
FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
PHOENIX, ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023



**FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
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YEAR ENDED JUNE 30, 2023**

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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

January 4, 2024

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, 2023.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of 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 rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CWDL, Certified Public Accountants, 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 which ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall presentation of the financial statement. 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 which ended June 30, 2023, 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.

*FOWLER ELEMENTARY • SUNRIDGE ELEMENTARY •
SUN CANYON ELEMENTARY • WESTERN VALLEY ELEMENTARY • TUSCANO ELEMENTARY
• SANTA MARIA MIDDLE • WESTERN VALLEY MIDDLE • FESD VIRTUAL ACADEMY
DR. MARVENE LOBATO CHILDCARE CENTER
An Equal Opportunity Employer*

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.

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.

PROFILE OF THE DISTRICT

The total population of the District is approximately 37,372. As one of 58 public school districts in Maricopa County, Arizona, it provides a public education program from Pre-K through grade eight, with an estimated enrollment of 3,485 students. Due to the COVID-19 pandemic, construction of a freeway through the north boundary of the District, and the current economy, student enrollment declined in fiscal years 2020 and 2021. Enrollment for fiscal year 2022 slightly increased and remained steady for fiscal year 2023.

The District provides instructional programming to five elementary and two middle school campuses. We also offer an online option for grades 3-8. We provide general and Special Education and English Language Learners with an education designed to meet state standards and prepare our students to succeed in high school and beyond.

The District offers a variety of preschool programs. Head Start programming is on four of our elementary campuses, and our childcare center is adjacent to the Western Valley campuses.

Our two middle school campuses offer a rich music education program, including orchestra, jazz, concert, and mariachi bands. These bands regularly perform at school and community events and regional competitions yearly.

The District adopted a new K-8 reading program in FY2016 to ensure our materials and resources align with the Arizona State Standards. In FY2017, Fowler Elementary School District ("FESD") adopted a new K-8 Math program aligned to the current Arizona State Standards. FESD works with companies and their consultants to train our new teachers to ensure they have the knowledge and understanding to use these programs effectively with our students. Additionally, we work with these and other consultants to provide training to keep up with current best practices.

The oldest building in the District was built in 1895, and the newest was completed in 2008. The District prioritizes facilities maintenance and upgrades to ensure campus safety and efficiency. Roof and other structural inspections are performed annually and as needed to ensure safety and functionality.

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

The membership of the Governing Board consists of three members elected by the public. 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 and 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 legally adopt a budget may have over expenditures 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 CONDITION

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

Local Economy: According to Arizona Department of Economic Security statistics, health care and service industries are the largest employment sector in the County. Approximately thirty-nine percent of all County businesses provide a service. The tourism industry contributes strongly to service employment in the County, with most dollars spent on food, lodging, and gasoline. The County has developed into a significant tourist center. Excellent tourist accommodations, diverse cultural activities, and a favorable climate attract millions of visitors to the area annually. Major league sports teams such as the Arizona Diamondbacks, Arizona Cardinals, Arizona Coyotes, Phoenix Suns, and spring training baseball have enhanced the tourism industry and benefited the local 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 suffered due to the recent economic downturn and the COVID-19 pandemic. Sales tax revenues have declined, and the state budget has been adversely impacted. However, the District's Maintenance and Operations, and capital budgets have remained constant due to careful planning and maximization of allowed carry-forward budget capacity.

Long-term Financial Planning: The District's annual budget process assures the adoption of balanced budgets, considering the economic conditions and reduced funding from the State. No structural deficits have been created as a result of State reductions.

In 2022, the voters in Fowler Elementary School District #45 approved a bond issue of \$30,000,000 for school improvements over four 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 signed intergovernmental agreements with other school districts and public entities to reduce transaction costs and increase economies of scale. Our on-site warehouse facility has increased our ability to reduce costs further through economies of scale and timing of purchases.

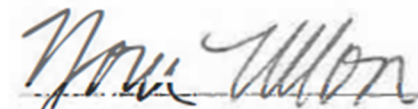
AWARDS AND ACKNOWLEDGMENT

Awards: The Association of School Business Officials International (ASBO) can award a Certificate of Excellence in Financial Reporting to School Districts. In addition, the Government Finance Officers Association (GFOA) awards 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. We believe that 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, 2023.

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

In closing, with the leadership and support of the District's Governing Board, the preparation of this report was possible.

Respectfully submitted,

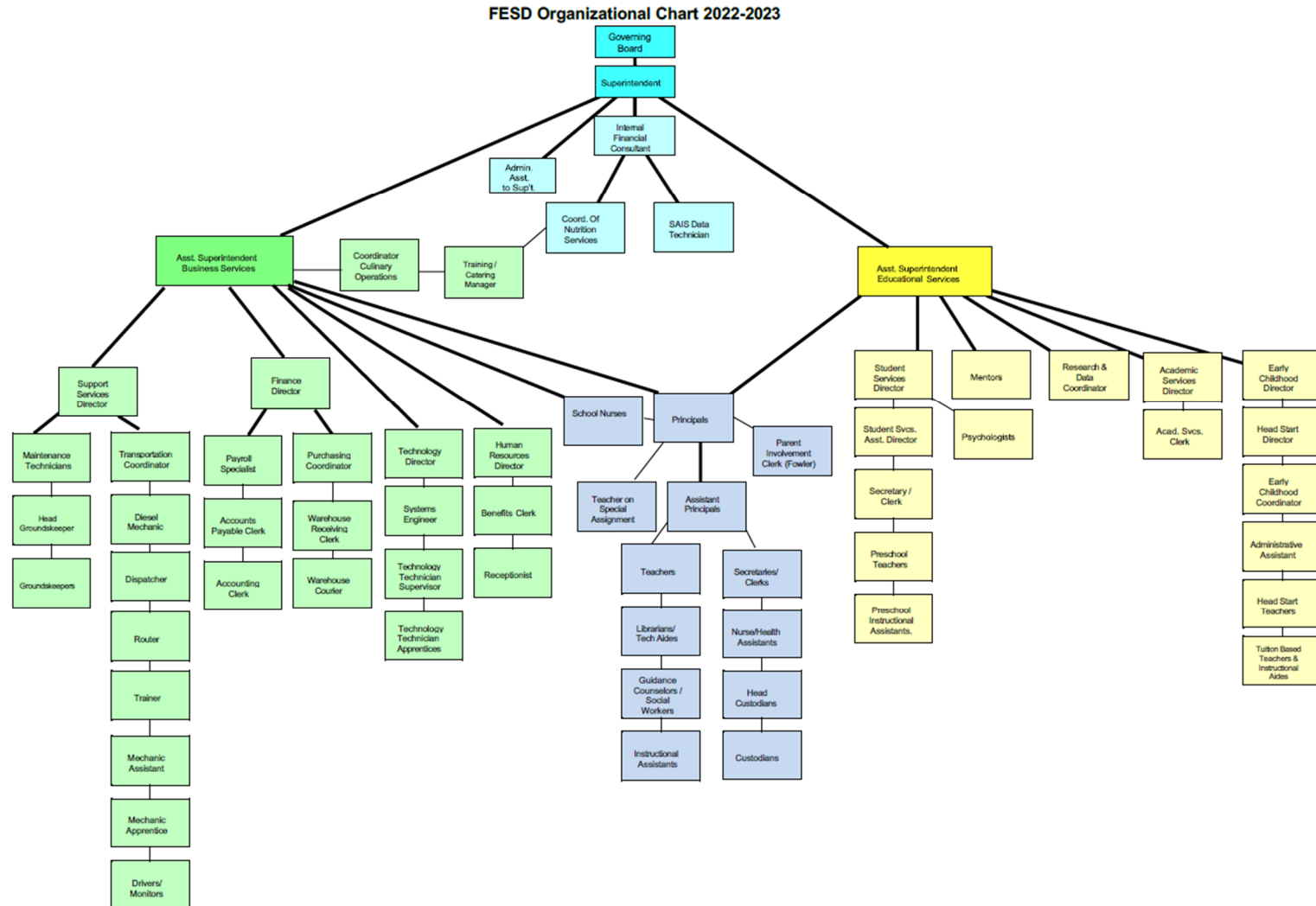


Nora Ulloa
Superintendent



Chad Ostrom
Assistant Superintendent of Business Services

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
ORGANIZATIONAL CHART
YEAR ENDED JUNE 30, 2023



FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
LIST OF PRINCIPAL AND ELECTED OFFICIALS
YEAR ENDED JUNE 30, 2023

GOVERNING BOARD

Peggy Eastburn
President

Francisca Montoya
Clerk

Lisa M. Perez
Member

ADMINISTRATIVE STAFF

Nora Ulloa, Superintendent

Chad Ostrom, Assistance Superintendent for Business Services

Catherine King, Finance Director



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Fowler Elementary School District 45

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

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



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style with a large, flowing 'J' and 'H'.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style with a large, flowing 'S' and 'M'.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Fowler Elementary School District No. 45
Arizona**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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, 2023, 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.

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 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 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 January 4, 2024 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.



Mesa, Arizona
January 4, 2024

REQUIRED SUPPLEMENTARY INFORMATION

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

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, 2023.

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 \$44,675,326 (net position). The District's total net position increased by \$7,639,342.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$26,784,362, an increase of \$3,724,976 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,926,985, or 67% of total General Fund expenditures.
- The District's net capital assets decreased \$475,673 due to depreciation expenses exceeding capital asset additions during the current year.
- The District's long-term liabilities increased by \$1,423,442 primarily due to the increase in pension liability caused by the changes and assumptions within the actuarial valuation. This increase was offset by routinely scheduled principal payments on outstanding bonds.

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, 2023

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, Special Projects Fund, and Debt Service Fund, which are considered to be major funds. Data from the other eight 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 13 - 16 of this report.

Notes to Basic Financial Statements

The notes to 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 basic financial statements can be found on pages 17 - 40 of this report.

Required Supplementary Information Other than MD&A

The District reports a multi-year schedule of the District's proportionate share of net pension/OPEB liability and contributions to its cost-sharing pension plan starting on page 41 followed by a schedule of changes in the total OPEB liability and related ratios.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

Governments have the option of reporting 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 and Special Projects budgetary comparison schedules as RSI other than the MD&A which can be found starting on page 45. 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 49 - 59 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 60 - 81 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 \$44,675,326 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 | | |
|---|--------------------------------|----------------------|---------------------|
| | (Restated) | | |
| | 2023 | 2022 | Net Change |
| ASSETS | | | |
| Current and other assets | \$ 33,716,929 | \$ 27,931,222 | \$ 5,785,707 |
| Capital assets | 49,182,392 | 49,658,065 | (475,673) |
| Total Assets | 82,899,321 | 77,589,287 | 5,310,034 |
| DEFERRED OUTFLOWS | 4,746,065 | 6,628,068 | (1,882,003) |
| Total Assets and Deferred Outflows | 87,645,386 | 84,217,355 | 3,428,031 |
| LIABILITIES | | | |
| Current liabilities | 5,663,657 | 1,659,846 | 4,003,811 |
| Long-term liabilities | 34,758,276 | 35,444,834 | (686,558) |
| Total Liabilities | 40,421,933 | 37,104,680 | 3,317,253 |
| DEFERRED INFLOWS | 2,548,127 | 10,076,691 | (7,528,564) |
| Total Liabilities and Deferred Inflows | 42,970,060 | 47,181,371 | (4,211,311) |
| NET POSITION | | | |
| Net investment in capital assets | 42,171,956 | 43,626,688 | (1,454,732) |
| Restricted | 9,853,552 | 9,862,096 | (8,544) |
| Unrestricted | (7,489,620) | (16,452,800) | 8,963,180 |
| Total Net Position | \$ 44,535,888 | \$ 37,035,984 | \$ 7,499,904 |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land, 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 the investment in capital assets and restricted net position. The District reported a negative balance in unrestricted net position due to the District's reporting of its proportionate share of the net pension liability for its pension and OPEB plans required under Governmental Accounting Standards Board (GASB) Statements No. 68 and No. 75. Additional information on the District's net pension and OPEB liabilities can be found in Notes 10 and 11 of this report.

Overall, net position increased \$7639,342 or 21%. Key elements of this increase are indicated as follows:

| | Governmental Activities | | |
|--|--------------------------------|----------------------|---------------------|
| | 2023 | 2022 | Net Change |
| REVENUES | | | |
| Program revenues: | | | |
| Charges for services | \$ 188,468 | \$ 281,547 | \$ (93,079) |
| Operating grants and contributions | 18,699,150 | 16,455,264 | 2,243,886 |
| General revenues: | | | |
| Property taxes | 15,555,278 | 14,172,871 | 1,382,407 |
| State equalization and additional state aid | 18,197,921 | 14,256,734 | 3,941,187 |
| County equalization | 15,902 | 1,374,932 | (1,359,030) |
| Interest and other | 498,484 | 368,368 | 130,116 |
| Total Revenues | 53,155,203 | 46,909,716 | 6,245,487 |
| EXPENSES | | | |
| Instruction | 23,550,919 | 23,654,666 | (103,747) |
| Support Services: | | | |
| Students and instructional staff | 5,391,950 | 4,991,045 | 400,905 |
| Administration | 5,495,941 | 4,627,101 | 868,840 |
| Operation and maintenance of plant | 4,328,904 | 4,033,763 | 295,141 |
| Operation of noninstructional services | 4,653,540 | 4,483,181 | 170,359 |
| Student transportation | 1,994,974 | 1,804,959 | 190,015 |
| Interest on long-term debt | 99,633 | 160,890 | (61,257) |
| Total Expenses | 45,515,861 | 43,755,605 | 1,760,256 |
| Change in net position | 7,639,342 | 3,154,111 | 4,485,231 |
| Net Position - Beginning, As Restated | 37,035,984 | 33,881,873 | 3,154,111 |
| Net Position - Ending | \$ 44,675,326 | \$ 37,035,984 | \$ 7,639,342 |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

The District reported a decrease in charges for services of \$93,079 (33%). This decrease was mainly due to decreases in tuition revenue from the childcare center during the current year.

Operating grants and contributions increased \$2,243,886 (14%). This increase was mainly due to increased in federal grant funding relating to the COVID-19 pandemic.

The District experienced an increase in property tax revenue of \$1,382,407 (10%) as a result of an increase in assessed valuations and tax rates.

State and county equalization and additional state aid increased \$2,582,157 (17%) due to increases in the state funding formula.

Interest and other revenue increased \$130,116, which was not considered significant.

The District incurred a 4% increase in expenses in the current year. The District's mission is to provide an appropriate and outstanding educational experience for every student served within budget constraints. The increase was mainly due to increases in salaries and related benefits, purchased professional services, supplies, and furniture and equipment.

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 \$26,784,362, an increase of \$3,724,976 in comparison with the prior year. Approximately 67% of this total amount (\$17,926,985) 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, 2023, and the changes in fund balances from the prior year are summarized below:

| | | Increase (Decrease) |
|----------------------------------|----------------------|--------------------------------|
| | Balance | From 2021-22 |
| GOVERNMENTAL FUND | | |
| General Fund | \$ 18,046,611 | \$ 4,767,325 |
| Special Projects Fund | 1,625,790 | 500,955 |
| Debt Service Fund | 210,388 | 75,705 |
| Nonmajor Governmental Funds | 6,901,573 | (1,619,009) |
| Total Governmental Fund Balances | <u>\$ 26,784,362</u> | <u>\$ 3,724,976</u> |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

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, 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 67% of total General Fund expenditures. The General Fund experienced an increase of \$4,767,325 in the current year. This increase was primarily due to the increase in state and county aid due to the increase in the state funding formula.

The increase of \$500,955 in the Special Projects Fund was due to the accumulation of grant revenues that will be expended in future periods.

The Debt Service Fund ending fund balance increased by \$75,705 due to the increase in property tax revenues that will be used to made debt payments in future periods.

The decrease of \$1,619,009 in the Nonmajor Governmental Funds was primarily due to the spending down of the bond proceeds from bonds issued in prior years.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget totaled \$1,924,336. 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 \$1,924,336 or (7%) increase in budget was allocated to regular education – instruction. Budgetary basis General Fund expenditures were \$5,646,246 less than budget during the fiscal year. Budgetary basis expenditures were within 19% of the budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$49,182,392 (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 decrease in the District's investment in capital assets for the current fiscal year was 1%.

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

- Purchase of school buses
- Asphalt resurfacing
- Athletic field renovations
- HVAC project

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

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2023

Capital asset activity as of June 30, 2023, is summarized below:

| | Governmental Activities | | |
|------------------------------------|--------------------------------|----------------------|---------------------|
| | 2023 | 2022 | Net Change |
| CAPITAL ASSETS | | | |
| Land | \$ 6,111,353 | \$ 6,111,353 | \$ - |
| Construction in progress | 767,409 | 7,341 | 760,068 |
| Land improvements | 1,485,313 | 943,087 | 542,226 |
| Buildings & improvements | 37,375,561 | 38,989,200 | (1,613,639) |
| Vehicles, equipment, and furniture | 3,442,756 | 3,607,084 | (164,328) |
| Total Capital Assets | \$ 49,182,392 | \$ 49,658,065 | \$ (475,673) |

Long-Term Debt

At end of the current fiscal year, the District's debt included bonds payable, the net pension/OPEB liability, and compensated absences payable. Compensated absences increased \$15,958 during the current year, which was not considered significant. Bonds payable (net of unamortized premium) decreased \$3,591,967 due to the current year bond principal payment and premium amortization. The net pension liability increased \$5 million due to various changes and assumptions made within the actuarial valuation as explained in Note 10 of this report.

| | Governmental Activities | | |
|------------------------------------|--------------------------------|----------------------|---------------------|
| | 2023 | 2022 | Net Change |
| LONG-TERM LIABILITIES | | | |
| General obligation bonds | \$ 3,246,896 | \$ 6,838,863 | (3,591,967) |
| Net pension liability | 29,022,541 | 23,829,899 | 5,192,642 |
| Net OPEB liability | 16,323 | 37,175 | (20,852) |
| Net single-employer OPEB | 1,568,790 | 1,741,129 | (172,339) |
| Compensated absences | 903,726 | 887,768 | 15,958 |
| Total Long-term Liabilities | \$ 34,758,276 | \$ 33,334,834 | \$ 1,423,442 |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Continued HVAC project.
- Continued spending of ESSER funds.
- Student population.

The above factors were considered in preparing the District's budget for the 2023-24 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, 2023

| | Governmental Activities |
|--|------------------------------------|
| ASSETS | |
| Cash and investments | \$ 19,062,412 |
| Property taxes receivable | 319,669 |
| Intergovernmental receivable | 13,093,433 |
| Accounts receivable | 5,284 |
| Deposits | 83,922 |
| Inventory | 170,068 |
| Net OPEB asset - cost-sharing plan | 982,141 |
| Capital assets, not depreciated | 6,878,762 |
| Capital assets, net of accumulated depreciation | 42,303,630 |
| Total Assets | 82,899,321 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows related to pensions | 4,344,640 |
| Deferred outflows related to OPEB - cost-sharing plan | 96,224 |
| Deferred outflows related to OPEB - single employer plan | 305,201 |
| Total Deferred Outflows of Resources | 4,746,065 |
| LIABILITIES | |
| Accounts payable | 1,163,596 |
| Accrued wages and benefits | 934,261 |
| Matured principal payable | 3,440,000 |
| Interest payable | 125,800 |
| Long-term liabilities: | |
| Due within one year | 3,075,600 |
| Due in more than one year | 31,682,676 |
| Total Liabilities | 40,421,933 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows related to pensions | 1,685,999 |
| Deferred inflows related to OPEB - cost-sharing plan | 627,097 |
| Deferred inflows related to OPEB - single employer plan | 235,031 |
| Total Deferred Inflows of Resources | 2,548,127 |
| NET POSITION | |
| Investment in capital assets | 42,171,956 |
| Restricted: | |
| Net OPEB asset - cost-sharing plan | 982,141 |
| Teacher compensation and other qualified programs (A.R.S 15-977) | 3,200,216 |
| Instructional improvement programs | 38,248 |
| Federal and state instructional programs | 1,625,790 |
| Food service | 1,004,566 |
| Community programs | 92,221 |
| Student activities | 166,152 |
| Extracurricular activities | 101,081 |
| Capital projects | 2,432,749 |
| Debt service | 210,388 |
| Other | 139,438 |
| Unrestricted | (7,489,620) |
| Total Net Position | \$ 44,675,326 |

See accompanying Notes to the Basic Financial Statements

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2023

| Function/Programs | Expenses | Program Revenues | | | Net (Expense) |
|---|---------------|----------------------|------------------------------------|----------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
| Governmental Activities | | | | | |
| Primary Government: | | | | | |
| Governmental Activities: | | | | | |
| Instruction | 23,550,919 | \$ 12,332 | \$ 9,269,798 | \$ - | \$ (14,268,789) |
| Support services: | | | | | |
| Students | 3,772,286 | 1,246 | 1,639,979 | - | (2,131,061) |
| Instructional staff | 1,619,664 | 424 | 857,022 | - | (762,218) |
| General administration | 696,527 | 207 | 134,498 | - | (561,822) |
| School administration | 2,296,895 | 782 | 1,030,867 | - | (1,265,246) |
| Business and other support services | 2,502,519 | - | 249,620 | - | (2,252,899) |
| Operation and maintenance of plant | 4,328,904 | - | 465,324 | - | (3,863,580) |
| Student transportation | 1,994,974 | - | 160,111 | - | (1,834,863) |
| Operation of noninstructional services | 4,653,540 | 173,477 | 4,891,931 | - | 411,868 |
| Interest on long-term debt | 99,633 | - | - | - | (99,633) |
| Total | \$ 45,515,861 | \$ 188,468 | \$ 18,699,150 | \$ - | \$ (26,628,243) |
| General revenues: | | | | | |
| Property taxes | | | | | 15,555,278 |
| Grants and contributions not restricted to specific programs: | | | | | |
| State equalization and additional state aid | | | | | 18,197,921 |
| County equalization | | | | | 15,902 |
| Investment earnings | | | | | 263,996 |
| Other | | | | | 234,488 |
| Total general revenues | | | | | 34,267,585 |
| Change in net position | | | | | 7,639,342 |
| Net position - beginning, as restated | | | | | 37,035,984 |
| Net position - ending | | | | | \$ 44,675,326 |

See accompanying Notes to the Basic Financial Statements

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

| | General Fund | Special Projects Fund | Debt Service Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|-----------------------|---------------------|------------------------------|--------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 7,794,691 | \$ 194,253 | \$ 3,768,196 | \$ 7,305,272 | \$ 19,062,412 |
| Receivables: | | | | | |
| Property taxes | 279,416 | - | 40,253 | - | 319,669 |
| Intergovernmental | 89,791 | 12,825,568 | - | 178,074 | 13,093,433 |
| Accounts receivable | 5,084 | - | - | 200 | 5,284 |
| Deposits | - | - | - | 83,922 | 83,922 |
| Due from other funds | 10,898,089 | - | - | - | 10,898,089 |
| Inventory | 119,626 | - | - | 50,442 | 170,068 |
| Total Assets | \$ 19,186,697 | \$ 13,019,821 | \$ 3,808,449 | \$ 7,617,910 | \$ 43,632,877 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 666,954 | \$ 458,459 | \$ - | \$ 38,183 | \$ 1,163,596 |
| Accrued wages | 218,624 | 176,160 | - | 539,477 | 934,261 |
| Due to other funds | - | 10,759,412 | - | 138,677 | 10,898,089 |
| Matured Principal Payable | - | - | 3,440,000 | - | 3,440,000 |
| Interest Payable | - | - | 125,800 | - | 125,800 |
| Total Liabilities | 885,578 | 11,394,031 | 3,565,800 | 716,337 | 16,561,746 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenues | 254,508 | - | 32,261 | - | 286,769 |
| FUND BALANCES | | | | | |
| Nonspendable | 119,626 | - | - | 50,442 | 170,068 |
| Restricted | - | 1,625,790 | 210,388 | 6,851,131 | 8,687,309 |
| Unassigned | 17,926,985 | - | - | - | 17,926,985 |
| Total Fund Balances | 18,046,611 | 1,625,790 | 210,388 | 6,901,573 | 26,784,362 |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | \$ 19,186,697 | \$ 13,019,821 | \$ 3,808,449 | \$ 7,617,910 | \$ 43,632,877 |

See accompanying Notes to the Basic Financial Statements

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total Fund Balance - Governmental Funds \$ 26,784,362

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 | \$ 96,091,864 | |
| Accumulated depreciation | <u>(46,909,472)</u> | 49,182,392 |

| | |
|--|---------|
| Property tax revenue not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources in the governmental funds: | 286,769 |
|--|---------|

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: 982,141

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 | (2,985,000) | |
| Unamortized premiums | (261,896) | |
| Net pension liability | (29,022,541) | |
| Net OPEB liability - cost-sharing plan | (16,323) | |
| Net OPEB liability - single employer plan | (1,568,790) | |
| Compensated absences | <u>(903,726)</u> | (34,758,276) |

Deferred outflows and inflows of resources relating to pensions:

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 | 4,344,640 | |
| Deferred inflows of resources relating to pensions | (1,685,999) | |
| Deferred outflows of resources relating to OPEB - cost-sharing plan | 96,224 | |
| Deferred inflows of resources relating to OPEB - cost-sharing plan | (627,097) | |
| Deferred outflows of resources relating to OPEB - single employer plan | 305,201 | |
| Deferred inflows of resources relating to OPEB - single employer plan | <u>(235,031)</u> | 2,197,938 |

| | |
|---|-----------------------------|
| Total Net Position - Governmental Activities | <u>\$ 44,675,326</u> |
|---|-----------------------------|

See accompanying Notes to the Basic Financial Statements

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2023

| | General Fund | Special Projects Fund | Debt Service Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|----------------------|--------------------------|----------------------|------------------------------------|--------------------------------|
| REVENUES | | | | | |
| Property taxes | \$ 11,798,459 | \$ - | \$ 3,684,148 | \$ 14,230 | \$ 15,496,837 |
| Intergovernmental | 18,703,798 | 11,957,697 | - | 6,189,447 | 36,850,942 |
| Tuition | 12,650 | - | - | 63,631 | 76,281 |
| Food sales | - | - | - | 151,142 | 151,142 |
| Auxiliary operations | 7,113 | - | - | 15,222 | 22,335 |
| Student activities | - | - | - | 38,426 | 38,426 |
| Rental Income | 2,040 | - | - | - | 2,040 |
| Contributions and donations | 23,605 | - | - | - | 23,605 |
| Investment earnings | 72,797 | 18,214 | 83,157 | 89,828 | 263,996 |
| Other | 130,488 | - | - | 40,670 | 171,158 |
| Total Revenues | 30,750,950 | 11,975,911 | 3,767,305 | 6,602,596 | 53,096,762 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Instruction | 14,062,323 | 4,684,704 | - | 3,233,098 | 21,980,125 |
| Support services: | | | - | | |
| Students | 2,476,786 | 1,314,564 | - | 12,373 | 3,803,723 |
| Instructional staff | 907,573 | 546,991 | - | 199,761 | 1,654,325 |
| General administration | 410,496 | 108,638 | - | - | 519,134 |
| School administration | 1,523,600 | 831,035 | - | 1,802 | 2,356,437 |
| Business and other support services | 2,366,284 | 201,626 | - | 33,431 | 2,601,341 |
| Operations and maintenance of plant | 3,172,197 | 375,857 | - | 148,423 | 3,696,477 |
| Student transportation | 1,624,377 | 129,327 | - | 311,460 | 2,065,164 |
| Operations of noninstructional services | 254,433 | 1,465,861 | - | 3,148,584 | 4,868,878 |
| Capital Outlay | | | | | |
| Facilities acquisition and maintenance | - | 1,695,174 | - | 482,610 | 2,177,784 |
| Debt | | | | | |
| Principal Expenditures | - | - | 3,440,000 | - | 3,440,000 |
| Interest Expenditures | - | - | 251,600 | - | 251,600 |
| Total Expenditures | 26,798,069 | 11,353,777 | 3,691,600 | 7,571,542 | 49,414,988 |
| Excess (Deficiency) of Revenues Over Expenditures | 3,952,881 | 622,134 | 75,705 | (968,946) | 3,681,774 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 803,311 | - | - | - | 803,311 |
| Transfers out | - | (121,179) | - | (682,132) | (803,311) |
| Net Financing Sources (Uses) | 803,311 | (121,179) | - | (682,132) | - |
| NET CHANGE IN FUND BALANCE | 4,756,192 | 500,955 | 75,705 | (1,651,078) | 3,681,774 |
| Fund Balance - Beginning, As Restated | 13,279,286 | 1,124,835 | 134,683 | 8,520,582 | 23,059,386 |
| Increase/(decrease) in inventories | 11,133 | - | - | 32,069 | 43,202 |
| Fund Balance - Ending | \$ 18,046,611 | \$ 1,625,790 | \$ 210,388 | \$ 6,901,573 | \$ 26,784,362 |

See accompanying Notes to the Basic Financial Statements

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, 2023

Net Change in Fund Balances - Governmental Funds \$ 3,681,774

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: \$ | 3,086,006 | |
| Depreciation expense: | <u>(3,382,423)</u> | (296,417) |

| | |
|--|-----------|
| 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. | (179,256) |
|--|-----------|

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 | 58,441 |
|----------------|--------|

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 | 2,656,906 |
| Pension expense | (2,101,887) |
| Other post employment benefits contributions - cost-sharing plan | 54,597 |
| Other post employment benefits expense - cost-sharing plan | 134,294 |
| Other post employment benefits contributions - single employer plan | 124,182 |
| Other post employment benefits expense - single employer plan | (112,503) |

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.

| | |
|---|-----------|
| Principal payment on general obligation bonds | 3,440,000 |
| Amortization of deferred bond items | 151,967 |

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 | (15,958) |
| Change in inventories balances | 43,202 |

| | |
|--|---------------------|
| Change in Net Position of Governmental Activities | \$ 7,639,342 |
|--|---------------------|

NOTES TO BASIC FINANCIAL STATEMENTS

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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.

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, 2023

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

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, 2023

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, 2023

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 instructional improvement (\$178,074), federal grants (\$12,879,478), and state grants (\$35,881).

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:

| Asset Class | Years |
|--------------------------------|--------------|
| 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, 2023

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's employee vacation and sick leave policies generally provide for granting vacation and sick leave with pay in varying amounts. Only benefits considered vested are recognized in the financial statements. The liability for vacation and sick leave is reported in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations and retirements. Generally, resources from the General Fund are used to pay 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.

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.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 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.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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 District has classified its fund balances as follows:

| | General Fund | Special Projects Fund | Debt Service Fund | Non-Major Governmental Funds | Total Governmental Activities |
|---|---------------|-----------------------|-------------------|------------------------------|-------------------------------|
| Nonspendable | | | | | |
| Inventory | \$ 119,626 | \$ - | \$ - | \$ 50,442 | \$ 170,068 |
| Restricted | | | | | |
| Teacher compensation and other qualified programs (A.R.S. 15-977) | - | - | - | 3,200,216 | 3,200,216 |
| Instructional improvement programs | - | - | - | 38,248 | 38,248 |
| Federal and state instructional programs | - | 1,625,790 | - | - | 1,625,790 |
| Food service | - | - | - | 1,004,566 | 1,004,566 |
| Community programs | - | - | - | 92,221 | 92,221 |
| Extracurricular activities | - | - | - | 101,081 | 101,081 |
| Student activities | - | - | - | 166,152 | 166,152 |
| Other Special Revenue | - | - | - | 139,438 | 139,438 |
| Capital projects | - | - | - | 2,109,209 | 2,109,209 |
| Debt service | - | - | 210,388 | - | 210,388 |
| Total restricted | - | 1,625,790 | 210,388 | 6,851,131 | 8,687,309 |
| Unassigned | 17,926,985 | - | - | - | 17,926,985 |
| Total | \$ 18,046,611 | \$ 1,625,790 | \$ 210,388 | \$ 6,901,573 | \$ 26,784,362 |

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.

During the current fiscal year, the District exceeded the budget within the special education subsection of the General Fund budget in the amount of \$2,303. Budget capacity was available in other General Fund budget subsections to make up for the special education excess.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits and investments at June 30, 2023 consist of the following:

| | |
|---------------------------------------|----------------------|
| Deposits: | |
| Cash in bank | \$ 641,649 |
| Investments: | |
| Cash on deposit with county treasurer | <u>18,420,763</u> |
| Total deposits and investments | <u>\$ 19,062,412</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 \$641,649 for cash on deposit with a local financial institution and a bank balance of \$641,649 at June 30, 2023. The District does not have a formal policy regarding custodial credit risk. However, of the \$641,649 bank balance, \$488,089 was insured by federal depository insurance and \$153,560 collateralized by the State of Arizona Pooled Collateral Program.

Investments

At June 30, 2023, 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.

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.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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.

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

| | Unavailable |
|---------------------------------------|--------------------|
| Delinquent property taxes receivable: | |
| General Fund | \$ 254,508 |
| Debt Service Fund | 32,261 |
| Total | \$ 286,769 |

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

| | Balance July 01, 2022 | Additions | Deductions | Balance June 30, 2023 |
|--|--------------------------|--------------|--------------|--------------------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 6,111,353 | \$ - | \$ - | \$ 6,111,353 |
| Construction in progress | 7,341 | 760,068 | - | 767,409 |
| Total capital assets not being depreciated | 6,118,694 | 760,068 | - | 6,878,762 |
| Capital assets being depreciated | | | | |
| Land improvements | 3,968,454 | 733,262 | (65,668) | 4,636,048 |
| Buildings and improvements | 75,444,276 | 1,067,187 | - | 76,511,463 |
| Vehicles, equipment, and furniture | 8,044,776 | 525,489 | (504,674) | 8,065,591 |
| Total capital assets being depreciated | 87,457,506 | 2,325,938 | (570,342) | 89,213,102 |
| Less accumulated depreciation | | | | |
| Land improvements | (3,025,367) | (150,595) | 25,227 | (3,150,735) |
| Buildings and improvements | (36,455,076) | (2,680,826) | - | (39,135,902) |
| Vehicles, equipment, and furniture | (4,437,692) | (551,002) | 365,859 | (4,622,835) |
| Total accumulated depreciation | (43,918,135) | (3,382,423) | 391,086 | (46,909,472) |
| Total capital assets, being depreciated, net | 43,539,371 | (1,056,485) | (179,256) | 42,303,630 |
| Governmental activities capital assets, net | \$ 49,658,065 | \$ (296,417) | \$ (179,256) | \$ 49,182,392 |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

NOTE 5 – CAPITAL ASSETS (Continued)

Depreciation expenses was charged to governmental functions as follows:

| | |
|--|---------------------|
| Governmental Activities: | |
| Instruction | \$ 1,918,479 |
| Support Services: | |
| Students | 8,539 |
| General Administration | 186,776 |
| Operations and Maintenance of Plant | 672,866 |
| Student Transportation | 258,276 |
| Operation of Noninstructional Services | 337,487 |
| | <u>\$ 3,382,423</u> |

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of June 30, 2023, interfund receivables and payables were as follows:

| Due to other funds | Due from other funds |
|-----------------------------|---------------------------------|
| | General Fund |
| Special Projects Fund | \$ 10,759,412 |
| Nonmajor Governmental Funds | 138,677 |
| Total | <u>\$ 138,677</u> |

The above interfund receivable and payable are due to cash shortfalls at June 30, 2023. Cash will be received subsequent to June 30, 2023 to repay the short-term borrowing in the Special Projects Fund and Nonmajor Governmental Funds.

Interfund transfers for the year ended June 30, 2023 consisted of the following:

| | Transfer from | | |
|--------------------|----------------------|--------------|------------|
| | Nonmajor | | |
| | Special Projects | Governmental | Total |
| Transfer to | Fund | Funds | |
| General fund | \$ 121,179 | \$ 682,132 | \$ 803,311 |

The transfers from the Special Projects Fund and Nonmajor Governmental Funds to the General Fund in the amount of \$803,311 were made to record the District's indirect costs on grants passed through the Arizona Department of Education. The District did not exceed the approved indirect cost rate on any grants.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

NOTE 7 – LONG-TERM OBLIGATIONS

Compensated Absences

Compensated absences are paid from various funds in the same proportion that those funds pay payroll costs. During fiscal year ended June 30, 2023, the District paid for compensated absences from the General Fund.

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, 2023:

| Purpose | Interest Rate | Maturity | Original Issue | Balance |
|---|---------------|----------|---------------------|---------------------|
| Governmental Activities: | | | | |
| School Improvement Bonds, Project of 2014, Series D (2019) | 3.00-5.00% | 7/1/2024 | 3,360,000 | 1,570,000 |
| School Improvement Bonds, Project of 2014, Series E (2021) | 4.00% | 7/1/2024 | 2,805,000 | 1,415,000 |
| | | | <u>\$ 6,165,000</u> | <u>\$ 2,985,000</u> |

Debt service requirements on long-term debt at June 30, 2023 are as follows:

| Year ended, June 30, | Governmental Activities | |
|----------------------|-------------------------|-------------------|
| | Principal | Interest |
| 2024 | <u>\$ 2,985,000</u> | <u>\$ 135,100</u> |

Changes in long-term liabilities for the year ended June 30, 2023 are as follows:

| | Balance July 01, 2022 | Additions | Deductions | Balance June 30, 2023 | Due Within One Year |
|--------------------------|--------------------------|---------------------|-----------------------|--------------------------|------------------------|
| General obligation bonds | \$ 6,425,000 | \$ - | \$ (3,440,000) | \$ 2,985,000 | \$ 2,985,000 |
| Unamortized premium | 413,863 | - | (151,967) | 261,896 | - |
| Net pension liability | 23,829,899 | 5,192,642 | - | 29,022,541 | - |
| Net OPEB liability | 37,175 | - | (20,852) | 16,323 | - |
| Net single-employer OPEB | 1,741,129 | - | (172,339) | 1,568,790 | - |
| Compensated absences | 887,768 | 593,625 | (577,667) | 903,726 | 90,600 |
| Total | <u>\$ 33,334,834</u> | <u>\$ 5,786,267</u> | <u>\$ (4,362,825)</u> | <u>\$ 34,758,276</u> | <u>\$ 3,075,600</u> |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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, 2023

NOTE 10 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLANS

Cost Sharing Pension Plan

On June 30, 2023, the District reported the following related to pension and OPEB plans to which it contributes:

| | Net Pension Liability (Asset) | Net OPEB Liability (Asset) |
|--------------------------------|----------------------------------|-------------------------------|
| Net asset | \$ - | \$ (982,141) |
| Net liability | 29,022,541 | 16,323 |
| Deferred outflows of resources | 4,344,640 | 78,839 |
| Deferred inflows of resources | 1,685,999 | 627,097 |
| Expense | 2,101,887 | (134,294) |
| Contributions | 2,656,906 | 54,597 |

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, 2023

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, 2023, statute required active ASRS members to contribute at the actuarially determined rate of 12.17% (12.03% for retirement and 0.14% for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.17% (11.92% for retirement, 0.11% for health insurance premium benefit, and 0.14% 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 9.68% (9.62% for retirement and 0.06% 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, 2023, were \$2,656,906, \$24,518, and \$30,079, respectively.

During the fiscal year ended June 30, 2023, the District paid for ASRS pension as follows: 62% from the General Fund, 22% from the Special Projects Fund and 16% from nonmajor governmental funds.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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

Arizona State Retirement System (Continued)

Liability

On June 30, 2023, the District reported the following asset and liabilities for its proportionate share of the ASRS' net pension/OPEB asset or liability:

| | Net (Asset) Liability | District % Proportion | Increase (Decrease) |
|----------------------------------|--------------------------|--------------------------|------------------------|
| Pension | \$ 29,022,541 | 0.17781% | -0.00355% |
| Health insurance premium benefit | (982,141) | 0.17598% | -0.00334% |
| Long-term disability | 16,323 | 0.17673% | -0.00336% |

The net asset and net liabilities were measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. 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, 2022, and the change from its proportions measured as of June 30, 2021, were noted above.

Expense

For the year ended June 30, 2023, the District recognized the following pension and OPEB expense:

| | Pension/OPEB Expense |
|----------------------------------|-------------------------|
| Pension | \$ 2,101,887 |
| Health insurance premium benefit | (138,220) |
| Long-term disability | 3,926 |
| Total Pension/OPEB Expense | <u>\$ 1,967,593</u> |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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

Arizona State Retirement System (Continued)

Deferred Outflows/Inflows of Resources

On June 30, 2023, 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 | \$ 247,289 | \$ - | \$ 8,496 |
| Changes of assumptions or other inputs | 1,440,445 | 15,940 | 8,889 |
| Changes in proportion and differences between contributions and proportionate share of contributions | - | 8,302 | - |
| Contributions subsequent to the measurement date | 2,656,906 | 24,518 | 30,079 |
| Total | <u>\$ 4,344,640</u> | <u>\$ 48,760</u> | <u>\$ 47,464</u> |

| | Deferred Inflows of Resources | | |
|---|-------------------------------|-------------------------------------|-------------------------|
| | Pension | Health Insurance Premium Benefit | Long-Term Disability |
| Differences between expected and actual experience | \$ - | \$ 501,229 | \$ 15,209 |
| Changes of assumptions or other inputs | - | 26,786 | 39,838 |
| Net difference between projected and actual earnings on pension plan investments | 764,482 | 33,084 | 507 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 921,517 | 44 | 10,400 |
| Total | <u>\$ 1,685,999</u> | <u>\$ 561,143</u> | <u>\$ 65,954</u> |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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

Arizona State Retirement System (Continued)

Deferred Outflows/Inflows of Resources (Continued)

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, 2024. 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 |
| 2024 | \$ 623,825 | \$ (147,781) | \$ (5,122) |
| 2025 | (518,359) | (160,925) | (6,036) |
| 2026 | (1,327,320) | (176,737) | (9,860) |
| 2027 | 1,223,589 | (25,441) | (2,744) |
| 2028 | - | (26,017) | (9,503) |
| Thereafter | - | - | (15,304) |
| Total | \$ 1,735 | \$ (536,901) | \$ (48,569) |

Actuarial Assumptions

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

| | Health Insurance Premium | | |
|-----------------------------|--------------------------|---------------------|----------------------|
| | Pensions | Benefit | Long-Term Disability |
| Actuarial valuation date | June 30, 2021 | June 30, 2021 | June 30, 2021 |
| Actuarial roll forward date | June 30, 2022 | June 30, 2022 | June 30, 2022 |
| 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, 2021, valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2020.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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

Arizona State Retirement System (Continued)

Actuarial Assumptions (Continued)

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 |
|---|----------------------|--|
| Equity | 50% | 3.90% |
| Fixed income - credit | 20% | 5.30% |
| Fixed income - interest rate sensitive | 10% | (0.20%) |
| Real Estate | 20% | 6.00% |
| Total | 100% | |

Discount Rate

On June 30, 2022, the discount rate used to measure the ASRS total pension/OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board's funding policy, which establishes the contractually required rate under Arizona 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.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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

Arizona State Retirement System (Continued)

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 | \$ 42,821,897 | \$ 29,022,541 | \$ 17,516,035 |
| Health insurance premium benefit | (706,213) | (982,141) | (1,216,261) |
| Long-term disability | 27,059 | 16,323 | 5,918 |

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 \$85,365 of outstanding pension and OPEB contributions payable to ASRS for the year ended June 30, 2023.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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 2021-22 fiscal year, the annual dollar amounts under these formulas are \$10,023.60 and \$11,036.76, 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, 70 retirees meet those eligibility requirements.

| | Number of Participants |
|-----------------------------|---------------------------|
| Retirees receiving benefits | 12 |
| Active employees | 58 |
| Total | 70 |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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 \$1,568,790 had a measurement date of June 30, 2022, based on an actuarial valuation dated July 1, 2021.

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, 2023, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|----------------------------|---|
| Valuation date | July 1, 2021 |
| Measurement date | June 30, 2022 |
| Fiscal year | July 1st to June 30th |
| Actuarial cost methods | Entry age |
| Inflation rate | 2.70% |
| Discount rate | 2.21% |
| Payroll increase | 2.50% |
| Healthcare cost trend rate | 5.50%, graded down to 4.50% over 47 years |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

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, 2023:

| | |
|------------------------|---------------------|
| Balance July 1, 2022 | \$ 1,741,129 |
| Changes for the year: | |
| Service cost | 62,122 |
| Interest | 33,644 |
| Changes of assumptions | (165,652) |
| Benefit payments | <u>(102,453)</u> |
| Net change | <u>(172,339)</u> |
| Balance June 30, 2023 | <u>\$ 1,568,790</u> |

Discount Rate

The discount rate used to measure the OPEB liability was 3.69%. The discount rate increased from 1.92% to 3.69% based on changes to the Bond Buyer 20 index municipal bond rate from June 30, 2021, to June 30, 2022. 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, 2022.

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 (2.69%) | Current Discount Rate (3.69%) | Discount Rate 1% Higher (4.69%) |
|--------------------|--------------------------------------|-------------------------------------|---------------------------------------|
| Net OPEB liability | \$ 1,660,607 | \$ 1,568,790 | \$ 1,481,924 |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

NOTE 11 – SINGLE EMPLOYER POSTEMPLOYMENT BENEFITS PLAN (CONCLUDED)

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 | \$ 1,457,997 | \$ 1,568,790 | \$ 1,689,824 |

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$112,503. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 76,033 | \$ 100,260 |
| Change in assumptions or other inputs | 104,986 | 134,771 |
| District contributions subsequent to the measurement date | 124,182 | - |
| | <u>\$ 305,201</u> | <u>\$ 235,031</u> |

The \$124,182 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, 2023. 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 |
|---------------------|--|
| 2024 | \$ 30,081 |
| 2025 | (3,954) |
| 2026 | (47,007) |
| 2027 | (33,132) |
| | <u>\$ (54,012)</u> |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO BASIC FINANCIAL STATEMENTS
FISCAL YEAR ENDED JUNE 30, 2023

NOTE 12 – RESTATEMENTS

For the period ending June 30, 2023, the District recorded a restatement of fund balance to properly record funds that were not recorded in the previous year in the amount of \$129,851. In addition, corrections of errors were recorded for a net balance of \$98,414 to properly record activity within the correct funds that were not properly recorded in the previous year. Lastly, fund balance were reclassified to properly record the unrestricted capital outlay fund within the General Fund for financial statement reporting purposes as the unrestricted capital outlay fund does not have a formal restriction on how the monies can be spent in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The net effects of the restatements on the Governmental Activities and Governmental Funds and are as follows:

Governmental Funds

| | Fund balance as previously stated | Fund balance reclassification | To properly record fund balances | Fund balance as restated |
|-----------------------------|--------------------------------------|----------------------------------|-------------------------------------|-----------------------------|
| General Fund | \$ 10,318,863 | \$ 2,856,278 | \$ 104,145 | \$ 13,279,286 |
| Special Projects Fund | 852,559 | - | 272,276 | 1,124,835 |
| Bond Building Fund | - | - | - | - |
| Debt Service Fund | 134,683 | - | - | 134,683 |
| Nonmajor Governmental Funds | 11,525,016 | (2,856,278) | (148,156) | 8,520,582 |
| Total governmental funds | \$ 22,831,121 | \$ - | \$ 228,265 | \$ 23,059,386 |

Governmental Activities

| | Net position as previously stated | Net position restatement | Net position as restated |
|-------------------------|--------------------------------------|-----------------------------|-----------------------------|
| Governmental Activities | \$ 36,807,719 | \$ 228,265 | \$ 37,035,984 |

NOTE 13 – SUBSEQUENT EVENTS

Bond Issuance - The District issued \$5,800,000 of Project of 2022, Series A (2023) School Improvement Bond, dated July 24, 2023. The bonds will be paid over a 3-year span from July 1, 2025, to July 1, 2027. The interest rate on the bond is 5.00%.

Maintenance and Operation Budget Override - On November 7, 2023, the qualified voters of the District approved a Maintenance and Operation Budget Override beginning with the fiscal year 2024-2025 and for the six subsequent years. The override allows the District to exceed the revenue control limit by fifteen percent. In fiscal years 2024-2025 through 2028-2029, the amount of the proposed increase will be fifteen percent of the District's revenue control limit in each of such years, as provided in Section 15-481(P) of the Arizona Revised Statutes, In fiscal years 2029-2030 and 2030-2031, the amount of the proposed increase will be ten percent and five percent, respectively, of the District's revenue control limit in each of such years, as provided in Section 15-481(P) of the Arizona Revised Statutes.

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

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
COST-SHARING PENSION PLAN
JUNE 30, 2023

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

| | Reporting Fiscal Year (Measurement Date) | | | | | | | | | |
|---|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---|
| | 2023 (2022) | 2022 (2021) | 2021 (2020) | 2020 (2019) | 2019 (2018) | 2018 (2017) | 2017 (2016) | 2016 (2015) | 2015 (2014) | 2014 (2013) |
| Proportion of the net pension liability | 0.17781% | 0.18136% | 0.19301% | 0.20254% | 0.20255% | 0.20504% | 0.20827% | 0.20273% | 0.19866% | Information is not available. |
| Proportionate share of the net pension liability | \$ 29,022,541 | \$ 23,829,899 | \$ 33,441,916 | \$ 29,471,927 | \$ 28,248,597 | \$ 31,941,235 | \$ 33,616,870 | \$ 31,577,908 | \$ 30,081,467 | Additional information will be presented as it becomes available. |
| Covered payroll | \$ 21,773,035 | \$ 20,074,204 | \$ 21,418,905 | \$ 21,503,584 | \$ 20,449,555 | \$ 20,421,851 | \$ 20,223,248 | \$ 19,106,698 | \$ 18,775,916 | |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 133.30% | 118.71% | 156.13% | 137.06% | 138.14% | 156.41% | 166.23% | 165.27% | 160.21% | |
| Plan fiduciary net position as a percentage of the total pension liability | 74.26% | 78.58% | 69.33% | 73.24% | 73.40% | 69.92% | 67.06% | 68.35% | 69.49% | |

SCHEDULE OF CONTRIBUTIONS

| | Reporting Fiscal Year | | | | | | | | | |
|--|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Actuarially determined contribution | \$ 2,656,906 | \$ 2,630,781 | \$ 2,368,733 | \$ 2,413,908 | \$ 2,387,136 | \$ 2,193,068 | \$ 2,158,144 | \$ 2,116,831 | \$ 2,035,960 | \$ 1,964,517 |
| Contributions in relation to the actuarially determined contribution | 2,656,906 | 2,630,781 | 2,368,733 | 2,413,908 | 2,387,136 | 2,193,068 | 2,158,144 | 2,116,831 | 2,035,960 | 1,964,517 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered payroll | \$ 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 | \$ 18,775,916 |
| Contributions as a percentage of covered payroll | 11.36% | 12.08% | 11.80% | 11.27% | 11.10% | 10.72% | 10.57% | 10.47% | 10.66% | 10.46% |

See accompanying Notes to Required Supplementary Information

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION (ASSET)/LIABILITY AND CONTRIBUTIONS****COST-SHARING OPEB PLAN - LTD****JUNE 30, 2023****SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**

| | Reporting Fiscal Year (Measurement Date) | | | | | |
|---|---|----------------|----------------|----------------|----------------|---|
| | 2023 (2022) | 2022 (2021) | 2021 (2020) | 2020 (2019) | 2019 (2018) | 2018 (2017) |
| Proportion of the net pension liability | 0.17673% | 0.18009% | 0.19386% | 0.20242% | 0.20279% | Information is not available. |
| Proportionate share of the net pension liability | \$ 16,323 | \$ 37,175 | \$ 147,064 | \$ 131,866 | \$ 105,959 | Additional information will be presented as it becomes available. |
| Covered payroll | \$ 21,773,035 | \$ 20,074,204 | \$ 21,418,905 | \$ 21,503,584 | \$ 20,449,555 | |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 0.07% | 0.19% | 0.69% | 0.61% | 0.52% | |
| Plan fiduciary net position as a percentage of the total pension liability | 95.40% | 90.38% | 68.01% | 72.85% | 77.83% | |

SCHEDULE OF CONTRIBUTIONS

| | Reporting Fiscal Year | | | | | |
|--|-----------------------|---------------|---------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Actuarially determined contribution | \$ 30,079 | \$ 40,324 | \$ 35,289 | \$ 35,240 | \$ 33,250 | \$ 31,339 |
| Contributions in relation to the actuarially determined contribution | 30,079 | 40,324 | 35,289 | 35,240 | 33,250 | 31,339 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered payroll | \$ 23,394,859 | \$ 21,773,035 | \$ 20,074,204 | \$ 21,418,905 | \$ 21,503,584 | \$ 20,449,555 |
| Contributions as a percentage of covered payroll | 0.13% | 0.19% | 0.18% | 0.16% | 0.15% | 0.15% |

See accompanying Notes to Required Supplementary Information

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION (ASSET)/LIABILITY AND CONTRIBUTIONS
COST-SHARING OPEB PLAN - HBS
JUNE 30, 2023
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)

| | Reporting Fiscal Year (Measurement Date) | | | | | |
|---|---|----------------|----------------|----------------|----------------|---|
| | 2023 (2022) | 2022 (2021) | 2021 (2020) | 2020 (2019) | 2019 (2018) | 2018 (2017) |
| Proportion of the net pension asset | 0.17598% | 0.17932% | 0.19458% | 0.20280% | 0.20238% | Information is not available. |
| Proportionate share of the net pension liability (asset) | \$ (982,141) | \$ (873,662) | \$ (137,762) | \$ (56,045) | \$ (72,875) | Additional information will be presented as it becomes available. |
| Covered payroll | \$ 21,773,035 | \$ 20,074,204 | \$ 21,418,905 | \$ 21,503,584 | \$ 20,449,555 | |
| Proportionate share of the net pension asset as a percentage of its covered payroll | -4.51% | -4.35% | -0.64% | -0.26% | -0.36% | |
| Plan fiduciary net position as a percentage of the total pension liability | 137.79% | 103.24% | 104.33% | 101.62% | 102.20% | |

SCHEDULE OF CONTRIBUTIONS

| | Reporting Fiscal Year | | | | | |
|--|-----------------------|---------------|---------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Actuarially determined contribution | \$ 24,518 | \$ 46,001 | \$ 79,295 | \$ 103,303 | \$ 98,218 | \$ 88,528 |
| Contributions in relation to the actuarially determined contribution | 24,518 | 46,001 | 79,295 | 103,303 | 98,218 | 88,528 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's covered payroll | \$ 23,394,859 | \$ 21,773,035 | \$ 20,074,204 | \$ 21,418,905 | \$ 21,503,584 | \$ 20,449,555 |
| Contributions as a percentage of covered payroll | 0.10% | 0.21% | 0.40% | 0.48% | 0.46% | 0.43% |

See accompanying Notes to Required Supplementary Information

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET OPEB LIABILITY AND
CONTRIBUTIONS
SINGLE EMPLOYER PLAN
JUNE 30, 2023

| | June 30 (Measurement Date) | | | | |
|---|-------------------------------|----------------|----------------|----------------|----------------|
| | 2023 (2022) | 2022 (2021) | 2021 (2020) | 2020 (2019) | 2019 (2018) |
| Total OPEB liability | | | | | |
| Service cost | \$ 62,122 | \$ 55,373 | \$ 69,526 | \$ 61,296 | \$ 59,696 |
| Interest | 33,644 | 44,930 | 53,748 | 45,789 | 38,027 |
| Difference between expected and actual experience | - | 17,268 | - | 278,785 | - |
| Changes of assumptions | (165,652) | (26,103) | 74,407 | 120,357 | (7,504) |
| Benefit payments | (102,453) | (162,906) | (65,062) | (59,208) | (111,544) |
| Net change in total OPEB liability | (172,339) | (71,438) | 132,619 | 447,019 | (21,325) |
| Total OPEB liability, beginning of year | 1,741,129 | 1,812,567 | 1,679,948 | 1,232,929 | 1,254,254 |
| Total OPEB liability, end of year (a) | \$ 1,568,790 | \$ 1,741,129 | \$ 1,812,567 | \$ 1,679,948 | \$ 1,232,929 |
| | | | | | |
| Covered payroll | \$ 21,773,035 | \$ 20,074,204 | \$ 21,418,905 | \$ 22,181,931 | \$ 18,056,232 |
| | | | | | |
| Net OPEB liability (asset) as a percentage of covered payroll | 7.21% | 8.67% | 8.46% | 7.57% | 6.83% |

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

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

| | Budgeted Amounts | | Budgetary Basis | | Variances - |
|--|------------------|-----------------|-----------------|-----------------|-------------|
| | Original | Final | Actual | Final to Actual | |
| REVENUES | | | | | |
| Property taxes | \$ - | \$ - | \$ 10,633,442 | \$ 10,633,442 | |
| Intergovernmental | - | - | 16,666,223 | 16,666,223 | |
| Tuition | - | - | 12,650 | 12,650 | |
| Investment earnings | - | - | 1,222 | 1,222 | |
| Other | - | - | 32,697 | 32,697 | |
| Total Revenues | - | - | 27,346,234 | 27,346,234 | |
| EXPENDITURES | | | | | |
| Regular education: | | | | | |
| Instruction | 12,897,721 | 14,822,007 | 10,223,700 | 4,598,307 | |
| Support services - students | 845,755 | 845,755 | 895,252 | (49,497) | |
| Support services - instructional staff | 640,261 | 640,261 | 821,821 | (181,560) | |
| Support services - general administration | 517,253 | 517,253 | 401,453 | 115,800 | |
| Support services - school administration | 1,876,610 | 1,876,610 | 1,516,470 | 360,140 | |
| Support services - central services | 1,345,881 | 1,345,881 | 1,589,562 | (243,681) | |
| Operations and maintenance of plant | 3,636,928 | 3,636,928 | 2,887,232 | 749,696 | |
| Operation of noninstructional services | 85,000 | 85,000 | 24,746 | 60,254 | |
| School sponsored athletics | 54,179 | 54,179 | 3,857 | 50,322 | |
| Other instructional programs | 1,050 | 1,050 | 179,174 | (178,124) | |
| Total regular education | 21,900,638 | 23,824,924 | 18,543,267 | 5,281,657 | |
| Special education: | | | | | |
| Instruction | 3,029,811 | 3,029,811 | 2,977,944 | 51,867 | |
| Support services - students | 1,457,791 | 1,457,791 | 1,521,279 | (63,488) | |
| Support services - instructional staff | 3,609 | 3,609 | 666 | 2,943 | |
| Support services - school administration | 325 | 325 | - | 325 | |
| Operations and maintenance of plant | 6,200 | 6,200 | 200 | 6,000 | |
| Operation of noninstructional services | - | 50 | - | 50 | |
| Total special education | 4,497,736 | 4,497,786 | 4,500,089 | (2,303) | |
| Pupil transportation: | | | | | |
| Student transportation services | 1,801,963 | 1,801,963 | 1,435,073 | 366,890 | |
| K-3 reading program: | | | | | |
| Instruction | 229,802 | 229,802 | 229,800 | 2 | |
| Total Expenditures | 28,430,139 | 30,354,475 | 24,708,229 | 5,646,246 | |
| Excess (Deficiency) of Revenues | | | | | |
| Over Expenditures | (28,430,139) | (30,354,475) | 2,638,005 | 32,992,480 | |
| Other Financing Sources (Uses): | | | | | |
| Other uses | - | - | 11,133 | 11,133 | |
| NET CHANGE IN FUND BALANCE | (28,430,139) | (30,354,475) | 2,649,138 | 33,003,613 | |
| Fund Balance - Beginning, as restated | - | - | 8,851,930 | 8,851,930 | |
| Fund Balance - Ending | \$ (28,430,139) | \$ (30,354,475) | \$ 11,501,068 | \$ 41,855,543 | |

See accompanying Notes to Required Supplementary Information

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2023

| | Budgeted Amounts | | Actual | Variances - Final to Actual |
|--|------------------|-----------------|---------------|--------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ 11,957,697 | \$ 11,957,697 |
| Investment earnings | - | - | 18,214 | 18,214 |
| Total Revenues | - | - | 11,975,911 | 11,975,911 |
| EXPENDITURES | | | | |
| Regular education: | | | | |
| Instruction | 4,008,687 | 4,008,687 | 4,185,564 | (176,877) |
| Support services - students | 609,190 | 609,190 | 636,070 | (26,880) |
| Support services - instructional staff | 514,645 | 514,645 | 537,353 | (22,708) |
| Support services - general administration | 104,047 | 104,047 | 108,638 | (4,591) |
| Support services - school administration | 795,916 | 795,916 | 831,035 | (35,119) |
| Support services - central services | 192,787 | 192,787 | 201,293 | (8,506) |
| Operations and maintenance of plant | 353,748 | 353,748 | 369,357 | (15,609) |
| Operation of noninstructional services | 1,403,915 | 1,403,915 | 1,465,861 | (61,946) |
| Total regular education | 7,982,937 | 7,982,937 | 8,335,171 | (352,234) |
| Special education: | | | | |
| Instruction | 478,047 | 478,047 | 499,140 | (21,093) |
| Support services - students | 649,822 | 649,822 | 678,494 | (28,672) |
| Support services - instructional staff | 9,231 | 9,231 | 9,638 | (407) |
| Support services - central services | 319 | 319 | 333 | (14) |
| Operations and maintenance of plant | 6,225 | 6,225 | 6,500 | (275) |
| Total special education | 1,143,644 | 1,143,644 | 1,194,105 | (50,461) |
| Pupil transportation: | | | | |
| Student transportation services | 123,862 | 123,862 | 129,327 | (5,465) |
| Capital outlay | | | | |
| Facilities acquisition | 1,623,538 | 1,623,538 | 1,695,174 | (71,636) |
| Total Expenditures | 10,873,980 | 10,873,980 | 11,353,777 | (479,797) |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (10,873,980) | (10,873,980) | 622,134 | 11,496,114 |
| Other Financing Sources (Uses): | | | | |
| Transfers out | - | - | (121,179) | (121,179) |
| NET CHANGE IN FUND BALANCE | (10,873,980) | (10,873,980) | 500,955 | 11,374,935 |
| Fund Balance - Beginning, as restated | - | - | 1,124,835 | 1,124,835 |
| Fund Balance - Ending | \$ (10,873,980) | \$ (10,873,980) | \$ 1,625,790 | \$ 12,499,770 |

See accompanying Notes to Required Supplementary Information

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2023

| | Budgeted Amounts | | Actual | Variances - |
|--|-------------------------|----------------|---------------|------------------------|
| | Original | Final | | Final to Actual |
| REVENUES | | | | |
| Property taxes | \$ - | \$ - | 3,684,148 | \$ 3,684,148 |
| Investment earnings | - | - | 83,157 | 83,157 |
| Total Revenues | - | - | 3,767,305 | 3,767,305 |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal retirement | 3,261,458 | 1,235,000 | 3,440,000 | (178,542) |
| Interest and fiscal charges | 238,542 | 1,595,850 | 251,600 | (13,058) |
| Total debt service | 3,500,000 | 2,830,850 | 3,691,600 | (191,600) |
| Total Expenditures | 3,500,000 | 2,830,850 | 3,691,600 | (191,600) |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (3,500,000) | (2,830,850) | 75,705 | 3,575,705 |
| Fund Balance - Beginning | - | - | 134,683 | 134,683 |
| Fund Balance - Ending | \$ (3,500,000) | \$ (2,830,850) | \$ 210,388 | \$ 3,710,388 |

See accompanying Notes to Required Supplementary Information

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2023

NOTE 1 – AVAILABILITY OF PRIOR YEAR PENSION INFORMATION

Information prior to the measurement date of June 30, 2014, was not available. GASB Statement No. 68 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.

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.

| | General Fund | | | | |
|--|---------------|---------------|-------------|---------------|---------------|
| | | | Other | | |
| | Total | Total | Financing | Fund balance | |
| | Revenues | Expenditures | Sources and | beginning of | Fund balance |
| | | | Uses | year | end of year |
| Statement of revenues, expenditures and changes in fund balance | \$ 30,750,950 | \$ 26,798,069 | \$ 814,444 | \$ 13,279,286 | \$ 18,046,611 |
| Non-maintenance and operation activity included in the General Fund | (3,404,716) | (2,089,840) | (803,311) | (4,427,356) | (6,545,543) |
| Schedule of revenues, expenditures, and changes in fund balance - budget to actual | \$ 27,346,234 | \$ 24,708,229 | \$ 11,133 | \$ 8,851,930 | \$ 11,501,068 |

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 1.92% to 3.69%. 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 meet 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, 2023

SPECIAL REVENUE FUNDS

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

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, career technical and vocational education program, fingerprinting, textbooks, 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.

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).

Emergency Deficiencies Correction Fund - Accounts for monies received from the School Facilities Board ("SFB") to correct emergency deficiencies.

Building Renewal Grant Fund - Accounts for building renewal monies that districts may request from the SFB.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

| | Special Revenue Funds | | | | Capital Project Funds | | | | |
|----------------------------|-----------------------|-------------------|-------------------|---------------------|-----------------------|---------------------|------------------|-----------------|---------------------|
| | Classroom Site | Instructional | Other Special | Food Service | Adjacent Ways | Bond Building | Emergency | Building | Non-Major |
| | Fund | Improvement | Revenue Fund | Fund | Fund | Fund | Deficiencies | Renewal Grant | Governmental |
| | | | | | | | Correction | | Funds |
| ASSETS | | | | | | | | | |
| Cash and investments | \$ 3,727,382 | \$ - | \$ 506,505 | \$ 934,454 | \$ 102,021 | \$ 1,984,680 | \$ 48,806 | \$ 1,424 | \$ 7,305,272 |
| Receivables: | | | | | | | | | |
| Intergovernmental | - | 178,074 | - | - | - | - | - | - | 178,074 |
| Accounts receivable | - | - | 200 | - | - | - | - | - | 200 |
| Deposits | - | - | - | 83,922 | - | - | - | - | 83,922 |
| Inventory | - | - | - | 50,442 | - | - | - | - | 50,442 |
| Total Assets | \$ 3,727,382 | \$ 178,074 | \$ 506,705 | \$ 1,068,818 | \$ 102,021 | \$ 1,984,680 | \$ 48,806 | \$ 1,424 | \$ 7,617,910 |
| LIABILITIES | | | | | | | | | |
| Accounts Payable | \$ - | \$ - | \$ 7,709 | \$ 2,752 | \$ - | \$ 27,722 | \$ - | \$ - | \$ 38,183 |
| Due to other funds | - | 138,677 | - | - | - | - | - | - | 138,677 |
| Accrued Wages | 527,166 | 1,149 | 104 | 11,058 | - | - | - | - | 539,477 |
| Total Liabilities | 527,166 | 139,826 | 7,813 | 13,810 | - | 27,722 | - | - | 716,337 |
| FUND BALANCES | | | | | | | | | |
| Nonspendable | - | - | - | 50,442 | - | - | - | - | 50,442 |
| Restricted | 3,200,216 | 38,248 | 498,892 | 1,004,566 | 102,021 | 1,956,958 | 48,806 | 1,424 | 6,851,131 |
| Total Fund Balances | 3,200,216 | 38,248 | 498,892 | 1,055,008 | 102,021 | 1,956,958 | 48,806 | 1,424 | 6,901,573 |
| Total Liabilities | | | | | | | | | |
| and Fund Balances | \$ 3,727,382 | \$ 178,074 | \$ 506,705 | \$ 1,068,818 | \$ 102,021 | \$ 1,984,680 | \$ 48,806 | \$ 1,424 | \$ 7,617,910 |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED JUNE 30, 2023

| | Special Revenue Funds | | | | Capital Project Funds | | | | |
|--|-----------------------|------------------|-------------------|---------------------|-----------------------|---------------------|-------------------------|-----------------|---------------------|
| | Classroom Site | Instructional | Other Special | Food Service | Adjacent Ways | Bond Building | Emergency | Building | Non-Major |
| | Fund | Improvement Fund | Revenue Fund | Fund | Fund | Fund | Deficiencies Correction | Renewal Grant | Governmental Funds |
| REVENUES | | | | | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ 14,230 | \$ - | \$ - | \$ - | \$ 14,230 |
| Intergovernmental | 2,823,190 | 307,031 | - | 3,059,226 | - | - | - | - | 6,189,447 |
| Tuition | - | - | 63,631 | - | - | - | - | - | 63,631 |
| Food Services Sales | - | - | - | 151,142 | - | - | - | - | 151,142 |
| Auxiliary operations | - | - | 15,222 | - | - | - | - | - | 15,222 |
| Student Activities | - | - | 38,426 | - | - | - | - | - | 38,426 |
| Investment earnings | 62,617 | - | 4,191 | 20,389 | 1,731 | - | 874 | 26 | 89,828 |
| Other | - | - | 35,023 | 5,647 | - | - | - | - | 40,670 |
| Total Revenues | 2,885,807 | 307,031 | 156,493 | 3,236,404 | 15,961 | - | 874 | 26 | 6,602,596 |
| EXPENDITURES | | | | | | | | | |
| Current | | | | | | | | | |
| Instruction | 2,914,749 | 264,297 | 54,052 | - | - | - | - | - | 3,233,098 |
| Support services: | | | | | | | | | |
| Students | 6,120 | 6,253 | - | - | - | - | - | - | 12,373 |
| Instructional staff | 198,882 | 808 | 71 | - | - | - | - | - | 199,761 |
| Business and other support services | - | - | 650 | - | - | 32,781 | - | - | 33,431 |
| Operations and maintenance of plant | - | - | - | - | - | 148,423 | - | - | 148,423 |
| Operations of noninstructional services | 18,359 | 1,250 | 49,344 | 3,079,631 | - | - | - | - | 3,148,584 |
| Capital outlay: | | | | | | | | | |
| Facilities acquisition | - | - | - | - | - | 482,610 | - | - | 482,610 |
| Total Expenditures | 3,138,110 | 274,410 | 118,863 | 3,079,631 | - | 960,528 | - | - | 7,571,542 |
| Excess (Deficiency) of Revenues Over Expenditures | (252,303) | 32,621 | 37,630 | 156,773 | 15,961 | (960,528) | 874 | 26 | (968,946) |
| Other Financing Sources (Uses) | | | | | | | | | |
| Transfers out | - | - | - | (682,132) | - | - | - | - | (682,132) |
| NET CHANGE IN FUND BALANCE | (252,303) | 32,621 | 37,630 | (525,359) | 15,961 | (960,528) | 874 | 26 | (1,651,078) |
| Fund Balance - Beginning, As Restated | 3,452,519 | 5,627 | 461,262 | 1,548,298 | 86,060 | 2,917,486 | 47,932 | 1,398 | 8,520,582 |
| Fund Balance - Ending | \$ 3,200,216 | \$ 38,248 | \$ 498,892 | \$ 1,055,008 | \$ 102,021 | \$ 1,956,958 | \$ 48,806 | \$ 1,424 | \$ 6,901,573 |

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
CLASSROOM SITE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2023

| | Budgeted Amounts | | Actual | Variances - |
|---|------------------|----------------|--------------|-----------------|
| | Original | Final | | Final to Actual |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ 2,823,190 | \$ 2,823,190 |
| Investment earnings | - | - | 62,617 | 62,617 |
| Total Revenues | - | - | 2,885,807 | 2,885,807 |
| EXPENDITURES | | | | |
| Regular education: | | | | |
| Instruction | 4,638,797 | 4,638,797 | 2,787,475 | 1,851,322 |
| Support services - students | 64,800 | 64,800 | 6,120 | 58,680 |
| Support services - instructional staff | 191,407 | 191,407 | 198,882 | (7,475) |
| Support services - general administration | 63,737 | 63,737 | - | 63,737 |
| Operation of noninstructional services | - | - | 18,359 | (18,359) |
| Total regular education | 4,958,741 | 4,958,741 | 3,010,836 | 1,947,905 |
| Special education: | | | | |
| Instruction | - | 1,213,714 | 125,450 | 1,088,264 |
| K-3 reading program: | | | | |
| Instruction | - | - | 1,824 | (1,824) |
| Total Expenditures | 4,958,741 | 6,172,455 | 3,138,110 | 3,034,345 |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (4,958,741) | (6,172,455) | (252,303) | 5,920,152 |
| Fund Balance - Beginning | - | - | 3,452,519 | 3,452,519 |
| Fund Balance - Ending | \$ (4,958,741) | \$ (6,172,455) | \$ 3,200,216 | \$ 9,372,671 |

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, 2023

| | Budgeted Amounts | | Actual | Variances - Final to Actual |
|--|-------------------------|--------------|---------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ 307,031 | \$ 307,031 |
| EXPENDITURES | | | | |
| Regular education: | | | | |
| Instruction | 567,422 | 567,422 | 263,909 | 303,513 |
| Support services - students | 13,444 | 13,444 | 6,253 | 7,191 |
| Support services - instructional staff | 1,737 | 1,737 | 808 | 929 |
| Support services - school administration | 3,874 | 3,874 | 1,802 | 2,072 |
| Other instructional programs | 2,688 | 2,688 | 1,250 | 1,438 |
| Total regular education | 589,166 | 589,166 | 274,022 | 315,144 |
| Special education: | | | | |
| Instruction | 834 | 834 | 388 | 446 |
| Total Expenditures | 590,000 | 590,000 | 274,410 | 315,590 |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (590,000) | (590,000) | 32,621 | 622,621 |
| Fund Balance - Beginning | - | - | 5,627 | 5,627 |
| Fund Balance - Ending | \$ (590,000) | \$ (590,000) | \$ 38,248 | \$ 628,248 |

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, 2023

| | Budgeted Amounts | | Actual | Variances - |
|--|------------------|--------------|------------|-----------------|
| | Original | Final | | Final to Actual |
| REVENUES | | | | |
| Tuition | \$ - | \$ - | \$ 63,631 | \$ 63,631 |
| Auxiliary Operations | - | - | 15,222 | 15,222 |
| Student Activities | - | - | 38,426 | 38,426 |
| Investment earnings | - | - | 4,191 | 4,191 |
| Other | - | - | 35,023 | 35,023 |
| Total Revenues | - | - | 156,493 | 156,493 |
| EXPENDITURES | | | | |
| Regular education: | | | | |
| Instruction | 204,634 | 204,634 | 54,052 | 150,582 |
| Support services - instructional staff | 269 | 269 | 71 | 198 |
| Support services - central services | 2,461 | 2,461 | 650 | 1,811 |
| Operation of noninstructional services | 186,810 | 186,810 | 49,344 | 137,466 |
| Total regular education | 394,174 | 394,174 | 104,117 | 290,057 |
| Pupil transportation: | | | | |
| Student transportation services | 55,826 | 55,826 | 14,746 | 41,080 |
| Total Expenditures | 450,000 | 450,000 | 118,863 | 331,137 |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (450,000) | (450,000) | 37,630 | 487,630 |
| Fund Balance - Beginning, as restated | - | - | 461,262 | 461,262 |
| Fund Balance - Ending | \$ (450,000) | \$ (450,000) | \$ 498,892 | \$ 948,892 |

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, 2023

| | Budgeted Amounts | | Actual | Variances - |
|--|------------------|----------------|--------------|-----------------|
| | Original | Final | | Final to Actual |
| REVENUES | | | | |
| Intergovernmental | \$ - | \$ - | \$ 3,059,226 | \$ 3,059,226 |
| Food service sales | - | - | 151,142 | 151,142 |
| Investment earnings | - | - | 20,389 | 20,389 |
| Other | - | - | 5,647 | 5,647 |
| Total Revenues | - | - | 3,236,404 | 3,236,404 |
| EXPENDITURES | | | | |
| Regular education: | | | | |
| Operation of noninstructional services | 4,000,000 | 4,000,000 | 3,079,631 | 920,369 |
| Total Expenditures | 4,000,000 | 4,000,000 | 3,079,631 | 920,369 |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (4,000,000) | (4,000,000) | 156,773 | 4,156,773 |
| Other Financing Sources (Uses): | | | | |
| Transfers out | - | - | (682,132) | (682,132) |
| Change in inventory | - | - | 32,069 | 32,069 |
| Net Financing Sources (Uses) | - | - | (650,063) | (650,063) |
| NET CHANGE IN FUND BALANCE | (4,000,000) | (4,000,000) | (493,290) | 3,506,710 |
| Fund Balance - Beginning | - | - | 1,548,298 | 1,548,298 |
| Fund Balance - Ending | \$ (4,000,000) | \$ (4,000,000) | \$ 1,055,008 | \$ 5,055,008 |

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, 2023

| | Budgeted Amounts | | Actual | Variances - Final to Actual |
|--|-------------------------|--------------|---------------|--|
| | Original | Final | | |
| REVENUES | | | | |
| Property taxes | \$ - | \$ - | \$ 14,230 | \$ 14,230 |
| Investment earnings | - | - | 1,731 | 1,731 |
| Total Revenues | - | - | 15,961 | 15,961 |
| EXPENDITURES | | | | |
| Capital outlay: | | | | |
| Facilities acquisition | 50,000 | 50,000 | - | 50,000 |
| Excess (Deficiency) of Revenues Over Expenditures | (50,000) | (50,000) | 15,961 | 15,961 |
| Fund Balance - Beginning | - | - | 86,060 | 86,060 |
| Fund Balance - Ending | \$ (50,000) | \$ (50,000) | \$ 102,021 | \$ 102,021 |

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, 2023

| | Budgeted Amounts | | Actual | Variances - Final to Actual |
|--|-------------------------|-----------------------|---------------------|--|
| | Original | Final | | |
| EXPENDITURES | | | | |
| Regular education: | | | | |
| Support services - central services | \$ 113,781 | \$ 113,781 | \$ 32,781 | \$ 81,000 |
| Operations and maintenance of plant | 515,170 | 515,170 | 148,423 | 366,747 |
| Total regular education | 628,951 | 628,951 | 181,204 | 447,747 |
| Pupil transportation: | | | | |
| Student transportation services | 1,029,881 | 1,029,881 | 296,714 | 733,167 |
| Capital outlay | | | | |
| Facilities acquisition | 1,675,118 | 1,675,118 | 482,610 | 1,192,508 |
| Total Expenditures | 3,333,951 | 3,333,951 | 960,528 | 2,373,423 |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | (3,333,951) | (3,333,951) | (960,528) | 2,373,423 |
| NET CHANGE IN FUND BALANCE | (3,333,951) | (3,333,951) | (960,528) | 2,373,423 |
| Fund Balance - Beginning | - | - | 2,917,486 | 2,917,486 |
| Fund Balance - Ending | \$ (3,333,951) | \$ (3,333,951) | \$ 1,956,958 | \$ 5,290,909 |

**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, 2023**

| | Budgeted Amounts | | Actual | Variances - |
|--|-------------------------|--------------|---------------|------------------------|
| | Original | Final | | Final to Actual |
| REVENUES | | | | |
| Investment earnings | \$ - | \$ - | \$ 874 | \$ 874 |
| Excess (Deficiency) of Revenues | | | | |
| Over Expenditures | - | - | 874 | 874 |
| Fund Balance - Beginning | - | - | 47,932 | 47,932 |
| Fund Balance - Ending | \$ - | \$ - | \$ 48,806 | \$ 48,806 |

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, 2023

| | Budgeted Amounts | | Actual | Variances - | |
|--|-------------------------|--------------|---------------|------------------------|-------|
| | Original | Final | | Final to Actual | |
| REVENUES | | | | | |
| Investment earnings | \$ - | \$ - | 26 | \$ | 26 |
| Excess (Deficiency) of Revenues | | | | | |
| Over Expenditures | - | - | 26 | | 26 |
| Fund Balance - Beginning | - | - | 1,398 | | 1,398 |
| Fund Balance - Ending | \$ - | \$ - | \$ 1,424 | \$ | 1,424 |

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)

| | | Fiscal Year Ended June 30 | | | | |
|----------------------------------|--------------|----------------------------------|---------------|---------------|---------------|---------------|
| Net Position: | | 2023 | 2022 | 2021 | 2020 | 2019 |
| Net investment in capital assets | | \$ 42,171,956 | \$43,626,688 | \$44,287,002 | \$45,523,270 | \$46,358,724 |
| | Restricted | 9,853,552 | 9,633,831 | 8,931,829 | 9,170,508 | 6,571,421 |
| | Unrestricted | (7,489,620) | (16,224,535) | (19,653,598) | (22,662,189) | (20,418,692) |
| | | <hr/> | | | | |
| | | \$ 44,535,888 | \$ 37,035,984 | \$ 33,565,233 | \$ 32,031,589 | \$ 32,511,453 |
| | | <hr/> | | | | |
| | | Fiscal Year Ended June 30 | | | | |
| Net Position: | | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net investment in capital assets | | \$46,753,670 | \$48,191,326 | \$49,966,370 | \$51,861,631 | \$51,060,750 |
| | Restricted | 6,092,133 | 6,587,468 | 6,078,130 | 4,829,829 | 6,069,928 |
| | Unrestricted | (21,600,551) | (23,337,161) | (25,085,633) | (27,316,888) | 5,962,279 |
| | | <hr/> | | | | |
| | | \$ 31,245,252 | \$ 31,441,633 | \$ 30,958,867 | \$ 29,374,572 | \$ 63,092,957 |
| | | <hr/> | | | | |

Source: The District's financial records.

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

| | Fiscal Year Ended June 30 | | | | | | | | | |
|---|---------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Expenses: | | | | | | | | | | |
| Instruction | \$ 23,550,919 | \$23,654,666 | \$21,560,863 | \$21,597,086 | \$20,944,015 | \$20,816,390 | \$21,647,346 | \$20,358,638 | \$19,626,282 | \$19,867,125 |
| Support Services - students and staff | 5,391,950 | 4,991,045 | 5,125,844 | 4,184,880 | 4,087,526 | 4,370,021 | 4,377,567 | 3,895,243 | 4,230,024 | 3,691,403 |
| Support Services - administration | 5,495,941 | 4,627,101 | 4,441,285 | 4,599,349 | 4,500,445 | 4,146,907 | 4,174,385 | 4,078,494 | 3,811,567 | 3,567,288 |
| Operation and Maintenance of plant services | 4,328,904 | 4,033,763 | 3,698,829 | 4,174,757 | 3,585,702 | 3,763,197 | 4,123,198 | 3,983,899 | 3,862,584 | 3,208,150 |
| Student transportation services | 1,994,974 | 1,804,959 | 1,710,497 | 2,147,638 | 1,980,848 | 1,953,315 | 2,033,812 | 1,577,521 | 1,826,040 | 1,656,249 |
| Operation of non-instructional services | 4,653,540 | 4,483,181 | 3,315,544 | 4,763,842 | 4,741,031 | 5,120,216 | 5,300,148 | 4,892,287 | 4,696,120 | 3,745,557 |
| Interest on long-term debt | 99,633 | 160,890 | 257,564 | 232,800 | 264,227 | 102,539 | 275,370 | 101,010 | 252,593 | 336,907 |
| Total expenses | 45,515,861 | 43,755,605 | 40,110,426 | 41,700,352 | 40,103,794 | 40,272,585 | 41,931,826 | 38,887,092 | 38,305,210 | 36,072,679 |
| Program revenues: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Instruction | 12,332 | 11,787 | 29,283 | 4,276 | 9,438 | 10,694 | 43,854 | 3,289 | 336 | 233,962 |
| Operation of non-instructional services | 173,477 | 241,254 | 22,905 | 449,782 | 286,898 | 656,400 | 169,973 | 596,838 | 165,912 | 232,951 |
| Other Activities | 2,659 | 28,506 | - | - | - | - | - | - | - | - |
| Operating grants and contributions | 18,699,150 | 15,960,666 | 12,718,076 | 10,365,513 | 11,885,380 | 10,437,921 | 10,618,450 | 10,926,565 | 9,421,242 | 6,496,522 |
| Capital grants and contributions | - | 494,598 | 200,388 | - | - | - | - | - | 2,598 | 1,017,353 |
| Total program revenues | 18,887,618 | 16,736,811 | 12,970,652 | 10,819,571 | 12,181,716 | 11,105,015 | 10,832,277 | 11,526,692 | 9,590,088 | 7,980,788 |
| Net expense | \$ (26,628,243) | \$ (27,018,794) | \$ (27,139,774) | \$ (30,880,781) | \$ (27,922,078) | \$ (29,167,570) | \$ (31,099,549) | \$ (27,360,400) | \$ (28,715,122) | \$ (28,091,891) |

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 | | | | | | | | | |
|--------------------------------|---------------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|---------------------|-----------------------|---------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Net Expense | \$ (26,628,243) | \$ (27,018,794) | \$ (27,139,774) | \$ (30,880,781) | \$ (27,922,078) | \$ (29,167,570) | \$ (31,099,549) | \$ (27,360,400) | \$ (28,715,122) | \$ (28,091,891) |
| General revenues: | | | | | | | | | | |
| Property taxes | 15,555,278 | 14,172,871 | 13,200,976 | 12,760,941 | 12,292,881 | 13,765,066 | 13,705,187 | 10,174,811 | 9,363,329 | 11,758,921 |
| Investment Income and Other | 498,484 | 368,368 | 333,398 | 460,508 | 450,031 | 192,984 | 981,433 | 490,606 | 538,104 | 81,181 |
| 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 | 1,639,245 | 1,536,153 |
| Unrestricted State Aid | 18,197,921 | 14,256,734 | 13,311,953 | 15,712,029 | 15,019,333 | 14,587,800 | 15,293,720 | 16,614,468 | 14,520,432 | 16,374,708 |
| Total general revenues | 34,267,585 | 30,172,905 | 28,217,118 | 30,400,917 | 29,188,279 | 29,612,859 | 31,588,315 | 28,944,695 | 26,061,110 | 29,750,963 |
| Changes in net position | \$ 7,639,342 | \$ 3,154,111 | \$ 1,077,344 | \$ (479,864) | \$ 1,266,201 | \$ 445,289 | \$ 488,766 | \$ 1,584,295 | \$ (2,654,012) | \$ 1,659,072 |

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)

| | Fiscal Year Ended June 30 | | | | | | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 119,626 | \$126,609 | \$138,703 | \$99,587 | \$119,663 | \$121,043 | \$91,661 | \$62,105 | \$84,497 | \$44,065 |
| Unassigned | 17,926,985 | 10,420,519 | 8,969,765 | 8,998,148 | 7,648,337 | 7,845,802 | 6,682,354 | 5,105,285 | 3,310,029 | 2,474,489 |
| Total General Fund | 18,046,611 | 10,547,128 | 9,108,468 | 9,097,735 | 7,768,000 | 7,966,845 | 6,774,015 | 5,167,390 | 3,394,526 | 2,518,554 |
| All other governmental funds: | | | | | | | | | | |
| Nonspendable | 50,442 | 18,373 | 104,695 | 39,957 | 39,167 | 4,565 | 24,131 | 63,616 | 8,792 | 19,195 |
| Restricted | 8,687,309 | 12,532,944 | 13,078,249 | 9,130,551 | 8,150,615 | 8,836,794 | 8,364,376 | 7,531,117 | 7,941,935 | 6,070,256 |
| Unassigned | - | (39,059) | (39,059) | (39,020) | (39,292) | - | - | - | - | (106,308) |
| Total all other governmental funds | 8,737,751 | 12,512,258 | 13,143,885 | 9,131,488 | 8,150,490 | 8,841,359 | 8,388,507 | 7,594,733 | 7,950,727 | 5,983,143 |
| Total all governmental funds | \$ 26,784,362 | \$ 23,059,386 | \$ 22,252,353 | \$ 18,229,223 | \$ 15,918,490 | \$ 16,808,204 | \$ 15,162,522 | \$ 12,762,123 | \$ 11,345,253 | \$ 8,501,697 |

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 | | | | | | | | | |
|-------------------------------|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Federal sources: | | | | | | | | | | |
| Federal aid and grants | \$ 11,353,805 | \$9,096,843 | \$8,504,843 | \$5,023,800 | \$6,272,096 | \$5,392,175 | \$5,264,631 | \$5,046,121 | \$4,357,445 | \$4,230,641 |
| National school lunch program | 3,059,226 | 3,692,082 | 1,635,874 | 2,823,268 | 3,135,092 | 2,898,063 | 3,464,522 | 3,751,501 | 3,000,321 | 2,848,290 |
| Total federal sources: | 14,413,031 | 12,788,925 | 10,140,717 | 7,847,068 | 9,407,188 | 8,290,238 | 8,729,153 | 8,797,622 | 7,357,766 | 7,078,931 |
| States sources: | | | | | | | | | | |
| State equalization and grants | 18,901,457 | 14,256,734 | 13,311,953 | 15,712,029 | 14,830,858 | 16,583,188 | 17,073,286 | 18,614,958 | 16,428,781 | 14,992,498 |
| School facilities board | - | - | - | - | - | - | - | - | 2,598 | - |
| Other revenues | 3,130,221 | 3,525,515 | 2,648,246 | 2,460,608 | 2,601,653 | - | - | - | - | 1,634,645 |
| Total state sources | 22,031,678 | 17,782,249 | 15,960,199 | 18,172,637 | 17,432,511 | 16,583,188 | 17,073,286 | 18,614,958 | 16,431,379 | 16,627,143 |
| Local sources | | | | | | | | | | |
| Property taxes | 15,496,837 | 13,818,097 | 12,839,137 | 12,539,126 | 12,031,650 | 12,772,151 | 13,584,081 | 10,214,055 | 9,453,418 | 11,751,301 |
| County equalization | 15,902 | 1,374,932 | 1,370,791 | 1,467,439 | 1,426,034 | 1,067,009 | 1,607,975 | 1,664,810 | 1,639,245 | 1,522,593 |
| Food service sales | 151,142 | 15,964 | 2,390 | 172,755 | 184,655 | 545,020 | 28,919 | 489,744 | 9,508 | 99,117 |
| Investment income | 263,996 | 207,819 | 219,118 | 324,155 | 293,289 | 148,967 | 186,393 | 55,801 | 70,986 | 31,802 |
| Other revenues | 724,176 | 913,799 | 628,607 | 795,866 | 654,704 | 1,274,514 | 1,089,679 | 673,641 | 778,985 | 439,026 |
| Total local sources | 16,652,053 | 16,330,611 | 15,060,043 | 15,299,341 | 14,590,332 | 15,807,661 | 16,497,047 | 13,098,051 | 11,952,142 | 13,843,839 |
| Total revenues | \$ 53,096,762 | \$ 46,901,785 | \$ 41,160,959 | \$ 41,319,046 | \$ 41,430,031 | \$ 40,681,087 | \$ 42,299,486 | \$ 40,510,631 | \$ 35,741,287 | \$ 37,549,913 |

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 | | | | | | | | | |
|---|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Expenditures: | | | | | | | | | | |
| Current: | | | | | | | | | | |
| Instruction | \$ 21,980,125 | \$23,048,535 | \$19,458,263 | \$19,623,237 | \$20,294,958 | \$19,448,632 | \$19,850,395 | \$18,777,873 | \$17,721,767 | \$17,671,746 |
| Support services - students and staff | 5,458,048 | 5,130,689 | 5,113,198 | 4,093,240 | 4,244,237 | 4,440,594 | 4,310,226 | 3,918,393 | 4,210,049 | 3,531,127 |
| Support services - administration | 5,476,912 | 4,681,127 | 4,284,563 | 4,344,391 | 4,535,105 | 4,144,981 | 3,984,062 | 3,893,557 | 3,728,949 | 3,465,325 |
| Operation and maintenance of plant services | 3,696,477 | 3,440,976 | 3,149,566 | 3,777,068 | 3,415,086 | 3,613,612 | 3,806,605 | 3,877,089 | 3,389,205 | 3,062,112 |
| Student transportation services | 2,065,164 | 1,605,139 | 1,451,880 | 1,876,745 | 1,823,743 | 1,787,289 | 1,632,782 | 1,329,043 | 1,636,912 | 1,424,586 |
| Operation of non-instructional services | 4,868,878 | 4,217,345 | 3,077,717 | 4,359,205 | 4,586,708 | 4,861,463 | 4,961,593 | 4,681,452 | 4,255,347 | 3,483,078 |
| Capital outlay | 2,177,784 | 1,677,933 | 1,833,420 | 2,386,169 | 1,299,032 | 1,032,105 | 2,250,950 | 985,721 | 488,759 | 630,009 |
| Debt Service: | | | | | | | | | | |
| Principal retirement | 3,440,000 | 2,110,000 | 2,010,000 | 1,935,000 | 1,825,000 | 2,125,000 | 1,725,000 | 1,525,000 | 1,150,000 | 4,110,000 |
| Interest, premium and fiscal charges | 251,600 | 312,857 | 255,066 | 270,182 | 322,301 | 234,879 | 312,425 | 138,065 | 252,593 | 336,907 |
| Bond Issuance Costs | - | - | 89,538 | 86,714 | - | 95,285 | 55,120 | - | - | - |
| Total expenditures | \$ 49,414,988 | \$ 46,224,601 | \$ 40,723,211 | \$ 42,751,951 | \$ 42,346,170 | \$ 41,783,840 | \$ 42,889,158 | \$ 39,126,193 | \$ 36,833,581 | \$ 37,714,890 |
| Debt service as a percentage of noncapital expenditures | 8.0% | 5.4% | 5.8% | 5.5% | 5.2% | 5.8% | 5.0% | 4.4% | 3.9% | 12.0% |

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 | | | | | | | | | |
|--|---------------------------|-------------|--------------|----------------|--------------|----------------|--------------|--------------|----------------|--------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Excess (deficiency) of revenues over expenditures | \$ 3,681,774 | \$ 677,184 | \$ 437,748 | \$ (1,432,905) | \$ (916,139) | \$ (1,007,468) | \$ (589,672) | \$ 1,384,438 | \$ (1,092,294) | \$ (164,977) |
| Insurance of Long-Term Debt | - | - | 2,805,000 | 3,360,000 | - | 2,465,000 | 3,000,000 | - | 3,800,000 | - |
| Premium on Sale of Bonds | - | 259,707 | 396,127 | - | 105,095 | - | - | - | 185,276 | - |
| Transfers in | 803,311 | 2,730,960 | 117,948 | 503,317 | 351,839 | 1,192,147 | 292,889 | 248,557 | 1,488,645 | 6,748,109 |
| Transfers out | (803,311) | (2,730,960) | (117,948) | (503,317) | (351,839) | (1,192,147) | (292,889) | (248,557) | (1,488,645) | (6,748,109) |
| Total other financing sources (uses) | - | 259,707 | 3,201,127 | 3,360,000 | 105,095 | 2,465,000 | 3,000,000 | - | 3,985,276 | - |
| Changes in fund balances | \$ 3,681,774 | \$ 936,891 | \$ 3,638,875 | \$ 1,927,095 | \$ (811,044) | \$ 1,457,532 | \$ 2,410,328 | \$ 1,384,438 | \$ 2,892,982 | \$ (164,977) |

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 | Net Assessed Full Cash Value | Total Direct Tax Rate | Assessed Value as a Percentage of Actual Value |
|------------------------|---|---|----------------------------------|---|
| | Real/Personal Property Less Exemptions | | | |
| 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% |
| 2015 | 1,902,409,630 | 253,930,380 | 3.90 | 13.35% |
| 2014 | 1,686,673,372 | 227,811,887 | 5.12 | 13.51% |

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, 2023
(UNAUDITED)

| Property Classification (a) | 2023 |
|--|-----------------------|
| Commercial, Industrial, Utilities and Mining | 76% |
| Agricultural and Vacant | 2% |
| Residential (Owner Occupied) | 13% |
| Residential (Rental) | 8% |
| Railroad, Private Cars and Airlines | 0% |
| Historical Property | 0% |
| Certain Government Property Improvements | 0% |
| | |
| Class | 2023 |
| Commercial, Industrial, Utilities and Mining | \$ 347,910,701 |
| Agricultural and Vacant | 9,497,965 |
| Residential (Owner Occupied) | 61,971,874 |
| Residential (Rental) | 37,827,402 |
| Railroad, Private Cars and Airlines | 1,198,295 |
| Historical Property | 1,424,620 |
| Certain Government Property Improvements | 26,616 |
| | |
| Totals | <u>\$ 459,857,473</u> |
| Ratio of net full cash assessed values to | |
| Gross Full Cash Value | \$5,186,976,849 |
| Ratio of Net Limited Assessed Value to Gross Full Cash Value | 8.87% |
| Total Direct Rate | 3.42% |

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 |
| 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% |
| 2015 | 2.04% | 1.85% | 3.90% | 0.51% | 1.32% | 1.52% | 4.53% | 3.75% | 1.82% |
| 2014 | 1.77% | 3.35% | 5.12% | 0.51% | 1.28% | 1.53% | 5.49% | 3.76% | 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, 2023, AND 2014
(UNAUDITED)

| Taxpayer | 2023 | | 2014 | |
|---|---|---|---|---|
| | Net Assessed Property Value for Secondary Tax Purposes | Percentage of Net Assessed Property Value for Secondary Tax Purposes | Net Assessed Property Value for Secondary Tax Purposes | Percentage of Net Assessed Property Value for Secondary Tax Purposes |
| LIBERTY PROPERTY LP | \$ 16,681,452 | 2.85% | | |
| TARGET CORPORATION | 14,251,811 | 3.10% | 10,547,654 | 4.63% |
| FR CAL 3 TOLLESON BUCKEYE LLC | 11,648,664 | 2.61% | | |
| WINCO FOODS LLC | 11,529,035 | 3.02% | | |
| BRE JUPITER AGAVE DC LLC | 10,369,371 | 2.71% | | |
| JENBERLY DISTRIBUTION CENTER I LLC | 9,731,059 | 2.45% | | |
| SWIFT TRANSPORTATION CO INC | 8,037,893 | 2.20% | 9,408,599 | 4.13% |
| CH LH BUCKEYE OWNER LLC | 7,202,612 | 2.52% | | |
| REEP-IND 10 WEST II AZ LLC | 6,535,980 | 1.49% | | |
| REEP-IND 10 WEST AZ LLC | 6,331,952 | 2.58% | | |
| Greater Arizona Auto Auctions Inc | | | 3,827,227 | 1.68% |
| FStar 67th Ave LLC | | | 3,758,883 | 1.65% |
| Zimmerman Myron | | | 3,644,978 | 1.60% |
| Columbia Arizona Buckeye Industrial LLC | | | 3,576,634 | 1.57% |
| DH Buckeye LLC | | | 3,508,291 | 1.54% |
| CLPF-Durango LP | | | 3,508,291 | 1.54% |
| WPC SW Industrial No 1 LLC | | | 3,234,918 | 1.42% |
| Columbia AZ Van Buren Industrial LLC | | | 3,007,107 | 1.32% |
| Totals | <u>\$ 102,319,829</u> | <u>25.54%</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 | | | | | | |
| 2023 | \$ 15,707,926 | \$ 15,581,123 | 99.19% | - | 15,581,123 | 99.19% | \$ 126,803 | 0.81% |
| 2022 | 14,283,284 | 14,022,209 | 98.17% | 232,474 | 14,254,683 | 99.80% | 28,601 | 0.20% |
| 2021 | 13,312,714 | 13,102,759 | 98.42% | 191,628 | 13,294,387 | 99.86% | 18,327 | 0.14% |
| 2020 | 12,963,827 | 12,895,944 | 99.48% | 584 | 12,896,528 | 99.48% | 67,299 | 0.52% |
| 2019 | 12,445,466 | 12,118,020 | 97.37% | 197,525 | 12,315,545 | 98.96% | 129,921 | 1.04% |
| 2018 | 12,321,286 | 12,045,553 | 97.76% | 215,078 | 12,260,631 | 99.51% | 60,655 | 0.49% |
| 2017 | 13,979,239 | 13,735,777 | 98.26% | 181,636 | 13,917,413 | 99.56% | 61,826 | 0.44% |
| 2016 | 10,580,618 | 10,475,013 | 99.00% | 27,662 | 10,502,675 | 99.26% | 77,943 | 0.74% |
| 2015 | 9,771,927 | 9,587,236 | 98.11% | 137,930 | 9,725,166 | 99.52% | 46,761 | 0.48% |
| 2014 | 11,647,197 | 11,298,365 | 97.01% | 265,364 | 11,563,729 | 99.28% | 83,468 | 0.72% |

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 |
| 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% |
| 2015 | 9,385,276 | 206,603 | 9,178,673 | 0.48% | 275 | 9,385,276 | 0.49% | 281 | 0.01% |
| 2014 | 9,510,000 | 212,000 | 9,298,000 | 0.56% | 278 | 9,510,000 | 0.56% | 285 | 0.01% |

Source: The District's financial records.

FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2023
(UNAUDITED)

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable to School District | Estimated Amount Applicable to School District |
|--|-----------------------------|---|---|
| Debt repaid with property taxes | | | |
| Maricopa County Community College District | \$ 201,648,579 | 0.99% | \$ 1,996,321 |
| Maricopa County Special Health Care District | 724,900,000 | 0.99% | 7,176,510 |
| City of Tolleson | 19,482,000 | 100.00% | 19,482,000 |
| City of Phoenix | 739,850,000 | 3.07% | 22,713,395 |
| Tolleson Union High School District No. 214 | 246,209,359 | 28.33% | 69,751,111 |
| Western Maricopa Education Center | 157,051,393 | 2.64% | 4,146,157 |
| Subtotal, overlapping debt | | | <u>125,265,494</u> |
| Fowler Elementary School District No. 45 direct debt | 5,970,000 | 100.00% | <u>2,985,000</u> |
| Total direct and overlapping debt | | | <u>\$ 128,250,494</u> |

DIRECT AND OVERLAPPING GENERAL BONDED DEBT RATIOS

| | |
|---|----------|
| Net Direct General Obligation Bonded Debt | |
| Per capita | \$ 244 |
| As a percentage of net assessed property value for secondary tax purposes | 2.10% |
| As a percentage of net full cash value | 0.19% |
| Net Direct and Overlapping General Bonded Debt | |
| Per capita | \$ 3,485 |
| As a percentage of net assessed property value for secondary tax purposes | 29.92% |
| As a percentage of net full cash value | 2.65% |

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 2023:

| | |
|------------------------------------|-----------------------|
| Net Full Cash Assessed Value | \$ 702,532,571 |
| | 15% |
| Debt limit (15% of assessed value) | 105,379,886 |
| Less: Net debt applicable to limit | (2,985,000) |
| Legal debt margin | <u>\$ 102,394,886</u> |

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

| | |
|------------------------------------|----------------------|
| Net Full Cash Assessed Value | \$ 702,532,571 |
| | 10% |
| Debt limit (10% of assessed value) | 70,253,257 |
| Less: Net debt applicable to limit | (2,985,000) |
| Legal debt margin | <u>\$ 67,268,257</u> |

| | Fiscal Year Ended June 30 | | | | |
|--|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| Debt limit | \$ 105,379,886 | \$ 100,392,340 | \$ 90,173,936 | \$ 80,604,210 | \$ 75,068,681 |
| Less: Net debt applicable to limit | <u>(2,985,000)</u> | <u>(6,425,000)</u> | <u>(10,545,000)</u> | <u>(9,675,000)</u> | <u>(8,140,000)</u> |
| Legal debt margin | <u>\$ 102,394,886</u> | <u>\$ 89,847,340</u> | <u>\$ 79,628,936</u> | <u>\$ 70,929,210</u> | <u>\$ 66,928,681</u> |
| Total debt applicable to the limit as a percentage of debt limit. | 10.5% | 10.5% | 11.7% | 12.0% | 10.8% |

| | Fiscal Year Ended June 30 | | | | |
|--|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Debt limit | \$ 65,945,854 | \$ 47,959,032 | \$ 47,959,032 | \$ 38,089,557 | \$ 34,171,666 |
| Less: Net debt applicable to limit | <u>(10,265,000)</u> | <u>(9,525,000)</u> | <u>(8,050,000)</u> | <u>(9,200,000)</u> | <u>(9,510,000)</u> |
| Legal debt margin | <u>\$ 55,680,854</u> | <u>\$ 38,434,032</u> | <u>\$ 39,909,032</u> | <u>\$ 28,889,557</u> | <u>\$ 24,661,666</u> |
| Total debt applicable to the limit as a percentage of debt limit. | 15.6% | 19.9% | 16.8% | 24.2% | 27.8% |

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)

| Year | Maricopa County | | | | Estimated District Population |
|-------------|------------------------|--|------------------------------|------------------------------|--|
| | Population | Personal Income (thousands) | Per Capita Income | Unemployment Rate | |
| 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 |
| 2022 | 4,420,568 | 245,077,753 | 55,440 | 6.6% | 34,963 |
| 2021 | 4,485,414 | 222,943,017 | 49,704 | 4.3% | 35,151 |
| 2020 | 4,410,824 | 210,370,180 | 47,694 | 4.5% | 35,338 |
| 2019 | 4,221,684 | 196,286,191 | 41,222 | 4.2% | 33,571 |
| 2018 | 4,137,076 | 175,437,829 | 40,003 | 4.7% | 30,560 |
| 2017 | 4,076,438 | 175,437,829 | 40,424 | 5.1% | 30,560 |
| 2016 | 4,087,191 | 178,871,199 | 38,411 | 5.2% | 33,410 |
| 2015 | 4,055,178 | 168,483,421 | 36,643 | 6.0% | 33,420 |
| 2014 | 4,013,164 | 160,537,029 | 36,530 | 6.7% | 28,984 |

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, 2023, AND 2014
(UNAUDITED)

| | | 2023 | |
|------------------------------|--------------------------------|--|---|
| Employer | Description | Approximate Number of Employees | Percentage of Total Employment |
| Banner Health | Healthcare | 43,400 | 1.70% |
| State of Arizona | Government | 41,564 | 1.63% |
| Maricopa County | Government | 15,550 | 0.61% |
| City of Phoenix | Government | 14,500 | 0.57% |
| Mayo Clinic | Healthcare | 10,466 | 0.41% |
| Freeport-McMoran Inc. | Mining | 10,200 | 0.40% |
| U.S. Postal Service | Government | 10,196 | 0.40% |
| Bank of America | Banking and Financial Services | 9,050 | 0.36% |
| Honeywell Aerospace | Technology | 8,623 | 0.34% |
| United Healthcare of Arizona | Healthcare | 8,071 | 0.32% |
| | | 171,620 | 6.73% |
| | | 2014 | |
| Employer | Description | Approximate Number of Employees | Percentage of Total Employment |
| State of Arizona | Government | 49,800 | 2.74% |
| Walmart Inc. | Retail | 30,634 | 1.68% |
| Banner Health | Healthcare | 24,825 | 1.36% |
| City of Phoenix | Government | 15,100 | 0.83% |
| Wells Fargo | Banking and Financial Services | 13,308 | 0.73% |
| Maricopa County | Government | 12,792 | 0.70% |
| Bank of America | Banking and Financial Services | 13,300 | 0.73% |
| Raytheon Co. | Technology | 11,500 | 0.63% |
| Arizona State University | Education | 11,185 | 0.61% |
| Apollo Group Inc | Education | 11,000 | 0.60% |
| | | 193,444 | 10.61% |

Source: The Book of Lists, Phoenix Business Journal (2023).

Note: The principal employers were not available for the District alone, therefore the principal employers for the City of Phoenix are presented.

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

| | Fiscal Year Ended June 30 | | | | | | | | | |
|---|---------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| Supervisory | | | | | | | | | | |
| Superintendent | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Assistant superintendents | 2 | 1 | 1 | 1 | 1 | 1 | 1 | - | - | - |
| Consultants/supervisors of instruction | 9 | 4 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 1 |
| Principals | 8 | 8 | 8 | 6 | 6 | 7 | 8 | 7 | 7 | 7 |
| Assistant principals | 3 | 5 | 6 | 8 | 8 | 8 | 7 | 9 | 9 | 7 |
| Total supervisory | 23 | 19 | 17 | 17 | 17 | 18 | 18 | 18 | 19 | 16 |
| Instruction | | | | | | | | | | |
| Teachers | 200 | 196 | 199 | 223 | 236 | 233 | 237 | 244 | 249 | 241 |
| Other professionals (instructional) | 13 | 7 | 10 | 10 | 8 | 9 | 9 | 7 | 12 | 13 |
| Aides | 64 | 41 | 49 | 99 | 86 | 60 | 96 | 74 | 59 | 52 |
| Total instruction | 277 | 244 | 258 | 332 | 330 | 302 | 342 | 325 | 320 | 306 |
| Student services | | | | | | | | | | |
| Nurses | 4 | 2 | 1 | 8 | 8 | 8 | 8 | 7 | 6 | 3 |
| Guidance counselors | 4 | 7 | 7 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Librarians | 7 | 6 | 7 | 7 | 7 | 7 | 7 | 6 | 6 | 5 |
| Technicals | 8 | 5 | 5 | 8 | 9 | 10 | 10 | 6 | 4 | 4 |
| Other professionals (noninstructional) | 8 | 16 | 11 | 11 | 7 | 6 | 6 | 14 | 9 | - |
| Total student services | 31 | 36 | 31 | 36 | 33 | 33 | 33 | 35 | 27 | 14 |
| Support and administration | | | | | | | | | | |
| Maintenance workers | 29 | 26 | 29 | 29 | 31 | 18 | 18 | 28 | 28 | 29 |
| Bus drivers | 11 | 13 | 14 | 14 | 13 | 22 | 21 | 24 | 25 | 27 |
| Food service workers | 43 | 35 | 43 | 43 | 42 | 24 | 22 | 20 | 8 | 9 |
| Other classified | 39 | 26 | 25 | 25 | 32 | 29 | 35 | 28 | 16 | 7 |
| Service workers | 15 | 24 | 24 | 24 | 35 | 32 | 33 | 17 | 18 | 25 |
| Total support and administration | 137 | 124 | 135 | 135 | 153 | 125 | 129 | 117 | 95 | 97 |
| Total full-time equivalent employees | 468 | 423 | 441 | 520 | 533 | 478 | 522 | 495 | 461 | 433 |

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) |
|-----------------------|------------|
| 2023 | 3,485 |
| 2022 | 3,457 |
| 2021 | 3,466 |
| 2020 | 3,876 |
| 2019 | 4,038 |
| 2018 | 4,302 |
| 2017 | 4,434 |
| 2016 | 4,426 |
| 2015 | 4,500 |
| 2014 | 4,349 |

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 |
|---------------------------------|---|--|-------------------|-------------------------------|---------------------------|-------------------|----------|-------------------|----------------------------|---------------------------------------|
| 2023 | 3,485 | \$ 43,545,604 | \$12,496 | 2% | \$ 45,515,861 | \$ 13,062 | 3.1% | 200 | 17.4 | 80.4% |
| 2022 | 3,457 | 42,123,811 | 12,185 | 16% | 43,755,605 | 12,657 | 9.4% | 196 | 17.6 | 80.7% |
| 2022 | 3,466 | 36,535,187 | 10,541 | 7% | 40,110,426 | 11,573 | 7.6% | 199 | 17.4 | 79.1% |
| 2021 | 3,876 | 38,073,886 | 9,823 | 2% | 41,700,352 | 10,759 | 8.3% | 223 | 17.4 | 81.1% |
| 2020 | 4,038 | 38,899,837 | 9,633 | 8% | 40,103,794 | 9,932 | 6.1% | 236 | 17.1 | 82.6% |
| 2019 | 4,302 | 38,296,571 | 8,902 | 2% | 40,272,585 | 9,361 | -1.0% | 233 | 18.5 | 83.1% |
| 2018 | 4,434 | 38,600,783 | 8,706 | 7% | 41,931,826 | 9,457 | 9.4% | 237 | 18.7 | 83.1% |
| 2017 | 4,500 | 36,477,407 | 8,106 | 0% | 38,887,092 | 8,642 | -3.1% | 244 | 18.4 | 87.6% |
| 2016 | 4,297 | 34,942,229 | 8,132 | 63% | 38,305,210 | 8,914 | 61.8% | 249 | 17.3 | 88.7% |
| 2015 | 6,547 | 32,637,974 | 4,985 | 21% | 36,072,679 | 5,510 | 16.3% | 241 | 27.2 | 88.9% |
| 2014 | 7,396 | 30,403,505 | 4,111 | 4% | 35,031,714 | 4,737 | 3.9% | 231 | 32.0 | 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

| | Fiscal Year Ended June 30 | | | | | | | | | |
|------------------------|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| <u>Schools:</u> | | | | | | | | | | |
| Elementary | | | | | | | | | | |
| Buildings | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Square feet | 352,253 | 352,253 | 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 | 2,248 | 2,195 | 2,479 | 2,438 | 2,997 | 2,864 | 2,930 | 2,930 | 3,453 | 3,351 |
| Middle | | | | | | | | | | |
| Buildings | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Square feet | 187,456 | 187,456 | 187,456 | 187,456 | 187,456 | 187,456 | 187,456 | 187,456 | 187,456 | 187,456 |
| Capacity | 3,497 | 3,497 | 3,497 | 3,497 | 3,497 | 3,497 | 3,497 | 3,497 | 3,497 | 3,497 |
| Enrollment | 1,217 | 1,261 | 965 | 1,438 | 1,482 | 1,527 | 1,473 | 1,473 | 975 | 969 |
| Administrative | | | | | | | | | | |
| Buildings | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Square feet | 1,519 | 1,519 | 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 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 | 33 |
| Athletics | | | | | | | | | | |
| Soccer fields | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Baseball/softball | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Playgrounds | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |