
Sahuarita Unified School District No. 30

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



Sahuarita Unified School District No. 30

Sahuarita, Arizona

**Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2023**

Issued by:
Business and Finance Department

Sahuarita Unified School District No. 30

Table of Contents

<u>Introductory Section</u>	<u>Page</u>
Letter of Transmittal	1
ASBO Certificate of Excellence	8
GFOA Certificate of Achievement	9
Organizational Chart	10
List of Principal Officials	11
 <u>Financial Section</u>	
Independent Auditor's Report	15
Management's Discussion and Analysis (MD&A)	21
Basic Financial Statements	
Government-Wide Financial Statements:	
Statement of Net Position	34
Statement of Activities	35
Fund Financial Statements:	
Balance Sheet – Governmental Funds	38
Reconciliation of the Balance Sheet –	
Governmental Funds to the Statement of Net Position	41
Statement of Revenues, Expenditures and Changes in Fund Balances –	
Governmental Funds	42
Reconciliation of the Statement of Revenues, Expenditures and	
Changes in Fund Balances – Governmental Funds to the Statement of Activities	44
Notes to Financial Statements	45
 Required Supplementary Information	
Schedule of Revenues Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	68
Classroom Site Fund	69
Federal and State Grants Fund	70
Other Federal Projects Fund	71
Pension Schedules	72
Notes to Required Supplementary Information	74
 Combining and Individual Fund Financial Statements and Schedules	
Governmental Funds:	
Combining Balance Sheet – All Non-Major Governmental Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances –	
All Non-Major Governmental Funds	82
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Instructional Improvement	84
Food Service	85

Sahuarita Unified School District No. 30

Table of Contents

Financial Section

Governmental Funds:

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:

Debt Service	86
Adjacent Ways	87
Bond Building	88
Other Capital Projects	89

Statistical Section

Financial Trends:

Net Position by Component	93
Expenses, Program Revenues, and Net (Expense)/Revenue	94
General Revenues and Total Changes in Net Position	96
Fund Balances – Governmental Funds	98
Governmental Funds Revenues	100
Governmental Funds Expenditures and Debt Service Ratio	102
Other Financing Sources and Uses and Net Changes in Fund Balances – Governmental Funds	104

Revenue Capacity:

Net Limited Assessed Value and Full Cash Value of Taxable Property by Class	105
Net Full Cash Assessed Value Taxable Property by Class	106
Property Tax Assessment Ratios	107
Direct and Overlapping Property Tax Rates	108
Principal Property Taxpayers	109
Property Tax Levies and Collections	110

Debt Capacity:

Outstanding Debt by Type	111
Direct and Overlapping Governmental Activities Debt	112
Direct and Overlapping General Bonded Debt Ratios	112
Legal Debt Margin Information	113

Demographic and Economic Information:

County-Wide Demographic and Economic Statistics	114
Principal Employers	115

Operating Information:

Full-Time Equivalent District Employees by Type	116
Operating Statistics	118
Capital Assets Information	119

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Introductory Section

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Sahuarita Unified School District No. 30

December 27, 2023

Citizens and Governing Board
Sahuarita Unified School District No. 30
350 West Sahuarita Road
Sahuarita, AZ 85629-9000

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 Sahuarita Unified School District No. 30 (District) for the fiscal year ended June 30, 2023.

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, 2023, 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, 2023, 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* (CFR) 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

Sahuarita Unified School District No. 30 has been identified as a district of high growth in Arizona due to the expansion of the master planned community of Rancho Sahuarita. Growth is expected to continue as more homes and businesses move into the area. That development, along with the traditional sections of the District such as the historic town site of Arivaca, Amado, the Elephant Head area, McGee Ranch, the Tri-Ranch area, Sahuarita Heights and the Santo Tomas area, has allowed the District to strengthen its service to the children of the community. The District receives its community services from three municipalities, Pima County, the City of Tucson, and the Town of Sahuarita. It has traditionally been an agricultural, mining, and ranching community and has now transitioned to a diversified suburban area. In recent years, there has been a significant increase in the residential presence of families with professional affiliation to federal immigration and law enforcement functions, such as U.S. Border Patrol and the Office of Homeland Security. There is also close proximity to a major defense installation, Davis – Monthan Air Force Base, and defense contractor, Raytheon Missile Systems. The Town of Sahuarita just completed a new Manufacturing Technology Center (SMTC). Northwest Medical Center in Sahuarita opened in fall 2020. Both will provide enhanced service and new employment sectors.

The Sahuarita Unified School District No. 30 is one of eighteen public school districts, with a current (FY23) population of 6,300 students, located in Pima County, Arizona. The District provides a program of public education from preschool through grade twelve.

The District's Governing Board is organized under §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 representatives 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. The District's major operations include education, pupil transportation, food service, construction and maintenance of District facilities, and athletic functions.

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 level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) is the total adopted expenditure budget. 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 may have overexpenditures of budgeted funds as long as the necessary revenue is earned. The District is not required to prepare an annual budget of revenue; therefore, a deficit budgeted fund balance may be presented.

District policy indicates the District shall utilize the budget format prepared and prescribed by the Superintendent of Public Instruction in conjunction with the auditor general. The budget format is designed to allow school districts to plan and provide in detail for the use of available funds. Available operational funds include current year state formula funding, voter approved initiatives such as a Maintenance and Operations (M&O) Fund override allowing the District to increase operational spending as well as budget balance carryover from the prior fiscal year. Through controlled spending, the District was able to sustain its reserves in fiscal year 2021-22, to be better positioned in the new fiscal year.

Factors Affecting Financial Condition

Historically, Sahuarita Unified School District's local economy has been based on mining, ranching, and agricultural products. The copper industry has regained its position as a major employer and economic influence in the community. This has been enhanced by the continued important role of copper in the world market. The long-term role of mining in the region is foreseeably significant. Similarly, the large pecan grove, owned by Farmer's Investment Company (FICO), in the School District continues to enjoy economic success and is a major business partner and employer in the area. Recently, FICO received approval for long-term plans to develop the area, including plans for 19,000 new homes. The ranching areas of our community also continue to enjoy economic success.

Many parents of the District's students travel for employment reasons into the metropolitan Tucson area, with a large number being employed by Raytheon Missile Systems, IBM, the University of Arizona, the U.S. Air Force, the U.S. Department of Homeland Security, and other private and public sector organizations. The school community is also in close proximity to a major military installation, Davis-Monthan Air Force Base. Thus, numerous military families are represented among the school community.

The Town of Sahuarita, which is included within the boundaries of the School District, has a comprehensive plan, which includes areas for light industry and commercial property. There have been recent announcements about the Town's possible annexation plans for significant property east of the current Town limits, and within the boundaries of the School District. Furthermore, the manufacturing sector has grown, with the opening of the Sahuarita Advanced Manufacturing Technology Center (SAMTEC). The Company has entered into a voluntary agreement to provide multiple school sites, and a school impact fee.

Rancho Sahuarita has continued to develop a shopping center located within its master planned community anchored by a Fry's Marketplace Food and Drug store. Additionally, in 2018 the Town of Sahuarita opened the new 150,000 square foot shopping center – The Crossings at Sahuarita Shopping Center. The new 17.7 acre shopping center is located on the south end of the School District which is now the home of new tenants such as Sprouts Farmers Market, TJ Maxx, Bealls' Outlet, Pet Smart, Chipotle, Starbucks, Popeye's, Mod Pizza, Verizon and the newest tenant, Egees, opened in 2022. The Sahuarita School District lends a strategic business and education partnership to develop regional goal setting and development efforts. The Town has also welcomed the opening of Northwest Medical Center – Sahuarita, our Town's first hospital.

Statewide, we are seeing the economy bouncing back and doing well. With low inventory of available housing in our region, and demand very high, there's a great need for continued building of new homes. In Sahuarita we are seeing more growth in home building than we've seen in more than a decade. According to the Town of Sahuarita, Sahuarita is growing faster than the state-wide municipal average. Construction of 702 new homes was completed in 2021, specifically in Rancho Sahuarita and Santa Cruz Meadows. Additionally, 572 new homes are scheduled to be built with a completion date of early 2024. Lastly, there is a 10 year plan to open up the La Villita location, with a plan to open 1,000 additional housing lots.

Long-term Financial Planning. Through the continued support of the community, the District utilized its bonding capacity to generate a \$27.0 million bond issue to finance new construction in fiscal year 2009-10 and beyond. Part of the bond issue has been used for new construction, remodeling of existing buildings, building an aquatics complex, and enhancing a new K-5 elementary school. In fall 2016 a \$20.0 million bond referendum was successful. The District's ninth (9) school Wrightson Ridge School is now open and serving almost 800 students in grades K-8.

In recent years, a land agreement was reached with a major land developer in the area for the contribution of 13.1 acres of land for the School District. This site is now home to the Sahuarita Educational Center, which includes an Aquatics Complex, the new Early Childhood Center and Copper View Elementary School. The current average age of school buildings is 26 years. The District opened its second high school, Walden Grove High School, in August 2011. This project was funded by the Arizona School Facilities Board with supplemental support from local bond programs. It opened with approximately 400 freshman and sophomore students enrolled in 2011-12. The enrollment number grew to 650 students for the 2012-13 school year. Walden Grove graduated its first class in May 2014. Currently, over 1,100 students are enrolled. In response to the pandemic era, the District developed and launched a fully virtual online learning school for grades K-12. It is called Sahuarita Digital Pathways Academy; this provides quality learning options in the online learning domain for approximately 135 students in fiscal year 2023.

The unprecedented growth, though recently slowing, will continue to be a challenge to the District finances. The District will have to consider additional sources of funding to meet the challenges of the growth. Construction of new buildings, to meet growth in student population, will necessitate consideration of additional bond elections as well as a continuation of the Maintenance and Operations Override. A 14 percent Maintenance and Operations override was renewed in November 2018. In 2016, a \$1,000,000 annual capital override was successful. Both the 14% Maintenance & Operations (M&O) and \$1,000,000 District Additional Assistance Override, were renewed in Fall 2022, by the widest margins in school history.

These local funds have been critical to advancing the District's plan, especially in the current economic situation and uncertainty of stability with regular state funding streams. Assessed valuations have increased approximately 1% over the prior year. The District is continuing innovative approaches to cost management, such as the current energy savings initiative. The District has implemented an energy savings plan, highlighted by a large scale solar energy program across all schools and the District.

Awards and Acknowledgments

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, 2022. This was the thirty-third 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, 2022. 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, 2023 certificates.

The District has been recognized in recent years for excellence among educational organizations. These significant accomplishments include:

- Arizona Educational Foundation A+ School of Excellence Sopori School – 2009, Anza Trail K-8 School, and Sahuarita Primary School – 2015, Sahuarita High School – 2016, Walden Grove High School – 2017, Anza Trail K-8 School – 2020, Copper View Elementary School – 2020
- AZ Educational Foundation Teacher of the Year Ambassador for Excellence – (Barbara Tingle – 2010, Dayna Burke – 2014, Sara Mora – 2020, Ashton Gildea-2021, Rebecca Oravec – 2023)
- AZ School Boards Association (ASBA) Lou Ella Kleinz Award of Excellence (SUSD Governing Board) – 2007
- AZ Ed. Foundation Teacher of the Year Top 10 Finalist – 2008, 2012, 2013, 2015, 2018, 2021
- Raytheon Teacher Excellence Award – (Jessica England – 2022)
- AZ Physical Education Association Teacher of the Year (Nataly Van Alstine) – 2013

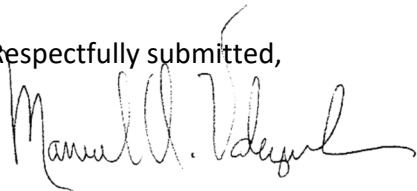
- All Sahuarita Public Schools have met both State and Federal Academic Accountability Measures - 2006-current
- Arizona School Boards Association (ASBA) All – Arizona School Board Award (Elaine Hall – 2011, and Dr. John Sparks – 2019)
- Arizona School Boards Association (ASBA) – Total Boardsmanship Award (SUSD Governing Board) – 2011
- UCEA -Excellence in Educational Leadership Award - (Dr. Valenzuela 2014)
- Appointment by Governor Jan Brewer to the AZ Commission for Postsecondary Education (Dr. Manuel Valenzuela, Superintendent) – 2011 and 2013
- Arizona School Boards Association President (Elaine Hall) – 2014
- Metropolitan Pima Alliance – Common Ground Award (Sahuarita Unified School District) – 2012.
- Raytheon Leader In Education Town Award- (Jessica England) – 2020
- First Math and Science Initiative (NMSI) in Arizona. Over 200% increase in College Board AP qualifying scores
- Arizona School Administrators All-Arizona Superintendent of the year – Large Districts – 2015
- National SkillsUSA Champions in Veterinary Science – (Jeremy Bessett) – 2016
- 9th Circuit US Court of Appeals National Essay Contest Winner – (Carly Frieders) – 2016
- Metropolitan Pima Alliance (MPA) Common Ground Award for Collaboration – 2015
- Over \$13.0 million in Scholarships earned by Class of 2023
- Sahuarita Teaching Fellows (STF) professional recruitment and development partnership with University of Arizona – 2016-2018
- Metropolitan Education Commission Crystal Apple Award – (Kelly Strayer) – 2022
- Tucson Electric Power Education Leader Award - 2022
- Milken Family Foundation – National Educator Award – (Chris Laughland- 2014, Caroline Torres - 2007, Dr. Manuel Valenzuela – 1998)
- Arizona Association of School Business Officials (AASBO) Bill Lovett Award – (Charlotte Gates) – 2015
- International Association of School Business Officials Pinnacle Award of Excellence in Business Practices (Charlotte Gates) – 2015
- President, AZ School Business Officials – (Lizette Huie) – 2020
- Appointment by State Superintendent Diane Douglas to State Latino Education Advisory Committee (Dr. Manuel Valenzuela) – 2015
- University of Arizona! iCats Professional Preparation Training site – 2017, 2018
- 9th Circuit U.S. Court of Appeals – Video Production - 2nd Place – Walden Grove High School – 2018
- Walden Grove High School Performing Arts Crew Dance Team - Featured on National programs, America's Got Talent and Good Morning America
- Innovative Concussion Management Program (Cortex) and research partnership
- Newly adopted K-12 mathematics program and English Language Arts program.
- National School Resource Officer (SRO) safety grant
- NJROTC Honor Unit with Distinction 2010-23
- Appointed by Arizona Superintendent of Public Instruction, Kathy Hoffman to the Arizona Department of Education Audit Committee (Lizette Huie) – 2019

- Over \$15.0 million in scholarships earned by Class of 2022
- Over 30 College level dual enrollment courses offered with Pima Community College.
- Successful launch of the Pima First – Sahuarita Wins! Postsecondary scholarship initiative, raising affordable access to high skill, higher education opportunities

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,

A handwritten signature in black ink, appearing to read "Manuel O. Valenzuela". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Manuel O. Valenzuela, Ed.D.
Superintendent



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Sahuarita Unified School District No. 30

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.

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



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style with a horizontal line underneath.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style with a horizontal line underneath.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Sahuarita Unified School District No. 30
Arizona

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

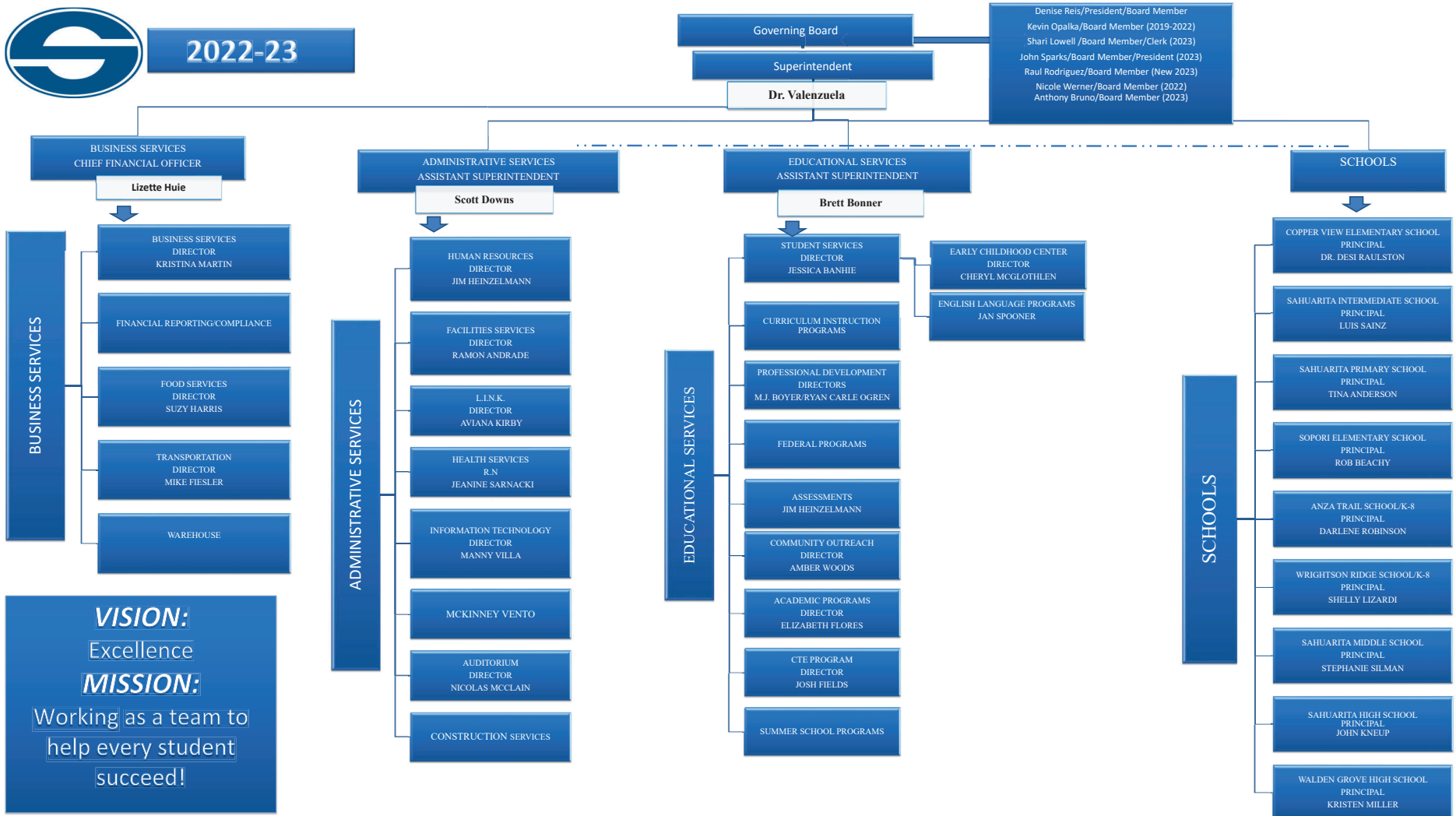
June 30, 2022

Christopher P. Morill

Executive Director/CEO



2022-23



Sahuarita Unified School District No. 30

List of Principal Officials

Governing Board

Denise Reis/President/Board Member (2022)
Kevin Opalka/Board Member (2022)
Nicole Werner/Board Member (2022)
Shari Lowell /Board Member/Clerk (2023)
John Sparks/Board Member/President (2023)
Raul Rodriguez/Board Member (New 2023)
Anthony Bruno/Board Member (2023)

Administrative Staff

Dr. Manuel O. Valenzuela, Superintendent
Lizette Huie, Chief Financial Officer
Scott Downs, Assistant Superintendent for Administrative Services
Brett Bonner, Assistant Superintendent for Educational Services
Amber Woods, Director of Community of Outreach
Jessica Banhie, Director of Student Services
Kristina Martin, Director of Business Services
Jim Heinzelmann, Director of Human Resources
Manuel Villa, Director of Information Technology
Michael Fiesler, Director of Transportation
Ramon Andrade, Director of Facilities
Cheryl McGlothlen, Director of Early Childhood Center
Aviana Kirby, Director of L.I.N.K.
Elizabeth Flores, Director of Academic Programs
Josh Fields, Director of CTE Programs
Mary Jo Boyter, Co-Director of Professional Development
Ryan Carle Ogren, Co-Director of Professional Development
Suzy Harris, Director of Food Services
Nicolas McClain, Director of Auditorium
John Kneup, Principal Sahuarita High School
Michael DeSouza, Assistant Principal Sahuarita High School
Elizabeth Lehr, Assistant Principal Sahuarita High School
Stephanie Silman, Principal Sahuarita Middle School
Nicole McKay, Assistant Principal Sahuarita Middle School

Sahuarita Unified School District No. 30

List of Principal Officials

Administrative Staff

Luis Sainz, Principal Sahuarita Intermediate School
Tina Anderson, Principal Sahuarita Primary School
Darlene Robinson, Principal Anza Trail School
Julio Moreno, Assistant Principal Anza Trail School
Jeanine Sanders, Assistant Principal Anza Trail School
Rachel Lizardi, Principal Wrightson Ridge School
Will Arias, Assistant Principal Wrightson Ridge School
Desi Raulston, Principal Copperview Elementary School
Robert Beachy, Principal Sopori Elementary School
Kristen Blaser, Principal Walden Grove High School
Kreston Elchert, Assistant Principal Walden Grove High School
Elizabeth De La Ossa, Assistant Principal Walden Grove High School

Financial Section

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Independent Auditor's Report

Governing Board
Sahuarita Unified School District No. 30

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 Sahuarita Unified School District No. 30 (District), as of and for the year ended June 30, 2023, 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 Sahuarita Unified School District No. 30, as of June 30, 2023, 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 Sahuarita Unified School District No. 30 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, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, on our consideration of Sahuarita Unified School District No. 30'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 Sahuarita Unified School District No. 30'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 Sahuarita Unified School District No. 30's internal control over financial reporting and compliance.

Heinfeld Meech & Co. PC

Heinfeld, Meech & Co., P.C.
Tucson, Arizona
December 27, 2023

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

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Sahuarita Unified School District No. 30
Management's Discussion And Analysis (MD&A)
Year Ended June 30, 2023

As management of the Sahuarita Unified School District No. 30 (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, 2023. 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 \$14.6 million which represents a 20 percent increase from the prior fiscal year primarily due to increases in property taxes and state aid associated with changes in the base support level.
- General revenues accounted for \$65.8 million in revenue, or 82 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$14.1 million or 18 percent of total current fiscal year revenues.
- The District had approximately \$65.3 million in expenses related to governmental activities, an increase of six percent from the prior fiscal year.
- Among major funds, the General Fund had \$53.3 million current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$48.0 million in expenditures. The General Fund's fund balance increase from \$18.3 million at the prior fiscal year end to \$22.6 million at the end of the current fiscal year was primarily due to increases in the base level support level.
- The Classroom Site Fund had \$3.1 million in current fiscal year expenditures. The Classroom Site Fund's fund balance increased from \$4.3 million to \$6.7 million was primarily due to increases in state funding.
- The Federal and State Grants Fund had \$5.0 million in current year revenues, of which \$2.3 million consisted of federal COVID grant monies, and \$2.6 million in current fiscal year expenditures. The Federal and State Grants Fund's fund balance increased from a deficit of \$2.4 million to a deficit of \$36,160 due to prior year outstanding COVID grant monies reimbursed in the current year.
- The Other Special Revenue Fund had \$5.1 million in current year revenues, which primarily consisted of community school, CTED program revenues, and gifts and donations, and \$4.0 million in current fiscal year expenditures. The Other Special Revenue Fund's fund balance increased from \$3.7 million to \$4.7 million primarily due to an increase in the District's programs post the COVID-19 pandemic.

Sahuarita Unified School District No. 30
Management's Discussion And Analysis (MD&A)
Year Ended June 30, 2023

Overview of Financial Statements

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

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

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

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.

Sahuarita Unified School District No. 30
Management's Discussion And Analysis (MD&A)
Year Ended June 30, 2023

Overview of Financial Statements

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Classroom Site, Federal and State Grants and Other Special Revenue 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 plan have been provided as required supplementary information.

Sahuarita Unified School District No. 30
Management's Discussion And Analysis (MD&A)
Year Ended June 30, 2023

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 \$88.5 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 following table presents a summary of the District's net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	As of June 30, 2023	As of June 30, 2022
Current and other assets	\$ 45,509,868	\$ 35,295,244
Capital assets, net	134,297,140	135,940,355
Total assets	<u>179,807,008</u>	<u>171,235,599</u>
Deferred outflows	<u>7,110,935</u>	<u>10,542,919</u>
Current liabilities	2,094,645	2,015,600
Long-term liabilities	91,833,360	91,602,295
Total liabilities	<u>93,928,005</u>	<u>93,617,895</u>
Deferred inflows	<u>4,488,951</u>	<u>14,277,444</u>
Net position:		
Net investment in capital assets	90,189,426	85,914,184
Restricted	19,321,836	17,134,846
Unrestricted	(21,010,275)	(29,165,851)
Total net position	<u>\$ 88,500,987</u>	<u>\$ 73,883,179</u>

The District's financial position is the product of several financial transactions including the net result of activities, the payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Sahuarita Unified School District No. 30
Management's Discussion And Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

The following are significant current year transactions that had an impact on the Statement of Net Position.

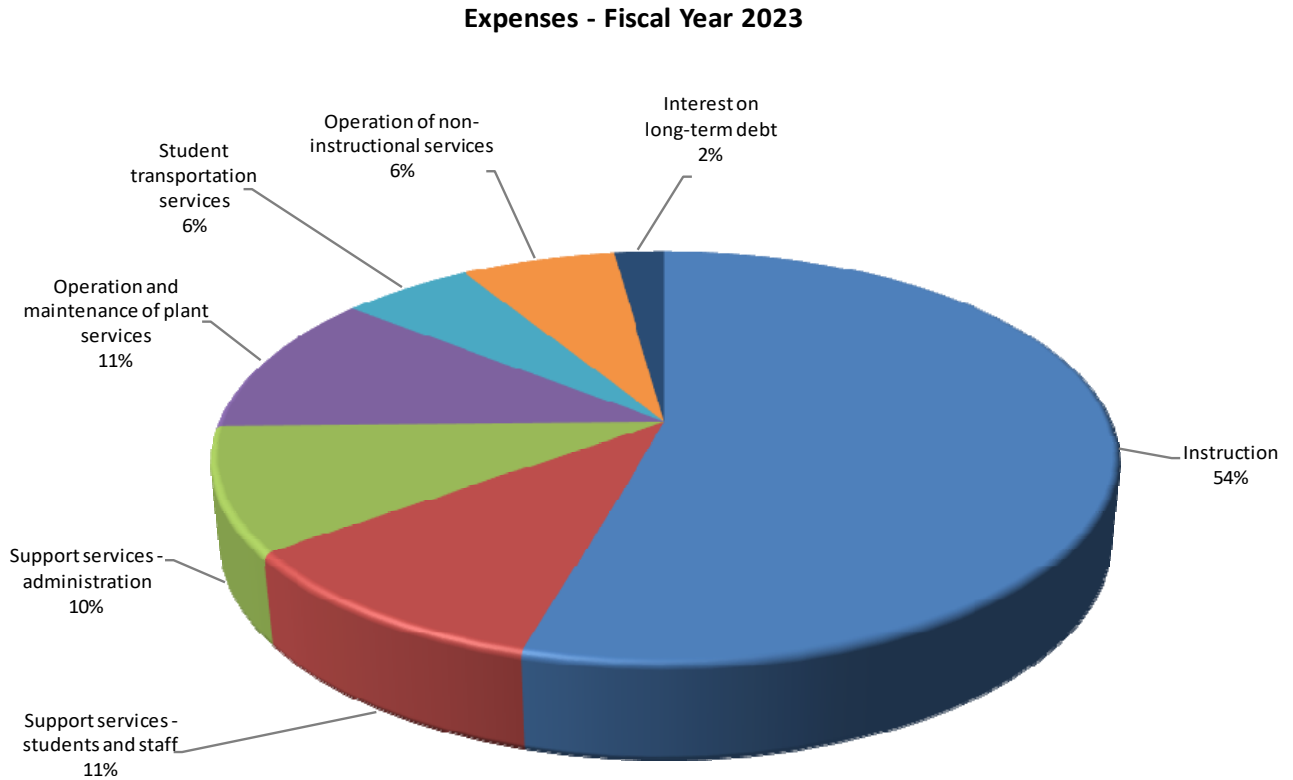
- The addition of \$4.8 million in accumulated depreciation through current year depreciation expense.
- The principal retirement of \$5.9 million of bonds and financed purchases.
- The increase of \$6.3 million in pension liabilities.

Changes in net position. The District's total revenues for the current fiscal year were \$79.9 million. The total cost of all programs and services was \$65.3 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
Revenues:		
Program revenues:		
Charges for services	\$ 6,903,576	\$ 5,114,952
Operating grants and contributions	6,013,454	11,204,099
Capital grants and contributions	1,229,144	992,082
General revenues:		
Property taxes	26,470,027	25,809,619
Investment income	950,558	80,883
Unrestricted state aid	38,353,791	31,172,793
Total revenues	<u>79,920,550</u>	<u>74,374,428</u>
Expenses:		
Instruction	35,476,528	34,641,107
Support services - students and staff	6,919,768	6,252,189
Support services - administration	6,372,598	6,064,442
Operation and maintenance of plant services	7,265,049	6,709,743
Student transportation services	3,637,536	3,094,375
Operation of non-instructional services	4,234,302	3,631,742
Interest on long-term debt	1,396,961	1,482,724
Total expenses	<u>65,302,742</u>	<u>61,876,322</u>
Changes in net position	14,617,808	12,498,106
Net position, beginning	73,883,179	61,385,073
Net position, ending	<u>\$ 88,500,987</u>	<u>\$ 73,883,179</u>

Sahuarita Unified School District No. 30
Management's Discussion And Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis



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

- The \$1.8 million increase in charges for services was primarily due to a significant increase in food service sales and community school program fees.
- The \$5.2 million decrease in operating grants and contributions was due to prior year COVID grants no longer received in the current year.
- The \$7.2 million increase in unrestricted state aid was due to an increase in base support level.

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.

Sahuarita Unified School District No. 30
Management's Discussion And Analysis (MD&A)
Year Ended June 30, 2023

Government-Wide Financial Analysis

	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 35,476,528	\$ (29,625,047)	\$ 34,641,107	\$ (24,824,761)
Support services - students and	6,919,768	(5,781,059)	6,252,189	(5,418,174)
Support services - administration	6,372,598	(6,287,672)	6,064,442	(5,936,515)
Operation and maintenance of plant services	7,265,049	(5,998,747)	6,709,743	(6,214,371)
Student transportation services	3,637,536	(3,637,536)	3,094,375	(3,094,375)
Operation of non-instructional services	4,234,302	1,570,454	3,631,742	2,405,731
Interest on long-term debt	1,396,961	(1,396,961)	1,482,724	(1,482,724)
Total	<u>\$ 65,302,742</u>	<u>\$ (51,156,568)</u>	<u>\$ 61,876,322</u>	<u>\$ (44,565,189)</u>

- The cost of all governmental activities this year was \$65.3 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$14.1 million.
- Net cost of governmental activities of \$51.2 million was financed by general revenues, which are made up of primarily property taxes of \$26.5 million and state aid of \$38.4 million.

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 \$41.3 million, an increase of \$11.6 million due primarily to increases in state equalization base support and property taxes.

Sahuarita Unified School District No. 30
Management's Discussion And Analysis (MD&A)
Year Ended June 30, 2023

Financial Analysis of the District's Funds

The General Fund comprises 55 percent of the total fund balance. Approximately \$21.9 million, or 97 percent of the General Fund's fund balance is unassigned.

The General Fund is the principal operating fund of the District. The increase in fund balance of \$4.3 million to \$22.6 million as of fiscal year end was primarily a result of an increase in the base support level. General Fund revenues increased \$6.1 million primarily as a result of increased state aid. General Fund expenditures increased \$8.3 million primarily due to increased salaries and substitute services.

The Classroom Site Fund's fund balance increased from \$4.3 million to \$6.7 million as of fiscal year end due to increases in state funding.

The Federal and State Grants Fund's fund balance increased from a deficit of \$2.4 million to a deficit of \$36,160 as of fiscal year end primarily due to the Education Plus Up grant reimbursement of \$1.7 million that was outstanding as of the end of the prior fiscal year.

The Other Special Revenue Fund's fund balance increased from \$3.7 million to \$4.7 million primarily due to an increase in the District's programs post the COVID-19 pandemic, such as increases in food service sales and community school program fees.

Budgetary Highlights

Over the course of the year, the District revised the General Fund annual expenditure budget. The difference between the original budget and the final amended budget was a \$5.9 million increase, or eleven percent primarily due to expected increases in salaries and benefits.

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 overall favorable variance of \$15.2 million was a result of maximum general budget limit to provide capacity in future years.

Sahuarita Unified School District No. 30
Management's Discussion And Analysis (MD&A)
Year Ended June 30, 2023

Capital Assets and Debt Administration

Capital Assets. At year end, the District had invested \$199.5 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 \$2.7 million. Total depreciation expense for the current fiscal year was \$4.8 million.

The following schedule presents a summary of capital asset balances for the fiscal years ended June 30, 2023 and June 30, 2022.

	As of June 30, 2023	As of June 30, 2022
Capital assets - non-depreciable	\$ 8,857,364	\$ 7,935,551
Capital assets - depreciable, net	125,439,776	128,004,804
Total	<u>\$ 134,297,140</u>	<u>\$ 135,940,355</u>

The estimated cost to complete current construction projects is \$21.9 million. Additional information on the District's capital assets can be found in Note 7.

Debt Administration. At year end, the District had \$44.8 million in long-term debt outstanding, \$3.5 million due within one year. Long-term debt decreased by \$6.0 million due to principal payments.

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 \$127.1 million and the Class B debt limit is \$84.7 million, which are more than the District's total outstanding general obligation and Class B debt, respectively.

Additional information on the District's long-term debt can be found in Notes 8 through 10.

Sahuarita Unified School District No. 30
Management's Discussion And Analysis (MD&A)
Year Ended June 30, 2023

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 2023-24 budget. Among them:

- Fiscal year 2022-23 budget balance carry forward
- District student population
- Employee salary and benefit rates.

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

Budgeted expenditures in the General Fund increased four percent to \$61.5 million in fiscal year 2023-24. The increase in base support level and increases in student enrollment are expected to be the primary reason for the increase. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2023-24 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; Sahuarita Unified School District No. 30; 350 West Sahuarita Road; Sahuarita, Arizona 85629-9000.

Basic Financial Statements

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Government-Wide Financial Statements

Sahuarita Unified School District No. 30
Statement of Net Position
June 30, 2023

	Governmental Activities
Assets	
Current assets:	
Cash and investments	\$ 36,070,665
Deposits	41,679
Property taxes receivable	1,146,239
Accounts receivable	31,008
Due from governmental entities	7,257,575
Inventory	166,739
Leases receivable	795,963
Total current assets	<u>45,509,868</u>
Noncurrent assets:	
Capital assets not being depreciated	8,857,364
Capital assets, net accumulated depreciation	125,439,776
Total noncurrent assets	<u>134,297,140</u>
Total assets	<u><u>179,807,008</u></u>
Deferred outflows of resources	
Deferred charge on refunding	312,018
Pension plan items	6,798,917
Total deferred outflows of resources	<u><u>7,110,935</u></u>
Liabilities	
Current liabilities:	
Accounts payable	553,623
Accrued payroll and employee benefits	1,540,709
Unearned revenues	313
Compensated absences payable	350,929
Financed purchases payable	828,203
Bonds payable	2,635,000
Total current liabilities	<u>5,908,777</u>
Noncurrent liabilities:	
Non-current portion of long-term obligations	88,019,228
Total noncurrent liabilities	<u>88,019,228</u>
Total liabilities	<u><u>93,928,005</u></u>
Deferred inflows of resources	
Pension plan items	3,703,846
Leases	785,105
Total deferred inflows of resources	<u><u>4,488,951</u></u>
Net position	
Net investment in capital assets	90,189,426
Restricted for:	
Instruction	10,498,690
Food service	1,575,924
Non-instructional purposes	1,611,782
Debt service	3,423,401
Capital outlay	2,212,039
Unrestricted	<u>(21,010,275)</u>
Total net position	<u><u>\$ 88,500,987</u></u>

Sahuarita Unified School District No. 30
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenue			Net (Expense)
		Charges for	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
		Services			Governmental Activities
Governmental activities					
Instruction	\$ 35,476,528	\$ 3,342,866	\$ 2,219,118	\$ 289,497	\$ (29,625,047)
Support services - students and staff	6,919,768	629,156	509,553		(5,781,059)
Support services - administration	6,372,598		84,926		(6,287,672)
Operation and maintenance of plant services	7,265,049	188,851	137,804	939,647	(5,998,747)
Student transportation services	3,637,536				(3,637,536)
Operation of non-instructional services	4,234,302	2,742,703	3,062,053		1,570,454
Interest on long-term debt	1,396,961				(1,396,961)
Total governmental activities	<u>\$ 65,302,742</u>	<u>\$ 6,903,576</u>	<u>\$ 6,013,454</u>	<u>\$ 1,229,144</u>	<u>(51,156,568)</u>
General revenues					
Property taxes					26,470,027
Investment income					950,558
Unrestricted state aid					38,353,791
Total general revenues					<u>65,774,376</u>
Changes in net position					14,617,808
Net position, beginning of year					<u>73,883,179</u>
Net position, end of year					<u>\$ 88,500,987</u>

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Fund Financial Statements

Sahuarita Unified School District No. 30

**Balance Sheet
Governmental Funds
June 30, 2023**

	<u>General</u>	<u>Classroom Site</u>	<u>Federal and State Grants</u>	<u>Other Special Revenue</u>
Assets				
Cash and investments	\$ 17,593,671	\$ 6,781,695	\$	\$ 4,746,244
Deposits				
Property taxes receivable	999,349			
Accounts receivable	6,699			17,063
Due from governmental entities	6,343,395		469,568	120,501
Due from other funds	257,598			
Inventory	37,545			
Leases receivable	795,963			
Total assets	<u>\$ 26,034,220</u>	<u>\$ 6,781,695</u>	<u>\$ 469,568</u>	<u>\$ 4,883,808</u>
Liabilities				
Accounts payable	\$ 356,780	\$	\$ 4,482	\$ 99,418
Due to other funds			257,598	
Accrued payroll and employee benefits	1,330,610	112,827	45,423	43,677
Unearned revenues			313	
Total liabilities	<u>1,687,390</u>	<u>112,827</u>	<u>307,816</u>	<u>143,095</u>
Deferred inflows of resources				
Unavailable revenues - property taxes	999,349			
Unavailable revenues - intergovernmental			197,912	
Leases	785,105			
Total deferred inflows of resources	<u>1,784,454</u>		<u>197,912</u>	
Fund balances				
Nonspendable	37,545			
Restricted	617,500	6,668,868		4,740,713
Unassigned	21,907,331		(36,160)	
Total fund balances	<u>22,562,376</u>	<u>6,668,868</u>	<u>(36,160)</u>	<u>4,740,713</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 26,034,220</u>	<u>\$ 6,781,695</u>	<u>\$ 469,568</u>	<u>\$ 4,883,808</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 6,949,055	\$ 36,070,665
41,679	41,679
146,890	1,146,239
7,246	31,008
324,111	7,257,575
	257,598
129,194	166,739
	795,963
<u>\$ 7,598,175</u>	<u>\$ 45,767,466</u>
\$ 92,943	\$ 553,623
	257,598
8,172	1,540,709
	313
<u>101,115</u>	<u>2,352,243</u>
146,890	1,146,239
	197,912
	785,105
<u>146,890</u>	<u>2,129,256</u>
129,194	166,739
7,220,976	19,248,057
	21,871,171
<u>7,350,170</u>	<u>41,285,967</u>
<u>\$ 7,598,175</u>	<u>\$ 45,767,466</u>

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Sahuarita Unified School District No. 30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2023

Total fund balances - governmental funds **\$ 41,285,967**

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	\$ 199,514,290	
Less accumulated depreciation/amortization	<u>(65,217,150)</u>	
		134,297,140

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

Property taxes	1,146,239	
Intergovernmental	<u>197,912</u>	
		1,344,151

Deferred items related to the refunding of bonds are amortized over the life of the associated bond issue in the government-wide statements but not reported in the funds.

312,018

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	6,798,917	
Deferred inflows of resources related to pensions	<u>(3,703,846)</u>	
		3,095,071

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

Compensated absences payable	(743,866)	
Financed purchases payable	(14,205,498)	
Bonds payable	(30,579,487)	
Net pension liability	<u>(46,304,509)</u>	
		<u>(91,833,360)</u>

Net position of governmental activities **\$ 88,500,987**

Sahuarita Unified School District No. 30
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Classroom Site	Federal and State Grants	Other Special Revenue
Revenues				
Other local	\$ 2,315,062	\$ 144,626	\$	\$ 4,916,341
Property taxes	18,392,110			
State aid and grants	32,565,593	5,346,361	284,210	19,728
Federal aid, grants and reimbursements			4,716,154	137,226
Total revenues	<u>53,272,765</u>	<u>5,490,987</u>	<u>5,000,364</u>	<u>5,073,295</u>
Expenditures				
Current:				
Instruction	24,273,675	2,997,610	1,426,789	1,210,641
Support services - students and staff	5,168,425	140,742	597,653	841,180
Support services - administration	5,572,444		85,910	54,587
Operation and maintenance of plant services	6,325,373		216,829	184,597
Student transportation services	2,524,532		2,792	144,268
Operation of non-instructional services	111,917			1,184,334
Capital outlay	3,849,032		264,918	416,928
Debt service:				
Principal retirement	164,491			
Interest and fiscal charges	5,609			
Total expenditures	<u>47,995,498</u>	<u>3,138,352</u>	<u>2,594,891</u>	<u>4,036,535</u>
Excess (deficiency) of revenues over expenditures	<u>5,277,267</u>	<u>2,352,635</u>	<u>2,405,473</u>	<u>1,036,760</u>
Other financing sources (uses)				
Transfers in	18,427			
Transfers out	(1,123,771)		(18,427)	
Proceeds from sale of capital assets	86,629			
Total other financing sources (uses)	<u>(1,018,715)</u>		<u>(18,427)</u>	
Changes in fund balances	<u>4,258,552</u>	<u>2,352,635</u>	<u>2,387,046</u>	<u>1,036,760</u>
Fund balances, beginning of year	<u>18,303,824</u>	<u>4,316,233</u>	<u>(2,423,206)</u>	<u>3,703,953</u>
Fund balances, end of year	<u>\$ 22,562,376</u>	<u>\$ 6,668,868</u>	<u>\$ (36,160)</u>	<u>\$ 4,740,713</u>

Non-Major Governmental Funds	Total Governmental Funds
\$ 1,336,711	\$ 8,712,740
7,536,917	25,929,027
1,381,484	39,597,376
<u>2,156,181</u>	<u>7,009,561</u>
<u>12,411,293</u>	<u>81,248,704</u>
196,676	30,105,391
51,772	6,799,772
74,452	5,787,393
	6,726,799
	2,671,592
2,766,910	4,063,161
1,729,564	6,260,442
5,749,732	5,914,223
<u>1,388,308</u>	<u>1,393,917</u>
<u>11,957,414</u>	<u>69,722,690</u>
<u>453,879</u>	<u>11,526,014</u>
1,140,436	1,158,863
(16,665)	(1,158,863)
	<u>86,629</u>
<u>1,123,771</u>	<u>86,629</u>
<u>1,577,650</u>	<u>11,612,643</u>
<u>5,772,520</u>	<u>29,673,324</u>
<u>\$ 7,350,170</u>	<u>\$ 41,285,967</u>

Sahuarita Unified School District No. 30
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, 2023

Changes in fund balances - total governmental funds **\$ 11,612,643**

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	\$ 3,151,263	
Less current year depreciation/amortization	<u>(4,782,034)</u>	
		(1,630,771)

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

Property taxes	541,000	
Intergovernmental	<u>(1,955,783)</u>	
		(1,414,783)

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	939,223	
Bond principal retirement	<u>4,975,000</u>	
		5,914,223

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 contributions	4,106,193	
Pension expense	<u>(3,987,788)</u>	
		118,405

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

Loss on disposal of assets	(12,444)	
Amortization of deferred bond items	(3,044)	
Compensated absences	<u>33,579</u>	
		<u>18,091</u>

Changes in net position in governmental activities **\$ 14,617,808**

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Sahuarita Unified School District No. 30 (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, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This Statement increases the usefulness of the financial statements by requiring the recognition of certain assets and liabilities for SBITAs. This Statement also requires a government to disclose essential information about the arrangement. The District's analysis of SBITAs 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.

In addition, during the year the District consolidated individual reporting funds that were presented separately in the prior year financial statements. The consolidated funds include the Federal and State Grants Fund, Other Special Revenue Fund, and Other Capital Projects Fund.

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.

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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 athletic functions.

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. 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.

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. 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 certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

Classroom Site Fund – The Classroom Site Fund accounts for the financial activity for the portion of state sales tax collections and permanent state school funding earnings as approved by voters in 2000.

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

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

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. 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.

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

E. Investment Income

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

F. Receivables and Payables

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

G. Property Tax Calendar

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

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

H. Inventory

All inventories are valued at cost using the average cost method. Inventories consist of expendable supplies held for consumption. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

I. Prepaid Items

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

J. Capital Assets

Capital assets, which include land and improvements; buildings and improvements; vehicles, furniture, and equipment; 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 following estimated useful lives:

Land improvements	5 - 20 years
Buildings and improvements	20 - 50 years
Vehicles, furniture and equipment	5 - 15 years

K. Deferred Outflows/Inflows of Resources

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

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

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

L. Compensated Absences

The District's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay. Accrued sick leave is earned by all full-time employees at a rate of one day for every month with a maximum of 200 accrued days. All full-time classified employees earn vacation at rates depending on length of service. The current and long-term liabilities, including related benefits, for accumulated vacation and sick leave are reported on the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay for compensated absences.

M. Leases

As lessor, 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.

N. Pensions

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

O. Long-term Obligations

In the government-wide financial statements, 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.

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 1 – Summary of Significant Accounting Policies

P. Interfund Activity

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

Q. Net Position Flow Assumption

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

R. Estimates

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

Note 2 – Fund Balance Classifications

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

Nonspendable. The nonspendable fund balance classification includes amounts that cannot be spent because they are not in spendable form, or 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.

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 2 – Fund Balance Classifications

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

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

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

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

	General	Classroom Site	Federal and State Grants	Other Special Revenue	Non-Major Governmental Funds
Fund Balances:					
Nonspendable:					
Inventory	\$ 37,545	\$	\$	\$	\$ 129,194
Restricted:					
Debt service	234,650				3,041,861
Capital projects	382,850				1,829,189
Bond building projects					365,253
Voter approved initiatives		6,668,868			537,943
Auxiliary operations				580,067	
Food service					1,446,730
Civic center				170,217	
Community schools				1,434,071	
Extracurricular activities				773,618	
Gifts and donations				1,119,759	
Student activities				345,429	
Other purposes				317,552	
Unassigned	21,907,331		(36,160)		
Total fund balances	<u>\$ 22,562,376</u>	<u>\$ 6,668,868</u>	<u>\$ (36,160)</u>	<u>\$ 4,740,713</u>	<u>\$ 7,350,170</u>

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 3 – Stewardship, Compliance and Accountability

Individual Deficit Fund Balance – At year end, the Federal and State Grants Fund reported a deficit of \$36,160 in fund balance.

The deficit arose due to pending grant and other reimbursements. Additional revenues received in fiscal year 2023-24 are expected to eliminate the deficit.

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

Note 4 – Cash and Investments

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$3,593,229 and the bank balance was \$4,005,414. At year end, \$669,161 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 State Treasurer's pools are external investment pools, the Local Government Investment Pool (Pool 5) and Local Government Investment Pool-Government (Pool 7), with no regulatory oversight. The pools as an investment company are not registered with the Securities and Exchange Commission. The fair value of each participant's position in the State Treasurer investment pools approximates the value of the participant's shares in the pool and the participants' shares are not identified with specific investments. No regulatory oversight is provided for the County Treasurer's investment pool and that pool's structure does not provide for shares. Participants in the pool are not required to categorize the value of shares in accordance with the fair value hierarchy.

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 4 – Cash and Investments

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	305 days	\$ 32,094,272
State Treasurer's investment pool 7	37 days	<u>383,164</u>
Total		<u>\$ 32,477,436</u>

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

Credit Risk. The District has no investment policy that would further limit its investment choices. As of year end, the District's investment in the County's investment pool did not receive a credit quality rating from a national rating agency. The State Treasurer's Local Government Investment Pool 7 was rated AAA by Moody's at year end.

Custodial Credit Risk – Investments. The District's investments in the State and 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.

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 5 – Receivables

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

	General	Federal and State Grants	Other Special Revenue	Non-Major Governmental Funds
Due from other governmental entities:				
Due from federal government	\$	\$ 392,657	\$ 31,722	\$
Due from state government	6,343,395	76,911		324,111
Due from other districts			88,779	
Net due from governmental entities	<u>\$ 6,343,395</u>	<u>\$ 469,568</u>	<u>\$ 120,501</u>	<u>\$ 324,111</u>

Note 6 – Leases Receivable

The District acts as lessor in several cell phone tower 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 \$62,281 and related interest revenue of \$2,068 are recorded as other local revenue in the General Fund.

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

Year Ending June 30:	
2024	\$ 60,045
2025	60,877
2026	62,642
2027	65,333
2028	66,316
2029-33	333,560
2034-38	<u>160,154</u>
Total	<u>\$ 808,927</u>

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

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	\$ 7,934,746	\$	\$	\$ 7,934,746
Construction in progress	805	922,618	805	922,618
Total capital assets, not being depreciated	7,935,551	922,618	805	8,857,364
Capital assets, being depreciated:				
Land improvements	27,454,995	284,634		27,739,629
Buildings and improvements	149,896,492	350,700		150,247,192
Vehicles, furniture and equipment	11,512,961	1,594,116	436,972	12,670,105
Total capital assets being depreciated	188,864,448	2,229,450	436,972	190,656,926
Less accumulated depreciation for:				
Land improvements	(8,877,125)	(890,437)		(9,767,562)
Buildings and improvements	(44,759,616)	(3,281,435)		(48,041,051)
Vehicles, furniture and equipment	(7,222,903)	(610,162)	(424,528)	(7,408,537)
Total accumulated depreciation	(60,859,644)	(4,782,034)	(424,528)	(65,217,150)
Total capital assets, being depreciated, net	128,004,804	(2,552,584)	12,444	125,439,776
Governmental activities capital assets, net	\$ 135,940,355	\$ (1,629,966)	\$ 13,249	\$ 134,297,140

Depreciation and amortization expense were charged to governmental functions as follows:

Instruction	\$ 3,946,032
Support services – students and staff	2,704
Support services – administration	54,601
Operation and maintenance of plant services	337,008
Student transportation services	391,919
Operation of non-instructional services	49,770
Total depreciation expense – governmental activities	\$ 4,782,034

Construction Commitments – At year end, the District had contractual commitments related to classroom expansions at Sahuarita High School and Walden Grove High School. At year end the District had spent \$922,618 on the project and had estimated remaining contractual commitments of \$21.9 million. This project is primarily being funded with School Facilities Board (SFB) revenues.

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 8 – Financed Purchases Payable

The District has acquired busses, energy efficient upgrades, and solar energy structures under the provisions of contracts classified as financed purchases payables. Revenues from the General Fund are used to pay the debt obligations, including those transferred to the Other Capital Projects Fund.

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

Year ending June 30:	Governmental Activities	
	Principal	Interest
2024	\$ 828,203	\$ 330,988
2025	884,019	311,691
2026	942,266	291,093
2027	1,003,039	269,139
2028	1,066,430	245,768
2029-33	6,381,780	824,315
2034-35	3,099,761	109,323
Total	<u>\$ 14,205,498</u>	<u>\$ 2,382,317</u>

Note 9 – 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 \$127.1 million and the available margin is \$96.8 million.

Purpose	Original Amount Issued	Interest Rates	Remaining Maturities	Outstanding Principal June 30, 2023	Due Within One Year
Governmental activities:					
General obligation bonds:					
School Improvement Bonds, Project 2007					
Qualified School Construction Bond	\$ 5,700,000	1.95%	6/16/2024	\$ 465,000	\$ 465,000
School Improvement Bonds, Series 2017	24,185,000	3.0-5.0%	7/1/24-36	20,550,000	
Private placement bonds:					
Refunding Bond, Series 2021	15,985,000	1.12%	7/1/24-27	8,590,000	2,170,000
Total				<u>\$ 29,605,000</u>	<u>\$ 2,635,000</u>

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 9 – General Obligation Bonds Payable

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

Year ending June 30:	Governmental Activities			
	General Obligation Bonds		Private Placement Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 465,000	\$ 880,292	\$ 2,170,000	\$ 96,208
2025	350,000	871,212	2,205,000	71,904
2026	350,000	860,712	2,235,000	47,208
2027	350,000	843,212	1,980,000	22,176
2028	360,000	825,712		
2029-33	10,355,000	3,470,864		
2034-36	8,785,000	703,252		
Total	<u>\$ 21,015,000</u>	<u>\$ 8,455,256</u>	<u>\$ 8,590,000</u>	<u>\$ 237,496</u>

Private Placements – The District’s private-placement bond obligation terminates upon legal defeasance, prior redemption, or payment in full of all of the bonds. In the event of a failure of the District to comply with any provision of the bond disclosure certificate, any bondholder may seek specific performance by court order to cause the District to comply with its obligations under the bond disclosure certificate.

Note 10 – Changes in Long-Term Liabilities

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

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 21,570,000	\$	\$ 555,000	\$ 21,015,000	\$ 465,000
Private placement bonds	13,010,000		4,420,000	8,590,000	2,170,000
Premium	1,049,448		74,961	974,487	
Total bonds payable	<u>35,629,448</u>		<u>5,049,961</u>	<u>30,579,487</u>	<u>2,635,000</u>
Financed purchases payable	15,144,721		939,223	14,205,498	828,203
Net pension liability	40,050,681	6,253,828		46,304,509	
Compensated absences payable	777,445	601,788	635,367	743,866	350,929
Total long-term liabilities	<u>\$ 91,602,295</u>	<u>\$ 6,855,616</u>	<u>\$ 6,624,551</u>	<u>\$ 91,833,360</u>	<u>\$ 3,814,132</u>

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 11 – Interfund Receivables, Payables, and Transfers

Due to/from other funds – At year end, the Federal and State Grants Fund had a negative cash balance of \$257,598 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 between funds were used to (1) to move federal grant funds restricted for indirect costs of \$18,427, (2) to move investment income of \$16,665 earned in the Bond Building Fund, a non-major governmental fund, that is required by statute to be expended in the Debt Service Fund, and (3) to transfer cash of \$1.1 million from the General Fund to the Other Capital Projects Fund to pay the financed purchase of energy efficient upgrades and solar energy structures.

Note 12 – Contingent Liabilities

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

Arbitrage – Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense or expenditure prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

Note 13 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 13 – Risk Management

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

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

The District continues to carry commercial insurance for employee dental insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 14 – Pensions

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

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

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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

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

*With actuarially reduced benefits

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

Contributions. In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 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 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 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, 2023 were \$4.1 million.

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.68 percent (9.62 for retirement and 0.06 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, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022.

At June 30, 2023, the District reported the following amounts for its proportionate share of the pension plan net liability. In addition, at June 30, 2022, the District's percentage proportion for the plan and the related change from its proportion measured as of June 30, 2021 was:

Net Liability	District % Proportion	Increase (Decrease)
\$ 46,304,509	0.284	(0.021)

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, 2023 was \$4.0 million.

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 394,542	\$
Changes of assumptions or other inputs	2,298,182	
Net difference between projected and actual earnings on pension investments		1,219,706
Changes in proportion and differences between contributions and proportionate share of contributions		2,484,140
Contributions subsequent to the measurement date	4,106,193	
Total	<u>\$ 6,798,917</u>	<u>\$ 3,703,846</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, 2024. 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:		
2024	\$	719,710
2025		(1,565,333)
2026		(2,117,695)
2027		1,952,196

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

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
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

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

The actuarial assumptions used in the June 30, 2021 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
Equity	50%	3.90%
Credit	20	5.30
Interest rate sensitive bonds	10	(0.20)
Real estate	20	6.00
Total	100%	

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

Sahuarita Unified School District No. 30
Notes to Financial Statements
June 30, 2023

Note 14 – Pensions

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

		Current	
	1% Decrease	Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 68,320,926	\$ 46,304,509	\$ 27,946,256

Contributions payable. The District’s accrued payroll and employee benefits included \$25,969 of outstanding pension contribution amounts payable to ASRS for the year ended June 30, 2023.

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.

Note 15 – Subsequent Event

In the November 2023 election, the community voted in favor of a \$50 million bond. When issued, the purpose of the bonds will be to renovate existing facilities, construct new classroom spaces, and update and add additional security.

Required Supplementary Information

Sahuarita Unified School District No. 30
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General
For the Year Ended June 30, 2023

	Budget		Non-GAAP	Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	\$	\$	\$ 2,033,345	\$ 2,033,345
Property taxes			16,418,076	16,418,076
State aid and grants			30,411,563	30,411,563
Total revenues			48,862,984	48,862,984
Expenditures				
Current:				
Instruction	30,870,730	34,188,520	24,272,298	9,916,222
Support services - students and staff	6,214,241	6,334,488	5,166,320	1,168,168
Support services - administration	5,993,284	6,223,512	5,484,188	739,324
Operation and maintenance of plant services	6,936,065	7,766,300	6,330,577	1,435,723
Student transportation services	2,826,004	4,176,358	2,504,588	1,671,770
Operation of non-instructional services	379,157	383,481	109,568	273,913
Total expenditures	53,219,481	59,072,659	43,867,539	15,205,120
Excess (deficiency) of revenues over expenditures	(53,219,481)	(59,072,659)	4,995,445	64,068,104
Other financing sources (uses)				
Transfers out			(1,123,771)	(1,123,771)
Total other financing sources (uses)			(1,123,771)	(1,123,771)
Changes in fund balances	(53,219,481)	(59,072,659)	3,871,674	62,944,333
Fund balances, beginning of year			12,199,818	12,199,818
Fund balances, end of year	\$ (53,219,481)	\$ (59,072,659)	\$ 16,071,492	\$ 75,144,151

Sahuarita Unified School District No. 30
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Classroom Site
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 144,626	\$ 144,626
State aid and grants			5,346,361	5,346,361
Total revenues			<u>5,490,987</u>	<u>5,490,987</u>
Expenditures				
Current:				
Instruction	8,468,207	8,966,865	2,997,610	5,969,255
Support services - students and staff			140,742	(140,742)
Total expenditures	<u>8,468,207</u>	<u>8,966,865</u>	<u>3,138,352</u>	<u>5,828,513</u>
Changes in fund balances	<u>(8,468,207)</u>	<u>(8,966,865)</u>	<u>2,352,635</u>	<u>11,319,500</u>
Fund balances, beginning of year			<u>4,316,233</u>	<u>4,316,233</u>
Fund balances, end of year	<u>\$ (8,468,207)</u>	<u>\$ (8,966,865)</u>	<u>\$ 6,668,868</u>	<u>\$ 15,635,733</u>

See accompanying notes to this schedule.

Sahuarita Unified School District No. 30
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Federal and State Grants
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
State aid and grants	\$	\$	\$ 284,210	\$ 284,210
Federal aid, grants and reimbursements			4,716,154	4,716,154
Total revenues			5,000,364	5,000,364
Expenditures				
Current:				
Instruction	5,882,503	4,995,515	1,426,789	3,568,726
Support services - students and staff	2,464,061	2,092,520	597,653	1,494,867
Support services - administration	354,198	300,791	85,910	214,881
Operation and maintenance of plant services	893,963	759,168	216,829	542,339
Student transportation services	11,511	9,775	2,792	6,983
Capital outlay	1,092,229	927,539	264,918	662,621
Total expenditures	10,698,466	9,085,308	2,594,891	6,490,417
Excess (deficiency) of revenues over expenditures	(10,698,466)	(9,085,308)	2,405,473	11,490,781
Other financing sources (uses)				
Transfers out			(18,427)	(18,427)
Total other financing sources (uses)			(18,427)	(18,427)
Changes in fund balances	(10,698,466)	(9,085,308)	2,387,046	11,472,354
Fund balances, beginning of year			(2,423,206)	(2,423,206)
Fund balances, end of year	\$ (10,698,466)	\$ (9,085,308)	\$ (36,160)	\$ 9,049,148

Sahuarita Unified School District No. 30
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Special Revenue
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Other local	\$	\$	\$ 4,916,341	\$ 4,916,341
State aid and grants			19,728	19,728
Federal aid, grants and reimbursements			137,226	137,226
Total revenues			<u>5,073,295</u>	<u>5,073,295</u>
Expenditures				
Current:				
Instruction	2,880,528	2,386,596	1,210,641	1,175,955
Support services - students and staff	2,001,454	1,658,260	841,180	817,080
Support services - administration	129,881	107,610	54,587	53,023
Operation and maintenance of plant services	439,219	363,905	184,597	179,308
Student transportation services	343,263	284,403	144,268	140,135
Operation of non-instructional services	2,817,935	2,334,736	1,184,334	1,150,402
Capital outlay	992,014	821,911	416,928	404,983
Total expenditures	<u>9,604,295</u>	<u>7,957,421</u>	<u>4,036,535</u>	<u>3,920,886</u>
Changes in fund balances	<u>(9,604,295)</u>	<u>(7,957,421)</u>	<u>1,036,760</u>	<u>8,994,181</u>
Fund balances, beginning of year			<u>3,703,953</u>	<u>3,703,953</u>
Fund balances, end of year	<u>\$ (9,604,295)</u>	<u>\$ (7,957,421)</u>	<u>\$ 4,740,713</u>	<u>\$ 12,698,134</u>

Sahuarita Unified School District No. 30
Schedule of the Proportionate Share of the Net Pension Liability
Arizona State Retirement System
Last Nine Fiscal Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net pension (assets) liability	0.28%	0.31%	0.31%	0.31%
District's proportionate share of the net pension (assets) liability	\$ 46,304,509	\$ 40,050,681	\$ 54,070,871	\$ 44,546,932
District's covered payroll	\$ 33,754,904	\$ 34,675,433	\$ 34,041,328	\$ 32,276,360
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	137.18%	115.50%	158.84%	138.02%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 4,106,193	\$ 4,053,964	\$ 4,039,688	\$ 3,897,732
Contributions in relation to the actuarially determined contribution	<u>4,106,193</u>	<u>4,053,964</u>	<u>4,039,688</u>	<u>3,897,732</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 34,447,928	\$ 33,754,904	\$ 34,675,433	\$ 34,041,328
Contributions as a percentage of covered payroll	11.92%	12.01%	11.65%	11.45%

NOTE: The pension schedules in the required supplementary information are intended to show information for ten years, and additional information will be displayed as it becomes available.

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.29%	0.28%	0.27%	0.26%	0.25%
\$ 40,389,008	\$ 42,906,625	\$ 43,695,314	\$ 41,104,278	\$ 37,714,190
\$ 27,888,174	\$ 26,676,030	\$ 25,005,530	\$ 24,027,511	\$ 22,948,252
144.82%	160.84%	174.74%	171.07%	164.34%
73.40%	69.92%	67.06%	68.35%	69.49%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 3,608,497	\$ 3,039,811	\$ 2,875,676	\$ 2,713,100	\$ 2,616,596
3,608,497	3,039,811	2,875,676	2,713,100	2,616,596
\$	\$	\$	\$	\$
\$ 32,276,360	\$ 27,888,174	\$ 26,676,030	\$ 25,005,530	\$ 24,027,511
11.18%	10.90%	10.78%	10.85%	10.89%

Sahuarita Unified School District No. 30
Notes to Required Supplementary Information
June 30, 2023

Note 1 – Budgetary Basis of Accounting

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

- Certain activities reported in the General Fund are budgeted in separate funds in accordance with Arizona Revised Statutes.
- Prepaid items are budgeted in the year prepaid.
- Employee insurance expenditures are budgeted in the year the employee insurance account is funded.

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

	Total	Fund
	Expenditures	Balances
	<u>Expenditures</u>	<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 47,995,498	\$ 22,562,376
Activity budgeted as special revenue funds	(256,623)	(1,507,776)
Activity budgeted as capital projects funds	(4,006,657)	(3,074,166)
Current-year prepaid items	645,993	(645,993)
Prior-year prepaid items	(619,117)	
Employee insurance account	<u>108,445</u>	<u>(1,262,949)</u>
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 43,867,539</u>	<u>\$ 16,071,492</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, 2021, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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

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Governmental Funds

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Non-Major Governmental Funds

Special Revenue Funds

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

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

Debt Service Fund

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

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.

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

Sahuarita Unified School District No. 30
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>
	<u>Instructional Improvement</u>	<u>Food Service</u>	<u>Debt Service</u>	<u>Adjacent Ways</u>
Assets				
Cash and investments	\$ 222,004	\$ 1,490,748	\$ 3,041,861	\$ 1,502,616
Deposits		41,679		
Property taxes receivable			146,890	
Accounts receivable		7,246		
Due from governmental entities	324,111			
Inventory		129,194		
Total assets	<u>\$ 546,115</u>	<u>\$ 1,668,867</u>	<u>\$ 3,188,751</u>	<u>\$ 1,502,616</u>
Liabilities				
Accounts payable	\$	\$ 92,943	\$	\$
Accrued payroll and employee benefits	8,172			
Total liabilities	<u>8,172</u>	<u>92,943</u>		
Deferred inflows of resources				
Unavailable revenues - property taxes			146,890	
Total deferred inflows of resources			<u>146,890</u>	
Fund balances				
Nonspendable		129,194		
Restricted	537,943	1,446,730	3,041,861	1,502,616
Total fund balances	<u>537,943</u>	<u>1,575,924</u>	<u>3,041,861</u>	<u>1,502,616</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 546,115</u>	<u>\$ 1,668,867</u>	<u>\$ 3,188,751</u>	<u>\$ 1,502,616</u>

<u>Capital Projects Funds</u>		<u>Total Non-Major Governmental Funds</u>
<u>Bond Building</u>	<u>Other Capital Projects</u>	
\$ 365,253	\$ 326,573	\$ 6,949,055
		41,679
		146,890
		7,246
		324,111
		129,194
<u>\$ 365,253</u>	<u>\$ 326,573</u>	<u>\$ 7,598,175</u>
\$	\$	\$ 92,943
<u> </u>	<u> </u>	<u>8,172</u>
<u> </u>	<u> </u>	<u>101,115</u>
<u> </u>	<u> </u>	<u>146,890</u>
<u> </u>	<u> </u>	<u>146,890</u>
		129,194
<u>365,253</u>	<u>326,573</u>	<u>7,220,976</u>
<u>365,253</u>	<u>326,573</u>	<u>7,350,170</u>
<u>\$ 365,253</u>	<u>\$ 326,573</u>	<u>\$ 7,598,175</u>

Sahuarita Unified School District No. 30
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds		Debt Service Fund	Capital Projects Funds
	Instructional Improvement	Food Service	Debt Service	Adjacent Ways
Revenues				
Other local	\$ 11,044	\$ 1,111,758	\$ 169,773	\$ 15,086
Property taxes			6,066,532	1,470,385
State aid and grants	441,837			
Federal aid, grants and reimbursements		2,156,181		
Total revenues	<u>452,881</u>	<u>3,267,939</u>	<u>6,236,305</u>	<u>1,485,471</u>
Expenditures				
Current:				
Instruction	196,676			
Support services - students and staff	51,772			
Support services - administration	74,452			
Operation of non-instructional services		2,766,910		
Capital outlay		791,746		
Debt service:				
Principal retirement			4,975,000	
Interest and fiscal charges			1,039,269	
Total expenditures	<u>322,900</u>	<u>3,558,656</u>	<u>6,014,269</u>	
Excess (deficiency) of revenues over expenditures	<u>129,981</u>	<u>(290,717)</u>	<u>222,036</u>	<u>1,485,471</u>
Other financing sources (uses)				
Transfers in			16,665	
Transfers out				
Total other financing sources (uses)			<u>16,665</u>	
Changes in fund balances	<u>129,981</u>	<u>(290,717)</u>	<u>238,701</u>	<u>1,485,471</u>
Fund balances, beginning of year	<u>407,962</u>	<u>1,866,641</u>	<u>2,803,160</u>	<u>17,145</u>
Fund balances, end of year	<u>\$ 537,943</u>	<u>\$ 1,575,924</u>	<u>\$ 3,041,861</u>	<u>\$ 1,502,616</u>

<u>Capital Projects Funds</u>		<u>Total Non-Major Governmental Funds</u>
<u>Bond Building Fund</u>	<u>Other Capital Projects</u>	
\$ 24,143	\$ 4,907	\$ 1,336,711
		7,536,917
	939,647	1,381,484
		2,156,181
<u>24,143</u>	<u>944,554</u>	<u>12,411,293</u>
		196,676
		51,772
		74,452
		2,766,910
200	937,618	1,729,564
	774,732	5,749,732
	349,039	1,388,308
<u>200</u>	<u>2,061,389</u>	<u>11,957,414</u>
<u>23,943</u>	<u>(1,116,835)</u>	<u>453,879</u>
	1,123,771	1,140,436
(16,665)		(16,665)
<u>(16,665)</u>	<u>1,123,771</u>	<u>1,123,771</u>
<u>7,278</u>	<u>6,936</u>	<u>1,577,650</u>
<u>357,975</u>	<u>319,637</u>	<u>5,772,520</u>
<u>\$ 365,253</u>	<u>\$ 326,573</u>	<u>\$ 7,350,170</u>

Sahuarita Unified School District No. 30
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Instructional Improvement
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 11,044	\$ 11,044
State aid and grants		441,837	441,837
Total revenues		452,881	452,881
Expenditures			
Current:			
Instruction	347,227	196,676	150,551
Support services - students and staff	91,402	51,772	39,630
Support services - administration	131,443	74,452	56,991
Total expenditures	570,072	322,900	247,172
Changes in fund balances	(570,072)	129,981	700,053
Fund balances, beginning of year		407,962	407,962
Fund balances, end of year	\$ (570,072)	\$ 537,943	\$ 1,108,015

Sahuarita Unified School District No. 30
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Food Service
For the Year Ended June 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Other local	\$	\$	\$ 1,111,758	\$ 1,111,758
Federal aid, grants and reimbursements			2,156,181	2,156,181
Total revenues			<u>3,267,939</u>	<u>3,267,939</u>
Expenditures				
Current:				
Operation of non-instructional services	4,778,117	3,543,836	2,766,910	776,926
Capital outlay	<u>1,367,249</u>	<u>1,014,062</u>	<u>791,746</u>	<u>222,316</u>
Total expenditures	<u>6,145,366</u>	<u>4,557,898</u>	<u>3,558,656</u>	<u>999,242</u>
Changes in fund balances	<u>(6,145,366)</u>	<u>(4,557,898)</u>	<u>(290,717)</u>	<u>4,267,181</u>
Fund balances, beginning of year			<u>1,866,641</u>	<u>1,866,641</u>
Fund balances, end of year	<u>\$ (6,145,366)</u>	<u>\$ (4,557,898)</u>	<u>\$ 1,575,924</u>	<u>\$ 6,133,822</u>

Sahuarita Unified School District No. 30
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Debt Service
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 169,773	\$ 169,773
Property taxes		6,066,532	6,066,532
Total revenues		6,236,305	6,236,305
Expenditures			
Debt service:			
Principal retirement	4,975,000	4,975,000	
Interest and fiscal charges	901,911	1,039,269	(137,358)
Total expenditures	5,876,911	6,014,269	(137,358)
Excess (deficiency) of revenues over expenditures	(5,876,911)	222,036	6,098,947
Other financing sources (uses)			
Transfers in		16,665	16,665
Total other financing sources (uses)		16,665	16,665
Changes in fund balances	(5,876,911)	238,701	6,115,612
Fund balances, beginning of year		2,803,160	2,803,160
Fund balances, end of year	\$ (5,876,911)	\$ 3,041,861	\$ 8,918,772

Sahuarita Unified School District No. 30
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Adjacent Ways
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	\$ 15,086	\$ 15,086
Property taxes		1,470,385	1,470,385
Total revenues		<u>1,485,471</u>	<u>1,485,471</u>
Expenditures			
Capital outlay	<u>1,500,000</u>		<u>1,500,000</u>
Total expenditures	<u>1,500,000</u>		<u>1,500,000</u>
Changes in fund balances	<u>(1,500,000)</u>	<u>1,485,471</u>	<u>2,985,471</u>
Fund balances, beginning of year		<u>17,145</u>	<u>17,145</u>
Fund balances, end of year	<u>\$ (1,500,000)</u>	<u>\$ 1,502,616</u>	<u>\$ 3,002,616</u>

Sahuarita Unified School District No. 30
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Bond Building
For the Year Ended June 30, 2023

	<u>Budget</u>		<u>Variance with</u>
	<u>Original and Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues			
Other local	\$	24,143	\$ 24,143
Total revenues		24,143	24,143
Expenditures			
Capital outlay	352,575	200	352,375
Total expenditures	352,575	200	352,375
Excess (deficiency) of revenues over expenditures	(352,575)	23,943	376,518
Other financing sources (uses)			
Transfers out		(16,665)	(16,665)
Total other financing sources (uses)		(16,665)	(16,665)
Changes in fund balances	(352,575)	7,278	359,853
Fund balances, beginning of year		357,975	357,975
Fund balances, end of year	\$ (352,575)	\$ 365,253	\$ 717,828

Sahuarita Unified School District No. 30
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Other Capital Projects
For the Year Ended June 30, 2023

	Budget			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Other local	\$	\$	\$ 4,907	\$ 4,907
State aid and grants			939,647	939,647
Total revenues			944,554	944,554
Expenditures				
Capital outlay	18,075,000	18,055,156	937,618	17,117,538
Debt service:				
Principal retirement	774,732	774,732	774,732	
Interest and fiscal charges	349,039	349,039	349,039	
Total expenditures	19,198,771	19,178,927	2,061,389	17,117,538
Excess (deficiency) of revenues over expenditures	(19,198,771)	(19,178,927)	(1,116,835)	18,062,092
Other financing sources (uses)				
Transfers in			1,123,771	1,123,771
Total other financing sources (uses)			1,123,771	1,123,771
Changes in fund balances	(19,198,771)	(19,178,927)	6,936	19,185,863
Fund balances, beginning of year			319,637	319,637
Fund balances, end of year	\$ (19,198,771)	\$ (19,178,927)	\$ 326,573	\$ 19,505,500

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Statistical Section

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

Note: For locally assessed property (i.e., excluding mines, utilities, etc.) Proposition 117, approved by voters in 2012, amended the Arizona Constitution to require that all property taxes after fiscal year 2014-15 be based upon property values limited to five percent in annual growth. The aggregate assessed value of all taxable properties within a taxing jurisdiction (i.e., after applying assessment ratios based on the use of a property), including property values with a growth limit, is currently referred to as net limited assessed value and formerly as primary assessed value. In accordance with Proposition 117, this value is used for all taxing purposes beginning fiscal year 2015-16. Aggregate assessed value without a growth limit is currently referred to as net full cash assessed value and formerly as secondary assessed value. This remains the value utilized for determining debt capacity limits.

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Sahuarita Unified School District No. 30
Net Position by Component
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net Position:					
Net investment in capital assets	\$ 90,189,426	\$ 85,914,184	\$ 84,133,502	\$ 83,077,757	\$ 82,121,239
Restricted	19,321,836	17,134,846	11,481,195	10,031,934	8,011,575
Unrestricted	(21,010,275)	(29,165,851)	(34,229,624)	(33,182,221)	(32,565,844)
Total net position	<u>\$ 88,500,987</u>	<u>\$ 73,883,179</u>	<u>\$ 61,385,073</u>	<u>\$ 59,927,470</u>	<u>\$ 57,566,970</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net Position:					
Net investment in capital assets	\$ 78,528,117	\$ 73,710,146	\$ 74,241,088	\$ 74,712,025	\$ 74,338,104
Restricted	8,833,046	6,826,833	5,812,124	6,629,272	6,792,694
Unrestricted	(34,989,097)	(35,996,431)	(36,878,958)	(39,331,835)	(886,798)
Total net position	<u>\$ 52,372,066</u>	<u>\$ 44,540,548</u>	<u>\$ 43,174,254</u>	<u>\$ 42,009,462</u>	<u>\$ 80,244,000</u>

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

Note: Negative unrestricted net position was due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 in fiscal year 2014-15.

Sahuarita Unified School District No. 30
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenses					
Instruction	\$ 35,476,528	\$ 34,641,107	\$ 36,912,389	\$ 36,319,333	\$ 32,828,728
Support services - students and staff	6,919,768	6,252,189	6,141,830	5,893,037	5,185,757
Support services - administration	6,372,598	6,064,442	6,272,225	6,428,513	5,868,811
Operation and maintenance of plant services	7,265,049	6,709,743	7,608,647	7,338,823	7,308,429
Student transportation services	3,637,536	3,094,375	3,020,947	3,016,304	3,521,208
Operation of non-instructional services	4,234,302	3,631,742	2,120,773	2,663,750	2,742,497
Interest on long-term debt	1,396,961	1,482,724	1,907,166	2,131,300	2,312,184
Total expenses	<u>65,302,742</u>	<u>61,876,322</u>	<u>63,983,977</u>	<u>63,791,060</u>	<u>59,767,614</u>
Program Revenues					
Charges for services:					
Instruction	3,342,866	3,490,064	3,265,087	4,347,375	4,547,929
Operation of non-instructional services	2,742,703	1,248,281	411,560	739,505	880,754
Other activities	818,007	376,607	261,444	497,467	530,737
Operating grants and contributions	6,013,454	11,204,099	9,092,443	4,873,093	4,823,893
Capital grants and contributions	1,229,144	992,082	559,524	754,811	2,206,000
Total program revenues	<u>14,146,174</u>	<u>17,311,133</u>	<u>13,590,058</u>	<u>11,212,251</u>	<u>12,989,313</u>
Net (Expense)/Revenue	<u>\$ (51,156,568)</u>	<u>\$ (44,565,189)</u>	<u>\$ (50,393,919)</u>	<u>\$ (52,578,809)</u>	<u>\$ (46,778,301)</u>

(Continued)

Sahuarita Unified School District No. 30
Expenses, Program Revenues, and Net (Expense)/Revenue
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenses					
Instruction	\$ 29,495,863	\$ 28,452,438	\$ 26,428,762	\$ 26,574,449	\$ 24,530,733
Support services - students and staff	4,578,926	4,596,406	4,451,325	4,118,538	3,691,100
Support services - administration	5,215,408	4,904,045	4,527,281	4,536,891	4,544,691
Operation and maintenance of plant services	6,762,234	6,028,821	6,115,337	5,682,580	6,016,657
Student transportation services	2,862,673	2,538,486	2,467,598	2,583,248	2,469,885
Operation of non-instructional services	2,448,006	2,382,562	2,384,940	2,207,310	2,293,923
Interest on long-term debt	2,450,132	1,863,410	1,826,842	1,870,166	1,968,088
Total expenses	<u>53,813,242</u>	<u>50,766,168</u>	<u>48,202,085</u>	<u>47,573,182</u>	<u>45,515,077</u>
Program Revenues					
Charges for services:					
Instruction	3,504,572	2,757,499	3,406,505	3,235,837	3,005,457
Operation of non-instructional services	846,733	1,466,907	1,426,516	1,255,795	1,164,739
Other activities	360,593	118,296	202,351	120,482	76,133
Operating grants and contributions	4,361,924	4,389,493	3,450,810	3,254,551	3,416,790
Capital grants and contributions	3,178,146	246,678	164,353	156,363	211,225
Total program revenues	<u>12,251,968</u>	<u>8,978,873</u>	<u>8,650,535</u>	<u>8,023,028</u>	<u>7,874,344</u>
Net (Expense)/Revenue	<u>\$ (41,561,274)</u>	<u>\$ (41,787,295)</u>	<u>\$ (39,551,550)</u>	<u>\$ (39,550,154)</u>	<u>\$ (37,640,733)</u>

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

(Concluded)

Sahuarita Unified School District No. 30
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Net (Expense)/Revenue	\$ (51,156,568)	\$ (44,565,189)	\$ (50,393,919)	\$ (52,578,809)	\$ (46,778,301)
General Revenues:					
Property taxes	26,470,027	23,658,753	23,959,696	24,189,285	23,498,388
Investment income	950,558	80,883	116,172	221,202	368,608
Unrestricted county aid		2,150,866	2,275,798	2,224,126	2,187,036
Unrestricted state aid	38,353,791	31,172,793	25,499,856	28,062,354	25,919,173
Total general revenues	<u>65,774,376</u>	<u>57,063,295</u>	<u>51,851,522</u>	<u>54,696,967</u>	<u>51,973,205</u>
Changes in Net Position	<u>\$ 14,617,808</u>	<u>\$ 12,498,106</u>	<u>\$ 1,457,603</u>	<u>\$ 2,118,158</u>	<u>\$ 5,194,904</u>

(Continued)

Sahuarita Unified School District No. 30
General Revenues and Total Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Net (Expense)/Revenue	\$ (41,561,274)	\$ (41,787,295)	\$ (39,551,550)	\$ (39,550,154)	\$ (37,640,733)
General Revenues:					
Property taxes	23,923,375	19,843,273	20,131,942	21,019,109	21,797,360
Investment income	342,769	100,774	26,175	16,416	29,641
Unrestricted county aid	2,172,238	2,033,831	1,661,730	1,521,044	1,164,679
Unrestricted state aid	22,946,981	21,175,711	18,896,495	15,979,494	12,760,519
Unrestricted federal aid				2,140	
Total general revenues	<u>49,385,363</u>	<u>43,153,589</u>	<u>40,716,342</u>	<u>38,538,203</u>	<u>35,752,199</u>
Changes in Net Position	<u>\$ 7,824,089</u>	<u>\$ 1,366,294</u>	<u>\$ 1,164,792</u>	<u>\$ (1,011,951)</u>	<u>\$ (1,888,534)</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)

Sahuarita Unified School District No. 30
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund:					
Nonspendable	\$ 37,545	\$ 20,475	\$	\$	\$
Restricted	617,500	617,500	617,500	617,500	617,500
Unassigned	21,907,331	14,853,460	8,905,350	7,368,492	5,364,110
Total General Fund	<u>\$ 22,562,376</u>	<u>\$ 15,491,435</u>	<u>\$ 9,522,850</u>	<u>\$ 7,985,992</u>	<u>\$ 5,981,610</u>
All Other Governmental Funds:					
Nonspendable	\$ 129,194	\$ 59,912	\$	\$	\$ 24,834
Restricted	18,630,557	16,680,518	11,940,021	20,884,617	9,377,145
Unassigned	(36,160)	(2,558,541)	(407,088)	(310,819)	(280,358)
Total all other governmental funds	<u>\$ 18,723,591</u>	<u>\$ 14,181,889</u>	<u>\$ 11,532,933</u>	<u>\$ 20,573,798</u>	<u>\$ 9,121,621</u>

(Continued)

Sahuarita Unified School District No. 30
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Nondisposable	\$	\$ 40,446	\$	\$ 40,000	\$
Unassigned	4,714,031	4,062,153	2,395,788	(1,032,470)	(532,644)
Total General Fund	<u>\$ 4,714,031</u>	<u>\$ 4,102,599</u>	<u>\$ 2,395,788</u>	<u>\$ (992,470)</u>	<u>\$ (532,644)</u>
All Other Governmental Funds:					
Nondisposable	\$ 22,510	\$ 82,818	\$	\$	\$
Restricted	19,551,828	31,323,635	6,030,822	8,189,788	6,617,886
Unassigned	(210,312)	(7,618)	(48,631)	(1,004)	(107,756)
Total all other governmental funds	<u>\$ 19,364,026</u>	<u>\$ 31,398,835</u>	<u>\$ 5,982,191</u>	<u>\$ 8,188,784</u>	<u>\$ 6,510,130</u>

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

(Concluded)

Sahuarita Unified School District No. 30
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Federal sources:					
Federal grants	\$ 4,853,380	\$ 4,938,295	\$ 6,862,254	\$ 2,176,970	\$ 2,362,061
National School Lunch Program	2,156,181	4,149,558	1,616,893	1,740,760	1,506,525
Total federal sources	<u>7,009,561</u>	<u>9,087,853</u>	<u>8,479,147</u>	<u>3,917,730</u>	<u>3,868,586</u>
State sources:					
State equalization assistance	32,565,593	25,658,924	21,898,506	24,437,343	22,391,158
State grants	303,938	339,989	450,857	272,309	331,951
School Facilities Oversight Board	939,647		78,450	744,353	1,514,367
Other revenues	5,788,198	5,655,043	3,601,350	3,625,011	3,528,015
Total state sources	<u>39,597,376</u>	<u>31,653,956</u>	<u>26,029,163</u>	<u>29,079,016</u>	<u>27,765,491</u>
Local sources:					
Property taxes	25,929,027	23,388,770	24,231,423	24,153,152	23,454,911
County aid		2,150,866	2,275,798	2,224,126	2,187,036
Food service sales	1,038,391	200,203	66,346	739,505	878,609
Investment income	950,558	80,833	116,172	221,202	368,608
Other revenues	6,723,791	5,525,614	4,411,671	5,667,297	5,758,459
Total local sources	<u>34,641,767</u>	<u>31,346,286</u>	<u>31,101,410</u>	<u>33,005,282</u>	<u>32,647,623</u>
Total revenues	<u><u>\$ 81,248,704</u></u>	<u><u>\$ 72,088,095</u></u>	<u><u>\$ 65,609,720</u></u>	<u><u>\$ 66,002,028</u></u>	<u><u>\$ 64,281,700</u></u>

(Continued)

Sahuarita Unified School District No. 30
Governmental Funds Revenues
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Federal sources:					
Federal grants	\$ 2,045,487	\$ 2,162,480	\$ 2,214,657	\$ 2,417,086	\$ 1,989,072
National School Lunch Program	1,341,806	1,341,458	1,306,716	1,170,328	1,209,692
Total federal sources	<u>3,387,293</u>	<u>3,503,938</u>	<u>3,521,373</u>	<u>3,587,414</u>	<u>3,198,764</u>
State sources:					
State equalization assistance	19,770,671	18,488,917	16,386,775	13,757,294	10,762,724
State grants	177,401	149,217	158,108	155,137	146,114
School Facilities Oversight Board	154,925	101,279	23,692		
Other revenues	3,176,310	2,686,810	2,509,720	2,222,200	2,133,975
Total state sources	<u>23,279,307</u>	<u>21,426,223</u>	<u>19,078,295</u>	<u>16,134,631</u>	<u>13,042,813</u>
Local sources:					
Property taxes	23,731,603	19,823,551	20,125,181	21,063,868	21,749,401
County aid	2,172,238	2,033,831	1,661,730	1,521,044	1,164,679
Food service sales	846,733	820,302	828,529	834,245	808,372
Investment income	342,769	100,774	26,163	16,416	29,641
Other revenues	5,064,313	4,279,385	4,207,615	3,722,734	3,391,597
Total local sources	<u>32,157,656</u>	<u>27,057,843</u>	<u>26,849,218</u>	<u>27,158,307</u>	<u>27,143,690</u>
Total revenues	<u><u>\$ 58,824,256</u></u>	<u><u>\$ 51,988,004</u></u>	<u><u>\$ 49,448,886</u></u>	<u><u>\$ 46,880,352</u></u>	<u><u>\$ 43,385,267</u></u>

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

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

(Concluded)

Sahuarita Unified School District No. 30
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenditures:					
Current -					
Instruction	\$ 30,105,391	\$ 29,242,459	\$ 29,785,254	\$ 30,295,009	\$ 28,857,497
Support services - students and staff	6,799,772	6,119,889	5,704,606	5,506,070	5,199,220
Support services - administration	5,787,393	5,587,694	5,373,544	5,601,073	5,306,555
Operation and maintenance of plant services	6,726,799	6,180,833	6,832,417	6,605,099	6,797,167
Student transportation services	2,671,592	2,369,075	2,145,726	2,218,291	2,470,816
Operation of non-instructional services	4,063,161	3,533,048	1,948,800	2,535,563	2,541,262
Capital outlay	6,260,442	3,094,884	14,198,246	10,414,229	15,926,325
Debt service -					
Principal retirement	5,914,223	5,990,664	5,025,697	3,973,748	4,353,843
Interest and fiscal charges	1,393,917	1,554,549	2,050,497	2,281,131	2,462,014
Bond issuance costs			195,858		
Payment to refunded bond escrow agent			70,386		
Total expenditures	<u>\$ 69,722,690</u>	<u>\$ 63,673,095</u>	<u>\$ 73,331,031</u>	<u>\$ 69,430,213</u>	<u>\$ 73,914,699</u>
Expenditures for capitalized assets	\$ 3,151,263	\$ 521,283	\$ 11,620,057	\$ 8,170,311	\$ 11,684,804
Debt service as a percentage of noncapital expenditures	11%	12%	12%	10%	11%

(Continued)

Sahuarita Unified School District No. 30
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Modified accrual basis of accounting)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expenditures:					
Current -					
Instruction	\$ 25,678,699	\$ 23,837,631	\$ 22,264,550	\$ 21,519,002	\$ 19,947,241
Support services - students and staff	4,524,952	4,372,619	4,237,232	3,717,942	3,372,386
Support services - administration	4,847,869	4,634,502	4,306,531	4,169,261	4,173,394
Operation and maintenance of plant services	6,288,042	5,562,045	5,682,637	5,235,426	5,598,699
Student transportation services	2,231,319	2,114,652	2,010,490	2,001,155	1,929,690
Operation of non-instructional services	2,343,179	2,333,526	2,342,081	2,130,439	2,217,826
Capital outlay	17,889,308	2,057,046	2,436,858	3,689,378	7,120,157
Debt service -					
Principal retirement	4,725,100	3,435,000	3,120,000	2,980,000	2,900,000
Interest and fiscal charges	2,599,962	1,875,641	1,826,842	1,870,166	1,968,088
Bond issuance costs		530,570		38,755	
Payment to refunded bond escrow agent					
Total expenditures	<u>\$ 71,128,430</u>	<u>\$ 50,753,232</u>	<u>\$ 48,227,221</u>	<u>\$ 47,351,524</u>	<u>\$ 49,227,481</u>
Expenditures for capitalized assets	\$ 16,089,605	\$ 1,102,538	\$ 1,585,087	\$ 1,137,717	\$ 4,584,914
Debt service as a percentage of noncapital expenditures	13%	11%	11%	11%	11%

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

(Concluded)

Sahuarita Unified School District No. 30
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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Excess (deficiency) of revenues over expenditures	\$ 11,526,014	\$ 8,415,000	\$ (7,721,311)	\$ (3,428,185)	\$ (9,632,999)
Other financing sources (uses):					
Refunding bonds issued			15,985,000		
Payment to refunded bond escrow agent			(15,789,142)		
Capital lease agreements				16,653,704	
Insurance recoveries			7,790	13,442	8,090
Proceeds from sale of capital assets	86,629	122,154	13,656	90	647,759
Transfers in	1,158,863	1,768,296	1,084,574	34,556	263,336
Transfers out	(1,158,863)	(1,768,296)	(1,084,574)	(34,556)	(263,336)
Total other financing sources (uses)	<u>86,629</u>	<u>122,154</u>	<u>217,304</u>	<u>16,667,236</u>	<u>655,849</u>
Changes in fund balances	<u>\$ 11,612,643</u>	<u>\$ 8,537,154</u>	<u>\$ (7,504,007)</u>	<u>\$ 13,239,051</u>	<u>\$ (8,977,150)</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess (deficiency) of revenues over expenditures	\$ (12,304,174)	\$ 1,234,772	\$ 1,221,665	\$ (471,172)	\$ (5,842,214)
Other financing sources (uses):					
Issuance of school improvement bonds		24,185,000		1,650,000	
Refunding bonds issued		6,830,000			
Premium (discount) on sale of bonds		2,046,103			
Payment to refunded bond escrow agent		(7,310,272)			
Capital lease agreements	940,069				
Insurance recoveries	41,482	14,588			
Transfers in	264,384	327,973	1,610,790	21,595	904,946
Transfers out	(264,384)	(327,973)	(1,610,790)	(21,595)	(904,946)
Total other financing sources (uses)	<u>981,551</u>	<u>25,765,419</u>	<u></u>	<u>1,650,000</u>	<u></u>
Changes in fund balances	<u>\$ (11,322,623)</u>	<u>\$ 27,000,191</u>	<u>\$ 1,221,665</u>	<u>\$ 1,178,828</u>	<u>\$ (5,842,214)</u>

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

Sahuarita Unified School District No. 30
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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 202,608,485	\$ 168,398,466	\$ 176,263,584	\$ 171,743,345	\$ 140,872,593
Agricultural and Vacant	12,873,921	12,088,745	12,571,508	12,117,407	12,501,820
Residential (Owner Occupied)	140,738,478	131,825,208	124,150,231	118,212,705	109,531,002
Residential (Rental)	41,353,739	38,502,774	34,850,747	31,349,626	31,256,742
Railroad, Private Cars and Airlines	<u>1,156,461</u>	<u>1,058,490</u>	<u>864,743</u>	<u>943,494</u>	<u>1,016,466</u>
Total	<u>\$ 398,731,084</u>	<u>\$ 351,873,683</u>	<u>\$ 348,700,813</u>	<u>\$ 334,366,577</u>	<u>\$ 295,178,623</u>
Gross Full Cash Value	\$ 3,744,607,261	\$ 3,377,481,785	\$ 3,324,182,767	\$ 3,108,482,067	\$ 2,776,633,047
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	10%	10%	11%	11%
Total Direct Rate	7.16	7.30	7.42	7.87	8.42

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 137,906,693	\$ 153,721,494	\$ 161,311,440	\$ 178,489,064	\$ 219,723,097
Agricultural and Vacant	12,338,929	12,859,445	14,750,414	15,805,997	18,542,760
Residential (Owner Occupied)	102,224,012	95,606,181	90,544,965	86,380,984	93,136,175
Residential (Rental)	31,598,382	32,086,125	31,564,452	28,512,607	19,825,757
Railroad, Private Cars and Airlines	<u>1,002,243</u>	<u>852,830</u>	<u>855,630</u>	<u>881,870</u>	<u>696,759</u>
Total	<u>\$ 285,070,259</u>	<u>\$ 295,126,075</u>	<u>\$ 299,026,901</u>	<u>\$ 310,070,522</u>	<u>\$ 351,924,548</u>
Gross Full Cash Value	\$ 2,703,444,539	\$ 2,771,249,883	\$ 2,802,424,394	\$ 2,718,157,995	\$ 2,872,169,135
Ratio of Net Limited Assessed Value to Gross Full Cash Value	11%	11%	11%	11%	12%
Total Direct Rate	9.04	7.37	7.29	7.29	6.63

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.

Sahuarita Unified School District No. 30
Net Full Cash Assessed Value of Taxable Property by Class
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 207,939,526	\$ 174,763,829	\$ 181,121,173	\$ 175,790,188	\$ 144,154,024
Agricultural and Vacant	17,433,769	15,770,260	16,221,212	14,762,880	13,730,744
Residential (Owner Occupied)	151,063,756	141,331,668	136,497,499	125,538,380	112,581,228
Residential (Rental)	45,640,302	42,474,780	38,862,993	33,659,104	32,563,711
Railroad, Private Cars and Airlines	<u>1,491,285</u>	<u>1,349,157</u>	<u>1,074,973</u>	<u>1,148,204</u>	<u>1,208,832</u>
Total	<u>\$ 423,568,638</u>	<u>\$ 375,689,694</u>	<u>\$ 373,777,850</u>	<u>\$ 350,898,756</u>	<u>\$ 304,238,539</u>
Gross Full Cash Value	\$ 3,744,607,261	\$ 3,377,481,785	\$ 3,324,182,767	\$ 3,108,482,067	\$ 2,776,633,047
Ratio of Net Full Cash Value to Gross Full Cash Value	11%	11%	11%	11%	11%
Estimated Net Full Cash Value	\$ 3,211,982,177	\$ 2,852,558,800	\$ 2,812,116,752	\$ 2,617,854,057	\$ 2,292,246,881
Total Direct Rate	7.16	7.30	7.42	7.87	8.42

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 139,288,102	\$ 154,766,156	\$ 162,291,815	\$ 178,989,557	\$ 220,232,369
Agricultural and Vacant	13,142,122	13,472,485	15,119,255	16,122,672	19,296,614
Residential (Owner Occupied)	105,268,526	100,814,082	94,211,622	86,503,866	93,218,551
Residential (Rental)	32,870,399	33,856,462	32,846,818	28,653,373	19,893,938
Railroad, Private Cars and Airlines	<u>1,152,919</u>	<u>906,133</u>	<u>869,815</u>	<u>888,746</u>	<u>702,181</u>
Total	<u>\$ 291,722,068</u>	<u>\$ 303,815,318</u>	<u>\$ 305,339,325</u>	<u>\$ 311,158,214</u>	<u>\$ 353,343,653</u>
Gross Full Cash Value	\$ 2,703,444,539	\$ 2,771,249,883	\$ 2,802,424,394	\$ 2,718,157,995	\$ 2,872,169,135
Ratio of Net Full Cash Value to Gross Full Cash Value	11%	11%	11%	11%	12%
Estimated Net Full Cash Value	\$ 2,188,271,282	\$ 2,246,465,466	\$ 2,172,159,696	\$ 2,146,364,141	\$ 2,354,484,377
Total Direct Rate	9.04	7.37	7.29	7.29	6.63

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.

Sahuarita Unified School District No. 30
Property Tax Assessment Ratios
Last Ten Fiscal Years

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	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	15	15	15	15	14

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	19 %	19 %	20 %
Agricultural and Vacant	15	15	16	16	16
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	14	15	16	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.

Sahuarita Unified School District No. 30
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30	Overlapping Rates								District Direct Rates		
	State		County	Flood	Community	Fire District	Central	Arivaca			
	Equalization	County	Free Library	Control District	College District	Assistance	Arizona Water	F.D.	Primary	Secondary	Total
2023	0.00	4.20	0.55	0.32	1.29	0.04	0.14	2.50	3.98	3.18	7.16
2022	0.43	4.33	0.54	0.33	1.27	0.04	0.14	2.50	3.93	3.38	7.30
2021	0.44	4.44	0.54	0.33	1.34	0.04	0.14	2.50	3.85	3.57	7.42
2020	0.46	4.69	0.54	0.33	1.38	0.04	0.14	2.50	4.02	3.85	7.87
2019	0.47	4.76	0.52	0.33	1.40	0.04	0.14	2.50	4.50	3.93	8.42
2018	0.49	5.16	0.51	0.31	1.39	0.05	0.14	2.50	4.69	4.35	9.04
2017	0.50	4.99	0.52	0.33	1.37	0.05	0.14	2.50	4.44	2.93	7.37
2016	0.51	5.09	0.52	0.31	1.37	0.05	0.14	2.50	4.61	2.68	7.29
2015	0.51	4.98	0.44	0.30	1.33	0.05	0.14	2.50	4.30	2.99	7.29
2014	0.51	4.45	0.38	0.26	1.29	0.05	0.14	2.50	4.17	2.46	6.63

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

Sahuarita Unified School District No. 30
Principal Property Taxpayers
Current Fiscal Year and Fiscal Year Nine Years Prior

Taxpayer	2023		2014	
	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
Freeport-McMoran Sierrita Mine	\$ 117,388,425	29.44	\$ 136,208,470	38.55
ASARCO LLC / Mission Mine	33,435,671	8.39	44,405,813	12.57
Unisource Energy Corporation	11,860,610	2.97	9,137,493	2.59
Caterpillar Inc.	7,206,360	1.81	1,763,973	0.50
Komatsu America Corp	3,753,765	0.94		
Progress Residential	2,731,578	0.69		
Southwest Gas Company	2,704,680	0.68	1,454,403	0.41
Farmers Investment Company	2,653,381	0.67	2,254,791	0.64
AH4R Properties Two LLC	2,594,873	0.65		
Trico Electric Coop Inc	2,563,016	0.64	2,393,361	0.68
Wal-mart Stores INC			2,691,051	0.76
Southwest Transmission			2,040,292	0.58
Smith's Food and Drug Centers Inc.			1,993,332	0.56
Total	<u>\$ 186,892,359</u>	<u>46.88</u> %	<u>\$ 204,342,979</u>	<u>57.84</u> %

Source: The source of this information is the Pima 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.

Sahuarita Unified School District No. 30
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
2023	\$ 25,091,567	\$ 24,633,210	98.17 %	\$	\$ 24,633,210	98.17 %
2022	22,520,741	22,287,955	98.97	183,751	22,471,706	99.78
2021	23,375,879	23,205,066	99.27	110,627	23,315,693	99.74
2020	23,481,604	23,148,457	98.58	231,267	23,379,724	99.57
2019	22,258,831	21,954,020	98.63	222,833	22,176,853	99.63
2018	23,579,349	23,072,246	97.85	433,803	23,506,049	99.69
2017	19,493,593	19,203,750	98.51	216,416	19,420,166	99.62
2016	19,766,017	19,455,418	98.43	286,861	19,742,279	99.88
2015	20,720,724	20,385,262	98.38	315,685	20,700,947	99.90
2014	21,586,509	21,258,560	98.48	307,338	21,565,898	99.90

Source: The source of this information is the Pima 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.

Sahuarita Unified School District No. 30
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds					Financed Purchases and Leases	Total Outstanding Debt			
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita		Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2023	\$ 30,579,487	\$ 3,423,401	\$ 27,156,086	0.73 %	751	\$ 14,205,498	\$ 44,784,985	1.20 %	1,238	N/A %
2022	35,629,448	3,103,141	32,526,307	0.96	920	15,144,721	50,774,169	1.50	1,437	0.09
2021	40,670,586	2,722,052	37,948,534	1.14	1,315	16,290,385	56,960,971	1.71	1,974	0.11
2020	44,451,724	2,606,914	41,844,810	1.35	1,332	17,131,082	61,582,806	1.98	1,960	0.13
2019	48,472,862	1,346,796	47,126,066	1.70	1,672	626,126	49,098,988	1.77	1,742	0.11
2018	52,879,000	1,013,396	51,865,604	1.92	1,766	769,969	53,648,969	1.98	1,827	0.13
2017	57,630,138	397,974	57,232,164	2.07	2,013		57,630,138	2.08	2,027	0.14
2016	35,095,000	361,836	34,733,164	1.24	1,250		35,095,000	1.25	1,263	0.09
2015	38,215,000	554,257	37,660,743	1.39	1,367		38,215,000	1.41	1,387	0.10
2014	39,545,000	94,371	39,450,629	1.37	1,468		39,545,000	1.38	1,472	0.11

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

Note: N/A indicates that the information is not available.

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.

Sahuarita Unified School District No. 30
Direct and Overlapping Governmental Activities Debt
June 30, 2022

<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:			
Pima County	\$ 1,046,803,820	3.78 %	\$ 39,569,184
Green Valley Fire District	10,935,000	12.79	1,398,587
Subtotal, Overlapping Debt			<u>40,967,771</u>
Direct:			
Sahuarita Unified School District No. 30			<u>44,784,985</u>
Total Direct and Overlapping Debt			<u><u>\$ 85,752,756</u></u>

Direct and Overlapping General Bonded Debt Ratios

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		6.81 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$ 1,883	
As a Percentage of Net Limited Assessed Valuation		17.09 %
As a Percentage of Gross Full Cash Value		1.82 %

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 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, 2022 is presented for the overlapping governments as this is the most recent available information.

Sahuarita Unified School District No. 30
Legal Debt Margin Information
Last Ten Fiscal Years

Class B Bond Legal Debt Margin Calculation for Fiscal Year 2023:

Net full cash assessed valuation	\$ 423,568,638
Debt limit (20% of assessed value)	84,713,728
Debt applicable to limit	30,297,506
Legal debt margin	<u><u>\$ 54,416,222</u></u>

Total Legal Debt Margin Calculation for Fiscal Year 2023:

Net full cash assessed valuation	\$ 423,568,638
Debt limit (30% of assessed value)	127,070,591
Debt applicable to limit	30,297,506
Legal debt margin	<u><u>\$ 96,773,085</u></u>

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	\$ 127,070,591	\$ 112,706,908	\$ 112,133,355	\$ 105,269,627	\$ 91,271,562
Total net debt applicable to limit	<u>30,297,506</u>	<u>35,276,213</u>	<u>40,187,733</u>	<u>43,909,203</u>	<u>47,820,946</u>
Legal debt margin	<u><u>\$ 96,773,085</u></u>	<u><u>\$ 77,430,695</u></u>	<u><u>\$ 71,945,622</u></u>	<u><u>\$ 61,360,424</u></u>	<u><u>\$ 43,450,616</u></u>
Total net debt applicable to the limit as a percentage of debt limit	24%	31%	36%	42%	52%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 87,516,620	\$ 91,144,595	\$ 91,601,798	\$ 93,347,464	\$ 106,003,096
Total net debt applicable to limit	<u>52,069,149</u>	<u>56,660,000</u>	<u>35,095,000</u>	<u>38,215,000</u>	<u>39,545,000</u>
Legal debt margin	<u><u>\$ 35,447,471</u></u>	<u><u>\$ 34,484,595</u></u>	<u><u>\$ 56,506,798</u></u>	<u><u>\$ 55,132,464</u></u>	<u><u>\$ 66,458,096</u></u>
Total net debt applicable to the limit as a percentage of debt limit	59%	62%	38%	41%	37%

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.

Sahuarita Unified School District No. 30
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>
2022	1,072,298	\$	57,601,036	\$	54,464	3.8 %	36,179
2021	1,058,318		55,696,681		52,942	5.0	35,337
2020	1,061,175		51,331,920		48,373	7.4	28,859
2019	1,044,675		47,604,994		45,456	4.0	31,421
2018	1,034,201		45,748,033		44,028	4.5	28,183
2017	1,026,099		42,585,356		41,637	4.5	29,369
2016	1,013,103		40,182,115		39,541	4.9	28,425
2015	1,010,025		38,922,402		38,536	5.6	27,777
2014	1,007,162		37,198,714		37,031	6.2	27,547
2013	996,554		36,935,363		37,063	6.9	26,870

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.

Sahuarita Unified School District No. 30
Principal Employers
Current Fiscal Year and Fiscal Year Nine Years Prior

Employer	2023			2014		
	Employees	Percentage of Total Employment		Employees	Percentage of Total Employment	
Freeport-McMoRan Copper & Gold Inc.	1,200	24.83	%	1,290	28.60	%
Sahuarita Unified School District	821	16.99		925	20.51	
La Posada	605	12.52				
Walmart	325	6.72		340	7.54	
Fry's	211	4.37		200	4.43	
Northwest Medical Center	197	4.08				
Town of Sahuarita	186	3.85		134	2.97	
Safeway	125	2.59		105	2.33	
Farmers Investment Company	105	2.17		274	6.08	
Sprouts	65	1.34				
Jm Click Ford				60	1.33	
Climax Engineered Materials				42	0.93	
Ross				37	0.82	
Total	3,840	79.46	%	3,407	75.54	%
Total employment	4,833			4,510		

Source: The source of this information is the Town of Sahuarita records.

Sahuarita Unified School District No. 30
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	2	2	2	2	2
Principals	9	9	9	9	9
Assistant principals	8	8	8	8	8
Total supervisory	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>
Instruction					
Teachers	367	400	349	326	326
Other teachers (adult)			2		2
Other professionals (instructional)		106	106	106	131
Aides	124	60	47	44	10
Total instruction	<u>491</u>	<u>566</u>	<u>504</u>	<u>476</u>	<u>469</u>
Student Services					
Nurses	1	1	1	1	1
Counselors/Advisors	14	15	12	13	9
Librarians	2	2	2	2	2
Technicians	23	19	32	31	24
Total student services	<u>40</u>	<u>37</u>	<u>47</u>	<u>47</u>	<u>36</u>
Support and Administration					
Clerical workers	55	72			58
Maintenance workers	73	75			64
Bus drivers	43	40			52
Service workers	32	31	35	35	35
Unskilled laborers			196	187	
Other classified	126	130			78
Total support and administration	<u>329</u>	<u>348</u>	<u>231</u>	<u>222</u>	<u>287</u>
Total	<u><u>880</u></u>	<u><u>971</u></u>	<u><u>802</u></u>	<u><u>765</u></u>	<u><u>812</u></u>

(Continued)

Sahuarita Unified School District No. 30
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Supervisory					
Superintendent	1	1	1	1	1
Assistant superintendents	2	2	2	2	2
Principals	8	8	8	8	8
Assistant principals	8	7	6	6	7
Total supervisory	<u>19</u>	<u>18</u>	<u>17</u>	<u>17</u>	<u>18</u>
Instruction					
Teachers	320	316	317	308	310
Other teachers (adult)	10	10	10	4	4
Other professionals (instructional)	47	47	121	5	5
Aides	96	93	8	97	110
Total instruction	<u>473</u>	<u>466</u>	<u>456</u>	<u>414</u>	<u>429</u>
Student Services					
Nurses	1	1	1	1	1
Counselors/Advisors	11	11	12	10	10
Librarians	2	2	2	2	2
Technicians	20	18	18	15	15
Total student services	<u>34</u>	<u>32</u>	<u>33</u>	<u>28</u>	<u>28</u>
Support and Administration					
Clerical workers	43	40	56	53	54
Maintenance workers	57	59	52	58	54
Bus drivers	58	58	45	46	48
Service workers	36		25	23	
Unskilled laborers		36			23
Other classified	61	62	53	60	49
Total support and administration	<u>255</u>	<u>255</u>	<u>231</u>	<u>240</u>	<u>228</u>
Total	<u>781</u>	<u>771</u>	<u>737</u>	<u>699</u>	<u>703</u>

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

(Concluded)

Sahuarita Unified School District No. 30
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
2023	5,851	\$ 56,154,108	\$ 9,597	3.62 %	\$ 65,302,742	\$ 11,161	3.28 %	491	11.9	36.0 %
2022	5,726	53,032,998	9,262	0.81	61,876,322	10,806	(4.80)	566	10.1	22.0
2021	5,637	51,790,347	9,188	8.82	63,983,977	11,351	11.19	504	11.2	25.0
2020	6,249	52,761,105	8,443	1.61	63,791,060	10,208	5.19	476	13.1	41.1
2019	6,159	51,172,517	8,309	12.11	59,767,614	9,705	11.72	469	13.1	46.0
2018	6,195	45,914,060	7,411	5.93	53,813,242	8,687	4.80	473	13.1	43.0
2017	6,125	42,854,975	6,997	2.10	50,766,168	8,288	2.48	466	13.1	39.5
2016	5,960	40,843,521	6,853	(0.45)	48,202,085	8,088	(4.24)	456	13.1	41.3
2015	5,633	38,773,225	6,884	1.24	47,573,182	8,446	1.64	414	13.6	41.0
2014	5,477	37,239,236	6,799	4.44	45,515,077	8,310	1.21	429	12.8	39.0

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

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

Sahuarita Unified School District No. 30
Capital Assets Information
Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<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>2015</u>	<u>2014</u>
<u>Schools</u>										
K-8										
Buildings	53	55	55	55	58	54	54	54	54	54
Square feet	564,616	602,492	602,492	602,492	602,192	538,613	538,613	538,613	538,613	538,613
Capacity	5,400	6,253	6,253	6,253	6,253	5,260	5,260	5,260	5,260	5,260
Enrollment	3,875	4,281	4,281	4,281	4,281	4,123	3,878	3,751	3,751	3,715
High										
Buildings	16	16	16	16	16	16	16	16	16	16
Square feet	305,410	305,410	305,410	305,410	305,410	305,410	305,410	305,410	305,410	305,410
Capacity	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469	2,469
Enrollment	2,397	2,184	2,184	2,184	2,184	2,072	1,744	1,886	1,886	1,775
Other										
Buildings	6	6	6	6	6	6	6	6	6	6
Square feet	15,998	10,190	10,190	10,190	19,888	19,888	19,888	19,888	19,888	19,888
<u>Administrative</u>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	5,922	5,922	5,922	5,922	5,922	5,922	5,922	5,922	5,922	5,922
<u>Transportation</u>										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	57	58	58	58	58	58	58	58	58	58
<u>Athletics</u>										
Football fields	2	5	5	5	4	3	3	3	3	3
Soccer fields	5	6	6	6	5	5	5	5	5	5
Running tracks	2	2	2	2	2	2	2	2	2	2
Baseball/softball	15	10	10	10	9	9	9	9	9	9
Swimming pools	2	2	2	2	2	2	2	2	2	2
Playgrounds	11	9	9	9	7	7	7	7	7	7

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

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