
BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40

SELLS, ARIZONA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024



**BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
SELLS, ARIZONA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2024

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INTRODUCTORY SECTION



BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40

February 4, 2025

Community Members and Governing Board
Indian Oasis Baboquivari Unified School District No. 40
dba: Baboquivari Unified School District No. 40
PO Box 248
Sells, Arizona 85634-0248

State law mandates that school districts are required to undergo an annual single audit and publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the state of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Baboquivari Unified School District No. 40 for the fiscal year ended June 30, 2024.

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

The District's financial statements have been working with CWDL, Certified Public Accountants, a certified public accounting firm, to complete the required audits. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year ending June 30, 2024, and that statement are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor is working on concluding, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

PROFILE OF THE DISTRICT

The District is one of 18 public school districts located in Pima County, Arizona. The District was initially founded as Indian Oasis Elementary District #40 in 1919, Baboquivari High School District #24 was founded in 1913 and discontinued in 1917 and subsequently reorganized in 1934. On July 1, 1953, it was annexed and lapsed into what is now San Fernando Elementary District #35 and Altar Valley Elementary District #51. Baboquivari High School District #40 was organized in 1979 and in 1982, Indian Oasis-Baboquivari Unified District #40 was consolidated as it exists today. The District serves an estimated 974 students from preschool through grade 12.

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 revenues and taxes for the District, but exercises no control over its expenditures/expenses.

The membership of the Governing Board consists of five members elected by the public. Under existing statutes, the Governing Board's duties and powers include, but are not limited to, the acquisition, maintenance, and disposition of school property; the development and adoption of a school program; and the establishment, organization and operation of schools. The Board also has broad financial responsibilities, including the approval of the annual budget, and the establishment of a system of accounting and budgetary controls.

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

Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, food services, and athletic functions.

The Baboquivari Unified School District No. 40 is located within the Tohono O'odham Nation, a federally recognized tribe that includes approximately 28,000 members occupying tribal lands in Southwestern Arizona. The Tohono O'odham Nation is the second largest reservation in Arizona in both population and geographical size with a land base of 2.8 million acres and 4,460 square miles, approximately the size of the State of Connecticut. The District's transportation department covers the main Tohono O'odham reservation within Pima County, Arizona on a daily basis to transport students. More than three-quarters of the Tohono O'odham Reservation is within the borders of the Baboquivari Unified School District. The San Xavier District is separate from the main reservation, is located in Tucson, and is not part of the Baboquivari Unified School District. The Tohono O'odham reservation is within the Santa Rosa, Sierrita, Combabi, Sand Tank and Saucedo mountain range. Land elevations range between 850 and 8,000 feet above sea level. The area is bounded on three sides by township lines and is bounded to the South by the country of Mexico. Access to some of the villages is difficult, if not impossible, during strong rains.

The District schools consist of a Primary Campus serving preschool through third grade; Intermediate Campus serving grades fourth through sixth; Secondary Campus serving grades seventh through 12th; and an Alternative Campus serving grades sixth through 12th. Our demographic includes 90.7% Native American Students, 8.88% Hispanic, and <1% other.


Our Vision is our students will be LOVED, ENCOURAGED, and PREPARED to take on the world by embracing our HIMDAG (our way of life). We work towards our vision by providing several social emotional support systems to include Social and Emotional Learning (SEL), Positive Behavior Intervention Support (PBIS), Trust Based Relational Intervention (TBRI). These support systems continue to evolve through a Multi-Tiered System of Supports (MTSS) for Tier 1, Tier 2, and Tier 3 level students depending on their needs.


Our mission is to create healthy, inspiring, motivating, developing, achieving graduates (HIMDAG), through a systematic and embedded approach to being a Trauma Informed District. We use the ideas of connecting and creating relationships with students and families to create positive learning experiences for all students. Our purpose each day is to create a positive academic impact on every child's life.

In order to achieve this success, we have had to create optimal opportunities to recruit and retain excellent staff. We have done this by becoming one of the highest paying entry salaries for all certified teachers in the state of Arizona. We also provide affordable housing or a commuter bus that will transport staff in from Tucson, to Sells, Arizona, and back home. All teachers receive laptops to do their work on the free-internet-equipped bus if desired. We also support our staff by paying 100% of their medical benefit. Hiring the best teachers will ensure that our students are receiving a quality education. According to the 2024 Arizona State Determination report, Graduation Rate for FY 23 was 72% and for FY 2024 was 74% state wide.

Arizona 2024 Part B State Determination: Comparing FY23 and FY24

Overall increase from 69% in FY23 to 75% in FY24

Results 		
	FY23	FY24
Overall Results	67%	70%
Reading Participation AASA 4 th	91%	96%
Reading Participation AASA 8 th	88%	96%
Math Participation AASA 4 th	92%	98%
Math Participation AASA 8 th	88%	97%
Reading Performance NAEP 4 th	25%	25%
Reading Performance NAEP 8 th	25%	25%
Math Performance NAEP 4 th	38%	38%
Math Performance NAEP 8 th	18%	18%
Dropout Rate	27%	26%
Graduation Rate	72%	74%

Compliance 		
	FY23	FY24
Overall Compliance	72%	80%
Disproportionate Representation	0%	0%
Significant Discrepancy	NA	NA
Timely State Complaints	100%	100%
Secondary Transition	65%	67%
Timely Evaluation (Child Find)	97%	96%
Timely and Accurate Reporting	96%	96%
IEP In-by-3	99%	99%

 =improvement over prior year



According to the Arizona School Report Card reports, our Baboquivari High School Promotion Rate for 2023 is 97.51%, which is higher than the District Percentage rate of 95.52% and slightly lower than the 98% for the State. BMHS also has a 63.46% graduation rate and aims to reach and exceed the State's 76.99% (See below)


AZ School Report Cards

[HOME](#)
[SCHOOLS](#)

Baboquivari High School

School Year
2022-2023

End Of Year Promotion

Promotion Rate: 2023

Subgroups	Promotion Rate(%)
All	97.51
Female	>98
Male	96.3
Asian	*
Hispanic	>98
Native American	97.36
Foster Care	*
Homeless	95.56
Income Eligibility 1 and 2	97.51
Special Education	>98

Graduation Rate: 2023 (Cohort 2022)

Subgroups	School Percentage (%)	District Percentage (%)	State Percentage (%)
All	63.46	49.3	76.99
Female	70.83	64.29	80.45
Male	57.14	39.53	73.69
Asian	*	*	91.72
Native American	64	50	65.27
Hispanic	*	*	73.58
Special Education	*	66.67	67.76
Homeless	*	50	55.49
Income Eligibility 1 and 2	*	*	73.37

A-F Graduation Points Earned (Out of 10)

Graduation Rate Points

8.5

Citizens and Governing Board
Baboquivari Unified School District No. 40

As a district, our growth percentages in ELA and Math Continue to demonstrate our commitment in increasing our mastery levels:

Performance on the other Academic Indicator : ELA (English Language Arts) : ALL ENROLLED				
Subgroups	Low (%)	Average (%)	High (%)	Median (%)
All	38.2	33.99	27.81	43.5

Performance on the other Academic Indicator : MATH : ALL ENROLLED				
Subgroups	Low (%)	Average (%)	High (%)	Median (%)
All	40.5	36.91	22.59	40

Some of our initiatives include:

- Beyond Textbooks District-wide
- SFA Reading program for K-6th students
- Engagement Strategies through: Models of Instruction, Kagan, AVID, and Ron Clark Academy
- District-wide classroom visits
- A District Curriculum and Instruction Department focused in aligning assessments, coaching for teachers, and quality professional development for new teachers, a teacher academy, and principals
- Low Class Size at a 20:1 ratio for K-6 students
- Cognitive Coaching
- A growing CTED Program including Culinary, Welding, Agriculture, Auto shop, Digital Filming and next year Nurse Assistant Program.

We work with many agencies to support our student's emotional and behavioral needs as well as work with local and state colleges to support a seamless transition to college and/or career. Our financial team works diligently to support schools and students as well as being proactive in having processes in place to support compliance in use of funds.

Due to COVID-19, our schools operated virtually the entire year. Our in-person instruction reconvened at the beginning of the FY22 year with a full virtual model and transitioned into a hybrid A/B model to maintain social distancing as required by the Tohono O'odham Nations COVID executive order. Our District is fortunate enough to have all the technology to support students with devices as well as technology to support teachers with devices, document cameras, and other assistive technology. Since 2022, BUSD has devoted funds to close the learning gap left behind by COVID through after school tutoring, winter credit recovery, summer school and summer credit recovery.

The District continues to struggle with recruitment and retention of educators and has started recruiting J1 and H1b international teachers. As a result, the District has increased staffing and has the ability to retain these educators for a three-year window. In order to utilize this process extensively in the future the District will have to address the housing needs of the increased staff relocating to the district from outside the nation. The District will also need to update the current housing provided to teachers in the district to make sure the conditions are sufficient.

BUDGET PROCESS AND CONTROLS

The annual budget process serves as the foundation for the District's financial planning and control. Every year, the District's Governing Board adopts a budget and approves the related appropriations for each fund. Year to date expenditure budgets for all funds are presented at monthly board meetings and are available for review for each school and department. Every April, year-end deadlines are provided to each school and department to ensure the general fund grant funds are maximized and no more than 15% budget balances are carried forward to the new year when allowed. The Expenditure Budget is revised (when required), approved by the board and submitted to the Arizona Department of Education a maximum of four times a year. The objective of these budgetary controls is 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 (that is, the level at which expenditures cannot exceed the appropriated amount) is established at the individual fund level for all funds. In funds where the District is not required to legally adopt a budget, over expenditures of budgeted funds may occur. 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 budget of revenue; 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 perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy

Remoteness and lack of economic development have resulted in a high poverty rate and a high unemployment rate. Jobs are concentrated in federal, state, and tribal agencies.

The District serves a total student population of approximately 974. 90% of our students are Native American, and 100% of the students receive free breakfast and lunch with the Community Eligibility Provision Agreement with the National School Breakfast/Lunch Program. Over 90% of our students are transported by BUSD, some of them spending up to two hours each way.

The primary sources of funding for the District are Federal Impact Aid from the federal government since all trust land is exempt from property taxes and state and county equalization payments. Federal special project grants also provide a significant source of funding.

Long-Term Financial Planning

There is very little building or financial growth on the Tohono O'odham Reservation or in the community of Sells at this time. Subsequently, Baboquivari Unified School District is not a growing district; therefore the projected enrollment for FY 2024-2025 is equal to the current year enrollment. There are some buildings that are aging and in need of repair. Currently, through School Facilities Board funding, all schools are undergoing roof replacement while the district has invested close to eight million dollars in replacing air-conditioning units over 20 years old. The funding for the renovations is being paid from Impact Aid, ESSER funds as well as SFB.

There is a preventive maintenance plan in place to ensure the care of all facilities. The Intermediate Campus' oldest building is 40 years old and the newest building is 30 years old. The Baboquivari Middle/High School facility is the newest facility, the oldest building is 29 years old and the newest building is 17 years old.

BUSD has been operating 7 buses with no air conditioning. Our district needs a total of 19 routes to serve an area the size of Connecticut. In the last 15 months, BUSD has invested close to \$1.1 million ESSER funds to acquire 6 buses and an additional \$200,000 from Impact Aid to replace the worn down buses with brand new units with air conditioning. In addition, BUSD is investing in transportation by partnering with Bee Line to add the remaining units and bus drivers needed. Even with 19 operating units, we are still at 108% transportation capacity.

In the Spring of 2024, BUSD applied and received two COPS Grants totaling \$1,000,000 to replace hardware and software to improve surveillance hardware and safety features at each site. Such grant is supporting the District long term financial planning while establishing a safer learning environment.

Pension Plan

The District contributes to a cost-sharing multiple-employer defined benefit pension plan administered by the Arizona State Retirement System. Benefits are established by state statute and generally provide retirement, death, long-term disability, survivor, and health insurance premium benefits. The District's contribution to the System for the year ended June 30, 2024, was equal to the required contribution for the year.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2017, 2018, 2019, 2020, and 2021. Fiscal year 2017 was the first year the District has received this prestigious award in recent years. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2017, 2018, 2019, 2020, and 2021. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements, and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2024, certificates.

In 2022, BUSD was the recipient of the SBA Golden Bell Promise Program Award. In 2023, Our Governing Board Member Sylvia Hendricks received the Board Member of the Year Award.

Acknowledgments

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

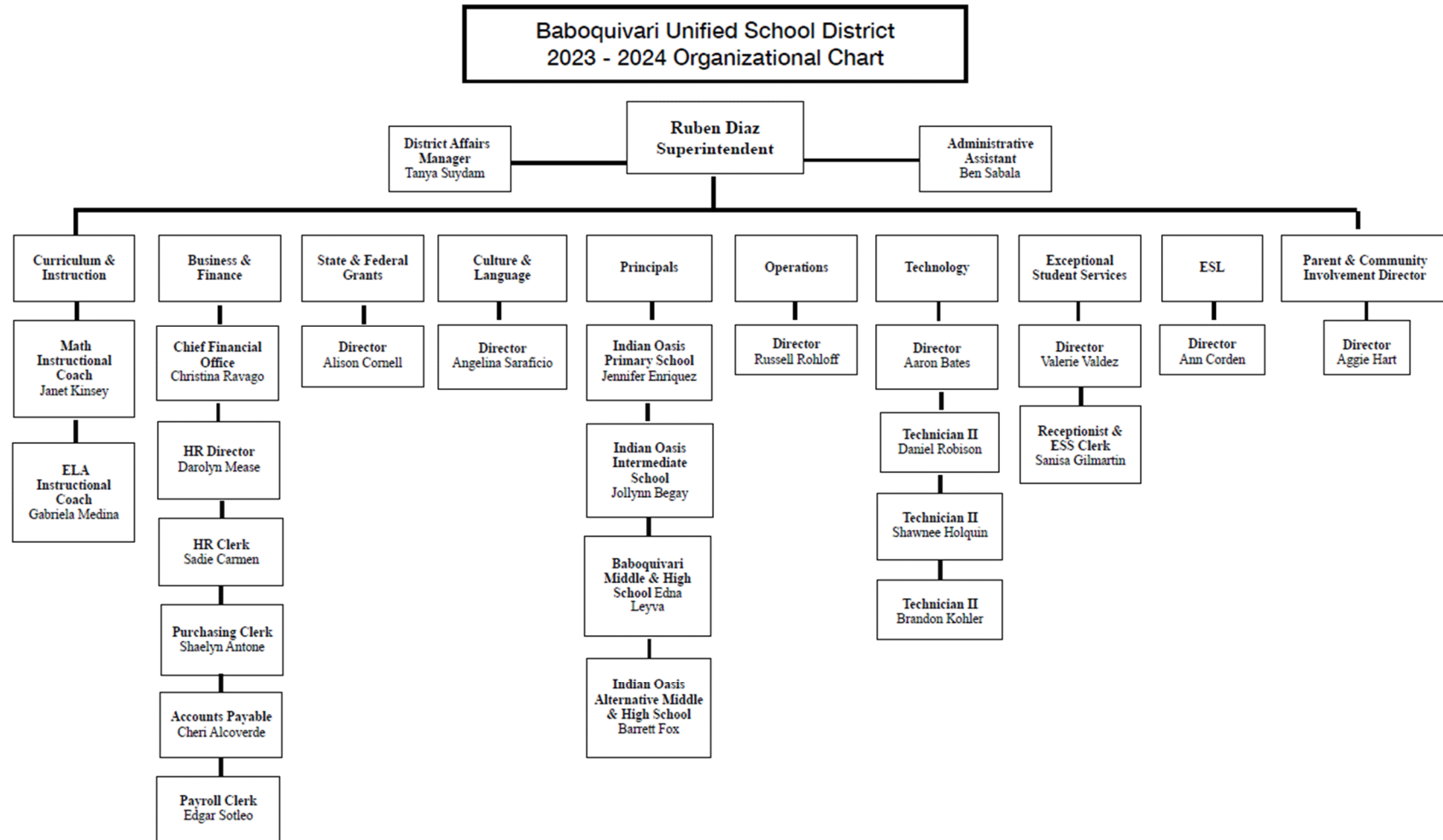
In closing, without the leadership and support of the Governing Board of the District, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rubén Díaz". The signature is stylized with a large, looped "R" and a distinct "D".

Mr. Rubén Díaz, Superintendent
Baboquivari Unified School District

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
ORGANIZATIONAL CHART
YEAR ENDED JUNE 30, 2024



BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
LIST OF PRINCIPAL AND ELECTED OFFICIALS
YEAR ENDED JUNE 30, 2024

GOVERNING BOARD

Juan Buendia
President

Ella Mae Greasewood
Board Member

Sylvia Hendricks
Board Member

Annamarie Stevens
Board Member

Kathleen Vance
Board Clerk

ADMINISTRATIVE STAFF

Ruben Diaz
Superintendent

Clementina Carlyle
Chief Financial Officer

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Governing Board
Baboquivari Unified School District No. 40
Sells, 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 Baboquivari Unified School District No. 40 (the "District"), as of and for the year ended June 30, 2024, 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 Baboquivari Unified School District No. 40, as of June 30, 2024, 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, 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 comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Mesa, Arizona
February 4, 2025

REQUIRED SUPPLEMENTARY INFORMATION

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

As management of the Baboquivari Unified School District No. 40 (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, 2024. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The 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 \$52.5 million (net position). The District's total net position increased by \$15.6 million.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$20.1 million, an increase of \$5.7 million in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17.3 million, or 102% of total General Fund expenditures.
- The District's net capital assets increased \$9.8 million in the current year.
- The District's long-term liabilities decreased by \$0.4 million during the current year. The decrease was due to changes in the actuarial valuation. More information can be found within Note 10.

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., earned but, unused compensated absences).

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.

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

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

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 the funds of the District are reported as 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 seven 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 School Facilities Board Grant Fund, which are considered major funds. Data from the other four 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 fiscal management.

The basic governmental fund financial statements can be found on pages 14 - 17 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18 - 33 of this report.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

Required Supplementary Information Other than MD&A

The District reports a multi-year schedule of the District's proportionate share of net pension liability and contributions to its cost-sharing pension plan on page 34.

Governments have the option of presenting the General Fund and major special revenue budgetary statements as part of the basic financial statements or as required supplementary information (RSI) other than the MD&A. The District has elected to present the General Fund and Special Projects Fund budgetary comparison schedules as RSI other than the MD&A which can be found starting on page 35 of this report. Notes to the RSI are presented after the budgetary comparison schedules on page 37.

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 38 - 45 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 46 - 64 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 \$52.5 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		
	2024	2023	Net Change
ASSETS			
Current and other assets	\$ 23,456,212	\$ 17,042,878	\$ 6,413,334
Capital assets	45,627,999	35,792,497	9,835,502
Total Assets	69,084,211	52,835,375	16,248,836
DEFERRED OUTFLOWS	1,615,445	2,239,740	(624,295)
Total Assets and Deferred Outflows	70,699,656	55,075,115	15,624,541
LIABILITIES			
Current liabilities	2,779,908	2,537,868	242,040
Long-term liabilities	14,474,689	14,501,924	(27,235)
Total Liabilities	17,254,597	17,039,792	214,805
DEFERRED INFLOWS	975,223	1,181,324	(206,101)
Total Liabilities and Deferred Inflows	18,229,820	18,221,116	8,704
NET POSITION			
Net investment in capital assets	43,959,281	35,792,497	8,166,784
Restricted	4,965,402	2,029,643	2,935,759
Unrestricted	3,545,153	(968,141)	4,513,294
Total Net Position	\$ 52,469,836	\$ 36,853,999	\$ 15,615,837

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

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

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

Overall, net position increased \$15.6 million. Key elements of this decrease are indicated as follows:

	Governmental Activities		
	2024	2023	Net Change
REVENUES			
Program revenues:			
Charges for services	\$ 210,153	\$ 191,495	\$ 18,658
Operating grants and contributions	9,095,988	9,746,609	(650,621)
Capital grants and contributions	9,631,024	511,622	9,119,402
General revenues:			
State equalization and additional state aid	8,881,004	8,313,608	567,396
Federal aid unrestricted	11,739,924	9,074,042	2,665,882
County equalization	-	8,080	(8,080)
Interest and other	956,222	790,414	165,808
Total Revenues	40,514,315	28,635,870	11,878,445
EXPENSES			
Instruction	8,639,348	9,896,876	(1,257,528)
Support Services:			
Students and instructional staff	3,132,627	3,325,566	(192,939)
Administration	1,817,677	4,535,365	(2,717,688)
Business and other support services	2,028,197	-	2,028,197
Operation and maintenance of plant	4,800,734	4,349,910	450,824
Operation of noninstructional services	1,030,941	1,039,619	(8,678)
Student transportation	3,448,954	2,120,346	1,328,608
Total Expenses	24,898,478	25,267,682	(369,204)
Change in net position	15,615,837	3,368,188	12,247,649
Net Position - Beginning	36,853,999	33,485,811	3,368,188
Net Position - Ending	\$ 52,469,836	\$ 36,853,999	\$ 15,615,837

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

Program Revenues

The increase in charges for services were not considered significant.

Operating grants and contributions decreased \$0.7 million (-7%). This decrease was mainly due to decreases in ESSER funding and other federal funding used for COVID-19 related initiatives.

The District experienced an increase in capital grants and contributions of \$9.1 million due to an increase in funding from the Arizona School Facilities Division for capital improvement and repair projects.

General Revenues

State and county equalization and additional state aid increased \$0.6 million (7%) due to increases in the state funding formula.

Federal aid unrestricted increased \$2.7 million (29%) due to increases in Impact Aid funding.

Interest and other income increased \$0.2 million due to increases in the interest revenue earned from cash held on deposit with the county treasurer.

The District incurred a 1% decrease 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 decrease was mainly due to decreases in salaries and related benefits, purchased professional services, textbook/instructional aids, and technology.

FINANCIAL ANALYSIS OF THE GOVERNMENT FUNDS

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$20.1 million, an increase of \$5.7 million in comparison with the prior year. Approximately 86% of this total amount (\$17.3 million) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remaining fund balance is restricted to indicate that it is not available for new spending.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

Fund balances as of June 30, 2024, and the changes in fund balances from the prior year are summarized below:

	Balance	Increase (Decrease) From 2022-23
GOVERNMENTAL FUND		
General Fund	\$ 17,257,049	\$ 4,931,160
Special Projects Fund	933,971	387,705
School Facilities Division Grant Fund	62,125	16,903
Nonmajor Governmental Funds	1,820,485	382,330
Total Governmental Fund Balance	\$ 20,073,630	\$ 5,718,098

The General Fund is the chief operating fund of Baboquivari Unified School District No. 40. As a measure of the General Fund's liquidity, it may be useful to compare the fund balance of the General Fund to total General Fund expenditures. The fund balance of the General Fund represents 102% of total General Fund expenditures. The General Fund experienced an increase of \$4.9 million in the current year. This increase is due to continued conservative spending practices and an increase in state funding.

The \$0.4 million increase in the Special Projects Fund was due to federal and state funding received in the current year that will be expended in future periods.

The change in the School Facilities Division Grant Fund was not considered significant. The amounts expended in the current year were reimbursed.

The increase of \$0.4 million in the Nonmajor Governmental Funds was mainly due to increases in state funding and conservative spending practices.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget totaled \$1.3 million. In Arizona, school districts build their original “adopted” budget based on a projection of the coming fiscal year’s 100th day average daily attendance. In May, the District is allowed to increase or decrease its budget for differences between expected and actual student growth. The increase between the adopted and final budget was allocated among various line items, mostly to regular education – instruction and regular education – operations and maintenance of plant. Budgetary basis General Fund expenditures were \$4.0 million less than budget during the fiscal year. Budgetary-based expenditures were 34% less than budget during the current year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District’s investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$45.6 million (net of accumulated depreciation). This investment in capital assets includes construction in progress, land improvements, building improvements, vehicles, furniture, and equipment. The net increase in the District’s investment in capital assets for the current fiscal year was 27%. The increase was mainly due to current year school improvement projects and capital purchases as noted to the following page.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

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

- Roofing projects.
- School buses.
- Gym flooring projects.
- HVAC improvements.
- District housing.
- Other vehicle purchases.

Capital asset activity as of June 30, 2024, is summarized below:

	Governmental Activities		
	2024	2023	Net Change
CAPITAL ASSETS			
Construction in progress	\$ 10,882,961	\$ 2,624,264	\$ 8,258,697
Land improvements	1,466,326	1,659,546	(193,220)
Buildings & improvements	30,150,279	28,814,448	1,335,831
Vehicles, equipment, and furniture	3,128,433	2,694,239	434,194
Total Capital Assets	\$ 45,627,999	\$ 35,792,497	\$ 9,835,502

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

Long-Term Debt

At end of the current fiscal year, the District's debt was limited to compensated absences and the net pension/OPEB liabilities. The change in compensated absences was not considered significant. The net pension liability decreased \$0.4 million due to various changes and assumptions made within the actuarial valuation as explained in Note 10 of this report.

	Governmental Activities		
	2024	2023	Net Change
LONG-TERM LIABILITIES			
Compensated absences	\$ 416,093	\$ 412,576	\$ 3,517
Net pension liability	14,047,112	14,437,004	(389,892)
Net OPEB liability	11,484	8,233	3,251
Total Long-term Liabilities	\$ 14,474,689	\$ 14,857,813	\$ (383,124)

Additional information on the District's long-term debt can be found in Note 7 of this report.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Inflationary factors and an increase in operating costs.
- Consideration of FTEs as enrollment declines.
- Continued School Facilities Division projects and repairs.

The above factors were considered in preparing the District's budget for the 2024-25 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Baboquivari Unified School District No. 40, P.O. Box 248, Sells, Arizona 85634-0248. See additional information on the District's website at www.busd40.org.

BASIC FINANCIAL STATEMENTS

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and investments	\$ 18,623,283
Intergovernmental receivable	4,352,826
Net OPEB asset	480,103
Capital assets, not depreciated	10,882,961
Capital assets, net of accumulated depreciation	34,745,038
Total Assets	69,084,211
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,548,982
Deferred outflows related to OPEB - cost sharing plan	66,463
Total Deferred Outflows of Resources	1,615,445
LIABILITIES	
Accounts payable	1,727,090
Accrued wages and benefits	153,425
Retainage payable	854,743
Unearned revenue	44,650
Long-term liabilities:	
Due within one year	317,752
Due in more than one year	14,156,937
Total Liabilities	17,254,597
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	737,652
Deferred inflows related to OPEB - cost-sharing plan	237,571
Total Deferred Inflows of Resources	975,223
NET POSITION	
Net investment in capital assets	43,959,281
Restricted:	
Net OPEB asset	480,103
Teacher compensation and other qualified programs (A.R.S 15-977)	494,389
Instructional improvement programs	308,398
Federal and state instructional programs	933,971
Civic center	61,587
Community programs	107,081
Vocational educational programs	83,542
Extracurricular activities	154,827
Student activities	86,678
Capital projects	1,730,843
Unrestricted	3,545,153
Total Net Position	\$ 52,469,836

See accompanying Notes to the Basic Financial Statements

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

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	\$ 8,639,348	\$ 77,515	\$ (4,965,907)	\$ -	\$ (13,527,740)
Support services:					
Students	1,809,756	35,512	1,673,179	-	(101,065)
Instructional staff	1,322,871	4,893	1,276,082	-	(41,896)
General administration	558,305	3,790	371,006	-	(183,509)
School administration	1,259,372	9,050	885,297	-	(365,025)
Business and other support services	2,028,197	14,512	1,555,065	-	(458,620)
Operation and maintenance of plant	4,800,734	38,059	3,781,158	-	(981,517)
Student transportation	3,448,954	21,249	3,445,737	-	18,032
Operation of noninstructional services	1,030,941	5,573	1,074,371	9,631,024	9,680,027
Total	\$ 24,898,478	\$ 210,153	\$ 9,095,988	\$ 9,631,024	(5,961,313)
General revenues:					
Grants and contributions not restricted to specific programs:					
State equalization and additional state aid					8,881,004
Federal aid not restricted					11,739,924
Investment earnings					893,508
Other					62,714
Total general revenues					21,577,150
Change in net position					15,615,837
Net position - beginning					36,853,999
Net position - ending					\$ 52,469,836

See accompanying Notes to the Basic Financial Statements

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Special Projects Fund	School Facilities Division Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 16,402,362	\$ 185,055	\$ 297,908	\$ 1,737,958	\$ 18,623,283
Receivables:					
Intergovernmental	37,899	2,754,086	1,432,935	127,906	4,352,826
Due from other funds	1,694,004	-	-	-	1,694,004
Total Assets	\$ 18,134,265	\$ 2,939,141	\$ 1,730,843	\$ 1,865,864	\$ 24,670,113
LIABILITIES					
Accounts payable	\$ 745,051	\$ 123,989	\$ 813,975	\$ 44,075	\$ 1,727,090
Accrued wages	132,165	19,956	-	1,304	153,425
Due to other funds	-	1,694,004	-	-	1,694,004
Retainage payable	-	-	854,743	-	854,743
Unearned revenue	-	44,650	-	-	44,650
Total Liabilities	877,216	1,882,599	1,668,718	45,379	4,473,912
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	-	122,571	-	-	122,571
FUND BALANCES					
Restricted	-	933,971	62,125	1,820,485	2,816,581
Unassigned	17,257,049	-	-	-	17,257,049
Total Fund Balances	17,257,049	933,971	62,125	1,820,485	20,073,630
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,134,265	\$ 2,939,141	\$ 1,730,843	\$ 1,865,864	\$ 24,670,113

See accompanying Notes to the Basic Financial Statements

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Total Fund Balance - Governmental Funds	\$	20,073,630
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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	\$ 82,649,982	
Accumulated depreciation	<u>(37,021,983)</u>	45,627,999

Grant revenue not collected within 60 days subsequent to fiscal year end are reported as deferred inflows of resources in the governmental funds:	122,571
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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:

480,103

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:

Net pension liability	(14,047,112)	
Net OPEB liability	(11,484)	
Compensated absences	<u>(416,093)</u>	(14,474,689)

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:	1,548,982	
Deferred inflows of resources relating to pensions:	(737,652)	
Deferred outflows of resources relating to cost sharing OPEB	66,463	
Deferred inflows of resources relating to cost sharing OPEB	<u>(237,571)</u>	640,222

Total Net Position - Governmental Activities	\$	<u>52,469,836</u>
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BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Special Projects Fund	School Facilities Division Grant Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Intergovernmental	\$ 20,620,928	\$ 6,854,743	\$ 9,631,024	\$ 2,090,400	\$ 39,197,095
Food sales	-	-	-	4,717	4,717
Auxiliary operations	26,841	-	-	-	26,841
Student activities	-	-	-	76,484	76,484
Rental income	101,531	-	-	580	102,111
Contributions and donations	400	-	-	27,874	28,274
Investment earnings	768,263	18,294	19,593	87,358	893,508
Other	55,564	-	-	7,150	62,714
Total Revenues	21,573,527	6,873,037	9,650,617	2,294,563	40,391,744
EXPENDITURES					
Current					
Instruction	4,438,768	2,169,924	-	1,025,215	7,633,907
Support services:					
Students	759,129	969,785	-	59,613	1,788,527
Instructional staff	434,496	875,965	-	3,206	1,313,667
General administration	500,315	21,973	-	-	522,288
School administration	1,194,577	51,982	-	-	1,246,559
Business and other support services	1,676,133	351,193	-	3,634	2,030,960
Operations and maintenance of plant	3,979,657	270,990	-	-	4,250,647
Student transportation	2,804,799	1,355,146	-	-	4,159,945
Operations of noninstructional services	112,947	74,409	-	795,115	982,471
Capital outlay:					
Facilities acquisition	1,044,090	41,421	9,633,714	25,450	10,744,675
Total Expenditures	16,944,911	6,182,788	9,633,714	1,912,233	34,673,646
Excess (Deficiency) of Revenues					
Over Expenditures	4,628,616	690,249	16,903	382,330	5,718,098
Other Financing Sources (Uses)					
Transfers in	302,544	-	-	-	302,544
Transfers out	-	(302,544)	-	-	(302,544)
Net Financing Sources (Uses)	302,544	(302,544)	-	-	-
NET CHANGE IN FUND BALANCE	4,931,160	387,705	16,903	382,330	5,718,098
Fund Balance - Beginning	12,325,889	546,266	45,222	1,438,155	14,355,532
Fund Balance - Ending	\$ 17,257,049	\$ 933,971	\$ 62,125	\$ 1,820,485	\$ 20,073,630

See accompanying Notes to the Basic Financial Statements

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Governmental Funds \$ 5,718,098

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:	\$ 12,092,333	
Depreciation expense:	<u>(2,073,767)</u>	10,018,566

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.	(183,064)
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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.

Intergovernmental revenues	122,571
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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	1,231,573
Pension expense	(1,360,434)
OPEB ASRS contributions	26,601
OPEB ASRS expense	45,443

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	(3,517)
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Change in Net Position of Governmental Activities	\$ <u>15,615,837</u>
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NOTES TO BASIC FINANCIAL STATEMENTS

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Baboquivari Unified School District No. 40 (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 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 intergovernmental revenues and 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. Impact aid and state equalization 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.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting, 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.

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 five subsections titled regular education programs, special education programs, pupil transportation, desegregation, and K-3 reading program.

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

The *School Facilities Division Grant Fund* accounts for revenues received from the ADOA's School Facilities Division for capital improvement and repair projects.

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.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 of 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.

Intergovernmental Receivable

Intergovernmental receivables are comprised of state and federal grants (\$2,762,016), state equalization and unrestricted state aid (\$37,899), Instructional Improvement funding (\$34,704), Classroom Site Fund revenue (\$83,723), School Facilities Division funding (\$1,432,935), and other (\$1,549).

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.

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.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (Continued)

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	20-25 years
Buildings and Improvements	20-80 years
Vehicles, equipment, furniture	5-35 years

Deferred Outflows of Resources

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

Compensated Absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employee's who are expected to become eligible in the future to receive such payments upon termination are included.

Pension and Other Postemployment Benefit Plans

For purposes of measuring the net pension and total 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.

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.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimates

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

Net Position

In the government-wide financial statements, net position is reported in three categories: investment in capital assets; restricted net position; and unrestricted net position. The 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 account 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 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. The District has classified its fund balances as noted on the following page.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

	General Fund	Special Projects Fund	School Facilities Division Grant Fund	Non-Major Governmental Funds	Total Governmental Activities
Restricted					
Teacher compensation and other qualified programs (A.R.S. 15-977)	\$ -	\$ -	\$ -	\$ 494,389	\$ 494,389
Instructional improvement programs	-	-	-	308,398	308,398
Federal and state instructional programs	-	933,971	-	-	933,971
Food service	-	-	-	523,983	523,983
Civic center	-	-	-	61,587	61,587
Community programs	-	-	-	107,081	107,081
Vocational educational programs	-	-	-	83,542	83,542
Extracurricular activities	-	-	-	154,827	154,827
Student activities	-	-	-	86,678	86,678
Capital projects	-	-	62,125	-	62,125
Total restricted	-	933,971	62,125	1,820,485	2,816,581
Unassigned	17,257,049	-	-	-	17,257,049
Total	\$ 17,257,049	\$ 933,971	\$ 62,125	\$ 1,820,485	\$ 20,073,630

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

The following District funds exceeded the respective budgeted amounts in total as follows:

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Student transportation	\$ -	\$ 45,288	\$ 45,288
K-3 reading program	50,175	56,791	6,616

Budget capacity was available in other subsections of the General Fund to account for the over-expenditures.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits and investments at June 30, 2024 consist of the following:

Deposits:	
Cash in bank	\$ 601,353
Investments:	
Cash on deposit with county treasurer	18,021,930
Total deposits and investments	<u>\$ 18,623,283</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 \$601,353 for cash on deposit with a local financial institution and a bank balance of \$670,334 at June 30, 2024. The District does not have a formal policy regarding custodial credit risk. However, of the \$670,334 bank balance, \$250,000 was insured by federal depository insurance, \$406,248 was collateralized through money market funds, and the remainder (\$14,086) was uninsured and uncollateralized.

Investments

At June 30, 2024, 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.

NOTE 4 – UNAVAILABLE REVENUE

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. At the end of the current fiscal year, the District reported \$122,571 as unavailable grant funding. In addition, \$44,650 was reported as grant funding that had been received, but not yet spent, and therefore, unearned.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024
Capital assets not being depreciated				
Construction in progress	\$ 2,624,264	\$ 10,392,843	\$ (2,134,146)	\$ 10,882,961
Total capital assets not being depreciated	2,624,264	10,392,843	(2,134,146)	10,882,961
Capital assets being depreciated				
Land improvements	6,780,536	89,651	(52,432)	6,817,755
Buildings and improvements	54,420,751	2,587,726	-	57,008,477
Vehicles, equipment, and furniture	7,504,562	1,156,259	(720,032)	7,940,789
Total capital assets being depreciated	68,705,849	3,833,636	(772,464)	71,767,021
Less accumulated depreciation				
Land improvements	(5,120,990)	(264,969)	34,530	(5,351,429)
Buildings and improvements	(25,606,303)	(1,251,895)	-	(26,858,198)
Vehicles, equipment, and furniture	(4,810,323)	(556,903)	554,870	(4,812,356)
Total accumulated depreciation	(35,537,616)	(2,073,767)	589,400	(37,021,983)
Total capital assets, being depreciated, net	33,168,233	1,759,869	(183,064)	34,745,038
Governmental activities capital assets, net	\$ 35,792,497	\$ 12,152,712	\$ (2,317,210)	\$ 45,627,999

Depreciation expenses was charged to governmental functions as follows:

Governmental Activities:	
Instruction	\$ 1,045,202
Support Services:	
Students	13,942
Instructional Staff	4,885
General Administration	34,593
School Administration	7,488
Business and Other Support Services	112,137
Operations and Maintenance of Plant	495,613
Student Transportation	312,173
Operation of Noninstructional Services	47,734
	<u>\$ 2,073,767</u>

As of June 30, 2024, the District reported the following construction commitments:

Project	Governmental activities	
	Spent-to-date	Estimated remaining
High School roofing project	\$ 5,571,766	\$ 1,073,756
Weatherization	56,478	-
HVAC improvements	1,532,122	429,764
District housing	232,418	232,418
School canopies	210,856	86,692
Intermediate roofing project	3,279,321	574,287
Total	<u>\$ 10,882,961</u>	<u>\$ 2,396,917</u>

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

As of June 30, 2024, interfund receivables and payables were as follows:

Due to other funds		Due from other funds	
		General Fund	
Special Projects Fund		\$	1,694,004

The above interfund receivable and payable are due to cash shortfalls as of June 30, 2024. Cash will be received after June 30, 2024, to repay the short-term borrowings from federal programs.

Interfund transfers for the year ended June 30, 2024, consisted of the following:

Transfer to		Transfer from	
		Special Projects Fund	
General Fund		\$	302,544

Transfers were made from the Special Projects Fund to record indirect costs transferred to the indirect cost pool for various federal grants.

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, 2024, the District paid for compensated absences from the General Fund.

Changes in long-term liabilities for the year ended June 30, 2024 are as follows:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Due Within One Year
Compensated absences	\$ 412,576	\$ 306,138	\$ (302,621)	\$ 416,093	\$ 317,752
Net pension liability	14,437,004	-	(389,892)	14,047,112	-
Net OPEB liability	8,233	3,251	-	11,484	-
Total	\$ 14,857,813	\$ 309,389	\$ (692,513)	\$ 14,474,689	\$ 317,752

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 is a member of the Arizona School Risk Retention Trust, Inc (ASRRT), together with other school districts in the state. ASRRT is a public entity risk pool currently operating as a common risk management and insurance program for member school districts. 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.

For employee health insurance, 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 is a member of the Arizona School Alliance for Workers' Compensation, Inc. (the Alliance). The Alliance was established in 1996 and is structured as a self-insurance pool that is owned and governed by its members. The agreement provides that the Alliance will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of specified amounts. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior fiscal years.

The District continues to carry commercial insurance for all other risks of loss, including employee dental and life insurance. There have been no significant reductions in coverage from the prior year and settled claims for each of the past three fiscal years have not exceeded the insurance coverage amounts.

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.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – PENSION AND OTHER POSTEMPLOYMENT BENEFITS PLAN

Cost Sharing Pension Plan

At June 30, 2024, the District reported the following related to the cost sharing pension and OPEB plans to which it contributes:

	Cost-sharing pension plan	Cost-sharing OPEB plan	Total
Net (assets)	\$ -	\$ 480,103	\$ 480,103
Net pension liability	14,047,112	11,484	14,058,596
Deferred outflows of resources	1,548,982	66,463	1,615,445
Deferred inflows of resources	737,652	237,571	975,223
Pension expense	1,360,434	(45,443)	1,314,991

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	30 years, age 55
	10 years, age 62	25 years, age 60
	5 years, age 50*	10 years, age 62
	Any years, age 65	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.*

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

Arizona State Retirement System (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, 2024, statute required active ASRS members to contribute at the actuarially determined rate of 12.29 percent (12.14 percent for retirement and 0.15 percent for long-term disability) of the members' annual covered payroll, and statute required the District to contribute at the actuarially determined rate of 12.29 percent (12.03 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.15 percent for long-term disability) of the active members' annual covered payroll. If the District also made alternative contributions for retired members who returned to work, add the following sentence: In addition, the District was required by statute to contribute at the actuarially determined rate of 9.99 percent (9.94 percent for retirement and 0.05 percent 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 for the year ended June 30, 2024, were \$1,231,573, \$11,261, and \$15,340.

During fiscal year 2024, the District paid for pension and OPEB contributions as follows: 67% from the General Fund, 26% from the Special Projects Funds, and 7% from nonmajor governmental funds.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

Arizona State Retirement System (Continued)

Liability

On June 30, 2024, the District reported the following proportionate share of the ASRS' net pension/OPEB asset or liability:

	Pension/OPEB Liability(Asset)
Pension	\$ 14,047,112
Health insurance premium benefit	(480,103)
Long-term disability	11,484

The net asset and net liabilities were measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023.

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, 2023, and the change from its proportions measured as of June 30, 2022, were:

	District % Proportion June 30, 2023	Increase (Decrease) from June 30, 2022
Pension	0.08681%	-0.00164%
Health insurance premium benefit	0.08892%	-0.00168%
Long-term disability	0.08764%	-0.00150%

Expense

For the year ended June 30, 2024 the District recognized the following pension and OPEB expense:

	Pension/OPEB Expense
Pension	\$ 1,360,434
Health insurance premium benefit	(56,046)
Long-term disability	10,603
Total Pension/OPEB Expense:	<u>\$ 1,314,991</u>

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

Arizona State Retirement System (Continued)

Deferred Outflows/Inflows of Resources

On June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ 317,409	\$ 20,260	\$ 10,369
Changes of assumptions or other inputs	-	-	3,031
Changes in proportion and differences between contributions and proportionate share of contributions	-	5,236	966
Contributions subsequent to the measurement date	1,231,573	11,261	15,340
Total	\$ 1,548,982	\$ 36,757	\$ 29,706

	Deferred Inflows of Resources		
	Pension	Health Insurance Premium Benefit	Long-Term Disability
Differences between expected and actual experience	\$ -	\$ 179,042	\$ 6,464
Changes of assumptions or other inputs	-	9,554	16,716
Net difference between projected and actual earnings on pension plan investments	496,999	21,087	919
Changes in proportion and differences between contributions and proportionate share of contributions	240,653	171	3,618
Total	\$ 737,652	\$ 209,854	\$ 27,717

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, 2025. 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
2025	\$ (238,018)	\$ (78,854)	\$ (1,767)
2026	(656,083)	(86,741)	(3,663)
2027	535,618	(10,153)	(147)
2028	(61,760)	(10,255)	(3,465)
2029	-	1,645	(3,460)
Thereafter	-	-	(849)
Total	\$ (420,243)	\$ (184,358)	\$ (13,351)

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

Arizona State Retirement System (Continued)

Actuarial Assumptions

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

	Pensions	Health Insurance Premium Benefit	Long-Term Disability
Actuarial valuation date	June 30, 2022	June 30, 2022	June 30, 2022
Actuarial roll forward date	June 30, 2023	June 30, 2023	June 30, 2023
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, 2022; valuation were based on the results of an actuarial study for the 5-year period ended June 30, 2020.

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

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Public equity	44%	3.50%
Credit	23%	5.90%
Real estate	17%	5.90%
Private equity	10%	6.70%
Interest rate sensitive	6%	1.50%
Total	100%	

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

Arizona State Retirement System (Continued)

Discount Rate

On June 30, 2023, the discount rate used to measure the ASRS net pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the ASRS Board’s funding policy, which establishes the contractually required rate under Arizona 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 liability.

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

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

	Proportionate share of the net liability (asset)		
	Current		
	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Pension	\$ 21,040,511	\$ 14,047,112	\$ 8,215,855
Health insurance premium benefit	(335,571)	(480,103)	(602,923)
Long-term disability	16,793	11,484	6,261

Plan Fiduciary Net Position

Detailed information about the 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 \$12,010 of outstanding pension and OPEB amounts payable to ASRS for the year ended June 30, 2024.

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

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
COST-SHARING PENSION PLAN
JUNE 30, 2024

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Reporting Fiscal Year (Measurement Date)								
	2024 (2023)	2023 (2022)	2022 (2021)	2021 (2020)	2020 (2019)	2019 (2018)	2018 (2017)	2017 (2016)	2016 (2015)
Proportion of the net pension liability	0.08681%	0.08845%	0.43734%	0.43000%	0.42000%	0.41000%	0.41000%	0.36000%	0.36000%
Proportionate share of the net pension liability	\$ 14,047,112	\$ 14,437,004	\$ 11,822,972	\$ 16,758,210	\$ 13,534,037	\$ 13,130,612	\$ 14,806,937	\$ 16,838,296	\$ 15,476,759
Covered payroll	\$ 11,335,023	\$ 10,466,561	\$ 10,171,050	\$ 10,436,054	\$ 9,614,637	\$ 9,117,311	\$ 8,994,701	\$ 9,285,702	\$ 10,019,801
Proportionate share of the net pension liability as a percentage of its covered payroll	123.93%	137.93%	116.24%	160.58%	140.76%	144.02%	164.62%	181.34%	154.46%
Plan fiduciary net position as a percentage of the total pension liability	75.47%	74.26%	78.58%	69.33%	73.24%	73.40%	69.92%	67.06%	68.35%

SCHEDULE OF CONTRIBUTIONS

	Reporting Fiscal Year								
	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,231,573	\$ 1,264,533	\$ 1,178,478	\$ 1,210,447	\$ 1,096,653	\$ 1,020,007	\$ 999,412	\$ 1,059,845	\$ 996,612
Contributions in relation to the actuarially determined contribution	1,231,573	1,264,533	1,178,478	1,210,447	1,096,653	1,020,007	999,412	1,059,845	996,612
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 11,236,350	\$ 11,335,023	\$ 10,466,561	\$ 10,171,050	\$ 10,436,054	\$ 9,614,637	\$ 9,117,311	\$ 8,994,701	\$ 9,285,702
Contributions as a percentage of covered payroll	10.96%	11.16%	11.26%	11.90%	10.51%	10.61%	10.96%	11.78%	10.73%

See accompanying Notes to Required Supplementary Information

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final	Budgetary Basis	Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 8,881,004	\$ 8,881,004
Investment earnings	-	-	41,261	41,261
Other	-	-	1,310	1,310
Total Revenues	-	-	8,923,575	8,923,575
EXPENDITURES				
Regular education:				
Instruction	3,509,374	4,125,409	2,164,483	1,960,926
Support services - students	206,898	233,673	179,451	54,222
Support services - instructional staff	19,130	21,606	8,400	13,206
Support services - general administration	445,500	503,154	448,388	54,766
Support services - school administration	934,300	1,055,211	870,078	185,133
Support services - central services	636,680	719,075	520,850	198,225
Operations and maintenance of plant	3,201,068	3,615,329	2,146,145	1,469,184
Operation of noninstructional services	56,871	64,231	39,434	24,797
School sponsored cocurricular activities	20,000	22,588	13,391	9,197
School sponsored athletics	94,394	106,610	95,273	11,337
Total regular education	9,124,215	10,466,886	6,485,893	3,980,993
Special education:				
Instruction	1,057,183	1,057,183	809,921	247,262
Support services - students	-	-	196,065	(196,065)
Support services - instructional staff	20,646	20,646	21,532	(886)
Total special education	1,077,829	1,077,829	1,027,518	50,311
Pupil transportation:				
Student transportation services	-	-	45,288	(45,288)
Total pupil transportation	-	-	45,288	(45,288)
K-3 reading program:				
Instruction	53,224	50,175	56,791	(6,616)
Total Expenditures	10,255,268	11,594,890	7,615,490	3,979,400
Excess (Deficiency) of Revenues Over Expenditures	(10,255,268)	(11,594,890)	1,308,085	12,902,975
Other Financing Sources (Uses):				
Net Financing Sources (Uses)	-	-	1,044,650	1,044,650
NET CHANGE IN FUND BALANCE	(10,255,268)	(11,594,890)	2,352,735	13,947,625
Fund Balance - Beginning	-	-	1,643,432	1,643,432
Fund Balance - Ending	\$ (10,255,268)	\$ (11,594,890)	\$ 3,996,167	\$ 15,591,057

See accompanying Notes to Required Supplementary Information

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL SPECIAL PROJECTS FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 6,854,743	\$ 6,854,743
Investment earnings	-	-	18,294	18,294
Total Revenues	-	-	6,873,037	6,873,037
EXPENDITURES				
Regular education:				
Instruction	5,389,328	3,693,454	1,878,090	1,815,364
Support services - students	2,713,575	1,859,687	945,635	914,052
Support services - instructional staff	2,477,885	1,698,162	863,501	834,661
Support services - general administration	63,053	43,212	21,973	21,239
Support services - school administration	149,166	102,228	51,982	50,246
Support services - central services	976,326	669,103	340,233	328,870
Operations and maintenance of plant	777,627	532,929	270,990	261,939
Operation of noninstructional services	213,523	146,333	74,409	71,924
Other instructional programs	25,008	17,139	8,715	8,424
Total regular education	12,785,491	8,762,247	4,455,528	4,306,719
Special education:				
Instruction	812,432	556,782	283,119	273,663
Support services - students	69,300	47,493	24,150	23,343
Support services - instructional staff	35,766	24,512	12,464	12,048
Support services - central services	31,451	21,554	10,960	10,594
Total special education	948,950	650,341	330,693	319,648
Pupil transportation:				
Student transportation services	3,888,699	2,665,032	1,355,146	1,309,886
Capital outlay				
Facilities acquisition	118,861	81,459	41,421	40,038
Total Expenditures	17,742,000	12,159,079	6,182,788	5,976,291
Excess (Deficiency) of Revenues Over Expenditures	(17,742,000)	(12,159,079)	690,249	12,849,328
Other Financing Sources (Uses):				
Transfers out	-	-	(302,544)	(302,544)
NET CHANGE IN FUND BALANCE	(17,742,000)	(12,159,079)	387,705	12,546,784
Fund Balance - Beginning	-	-	546,266	546,266
Fund Balance - Ending	\$ (17,742,000)	\$ (12,159,079)	\$ 933,971	\$ 13,093,050

See accompanying Notes to Required Supplementary Information

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2024

NOTE 1 – AVAILABILITY OF PRIOR YEAR PENSION/OPEB INFORMATION

Information prior to the measurement dates of June 30, 2015, was not available. GASB Statements 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 – AVAILABILITY OF PRIOR YEAR OPEB INFORMATION

Information relating to the multiple-employer OPEB contributions and the schedule of the proportionate share of the net OPEB liability(asset) were not presented as the activity was not material to the financial statements.

NOTE 3 – 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				
	Total	Total	Other	Fund balance	Fund balance
	Revenues	Expenditures	Financing	beginning of	end of year
			Sources and	year	
			Uses		
Statement of revenues, expenditures and changes in fund balance	\$ 21,573,527	\$ 16,944,911	\$ 302,544	\$ 12,325,889	\$ 17,257,049
Non-maintenance and operation activity included in the General Fund	(12,649,952)	(9,329,421)	742,106	(10,682,457)	(13,260,882)
Schedule of revenues, expenditures, and changes in fund balance - budget to actual	\$ 8,923,575	\$ 7,615,490	\$ 1,044,650	\$ 1,643,432	\$ 3,996,167

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NONMAJOR GOVERNMENTAL FUNDS
FUND DESCRIPTIONS
JUNE 30, 2024

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, restricted donations, fingerprinting, textbooks, career and technical education programs, and student activities.

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

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

Special Revenue Funds					
	Classroom Site	Instructional	Other Special	Food Service	Non-Major
	Fund	Improvement	Revenue Fund	Fund	Governmental
		Fund			Funds
ASSETS					
Cash and investments	\$ 410,666	\$ 273,694	\$ 528,916	\$ 524,682	\$ 1,737,958
Receivables:					
Intergovernmental	83,723	34,704	1,549	7,930	127,906
Total Assets	\$ 494,389	\$ 308,398	\$ 530,465	\$ 532,612	\$ 1,865,864
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 36,750	\$ 7,325	\$ 44,075
Accrued wages	-	-	-	1,304	1,304
Total Liabilities	-	-	36,750	8,629	45,379
FUND BALANCES					
Restricted	494,389	308,398	493,715	523,983	1,820,485
Total Fund Balances	494,389	308,398	493,715	523,983	1,820,485
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 494,389	\$ 308,398	\$ 530,465	\$ 532,612	\$ 1,865,864

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds				
	Classroom Site Fund	Instructional Improvement Fund	Other Special Revenue Fund	Food Service Fund	Non-Major Governmental Funds
REVENUES					
Intergovernmental	\$ 1,004,674	\$ 74,950	\$ 158,651	\$ 852,125	\$ 2,090,400
Food sales	-	-	-	4,717	4,717
Student activities	-	-	76,484	-	76,484
Rental income	-	-	580	-	580
Contributions and donations	-	-	27,874	-	27,874
Investment earnings	32,351	11,969	18,113	24,925	87,358
Other	203	6	6,941	-	7,150
Total Revenues	1,037,228	86,925	288,643	881,767	2,294,563
EXPENDITURES					
Current					
Instruction	944,468	18,284	62,463	-	1,025,215
Support services:					
Students	-	-	59,613	-	59,613
Instructional staff	-	-	3,206	-	3,206
Business and other support services	-	-	3,634	-	3,634
Operations of noninstructional services	13,866	256	-	780,993	795,115
Capital outlay:					
Facilities acquisition	-	-	25,450	-	25,450
Total Expenditures	958,334	18,540	154,366	780,993	1,912,233
Excess (Deficiency) of Revenues Over Expenditures	78,894	68,385	134,277	100,774	382,330
Fund Balance - Beginning	415,495	240,013	359,438	423,209	1,438,155
Fund Balance - Ending	\$ 494,389	\$ 308,398	\$ 493,715	\$ 523,983	\$ 1,820,485

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
CLASSROOM SITE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 1,004,674	\$ 1,004,674
Investment earnings	-	-	32,351	32,351
Other	-	-	203	203
Total Revenues	-	-	1,037,228	1,037,228
EXPENDITURES				
Regular education:				
Instruction	1,020,452	1,118,670	747,646	371,024
Other instructional programs	18,926	20,747	13,866	6,881
Total regular education	1,039,377	1,139,417	761,512	377,905
Special education:				
Instruction	268,640	294,496	196,822	97,674
Total Expenditures	1,308,017	1,433,913	958,334	475,579
Excess (Deficiency) of Revenues				
Over Expenditures	(1,308,017)	(1,433,913)	78,894	1,512,807
NET CHANGE IN FUND BALANCE	(1,308,017)	(1,433,913)	78,894	1,512,807
Fund Balance - Beginning	-	-	415,495	415,495
Fund Balance - Ending	\$ (1,308,017)	\$ (1,433,913)	\$ 494,389	\$ 1,928,302

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
INSTRUCTIONAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variances -
	Original	Final	Actual	Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 74,950	\$ 74,950
Investment earnings	-	-	11,969	11,969
Other	-	-	6	6
Total Revenues	-	-	86,925	86,925
EXPENDITURES				
Regular education:				
Instruction	70,864	70,864	14,598	56,266
Operation of noninstructional services	1,243	1,243	256	987
Total regular education	72,107	72,107	14,854	57,253
Special education:				
Instruction	17,893	17,893	3,686	14,207
Total Expenditures	90,000	90,000	18,540	500,000
Excess (Deficiency) of Revenues				
Over Expenditures	(90,000)	(90,000)	68,385	86,925
NET CHANGE IN FUND BALANCE	(90,000)	(90,000)	68,385	-
Fund Balance - Beginning	-	-	240,013	240,013
Fund Balance - Ending	\$ (90,000)	\$ (90,000)	\$ 308,398	\$ 240,013

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
OTHER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 158,651	\$ 158,651
Student activities	-	-	76,484	76,484
Rentals	-	-	580	580
Contributions and donations	-	-	27,874	27,874
Investment earnings	-	-	18,113	18,113
Other	-	-	6,941	6,941
Total Revenues	-	-	288,643	288,643
EXPENDITURES				
Regular education:				
Instruction	26,509	36,272	15,071	21,201
Support services - students	9,727	13,309	5,530	7,779
Support services - instructional staff	684	936	389	547
School sponsored cocurricular activities	85,676	117,231	48,709	68,522
School sponsored athletics	18,478	25,283	10,505	14,778
Total regular education	141,074	193,032	80,204	112,828
Special education:				
Instruction	70,467	96,420	40,062	56,358
Support services - students	3,868	5,292	2,199	3,093
Support services - instructional staff	4,955	6,780	2,817	3,963
Support services - school administration	6,392	8,746	3,634	5,112
Total special education	85,681	117,238	48,712	68,526
Capital Outlay:				
Facilities acquisition	44,765	61,252	25,450	35,802
Total Expenditures	271,520	371,522	154,366	217,156
Excess (Deficiency) of Revenues				
Over Expenditures	(271,520)	(371,522)	134,277	505,799
NET CHANGE IN FUND BALANCE	(271,520)	(371,522)	134,277	505,799
Fund Balance - Beginning	-	-	359,438	359,438
Fund Balance - Ending	\$ (271,520)	\$ (371,522)	\$ 493,715	\$ 865,237

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 852,125	\$ 852,125
Food service sales	-	-	4,717	4,717
Investment earnings	-	-	24,925	24,925
Total Revenues	-	-	881,767	881,767
EXPENDITURES				
Regular education:				
Operation of noninstructional services	1,000,000	1,000,000	780,993	219,007
Total Expenditures	1,000,000	1,000,000	780,993	219,007
Excess (Deficiency) of Revenues				
Over Expenditures	(1,000,000)	(1,000,000)	100,774	1,100,774
NET CHANGE IN FUND BALANCE	(1,000,000)	(1,000,000)	100,774	1,100,774
Fund Balance - Beginning	-	-	423,209	423,209
Fund Balance - Ending	\$ (1,000,000)	\$ (1,000,000)	\$ 523,983	\$ 1,523,983

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
SCHOOL FACILITIES DIVISION GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variances -
	Original	Final		Final to Actual
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 9,631,024	\$ 9,631,024
Investment earnings	-	-	19,593	19,593
Total Revenues	-	-	9,650,617	9,650,617
EXPENDITURES				
Capital outlay:				
Facilities acquisition	10,000,000	10,000,000	9,633,714	366,286
Excess (Deficiency) of Revenues				
Over Expenditures	(10,000,000)	(10,000,000)	16,903	10,016,903
Fund Balance - Beginning	-	-	45,222	45,222
Fund Balance - Ending	\$ (10,000,000)	\$ (10,000,000)	\$ 62,125	\$ 10,062,125

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION

This section of the Baboquivari Unified School District No. 40'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

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

Net Position:	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Investment in capital assets	\$ 43,959,281	\$35,792,497	\$32,328,506	\$29,930,042	\$29,772,085	\$25,584,640	\$23,992,470	\$25,485,452	\$26,030,089	\$ 27,528,575
Restricted	4,965,402	1,483,377	1,402,707	668,385	676,413	763,844	679,701	595,576	467,004	935,048
Unrestricted	3,545,153	(968,139)	(446,296)	2,619,253	2,290,505	5,277,873	3,532,136	1,320,031	(2,320,292)	(4,191,833)
Total	\$ 52,469,836	\$ 36,307,735	\$ 33,284,917	\$ 33,217,680	\$ 32,739,003	\$ 31,626,357	\$ 28,204,307	\$ 27,401,059	\$ 24,176,801	\$ 24,271,790

Source: The District's financial records.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses:										
Instruction	\$ 8,639,348	\$ 9,834,873	\$ 8,496,892	\$ 8,617,250	\$ 8,741,620	\$ 8,257,719	\$ 7,557,775	\$ 7,989,806	\$ 8,388,012	\$ 8,468,350
Support Services - students and staff	3,132,627	3,324,548	3,326,393	2,841,244	2,804,251	2,280,438	2,615,874	2,665,163	2,656,819	2,682,160
Support Services - administration	3,845,874	4,525,255	3,735,095	3,122,681	2,993,122	2,773,107	2,782,592	2,924,028	3,089,568	2,751,653
Operation and Maintenance of plant services	4,800,734	4,442,851	6,024,278	3,971,005	3,219,483	2,683,631	2,556,740	2,456,131	2,270,860	2,409,232
Student transportation services	3,448,954	2,103,300	1,709,746	1,419,610	1,500,862	1,401,415	1,348,614	1,437,183	1,655,056	1,592,734
Operation of non-instructional services	1,030,941	1,036,854	1,039,884	1,100,897	915,232	931,002	958,988	779,893	779,893	737,376
Total expenses	24,898,478	25,267,681	24,332,288	21,072,687	20,174,570	18,327,312	17,820,583	18,252,204	18,840,208	18,641,505
Program revenues:										
Charges for services:										
Instruction	77,515	52,982	82,689	105,619	100,436	82,066	71,079	82,712	102,503	36,914
Students	35,512	9,801	15,431	2,633	6,289	5,720	10,379	9,242	3,009	-
Instructional staff	4,893	-	-	-	-	-	-	-	-	-
General administration	3,790	9,638	2,897	5,522	8,093	6,942	7,696	5,891	7,442	-
School administration	9,050	-	-	-	-	-	-	-	-	-
Business and other support services	14,512	-	-	-	-	-	-	-	-	-
Operation and maintenance of plant	38,059	18,577	2,116	2,579	17,706	18,248	22,990	18,673	14,469	43,927
Transportation	21,249	3,945	737	421	3,562	2,970	2,430	2,158	5,822	-
Operation of non-instructional services	5,573	96,553	56,679	55,466	90,770	97,018	106,976	99,462	84,166	24,364
Operating grants and contributions	9,095,988	9,746,608	9,168,171	5,184,015	4,698,434	3,948,894	4,004,225	4,417,898	5,198,275	4,967,756
Capital grants and contributions	9,631,024	511,622	-	9,489	-	-	-	-	-	869,321
Total program revenues	18,937,165	10,449,726	9,328,720	5,365,744	4,925,290	4,161,858	4,225,775	4,636,036	5,415,686	5,942,282
Net Expense	(5,961,313)	(14,817,955)	(15,003,568)	(15,706,943)	(15,249,280)	(14,165,454)	(13,594,808)	(13,616,168)	(13,412,284)	(12,699,223)
General revenues:										
Investment Income and Other	893,508	278,359	57,411	92,961	318,751	338,991	157,966	98,354	54,292	2,570
Unrestricted Federal and State Aid	20,620,928	17,395,730	14,776,442	16,009,035	15,960,609	15,889,358	14,130,224	15,757,084	13,183,524	13,619,908
Other	62,714	512,055	437,846	83,624	82,566	119,113	107,405	90,489	79,479	-
Total general revenues	21,577,150	18,186,144	15,271,699	16,185,620	16,361,926	16,347,462	14,395,595	15,945,927	13,317,295	13,622,478
Changes in net position	\$ 15,615,837	\$ 3,368,189	\$ 268,131	\$ 478,677	\$ 1,112,646	\$ 2,182,008	\$ 800,787	\$ 2,329,759	\$ (94,989)	\$ 923,255

Source: The District's financial records.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
FUND BALANCES – GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	Fiscal Year Ended June 30									
General Fund	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Unassigned	\$ 17,257,049	\$ 12,325,889	\$ 13,210,844	\$ 16,555,707	\$ 15,668,056	\$ 19,034,611	\$ 18,346,980	\$ 16,354,275	\$ 12,272,929	\$ 10,075,459
Total General Fund	17,257,049	12,325,889	13,210,844	9,315,262	6,679,908	16,541,028	15,921,743	13,957,624	10,497,828	8,036,885
All other governmental funds:										
Restricted	2,816,581	2,029,643	1,603,601	668,385	676,413	763,844	679,701	646,756	467,004	935,048
Unassigned	-	-	-	(155,075)	-	(2,821)	(3,366)	-	(65,555)	-
Total all other governmental funds	2,816,581	2,029,643	1,603,601	513,310	676,413	761,023	676,335	646,756	401,449	935,048
Total all governmental funds	\$ 20,073,630	\$ 14,355,532	\$ 14,814,445	\$ 9,828,572	\$ 7,356,321	\$ 17,302,051	\$ 16,598,078	\$ 14,604,380	\$ 10,899,277	\$ 8,971,933

Source: The District's financial records.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues:										
Intergovernmental:										
Federal aid and grants	\$ 19,212,228	\$ 18,820,651	\$ 17,276,520	\$ 13,774,572	\$ 13,055,098	\$ 12,330,835	\$ 11,127,197	\$ 12,191,533	\$ 11,954,791	\$ 11,931,883
State aid and grants	19,984,867	8,825,230	6,024,537	6,668,033	6,861,246	6,762,508	6,247,880	7,228,038	5,697,296	5,905,403
County aid and grants	-	8,080	643,557	759,934	742,699	744,909	759,372	755,411	729,712	750,378
Tuition	-	-	-	-	-	-	1,875	-	3,700	-
Food service sales	4,717	4,520	1,019	-	13,801	10,285	10,041	16,538	13,788	-
Auxiliary operations	26,841	41,264	5,509	4,907	20,702	22,661	22,304	12,650	10,249	-
Student activities	76,484	-	-	-	-	-	-	-	-	-
Charges for services	102,111	116,300	128,956	142,072	156,450	148,028	149,582	149,295	148,750	-
Contributions and donations	28,274	29,411	25,064	25,261	35,903	31,990	37,748	39,655	40,924	-
Investment earnings	893,508	277,550	57,411	92,961	318,751	338,991	157,966	98,354	55,060	2,570
Other	62,714	512,865	437,846	83,624	82,566	120,050	107,405	90,489	78,711	1,003,063
Total Revenues	\$ 40,391,744	\$ 28,635,871	\$ 24,600,419	\$ 21,551,364	\$ 21,287,216	\$ 20,510,257	\$ 18,621,370	\$ 20,581,963	\$ 18,732,981	\$ 19,593,297
Expenditures:										
Current:										
Instruction	\$ 7,633,907	\$ 7,865,437	\$ 7,525,631	\$ 7,369,469	\$ 7,911,174	\$ 8,010,895	\$ 6,723,208	\$ 6,692,198	\$ 7,162,536	\$ 6,998,318
Support services - students and staff	3,102,194	3,281,999	3,380,472	2,744,616	2,897,814	2,444,216	2,674,514	2,591,895	2,619,076	2,590,814
Support services - administration	3,799,807	4,570,096	3,817,708	2,906,947	2,818,221	2,674,179	2,495,313	2,626,524	2,772,845	2,381,442
Operation and maintenance of plant services	4,250,647	8,646,365	8,487,716	4,115,039	3,148,549	2,720,046	2,454,310	2,415,380	2,197,677	2,255,819
Student transportation services	4,159,945	1,648,188	1,675,726	1,226,333	1,655,608	1,929,402	1,309,512	1,173,962	1,427,261	1,277,345
Operation of non-instructional services	982,471	963,697	1,333,282	1,082,393	932,122	878,507	839,762	743,916	24,468	714,573
Other	-	-	-	-	-	-	-	-	798,479	-
Capital outlay	10,744,675	1,847,640	905,818	1,382,019	5,374,893	1,080,693	102,467	11,435	66,769	1,631,503
Total expenditures	\$ 34,673,646	\$ 28,823,422	\$ 27,126,353	\$ 20,826,816	\$ 24,738,381	\$ 19,737,938	\$ 16,599,086	\$ 16,255,310	\$ 17,069,111	\$ 17,849,814
Excess (deficiency) of revenues over expenditures	\$ 5,718,098	\$ (187,551)	\$ (2,525,934)	\$ 724,548	\$ (3,451,165)	\$ 772,319	\$ 2,022,284	\$ 4,326,653	\$ 1,663,870	\$ 1,743,483
Over financing sources (uses):										
Transfers in	302,544	766,392	232,826	283,745	154,330	61,163	157,626	66,802	423,869	224,058
Transfers out	(302,544)	(766,392)	(232,826)	(283,745)	(154,330)	(61,163)	(157,626)	(66,802)	(423,869)	(224,058)
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
Net changes in fund balances	\$ 5,718,098	\$ (187,551)	\$ (2,525,934)	\$ 724,548	\$ (3,451,165)	\$ 772,319	\$ 2,022,284	\$ 4,326,653	\$ 1,663,870	\$ 1,743,483
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: The District's financial records.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
MODIFIED ACCRUAL BASIS OF ACCOUNTING
(UNAUDITED)

Fiscal Year Ended June 30	Net Secondary Assessed Value	Total Direct Tax Rate	Estimated Actual Value
2024	\$ 2,054,585 *	N/A	Note
2023	2,008,809 *	N/A	Note
2022	2,162,480 *	N/A	Note
2021	2,184,030 *	N/A	Note
2020	1,993,110 *	N/A	Note
2019	1,993,110 *	N/A	Note
2018	1,907,870 *	N/A	Note
2017	1,803,581	N/A	Note
2016	2,107,813	N/A	Note
2015	1,055,198	N/A	Note

Source: Property tax rates and Assessed Values, Arizona Tax Research Foundation, State and County Abstract of the Assessment Roll, and the Arizona Department of Revenue.

N/A: The District is located entirely on the Tohono O'odham Nation Reservation, therefore, the residents do not pay property taxes.

Note: Information was not available.

* *Net taxable value.*

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	District Direct Rates			Overlapping Rates					
	Primary	Secondary	Total	County	Pima CTED	County Free Library	Flood Control District	Community College District	City of Sells
2024	N/A	N/A	N/A	4.01	0.05	0.55	0.33	1.28	N/A
2023	N/A	N/A	N/A	4.50	0.05	0.55	0.33	1.29	N/A
2022	N/A	N/A	N/A	4.20	0.05	0.55	0.32	1.29	N/A
2021	N/A	N/A	N/A	4.33	0.05	0.54	0.33	1.27	N/A
2020	N/A	N/A	N/A	4.44	0.05	0.54	0.33	1.34	N/A
2019	N/A	N/A	N/A	4.69	0.05	0.54	0.33	1.38	N/A
2018	N/A	N/A	N/A	4.76	0.05	0.52	0.34	1.40	N/A
2017	N/A	N/A	N/A	4.99	0.05	0.52	0.33	1.37	N/A
2016	N/A	N/A	N/A	4.99	0.05	0.51	0.33	1.37	N/A
2015	N/A	N/A	N/A	5.09	0.05	0.52	0.31	1.37	N/A

Source: Pima County Assessor's Office

N/A: The District is located entirely on the Tohono O'odham Nation Reservation, therefore, the residents do not pay property taxes.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
PRINCIPAL PROPERTY TAXPAYERS
FISCAL YEAR ENDED JUNE 30, 2024, AND 2015
(UNAUDITED)

Taxpayer	2024		2015	
	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
N/A	N/A	N/A	N/A	N/A
Totals	\$ -	-	-	-

Note: The District is located entirely on the Tohono O'odham Nation Reservation, therefore, the residents do not pay property taxes.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Current Collections			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	Percentage of Current Taxes Collected					
2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A: The District is located entirely on the Tohono O'odham Nation Reservation, therefore, the residents do not pay property taxes.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
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		As Percentage of		Financed Purchases	Percentage of					
		Restricted for Principal	Total	Estimated Actual Value of Property	Per Capita		Estimated Actual		Percentage of Personal Income			
							Total	Value (Full Cash Value)		Per Capita		
2024	\$ -	\$ -	\$ -	-	-	\$ -	-	-	-	\$ -	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-

Source: The District's financial records.

Source: Arizona Department of Administration, Office of Employment & Population Statistics (for population data only);
 UA Economic and Business Research Center, Eller College of Management.

Note: The District had no outstanding debt the last ten fiscal years.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2024
(UNAUDITED)

<u>Fiscal Year Ended June 30</u>	<u>Debt Outstanding</u>	<u>Estimate Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Debt Repaid with Property Taxes			
N/A	\$ -	0.00%	\$ -
Subtotal, Overlapping Debt			\$ -
Direct:			
Baboquivari Unified School District No. 40	\$ -	100%	\$ -
Total direct and overlapping debt			\$ -

Source: The District's financial records.

N/A: The District is located entirely on the Tohono O'odham Nation Reservation, therefore, the residents do not pay property taxes.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Class B Bond Legal Debt Margin Calculation:

Net full cash assessed value	\$ 2,253,533
	20%
Debt limit (10% of assessed value)	450,707
Less: Net debt applicable to limit	-
Legal debt margin	\$ 450,707

Legal Debt Margin Calculation:

Net full cash assessed value	\$ 2,253,533
	30%
Debt limit (15% of assessed value)	676,060
Less: Net debt applicable to limit	-
Legal debt margin	\$ 676,060

Fiscal Year Ended June 30

	2024	2023	2022	2021	2020
Debt Limit	\$ 676,060	\$ 602,643	\$ 655,209	\$ 597,933	\$ 597,933
Less: Net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ 676,060	\$ 602,643	\$ 655,209	\$ 597,933	\$ 597,933
Total debt applicable to the limit as percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

Fiscal Year Ended June 30

	2019	2018	2017	2016	2015
Debt Limit	\$ 572,361	\$ 541,074	\$ 632,344	\$ 316,559	\$ 324,434
Less: Net debt applicable to limit	-	-	-	-	-
Legal debt margin	\$ 572,361	\$ 541,074	\$ 632,344	\$ 316,559	\$ 324,434
Total debt applicable to the limit as percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%

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

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
STATE-WIDE DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Year	Population	Personal income (in millions)	Per Capita	Unemployment Rate
2024	7,497,004	\$ 489,385	65,277	3.6%
2023	7,431,344	464,775	62,543	4.2%
2022	7,365,684	434,339	58,968	3.8%
2021	7,272,487	414,355	56,976	3.7%
2020	7,186,683	374,007	52,042	6.6%
2019	7,070,511	337,257	47,699	4.7%
2018	7,164,228	315,459	45,260	5.0%
2017	7,048,088	297,262	43,208	4.9%
2016	6,944,767	279,697	41,122	5.3%
2015	6,832,810	267,474	39,836	5.8%

Source: Arizona Department of Administration, Office of Employment & Population Statistics (for population data only); UA Economic and Business Research Center, Eller College of Management.

N/A: Unavailable

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
PRINCIPAL EMPLOYERS
FISCAL YEAR ENDING JUNE 30, 2024, AND 2015
(UNAUDITED)

Information related to principal employers for the period ending June 30, 2024, and June 30, 2015, were not available.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
FULL-TIME EQUIVALENT DISTRICT EMPLOYEE BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Supervisory	1		-	-	-	-	-	-	-	-
Instruction	99	101	104	102	92	111	108	113	119	117
Student services	32	31	29	29	37	30	33	31	31	26
Support and administration	92	107	99	97	99	82	81	87	95	91
Total full-time equivalent employees	224	239	232	228	228	223	222	231	245	234

Source: The District's financial records.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
AVERAGE DAILY MEMBERSHIP
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Average Daily Membership</u>
2023-24	974
2022-23	1,009
2021-22	1,076
2020-21	1,003
2019-20	968
2018-19	1,143
2017-18	1,173
2016-17	1,092
2015-16	1,166
2014-15	1,257

Source: The Arizona Department of Education.

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	100 Day Count Average Daily Membership	(Note 1) Governmental Funds Operating Expenditures	Cost per Pupil	% Change Cost per Pupil	Government-wide Expenses	Cost per Pupil	% Change	Teaching Staff	Pupil- Teacher Ratio	% of Free & Reduced Students
2024	974	23,928,971	24,566	46%	24,898,478	25,561	21.7%	99	9.8	100.0%
2023	1,009	27,090,911	26,849	82%	25,267,681	-	7.6%	86	11.7	100.0%
2022	1,076	26,147,058	24,300	72%	24,332,288	22,614	7.6%	83	13.0	100.0%
2021	1,003	16,844,139	16,794	12%	21,072,687	21,010	0.8%	81	12.4	100.0%
2020	968	14,308,023	14,781	-10%	20,174,570	20,841	30.0%	80	12.1	100.0%
2019	1,143	16,191,695	14,166	-10%	18,327,318	16,034	5.5%	85	13.4	100.0%
2018	1,173	17,603,636	15,007	4%	17,820,583	15,192	-9.1%	82	14.3	100.0%
2017	1,092	17,898,392	16,390	62%	18,252,204	16,714	3.5%	82	13.3	89.0%
2016	1,166	18,435,928	15,811	57%	18,827,970	16,147	8.9%	88	13.3	70.0%
2015	1,257	18,103,591	14,402	35%	18,641,505	14,830	-2.9%	88	14.3	71.0%

Source: The District's financial records.

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

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Minimum Salary	Maximum Salary	District Average Salary	Statewide Average Salary	
2024	\$ 23,734	\$ 160,100	\$ 45,298	\$ 58,620	
2023	26,204	132,600	59,595	67,172	
2022	34,050	72,600	62,835	-	*
2021	31,419	72,000	56,125	-	*
2020	37,816	79,586	67,105	-	*
2019	34,670	72,600	54,175	-	*
2018	46,867	71,400	55,769	-	*
2017	30,063	81,727	59,090	-	*
2016	31,402	83,494	59,523	-	*
2015	29,327	81,171	58,677	-	*

Source: The District's Business and Finance Department.

Note: Amounts do not include fringe benefits such as pension, health insurance, or disability.

* *Information was not available.*

BABOQUIVARI UNIFIED SCHOOL DISTRICT NO. 40
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended June 30									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Elementary										
Buildings	8	8	10	10	10	10	10	10	10	10
Square feet	62,045	62,045	546,930	546,930	545,898	545,898	545,898	545,898	545,898	545,898
Capacity	500	500	500	500	500	500	500	500	500	500
Enrollment	307	345	380	301	242	448	457	467	690	609
Intermediate										
Buildings	10	10	7	7	7	7	7	7	7	7
Square feet	63,339	63,339	64,947	64,947	64,947	64,947	64,947	64,947	64,947	64,947
Capacity	800	800	800	800	800	800	800	800	800	800
Enrollment	254	253	230	305	328	252	248	467	Note	Note
Middle										
Buildings	23 (a)	23	6	6	6	6	6	6	6	6
Square feet	168,376 (a)	168,376	21,880	21,880	21,880	21,880	21,880	21,880	21,880	21,880
Capacity	1,200 (a)	1,200	600	600	600	600	600	600	600	600
Enrollment	119	140	166	129	133	133	156	136	135	208
High										
Buildings	23 (a)	23	19	19	19	19	19	19	19	19
Square feet	168,376 (a)	168,376	132,272	132,272	132,272	132,272	132,272	132,272	132,272	132,272
Capacity	1,200 (a)	1,200	600	600	600	600	600	600	600	600
Enrollment	244	262	227	202	197	239	241	164	212	153
Alternative MS/HS										
Buildings	2	2	2	2	2	2	2	2	2	2
Square feet	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200	7,200
Capacity	60	60	60	60	60	60	60	60	60	60
Enrollment	94	80	73	66	67	71	71	47	45	63
Administrative										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525	5,525
Transportation										
Garages	1	1	1	1	1	1	1	1	1	1
Buses	23	23	23	23	25	25	19	21	23	23
Athletics										
Football fields	2	2	2	2	2	2	2	2	2	2
Running tracks	1	1	1	1	1	1	1	1	1	1
Baseball/softball fields	4	4	4	4	4	4	4	4	4	4
Playgrounds	4	4	4	4	4	4	4	4	4	4

Source: The District's Business and Finance Department.

(a): Effective FY23, the District's middle and high school share the same campus.