Fund balances, end of year	<u>\$ 1,045,423</u>	<u>\$ 57,695</u>	<u>\$</u>	<u>\$ 1,224,085</u>

Capital Projects Funds

Adjacent Ways	Bond Building Fund	Other Capital Projects	Total Non-Major Governmental Funds
\$ 28,386	\$	\$	\$ 817,298
553,111			553,111
<u>581,497</u>	<u></u>	<u></u>	<u>1,736,934</u>
			<u>3,107,343</u>
			2,155,531
			332,415
	21,633		53,531
			13,325
			14,594
<u>611,000</u>	<u></u>	<u></u>	<u>612,342</u>
<u>611,000</u>	<u>21,633</u>	<u></u>	<u>3,181,738</u>
<u>(29,503)</u>	<u>(21,633)</u>	<u></u>	<u>(74,395)</u>
364,750	31,655	(124,112)	3,243,577
		<u>124,112</u>	<u>(496,710)</u>
<u>364,750</u>	<u>31,655</u>	<u></u>	<u>2,746,867</u>
<u>\$ 335,247</u>	<u>\$ 10,022</u>	<u>\$</u>	<u>\$ 2,672,472</u>

Blue Ridge Unified School District No. 32
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	\$	\$	\$ 51,395	\$ 51,395
State aid and grants			1,608,333	1,608,333
Total revenues			<u>1,659,728</u>	<u>1,659,728</u>
Expenditures				
Current:				
Instruction	2,405,158	2,538,080	1,495,769	1,042,311
Support services - students and staff	14,873	14,873	63,552	(48,679)
Total expenditures	<u>2,420,031</u>	<u>2,552,953</u>	<u>1,559,321</u>	<u>993,632</u>
Changes in fund balances	<u>(2,420,031)</u>	<u>(2,552,953)</u>	<u>100,407</u>	<u>2,653,360</u>
Fund balances, beginning of year			<u>945,016</u>	<u>945,016</u>
Fund balances, end of year	<u>\$ (2,420,031)</u>	<u>\$ (2,552,953)</u>	<u>\$ 1,045,423</u>	<u>\$ 3,598,376</u>

Blue Ridge Unified School District No. 32
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	\$	\$	\$ 4,289	\$ 4,289
State aid and grants			128,601	128,601
Total revenues			<u>132,890</u>	<u>132,890</u>
Expenditures				
Current:				
Instruction	39,494	87,463	78,236	9,227
Support services - students and staff	73,393	162,537	145,390	17,147
Total expenditures	<u>112,887</u>	<u>250,000</u>	<u>223,626</u>	<u>26,374</u>
Changes in fund balances	<u>(112,887)</u>	<u>(250,000)</u>	<u>(90,736)</u>	<u>159,264</u>
Fund balances, beginning of year			<u>148,431</u>	<u>148,431</u>
Fund balances, end of year	<u>\$ (112,887)</u>	<u>\$ (250,000)</u>	<u>\$ 57,695</u>	<u>\$ 307,695</u>

Blue Ridge Unified School District No. 32
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	\$	\$	\$ 733,228	\$ 733,228
Total revenues			<u>733,228</u>	<u>733,228</u>
Expenditures				
Current:				
Instruction	525,423	534,347	581,526	(47,179)
Support services - students and staff	111,561	113,456	123,473	(10,017)
Operation and maintenance of plant services	28,821	29,310	31,898	(2,588)
Student transportation services	12,039	12,244	13,325	(1,081)
Operation of non-instructional services	13,186	13,410	14,594	(1,184)
Capital outlay	1,213	1,233	1,342	(109)
Total expenditures	<u>692,243</u>	<u>704,000</u>	<u>766,158</u>	<u>(62,158)</u>
Changes in fund balances	<u>(692,243)</u>	<u>(704,000)</u>	<u>(32,930)</u>	<u>671,070</u>
Fund balances, beginning of year			<u>1,257,015</u>	<u>1,257,015</u>
Fund balances, end of year	<u>\$ (692,243)</u>	<u>\$ (704,000)</u>	<u>\$ 1,224,085</u>	<u>\$ 1,928,085</u>

Blue Ridge Unified School District No. 32
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt 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	\$	\$	\$ 75,668	\$ 75,668
Property taxes			2,985,092	2,985,092
Total revenues			<u>3,060,760</u>	<u>3,060,760</u>
Expenditures				
Debt service:				
Principal retirement	2,390,000	2,390,000	2,390,000	
Interest and fiscal charges	528,425	610,000	518,925	91,075
Total expenditures	<u>2,918,425</u>	<u>3,000,000</u>	<u>2,908,925</u>	<u>91,075</u>
Changes in fund balances	<u>(2,918,425)</u>	<u>(3,000,000)</u>	<u>151,835</u>	<u>3,151,835</u>
Fund balances, beginning of year			<u>855,349</u>	<u>855,349</u>
Fund balances, end of year	<u>\$ (2,918,425)</u>	<u>\$ (3,000,000)</u>	<u>\$ 1,007,184</u>	<u>\$ 4,007,184</u>

Blue Ridge Unified School District No. 32
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
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	\$	\$ 28,386	\$ 28,386
Property taxes		553,111	553,111
Total revenues		<u>581,497</u>	<u>581,497</u>
Expenditures			
Capital outlay	955,000	611,000	344,000
Total expenditures	<u>955,000</u>	<u>611,000</u>	<u>344,000</u>
Changes in fund balances	<u>(955,000)</u>	<u>(29,503)</u>	<u>925,497</u>
Fund balances, beginning of year		<u>364,750</u>	<u>364,750</u>
Fund balances, end of year	<u>\$ (955,000)</u>	<u>\$ 335,247</u>	<u>\$ 1,290,247</u>

Blue Ridge Unified School District No. 32
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
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	\$ _____	\$ _____	\$ _____
Total revenues	_____	_____	_____
Expenditures			
Current:			
Operation and maintenance of plant services	_____	21,633	(21,633)
Total expenditures	_____	21,633	(21,633)
Changes in fund balances	_____	(21,633)	(21,633)
Fund balances, beginning of year	_____	31,655	31,655
Fund balances, end of year	<u>\$ _____</u>	<u>\$ 10,022</u>	<u>\$ 10,022</u>

Blue Ridge Unified School District No. 32
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>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	2,022	\$ 2,022
State aid and grants			1,004,708	1,004,708
Total revenues			<u>1,006,730</u>	<u>1,006,730</u>
Expenditures				
Current:				
Capital outlay	469,357	480,402	799,008	(318,606)
Debt service:				
Principal retirement	208,685	208,685	208,685	
Interest and fiscal charges	40,913	40,913	40,913	
Total expenditures	<u>718,955</u>	<u>730,000</u>	<u>1,048,606</u>	<u>(318,606)</u>
Excess (deficiency) of revenues over expenditures	<u>(718,955)</u>	<u>(730,000)</u>	<u>(41,876)</u>	<u>688,124</u>
Other financing sources (uses)				
Transfers in			249,598	249,598
Total other financing sources (uses)			<u>249,598</u>	<u>249,598</u>
Changes in fund balances	<u>(718,955)</u>	<u>(730,000)</u>	<u>207,722</u>	<u>937,722</u>
Fund balances, beginning of year			<u>(124,112)</u>	<u>(124,112)</u>
Fund balances, end of year	<u>\$ (718,955)</u>	<u>\$ (730,000)</u>	<u>\$ 83,610</u>	<u>\$ 813,610</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.

(This page intentionally left blank)

Blue Ridge Unified School District No. 32
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>	<u>2021</u>
Net Position:					
Net investment in capital assets	\$ 34,988,868	\$ 33,414,229	\$ 31,937,994	\$ 30,877,736	\$ 29,584,899
Restricted	4,975,810	4,806,294	4,188,863	5,062,928	3,210,315
Unrestricted	(6,540,955)	(6,317,799)	(6,434,705)	(8,307,697)	(8,880,048)
Total net position	\$ 33,423,723	\$ 31,902,724	\$ 29,692,152	\$ 27,632,967	\$ 23,915,166
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position:					
Net investment in capital assets	\$ 29,673,726	\$ 28,761,211	\$ 27,214,069	\$ 26,346,316	\$ 27,112,611
Restricted	2,653,448	1,954,735	2,379,707	1,402,955	1,990,725
Unrestricted	(9,577,091)	(10,514,641)	(11,813,605)	(13,587,390)	(14,349,369)
Total net position	\$ 22,750,083	\$ 20,201,305	\$ 17,780,171	\$ 14,161,881	\$ 14,753,967

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

Blue Ridge Unified School District No. 32
Expenses, Program Revenues, and Net (Expense)/Revenue
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>	<u>2021</u>
Expenses					
Instruction	\$ 11,423,711	\$ 12,617,569	\$ 12,865,543	\$ 12,225,931	\$ 11,646,188
Support services - students and staff	2,897,381	2,817,263	3,108,317	2,483,900	2,292,135
Support services - administration	2,173,391	2,241,269	2,295,827	2,133,189	2,127,607
Operation and maintenance of plant services	4,250,404	3,895,915	4,139,771	3,820,431	3,690,041
Student transportation services	1,298,053	1,381,345	1,444,753	1,392,022	1,373,435
Operation of non-instructional services	1,375,367	1,222,915	1,171,216	1,220,504	957,361
Interest on long-term debt	330,047	431,836	751,959	731,177	728,626
Total expenses	<u>23,748,354</u>	<u>24,608,112</u>	<u>25,777,386</u>	<u>24,007,154</u>	<u>22,815,393</u>
Program Revenues					
Charges for services:					
Instruction	624,371	986,380	1,851,445	1,194,596	918,975
Operation of non-instructional services	169,993	237,207	272,872	190,149	29,849
Other activities	195,225	73,669	45,899		70,383
Operating grants and contributions	3,180,780	4,162,765	6,833,830	6,531,124	4,408,795
Capital grants and contributions	993,392	1,056,700	1,388,216	529,479	174,654
Total program revenues	<u>5,163,761</u>	<u>6,516,721</u>	<u>10,392,262</u>	<u>8,445,348</u>	<u>5,602,656</u>
Net (Expense)/Revenue	<u>\$ (18,584,593)</u>	<u>\$ (18,091,391)</u>	<u>\$ (15,385,124)</u>	<u>\$ (15,561,806)</u>	<u>\$ (17,212,737)</u>

(Continued)

Blue Ridge Unified School District No. 32
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenses					
Instruction	\$ 11,412,603	\$ 11,342,036	\$ 10,969,811	\$ 11,023,676	\$ 9,593,252
Support services - students and staff	2,448,686	2,074,959	2,186,695	2,323,791	1,665,892
Support services - administration	2,007,861	2,360,419	2,627,419	2,106,545	1,664,806
Operation and maintenance of plant services	3,646,142	3,418,989	3,182,029	2,657,052	2,502,888
Student transportation services	1,284,418	1,457,913	1,600,009	1,184,515	1,224,833
Operation of non-instructional services	948,886	850,438	883,865	819,480	740,954
Interest on long-term debt	914,790	992,383	1,181,619	650,421	556,344
Facilities acquisition & construction					
Total expenses	<u>22,663,386</u>	<u>22,497,137</u>	<u>22,631,447</u>	<u>20,765,480</u>	<u>17,948,969</u>
Program Revenues					
Charges for services:					
Instruction	769,093	910,846	893,814	1,025,722	1,021,415
Operation of non-instructional services	124,035	126,244	139,153	193,658	163,718
Other activities	340,663	273,491	259,386	130,407	106,810
Operating grants and contributions	2,812,722	1,573,256	2,791,382	1,669,646	1,819,598
Capital grants and contributions	191,620	1,591,817	2,277,835	364,919	346,428
Total program revenues	<u>4,238,133</u>	<u>4,475,654</u>	<u>6,361,570</u>	<u>3,384,352</u>	<u>3,457,969</u>
Net (Expense)/Revenue	<u>\$ (18,425,253)</u>	<u>\$ (18,021,483)</u>	<u>\$ (16,269,877)</u>	<u>\$ (17,381,128)</u>	<u>\$ (14,491,000)</u>

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

(Concluded)

Blue Ridge Unified School District No. 32
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>	<u>2021</u>
Net (Expense)/Revenue	\$ (18,584,593)	\$ (18,091,391)	\$ (15,385,124)	\$ (15,561,806)	\$ (17,212,737)
General Revenues:					
Property taxes	13,309,141	12,818,423	10,994,106	13,576,048	13,474,714
Investment income	342,896	266,090	160,773	28,586	76,465
Unrestricted county aid				196,824	82,931
Unrestricted state aid	6,028,482	6,060,871	5,607,549	5,020,422	4,021,350
Unrestricted federal aid	425,073	1,156,579	833,817	535,446	801,785
Total general revenues	<u>20,105,592</u>	<u>20,301,963</u>	<u>17,596,245</u>	<u>19,357,326</u>	<u>18,457,245</u>
Changes in Net Position	<u>\$ 1,520,999</u>	<u>\$ 2,210,572</u>	<u>\$ 2,211,121</u>	<u>\$ 3,795,520</u>	<u>\$ 1,244,508</u>

(Continued)

Blue Ridge Unified School District No. 32
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net (Expense)/Revenue	\$ (18,425,253)	\$ (18,021,483)	\$ (16,269,877)	\$ (17,381,128)	\$ (14,491,000)
General Revenues:					
Property taxes	14,250,405	13,891,800	13,804,930	11,647,544	10,970,063
Investment income	123,125	83,565	59,734	17,067	8,689
Unrestricted county aid	122,698	129,579	133,096	92,433	102,007
Unrestricted state aid	5,543,726	4,927,099	4,599,953	4,291,643	3,636,319
Unrestricted federal aid	942,052	1,410,574	978,589	625,022	502,684
Total general revenues	<u>20,982,006</u>	<u>20,442,617</u>	<u>19,576,302</u>	<u>16,673,709</u>	<u>15,219,762</u>
Changes in Net Position	<u>\$ 2,556,753</u>	<u>\$ 2,421,134</u>	<u>\$ 3,306,425</u>	<u>\$ (707,419)</u>	<u>\$ 728,762</u>

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

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

(Concluded)

Blue Ridge Unified School District No. 32
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>	<u>2021</u>
General Fund:					
Restricted	\$ 84,145	\$ 78,761	\$ 95,490	\$ 71,913	\$ 71,913
Unassigned	7,148,695	7,672,255	6,447,899	4,885,715	5,086,236
Total General Fund	<u>\$ 7,232,840</u>	<u>\$ 7,751,016</u>	<u>\$ 6,543,389</u>	<u>\$ 4,957,628</u>	<u>\$ 5,158,149</u>
All Other Governmental Funds:					
Nonspendable	\$	\$	\$	\$ 46,587	\$ 28,724
Restricted	4,339,271	4,223,038	3,660,186	4,898,994	3,114,650
Unassigned	(46,719)	(2,358,092)	(2,546,969)	(2,682,804)	(560,192)
Total all other governmental funds	<u>\$ 4,292,552</u>	<u>\$ 1,864,946</u>	<u>\$ 1,113,217</u>	<u>\$ 2,262,777</u>	<u>\$ 2,583,182</u>

(Continued)

Blue Ridge Unified School District No. 32
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Fund:					
Restricted	\$ 65,345	\$ 56,898	\$ 50,898	\$ 45,178	\$
Unassigned	4,418,231	2,961,248	1,952,585	1,235,782	696,388
Total General Fund	<u>\$ 4,483,576</u>	<u>\$ 3,018,146</u>	<u>\$ 2,003,483</u>	<u>\$ 1,280,960</u>	<u>\$ 696,388</u>
All Other Governmental Funds:					
Nonspendable	\$ 39,298	\$ 30,873	\$ 26,434	\$ 32,105	\$ 25,394
Restricted	2,921,012	2,197,267	2,966,786	9,586,951	1,944,096
Assigned					
Unassigned	(426,788)	(1,083,067)	(1,085,908)	(994,272)	(532,177)
Total all other governmental funds	<u>\$ 2,533,522</u>	<u>\$ 1,145,073</u>	<u>\$ 1,907,312</u>	<u>\$ 8,624,784</u>	<u>\$ 1,437,313</u>

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

(Concluded)

Blue Ridge Unified School District No. 32
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>	<u>2021</u>
Federal sources:					
Federal grants	\$ 4,452,581	\$ 5,101,888	\$ 6,375,991	\$ 2,908,369	\$ 3,776,918
National School Lunch Program	1,199,089	904,916	800,899	1,751,287	1,121,887
Total federal sources	<u>5,651,670</u>	<u>6,006,804</u>	<u>7,176,890</u>	<u>4,659,656</u>	<u>4,898,805</u>
State sources:					
State equalization assistance	4,062,351	4,325,403	3,908,195	3,335,101	2,937,601
State grants	279,416	316,656	124,803	46,392	66,962
School Facilities Oversight Board	1,004,708	861,097	1,172,756	492,654	70,596
Other revenues	1,775,136	1,510,642	1,828,729	1,719,999	1,112,998
Total state sources	<u>7,121,611</u>	<u>7,013,798</u>	<u>7,034,483</u>	<u>5,594,146</u>	<u>4,188,157</u>
Local sources:					
Property taxes	13,232,018	12,787,074	11,018,647	13,568,266	13,531,960
County aid				196,824	82,931
Food service sales	139,028	250,386	284,819	150,596	28,846
Investment income	342,896	266,090	160,773	28,586	76,465
Other revenues	915,305	1,526,073	1,594,649	1,338,178	1,074,518
Total local sources	<u>14,629,247</u>	<u>14,829,623</u>	<u>13,058,888</u>	<u>15,282,450</u>	<u>14,794,720</u>
Total revenues	<u><u>\$ 27,402,528</u></u>	<u><u>\$ 27,850,225</u></u>	<u><u>\$ 27,270,261</u></u>	<u><u>\$ 25,536,252</u></u>	<u><u>\$ 23,881,682</u></u>

(Continued)

Blue Ridge Unified School District No. 32
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Federal sources:					
Federal grants	\$ 2,943,549	\$ 2,971,861	\$ 2,790,587	\$ 1,556,926	\$ 1,755,744
National School Lunch Program	880,618	628,216	639,429	567,805	568,363
Total federal sources	<u>3,824,167</u>	<u>3,600,077</u>	<u>3,430,016</u>	<u>2,124,731</u>	<u>2,324,107</u>
State sources:					
State equalization assistance	3,817,593	3,699,842	3,450,076	3,334,134	2,730,130
State grants	153,431	69,330	46,248	44,888	36,815
School Facilities Oversight Board	566,270	1,441,029	1,270,249	168,900	136,943
Other revenues	1,192,444	1,322,712	1,149,877	1,031,009	994,940
Total state sources	<u>5,729,738</u>	<u>6,532,913</u>	<u>5,916,450</u>	<u>4,578,931</u>	<u>3,898,828</u>
Local sources:					
Property taxes	14,272,379	13,915,881	13,748,827	11,646,339	10,973,136
County aid	122,698	129,579	133,096	92,433	102,007
Food service sales	123,817	126,244	139,153	193,658	163,718
Investment income	123,125	83,565	59,734	17,067	8,689
Other revenues	1,561,427	1,210,617	1,291,000	1,261,050	1,262,901
Total local sources	<u>16,203,446</u>	<u>15,465,886</u>	<u>15,371,810</u>	<u>13,210,547</u>	<u>12,510,451</u>
Total revenues	<u>\$ 25,757,351</u>	<u>\$ 25,598,876</u>	<u>\$ 24,718,276</u>	<u>\$ 19,914,209</u>	<u>\$ 18,733,386</u>

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

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

(Concluded)

Blue Ridge Unified School District No. 32
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>	<u>2021</u>
Expenditures:					
Current -					
Instruction	\$ 9,927,797	\$ 10,962,699	\$ 11,008,654	\$ 10,870,731	\$ 9,500,882
Support services - students and staff	2,853,107	2,757,884	3,057,981	2,559,560	2,279,698
Support services - administration	2,218,480	2,136,349	2,176,119	2,117,031	1,925,918
Operation and maintenance of plant services	3,114,987	2,804,304	3,040,226	2,810,491	2,538,383
Student transportation services	1,088,911	1,078,559	1,114,109	1,077,593	894,601
Operation of non-instructional services	1,342,659	1,185,480	1,125,905	1,190,785	883,652
Capital outlay	1,788,634	1,812,893	2,034,513	1,614,938	1,299,225
Debt service -					
Principal retirement	2,598,685	2,501,130	2,394,459	2,871,723	3,025,329
Interest and fiscal charges	559,838	661,623	752,266	884,470	719,762
Bond issuance costs					138,626
Total expenditures	<u>\$ 25,493,098</u>	<u>\$ 25,900,921</u>	<u>\$ 26,704,232</u>	<u>\$ 25,997,322</u>	<u>\$ 23,206,076</u>
Expenditures for capitalized assets	\$ 1,635,684	\$ 1,450,175	\$ 1,389,334	\$ 994,894	\$ 133,528
Debt service as a percentage of noncapital expenditures	13%	13%	12%	15%	16%

(Continued)

Blue Ridge Unified School District No. 32
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures:					
Current -					
Instruction	\$ 9,312,219	\$ 9,432,660	\$ 9,210,749	\$ 8,611,755	\$ 8,082,291
Support services - students and staff	2,293,422	2,088,425	2,174,562	2,176,403	1,647,948
Support services - administration	1,876,525	2,251,188	2,299,125	1,986,266	1,725,507
Operation and maintenance of plant services	2,507,225	2,446,044	2,445,927	2,260,790	2,171,395
Student transportation services	908,709	1,023,210	947,486	914,423	1,052,350
Operation of non-instructional services	920,460	807,432	786,529	781,427	743,278
Capital outlay	1,449,421	3,492,765	8,931,510	7,764,556	1,168,284
Debt service -					
Principal retirement	2,932,733	2,825,654	2,830,989	2,094,375	1,903,530
Interest and fiscal charges	905,926	983,513	1,172,755	573,927	556,344
Bond issuance costs				237,563	196,556
Total expenditures	<u>\$ 23,106,640</u>	<u>\$ 25,350,891</u>	<u>\$ 30,799,632</u>	<u>\$ 27,401,485</u>	<u>\$ 19,247,483</u>
Expenditures for capitalized assets	\$ 948,933	\$ 2,577,771	\$ 6,864,184	\$ 6,016,169	\$ 380,412
Debt service as a percentage of noncapital expenditures	17%	17%	17%	12%	13%

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

(Concluded)

Blue Ridge Unified School District No. 32
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>	<u>2021</u>
Excess (deficiency) of revenues over expenditures	\$ 1,909,430	\$ 1,949,303	\$ 566,029	\$ (461,070)	\$ 675,606
Other financing sources (uses):					
Issuance of School Improvement Bonds					8,100,000
Premium on sale of bonds					756,251
Payment to refunded bond escrow agent					(8,717,625)
Insurance recoveries		10,052	21,758		
Transfers in	369,693	356,561	853,668	531,694	426,253
Transfers out	(369,693)	(356,561)	(853,668)	(531,694)	(426,253)
Total other financing sources (uses)	<u> </u>	<u>10,052</u>	<u>21,758</u>	<u> </u>	<u>138,626</u>
Changes in fund balances	<u>\$ 1,909,430</u>	<u>\$ 1,959,355</u>	<u>\$ 587,787</u>	<u>\$ (461,070)</u>	<u>\$ 814,232</u>

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Excess (deficiency) of revenues over expenditures	\$ 2,650,711	\$ 247,985	\$ (6,081,356)	\$ (7,487,276)	\$ (514,097)
Other financing sources (uses):					
Issuance of School Improvement Bonds				13,920,000	
Refunding bonds issued					15,660,000
Premium on sale of bonds				1,284,976	
Payment to refunded bond escrow agent					(15,463,444)
Capital lease agreements			92,078		269,582
Insurance recoveries				47,632	
Transfers in	220,383	259,757	272,393	326,217	250,607
Transfers out	(220,383)	(259,757)	(272,393)	(326,217)	(250,607)
Total other financing sources (uses)	<u> </u>	<u> </u>	<u>92,078</u>	<u>1,332,608</u>	<u>466,138</u>
Changes in fund balances	<u>\$ 2,650,711</u>	<u>\$ 247,985</u>	<u>\$ (5,989,278)</u>	<u>\$ (6,154,668)</u>	<u>\$ (47,959)</u>

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

Blue Ridge Unified School District No. 32
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>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	\$ 45,217,676	\$ 44,545,107	\$ 42,519,763	\$ 42,433,140	\$ 39,245,402
Agricultural and Vacant	19,057,820	18,732,555	18,119,448	18,666,027	19,168,515
Residential (Owner Occupied)	82,021,204	77,819,583	73,997,570	69,585,174	66,476,616
Residential (Rental)	<u>183,971,150</u>	<u>171,553,845</u>	<u>160,543,925</u>	<u>150,690,079</u>	<u>144,919,240</u>
Total	\$ <u>330,267,850</u>	\$ <u>312,651,090</u>	\$ <u>295,180,706</u>	\$ <u>281,374,420</u>	\$ <u>269,809,773</u>
Gross Full Cash Value	\$ 5,649,444,997	\$ 4,451,351,300	\$ 2,784,761,672	\$ 3,008,433,687	\$ 2,954,247,039
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6%	7%	11%	9%	9%
Total Direct Rate	4.41	4.50	4.15	5.21	5.41

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 37,549,844	\$ 36,553,189	\$ 36,801,435	\$ 36,519,756	\$ 36,374,443
Agricultural and Vacant	19,227,050	19,657,791	20,560,067	21,973,988	24,504,340
Residential (Owner Occupied)	62,671,934	58,562,085	55,491,443	58,221,359	56,042,618
Residential (Rental)	<u>136,432,779</u>	<u>129,779,112</u>	<u>126,838,261</u>	<u>116,016,057</u>	<u>111,036,035</u>
Total	\$ <u>255,881,607</u>	\$ <u>244,552,177</u>	\$ <u>239,691,206</u>	\$ <u>232,731,160</u>	\$ <u>227,957,436</u>
Gross Full Cash Value	\$ 2,607,174,225	\$ 2,430,631,745	\$ 2,386,311,651	\$ 2,237,607,460	\$ 2,122,902,082
Ratio of Net Limited Assessed Value to Gross Full Cash Value	10%	10%	10%	10%	11%
Total Direct Rate	6.00	6.11	6.18	5.49	5.22

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

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

Blue Ridge Unified School District No. 32
Net Full Cash Assessed 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>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	\$ 59,213,736	\$ 49,784,874	\$ 45,691,568	\$ 46,675,247	\$ 43,059,361
Agricultural and Vacant	34,805,677	29,631,026	20,716,696	21,639,212	22,053,945
Residential (Owner Occupied)	149,465,935	118,966,213	88,534,639	80,400,975	77,800,079
Residential (Rental)	<u>320,475,427</u>	<u>249,286,974</u>	<u>183,307,473</u>	<u>164,224,505</u>	<u>159,896,372</u>
Total	<u>\$ 563,960,775</u>	<u>\$ 447,669,087</u>	<u>\$ 338,250,376</u>	<u>\$ 312,939,939</u>	<u>\$ 302,809,757</u>
Gross Full Cash Value	\$ 5,649,444,997	\$ 4,451,351,300	\$ 2,784,761,672	\$ 3,008,433,687	\$ 2,954,247,039
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	10%	12%	10%	10%
Estimated Net Full Cash Value	5,163,737,783	4,077,148,321	2,614,019,437	2,799,584,233	2,700,366,030
Total Direct Rate	4.41	4.50	4.15	5.21	5.41

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Commercial, Industrial, Utilities and Mining	\$ 39,287,730	\$ 37,389,893	\$ 37,615,590	\$ 37,230,520	\$ 36,429,538
Agricultural and Vacant	20,787,207	20,492,007	21,796,475	23,181,569	24,956,752
Residential (Owner Occupied)	68,678,509	62,815,341	60,260,168	61,005,873	57,628,224
Residential (Rental)	<u>143,479,885</u>	<u>134,972,433</u>	<u>132,814,893</u>	<u>121,090,742</u>	<u>113,785,553</u>
Total	<u>\$ 272,233,331</u>	<u>\$ 255,669,674</u>	<u>\$ 252,487,126</u>	<u>\$ 242,508,704</u>	<u>\$ 232,800,067</u>
Gross Full Cash Value	\$ 2,607,174,225	\$ 2,430,631,745	\$ 2,386,311,651	\$ 2,237,607,460	\$ 2,122,902,082
Ratio of Net Full Cash Assessed Value to Gross Full Cash Value	10%	11%	11%	11%	11%
Estimated Net Full Cash Value	2,436,110,597	2,286,668,151	2,252,570,860	2,165,748,892	2,046,851,190
Total Direct Rate	6.00	6.11	6.18	5.49	5.22

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

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

Blue Ridge Unified School District No. 32
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>	<u>2021</u>
Commercial, Industrial, Utilities and Mining	17 %	17 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	14	14	15	15	15

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

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

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

Blue Ridge Unified School District No. 32
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates							District Direct Rates		
	State	County	County Free Library	Flood Control District	Community College District	Fire District Assistance	Public Health Services	Primary	Secondary	Total
	Equalization	County								
2025	0.00	0.81	0.09	0.25	1.77	0.10	0.23	3.50	0.91	4.41
2024	0.00	0.81	0.09	0.25	1.75	0.10	0.23	3.44	1.06	4.50
2023	0.00	0.81	0.09	0.25	1.75	0.10	0.23	3.48	0.67	4.15
2022	0.43	0.85	0.09	0.26	1.75	0.10	0.24	3.73	1.48	5.21
2021	0.44	0.87	0.10	0.26	1.78	0.10	0.24	3.58	1.83	5.41
2020	0.46	0.88	0.10	0.27	1.82	0.10	0.25	3.83	2.17	6.00
2019	0.47	0.90	0.10	0.28	1.82	0.10	0.25	3.87	2.24	6.11
2018	0.49	0.89	0.10	0.28	1.81	0.10	0.25	4.01	2.17	6.18
2017	0.50	0.85	0.10	0.29	1.79	0.10	0.25	4.34	1.15	5.49
2016	0.51	0.84	0.10	0.30	1.74	0.10	0.25	3.60	1.62	5.22

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

Blue Ridge Unified School District No. 32
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior

<u>Taxpayer</u>	<u>2025</u>		<u>2016</u>	
	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
Navopache Electric Co-Op Inc (T&D)	\$ 5,612,921	2.30 %	\$ 3,567,964	1.57 %
Wal-Mart Stores Inc	2,143,613	0.88	1,988,040	0.87
Unisource Energy Corporation	2,107,781	0.86	2,331,100	1.02
Lowes HIW Inc	1,523,223	0.62	1,502,829	0.66
Nexcore Group	1,323,731	0.54		
Home Depot USA Inc	1,166,457	0.48	954,631	0.42
Arizona Water Company (Lakeside)	1,016,317	0.42	869,058	0.38
Citizens Telecomm of White Mountains			1,061,475	0.47
AREC 43 LLC	798,047	0.33	596,065	0.26
Bear Cub Properties LLC			649,475	0.28
Pinetop WMV LLC	671,226	0.27	55,327	0.02
CHCT Arizona LLC	732,480	0.30		
Total	<u>\$ 17,095,796</u>	<u>6.70 %</u>	<u>\$ 13,575,964</u>	<u>5.95 %</u>

Source: The source of this information is the Navajo 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.

Blue Ridge Unified School District No. 32
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2025	\$ 13,319,406	\$ 12,868,628	96.62 %	\$	\$ 12,868,628	96.62 %
2024	12,654,111	12,338,986	97.51		12,338,986	97.51
2023	10,849,319	10,611,062	97.80	236,125	10,847,187	99.98
2022	13,341,178	13,053,614	97.84	282,219	13,335,833	99.96
2021	13,313,903	13,044,714	97.98	269,167	13,313,881	100.00
2020	14,081,016	13,679,953	97.15	400,787	14,080,740	100.00
2019	13,902,109	13,491,727	97.05	410,072	13,901,799	100.00
2018	13,851,200	13,406,501	96.79	444,660	13,851,161	100.00
2017	11,627,823	11,293,089	97.12	334,485	11,627,574	100.00
2016	10,975,571	10,588,712	96.48	386,837	10,975,549	100.00

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

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

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

Blue Ridge Unified School District No. 32
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases and Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2025	\$ 10,078,936	\$ 1,072,998	\$ 9,005,938	0.16 %	\$ 654	\$ 1,108,964	\$ 11,187,900	0.20 %	\$ 813	0.23 %
2024	12,725,628	911,032	11,814,596	0.27	856	1,317,649	14,043,277	0.32	1,018	0.29
2023	15,287,321	469,399	14,817,922	0.53	1,087	1,513,779	16,801,100	0.60	1,232	0.37
2022	17,754,014	1,337,122	16,416,892	0.55	1,106	1,697,888	19,451,902	0.65	1,311	0.43
2021	20,690,707	1,112,843	19,577,864	0.66	1,334	1,889,611	22,580,318	0.76	1,538	0.61
2020	23,302,086	806,690	22,495,396	0.86	1,539	2,124,940	25,427,026	0.98	1,739	0.72
2019	26,079,716	581,243	25,498,473	1.05	1,768	2,347,673	28,427,389	1.17	1,971	0.78
2018	28,762,346	313,089	28,449,257	1.19	1,984	2,558,327	31,320,673	1.31	2,185	0.97
2017	29,930,000	219,688	29,710,312	1.33	2,658	2,912,238	32,842,238	1.47	2,939	1.04
2016	17,570,000	1,111,382	16,458,618	0.78	1,488	3,446,613	21,016,613	0.99	1,900	0.70

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

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

Blue Ridge Unified School District No. 32
Direct and Overlapping Governmental Activities Debt
June 30, 2025

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Navajo County	\$ 43,049,715	42.71 %	\$ 18,384,670
Town of Pinetop-Lakeside	9,933,800	100.00	9,933,800
Subtotal, Overlapping Debt			<u>28,318,470</u>
Direct:			
Blue Ridge Unified School District			<u>11,187,900</u>
Total Direct and Overlapping Governmental Activities Debt			<u><u>\$ 39,506,370</u></u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		2.73 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 2,712	
As a Percentage of Net Limited Assessed Valuation		11.30 %
As a Percentage of Gross Full Cash Value		0.66 %

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.
- 2) Outstanding debt as of June 30, 2024 is presented for the overlapping governments as this is the most recent available information.

Blue Ridge Unified School District No. 32
Legal Debt Margin Information
Last Ten Fiscal Years

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

Net full cash assessed valuation	\$ 563,960,775
Debt limit (20% of assessed value)	112,792,155
Debt applicable to limit	10,078,936
Legal debt margin	<u>\$ 102,713,219</u>

Total Legal Debt Margin Calculation for Fiscal Year 2025:

Net full cash assessed valuation	\$ 563,960,775
Debt limit (30% of assessed value)	169,188,233
Debt applicable to limit	10,078,936
Legal debt margin	<u>\$ 159,109,297</u>

Fiscal Year Ended June 30

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Debt Limit	\$ 169,188,233	\$ 134,300,726	\$ 101,475,113	\$ 93,881,982	\$ 90,842,927
Total net debt applicable to limit	<u>10,078,936</u>	<u>12,725,628</u>	<u>15,287,321</u>	<u>17,754,014</u>	<u>20,690,707</u>
Legal debt margin	<u>\$ 159,109,297</u>	<u>\$ 121,575,098</u>	<u>\$ 86,187,792</u>	<u>\$ 76,127,968</u>	<u>\$ 70,152,220</u>

Total net debt applicable to the limit as a percentage of debt limit	6%	9%	15%	19%	23%
--	----	----	-----	-----	-----

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Debt Limit	\$ 81,669,999	\$ 76,700,902	\$ 75,746,138	\$ 72,752,611	\$ 69,840,020
Total net debt applicable to limit	<u>23,118,836</u>	<u>25,885,086</u>	<u>28,552,457</u>	<u>31,214,976</u>	<u>17,570,000</u>
Legal debt margin	<u>\$ 58,551,163</u>	<u>\$ 50,815,816</u>	<u>\$ 47,193,681</u>	<u>\$ 41,537,635</u>	<u>\$ 52,270,020</u>

Total net debt applicable to the limit as a percentage of debt limit	28%	34%	38%	43%	25%
--	-----	-----	-----	-----	-----

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

- Notes:**
- 1) The District's general obligation bonds are subject to two limits: the Constitutional debt limit (total debt limit) on all general obligation bonds outstanding and the statutory debt limit on Class B bonds outstanding. The calculations of the debt margins are presented in detail for the current fiscal year only.
 - 2) Prior to FY17, net bond premium was restricted by amount and not subject to the statutory debt limit. Beginning with FY17, any additional net premium used for capital projects, bond counsel, printing and preparation of offering documents, a financial advisor, paying agent costs or to pay down debt is counted against both debt limits with the exception of amounts of premium deposited into the Debt Service Fund or a refunding escrow to pay interest payments.

Blue Ridge Unified School District No. 32
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	110,846	\$ 5,162,874	\$ 46,577	5.5 %	13,763
2023	109,175	4,876,539	44,667	5.7	13,798
2022	108,580	4,573,766	42,096	5.2	13,633
2021	107,748	4,507,525	41,680	6.5	14,837
2020	113,276	3,690,208	33,268	9.9	14,680
2019	112,825	3,552,491	32,165	7.0	14,619
2018	112,746	3,626,475	30,865	6.1	14,426
2017	111,266	3,235,693	29,408	8.4	14,337
2016	110,413	3,154,284	29,132	8.1	11,176
2015	109,671	2,991,865	27,672	10.2	11,061

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.

Blue Ridge Unified School District No. 32
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>
Summit Healthcare Association	1,300	4.60 %	897	3.60 %
Navajo County	428	1.52		
Northland Pioneer College	370	1.31	377	1.51
Copperstate Farms, LLC	350	1.24		
Walmart	350	1.24	432	1.74
Show Low Unified School District	309	1.09	220	0.88
Blue Ridge School District	228	0.81	246	0.99
PPFJ	130	0.46		
Bashas	55	0.19	51	0.20
Brimhall Sand and Rock	29	0.10		
Hon Dah Casino			400	1.61
Veterans Health Administration			166	0.67
APS			243	0.98
Safeway			141	0.57
Total	<u>3,549</u>	<u>12.56 %</u>	<u>3,173</u>	<u>12.75 %</u>
Total employment	<u>28,238</u>		<u>24,890</u>	

Source: 2022/2023 Arizona COG/MPO Employer Database, employers with 5 or more employees.
2022 Arizona Industrial Directory and 2012 Arizona Services Directory, publications by Harris Infosource and an individual employer survey.

Blue Ridge Unified School District No. 32
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>	<u>2021</u>
Supervisory					
Superintendent	1	1	1	1	1
Consultants/supervisors of instruction		1	1	1	1
Principals	3	3	3	3	3
Assistant principals	3	1	1	1	1
Total supervisory	<u>7</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Instruction					
Teachers	100	117	103	96	104
Other professionals (instructional)			3		3
Aides	20	15	25	21	36
Total instruction	<u>120</u>	<u>132</u>	<u>131</u>	<u>117</u>	<u>143</u>
Student Services					
Nurses	1	1			
Counselors/Advisors	3	3	3	4	4
Technicians	5	8	5	5	18
Total student services	<u>9</u>	<u>12</u>	<u>8</u>	<u>9</u>	<u>22</u>
Support and Administration					
Clerical workers	14	14	15	15	22
Maintenance workers	15	15	13	13	27
Bus Drivers	10	11	11	11	15
Other classified	9	8	25	25	13
Total support and administration	<u>48</u>	<u>48</u>	<u>64</u>	<u>64</u>	<u>77</u>
Total	<u><u>184</u></u>	<u><u>198</u></u>	<u><u>209</u></u>	<u><u>196</u></u>	<u><u>248</u></u>

(Continued)

Blue Ridge Unified School District No. 32
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Supervisory					
Superintendent	1	1	1	1	1
Consultants/supervisors of instruction	1	1	1	1	1
Principals	3	3	3	3	3
Assistant principals	1	2	2	2	3
Total supervisory	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>8</u>
Instruction					
Teachers	103	110	115	121	115
Other professionals (instructional)	3	3	3	3	2
Aides	34	43	45	47	38
Total instruction	<u>140</u>	<u>156</u>	<u>163</u>	<u>171</u>	<u>155</u>
Student Services					
Nurses					
Counselors/Advisors	4	4	4	4	4
Technicians	17	18	9	9	13
Total student services	<u>21</u>	<u>22</u>	<u>13</u>	<u>13</u>	<u>17</u>
Support and Administration					
Clerical workers	21	21	19	19	17
Maintenance workers	25	25	23	24	20
Bus Drivers	13	14	14	16	11
Other classified	11	11	14	14	13
Total support and administration	<u>70</u>	<u>71</u>	<u>70</u>	<u>73</u>	<u>61</u>
Total	<u><u>237</u></u>	<u><u>256</u></u>	<u><u>253</u></u>	<u><u>264</u></u>	<u><u>241</u></u>

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

(Concluded)

Blue Ridge Unified School District No. 32
Operating Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30	Average Daily Membership	Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change	Teaching Staff	Pupil-Teacher Ratio	Percentage of Free/Reduced Students
2025	1,536	\$ 20,545,941	\$ 13,378	1.07 %	\$ 23,748,354	\$ 15,464	(0.66) %	100	15.4	63.0 %
2024	1,581	20,925,275	13,237	(0.45)	24,608,112	15,567	(2.25)	117	13.5	61.0
2023	1,619	21,522,994	13,297	10.88	25,777,386	15,926	14.09	103	15.7	57.0
2022	1,720	20,626,191	11,993	12.19	24,007,154	13,959	3.15	96	17.9	55.0
2021	1,686	18,023,134	10,690	11.05	22,815,393	13,532	10.52	104	16.2	55.0
2020	1,851	17,818,560	9,626	5.55	22,663,386	12,244	7.71	103	18.0	55.0
2019	1,979	18,048,959	9,120	6.85	22,497,137	11,368	5.13	110	18.0	53.0
2018	2,093	17,864,378	8,535	6.31	22,631,447	10,813	8.52	115	18.2	50.0
2017	2,084	16,731,064	8,028	6.97	20,765,480	9,964	14.08	121	17.2	40.0
2016	2,055	15,422,769	7,505	0.91	17,948,969	8,734	(2.85)	115	17.9	54.0

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

Note: 1) Operating expenditures are total expenditures less debt service and capital outlay.

2) N/A indicates that the information is not available.

Blue Ridge Unified School District No. 32
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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Schools</u>										
Elementary										
Buildings	7	7	7	7	7	7	7	7	7	7
Square feet	101,798	101,798	101,798	101,798	101,798	101,798	101,798	101,798	101,798	70,714
Capacity	1,272	1,272	1,272	1,272	1,272	1,272	1,272	1,272	1,272	883
Enrollment	603	603	752	603	603	943	943	988	1,097	1,097
Middle										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	58,071	58,071	58,071	58,071	58,071	58,071	58,071	58,071	58,071	63,765
Capacity	725	725	725	725	725	725	725	725	725	797
Enrollment	406	406	266	406	406	354	354	375	351	351
High										
Buildings	20	20	20	20	20	20	20	20	20	20
Square feet	164,416	164,416	164,416	164,416	164,416	164,416	164,416	164,416	164,416	164,416
Capacity	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370	1,370
Enrollment	676	676	601	676	676	682	682	723	791	791
Other										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
<u>Administrative</u>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	35	35	35	35	35	35	34	34	41	29
<u>Athletics</u>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	1	1	1	1	1	1	1	1	1	1
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball	3	3	3	3	3	3	3	3	3	3
Playgrounds	5	5	5	5	5	5	5	5	5	4

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

(This page intentionally left blank)