
**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
PHOENIX, ARIZONA**

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



**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
PHOENIX, ARIZONA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2025**

Issued by:
Business Services

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INTRODUCTORY SECTION



FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45

1617 S. 67th Avenue, Phoenix, AZ 85043 Phone: (623) 707-4500 Fax: (623) 707-4560 www.fesd.org

December 12, 2025

Citizens and Governing Board
Fowler Elementary School District No. 45
1617 S. 67th Ave
Phoenix, Arizona 85043

State law mandates that school districts undergo an annual single audit, publish a complete set of financial statements, which are to be presented in conformity with accounting principles generally accepted in the United States of America, and be audited by a certified public accounting firm licensed in the State of Arizona, following generally accepted auditing standards in the United States. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Fowler Elementary School District No. 45 (District) for the fiscal year ended June 30, 2025.

This report consists of management's representations regarding the District's finances. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, the 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 internal controls framework has been designed to provide reasonable assurance, rather than absolute assurance, that the financial statements will be free from 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.

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

The independent audit of the District's financial statements was part of a broader, federally mandated Single Audit as required by the provisions of the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), designed to meet the unique needs of federal grantor agencies. 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 particular emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in a separately issued Single Audit Reporting Package.

*DR. MARVENE LOBATO CHILDCARE CENTER • SUNRIDGE ELEMENTARY • FOWLER ELEMENTARY
SUN CANYON ELEMENTARY • TUSCANO ELEMENTARY • WESTERN VALLEY ELEMENTARY
WESTERN VALLEY MIDDLE • SANTA MARIA MIDDLE*

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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 independent auditors' report.

DISTRICT PROFILE

The Fowler Elementary School District (FESD) serves a population of approximately 37,701 residents. As one of 58 public school districts in Maricopa County, Arizona, it provides public education for students from Pre-K through eighth grade. Due to the COVID-19 pandemic, the construction of a freeway along the District's northern boundary, and economic conditions at the time, student enrollment declined in fiscal years 2020 and 2021 to just over 3,000 students. Enrollment during fiscal years 2022 and 2023 showed a slight increase, followed by a leveling off. In fiscal year 2024, enrollment rose again due to a large influx of refugee students enrolling in schools located in the District's northern region. In fiscal year 2025, enrollment stabilized at approximately 3,400 students.

FESD offers instructional programming across five elementary schools and two middle school campuses, encompassing general education, special education, and English language learner programs. These programs are designed to meet Arizona State Standards and prepare all students for success in high school and beyond.

The District offered a variety of preschool programs, including Early Head Start for children from birth to three years old and Head Start programming for children aged three to the time of school entry. Consistent with federal Child Find requirements, the District also operates a special education preschool program serving students who are not yet of school age and have been identified as having developmental needs. Through this process, FESD actively identifies, locates, and evaluates children who may have disabilities to ensure they receive appropriate early intervention and special education services.

Both middle school campuses provide a comprehensive music education program, including orchestra, jazz, concert, and mariachi bands. These ensembles perform regularly at school and community events and participate in regional competitions each year. In addition to music, students have access to a variety of elective programs, including science, technology, engineering, and mathematics (STEM) courses, art, physical education, and competitive sports that promote creativity, innovation, and overall student wellness.

In FY2025, FESD adopted a new K-8 Reading Program designed to ensure the alignment of instructional materials and resources with the Arizona State Standards and support high levels of literacy achievement. In FY2017, the District also adopted a K-8 Math Program aligned with the same standards. FESD partners with curriculum providers and education consultants to train and support teachers in implementing these programs effectively, ensuring alignment with current instructional best practices.

The oldest building in the District was built in 1895, and the newest was completed in 2008. FESD prioritizes facilities maintenance and upgrades to ensure campus safety and efficiency. Roof and other structural inspections are performed annually and as needed to ensure building safety and functionality. Each campus has undergone water conservation projects, incorporating drought-tolerant vegetation and synthetic grass to ensure our campuses remain attractive yet environmentally friendly.

The District's Governing Board is organized under Section 15-321 of the Arizona Revised Statutes (A.R.S.). The 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 expenses.

The Governing Board consists of three publicly elected members. Under existing statutes, the Governing Board's duties and powers include but are not limited to prescribing and enforcing policies and procedures; prescribing the curriculum and criteria for the promotion of graduating pupils, 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 approving the annual budget and establishing 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 with a separately elected governing body. It is legally separate and fiscally independent of other state or local governments. Furthermore, no component units are 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 primary operations include education, student transportation, building and maintaining District facilities, food services, and athletic functions.

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

The expenditure budget is prepared by fund for all governmental funds and includes function and object code details for the general fund, as well as some special revenue and capital projects funds. The legal level of budgetary control (the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. Funds not required to adopt a budget legally may have overexpenditures of budgeted funds. The budget for these funds is simply an estimate and does not prevent the District from exceeding the budget as long as the necessary revenue is earned. The District is not required to prepare an annual revenue budget; therefore, a deficit budget fund balance may be presented. However, this does not affect the District's ability to expend monies.

FACTORS AFFECTING FINANCIAL CONDITIONS

The information presented in the financial statements is best understood when considered within the broader context of the specific environment in which the District operates. Local Economy: According to the Arizona Department of Economic Security statistics, health care and service industries are the largest employment sectors in the County. Approximately thirty-nine percent of all County businesses provide a service. The tourism industry makes a significant contribution to service employment in the County, with most dollars spent on food, lodging, and gasoline. The County has developed into an important tourist destination. Excellent tourist accommodations, diverse cultural activities, and a favorable climate draw millions of visitors to the area each year. Major league sports teams, such as the Arizona Diamondbacks, Arizona Cardinals, and Phoenix Suns, as well as spring training baseball, have enhanced the tourism industry and benefited the local economy. Two major universities, Arizona State University and Grand Canyon University, also play a significant role in supporting the broader economy. Three major universities, Arizona State University, Grand Canyon University, and, most recently, the University of Arizona's Medical campus, have contributed to supporting the broader economy.

Agriculture has played a significant role in the District's economy. However, commerce, light manufacturing, distribution centers, and residential development have recently dominated the economy.

The local economy has experienced slight increases following the COVID-19 Pandemic. Commercial and residential projects have generated increases in tax revenues, and overall, the state budget is stable. The District's Maintenance and Operations, as well as capital budgets, have remained constant due to careful planning and the maximization of allowed carry-forward budget capacity. The District's conservative spending and careful planning have allowed us to maintain high standards even in times of low economic growth.

Long-term Financial Planning: The District's annual budget process ensures the adoption of balanced budgets, taking into account economic conditions and reduced state funding. No structural deficits were created as a result of State reductions. In November 2022, voters in Fowler Elementary School District #45 approved a \$30,000,000 bond issue for school improvements. In November of 2023, voters approved an authorization to exceed the Maintenance and Operation (M&O) budget limit by 15% of the revenue control limit to fund existing programs, for a period of seven years. Most recently, in November 2025, the voters approved the District's authority to exceed its *District Additional Assistance* (DAA) budget by the lesser of \$1,250,000 or 10% of the District's revenue control limit per year for a period not to exceed seven years.

The District continues to utilize State purchasing services and cooperative purchasing with other public entities for price advantages on school supplies and equipment. Efforts are made to make purchases on a seasonal basis when appropriate. The District has entered into intergovernmental agreements with other school districts and public entities to reduce transaction costs and achieve economies of scale. Our on-site warehouse facility has enhanced our ability to reduce costs through economies of scale further and optimized purchasing timing.

AWARDS AND ACKNOWLEDGMENT

Awards: The Association of School Business Officials International (ASBO) can award a Certificate of Excellence in Financial Reporting to School Districts. Additionally, the Government Finance Officers Association (GFOA) presents a Certificate of Achievement for Excellence in Financial Reporting to School Districts for their Annual Comprehensive Financial Report each year. To be awarded these certificates, the District must publish an easily readable and efficiently organized annual comprehensive financial report. This report should satisfy 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. Our current annual comprehensive financial report meets the program's requirements, and we are submitting it to ASBO and GFOA to determine its eligibility for the certificates for the fiscal year ending June 30, 2025.

Acknowledgments: The timely preparation of the annual comprehensive financial report was made possible by the dedicated service of the staff of the business and finance departments. Each department member has our sincere appreciation for the contributions made in preparing this report. The leadership and support of the District's Governing Board have been instrumental in guiding the District, and thus in the preparation of this report.

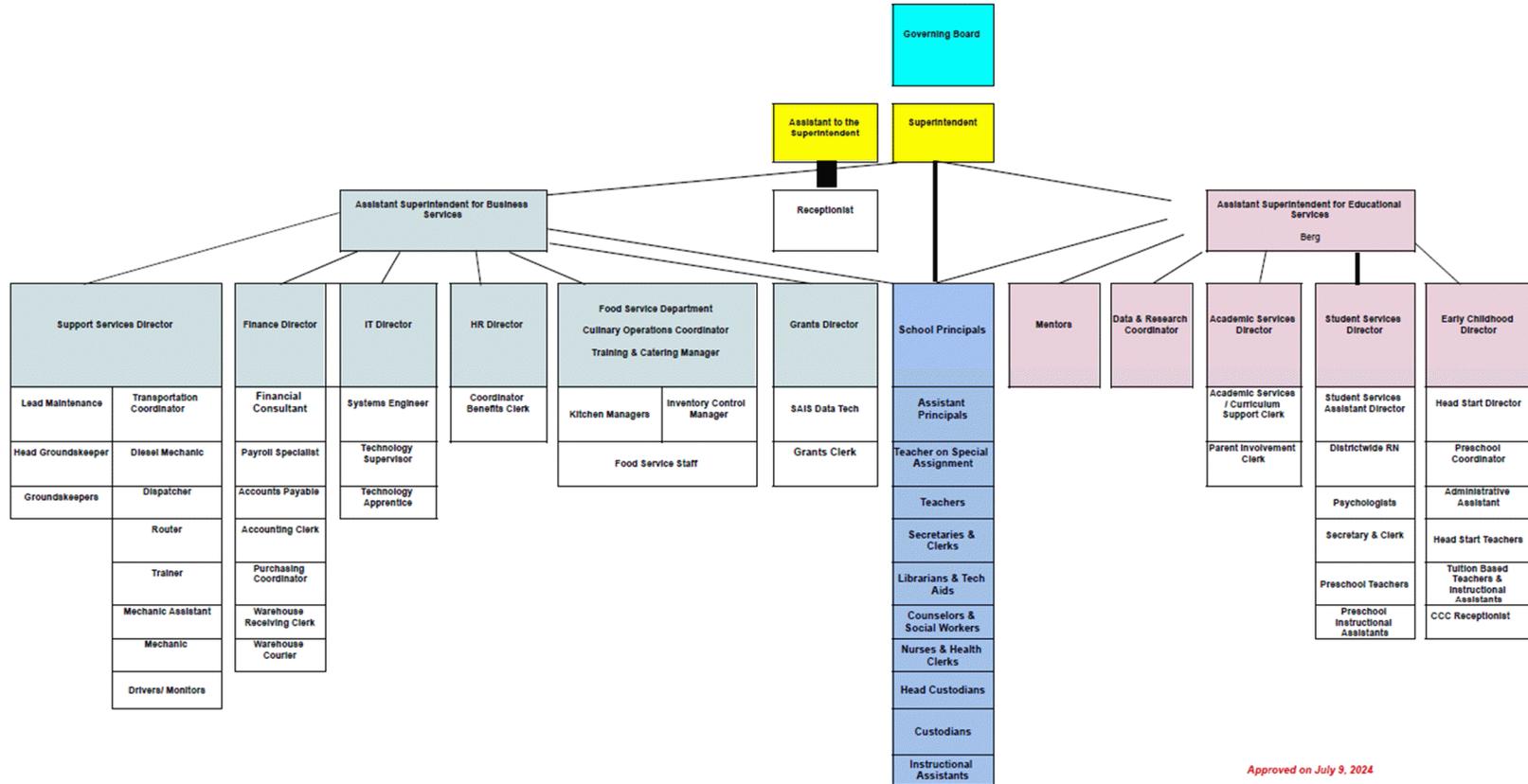
Respectfully Submitted,



Nora Ulloa
Fowler Elementary School District No. 45
Superintendent

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 ORGANIZATIONAL CHART
 YEAR ENDED JUNE 30, 2025**

2024-2025 FESD Organizational Chart



Approved on July 9, 2024

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
LIST OF PRINCIPAL AND ELECTED OFFICIALS
YEAR ENDED JUNE 30, 2025**

GOVERNING BOARD

Francisca Montoya
President

Lisa M. Perez
Clerk

Jose Montoya
Member

ADMINISTRATIVE STAFF

Nora Ulloa, Superintendent

Chad Ostrom, Assistant Superintendent for Business Operations

Michelle Berg, Assistant Superintendent for Education Services

Gary Holland, Director of Finance

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Governing Board
Fowler Elementary School District No. 45
Phoenix, Arizona

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fowler Elementary School District No. 45 (the "District"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fowler Elementary School District No. 45, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

As discussed in Note 12 to the basic financial statements, for the year ended June 30, 2025, the District adopted new accounting guidance; Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

In addition, as discussed in Note 12 to the financial statements, the District restated beginning fund balances within its financial statements for the year ended June 30, 2025, to record a change within the reporting entity. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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



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

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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, other postemployment benefit information, pension schedules, and budgetary comparison information, as listed within 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 nonmajor fund financial statements are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate 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 nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated December 12, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Advisent Assurance, LLP

Mesa, Arizona
December 12, 2025

REQUIRED SUPPLEMENTARY INFORMATION

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

As management of the Fowler Elementary School District No. 45 (District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$59.8 million (net position). The District's total net position increased by \$4.5 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$40.3 million, an increase of \$6.9 million in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance within the General Fund was \$24.7 million, or 77% of total General Fund expenditures.
- The District's net capital assets decreased \$1.2 million due to depreciation expenses exceeding capital additions during the current year.
- The District's long-term liabilities increased by \$1.2 million primarily due to the sale of \$5.8 million of school improvement bonds. This increase was offset by the decrease in the net pension liability caused by the changes within the actuarial valuation as well as regularly scheduled principal payments on existing debt.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. 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 statement of net position presents information on all the District's assets, deferred outflows of resources, liabilities, and deferred inflows 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 to 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 vacation leave).

The government-wide financial statements distinguish functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District are for public education, student transportation, and operations of non-instructional services.

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

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the District are considered governmental funds.

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

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

The District maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Classroom Site Fund, Special Projects Fund, Bond Building Fund, and Debt Service Fund, which are considered to be major funds. Data from the other six governmental funds are combined into a single aggregated presentation.

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

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

The basic governmental fund financial statements can be found on pages 28 - 31 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found following the basic financial statements, starting on page 33.

Required Supplementary Information Other than MD&A

The District reports a multi-year schedule of the District's proportionate share of net pension liability and contributions to its cost-sharing pension plan starting on page 57 followed by a schedule of changes in the total OPEB liability and related ratios to its single-employer OPEB plan.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Governments have the option of presenting the General Fund and major special revenue budgetary statements as part of the basic financial statements or as required supplementary information (RSI) other than the MD&A. The District has elected to present the General Fund, Classroom Site Fund, and Special Projects budgetary comparison schedules as RSI other than the MD&A which can be found starting on page 59. Notes to the RSI are presented after the budgetary comparison schedules.

Other information

The combining statements in connection with nonmajor governmental funds are presented immediately following the required supplementary information other than the MD&A. Combining and individual fund statements and schedules can be found on pages 65 - 75 of this report.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The statistical section can be found on pages 77 - 98 of this report.

Government-Wide Financial Analysis

As noted earlier, 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 of resources exceeded liabilities and deferred inflows of resources by \$59.8 million at the close of the most recent fiscal year.

A summary of the District's statement of net position is presented below:

	Governmental Activities		
	2025	(Restated) 2024	Net Change
ASSETS			
Current and other assets	\$ 49,132,479	\$ 43,408,487	\$ 5,723,992
Capital assets	54,534,526	55,769,566	(1,235,040)
Total Assets	103,667,005	99,178,053	4,488,952
DEFERRED OUTFLOWS			
	4,222,160	3,573,026	649,134
Total Assets and Deferred Outflows	107,889,165	102,751,079	5,138,086
LIABILITIES			
Current liabilities	7,771,543	8,966,074	(1,194,531)
Long-term liabilities	36,818,424	35,653,688	1,164,736
Total Liabilities	44,589,967	44,619,762	(29,795)
DEFERRED INFLOWS			
	3,475,834	2,837,733	638,101
Total Liabilities and Deferred Inflows	48,065,801	47,457,495	608,306
NET POSITION			
Net investment in capital assets	48,190,693	48,970,768	(780,075)
Restricted	10,440,753	8,768,385	1,672,368
Unrestricted	1,191,918	(2,445,569)	3,637,487
Total Net Position	\$ 59,823,364	\$ 55,293,584	\$ 4,529,780

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

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

At the end of the current fiscal year, the District was able to report positive balances in all three categories of net position.

Overall, net position increased \$4.5 million or 8%. Key elements of this increase are indicated as follows:

	Governmental Activities		
	2025	2024	Net Change
REVENUES			
Program revenues:			
Charges for services	\$ 259,898	\$ 265,951	\$ (6,053)
Operating grants and contributions	13,661,842	21,190,859	(7,529,017)
General revenues:			
Property taxes	15,347,661	15,489,966	(142,305)
State equalization and additional state aid	20,232,052	19,159,857	1,072,195
Interest and other	1,050,943	636,325	414,618
Total Revenues	50,552,396	56,742,958	(6,190,562)
EXPENSES			
Instruction	22,959,876	22,132,426	827,450
Support Services:			
Students and instructional staff	5,356,006	5,569,697	(213,691)
Administration	5,994,497	6,323,224	(328,727)
Operation and maintenance of plant	4,037,044	4,265,811	(228,767)
Operation of noninstructional services	5,879,227	5,678,228	200,999
Student transportation	1,659,623	2,057,398	(397,775)
Interest on long-term debt	136,343	186,681	(50,338)
Total Expenses	46,022,616	46,213,465	(190,849)
Change in net position	4,529,780	10,529,493	(5,999,713)
Net Position - Beginning, As Restated	55,293,584	44,764,091	10,529,493
Net Position - Ending	\$ 59,823,364	\$ 55,293,584	\$ 4,529,780

Program Revenues

The District reported a decrease in charges for services of \$6,053, which was not considered significant.

Operating grants and contributions decreased \$7.5 million (36%). This decrease was mainly due to decreases in federal grant funding relating to the COVID-19 pandemic funding through ESSER programs.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

General Revenues

The District experienced a decrease in property tax revenue of \$142,305 (1%) which was not considered significant.

State equalization and additional state aid increased \$1.1 million (6%) due to increases in the state funding formula and an increase in average daily membership at the District.

Interest and other revenue increased \$0.4 million due to an increase in interest revenue earned on monies held with the county treasurer from an increase in interest rates.

Expenses for the current year remained relatively unchanged with only a 0.4% total decrease in spending. The District’s mission is to provide an appropriate and outstanding educational experience for every student served within budget constraints. The decrease was not considered significant. The most significant decreases were within salaries and benefits, professional education services, rentals, communications and supplies. These decreases were offset by increases to insurance, textbooks/instructional aids, and technology.

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

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

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

As of the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$40.3 million, an increase of \$6.9 million in comparison with the prior year. Approximately 61% of this total amount (\$24.7 million) constitutes unassigned fund balance, which is available for spending at the government’s discretion. The remaining fund balance is restricted to indicate that it is not available for new spending.

Fund balances as of June 30, 2025, and the changes in fund balances from the prior year are summarized below:

GOVERNMENTAL FUND	Balance	Increase (Decrease) From 2023-24
General Fund	\$ 24,848,627	\$ 1,711,179
Classroom Site Fund	4,889,481	\$ 819,653
Special Projects Fund	1,494,441	109,154
Bond Building Fund	5,862,545	3,352,988
Debt Service Fund	245,352	(79,601)
Nonmajor Governmental Funds	2,951,673	1,012,972
Total Governmental Fund Balances	<u>\$ 40,292,119</u>	<u>\$ 6,926,345</u>

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

The General Fund is the chief operating fund of Fowler Elementary School District No. 45. It is comprised of the District’s Maintenance and Operations, Medicaid, E-Rate, Sale of District Assets, Auxiliary Operations, Unrestricted Gifts and Donations, Insurance Proceeds, Litigation Recovery, Career and Technical Education Projects, Indirect Costs, Unrestricted Capital Outlay, Insurance withholdings, Transportation, and IGA funds.

As a measure of the General Fund's liquidity, it may be useful to compare the fund balances of both the General Fund and total fund balance to total fund expenditures. The fund balance in the General Fund represents 77% of total General Fund expenditures. The General Fund experienced an increase of \$1.7 million in the current year. This increase was primarily due to the increase in state aid due to the increase in the state funding formula and conservative spending practices.

The Classroom Site Fund had an increase in fund balance of \$0.8 million. This increase was primarily due to continued conservative spending practices and the accumulation of state funding.

The increase of \$0.1 million in the Special Projects Fund was not considered significant. The ending fund balance of the Special Projects Fund relates to advances in grant programs that will be spent in future periods.

The Bond Building Fund ending fund balance increased by \$3.4 million due to proceeds from the issuance of \$5.8 million in school improvement bonds, offset by current year construction and improvement spending.

The change within the Debt Service Fund was not considered significant.

The increase of \$1.0 million in the Nonmajor Governmental Funds was primarily due to the accumulation of food service fund monies that will be spent in future periods.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget totaled \$3.0 million. In Arizona, school districts build their original “adopted” budget based on a projection of the coming fiscal year’s 100th day average daily attendance. In May, the District is allowed to increase or decrease its budget for differences between expected and actual student growth. The \$3.0 million or (9%) increase in budget was allocated amongst various line items. The largest increases within the budget were within regular education – general administration, special education – instruction, and regular education – instruction. Budgetary basis General Fund expenditures were \$9.3 million less than budget during the fiscal year. Budgetary-based expenditures were 25% under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District’s investment in capital assets for its governmental activities as of June 30, 2025, amounts to \$54.5 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, vehicles, furniture, and equipment. The net increase in the District’s investment in capital assets for the current fiscal year was 13%.

Major capital asset events during the current fiscal year included the following projects:

- Roofing projects.
- Asphalt replacement.
- Fencing project.
- Carpet replacement.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2025**

Capital asset activity as of June 30, 2025, is summarized below:

	Governmental Activities		
	2025	2024	Net Change
CAPITAL ASSETS			
Land	\$ 6,111,353	\$ 6,111,353	\$ -
Construction in progress	-	928,559	(928,559)
Land improvements	3,679,883	3,083,084	596,799
Buildings & improvements	39,214,321	39,180,849	33,472
Vehicles, equipment, and furniture	5,528,969	6,465,721	(936,752)
Total Capital Assets	\$ 54,534,526	\$ 55,769,566	\$ (1,235,040)

Additional information on the District's capital assets can be found in Note 5 of this report.

Long-Term Debt

At end of the current fiscal year, the District's long-term debt included bonds payable, the net pension/OPEB liabilities, the single-employer OPEB liability, and compensated absences. The changes in compensated absences and the OPEB liabilities were not considered significant. Bonds payable (net of unamortized premium) increased \$2.7 million due to the current year bond issuance which was offset by principal payments and premium amortization. The net pension liability decreased \$1.6 million due to changes within the actuarial valuation.

	Governmental Activities		
	2025	(Restated) 2024	Net Change
LONG-TERM LIABILITIES			
General obligation bonds	\$ 8,812,074	\$ 6,148,978	2,663,096
Net pension liability	25,514,400	27,126,574	(1,612,174)
Net OPEB liability	4,099	21,821	(17,722)
Net single-employer OPEB	1,484,886	1,482,330	2,556
Compensated absences	1,002,965	873,985	128,980
Total Long-term Liabilities	\$ 36,818,424	\$ 35,653,688	\$ 1,164,736

More information on the District's long-term liabilities can be found starting on Note 7 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Expected student population to growth due to new building development in the area.
- Inflation.
- Approval of the budget override.

The above factors were considered in preparing the District's budget for the 2025-26 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business Services Department, Fowler Elementary School District No. 45, 1617 S. 67th Ave, Phoenix, Arizona 85043 or via the District's website www.fesd.org.

BASIC FINANCIAL STATEMENTS

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and investments	\$ 44,946,705
Property taxes receivable	158,699
Intergovernmental receivable	2,727,877
Accounts receivable	73,722
Deposits	84,323
Inventory	198,678
Net OPEB asset - cost-sharing plan	942,475
Capital assets, not depreciated	6,111,353
Capital assets, net of accumulated depreciation	<u>48,423,173</u>
Total Assets	<u>103,667,005</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	3,950,990
Deferred outflows related to OPEB - cost-sharing plan	135,060
Deferred outflows related to OPEB - single employer plan	<u>136,110</u>
Total Deferred Outflows of Resources	<u>4,222,160</u>
LIABILITIES	
Accounts payable	3,864,078
Accrued wages and benefits	490,257
Matured principal payable	3,155,000
Interest payable	262,208
Long-term liabilities:	
Due within one year	3,902,908
Due in more than one year	<u>32,915,516</u>
Total Liabilities	<u>44,589,967</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	2,970,864
Deferred inflows related to OPEB - cost-sharing plan	353,538
Deferred inflows related to OPEB - single employer plan	<u>151,432</u>
Total Deferred Inflows of Resources	<u>3,475,834</u>
NET POSITION	
Net investment in capital assets	48,190,693
Restricted:	
Net OPEB asset - cost-sharing plan	942,475
Teacher compensation and other qualified programs (A.R.S 15-977)	4,889,481
Instructional improvement programs	469,193
Federal and state instructional programs	1,494,441
Food service	1,701,865
Civic center	88,724
Community programs	7,072
Student activities	202,904
Extracurricular activities	151,427
Capital projects	161,806
Debt service	245,352
Other	86,013
Unrestricted	<u>1,191,918</u>
Total Net Position	<u>\$ 59,823,364</u>

See accompanying Notes to the Basic Financial Statements

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2025

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
Instruction	22,959,876	\$ 173,041	\$ 5,640,310	\$ -	\$ (17,146,525)
Support services:					
Students	3,360,148	-	1,142,725	-	(2,217,423)
Instructional staff	1,995,858	-	996,863	-	(998,995)
General administration	1,714,868	-	-	-	(1,714,868)
School administration	1,584,890	-	7,847	-	(1,577,043)
Business and other support services	2,694,739	-	65,965	-	(2,628,774)
Operation and maintenance of plant	4,037,044	-	41,894	-	(3,995,150)
Student transportation	1,659,623	-	55,056	-	(1,604,567)
Operation of noninstructional services	5,879,227	86,857	5,711,182	-	(81,188)
Interest on long-term debt	136,343	-	-	-	(136,343)
Total	\$ 46,022,616	\$ 259,898	\$ 13,661,842	\$ -	\$ (32,100,876)
General revenues:					
Property taxes					15,347,661
Grants and contributions not restricted to specific programs:					
State equalization and additional state aid					20,232,052
Investment earnings					1,007,423
Other					43,520
Total general revenues					36,630,656
Change in net position					4,529,780
Net Position - July 1, 2024					55,204,819
Aggregate amount of adjustments to and restatements of beginning net position					88,765
Net position - July 1, 2024, as restated					55,293,584
Net position - ending					\$ 59,823,364

See accompanying Notes to the Basic Financial Statements

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	General Fund	Classroom Site Fund	Special Projects Fund	Bond Building Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 26,769,300	\$ 4,921,714	\$ 543,382	\$ 6,406,819	\$ 3,655,498	\$ 2,649,992	\$ 44,946,705
Receivables:							
Property taxes	125,528	-	-	-	33,171	-	158,699
Intergovernmental	1,108,392	-	1,460,097	-	-	159,388	2,727,877
Accounts receivable	62,814	-	-	-	-	10,908	73,722
Deposits	-	-	-	-	-	84,323	84,323
Inventory	116,009	-	-	-	-	82,669	198,678
Total Assets	\$ 28,182,043	\$ 4,921,714	\$ 2,003,479	\$ 6,406,819	\$ 3,688,669	\$ 2,987,280	\$ 48,190,004
LIABILITIES							
Accounts payable	\$ 2,934,350	\$ 30,286	\$ 342,356	\$ 544,274	\$ -	\$ 12,812	\$ 3,864,078
Accrued wages	298,833	1,947	166,682	-	-	22,795	490,257
Matured Principal Payable	-	-	-	-	3,155,000	-	3,155,000
Interest Payable	-	-	-	-	262,208	-	262,208
Total Liabilities	3,233,183	32,233	509,038	544,274	3,417,208	35,607	7,771,543
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	100,233	-	-	-	26,109	-	126,342
FUND BALANCES							
Nonspendable	116,009	-	-	-	-	82,669	198,678
Restricted	-	4,889,481	1,494,441	5,862,545	245,352	2,869,004	15,360,823
Unassigned	24,732,618	-	-	-	-	-	24,732,618
Total Fund Balances	24,848,627	4,889,481	1,494,441	5,862,545	245,352	2,951,673	40,292,119
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 28,182,043	\$ 4,921,714	\$ 2,003,479	\$ 6,406,819	\$ 3,688,669	\$ 2,987,280	\$ 48,190,004

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balance - Governmental Funds \$ 40,292,119

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 108,718,117	
Accumulated depreciation	<u>(54,183,591)</u>	54,534,526

Property tax revenue not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources in the governmental funds:

126,342

Net OPEB asset:

In governmental funds, postretirement benefits costs are recognized as expenditures in the period they are paid. In the government-wide statements, they are recognized in the period they are incurred. The net OPEB asset at the end of the period was:

942,475

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

General obligation bonds	(8,465,000)	
Unamortized premiums	(347,074)	
Net pension liability	(25,514,400)	
Net OPEB liability - cost-sharing plan	(4,099)	
Net OPEB liability - single employer plan	(1,484,886)	
Compensated absences	<u>(1,002,965)</u>	(36,818,424)

Deferred outflows and inflows of resources relating to pension/OPEB plans:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported:

Deferred outflows of resources relating to pensions	3,950,990	
Deferred inflows of resources relating to pensions	(2,970,864)	
Deferred outflows of resources relating to OPEB - cost-sharing plan	135,060	
Deferred inflows of resources relating to OPEB - cost-sharing plan	(353,538)	
Deferred outflows of resources relating to OPEB - single employer plan	136,110	
Deferred inflows of resources relating to OPEB - single employer plan	<u>(151,432)</u>	746,326

Total Net Position - Governmental Activities

\$ 59,823,364

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2025**

	General Fund	Classroom Site Fund	Special Projects Fund	Bond Building Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 12,120,735	\$ -	\$ -	\$ -	\$ 3,283,103	\$ -	\$ 15,403,838
Intergovernmental	20,883,754	3,028,675	5,737,454	-	-	4,211,289	33,861,172
Tuition	-	-	-	-	-	165,676	165,676
Food sales	-	-	-	-	-	75,022	75,022
Auxiliary operations	6,865	-	-	-	-	-	6,865
Student activities	-	-	-	-	-	4,970	4,970
Rental Income	1,299	-	-	-	-	-	1,299
Contributions and donations	10,253	-	-	-	-	-	10,253
Investment earnings	452,441	162,529	99,074	-	199,504	93,875	1,007,423
Other	23,030	-	-	-	-	49,025	72,055
Total Revenues	33,498,377	3,191,204	5,836,528	-	3,482,607	4,599,857	50,608,573
EXPENDITURES							
Current							
Instruction	16,937,217	2,053,352	1,841,279	215,800	-	87,244	21,134,892
Support services:							
Students	2,434,485	103,487	921,609	-	-	-	3,459,581
Instructional staff	930,217	154,240	727,264	269,480	-	-	2,081,201
General administration	1,540,406	-	-	-	-	-	1,540,406
School administration	1,706,327	-	7,181	-	-	301	1,713,809
Business and other support services	2,586,148	-	58,767	5,688	-	2,565	2,653,168
Operations and maintenance of plant	3,348,819	-	-	3,497	-	36,069	3,388,385
Student transportation	1,395,345	-	50,382	-	-	-	1,445,727
Operations of noninstructional services	502,064	60,472	1,643,903	-	-	3,524,494	5,730,933
Capital Outlay							
Facilities acquisition and maintenance	563,230	-	300,984	2,113,135	-	-	2,977,349
Debt							
Principal Expenditures	-	-	-	-	3,155,000	-	3,155,000
Interest Expenditures	-	-	-	-	407,208	-	407,208
Bond issuance costs	-	-	-	128,373	-	-	128,373
Total Expenditures	31,944,258	2,371,551	5,551,369	2,735,973	3,562,208	3,650,673	49,816,032
Excess (Deficiency) of Revenues Over Expenditures	1,554,119	819,653	285,159	(2,735,973)	(79,601)	949,184	792,541
Other Financing Sources (Uses)							
Transfers in	176,005	-	-	-	-	-	176,005
Transfers out	-	-	(176,005)	-	-	-	(176,005)
General obligation bonds issued	-	-	-	5,820,000	-	-	5,820,000
Premium on general obligation bonds	-	-	-	268,961	-	-	268,961
Net Financing Sources (Uses)	176,005	-	(176,005)	6,088,961	-	-	6,088,961
NET CHANGE IN FUND BALANCE	1,730,124	819,653	109,154	3,352,988	(79,601)	949,184	6,881,502
Fund Balance - July 1, 2024	23,137,448	-	1,385,287	2,509,557	324,953	6,008,529	33,365,774
Aggregate amount of adjustments to and restatements of beginning fund balance	-	4,069,828	-	-	-	(4,069,828)	-
Fund Balance - July 1, 2024, as restated	23,137,448	4,069,828	1,385,287	2,509,557	324,953	1,938,701	33,365,774
Increase/(decrease) in inventories	(18,945)	-	-	-	-	63,788	44,843
Fund Balance - Ending	\$ 24,848,627	\$ 4,889,481	\$ 1,494,441	\$ 5,862,545	\$ 245,352	\$ 2,951,673	\$ 40,292,119

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2025**

Net Change in Fund Balances - Governmental Funds \$ 6,881,502

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

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capital outlay:	\$ 3,025,147	
Depreciation expense:	<u>(4,174,996)</u>	(1,149,849)

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. (85,191)

Some revenues reported in the governmental funds that did not provide current financial resources in prior years have been recognized previously in the statement of activities and therefore are not reported as revenues in the statement of activities.

Property taxes (56,177)

Governmental funds report pension contributions as expenditures when made. However, in the statement of activities, pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions.

	Pension contributions	2,526,800
	Pension expense	(1,018,382)
Other post employment benefits contributions - cost-sharing plan		44,274
Other post employment benefits expense - cost-sharing plan		105,045
Other post employment benefits contributions - single employer plan		109,044
Other post employment benefits expense - single employer plan		(80,053)

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

	Issuance of general obligation bonds payable	(5,820,000)
	Premium on issuance	(268,961)
Principal payment on general obligation bonds		3,155,000
Amortization of deferred bond items		270,865

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

	Net decrease (increase) in compensated absences	(128,980)
	Change in inventories balances	<u>44,843</u>

Change in Net Position of Governmental Activities \$ 4,529,780

NOTES TO BASIC FINANCIAL STATEMENTS

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Fowler Elementary School District No. 45 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental units adopted by the Governmental Accounting Standards Board (GASB). A summary of the District's more significant accounting policies follows. For the year ended June 30, 2025, the District implemented the provisions of GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences. The District's financial statements have been modified to reflect the implementation of this new standard.

Reporting Entity

The District is a special-purpose government that a separately elected governing body governs. It is legally separate from and fiscally independent of other state and local governments. Furthermore, there are no component units combined with the District for financial statement presentation purposes, and it is not included in any other governmental reporting entity. Consequently, the District's financial statements present only the funds of those organizational entities for which its elected governing board is financially accountable.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District had no business-type activities during the fiscal year.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, except expenditures related to compensated absences and claims and judgments, which are recorded only when payment is due. However, since debt service resources are provided during the current year for payment of long-term principal and interest due early in the following year (within one month), the expenditures and related liabilities have been recognized in the Debt Service Fund.

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

Amounts reported as program revenues include 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use for governmental activities, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

The District reports the following major governmental funds:

Major Governmental Funds

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. For budget purposes, it is described as the Maintenance and Operation Fund by Arizona Revised Statutes (A.R.S.) and is budgeted within four subsections titled regular education programs, special education programs, pupil transportation, and K-3 reading program.

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

The *Special Projects Fund* accounts for the revenues and expenditures of state and federally funded projects.

The *Bond Building Fund* accounts for proceeds from district bond issues that are used for acquiring or leasing school sites; constructing or renovating school buildings; supplying school buildings with furniture, equipment, and technology; improving school grounds; purchasing pupil transportation vehicles; or paying existing bonded indebtedness in accordance with A.R.S. § 15-491 (A)(3).

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

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

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

A.R.S. authorize the District to invest public monies in the State and County Treasurer’s investment pools; U.S. Treasury obligations; specified state and local government bonds; and interest-earning investment contracts such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories. Statute authorizes the District to deposit monies for Auxiliary Operations and Student Activities in bank accounts. Monies in these funds may also be invested. In addition, statute authorizes the District to maintain various bank accounts such as clearing accounts to temporarily deposit receipts before they are transmitted to the County Treasurer; revolving accounts to pay minor disbursements; and withholding accounts for taxes, employee insurance programs, and federal savings bonds. 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. Statute requires collateral for deposits of monies at 102% of all deposits not covered by federal depository insurance.

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

Property Taxes Receivables

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

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

Intergovernmental Receivable

Intergovernmental receivables are comprised of state equalization and other state grants (\$941,492) and federal grants (\$1,786,385).

Short-Term Interfund Receivables and Payables

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

Inventory

The general supplies and custodial inventories are valued at cost using the first-in/first-out (FIFO) method, and food service inventories are valued using the average cost method. Inventories consist of expendable supplies held for consumption. Inventories are recorded as expenses when consumed on the government-wide financial statements and as expenditures when purchased on the fund financial statements. 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.

Capital Assets

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

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

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

<u>Asset Class</u>	<u>Years</u>
Land improvements	1 - 50 years
Building and improvements	1 - 50 years
Vehicles, equipment, furniture	1 - 20 years

Deferred Outflows

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.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

Compensated Absences

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation – The District’s policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee’s current pay rate upon separation from employment.

Sick Leave – The District’s policy permits employees to accumulate earned but unused sick leave to a maximum of ninety (90) day. Accumulated sick leave for employees after completing at least seven (7) consecutive years of service and retire from the district. Compensation shall be based on the rate of one-third (1/3) of their daily rate for each day of unused sick leave as of date of retirement. Sick leave for all other employees lapses when employees leave the employ of the District and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

Deferred Inflows of Resources

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.

Pension and Other Postemployment Benefits

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

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

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.

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.

Net Position

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

Fund Balance

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

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

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

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets, Deferred Outflows of Resources, liabilities, Deferred Inflows of Resources and Net Position or Equity (Continued)

Fund Balance (Continued)

The committed fund balances are self-imposed limitations approved by the District’s Governing Board, which is the highest level of decision- making authority within the District. Only the District’s Governing Board can remove or change the constraints placed on committed fund balances through formal board action at a public meeting. Fund balances must be committed prior to fiscal year-end. Assigned fund balances are resources constrained by the District’s intent to be used for specific purposes but are neither restricted nor committed. The District’s Governing Board has not authorized any management officials to make assignments of resources for a specific purpose. The District did not report any assigned or committed fund balances.

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

The District has not adopted a spending priority policy. When an expenditure is incurred that can be paid from either restricted or unrestricted fund balances, in accordance with GASB 54, the District uses restricted fund balance first. For the disbursement of unrestricted fund balances, the District follows the spending policy described in GASB 54 to use committed amounts first, followed by assigned amounts, and lastly unassigned amounts.

The District has classified its fund balances as follows:

	General Fund	Classroom Site Fund	Special Projects Fund	Bond Building Fund	Debt Service Fund	Non-Major Governmental Funds	Total Governmental Activities
Nonspendable							
Inventory	\$ 116,009	\$ -	\$ -	\$ -	\$ -	\$ 82,669	\$ 198,678
Restricted							
Teacher compensation and other qualified programs (A.R.S. 15-977)	-	4,889,481	-	-	-	-	4,889,481
Instructional improvement programs	-	-	-	-	-	469,193	469,193
Federal and state instructional progra	-	-	1,494,441	-	-	-	1,494,441
Food service	-	-	-	-	-	1,701,865	1,701,865
Community programs	-	-	-	-	-	7,072	7,072
Civic center	-	-	-	-	-	88,724	88,724
Extracurricular activities	-	-	-	-	-	151,427	151,427
Student activities	-	-	-	-	-	202,904	202,904
Other Special Revenue	-	-	-	-	-	86,013	86,013
Capital projects	-	-	-	5,862,545	-	161,806	6,024,351
Debt service	-	-	-	-	245,352	-	245,352
Total restricted	-	4,889,481	1,494,441	5,862,545	245,352	2,869,004	15,360,823
Unassigned	24,732,618	-	-	-	-	-	24,732,618
Total	\$ 24,848,627	\$ 4,889,481	\$ 1,494,441	\$ 5,862,545	\$ 245,352	\$ 2,951,673	\$ 40,292,119

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The District adopts an annual operating budget for expenditures for all governmental fund types on essentially the same modified accrual basis of accounting used to record actual expenditures (See Notes to Required Supplementary Information for exceptions). The Governing Board presents a proposed budget to the Superintendent of Public Instruction and County School Superintendent on or by July 5. The Governing Board legally adopts the final budget by July 15, after a public hearing has been held. Once adopted the budget can be increased or decreased only for specific reasons set forth in the A.R.S. All appropriations lapse at year-end.

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

The District did not have any over-expenditures within major subsections within the General Fund or Special Projects Fund budget to actual schedules.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits and investments at June 30, 2025 consist of the following:

Deposits:	
Cash in bank	\$ 266,124
Investments:	
Cash on deposit with county treasurer	<u>44,680,581</u>
Total deposits and investments	<u>\$ 44,946,705</u>

Deposits

Custodial Credit Risk – This is the risk that, in the event of a failure by a counterparty, the District will not be able to recover its deposits or collateralized securities that are in the possession of an outside party. The District had a carrying value of \$266,124 for cash on deposit with a local financial institution and a bank balance of \$265,925 at June 30, 2025. The District does not have a formal policy regarding custodial credit risk. However, the entire bank balance was insured by federal depository insurance.

Investments

At June 30, 2025, the District's investments were reported at fair value. The District's investments consisted of only cash on deposit with the County Treasurer.

Custodial Credit Risk – The District's investment in the County Treasurer's investment pools represents a proportionate interest in those pools' portfolios; however, the District's portion is not identified with any specific investment and is not subject to custodial credit risk.

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

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

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

NOTE 4 – UNAVAILABLE REVENUES

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

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned. The District did not report any unearned revenue during the current fiscal year.

At the end of the current fiscal year, the various components of deferred inflows of resources reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable:	
General Fund	\$ 100,233
Debt Service Fund	<u>26,109</u>
Total	<u>\$ 126,342</u>

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 01, 2024	Additions	Deductions	Balance June 30, 2025
Capital assets not being depreciated				
Land	\$ 6,111,353	\$ -	\$ -	\$ 6,111,353
Construction in progress	928,559	1,558,696	(2,487,255)	-
Total capital assets not being depreciated	<u>7,039,912</u>	<u>1,558,696</u>	<u>(2,487,255)</u>	<u>6,111,353</u>
Capital assets being depreciated				
Land improvements	6,553,483	932,015	-	7,485,498
Buildings and improvements	81,132,155	2,991,206	-	84,123,361
Vehicles, equipment, and furniture	11,693,632	30,485	(726,212)	10,997,905
Total capital assets being depreciated	<u>99,379,270</u>	<u>3,953,706</u>	<u>(726,212)</u>	<u>102,606,764</u>
Less accumulated depreciation				
Land improvements	(3,470,399)	(335,216)	-	(3,805,615)
Buildings and improvements	(41,951,306)	(2,957,734)	-	(44,909,040)
Vehicles, equipment, and furniture	(5,227,911)	(882,046)	641,021	(5,468,936)
Total accumulated depreciation	<u>(50,649,616)</u>	<u>(4,174,996)</u>	<u>641,021</u>	<u>(54,183,591)</u>
Total capital assets, being depreciated, net	<u>48,729,654</u>	<u>(221,290)</u>	<u>(85,191)</u>	<u>48,423,173</u>
Governmental activities capital assets, net	<u>\$ 55,769,566</u>	<u>\$ 1,337,406</u>	<u>\$ (2,572,446)</u>	<u>\$ 54,534,526</u>

Depreciation expenses was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 2,609,076
Support Services:	
Students	4,028
General Administration	196,661
Operations and Maintenance of Plant	742,440
Student Transportation	280,763
Operation of Noninstructional Services	342,028
	<u>\$ 4,174,996</u>

NOTE 6 – INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2025 consisted of the following:

<u>Transfer to</u>	<u>Transfer</u>
General fund	Special Projects Fund
	<u>\$ 176,005</u>

The transfer from the Special Projects Fund to the General Fund in the amount of \$176,005 was made to record the District's indirect costs on grants passed through the Arizona Department of Education.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025

NOTE 7 – LONG-TERM OBLIGATIONS

Bonds Payable

Bonds payable at year-end consisted of the following outstanding general obligation bonds payable issued to provide funds for the acquisition and construction of major capital facilities. The bonds are noncallable with interest payable semiannually. Property taxes from the Debt Service Fund are used to pay bonded debt.

General obligation bonds currently outstanding are as following at June 30, 2025:

Purpose	Interest Rate	Maturity	Original Issue	Balance
Governmental Activities:				
School Improvement Bonds,				
Project of 2022, Series A (2023)	5.00%	7/1/2025-27	\$ 5,800,000	\$ 2,925,000
Project of 2022, Series B (2025)	5.00%	7/1/2025-28	5,820,000	5,540,000
				<u>\$ 8,465,000</u>

Debt service requirements on long-term debt at June 30, 2025 are as follows:

Year ended, June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 3,005,000	\$ 423,250
2027	3,265,000	273,000
2028	2,195,000	109,750
Total	<u>\$ 8,465,000</u>	<u>\$ 806,000</u>

Changes in long-term liabilities for the year ended June 30, 2025 are as follows:

	Balance July 01, 2024 (as restated)	Additions	Deductions	Balance June 30, 2025	Due Within One Year
General obligation bonds	\$ 5,800,000	\$ 5,820,000	\$ (3,155,000)	\$ 8,465,000	\$ 3,005,000
Unamortized premium	348,978	268,961	(270,865)	347,074	-
Net pension liability	27,126,574	-	(1,612,174)	25,514,400	-
Net OPEB liability	21,821	-	(17,722)	4,099	-
Net single-employer OPEB	1,482,330	2,556	-	1,484,886	-
Compensated absences*	873,985	128,980	-	1,002,965	897,908
Total	<u>\$ 35,653,688</u>	<u>\$ 6,220,497</u>	<u>\$ (5,055,761)</u>	<u>\$ 36,818,424</u>	<u>\$ 3,902,908</u>

* - The change in compensated absences above is a net change of the year.

The net and total pension liabilities and the net OPEB liability will be liquidated primarily from the General Fund,

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 8 – 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.

The District is a member of the Arizona School Boards Association Insurance Trust (ASBAIT), together with other school districts. ASBAIT was established in 1981 by the Arizona School Board Association. Its formation was in response to Arizona school administrators desire to obtain comprehensive health benefits at reasonable costs. ASBAIT operates by an "Agreement and Declaration of Trust" in accordance with the laws of the State of Arizona, including, without limitation, §15-382 A.R.S. 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 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 annual 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. There have not been any claims in the past three years in excess of insurance coverage and no significant reductions in insurance coverage.

NOTE 9 – CONTINGENT LIABILITIES

Federal grants - In the normal course of operations, the District receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of audits of grant funds is not believed by District officials to be material.

Litigation - Each year the District receives notices of claims for damages occurring generally from negligence, bodily injury, breach of contract, and other legal matters. The filing of such claims commences a statutory period for initiating a lawsuit against the District arising therefrom. The District has comprehensive general liability insurance with the ASRRT. The District is not aware of any litigation that might result in a materially adverse outcome.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 10 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS

Cost Sharing Pension Plan

On June 30, 2025, the District reported the following related to pension and OPEB plans to which it contributes:

	Cost-sharing pension plan	Cost-sharing OPEB plan	Total
Net (assets)	\$ -	\$ 942,475	\$ 942,475
Net pension liability	25,514,400	4,099	25,518,499
Deferred outflows of resources	3,950,990	135,060	4,086,050
Deferred inflows of resources	2,970,864	353,538	3,324,402
Pension expense	1,018,382	(105,045)	913,337

Arizona State Retirement System

Plan Description

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

Benefits Provided

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

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

**With actuarially reduced benefits.*

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 10 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Arizona State Retirement System (Continued)

Benefits Provided (Continued)

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 earning. 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 retirement benefit option chosen determines the survivor benefit. For all other members, the beneficiary is entitled to the member's account balance that includes the member's contributions and employer's contributions, plus interest earned.

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

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

Contributions

In accordance with State statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the year ended June 30, 2025, statute required active ASRS members to contribute at the actuarially determined rate of 12.27% (12.12% for retirement and 0.15% for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.27% (12.05% for retirement, 0.07% for health insurance premium benefit, and 0.15% for long term disability) of the active members' annual covered payroll. In addition, the District was required by statute to contribute at the actuarially determined rate of 10.19% (10.14% for retirement and 0.05% for long-term disability) of annual covered payroll of retired members who worked for the District in positions that an employee who contributes to the ASRS would typically fill. The District's contributions to the pension, health insurance premium benefit, and long-term disability plans for the year ended June 30, 2025, were \$2,526,800, \$14,679, and \$29,595, respectively.

During the fiscal year ended June 30, 2025, the District paid for ASRS pension as follows: 73% from the General Fund, 8% from the Classroom Site Fund, 13% from the Special Projects Fund, and 6% from nonmajor governmental funds.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 10 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Arizona State Retirement System (Continued)

Liability

On June 30, 2025, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability:

	Net pension/OPEB (asset)/liability
Pension	\$ 25,514,400
Health insurance premium benefit	(942,475)
Long-term disability	4,099
Total Pension/OPEB Liability (Asset):	<u>\$ 24,576,024</u>

The net asset and net liabilities were measured as of June 30, 2024. The total liability used to calculate the net asset or net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2023, to the measurement date of June 30, 2024.

The District's proportion of the net asset or net liability was based on the District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2024, and the change from its proportions measured as of June 30, 2023, were:

	District % Proportion <u>June 30, 2024</u>	District % Proportion <u>June 30, 2023</u>	Increase (Decrease)
Pension	0.15945%	0.01585%	0.14360%
Health insurance premium benefit	0.15598%	0.01389%	0.14209%
Long-term disability	0.15724%	0.01492%	0.14232%

Expense

For the year ended June 30, 2025, the District recognized the following pension and OPEB expense:

	Pension/OPEB Expense
Pension	\$ 1,018,382
Health insurance premium benefit	(121,403)
Long-term disability	16,358
Total Pension/OPEB Expense	<u>\$ 913,337</u>

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025

NOTE 10 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Arizona State Retirement System (Continued)

Deferred Outflows/Inflows of Resources

On June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions and OPEB from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ 1,424,190	\$ 27,274	\$ 15,071
Changes of assumptions or other inputs	-	-	2,966
Changes in proportion and differences between contributions and proportionate share of contributions	-	45,475	-
Contributions subsequent to the measurement date	2,526,800	14,679	29,595
Total	<u>\$ 3,950,990</u>	<u>\$ 87,428</u>	<u>\$ 47,632</u>

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ -	\$ 227,571	\$ 10,916
Changes of assumptions or other inputs	-	9,776	24,539
Net difference between projected and actual earnings on pension plan investments	1,629,374	64,786	4,477
Changes in proportion and differences between contributions and proportionate share of contributions	1,341,490	-	11,473
Total	<u>\$ 2,970,864</u>	<u>\$ 302,133</u>	<u>\$ 51,405</u>

The amounts reported as deferred outflows of resources related to ASRS pensions and OPEB resulting from District contributions subsequent to the measurement date will be recognized as an increase of the net asset or a reduction of the net liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to ASRS pensions and OPEB will be recognized in expenses as follows:

Year Ending June 30:	Deferred Outflows (Inflows) of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
2026	\$ (1,665,554)	\$ (161,865)	\$ (9,310)
2027	830,337	(27,856)	(2,972)
2028	(412,448)	(28,480)	(8,982)
2029	(299,009)	(10,259)	(8,211)
2030	-	(924)	(3,937)
Thereafter	-	-	44
Total	<u>\$ (1,546,674)</u>	<u>\$ (229,384)</u>	<u>\$ (33,368)</u>

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 10 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Arizona State Retirement System (Continued)

Actuarial Assumptions

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

	Pensions	Health Insurance Premium Benefit	Long-Term Disability
Actuarial valuation date	June 30, 2023	June 30, 2023	June 30, 2023
Actuarial roll forward date	June 30, 2024	June 30, 2024	June 30, 2024
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Investment rate of return	7.0%	7.0%	7.0%
Projected salary increases	2.9-8.4%	Not applicable	Not applicable
Inflation rate	2.3%	2.3%	2.3%
Permanent base increases	Included	Not applicable	Not applicable
Mortality rates	2017 SRA Scale U-MP	2017 SRA Scale U-MP	Not applicable
Recovery rates	Not applicable	Not applicable	2012 GLDT

Actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2020.

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

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

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 10 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS (CONTINUED)

Arizona State Retirement System (Continued)

Discount Rate

As of June 30, 2024, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona statutes. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. The long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension/OPEB liability.

Sensitivity of the District’s Proportionate Share of the ASRS Net Pension Liability to Changes in the Discount Rate

The following table presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate.

	Proportionate share of the net liability (asset)		
	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Pension	\$ 39,067,764	\$ 25,514,400	\$ 14,218,855
Health insurance premium benefit	(685,173)	(942,475)	(1,161,233)
Long-term disability	14,103	4,099	(5,742)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report.

Contributions Payable

The District’s accrued payroll and employee benefits included \$42,092 of outstanding pension and OPEB contributions payable to ASRS for the year ended June 30, 2025.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 – SINGLE EMPLOYER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

Under authority of the Governing Board, the District provides postretirement insurance (health and dental) benefits, for certain retirees in accordance with the Fowler Elementary School District Retirement Plan (Plan). The plan is a single employer defined benefit plan administered by the District.

To be eligible for benefits, an employee must have been employed by the District prior to July 1, 2007, be a full-time employee with a minimum of 10 consecutive years of experience and have retired by selecting a State Retirement Annuity.

Eligible retirees receive an annual District contribution towards a Health Retirement Account (HRA) to be used to purchase the insurance of their choice. They may remain on the District’s medical, dental and vision plans or may choose any other plan(s) or carrier(s) to fit their individual needs. Retirees also receive \$50,000 of District-paid life insurance through One America. Benefits are payable for five years but not beyond age 65.

The retiree must designate the District as the recipient of the ASRS Retiree Premium Benefit (also called the ASRS "subsidy"). The District's contribution for a retiree is equal to the District contribution for that individual as an active employee at the time of retirement. The active employee contribution formula is as follows:

- Certified and Classified staff – single employee rate for BCBS PPO \$300 Base Medical Plan, minus \$2 per year.
- Administrators – the sum of the single employee rates for BCBS PPO \$0 Buy Up Plan, BCBS Dental and Avesis Vision coverages.

For new retirees in the 2023-24 fiscal year, the annual dollar amounts under these formulas are \$10,023.64 and \$11,556.72, respectively. These dollar amounts are before consideration of the ASRS subsidy, which is treated as an offset to the District's costs for purposes of the valuation.

A \$53 per year life insurance premium is paid for by the District in addition to the dollar amounts described above.

Benefits Provided

The District provides postretirement insurance (medical and dental) benefits (OPEB), in accordance with the District’s Post Employment Benefit Plan, to eligible employees. Currently, 69 participants meet those eligibility requirements.

	Number of Participants
Retirees receiving benefits	8
Active employees	61
Total	69

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 – SINGLE EMPLOYER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Funding Policy

For each eligible retiree, the District pays for postemployment benefits on a pay-as-you-go basis. Generally, resources from the General Fund are used to pay these benefits. Although the District is studying the establishment of a trust that would be used to accumulate and invest assets necessary to pay for the accumulated liability, these financial statements assume that pay-as-you-go funding will continue. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Total OPEB Liability

The District's total OPEB liability of \$1,484,886 had a measurement date of June 30, 2024, based on an actuarial valuation dated June 30, 2023.

Actuarial Methods and Assumptions

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

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

The total OPEB liability as of June 30, 2025, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Reporting date	June 30, 2025
Fiscal year	July 1st to June 30th
Actuarial cost methods	Entry age, Level Percent of Pay
Inflation rate	2.50%
Discount rate	3.97%
Payroll increase	3.00%
Healthcare cost trend rate	5.50%, graded down to 4.50% over 46 years

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 – SINGLE EMPLOYER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table with generational mortality improvements in accordance with Ultimate MP 2017 Unisex scales projected from the year 2014. Post-retirement mortality rates for healthy retirees were based on the 2017 State Retirees of Arizona (SRA) mortality table with generational mortality improvements in accordance with the Ultimate MP 2017 Unisex scales projected from the year 2017. Post-retirement mortality rates for disabled retirees were based on the RP-2014 Disabled Retiree mortality table with generational mortality improvements in accordance with the Ultimate MP 2017 Unisex scales projected from the year 2014.

Changes in Total OPEB Liability

The following table shows the changes in the OPEB liability for the year ended June 30, 2025:

Balance July 1, 2024	\$ 1,482,330
Changes for the year:	
Service cost	40,606
Interest	57,129
Changes of assumptions	(8,536)
Difference between expected and actual experience	-
Benefit payments	<u>(86,643)</u>
Net change	<u>2,556</u>
Balance June 30, 2025	<u>\$ 1,484,886</u>

Discount Rate

The discount rate used to measure the OPEB liability was 3.97%. The discount rate increased from 3.86% to 3.97% based on changes to the Fidelity Go AA 20-year municipal index from June 30, 2022, to June 30, 2023. The discount rate was determined by using a yield or index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher as of June 30, 2023.

Sensitivity Results

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

	Discount Rate 1% Lower (2.97%)	Current Discount Rate (3.97%)	Discount Rate 1% Higher (4.97%)
Net OPEB liability	\$ 1,563,146	\$ 1,484,886	\$ 1,408,420

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 11 – SINGLE EMPLOYER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

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

	1% decrease in healthcare cost trend rates	Current healthcare cost trend rates	1% increase in healthcare cost trend rates
Net OPEB liability	\$ 1,377,555	\$ 1,484,886	\$ 1,600,568

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$80,053. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow: of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,523	\$ 33,420
Change in assumptions or other inputs	19,543	118,012
District contributions subsequent to the measurement date	109,044	-
	<u>\$ 136,110</u>	<u>\$ 151,432</u>

The \$109,044 reported as deferred outflows of resources related to OPEB resulting from District benefit payments made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (60,735)
2027	(46,860)
2028	(13,728)
2029	(2,877)
2030	(166)
Thereafter	-
	<u>\$ (124,366)</u>

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO BASIC FINANCIAL STATEMENTS
 FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 12 – ADJUSTMENTS AND RESTATEMENTS OF BEGINNING BALANCES

Compensated Absence - During the current year, the District implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time and sick leave for employees with seven or more years of consecutive services owed to employees upon separation of employment, the District now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement - GASB 101 implementation” column in the table below.

Change within the Financial Reporting Entity – Classroom Site Fund previously did not meet the criteria to be reported as a major governmental fund. However, effective July 1, 2024, the fund met the criteria to be reported as a major fund for the fiscal year ended June 30, 2025.

The effects of the matters noted above resulted in restatements of beginning net position and fund balances as follows:

	Net position/fund balance June 30, 2024 as previously reported	Restatement - GASB 101 Implementation	Change to or within the reporting entity	Net position/fund balance July 1, 2024 as restated
Government-Wide				
Governmental Activities	\$ 55,204,819	\$ 88,765	\$ -	\$ 55,293,584
Governmental Funds				
Major Funds:				
General fund	\$ 23,137,448	\$ -	\$ -	\$ 23,137,448
Classroom site fund	-	-	4,069,828	4,069,828
Special projects fund	1,385,287	-	-	1,385,287
Bond Building Fund	2,509,557	-	-	2,509,557
Debt service fund	324,953	-	-	324,953
Nonmajor funds	6,008,529	-	(4,069,828)	1,938,701
Total governmental funds	\$ 33,365,774	\$ -	\$ -	\$ 33,365,774

NOTE 13 – SUBSEQUENT EVENTS

Budget Increase - On November 4, 2025, the qualified voters of the District approved a school District Additional Assistance (DAA) budget by the lesser of \$1,250,000 or 10% of the District’s revenue control limit per year for a period not to exceed seven (7) years.

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER THAN MD&A**

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION (ASSET)/LIABILITY AND CONTRIBUTIONS
COST-SHARING OPEB PLAN
LAST TEN FISCAL YEARS**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Reporting Fiscal Year (Measurement Date)									
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Proportion of the net pension liability	0.16764%	0.17781%	0.18136%	0.19301%	0.20254%	0.20255%	0.20504%	0.20827%	0.20273%	0.19866%
Proportionate share of the net pension liability	\$ 25,514,400	\$ 27,126,574	\$ 29,022,541	\$ 23,829,899	\$ 33,441,916	\$ 29,471,927	\$ 28,248,597	\$ 31,941,235	\$ 33,616,870	\$ 31,577,908
Covered payroll	\$ 23,602,337	\$ 23,394,859	\$ 21,773,035	\$ 20,074,204	\$ 21,418,905	\$ 21,503,584	\$ 20,449,555	\$ 20,421,851	\$ 20,223,248	\$ 19,106,698
Proportionate share of the net pension liability as a percentage of its covered payroll	108.10%	115.95%	133.30%	118.71%	156.13%	137.06%	138.14%	156.41%	166.23%	165.27%
Plan fiduciary net position as a percentage of the total pension liability	76.93%	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

SCHEDULE OF CONTRIBUTIONS

	Reporting Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 2,526,800	\$ 2,635,796	\$ 2,656,906	\$ 2,630,781	\$ 2,368,733	\$ 2,413,908	\$ 2,387,136	\$ 2,193,068	\$ 2,158,144	\$ 2,116,831
Contributions in relation to the actuarially determined contribution	2,526,800	2,635,796	2,656,906	2,630,781	2,368,733	2,413,908	2,387,136	2,193,068	2,158,144	2,116,831
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 23,239,908	\$ 23,602,337	\$ 23,394,859	\$ 21,773,035	\$ 20,074,204	\$ 21,418,905	\$ 21,503,584	\$ 20,449,555	\$ 20,421,851	\$ 20,223,248
Contributions as a percentage of covered payroll	10.87%	11.17%	11.36%	12.08%	11.80%	11.27%	11.10%	10.72%	10.57%	10.47%

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY AND CONTRIBUTIONS
SINGLE EMPLOYER PLAN
LAST EIGHT FISCAL YEARS

	June 30 (Measurement Date)							
	2025 (2024)	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)
Total OPEB liability								
Service cost	\$ 40,606	\$ 42,026	\$ 62,122	\$ 55,373	\$ 69,526	\$ 61,296	\$ 59,696	\$ 57,958
Interest	57,129	57,169	33,644	44,930	53,748	45,789	38,027	36,887
Difference between expected and actual experience	-	12,375	-	17,268	-	278,785	-	-
Changes of assumptions	(8,536)	(73,848)	(165,652)	(26,103)	74,407	120,357	(7,504)	-
Benefit payments	(86,643)	(124,182)	(102,453)	(162,906)	(65,062)	(59,208)	(111,544)	(37,832)
Net change in total OPEB liability	2,556	(86,460)	(172,339)	(71,438)	132,619	447,019	(21,325)	57,013
Total OPEB liability, beginning of year	1,482,330	1,568,790	1,741,129	1,812,567	1,679,948	1,232,929	1,254,254	1,197,241
Total OPEB liability, end of year	\$ 1,484,886	\$ 1,482,330	\$ 1,568,790	\$ 1,741,129	\$ 1,812,567	\$ 1,679,948	\$ 1,232,929	\$ 1,254,254
Covered payroll	\$ 23,602,337	\$ 23,394,859	\$ 21,773,035	\$ 20,074,204	\$ 21,418,905	\$ 21,503,584	\$ 20,449,555	\$ 20,421,851
Net OPEB liability (asset) as a percentage of covered payroll	6.29%	6.34%	7.21%	8.67%	8.46%	7.81%	6.03%	6.14%

Note: In the future, as data becomes available, ten years of information will be presented.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND (BUDGETARY BASIS)
M&O FUND
YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Variances -	
	Original	Final	Budgetary Basis - Actual	Final to Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ 10,167,397	\$ 10,167,397
Intergovernmental	-	-	18,209,575	18,209,575
Investment earnings	-	-	221,889	221,889
Other	-	-	22,473	22,473
Total Revenues	-	-	28,621,334	28,621,334
EXPENDITURES				
Regular education:				
Instruction	15,442,218	15,773,247	11,324,714	4,448,533
Support services - students	1,280,138	1,607,951	1,076,399	531,552
Support services - instructional staff	939,525	1,248,699	834,543	414,156
Support services - general administration	937,455	2,431,371	1,533,011	898,360
Support services - school administration	1,839,451	1,896,852	1,705,940	190,912
Support services - central services	2,201,941	2,129,125	1,746,527	382,598
Operations and maintenance of plant	4,344,297	4,613,286	3,185,765	1,427,521
Operation of noninstructional services	85,000	41,938	9,681	32,257
School sponsored athletics	18,443	450	450	-
Other programs	215,487	246,924	243,241	3,683
Total regular education	27,303,955	29,989,843	21,660,271	8,329,572
Special education:				
Instruction	3,210,965	3,592,406	3,402,518	189,888
Support services - students	1,548,823	1,246,688	1,267,125	(20,437)
Support services - instructional staff	6,418	2,500	390	2,110
Operations and maintenance of plant	200	200	-	200
Total special education	4,766,406	4,841,794	4,670,033	171,761
Pupil transportation:				
Student transportation services	1,829,210	2,088,598	1,323,231	765,367
K-3 reading program:				
Instruction	315,771	293,990	289,583	4,407
Total Expenditures	34,215,342	37,214,225	27,943,118	9,271,107
Excess (Deficiency) of Revenues Over Expenditures	(34,215,342)	(37,214,225)	678,216	37,892,441
Other Financing Sources (Uses):				
Other uses	-	-	(18,945)	(18,945)
NET CHANGE IN FUND BALANCE	(34,215,342)	(37,214,225)	659,271	37,873,496
Fund Balance - Beginning	-	-	13,783,184	13,783,184
Fund Balance - Ending	\$ (34,215,342)	\$ (37,214,225)	\$ 14,442,455	\$ 51,656,680

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 BUDGETARY COMPARISON SCHEDULE – CLASSROOM SITE FUND
 YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 3,028,675	\$ 3,028,675
Investment earnings	-	-	162,529	162,529
Total Revenues	-	-	3,191,204	3,191,204
EXPENDITURES				
Regular education:				
Instruction	5,353,852	4,834,356	1,791,339	3,043,017
Support services - students	309,296	279,284	103,487	175,797
Support services - instructional staff	447,319	403,915	149,668	254,247
Other instructional programs	180,735	163,198	60,472	102,726
Total regular education	6,291,203	5,680,753	2,104,966	3,575,787
Special education:				
Instruction	764,362	690,194	255,747	434,447
Support services - instructional staff	13,665	12,339	4,572	7,767
Total special education	778,027	702,533	260,319	442,214
K-3 reading program:				
Instruction	18,727	16,910	6,266	10,644
Total Expenditures	7,087,957	6,400,196	2,371,551	4,028,645
Excess (Deficiency) of Revenues Over Expenditures	(7,087,957)	(6,400,196)	819,653	7,219,849
NET CHANGE IN FUND BALANCE	(7,087,957)	(6,400,196)	819,653	7,219,849
Fund Balance - Beginning	-	-	4,069,828	4,069,828
Fund Balance - Ending	\$ (7,087,957)	\$ (6,400,196)	\$ 4,889,481	\$ 11,289,677

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 BUDGETARY COMPARISON SCHEDULE - SPECIAL PROJECTS FUND
 YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,737,454	\$ 5,737,454
Investment earnings	-	-	99,074	99,074
Total Revenues	-	-	5,836,528	5,836,528
EXPENDITURES				
Regular education:				
Instruction	1,914,327	2,457,527	1,703,096	754,431
Support services - students	494,020	634,201	462,266	171,935
Support services - instructional staff	802,782	1,030,576	727,264	303,312
Support services - school administration	-	-	7,181	(7,181)
Support services - central services	61,752	79,275	58,767	20,508
Other programs	1,852,574	2,378,252	1,644,003	734,249
Total regular education	5,125,456	6,579,832	4,602,577	1,977,255
Special education:				
Instruction	185,257	237,825	138,083	99,742
Support services - students	494,020	634,201	459,343	174,858
Total special education	679,277	872,026	597,426	274,600
Pupil transportation:				
Student transportation services	61,752	79,275	50,382	28,893
Capital outlay				
Facilities acquisition	308,762	396,375	300,984	95,391
Total Expenditures	6,175,248	7,927,508	5,551,369	2,376,139
Excess (Deficiency) of Revenues Over Expenditures	(6,175,248)	(7,927,508)	285,159	8,212,667
Other Financing Sources (Uses):				
Transfers out	-	-	(176,005)	(176,005)
NET CHANGE IN FUND BALANCE	(6,175,248)	(7,927,508)	109,154	8,036,662
Fund Balance - Beginning	-	-	1,385,287	1,385,287
Fund Balance - Ending	\$ (6,175,248)	\$ (7,927,508)	\$ 1,494,441	\$ 9,421,949

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 NOTES TO THE REQUIRED
 SUPPLEMENTARY INFORMATION
 YEAR ENDED JUNE 30, 2025**

NOTE 1 – AVAILABILITY OF PRIOR YEAR OPEB INFORMATION

Single-employer OPEB information prior to the measurement date of June 30, 2017, was not available. GASB Statement No. 75 requires the District to present 10 years of pension information as required supplementary information. However, until a full 10 years of trend data is compiled, the District will present information for only those years for which information is available.

Multiple-employer OPEB information related to the Arizona State Retirement System was not considered significant to present.

NOTE 2 – BUDGETARY BASIS OF ACCOUNTING

The District’s adopted budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the following exception:

- 1) The General Fund as reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances includes the District’s Maintenance and Operation Fund in addition to several other District funds as required by GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*; however, for budgetary purposes, the District prepares a separate Maintenance and Operation Fund budget.

The following adjustments are necessary to present actual revenues, expenditures, other financing sources and uses, beginning fund balance and ending fund balance on a budgetary basis in order to present only the activity of the District’s Maintenance and Operation Fund for budgetary purposes.

	Total Revenues	Total Expenditures	General Fund Other Financing Sources and Uses	Fund balance beginning of year	Fund balance end of year
Statement of revenues, expenditures and changes in fund balance	\$ 33,498,377	\$ 31,944,258	\$ 157,060	\$ 23,137,448	\$ 24,848,627
Non-maintenance and operation activity included in the General Fund	(4,877,043)	(4,001,140)	(176,005)	(9,354,264)	(10,406,172)
Schedule of revenues, expenditures, and changes in fund balance - budget to actual	\$ 28,621,334	\$ 27,943,118	\$ (18,945)	\$ 13,783,184	\$ 14,442,455

A budget to actual schedule for the Non-Maintenance and Operation funds is presented in the Combining and Individual Fund Statements section of this report.

NOTE 3 – OTHER POSTEMPLOYMENT BENEFIT PLAN

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 presented an increase in the discount rate from 3.69% to 3.86%. The assumed percentage of future retirees that would elect spouse coverage remained 15% for both males and females. The District’s other postemployment benefit plan is a nontrusted plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NONMAJOR GOVERNMENTAL FUNDS
FUND DESCRIPTIONS
JUNE 30, 2025

SPECIAL REVENUE FUNDS

Instructional Improvement Fund - accounts for revenues and expenditures for State apportioned Indian Gaming monies.

Other Special Revenue Fund - accounts for the revenues and expenditures of the following activities or objectives: civic center, community school, extracurricular activity fee tax credit, fingerprinting, textbooks, insurance refund, student activities, and grants and gifts to teachers.

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

CAPITAL PROJECTS FUND

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

Emergency Deficiencies Correction Fund - Accounts for monies received from the ADOA School Facilities Division to correct emergency deficiencies.

Building Renewal Grant Fund - Accounts for building renewal monies that districts may request from the ADOA School Facilities Division.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2025**

	Special Revenue Funds			Capital Project Funds			Non-Major Governmental Funds
	Instructional Improvement Fund	Other Special Revenue Fund	Food Service Fund	Adjacent Ways Fund	Emergency Deficiencies Correction	Building Renewal Grant	
ASSETS							
Cash and investments	\$ 348,660	\$ 528,908	\$ 1,610,618	\$ 108,436	\$ 51,875	\$ 1,495	\$ 2,649,992
Receivables:							
Intergovernmental	120,533	-	38,855	-	-	-	159,388
Accounts receivable	-	9,067	1,841	-	-	-	10,908
Deposits	-	-	84,323	-	-	-	84,323
Inventory	-	-	82,669	-	-	-	82,669
Total Assets	\$ 469,193	\$ 537,975	\$ 1,818,306	\$ 108,436	\$ 51,875	\$ 1,495	\$ 2,987,280
LIABILITIES							
Accounts Payable	\$ -	\$ 1,689	\$ 11,123	\$ -	\$ -	\$ -	\$ 12,812
Accrued Wages	-	146	22,649	-	-	-	22,795
Total Liabilities	-	1,835	33,772	-	-	-	35,607
FUND BALANCES							
Nonspendable	-	-	82,669	-	-	-	82,669
Restricted	469,193	536,140	1,701,865	108,436	51,875	1,495	2,869,004
Total Fund Balances	469,193	536,140	1,784,534	108,436	51,875	1,495	2,951,673
Total Liabilities and Fund Balances	\$ 469,193	\$ 537,975	\$ 1,818,306	\$ 108,436	\$ 51,875	\$ 1,495	\$ 2,987,280

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FISCAL YEAR ENDED JUNE 30, 2025**

	Special Revenue Funds			Capital Project Funds			Non-Major Governmental Funds
	Instructional Improvement Fund	Other Special Revenue Fund	Food Service Fund	Adjacent Ways Fund	Emergency Deficiencies Correction	Building Renewal Grant	
REVENUES							
Intergovernmental	\$ 252,872	\$ -	\$ 3,958,417	\$ -	\$ -	\$ -	\$ 4,211,289
Tuition	-	165,676	-	-	-	-	165,676
Food Services Sales	-	-	75,022	-	-	-	75,022
Student Activities	-	4,970	-	-	-	-	4,970
Contributions and donations	-	-	-	-	-	-	-
Investment earnings	2,399	53,497	32,668	3,559	1,703	49	93,875
Other	-	48,414	611	-	-	-	49,025
Total Revenues	255,271	272,557	4,066,718	3,559	1,703	49	4,599,857
EXPENDITURES							
Current							
Instruction	77,668	9,576	-	-	-	-	87,244
Support services:							
School administration	-	301	-	-	-	-	301
Business and other support services	-	1,065	1,500	-	-	-	2,565
Operations and maintenance of plant	-	80	35,989	-	-	-	36,069
Operations of noninstructional services	-	161,522	3,362,972	-	-	-	3,524,494
Total Expenditures	77,668	172,544	3,400,461	-	-	-	3,650,673
Excess (Deficiency) of Revenues Over Expenditures	177,603	100,013	666,257	3,559	1,703	49	949,184
Fund Balance - July 1, 2024	291,590	436,127	1,054,489	104,877	50,172	1,446	1,938,701
Increase in inventories	-	-	63,788	-	-	-	63,788
Fund Balance - Ending	\$ 469,193	\$ 536,140	\$ 1,784,534	\$ 108,436	\$ 51,875	\$ 1,495	\$ 2,951,673

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 INSTRUCTIONAL IMPROVEMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 252,872	\$ 252,872
Investment earnings	-	-	2,399	2,399
Total Revenues	-	-	255,271	255,271
EXPENDITURES				
Regular education:				
Instruction	270,000	264,678	77,668	187,010
Total Expenditures	270,000	264,678	77,668	187,010
Excess (Deficiency) of Revenues				
Over Expenditures	(270,000)	(264,678)	177,603	442,281
Fund Balance - Beginning	-	-	291,590	291,590
Fund Balance - Ending	\$ (270,000)	\$ (264,678)	\$ 469,193	\$ 733,871

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
OTHER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Actual
REVENUES				
Tuition	\$ -	\$ -	\$ 165,676	\$ 165,676
Student activities	-	-	4,970	4,970
Investment earnings	-	-	53,497	53,497
Other	-	-	48,414	48,414
Total Revenues	-	-	272,557	272,557
EXPENDITURES				
Regular education:				
Instruction	7,783	9,695	2,481	7,214
Support services - central services	3,341	4,162	1,065	3,097
School sponsored cocurricular activities	20,743	25,838	6,612	19,226
School sponsored athletics	1,515	1,887	483	1,404
Other instructional programs	506,720	631,177	161,522	469,655
Total Expenditures	541,298	674,248	172,544	501,704
Excess (Deficiency) of Revenues Over Expenditures	(541,298)	(674,248)	100,013	774,261
Fund Balance - Beginning	-	-	436,127	436,127
Fund Balance - Ending	\$ (541,298)	\$ (674,248)	\$ 536,140	\$ 1,210,388

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 3,958,417	\$ 3,958,417
Food service sales	-	-	75,022	75,022
Investment earnings	-	-	32,668	32,668
Other	-	-	611	611
Total Revenues	-	-	4,066,718	4,066,718
EXPENDITURES				
Regular education:				
Support services - central services	2,642	1,853	1,500	1,142
Operations and maintenance of plant	63,394	44,451	35,989	27,405
Operation of noninstructional services	5,923,863	4,153,696	3,362,972	2,560,891
Total Expenditures	5,989,900	4,200,000	3,400,461	2,589,439
Excess (Deficiency) of Revenues Over Expenditures	(5,989,900)	(4,200,000)	666,257	6,656,157
Other Financing Sources (Uses):				
Change in inventory	-	-	63,788	63,788
NET CHANGE IN FUND BALANCE	(5,989,900)	(4,200,000)	730,045	4,930,045
Fund Balance - Beginning	-	-	1,054,489	1,054,489
Fund Balance - Ending	\$ (5,989,900)	\$ (4,200,000)	\$ 1,784,534	\$ 5,984,534

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 ADJACENT WAYS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances -</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
REVENUES				
Investment earnings	\$ -	\$ -	\$ 3,559	\$ 3,559
EXPENDITURES				
Capital outlay:				
Facilities acquisition	50,000	50,000	-	50,000
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(50,000)</u>	<u>(50,000)</u>	<u>3,559</u>	<u>3,559</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>104,877</u>	<u>104,877</u>
Fund Balance - Ending	<u>\$ (50,000)</u>	<u>\$ (50,000)</u>	<u>\$ 108,436</u>	<u>\$ 108,436</u>

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 EMERGENCY DEFICIENCIES CORRECTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances -</u>
	<u>Original</u>	<u>Final</u>		<u>Actual</u>
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,703	\$ 1,703
EXPENDITURES				
Regular education:				
Operations and maintenance of plant	49,890	50,172	-	50,172
Total Expenditures	<u>49,890</u>	<u>50,172</u>	<u>-</u>	<u>50,172</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(49,890)</u>	<u>(50,172)</u>	<u>1,703</u>	<u>51,875</u>
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>50,172</u>	<u>50,172</u>
Fund Balance - Ending	<u>\$ (49,890)</u>	<u>\$ (50,172)</u>	<u>\$ 51,875</u>	<u>\$ 102,047</u>

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 BUILDING RENEWAL GRANT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Investment earnings	\$ -	\$ -	\$ 49	\$ 49
EXPENDITURES				
Regular education:				
Operations and maintenance of plant	1,438	1,400	-	1,400
Total Expenditures	1,438	1,400	-	1,400
Excess (Deficiency) of Revenues Over Expenditures	(1,438)	(1,400)	49	1,449
Fund Balance - Beginning	-	-	1,446	1,446
Fund Balance - Ending	\$ (1,438)	\$ (1,400)	\$ 1,495	\$ 2,895

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 BOND BUILDING FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance - Final to Actual
	Original	Final		
EXPENDITURES				
Regular education:				
Instruction	\$ 473,250	\$ 473,250	\$ 215,800	\$ 257,450
Support services - instructional staff	590,971	590,971	269,480	321,491
Support services - central services	293,996	293,996	134,061	159,935
Operations and maintenance of plant	7,669	7,669	3,497	4,172
Total regular education	1,365,886	1,365,886	622,838	743,048
Capital outlay				
Facilities acquisition	4,634,114	4,634,114	2,113,135	2,520,979
Total Expenditures	6,000,000	6,000,000	2,735,973	3,264,027
Excess (Deficiency) of Revenues Over Expenditures	(6,000,000)	(6,000,000)	(2,735,973)	3,264,027
Other Financing Sources (Uses):				
General obligation bonds issued	-	-	5,820,000	(5,820,000)
Premium on general obligation bonds	-	-	268,961	(268,961)
Net Financing Sources (Uses)	-	-	6,088,961	(6,088,961)
NET CHANGE IN FUND BALANCE	(6,000,000)	(6,000,000)	3,352,988	9,352,988
Fund Balance - Beginning	-	-	2,509,557	2,509,557
Fund Balance - Ending	\$ (6,000,000)	\$ (6,000,000)	\$ 5,862,545	\$ 11,862,545

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variances -</u>
	<u>Original</u>	<u>Final</u>		<u>Final to Actual</u>
REVENUES				
Property taxes	\$ -	\$ -	3,283,103	\$ 3,283,103
Investment earnings	-	-	199,504	199,504
Total Revenues	-	-	3,482,607	3,482,607
EXPENDITURES				
Debt service				
Principal retirement	3,099,903	3,099,903	3,155,000	(55,097)
Interest and fiscal charges	400,097	400,097	407,208	(7,111)
Total debt service	3,500,000	3,500,000	3,562,208	(62,208)
Total Expenditures	3,500,000	3,500,000	3,562,208	(62,208)
Excess (Deficiency) of Revenues Over Expenditures	(3,500,000)	(3,500,000)	(79,601)	3,420,399
Fund Balance - Beginning	-	-	324,953	324,953
Fund Balance - Ending	\$ (3,500,000)	\$ (3,500,000)	\$ 245,352	\$ 3,745,352

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
GENERAL FUND – NON-M&O FUNDS (NON-GAAP)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Budgeted Amounts</u>		<u>Non-GAAP</u>	<u>Variances -</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u> <u>Basis - Actual</u>	<u>Final to Actual</u>
REVENUES				
Property taxes	\$ -	\$ -	\$ 1,953,338	\$ 1,953,338
Intergovernmental	-	-	2,649,329	2,649,329
Auxiliary operations	-	-	6,865	6,865
Rental income	-	-	1,299	1,299
Contributions and donations	-	-	10,253	10,253
Investment earnings	-	-	230,552	230,552
Other	-	-	25,407	25,407
Total Revenues	-	-	4,877,043	4,877,043
EXPENDITURES				
Regular education:				
Instruction	7,490,922	7,736,257	1,889,417	5,846,840
Support services - students	354,684	366,300	89,461	276,839
Support services - instructional staff	377,770	390,142	95,284	294,858
Support services - general administration	29,319	30,279	7,395	22,884
Support services - school administration	1,534	1,585	387	1,198
Support services - central services	3,328,823	3,437,845	839,621	2,598,224
Operations and maintenance of plant	646,456	667,628	163,054	504,574
Operation of noninstructional services	108,664	112,223	27,408	84,815
School sponsored athletics	31,916	32,961	8,050	24,911
Other programs	879,103	907,894	221,734	686,160
Total regular education	13,249,191	13,683,114	3,341,811	10,341,303
Special education:				
Instruction	89,146	92,065	22,485	69,580
Support services - students	5,947	6,142	1,500	4,642
Total special education	95,093	98,207	23,985	74,222
Pupil transportation:				
Student transportation services	285,908	295,272	72,114	223,158
Capital outlay				
Facilities acquisition	2,233,023	2,306,157	563,230	1,742,927
Total Expenditures	15,863,215	16,382,750	4,001,140	12,381,610
Excess (Deficiency) of Revenues Over Expenditures	(15,863,215)	(16,382,750)	875,903	17,258,653
Other Financing Sources (Uses):				
Transfers in	-	-	176,005	176,005
NET CHANGE IN FUND BALANCE	(15,863,215)	(16,382,750)	1,051,908	17,434,658
Fund Balance - Beginning	-	-	9,354,264	9,354,264
Fund Balance - Ending	\$ (15,863,215)	\$ (16,382,750)	\$ 10,406,172	\$ 26,788,922

**STATISTICAL SECTION
(UNAUDITED)**

STATISTICAL SECTION

This section of the Fowler Elementary School District No. 45's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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

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

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

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

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

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

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

Net Position:	Fiscal Year Ended June 30				
	2025	2024	2023	2022	2021
Net investment in capital assets	\$ 48,190,693	\$ 48,970,768	\$42,171,956	\$43,626,688	\$44,287,002
Restricted	10,440,753	8,768,385	9,992,990	9,633,831	8,931,829
Unrestricted	1,191,918	(2,445,569)	(7,489,620)	(16,224,535)	(19,653,598)
	<u>\$ 59,823,364</u>	<u>\$ 55,293,584</u>	<u>\$44,675,326</u>	<u>\$ 37,035,984</u>	<u>\$ 33,565,233</u>

Net Position:	Fiscal Year Ended June 30				
	2020	2019	2018	2017	2016
Net investment in capital assets	\$45,523,270	\$46,358,724	\$46,753,670	\$48,191,326	\$49,966,370
Restricted	9,170,508	6,571,421	6,092,133	6,587,468	6,078,130
Unrestricted	(22,662,189)	(20,418,692)	(21,600,551)	(23,337,161)	(25,085,633)
	<u>\$ 32,031,589</u>	<u>\$ 32,511,453</u>	<u>\$ 31,245,252</u>	<u>\$ 31,441,633</u>	<u>\$ 30,958,867</u>

Source: The District's financial records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
EXPENSE, PROGRAM REVENUES, AND NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Instruction	\$ 22,959,876	\$ 22,132,426	\$23,550,919	\$23,654,666	\$21,560,863	\$21,597,086	\$20,944,015	\$20,816,390	\$21,647,346	\$20,358,638
Support Services - students and staff	5,356,006	5,569,697	5,391,950	4,991,045	5,125,844	4,184,880	4,087,526	4,370,021	4,377,567	3,895,243
Support Services - administration	5,994,497	6,323,224	5,495,941	4,627,101	4,441,285	4,599,349	4,500,445	4,146,907	4,174,385	4,078,494
Operation and Maintenance of plant services	4,037,044	4,265,811	4,328,904	4,033,763	3,698,829	4,174,757	3,585,702	3,763,197	4,123,198	3,983,899
Student transportation services	1,659,623	2,057,398	1,994,974	1,804,959	1,710,497	2,147,638	1,980,848	1,953,315	2,033,812	1,577,521
Operation of non-instructional services	5,879,227	5,678,228	4,653,540	4,483,181	3,315,544	4,763,842	4,741,031	5,120,216	5,300,148	4,892,287
Interest on long-term debt	136,343	186,681	99,633	160,890	257,564	232,800	264,227	102,539	275,370	101,010
Total expenses	46,022,616	46,213,465	45,515,861	43,755,605	40,110,426	41,700,352	40,103,794	40,272,585	41,931,826	38,887,092
Program revenues:										
Charges for services:										
Instruction	173,041	57,323	12,332	11,787	29,283	4,276	9,438	10,694	43,854	3,289
Operation of non-instructional services	86,857	187,079	173,477	241,254	22,905	449,782	286,898	656,400	169,973	596,838
Other Activities	-	21,549	2,659	28,506	-	-	-	-	-	-
Operating grants and contributions	13,661,842	21,190,859	18,699,150	15,960,666	12,718,076	10,365,513	11,885,380	10,437,921	10,618,450	10,926,565
Capital grants and contributions	-	-	-	494,598	200,388	-	-	-	-	-
Total program revenues	13,921,740	21,456,810	18,887,618	16,736,811	12,970,652	10,819,571	12,181,716	11,105,015	10,832,277	11,526,692
Net expense	\$ (32,100,876)	\$ (24,756,655)	\$ (26,628,243)	\$ (27,018,794)	\$ (27,139,774)	\$ (30,880,781)	\$ (27,922,078)	\$ (29,167,570)	\$ (31,099,549)	\$ (27,360,400)

Source: The District's financial records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
GENERAL REVENUES AND TOTAL CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net Expense	\$ (32,100,876)	\$ (24,756,655)	\$ (26,628,243)	\$ (27,018,794)	\$ (27,139,774)	\$ (30,880,781)	\$ (27,922,078)	\$ (29,167,570)	\$ (31,099,549)	\$ (27,360,400)
General revenues:										
Property taxes	15,347,661	15,489,966	15,555,278	14,172,871	13,200,976	12,760,941	12,292,881	13,765,066	13,705,187	10,174,811
Investment Income and Other	1,050,943	636,325	498,484	368,368	333,398	460,508	450,031	192,984	981,433	490,606
Unrestricted County Aid	-	-	15,902	1,374,932	1,370,791	1,467,439	1,426,034	1,067,009	1,607,975	1,664,810
Unrestricted State Aid	20,232,052	19,159,857	18,197,921	14,256,734	13,311,953	15,712,029	15,019,333	14,587,800	15,293,720	16,614,468
Total general revenues	36,630,656	35,286,148	34,267,585	30,172,905	28,217,118	30,400,917	29,188,279	29,612,859	31,588,315	28,944,695
Changes in net position	\$ 4,529,780	\$ 10,529,493	\$ 7,639,342	\$ 3,154,111	\$ 1,077,344	\$ (479,864)	\$ 1,266,201	\$ 445,289	\$ 488,766	\$ 1,584,295

Source: The District's financial records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 FUND BALANCES – GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 MODIFIED ACCRUAL BASIS OF ACCOUNTING
 (UNAUDITED)**

General Fund	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Nonspendable	\$ 116,009	\$ 134,954	\$119,626	\$126,609	\$138,703	\$99,587	\$119,663	\$121,043	\$91,661	\$62,105
Unassigned	24,732,618	23,002,494	17,926,985	10,420,519	8,969,765	8,998,148	7,648,337	7,845,802	6,682,354	5,105,285
Total General Fund	24,848,627	23,137,448	18,046,611	10,547,128	9,108,468	9,097,735	7,768,000	7,966,845	6,774,015	5,167,390
All other governmental funds:										
Nonspendable	82,669	18,881	50,442	18,373	104,695	39,957	39,167	4,565	24,131	63,616
Restricted	15,360,823	10,209,445	8,687,309	12,532,944	13,078,249	9,130,551	8,150,615	8,836,794	8,364,376	7,531,117
Unassigned	-	-	-	(39,059)	(39,059)	(39,020)	(39,292)	-	-	-
Total all other governmental funds	15,443,492	10,228,326	8,737,751	12,512,258	13,143,885	9,131,488	8,150,490	8,841,359	8,388,507	7,594,733
Total all governmental funds	\$ 40,292,119	\$ 33,365,774	\$ 26,784,362	\$ 23,059,386	\$ 22,252,353	\$ 18,229,223	\$ 15,918,490	\$ 16,808,204	\$ 15,162,522	\$ 12,762,123

Source: The District's financial records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
REVENUES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Federal sources:										
Federal aid and grants	\$ 5,939,193	\$ 11,353,805	\$11,353,805	\$9,096,843	\$8,504,843	\$5,023,800	\$6,272,096	\$5,392,175	\$5,264,631	\$5,046,121
National school lunch program	3,958,417	3,059,226	3,059,226	3,692,082	1,635,874	2,823,268	3,135,092	2,898,063	3,464,522	3,751,501
Total federal sources:	9,897,610	14,413,031	14,413,031	12,788,925	10,140,717	7,847,068	9,407,188	8,290,238	8,729,153	8,797,622
States sources:										
State equalization and grants	20,232,052	18,901,457	18,901,457	14,256,734	13,311,953	15,712,029	14,830,858	16,583,188	17,073,286	18,614,958
School facilities board	-	-	-	-	-	-	-	-	-	-
Other revenues	3,731,510	3,130,221	3,130,221	3,525,515	2,648,246	2,460,608	2,601,653	-	-	-
Total state sources	23,963,562	22,031,678	22,031,678	17,782,249	15,960,199	18,172,637	17,432,511	16,583,188	17,073,286	18,614,958
Local sources										
Property taxes	15,403,838	15,594,216	15,496,837	13,818,097	12,839,137	12,539,126	12,031,650	12,772,151	13,584,081	10,214,055
County equalization	15,902	15,902	15,902	1,374,932	1,370,791	1,467,439	1,426,034	1,067,009	1,607,975	1,664,810
Food service sales	75,022	146,144	151,142	15,964	2,390	172,755	184,655	545,020	28,919	489,744
Investment income	1,007,423	578,995	263,996	207,819	219,118	324,155	293,289	148,967	186,393	55,801
Other revenues	245,216	4,067,242	724,176	913,799	628,607	795,866	654,704	1,274,514	1,089,679	673,641
Total local sources	16,747,401	20,402,499	16,652,053	16,330,611	15,060,043	15,299,341	14,590,332	15,807,661	16,497,047	13,098,051
Total revenues	\$ 50,608,573	\$ 56,847,208	\$ 53,096,762	\$ 46,901,785	\$ 41,160,959	\$ 41,319,046	\$ 41,430,031	\$ 40,681,087	\$ 42,299,486	\$ 40,510,631

Source: The District's financial records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)**

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenditures:										
Current:										
Instruction	\$ 21,134,892	\$ 20,336,619	\$21,980,125	\$23,048,535	\$19,458,263	\$19,623,237	\$20,294,958	\$19,448,632	\$19,850,395	\$18,777,873
Support services - students and staff	5,540,782	5,612,549	5,458,048	5,130,689	5,113,198	4,093,240	4,244,237	4,440,594	4,310,226	3,918,393
Support services - administration	5,907,383	6,921,476	5,476,912	4,681,127	4,284,563	4,344,391	4,535,105	4,144,981	3,984,062	3,893,557
Operation and maintenance of plant services	3,388,385	3,614,074	3,696,477	3,440,976	3,149,566	3,777,068	3,415,086	3,613,612	3,806,605	3,877,089
Student transportation services	1,445,727	2,221,043	2,065,164	1,605,139	1,451,880	1,876,745	1,823,743	1,787,289	1,632,782	1,329,043
Operation of non-instructional services	5,730,933	5,545,609	4,868,878	4,217,345	3,077,717	4,359,205	4,586,708	4,861,463	4,961,593	4,681,452
Capital outlay	2,977,349	8,595,319	2,177,784	1,677,933	1,833,420	2,386,169	1,299,032	1,032,105	2,250,950	985,721
Debt Service:										
Principal retirement	3,155,000	2,985,000	3,440,000	2,110,000	2,010,000	1,935,000	1,825,000	2,125,000	1,725,000	1,525,000
Interest, premium and fiscal charges	407,208	390,306	251,600	312,857	255,066	270,182	322,301	234,879	312,425	138,065
Bond Issuance Costs	128,373	118,275	-	-	89,538	86,714	-	95,285	55,120	-
Total expenditures	\$ 49,816,032	\$ 56,340,270	\$ 49,414,988	\$ 46,224,601	\$ 40,723,211	\$ 42,751,951	\$ 42,346,170	\$ 41,783,840	\$ 42,889,158	\$ 39,126,193
Debt service as a percentage of noncapital expenditures	7.9%	7.6%	8.0%	5.4%	5.8%	5.5%	5.2%	5.8%	5.0%	4.4%

Source: The District's financial records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 OTHER FINANCING SOURCES AND USES AND NET CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 MODIFIED ACCRUAL BASIS OF ACCOUNTING
 (UNAUDITED)**

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Excess (deficiency) of revenues over expenditures	\$ 792,541	\$ 506,938	\$ 3,681,774	\$ 677,184	\$ 437,748	\$ (1,432,905)	\$ (916,139)	\$ (1,007,468)	\$ (589,672)	\$ 1,384,438
Insurance of Long-Term Debt	5,820,000	5,800,000	-	-	2,805,000	3,360,000		2,465,000	3,000,000	
Premium on Sale of Bonds	268,961	290,707	-	259,707	396,127		105,095	-		
Transfers in	176,005	860,042	803,311	2,730,960	117,948	503,317	351,839	1,192,147	292,889	248,557
Transfers out	(176,005)	(860,042)	(803,311)	(2,730,960)	(117,948)	(503,317)	(351,839)	(1,192,147)	(292,889)	(248,557)
Total other financing sources (uses)	<u>6,088,961</u>	<u>6,090,707</u>	<u>-</u>	<u>259,707</u>	<u>3,201,127</u>	<u>3,360,000</u>	<u>105,095</u>	<u>2,465,000</u>	<u>3,000,000</u>	<u>-</u>
Changes in fund balances	\$ 6,881,502	\$ 6,597,645	\$ 3,681,774	\$ 936,891	\$ 3,638,875	\$ 1,927,095	\$ (811,044)	\$ 1,457,532	\$ 2,410,328	\$ 1,384,438

Source: The District's financial records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 MODIFIED ACCRUAL BASIS OF ACCOUNTING
 (UNAUDITED)**

Fiscal Year	Estimated Actual Value Real/Personal Property Less Exemptions	Net Assessed Full Cash Value	Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
2025	8,291,124,464	1,062,495,161	3.13	12.81%
2024	6,776,252,467	898,882,525	3.24	13.27%
2023	5,186,976,849	702,532,571	3.42	13.54%
2022	4,813,710,361	669,282,269	3.31	13.90%
2021	4,296,991,487	601,159,575	3.40	13.99%
2020	3,837,093,236	537,361,400	3.55	14.00%
2019	3,350,143,470	459,644,285	3.82	13.72%
2018	3,181,695,252	439,639,028	4.10	13.82%
2017	2,896,862,913	397,718,756	4.98	13.73%
2016	2,380,159,743	321,726,883	4.05	13.52%

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

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NET SECONDARY ASSESSED VALIATION BY PROPERTY CLASSIFICATION
JUNE 30, 2025
(UNAUDITED)

Property Classification (a)	2025
Commercial, Industrial, Utilities and Mining	74%
Agricultural and Vacant	2%
Residential (Owner Occupied)	14%
Residential (Rental)	10%
Railroad, Private Cars and Airlines	0%
Historical Property	0%
Certain Government Property Improvements	0%
Class	2025
Commercial, Industrial, Utilities and Mining	\$ 380,873,460
Agricultural and Vacant	7,702,455
Residential (Owner Occupied)	69,926,439
Residential (Rental)	49,828,242
Railroad, Private Cars and Airlines	1,230,239
Historical Property	2,080,218
Certain Government Property Improvements	22,206
Totals	<u>\$ 511,663,259</u>
Ratio of net full cash assessed values to Gross Full Cash Value	\$8,291,124,464
Ratio of Net Limited Assessed Value to Gross Full Cash Value	6.17%
Total Direct Rate	3.13%

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

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Fiscal Year ended June 30	District Direct Rates			Overlapping Rates					
	Primary	Secondary	Total	State Equalization	County	Maricopa Community College	Tolleson Union High School District #214	City of Tolleson	City of Phoenix
2025	1.68%	1.45%	3.13%	0.00%	1.16%	1.10%	4.70%	2.68%	2.08%
2024	1.74%	1.50%	3.24%	0.00%	1.20%	1.14%	5.31%	2.64%	2.09%
2023	1.77%	1.65%	3.42%	0.45%	1.36%	1.18%	4.63%	2.68%	2.16%
2022	1.95%	1.36%	3.31%	0.43%	1.35%	1.11%	4.73%	2.75%	2.12%
2021	1.88%	1.52%	3.40%	0.44%	1.40%	1.29%	4.71%	3.53%	2.13%
2020	1.91%	1.64%	3.55%	0.46%	1.40%	1.33%	5.01%	3.72%	2.13%
2019	2.00%	1.82%	3.82%	0.47%	1.40%	1.91%	4.45%	3.83%	2.14%
2018	2.07%	2.03%	4.10%	0.49%	1.40%	1.41%	3.94%	3.99%	2.16%
2017	2.96%	2.01%	4.98%	0.50%	1.40%	1.24%	3.57%	3.97%	2.17%
2016	2.04%	2.01%	4.05%	0.51%	1.36%	1.26%	4.01%	3.97%	1.82%

Source: Maricopa County Tax Levies and Tax Rates report.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 PRINCIPAL PROPERTY TAXPAYERS
 FISCAL YEAR ENDED JUNE 30, 2025, AND 2016
 (UNAUDITED)**

<u>Taxpayer</u>	<u>2025</u>		<u>2016</u>	
	<u>Net Assessed Property Value for Secondary Tax Purposes</u>	<u>Percentage of Net Assessed Property Value for Secondary Tax Purposes</u>	<u>Net Assessed Property Value for Secondary Tax Purposes</u>	<u>Percentage of Net Assessed Property Value for Secondary Tax Purposes</u>
Salt River Project (T&D)	\$ 24,310,462	4.70%		
Liberty Property LP	17,655,648	3.41%		
Target Corporation	15,915,688	3.07%	\$ 11,161,682	4.04%
FR Cal 3 Tolleson Buckeye LLC	12,292,217	2.37%		
Winco Foods LLC	12,202,330	2.36%		
Amazon.com Services LLC	11,226,210	2.17%		
BRE Jupiter Agave DC LLC	10,974,943	2.12%		
Jenberly Distribution Center I LLC	10,342,380	2.00%		
Swift Transportation Co. Inc.	8,524,112	1.65%	6,621,337	2.39%
CH LH Buckeye Owner LLC	7,623,245	1.47%		
Smith's Food & Drug Centers Inc.			9,932,005	3.59%
Falcon Inc.			8,986,100	3.25%
Entertainment Center Development			8,513,147	3.08%
LBA Realty LLC			7,567,242	2.74%
Svc Manufacturing Inc.			6,526,746	2.36%
JQH Glendale Development			5,580,841	2.02%
Coyote Center Development LLC			4,634,936	1.68%
Phoenix Speedway Corp.			4,540,345	1.64%
Totals	<u>\$ 131,067,235</u>	<u>25.32%</u>	<u>\$ 48,022,582</u>	<u>21.08%</u>

Source: Maricopa County Assessor's Office.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30	Current Collections		Percentage of Current Taxes Collected	Delinquent Tax Collections	Total Collections	Collections as a Percentage of the Levy	Outstanding Tax Collections	Outstanding Collections as a Percentage of Levy
	Taxes Levied for the Fiscal Year	Amount						
2025	\$ 15,620,122	\$ 15,504,012	99.26%	-	15,504,012	99.26%	\$ 116,110	0.74%
2024	15,752,733	15,570,389	98.84%	176,633	15,747,022	99.96%	5,711	0.04%
2023	15,740,172	15,581,123	98.99%	153,222	15,734,345	99.96%	5,827	0.04%
2022	14,283,284	14,022,209	98.17%	232,844	14,255,053	99.80%	28,231	0.20%
2021	13,312,714	13,102,759	98.42%	192,141	13,294,900	99.87%	17,814	0.13%
2020	12,963,827	12,895,944	99.48%	795	12,896,739	99.48%	67,088	0.52%
2019	12,445,466	12,118,020	97.37%	197,555	12,315,575	98.96%	129,891	1.04%
2018	12,321,286	12,045,553	97.76%	215,124	12,260,677	99.51%	60,609	0.49%
2017	13,979,239	13,735,777	98.26%	181,644	13,917,421	99.56%	61,818	0.44%
2016	10,580,618	10,475,013	99.00%	27,684	10,502,697	99.26%	77,921	0.74%

Source: Coconino County Treasurer's records and District records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt			
	General Obligation Bonds	Less: Amount Restricted for Principal	Total	As Percentage of Estimated Actual Value of Property	Per Capita	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2025	\$ 8,812,074	\$ 245,352	\$ 8,566,722	0.10%	\$ 227	\$ 8,812,074	0.11%	\$ 234	0.00%
2024	6,148,978	324,953	5,824,025	0.09%	156	6,148,978	0.09%	165	0.00%
2023	3,246,896	210,388	3,036,508	0.06%	81	3,246,896	0.06%	87	0.00%
2022	8,948,863	134,683	8,814,180	0.18%	241	8,948,863	0.19%	244	0.00%
2021	11,110,830	111,938	10,998,892	0.26%	315	11,110,830	0.26%	318	0.00%
2020	10,068,163	237,899	9,830,264	0.26%	280	10,068,163	0.26%	286	0.00%
2019	8,261,132	160,255	8,100,877	0.24%	229	8,261,132	0.25%	234	0.00%
2018	10,444,206	119,204	10,325,002	0.32%	308	10,444,206	0.33%	311	0.01%
2017	9,636,166	106,778	9,529,388	0.33%	312	9,636,166	0.33%	315	0.01%
2016	8,198,221	178,797	8,019,424	0.34%	262	8,198,221	0.34%	268	0.00%

Source: The District's financial records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 JUNE 30, 2025
 (UNAUDITED)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Debt repaid with property taxes			
Maricopa County Community College District	\$ 26,675,000	0.85%	\$ 226,738
Maricopa County Special Health Care District	512,560,000	0.85%	4,356,760
City of Tolleson	9,490,000	17.23%	1,635,127
City of Phoenix	679,210,000	2.64%	17,931,144
Tolleson Union High School District No. 214	352,385,000	25.13%	88,554,351
Western Maricopa Education Center	66,045,000	2.18%	<u>1,439,781</u>
Subtotal, overlapping debt			<u>114,143,900</u>
Fowler Elementary School District No. 45 direct debt	8,465,000	100.00%	<u>8,465,000</u>
Total direct and overlapping debt			<u>\$ 122,608,900</u>

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

Net Direct General Obligation Bonded Debt		
Per capita		\$ 234
As a percentage of net assessed property value for secondary tax purposes		16.30%
As a percentage of net full cash value		0.10%
Net Direct and Overlapping General Bonded Debt		
Per capita		\$ 3,393
As a percentage of net assessed property value for secondary tax purposes		23.66%
As a percentage of net full cash value		1.52%

Source: Maricopa County and District records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)**

Legal Debt Margin Calculation for Fiscal Year 2025:

Net Full Cash Assessed Value	\$ 1,062,495,161
	15%
Debt limit (15% of assessed value)	<u>159,374,274</u>
Less: Net debt applicable to limit	<u>(11,967,074)</u>
Legal debt margin	<u>\$ 147,407,200</u>

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

Net Full Cash Assessed Value	\$ 1,062,495,161
	10%
Debt limit (10% of assessed value)	<u>106,249,516</u>
Less: Net debt applicable to limit	<u>(11,967,074)</u>
Legal debt margin	<u>\$ 94,282,442</u>

	Fiscal Year Ended June 30				
	2025	2024	2023	2022	2021
Debt limit	\$ 159,374,274	\$ 134,832,379	\$ 105,379,886	\$ 100,392,340	\$ 90,173,936
Less: Net debt applicable to limit	<u>(11,967,074)</u>	<u>(9,133,978)</u>	<u>(2,985,000)</u>	<u>(6,425,000)</u>	<u>(10,545,000)</u>
Legal debt margin	<u>\$ 147,407,200</u>	<u>\$ 125,698,401</u>	<u>\$ 102,394,886</u>	<u>\$ 93,967,340</u>	<u>\$ 79,628,936</u>
Total debt applicable to the limit as a percentage of debt limit.	7.5%	6.8%	2.8%	6.4%	11.7%

	Fiscal Year Ended June 30				
	2020	2019	2018	2017	2016
Debt limit	\$ 80,604,210	\$ 75,068,681	\$ 65,945,854	\$ 47,959,032	\$ 47,959,032
Less: Net debt applicable to limit	<u>(9,675,000)</u>	<u>(8,140,000)</u>	<u>(10,265,000)</u>	<u>(9,525,000)</u>	<u>(8,050,000)</u>
Legal debt margin	<u>\$ 70,929,210</u>	<u>\$ 66,928,681</u>	<u>\$ 55,680,854</u>	<u>\$ 38,434,032</u>	<u>\$ 39,909,032</u>
Total debt applicable to the limit as a percentage of debt limit.	12.0%	10.8%	15.6%	19.9%	16.8%

Source: District records and the State and County Abstract of the Assessment Roll from the Arizona Department of Revenue.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
COUNTY-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Maricopa County					
Year	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate	Estimated District Population
2025	4,420,568	\$ 312,350,417	90,967	3.7%	37,701
2024	4,665,020	312,350,417	68,111	3.2%	37,372
2023	4,586,431	272,434,001	59,400	3.7%	37,372
2022	4,496,588	268,711,602	59,759	3.3%	36,611
2021	4,420,568	245,077,753	55,440	6.6%	34,963
2020	4,485,414	222,943,017	49,704	4.3%	35,151
2019	4,410,824	210,370,180	47,694	4.5%	35,338
2018	4,221,684	196,286,191	41,222	4.2%	33,571
2017	4,137,076	175,437,829	40,003	4.7%	30,560
2016	4,076,438	175,437,829	40,424	5.1%	30,560

Source: Arizona Economic and Business Research Center at the University of Arizona and District's accounting records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 PRINCIPAL EMPLOYERS
 FISCAL YEAR ENDING JUNE 30, 2025, AND 2016
 (UNAUDITED)**

		2025	
Employer	Description	Approximate Number of Employees	Percentage of Total Employment
State of Arizona	Government	28,870	1.13%
Banner Health	Healthcare	28,350	1.11%
Amazon	Retail	25,570	1.01%
Walmart	Retail	18,050	0.71%
Maricopa County	Government	15,320	0.60%
Frys Food Stores	Grocery	14,790	0.58%
Intel Corporation	Technology	12,990	0.51%
Wells Fargo	Financial Services	12,200	0.48%
Maricopa County Community Cc	Education	11,670	0.46%
Arizona State University	Education	10,970	0.43%
		178,780	7.03%

		2016	
Employer	Description	Approximate Number of Employees	Percentage of Total Employment
State of Arizona	Government	49,800	2.00%
Wal-Mart Stores Inc.	Retail	30,634	1.30%
Banner Health	Healthcare	23,825	1.00%
City of Phoenix	Government	15,100	0.60%
Wells Fargo	Financial services	13,308	0.50%
Bank of America	Financial services	13,300	0.50%
Maricopa County	Government	12,792	0.50%
Raytheon Co.	Technology	11,500	0.50%
Arizona State University	Education	11,185	0.50%
Apollo Education Group Inc.	Education	11,000	0.50%
		193,444	10.61%

Source: The Book of Lists, Phoenix Business Journal.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEE BY TYPE
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Supervisory										
Superintendent	1	1	1	1	1	1	1	1	1	1
Assistant superintendents	2	2	2	1	1	1	1	1	1	-
Consultants/supervisors of instruction	6	7	9	4	1	1	1	1	1	1
Principals	7	8	8	8	8	6	6	7	8	7
Assistant principals	4	5	3	5	6	8	8	8	7	9
Total supervisory	20	23	23	19	17	17	17	18	18	18
Instruction										
Teachers	166	171	200	196	199	223	236	233	237	244
Other professionals (instructional)	21	17	13	7	10	10	8	9	9	7
Aides	69	61	64	41	49	99	86	60	96	74
Total instruction	256	249	277	244	258	332	330	302	342	325
Student services										
Nurses	6	7	4	2	1	8	8	8	8	7
Guidance counselors	5	6	4	7	7	2	2	2	2	2
Librarians	6	8	7	6	7	7	7	7	7	6
Technicals	9	10	8	5	5	8	9	10	10	6
Other professionals (noninstructional)	14	14	8	16	11	11	7	6	6	14
Total student services	40	45	31	36	31	36	33	33	33	35
Support and administration										
Maintenance workers	33	31	29	26	29	29	31	18	18	28
Bus drivers	13	14	11	13	14	14	13	22	21	24
Food service workers	46	46	43	35	43	43	42	24	22	20
Other classified	63	58	39	26	25	25	32	29	35	28
Service workers	35	31	15	24	24	24	35	32	33	17
Total support and administration	190	180	137	124	135	135	153	125	129	117
Total full-time equivalent employees	506	497	468	423	441	520	533	478	522	495

Source: The District's accounting records.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 AVERAGE DAILY MEMBERSHIP
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Fiscal Year Ending	A.D.M. (a)
2025	3,419
2024	3,310
2023	3,485
2022	3,457
2021	3,466
2020	3,876
2019	4,038
2018	4,302
2017	4,434
2016	4,426

Source: The Arizona Department of Education.

(a) A.D.M. means average daily membership, and is computed by taking the average number of students enrolled over the first 100 days of the school year.

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Fiscal Year Ended June 30	100 Day Count Average Daily Membership	Governmental Funds Operating Expenditures	Cost per Pupil	% Change Cost per Pupil	District-wide Expenses	Cost per Pupil	% Change	Teaching Staff	Pupil-Teacher Ratio	% of Free & Reduced Students
2025	3,419	\$ 43,148,102	\$12,622	-4%	\$ 46,022,616	\$ 13,462	-2.2%	166	20.6	87.6%
2024	3,310	43,545,604	13,157	8%	45,515,861	13,753	8.7%	200	16.5	63.4%
2023	3,485	42,123,811	12,088	13%	43,755,605	12,557	7.6%	196	17.8	80.4%
2022	3,457	36,535,187	10,568	-4%	40,110,426	11,603	-3.7%	199	17.4	80.7%
2021	3,466	38,073,886	10,985	9%	41,700,352	12,031	14.0%	223	15.5	79.1%
2020	3,876	38,899,837	10,036	6%	40,103,794	10,347	3.6%	236	16.5	81.1%
2019	4,038	38,296,571	9,484	5%	40,272,585	9,973	2.3%	233	17.3	82.6%
2018	4,302	38,600,783	8,973	8%	41,931,826	9,747	10.0%	237	18.2	83.1%
2017	4,434	36,477,407	8,227	4%	38,887,092	8,770	1.3%	244	18.2	83.1%
2016	4,426	34,942,229	7,895	0%	38,305,210	8,655	61.8%	249	17.8	87.6%

Source: The District's accounting records.

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

**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
 CAPITAL ASSET INFORMATION
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

	Fiscal Year Ended June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Schools:										
Elementary										
Buildings	28	28	23	23	23	23	23	23	23	23
Square feet	382,827	382,827	352,253	352,253	352,253	352,253	352,253	352,253	352,253	352,253
Capacity	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881	3,881
Enrollment	2,523	2,460	2,248	2,195	2,479	2,438	2,997	2,864	2,930	2,930
Middle										
Buildings	9	9	9	9	9	9	9	9	9	9
Square feet	167,464	167,464	187,456	187,456	187,456	187,456	187,456	187,456	187,456	187,456
Capacity	1,775	1,775	3,497	3,497	3,497	3,497	3,497	3,497	3,497	3,497
Enrollment	1,131	1,139	1,217	1,261	965	1,438	1,482	1,527	1,473	1,473
Administrative										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	14,500	14,500	1,519	1,519	1,519	1,519	1,519	1,519	1,519	1,519
Transportation										
Garages	2	2	2	2	2	2	2	2	2	2
Buses	26	26	33	33	33	33	33	33	33	33
Athletics										
Soccer fields	7	7	6	6	6	6	6	6	6	6
Baseball/softball	9	9	9	9	9	9	9	9	9	9
Playgrounds	11	11	10	10	10	10	10	10	10	10

Source: The Maricopa County Assessor's Office.