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# Somerton Elementary School District No. 11

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## Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2023



**Somerton Elementary School District No. 11**

**Somerton, Arizona**

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

Issued by:  
Financial Services Department

# Somerton Elementary School District No. 11

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## **Introductory Section**

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# Somerton School District No.11

“Children, Our Priority-Personal Best, Our Goal”

343 N. Carlisle Avenue • P.O. Box 3200 • Somerton, AZ. 85350-3200

Phone (928) 341-6000 • Fax (928) 341-6090

[www.ssd11.org](http://www.ssd11.org)

December 15, 2023

Citizens and Governing Board  
Somerton Elementary School District No. 11  
343 N. Carlisle Avenue  
Somerton, AZ 85350

State law mandates that school districts required to undergo an annual single audit publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America and audited in accordance with auditing standards generally accepted in the United States by a certified public accounting firm licensed in the State of Arizona. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the Somerton Elementary School District No. 11 (District) for the fiscal year ended June 30, 2023.

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

The District’s financial statements have been audited by Heinfeld, Meech & Co., P.C., a certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District’s financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor’s report is presented as the first component of the financial section of this report.

**Administration:** *Laura Noel, Ed.D, Superintendent*  
*Kim Seh, Asst. Superintendent*

**Governing Board:** *Juan Castillo, President • Lorena Delgadillo, Clerk • Cristina Clark • Luisa Arreola • Laura Torres*



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

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

### **Profile of the District**

The District is one of ten public school districts located in Yuma County, Arizona. It provides a program of public education from kindergarten through grade eight with an estimated average daily membership of 2,706 as of June 30, 2023. The projected enrollment for fiscal year 2023-24 is 2,706. Somerton School District houses 7 elementary schools: Desert Sonora Elementary built in 1999, Orange Grove Elementary built in 1986, Somerton Middle School built in 1991, Tierra Del Sol built in 1999, Valle Del Encanto Early Learning Center built in 2006, and Bravie T. Soto and Sun Valley School, both built in 2023.

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

The 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, and food services.

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

### **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.** Yuma's largest industry is agriculture, producing nearly \$3.4 billion in products annually, while secondary are retail, wholesale, finance, and insurance. In addition, the Marine Corps Air Station and the Army base located at the Yuma Proving Grounds are the major governmental entities. Yuma Proving represents \$1.12 billion in economic activity while MCAS represents \$654 million in economic activity annually.

The District continues to be based in a primary agricultural community, centered in the City of Somerton. The 2023 population for City of Somerton is 14,651, an increase from the 2020 base of 14,311. The District; however, continues to lag behind the City of Yuma and Yuma County for income and employment comparisons. The District's average household income slowly increased during this decade. The average median household income is at \$53,741. On a most recent study, Yuma County poverty rate is 17.14 percent. This is slightly higher than the national poverty rate of 11.5%.

Annual unemployment rates remain comparatively high despite wage increases at 18.70 percent. However, Yuma County's population has grown nearly 15 percent since 2010, and employment growth over the same time period was nearly 6 percent. Between 2014 and 2017, the Yuma area experienced job growth of 3.5 percent for a net gain of nearly 3,100 new jobs.

**Long-term Financial Planning.** Despite the recessionary conditions, housing developments within the District are still committed. There is a dramatic influence from the City of San Luis east developments set near the new port of entrance zoned for 2,249 dwellings in coincidence with the City of Somerton. This dramatic increase coincides with Housing America's efforts to provide low-income housing in an excess of 150 dwellings. This major factor will impact the District in the next decade into which new housing developments will be the major factor-affecting enrollment. The new port of entry will drive more taxable dollars to the District.

The economic downturn and recession pressures and excess dwelling inventory caused by foreclosures have almost dissipated. Income-to-home price ratios have started to stabilize and infrastructure expansion are in the future growth at an average of 4.2 percent given the market factors, which is lower than the Arizona average at 8.5 percent.

On another note, the presence of migratory workers provides a stabilization factor for the District. As migratory workers pass through for seasonal employment, a portion of substantial students entering and exiting the District remains through the course of instruction.

**Major Initiatives.** The Arizona State Facility Board had approved additional funding for the District to build two (K-6) elementary schools in its fiscal year 2021-22 budget. The District completed the construction of both schools, Bravie T. Soto in Somerton, and Sun Valley Elementary in San Luis, during the 2022-23 school year

The District is considering a Bond for construction of additional instructional space in the form of a new school and/or expansion of the existing campuses.

### **Awards and Acknowledgment**

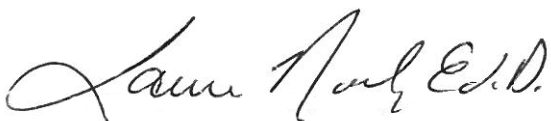
**Awards.** The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the twenty-fifth year that the District has received this prestigious award. In addition, the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2022. In order to be awarded these certificates, the District published an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both accounting principles generally accepted in the United States of America and applicable legal requirements.

These certificates are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the programs' requirements and we are submitting it to ASBO and GFOA to determine its eligibility for the fiscal year ended June 30, 2023 certificates.

**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 financial services 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,



Laura Noel, Ed.D.  
Superintendent



Melissa Porchas  
Director of Financial Services



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

**Somerton Elementary School  
District No. 11**

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

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



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

**John W. Hutchison  
President**

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

**Siobhán McMahon, CAE  
Chief Operations Officer/  
Interim Executive Director**



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Somerton Elementary School District No. 11  
Arizona**

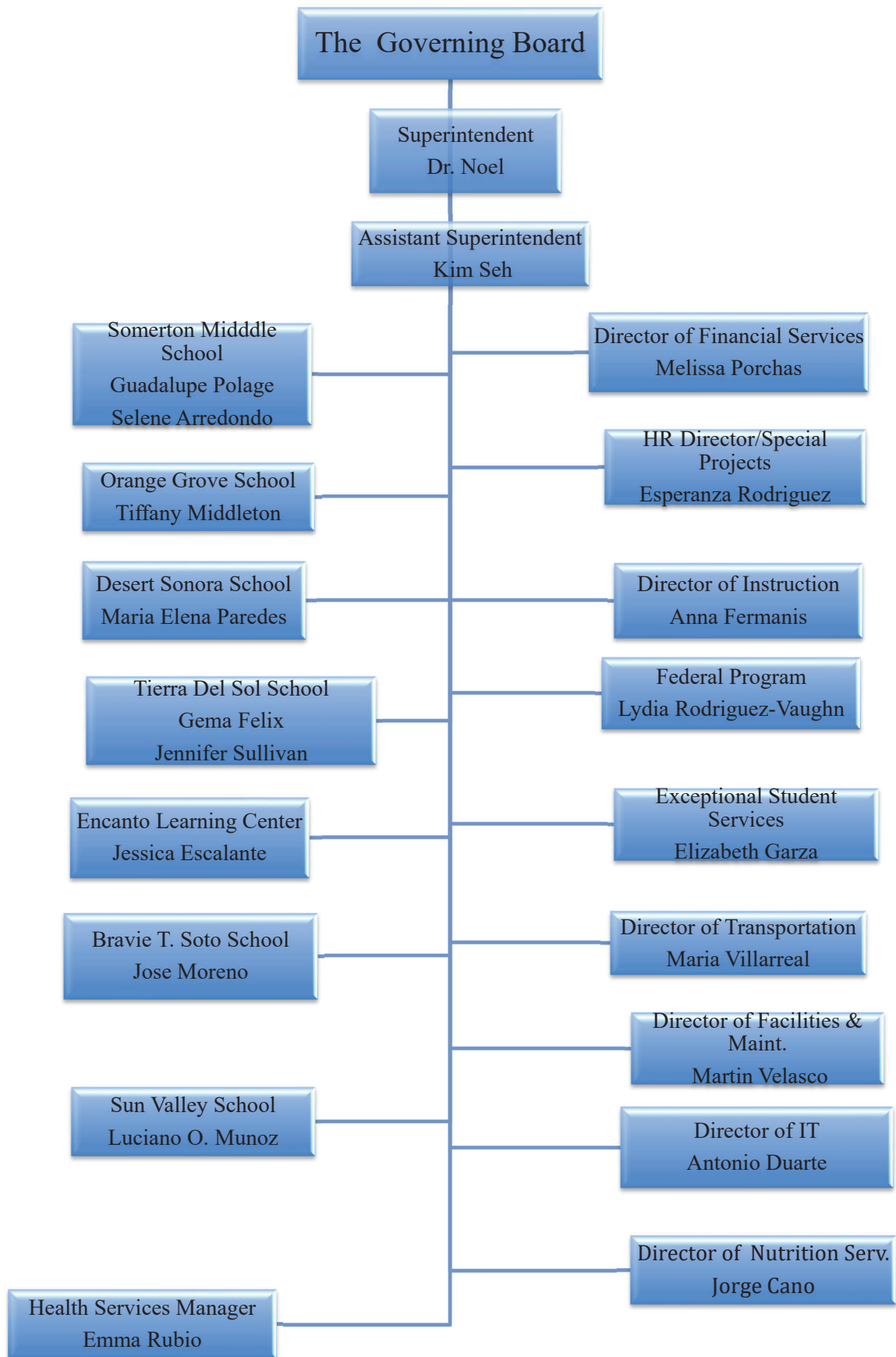
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

SOMERTON SCHOOL DISTRICT ORGANIZATIONAL CHART FY 22-23



**Somerton Elementary School District No. 11**

**List of Principal Officials**

**Governing Board**

Juan Castillo, President

Lorena Delgadillo, Clerk

Luisa Arreola, Member

Laura Torres, Member

Cristina Clark, Member

**Administrative Staff**

Laura Noel, Ed.D., Superintendent

Kim Seh, Assistant Superintendent

Esperanza Rodriguez, Director of Human Resources and Special Projects

Melissa Porchas, Director of Financial Services

## **Financial Section**



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## Independent Auditor's Report

Governing Board  
Somerton Elementary School District No. 11

### **Report on Audit of Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Somerton Elementary School District No. 11 (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Somerton Elementary School District No. 11, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of Somerton Elementary School District No. 11 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As described in Note 1, the District implemented the provisions of the GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, for the year ended June 30, 2023, which represents a change in accounting principle. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

### ***Other Matters***

#### ***Required Supplementary Information***

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

### *Supplementary Information*

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

### *Other Information*

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2023, on our consideration of Somerton Elementary School District No. 11's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Somerton Elementary School District No. 11's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Somerton Elementary School District No. 11's internal control over financial reporting and compliance.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Tucson, Arizona  
December 15, 2023

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

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**Somerton Elementary School District No. 11**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2023**

As management of the Somerton Elementary School District No. 11 (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. The management's discussion and analysis is presented as required supplementary information to supplement the basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

**Financial Highlights**

- The District's total net position of governmental activities increased \$6.3 million which represents a 27 percent increase from the prior fiscal year primarily due to new school construction at two sites, funded by the Arizona School Facilities Board.
- General revenues accounted for \$24.3 million in revenue, or 53 percent of all current fiscal year revenues. Program specific revenue in the form of charges for services and grants and contributions accounted for \$21.2 million or 47 percent of total current fiscal year revenues.
- The District had approximately \$39.2 million in expenses related to governmental activities, an increase of 16 percent from the prior fiscal year due to current year increases in salaries and benefits.
- Among major funds, the General Fund had \$21.0 million in current fiscal year revenues, which primarily consisted of state aid and property taxes, and \$21.1 million in expenditures. The General Fund's fund balance decreased \$12,295, to \$4.4 million at the end of the current fiscal year.
- The Federal and State Grants' fund balance increased from a deficit of \$664,689 in the prior year to \$57,611 at the end of the current fiscal year primarily due to higher federal aid, grants, and reimbursements received during the fiscal year.
- The Other Capital Projects' fund balance decreased from a deficit of \$382,696 in the prior year to a deficit of \$1.9 million at the end of the current fiscal year due to increased outstanding reimbursements related to expenditures for the construction of the new school sites.

**Overview of Financial Statements**

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



**Somerton Elementary School District No. 11**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2023**

**Overview of Financial Statements**

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

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

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

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

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

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

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

**Somerton Elementary School District No. 11**  
**Management's Discussion and Analysis (MD&A)**  
**Year Ended June 30, 2023**

**Overview of Financial Statements**

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

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

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

**Government-Wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by \$29.7 million at the current fiscal year end.

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

**Somerton Elementary School District No. 11  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Government-Wide Financial Analysis**

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

	As of June 30, 2023	As of June 30, 2022
Current and other assets	\$ 9,914,997	\$ 10,066,135
Capital assets, net	43,571,563	35,485,936
Total assets	<u>53,486,560</u>	<u>45,552,071</u>
 Deferred outflows	 <u>6,296,043</u>	 <u>4,917,619</u>
 Current liabilities	 2,786,572	 2,882,563
Long-term liabilities	26,604,269	18,724,440
Total liabilities	<u>29,390,841</u>	<u>21,607,003</u>
 Deferred inflows	 <u>663,617</u>	 <u>5,435,725</u>
 Net position:		
Net investment in capital assets	42,533,085	34,193,933
Restricted	2,861,095	4,524,671
Unrestricted	(15,666,035)	(15,291,642)
Total net position	<u>\$ 29,728,145</u>	<u>\$ 23,426,962</u>

At the end of the current fiscal year the District reported a negative unrestricted net position of \$15.7 million as a result of an unfunded pension liability. Positive net position was reported in the other two categories. The same situation held true for the prior year.

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

- The addition of \$9.6 million in capital assets primarily due to the construction of two new school sites.
- The addition of \$1.5 million in accumulated depreciation.
- The principal retirement of \$253,525 of financed purchase obligations.
- The net pension liability increased \$8.0 million.

**Somerton Elementary School District No. 11  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Government-Wide Financial Analysis**

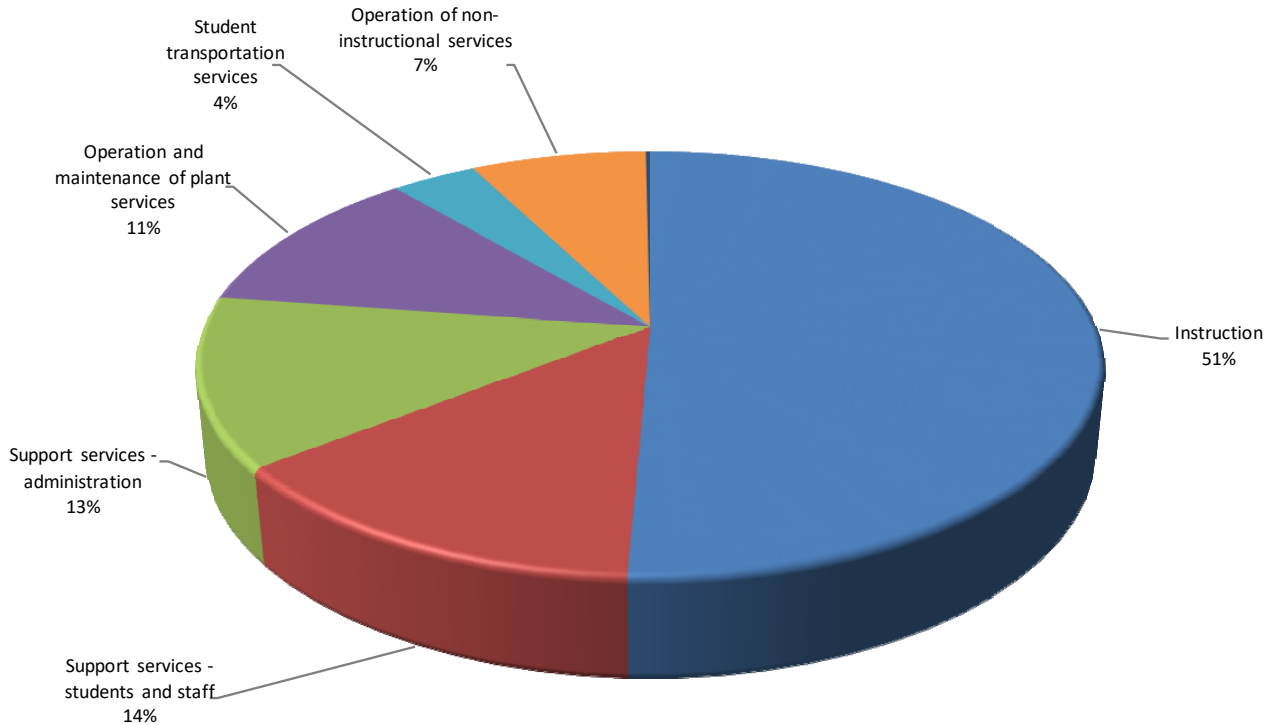
**Changes in net position.** The District's total revenues for the current fiscal year were \$45.5 million. The total cost of all programs and services was \$39.2 million. The following table presents a summary of the changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022.

	Fiscal Year Ended June 30, 2023	Fiscal Year Ended June 30, 2022
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 340,742	\$ 332,893
Operating grants and contributions	11,868,425	12,133,706
Capital grants and contributions	8,961,954	6,399,935
General revenues:		
Property taxes	2,395,101	2,109,148
Investment income	86,264	10,710
Unrestricted state aid	21,647,326	18,917,966
Unrestricted federal aid	195,012	291,074
<b>Total revenues</b>	45,494,824	40,195,432
<b>Expenses:</b>		
Instruction	19,874,641	18,054,629
Support services – students and staff	5,387,726	4,417,511
Support services – administration	5,080,560	4,131,992
Operation and maintenance of plant services	4,439,562	3,799,978
Student transportation services	1,437,847	1,156,249
Operation of non-instructional services	2,905,723	2,176,222
Interest on long-term debt	67,582	81,427
<b>Total expenses</b>	39,193,641	33,818,008
<b>Changes in net position</b>	6,301,183	6,377,424
<b>Net position, beginning</b>	23,426,962	17,049,538
<b>Net position, ending</b>	\$ 29,728,145	\$ 23,426,962

**Somerton Elementary School District No. 11  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Government-Wide Financial Analysis**

**Expenses - Fiscal Year 2023**



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

- Capital grants and contributions increased \$2.6 million due to increased School Facilities Board funding for the construction of two new school sites.
- The increase in unrestricted state aid revenues of \$2.7 million was due to an increase in the base support level.
- The increase of \$1.8 million in instruction was primarily due to additional salaries and benefits paid to retain highly qualified and experienced staff to help meet the needs of the District's students.

The following table presents the cost of the District's major functional activities. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the State and District's taxpayers by each of these functions.

**Somerton Elementary School District No. 11  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Government-Wide Financial Analysis**

	Year Ended June 30, 2023		Year Ended June 30, 2022	
	Total Expenses	Net (Expense)/ Revenue	Total Expenses	Net (Expense)/ Revenue
Instruction	\$ 19,874,641	\$ (4,230,901)	\$ 18,054,629	\$ (5,480,197)
Support services - students and staff	5,387,726	(3,811,592)	4,417,511	(2,397,033)
Support services - administration	5,080,560	(4,608,944)	4,131,992	(3,690,214)
Operation and maintenance of plant services	4,439,562	(3,962,886)	3,799,978	(3,102,214)
Student transportation services	1,437,847	(1,378,895)	1,156,249	(1,129,958)
Operation of non-instructional services	2,905,723	(14,634)	2,176,222	866,046
Interest on long-term debt	67,582	(14,668)	81,427	(17,904)
<b>Total</b>	<b>\$ 39,193,641</b>	<b>\$ (18,022,520)</b>	<b>\$ 33,818,008</b>	<b>\$ (14,951,474)</b>

- The cost of all governmental activities this year was \$39.2 million.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$21.2 million.
- Net cost of governmental activities of \$18.0 million was financed by general revenues, which are made up of primarily property taxes of \$2.4 million and state aid of \$21.6 million.

**Financial Analysis of the District's Funds**

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

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

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the year, its governmental funds reported a combined fund balance of \$5.2 million, a decrease of \$992,125 primarily due to increased expenditures for the construction of the new school sites.

**Somerton Elementary School District No. 11  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Financial Analysis of the District's Funds**

The General Fund comprises 84 percent of the total fund balance. The entire \$4.4 million of the General Fund's fund balance is unassigned. The General Fund is the principal operating fund of the District. The fund balance decreased \$12,295 in the General Fund to \$4.4 million as of fiscal year end. General Fund revenues increased \$3.2 million as a result of an increase in state aid. General Fund expenditures increase \$2.9 million as a result of an increase in salaries and costs related to the opening of the two new schools.

The Federal and State Grant's fund balance increased from a deficit of \$664,689 in the prior year to \$57,611 primarily due to higher federal aid, grants, and reimbursements received during the fiscal year.

The Other Capital Project's fund balance decreased from a deficit of \$382,696 in the prior year to a deficit of \$1.9 million primarily due to construction of the new school sites in San Luis and Somerton. Reimbursements from the School Facilities Board are expected to eliminate the deficit in the next fiscal year.

**Budgetary Highlights**

Over the course of the year, the District revised the General Fund annual expenditure budget for changes in average daily membership. The difference between the original budget and the final amended budget was a \$2.1 million increase, or twelve percent.

Significant variances for the final amended budget and actual revenues resulted from the District not being required by the State of Arizona to prepare a revenue budget. A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report as required supplementary information. The significant favorable variance of \$926,182 in instruction was a result of an unexpected budget balance carryforward.

**Somerton Elementary School District No. 11  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Capital Assets and Debt Administration**

**Capital Assets.** At year end, the District had invested \$68.6 million in capital assets, including school buildings, athletic facilities, buses and other vehicles, computers, and other equipment. This amount represents a net increase prior to depreciation of \$9.6 million from the prior fiscal year, primarily due to new school construction. Total depreciation expense for the current fiscal year was \$1.5 million.

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

	As of June 30, 2023	As of June 30, 2022
Capital assets - non-depreciable	\$ 2,082,912	\$ 6,802,620
Capital assets - depreciable, net	41,488,651	28,683,316
Total	\$ 43,571,563	\$ 35,485,936

The estimated cost to complete current construction projects is \$1.3 million.

Additional information on the District's capital assets can be found in Note 6.

**Debt Administration.** At year end, the District had \$1.0 million in long-term debt outstanding, \$255,940 due within one year. Long-term debt decreased by \$253,525.

The District's general obligation bonds are subject to two limits; the Constitutional debt limit (total debt limit) on all general obligation bonds (up to 15 percent of the total net full cash assessed valuation) and the statutory debt limit on Class B bonds (the greater of 10 percent of the net full cash assessed valuation or \$1,500 per student). The current total debt limitation for the District is \$17.8 million and the Class B debt limit is \$11.8 million. At fiscal year end, the District had no outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Notes 7 and 8.



**Somerton Elementary School District No. 11  
Management's Discussion and Analysis (MD&A)  
Year Ended June 30, 2023**

**Economic Factors and Next Year's Budget and Rates**

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-24 budget. Among them:

- Fiscal year 2022-23 budget balance carry forward (estimated \$790,379).
- District unweighted student counts of 2,706.

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

Budgeted expenditures in the General Fund increased three percent to \$20.6 million in fiscal year 2023-24 due to an increase in the base level amounts. State aid and property taxes are expected to be the primary funding sources. No new programs were added to the 2023-24 budget.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact the Business and Finance Department, Somerton Elementary School District No. 11, 343 North Carlisle Avenue, Somerton, Arizona 85350.

## **Basic Financial Statements**

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**Government-Wide Financial Statements**

**Somerton Elementary School District No. 11**  
**Statement of Net Position**  
**June 30, 2023**

	<b>Governmental Activities</b>
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 6,147,616
Property taxes receivable	179,443
Accounts receivable	16,237
Due from governmental entities	3,571,701
<b>Total current assets</b>	<b>9,914,997</b>
Noncurrent assets:	
Capital assets not being depreciated	2,082,912
Capital assets, net accumulated depreciation	41,488,651
<b>Total noncurrent assets</b>	<b>43,571,563</b>
<b>Total assets</b>	<b>53,486,560</b>
 <b>Deferred outflows of resources</b>	
Pension plan items	6,296,043
<b>Total deferred outflows of resources</b>	<b>6,296,043</b>
 <b>Liabilities</b>	
Current liabilities:	
Accounts payable	2,438,056
Accrued payroll and employee benefits	251,833
Unearned revenues	96,683
Compensated absences payable	100,000
Financed purchases payable	255,940
<b>Total current liabilities</b>	<b>3,142,512</b>
Noncurrent liabilities:	
Non-current portion of long-term obligations	26,248,329
<b>Total noncurrent liabilities</b>	<b>26,248,329</b>
<b>Total liabilities</b>	<b>29,390,841</b>
 <b>Deferred inflows of resources</b>	
Pension plan items	663,617
<b>Total deferred inflows of resources</b>	<b>663,617</b>
 <b>Net position</b>	
Net investment in capital assets	42,533,085
Restricted for:	
Instruction	1,687,210
Food service	522,987
Non-instructional purposes	105,990
Capital outlay	544,908
Unrestricted	(15,666,035)
<b>Total net position</b>	<b>\$ 29,728,145</b>

**Somerton Elementary School District No. 11**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenue</b>			<b>Net (Expense)</b>
		<b>Charges for</b>	<b>Operating Grants</b>	<b>Capital Grants</b>	<b>Revenue and</b>
			<b>Services</b>	<b>and</b>	<b>and</b>
			<b>Contributions</b>	<b>Contributions</b>	<b>Position</b>
					<b>Governmental</b>
					<b>Activities</b>
<b>Governmental activities</b>					
Instruction	\$ 19,874,641	\$ 27,414	\$ 6,793,666	\$ 8,822,660	\$ (4,230,901)
Support services - students and staff	5,387,726	193,030	1,383,104		(3,811,592)
Support services - administration	5,080,560		471,616		(4,608,944)
Operation and maintenance of plant services	4,439,562	60,128	277,254	139,294	(3,962,886)
Student transportation services	1,437,847		58,952		(1,378,895)
Operation of non-instructional services	2,905,723	60,170	2,830,919		(14,634)
Interest on long-term debt	67,582		52,914		(14,668)
<b>Total governmental activities</b>	<u>\$ 39,193,641</u>	<u>\$ 340,742</u>	<u>\$ 11,868,425</u>	<u>\$ 8,961,954</u>	<u>(18,022,520)</u>
<b>General revenues</b>					
Property taxes					2,395,101
Investment income					86,264
Unrestricted state aid					21,647,326
Unrestricted federal aid					195,012
<b>Total general revenues</b>					<u>24,323,703</u>
<b>Changes in net position</b>					6,301,183
<b>Net position, beginning of year</b>					<u>23,426,962</u>
<b>Net position, end of year</b>					<u>\$ 29,728,145</u>

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## **Fund Financial Statements**



**Somerton Elementary School District No. 11**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	<u>General</u>	<u>Federal and State Grants</u>	<u>Other Capital Projects</u>	<u>Non-Major Governmental Funds</u>
<b>Assets</b>				
Cash and investments	\$ 3,616,725	\$	\$	\$ 2,530,891
Property taxes receivable	116,754			62,689
Accounts receivable				16,237
Due from governmental entities		1,675,308	1,715,769	180,624
Due from other funds	<u>1,678,228</u>			
<b>Total assets</b>	<u>\$ 5,411,707</u>	<u>\$ 1,675,308</u>	<u>\$ 1,715,769</u>	<u>\$ 2,790,441</u>
<b>Liabilities</b>				
Accounts payable	\$ 714,345	\$ 873,170	\$ 767,109	\$ 83,432
Due to other funds		479,770	1,198,458	
Accrued payroll and employee benefits	180,234	59,554		12,045
Unearned revenues		<u>96,683</u>		
<b>Total liabilities</b>	<u>894,579</u>	<u>1,509,177</u>	<u>1,965,567</u>	<u>95,477</u>
<b>Deferred inflows of resources</b>				
Unavailable revenues - property taxes	103,335			53,975
Unavailable revenues - intergovernmental		<u>108,520</u>	<u>1,619,275</u>	
<b>Total deferred inflows of resources</b>	<u>103,335</u>	<u>108,520</u>	<u>1,619,275</u>	<u>53,975</u>
<b>Fund balances</b>				
Restricted		57,611		2,640,989
Unassigned	<u>4,413,793</u>		<u>(1,869,073)</u>	
<b>Total fund balances</b>	<u>4,413,793</u>	<u>57,611</u>	<u>(1,869,073)</u>	<u>2,640,989</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 5,411,707</u>	<u>\$ 1,675,308</u>	<u>\$ 1,715,769</u>	<u>\$ 2,790,441</u>

**Total  
Governmental  
Funds**

\$ 6,147,616  
179,443  
16,237  
3,571,701  
1,678,228  
\$ 11,593,225

\$ 2,438,056  
1,678,228  
251,833  
96,683  
4,464,800

157,310  
1,727,795  
1,885,105

2,698,600  
2,544,720  
5,243,320

\$ 11,593,225

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**Somerton Elementary School District No. 11**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**June 30, 2023**

**Total fund balances - governmental funds** **\$ 5,243,320**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Governmental capital assets	\$ 68,637,271	
Less accumulated depreciation/amortization	<u>(25,065,708)</u>	
		43,571,563

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

Property taxes	157,310	
Intergovernmental	<u>1,727,795</u>	
		1,885,105

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

Deferred outflows of resources related to pensions	6,296,043	
Deferred inflows of resources related to pensions	<u>(663,617)</u>	
		5,632,426

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

Compensated absences payable	(372,443)	
Financed purchases payable	(1,038,478)	
Net pension liability	<u>(25,193,348)</u>	
		<u>(26,604,269)</u>

**Net position of governmental activities** **\$ 29,728,145**

**Somerton Elementary School District No. 11**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	General	Federal and State Grants	Other Capital Projects	Non-Major Governmental Funds
<b>Revenues</b>				
Other local	\$ 113,454	\$	\$ 23	\$ 372,122
Property taxes	1,419,795			947,040
State aid and grants	19,283,167	548,198	6,428,672	2,364,159
Federal aid, grants and reimbursements	<u>195,012</u>	<u>10,074,927</u>	<u>52,914</u>	<u>2,758,363</u>
<b>Total revenues</b>	<u>21,011,428</u>	<u>10,623,125</u>	<u>6,481,609</u>	<u>6,441,684</u>
<b>Expenditures</b>				
Current:				
Instruction	10,243,769	4,721,026		1,899,878
Support services - students and staff	2,009,408	2,662,436		319,474
Support services - administration	3,414,851	912,881		8,615
Operation and maintenance of plant services	3,241,086	333,519		73,327
Student transportation services	657,458	114,098		21,163
Operation of non-instructional services	50,453	137,550		2,485,928
Capital outlay	1,455,399	952,421	7,915,072	1,599,052
Debt service:				
Principal retirement			253,525	
Interest and fiscal charges			<u>67,582</u>	
<b>Total expenditures</b>	<u>21,072,424</u>	<u>9,833,931</u>	<u>8,236,179</u>	<u>6,407,437</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(60,996)</u>	<u>789,194</u>	<u>(1,754,570)</u>	<u>34,247</u>
<b>Other financing sources (uses)</b>				
Transfers in	316,894		268,193	
Transfers out	<u>(268,193)</u>	<u>(66,894)</u>		<u>(250,000)</u>
<b>Total other financing sources (uses)</b>	<u>48,701</u>	<u>(66,894)</u>	<u>268,193</u>	<u>(250,000)</u>
<b>Changes in fund balances</b>	<u>(12,295)</u>	<u>722,300</u>	<u>(1,486,377)</u>	<u>(215,753)</u>
<b>Fund balances, beginning of year</b>	<u>4,426,088</u>	<u>(664,689)</u>	<u>(382,696)</u>	<u>2,856,742</u>
<b>Fund balances, end of year</b>	<u>\$ 4,413,793</u>	<u>\$ 57,611</u>	<u>\$ (1,869,073)</u>	<u>\$ 2,640,989</u>

**Total  
Governmental  
Funds**

---

\$ 485,599  
2,366,835  
28,624,196  
13,081,216  
44,557,846

16,864,673  
4,991,318  
4,336,347  
3,647,932  
792,719  
2,673,931  
11,921,944

253,525  
67,582  
45,549,971

(992,125)

585,087  
(585,087)

(992,125)

6,235,445

\$ 5,243,320

**Somerton Elementary School District No. 11**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2023**

**Changes in fund balances - total governmental funds** **\$ (992,125)**

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

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

Expenditures for capitalized assets	\$ 9,628,593	
Less current year depreciation/amortization	<u>(1,542,966)</u>	
		8,085,627

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

Property taxes	28,266	
Intergovernmental	<u>908,712</u>	
		936,978

Repayments of long-term debt principal are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Financed purchase principal retirement	<u>253,525</u>	
		253,525

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

Current year pension contributions	2,363,805	
Pension expense	<u>(4,250,303)</u>	
		(1,886,498)

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

Compensated absences	<u>(96,324)</u>	
		<u>(96,324)</u>

**Changes in net position in governmental activities** **\$ 6,301,183**

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

The financial statements of the Somerton Elementary School District No. 11 (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2023, the District implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*. This Statement increases the usefulness of the financial statements by requiring the recognition of certain assets and liabilities for SBITAs. This Statement also requires a government to disclose essential information about the arrangement. The District's analysis of SBITAs in effect at the beginning of the year resulted in no changes to beginning balances reported in the financial statements due to the implementation of this standard.

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

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

**A. Reporting Entity**

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

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

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

The financial reporting entity consists of a primary government and its component units. A component unit is a legally separate entity that must be included in the reporting entity in conformity with generally accepted accounting principles. The District is a primary government because it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments.



**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

Furthermore, there are no component units combined with the District for financial statement presentation purposes, and the District is not included in any other governmental reporting entity. Consequently, the District's financial statements include only the funds of those organizational entities for which its elected governing board is financially accountable. The District's major operations include education, student transportation, construction and maintenance of District facilities, and food services.

**B. Government-Wide and Fund Financial Statements**

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

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

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

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

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

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

**Fund Financial Statements** – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. As permitted by generally accepted accounting principles the District applies the “early recognition” option for debt service payments. Property tax resources are provided in the Debt Service Fund during the current year for the payment of debt service principal and interest due early in the following year (less than one month). Therefore, the expenditures and related liabilities have been recognized in the current period. Capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

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

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

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

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

The District reports the following major governmental funds:

General Fund – The General Fund is the District’s primary operating fund. It accounts for all resources used to finance District maintenance and operation except those required to be accounted for in other funds. The General Fund includes the District’s Maintenance and Operations Fund and the Unrestricted Capital Outlay Fund, as well as certain activities budgeted in separate funds in accordance with A.R.S. These funds are maintained as separate funds for budgetary purposes but do not meet the criteria for separate reporting in the financial statements.

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

Other Capital Projects Fund – The Other Capital Projects Fund accounts for the revenues and expenditures of other capital projects activities, including the following: gifts and donations – capital, energy water and savings, building renewal grant, and new school facilities.

**D. Cash and Investments**

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

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

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

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

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

**E. Investment Income**

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

**F. Receivables and Payables**

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Interfund balances between governmental funds are eliminated on the Statement of Net Position.

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

**G. Property Tax Calendar**

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

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

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

**H. Prepaid Items**

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

**I. Capital Assets**

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

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

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

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

Land improvements	15-25 years
Buildings and improvements	10-50 years
Vehicles, furniture and equipment	5-20 years

**J. Deferred Outflows/Inflows of Resources**

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

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

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

**K. Pensions**

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

**L. Compensated Absences**

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

**M. Long-term Obligations**

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

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

**N. Interfund Activity**

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

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies**

**O. Net Position Flow Assumption**

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

**P. Estimates**

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

**Note 2 – Fund Balance Classifications**

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

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

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

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

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 2 – Fund Balance Classifications**

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

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

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

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

	General	Federal and State Grants	Other Capital Projects	Non-Major Governmental Funds
Fund Balances:				
Restricted:				
Capital projects	\$	\$	\$	\$ 490,933
Voter approved initiatives				1,338,133
Federal and state projects		57,611		
Food service				522,987
Civic center				39,876
Community schools				2,003
Extracurricular activities				51,796
Insurance refund				64,111
Gifts and donations				34,750
Student activities				90,644
Other purposes				5,756
Unassigned	4,413,793		(1,869,073)	
Total fund balances	<u>\$ 4,413,793</u>	<u>\$ 57,611</u>	<u>\$ (1,869,073)</u>	<u>\$ 2,640,989</u>



**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 3 – Stewardship, Compliance and Accountability**

**Individual Deficit Fund Balances** – At year end, the Other Capital Projects Fund reported a deficit in fund balance of \$1,869,073.

The deficit arose because of pending reimbursements from the Arizona School Facilities Board. Additional revenues received in fiscal year 2023-24 are expected to eliminate the deficit.

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

**Note 4 – Cash and Investments**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of bank failure the District's deposits may not be returned to the District. The District does not have a deposit policy for custodial credit risk. At year end, the carrying amount of the District's deposits was \$90,644 and the bank balance was \$238,105.

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

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

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

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 4 – Cash and Investments**

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

	Average Maturities		Fair Value
County Treasurer’s investment pool	0.12 years	\$	6,056,972

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

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

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

**Note 5 – Receivables**

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

	Federal and State Grants	Other Capital Projects	Non-Major Governmental Funds
Due from other governmental entities:			
Due from federal government	\$ 1,675,308	\$	\$ 43,414
Due from state government		1,715,769	137,210
Net due from governmental entities	\$ 1,675,308	\$ 1,715,769	\$ 180,624

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 6 – Capital Assets**

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

Governmental Activities	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,014,130	\$	\$	\$ 2,014,130
Construction in progress	4,788,490	8,012,266	12,731,974	68,782
Total capital assets, not being depreciated	<u>6,802,620</u>	<u>8,012,266</u>	<u>12,731,974</u>	<u>2,082,912</u>
Capital assets, being depreciated:				
Land improvements	2,749,713	1,964,570		4,714,283
Buildings and improvements	43,599,846	11,724,246		55,324,092
Vehicles, furniture and equipment	5,856,499	659,485		6,515,984
Total capital assets being depreciated	<u>52,206,058</u>	<u>14,348,301</u>		<u>66,554,359</u>
Less accumulated depreciation for:				
Land improvements	(1,318,042)	(125,155)		(1,443,197)
Buildings and improvements	(18,048,388)	(1,191,222)		(19,239,610)
Vehicles, furniture and equipment	(4,156,312)	(226,589)		(4,382,901)
Total accumulated depreciation	<u>(23,522,742)</u>	<u>(1,542,966)</u>		<u>(25,065,708)</u>
Total capital assets, being depreciated, net	<u>28,683,316</u>	<u>12,805,335</u>		<u>41,488,651</u>
Governmental activities capital assets, net	<u>\$ 35,485,936</u>	<u>\$ 20,817,601</u>	<u>\$ 12,731,974</u>	<u>\$ 43,571,563</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 807,180
Support services – students and staff	6,353
Support services – administration	36,500
Operation and maintenance of plant services	497,420
Student transportation services	158,736
Operation of non-instructional services	36,777
Total depreciation expense – governmental activities	<u>\$ 1,542,966</u>

**Construction Commitments** – At year end, the District had contractual commitments related to various roofing and structural projects. At year end, the District had spent \$68,782 on the projects and had estimated remaining contractual commitments of \$1,300,000. The projects are being funded with School Facilities Board monies and District capital funds.

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 7 – Financed Purchases Payable**

The District has acquired energy efficiency upgrades under the provisions of a contract classified as a financed purchase payable. Revenues from the General Fund are transferred to the Other Capital Projects Fund to pay the debt obligations when due. The District receives a federal interest subsidy to fund the interest payments for the District-wide energy project.

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

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 255,940	\$ 53,605
2025	258,377	39,495
2026	260,838	25,250
2027	<u>263,323</u>	<u>10,870</u>
Total	<u>\$ 1,038,478</u>	<u>\$ 129,220</u>

**Note 8 – Changes in Long-Term Liabilities**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Financed purchases payable	\$ 1,292,003	\$	\$ 253,525	\$ 1,038,478	\$ 255,940
Net pension liability	17,156,318	8,037,030		25,193,348	
Compensated absences payable	<u>276,119</u>	<u>255,707</u>	<u>159,383</u>	<u>372,443</u>	<u>100,000</u>
Total long-term liabilities	<u>\$ 18,724,440</u>	<u>\$ 8,292,737</u>	<u>\$ 412,908</u>	<u>\$ 26,604,269</u>	<u>\$ 355,940</u>

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 9 – Interfund Receivables, Payables, and Transfers**

At year end, interfund balances were as follows:

**Due to/from other funds:**

	General
Federal and State Grants	\$ 479,770
Other Capital Projects	1,198,458
Total Due from Other Funds	\$ 1,678,228

At year end, several funds had negative cash balances in the Treasurer’s pooled cash accounts. Negative cash on deposit with the County Treasurer was reduced by interfund borrowing with the General Fund. All interfund balances are expected to be paid within one year.

Transfers out	Transfers in		
	General	Other Capital Projects	Total
General	\$	\$ 268,193	\$ 268,193
Federal and State Grants	66,894		66,894
Non-Major Governmental Funds	250,000		250,000
Total	\$ 316,894	\$ 268,193	\$ 585,087

Transfers between funds were used to (1) move federal grant funds restricted for indirect costs to the appropriate fund where the expenditures are made and (2) to transfer funds from the General Fund to Other Capital Projects Fund for the debt service on an energy efficiency project lease.

**Note 10 – Contingent Liabilities**

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

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 11 – Risk Management**

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

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

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

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

The District continues to carry commercial insurance for all other risks of loss, including dental, vision, and life insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 12 – Pensions**

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

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

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

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

\*With actuarially reduced benefits

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

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 12 – Pensions**

**Contributions.** In accordance with state statutes, annual actuarial valuations determine active member and employer contribution requirements. The combined active member and employer contribution rates are expected to finance the costs of benefits employees earn during the year, with an additional amount to finance any unfunded accrued liability. For the current fiscal year, active ASRS members were required by statute to contribute at the actuarially determined rate of 12.17 percent (12.03 percent for retirement and 0.14 percent for long-term disability) of the members’ annual covered payroll, and the District was required by statute to contribute at the actuarially determined rate of 12.17 percent (11.92 percent for retirement, 0.11 percent for health insurance premium benefit, and 0.14 percent for long-term disability) of the active members’ annual covered payroll. The District’s contributions to the pension plan for the year ended June 30, 2023 were \$2,363,805.

Employers are also required to pay an Alternate Contribution Rate (ACR), for retired members who return to work in positions that would typically be filled by an employee who contributes to ASRS. The District was required by statute to contribute at the actuarially determined rate of 9.68 percent (9.62 for retirement and 0.06 percent for long-term disability). ACR contributions are included in employer contributions presented above.

The District’s pension contributions are paid by the same funds as the employee’s salary, with the largest component coming from the General Fund.

**Pension Liability.** The net pension liability was measured as of June 30, 2022. The total liability used to calculate the net liability was determined using update procedures to roll forward the total liability from an actuarial valuation as of June 30, 2021, to the measurement date of June 30, 2022. The District’s proportion of the net liability was based on the District’s actual contributions to the applicable plan relative to the total of all participating employers’ contributions to the plan for the year ended June 30, 2022.

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

Net Liability	District % Proportion	Increase (Decrease)
\$ 25,193,348	0.154	0.024



**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 12 – Pensions**

**Pension Expense and Deferred Outflows/Inflows of Resources.** The District has deferred outflows and inflows of resources related to the net pension liability. Certain changes in the net pension liability are recognized as pension expense over a period of time rather than the year of occurrence. The District’s pension expense for the year ended June 30, 2023 was \$4,250,303.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 214,662	\$
Changes of assumptions or other inputs	1,250,395	
Net difference between projected and actual earnings on pension investments		663,617
Changes in proportion and differences between contributions and proportionate share of contributions	2,467,181	
Contributions subsequent to the measurement date	2,363,805	
<b>Total</b>	<b>\$ 6,296,043</b>	<b>\$ 663,617</b>

The amounts of deferred outflows of resources resulting from contributions subsequent to the measurement date as reported in the table above will be recognized as an adjustment of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:		
2024	\$	2,525,486
2025		833,179
2026		(1,152,195)
2027		1,062,151

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 12 – Pensions**

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

Actuarial valuation date	June 30, 2021
Actuarial roll forward date	June 30, 2022
Actuarial cost method	Entry age normal
Investment rate of return	7.0%
Inflation	2.3%
Projected salary increases	2.9-8.4%
Permanent base increases	Included
Mortality rates	2017 SRA Scale U-MP

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Geometric Real Rate of Return
Equity	50%	3.90%
Credit	20	5.30
Interest rate sensitive bonds	10	(0.20)
Real estate	20	6.00
Total	100%	

**Somerton Elementary School District No. 11**  
**Notes to Financial Statements**  
**June 30, 2023**

**Note 12 – Pensions**

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

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

	1% Decrease	Current Discount Rate	1% Increase
Rate	6.0%	7.0%	8.0%
Net liability	\$ 37,712,036	\$ 25,193,348	\$ 15,204,994

**Pension Plan Fiduciary Net Position.** Detailed information about the pension plan’s fiduciary net position is available in the separately issued ASRS financial report. The report is available on the ASRS website at [www.azasrs.gov](http://www.azasrs.gov).

**Required Supplementary Information**

**Somerton Elementary School District No. 11**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Non-GAAP Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 37,385	\$ 37,385
Property taxes			1,311,349	1,311,349
State aid and grants			17,898,454	17,898,454
<b>Total revenues</b>			<u>19,247,188</u>	<u>19,247,188</u>
<b>Expenditures</b>				
Current:				
Instruction	10,068,502	11,151,737	10,225,555	926,182
Support services - students and staff	1,566,196	1,720,778	1,700,730	20,048
Support services - administration	2,915,347	3,408,424	3,275,830	132,594
Operation and maintenance of plant services	2,828,887	3,150,188	3,240,468	(90,280)
Student transportation services	594,587	630,476	654,689	(24,213)
Operation of non-instructional services	43,632	50,453	50,453	
<b>Total expenditures</b>	<u>18,017,151</u>	<u>20,112,056</u>	<u>19,147,725</u>	<u>964,331</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(18,017,151)</u>	<u>(20,112,056)</u>	<u>99,463</u>	<u>20,211,519</u>
<b>Other financing sources (uses)</b>				
Transfers out			(268,193)	(268,193)
<b>Total other financing sources (uses)</b>			<u>(268,193)</u>	<u>(268,193)</u>
<b>Changes in fund balances</b>	<u>(18,017,151)</u>	<u>(20,112,056)</u>	<u>(168,730)</u>	<u>19,943,326</u>
<b>Fund balances, beginning of year</b>			<u>1,386,530</u>	<u>1,386,530</u>
<b>Fund balances, end of year</b>	<u>\$ (18,017,151)</u>	<u>\$ (20,112,056)</u>	<u>\$ 1,217,800</u>	<u>\$ 21,329,856</u>

**Somerton Elementary School District No. 11**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Federal and State Grants**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
State aid and grants	\$	\$	\$ 548,198	\$ 548,198
Federal aid, grants and reimbursements			<u>10,074,927</u>	<u>10,074,927</u>
<b>Total revenues</b>			<u>10,623,125</u>	<u>10,623,125</u>
<b>Expenditures</b>				
Current:				
Instruction	5,025,328	5,715,028	4,721,026	994,002
Support services - students and staff	2,834,048	3,223,006	2,662,436	560,570
Support services - administration	971,722	1,105,086	912,881	192,205
Operation and maintenance of plant services	355,017	403,741	333,519	70,222
Student transportation services	121,452	138,121	114,098	24,023
Operation of non-instructional services	146,416	166,511	137,550	28,961
Capital outlay	<u>1,013,811</u>	<u>1,152,951</u>	<u>952,421</u>	<u>200,530</u>
<b>Total expenditures</b>	<u>10,467,795</u>	<u>11,904,444</u>	<u>9,833,931</u>	<u>2,070,513</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(10,467,795)</u>	<u>(11,904,444)</u>	<u>789,194</u>	<u>12,693,638</u>
<b>Other financing sources (uses)</b>				
Transfers out			<u>(66,894)</u>	<u>(66,894)</u>
<b>Total other financing sources (uses)</b>			<u>(66,894)</u>	<u>(66,894)</u>
<b>Changes in fund balances</b>	<u>(10,467,795)</u>	<u>(11,904,444)</u>	<u>722,300</u>	<u>12,626,744</u>
<b>Fund balances, beginning of year</b>			<u>(664,689)</u>	<u>(664,689)</u>
<b>Fund balances, end of year</b>	<u>\$ (10,467,795)</u>	<u>\$ (11,904,444)</u>	<u>\$ 57,611</u>	<u>\$ 11,962,055</u>

**Somerton Elementary School District No. 11**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Arizona State Retirement System**  
**Last Nine Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
District's proportion of the net pension (assets) liability	0.15%	0.13%	0.13%	0.13%
District's proportionate share of the net pension (assets) liability	\$ 25,193,348	\$ 17,156,318	\$ 22,365,072	\$ 18,554,189
District's covered payroll	\$ 18,323,930	\$ 14,637,579	\$ 14,025,782	\$ 13,412,996
District's proportionate share of the net pension (assets) liability as a percentage of its covered payroll	137.49%	117.21%	159.46%	138.33%
Plan fiduciary net position as a percentage of the total pension liability	74.26%	78.58%	69.33%	73.24%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 2,363,805	\$ 2,200,704	\$ 1,705,278	\$ 1,605,952
Contributions in relation to the actuarially determined contribution	<u>2,363,805</u>	<u>2,200,704</u>	<u>1,705,278</u>	<u>1,605,952</u>
Contribution deficiency (excess)	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
District's covered payroll	\$ 19,830,579	\$ 18,323,930	\$ 14,637,579	\$ 14,025,782
Contributions as a percentage of covered payroll	11.92%	12.01%	11.65%	11.45%

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

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.13%	0.13%	0.12%	0.12%	0.12%
\$ 17,594,880	\$ 19,720,254	\$ 19,753,361	\$ 19,022,767	\$ 18,137,029
\$ 12,542,055	\$ 12,426,447	\$ 11,456,894	\$ 11,275,390	\$ 11,475,607
140.29%	158.70%	172.41%	168.71%	158.05%
73.40%	69.92%	67.06%	68.35%	69.49%

<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 1,499,573	\$ 1,367,084	\$ 1,339,571	\$ 1,243,073	\$ 1,227,890
<u>1,499,573</u>	<u>1,367,084</u>	<u>1,339,571</u>	<u>1,243,073</u>	<u>1,227,890</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
\$ 13,412,996	\$ 12,542,055	\$ 12,426,447	\$ 11,456,894	\$ 11,275,390
11.18%	10.90%	10.78%	10.85%	10.89%



**Somerton Elementary School District No. 11**  
**Notes to Required Supplementary Information**  
**June 30, 2023**

**Note 1 – Budgetary Basis of Accounting**

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

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

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

	Total	Fund
	<u>Expenditures</u>	<u>Balances</u>
		<u>End of Year</u>
Statement of Revenues, Expenditures and Changes in		
Fund Balances - Governmental Funds	\$ 21,072,424	\$ 4,413,793
Activity budgeted as special revenue funds	(478,425)	(1,434,338)
Activity budgeted as capital projects funds	(1,451,690)	(1,561,363)
Employee insurance account	<u>5,416</u>	<u>(200,292)</u>
Schedule of Revenue, Expenditures and Changes in		
Fund Balances – Budget and Actual - General Fund	<u>\$ 19,147,725</u>	<u>\$ 1,217,800</u>

**Note 2 – Pension Plan Schedules**

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

**Factors that Affect Trends.** The actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the five-year period ended June 30, 2020. The purpose of the experience study was to review actual experience in relation to the actuarial assumptions in effect. The ASRS Board adopted the experience study recommended changes which were applied to the June 30, 2020, actuarial valuation.

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

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## **Governmental Funds**

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## **Non-Major Governmental Funds**

### **Special Revenue Funds**

**Classroom Site** – to account for the financial activity for the portion of state sales tax collections and permanent state school fund earnings as approved by the voters in 2000.

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

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

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

### **Capital Projects Funds**

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

**Somerton Elementary School District No. 11**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2023**

**Special Revenue Funds**

	<b>Classroom Site</b>	<b>Instructional Improvement</b>	<b>Food Service</b>	<b>Other Special Revenue</b>
<b>Assets</b>				
Cash and investments	\$ 915,626	\$ 285,297	\$ 498,249	\$ 276,770
Property taxes receivable				
Accounts receivable				16,237
Due from governmental entities		137,210	43,414	
<b>Total assets</b>	<u>\$ 915,626</u>	<u>\$ 422,507</u>	<u>\$ 541,663</u>	<u>\$ 293,007</u>
<b>Liabilities</b>				
Accounts payable	\$	\$	\$ 6,631	\$ 4,071
Accrued payroll and employee benefits			12,045	
<b>Total liabilities</b>			<u>18,676</u>	<u>4,071</u>
<b>Deferred inflows of resources</b>				
Unavailable revenues - property taxes				
<b>Total deferred inflows of resources</b>				
<b>Fund balances</b>				
Restricted	915,626	422,507	522,987	288,936
<b>Total fund balances</b>	<u>915,626</u>	<u>422,507</u>	<u>522,987</u>	<u>288,936</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 915,626</u>	<u>\$ 422,507</u>	<u>\$ 541,663</u>	<u>\$ 293,007</u>

**Capital Projects**

<u>Funds</u>		<b>Total Non-Major Governmental</b>	
<u>Adjacent Ways</u>		<u>Funds</u>	
\$ 554,949	\$ 2,530,891		
62,689	62,689		
	16,237		
	<u>180,624</u>		
<u>\$ 617,638</u>	<u>\$ 2,790,441</u>		
\$ 72,730	\$ 83,432		
	<u>12,045</u>		
<u>72,730</u>	<u>95,477</u>		
<u>53,975</u>	<u>53,975</u>		
<u>53,975</u>	<u>53,975</u>		
<u>490,933</u>	<u>2,640,989</u>		
<u>490,933</u>	<u>2,640,989</u>		
<u>\$ 617,638</u>	<u>\$ 2,790,441</u>		



**Somerton Elementary School District No. 11**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

**Special Revenue Funds**

	<b>Classroom Site</b>	<b>Instructional Improvement</b>	<b>Food Service</b>	<b>Other Special Revenue</b>
<b>Revenues</b>				
Other local	\$ 22,463	\$ 3,646	\$ 70,029	\$ 267,497
Property taxes				
State aid and grants	2,177,113	187,046		
Federal aid, grants and reimbursements			2,758,363	
<b>Total revenues</b>	<u>2,199,576</u>	<u>190,692</u>	<u>2,828,392</u>	<u>267,497</u>
<b>Expenditures</b>				
Current:				
Instruction	1,790,277	87,800		21,801
Support services - students and staff	164,011	17,876		137,587
Support services - administration			553	8,062
Operation and maintenance of plant services			31,111	42,216
Student transportation services				21,163
Operation of non-instructional services			2,485,928	
Capital outlay			801,731	7,223
<b>Total expenditures</b>	<u>1,954,288</u>	<u>105,676</u>	<u>3,319,323</u>	<u>238,052</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>245,288</u>	<u>85,016</u>	<u>(490,931)</u>	<u>29,445</u>
<b>Other financing sources (uses)</b>				
Transfers out			(250,000)	
<b>Total other financing sources (uses)</b>			<u>(250,000)</u>	
<b>Changes in fund balances</b>	<u>245,288</u>	<u>85,016</u>	<u>(740,931)</u>	<u>29,445</u>
<b>Fund balances, beginning of year</b>	<u>670,338</u>	<u>337,491</u>	<u>1,263,918</u>	<u>259,491</u>
<b>Fund balances, end of year</b>	<u>\$ 915,626</u>	<u>\$ 422,507</u>	<u>\$ 522,987</u>	<u>\$ 288,936</u>

**Capital Projects**

<u>Funds</u>	<u>Total Non-Major Governmental Funds</u>
<u>Adjacent Ways</u>	<u>Funds</u>
\$ 8,487	\$ 372,122
947,040	947,040
	2,364,159
	2,758,363
<u>955,527</u>	<u>6,441,684</u>
	1,899,878
	319,474
	8,615
	73,327
	21,163
	2,485,928
<u>790,098</u>	<u>1,599,052</u>
<u>790,098</u>	<u>6,407,437</u>
<u>165,429</u>	<u>34,247</u>
	(250,000)
	(250,000)
<u>165,429</u>	<u>(215,753)</u>
<u>325,504</u>	<u>2,856,742</u>
<u>\$ 490,933</u>	<u>\$ 2,640,989</u>

**Somerton Elementary School District No. 11**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Classroom Site**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 22,463	\$ 22,463
State aid and grants			2,177,113	2,177,113
<b>Total revenues</b>			<u>2,199,576</u>	<u>2,199,576</u>
<b>Expenditures</b>				
Current:				
Instruction	2,592,981	2,440,220	1,790,277	649,943
Support services - students and staff	203,763	223,120	164,011	59,109
Support services - administration	40,872	178,528		178,528
<b>Total expenditures</b>	<u>2,837,616</u>	<u>2,841,868</u>	<u>1,954,288</u>	<u>887,580</u>
<b>Changes in fund balances</b>	<u>(2,837,616)</u>	<u>(2,841,868)</u>	<u>245,288</u>	<u>3,087,156</u>
<b>Fund balances, beginning of year</b>			<u>670,338</u>	<u>670,338</u>
<b>Fund balances, end of year</b>	<u>\$ (2,837,616)</u>	<u>\$ (2,841,868)</u>	<u>\$ 915,626</u>	<u>\$ 3,757,494</u>

**Somerton Elementary School District No. 11**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Instructional Improvement**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 3,646	\$ 3,646
State aid and grants			187,046	187,046
<b>Total revenues</b>			<u>190,692</u>	<u>190,692</u>
<b>Expenditures</b>				
Current:				
Instruction	214,952	323,442	87,800	235,642
Support services - students and staff	43,764	65,853	17,876	47,977
<b>Total expenditures</b>	<u>258,716</u>	<u>389,295</u>	<u>105,676</u>	<u>283,619</u>
<b>Changes in fund balances</b>	<u>(258,716)</u>	<u>(389,295)</u>	<u>85,016</u>	<u>474,311</u>
<b>Fund balances, beginning of year</b>			<u>337,491</u>	<u>337,491</u>
<b>Fund balances, end of year</b>	<u>\$ (258,716)</u>	<u>\$ (389,295)</u>	<u>\$ 422,507</u>	<u>\$ 811,802</u>

**Somerton Elementary School District No. 11**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Food Service**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 70,029	\$ 70,029
Federal aid, grants and reimbursements			2,758,363	2,758,363
<b>Total revenues</b>			<u>2,828,392</u>	<u>2,828,392</u>
<b>Expenditures</b>				
Current:				
Instruction				
Support services - students and staff				
Support services - administration	470	537	553	(16)
Operation and maintenance of plant services	26,436	30,185	31,111	(926)
Operation of non-instructional services	2,112,397	2,411,968	2,485,928	(73,960)
Capital outlay	681,264	777,878	801,731	(23,853)
<b>Total expenditures</b>	<u>2,820,567</u>	<u>3,220,568</u>	<u>3,319,323</u>	<u>(98,755)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(2,820,567)</u>	<u>(3,220,568)</u>	<u>(490,931)</u>	<u>2,729,637</u>
<b>Other financing sources (uses)</b>				
Transfers out			(250,000)	(250,000)
<b>Total other financing sources (uses)</b>			<u>(250,000)</u>	<u>(250,000)</u>
<b>Changes in fund balances</b>	<u>(2,820,567)</u>	<u>(3,220,568)</u>	<u>(740,931)</u>	<u>2,479,637</u>
<b>Fund balances, beginning of year</b>			<u>1,263,918</u>	<u>1,263,918</u>
<b>Fund balances, end of year</b>	<u>\$ (2,820,567)</u>	<u>\$ (3,220,568)</u>	<u>\$ 522,987</u>	<u>\$ 3,743,555</u>

**Somerton Elementary School District No. 11**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Other Special Revenue**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	267,497	\$ 267,497
<b>Total revenues</b>			<u>267,497</u>	<u>267,497</u>
<b>Expenditures</b>				
Current:				
Instruction	38,257	41,475	21,801	19,674
Support services - students and staff	241,441	261,750	137,587	124,163
Support services - administration	14,147	15,337	8,062	7,275
Operation and maintenance of plant services	74,082	80,313	42,216	38,097
Student transportation services	37,137	40,261	21,163	19,098
Capital outlay	12,675	13,741	7,223	6,518
<b>Total expenditures</b>	<u>417,739</u>	<u>452,878</u>	<u>238,052</u>	<u>214,826</u>
<b>Changes in fund balances</b>	<u>(417,739)</u>	<u>(452,878)</u>	<u>29,445</u>	<u>482,323</u>
<b>Fund balances, beginning of year</b>			<u>259,491</u>	<u>259,491</u>
<b>Fund balances, end of year</b>	<u>\$ (417,739)</u>	<u>\$ (452,878)</u>	<u>\$ 288,936</u>	<u>\$ 741,814</u>

**Somerton Elementary School District No. 11**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Adjacent Ways**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 8,487	\$ 8,487
Property taxes			947,040	947,040
<b>Total revenues</b>			<u>955,527</u>	<u>955,527</u>
<b>Expenditures</b>				
Capital outlay	1,410,936	1,299,027	790,098	508,929
<b>Total expenditures</b>	<u>1,410,936</u>	<u>1,299,027</u>	<u>790,098</u>	<u>508,929</u>
<b>Changes in fund balances</b>	<u>(1,410,936)</u>	<u>(1,299,027)</u>	<u>165,429</u>	<u>1,464,456</u>
<b>Fund balances, beginning of year</b>			<u>325,504</u>	<u>325,504</u>
<b>Fund balances, end of year</b>	<u>\$ (1,410,936)</u>	<u>\$ (1,299,027)</u>	<u>\$ 490,933</u>	<u>\$ 1,789,960</u>

**Somerton Elementary School District No. 11**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Other Capital Projects**  
**For the Year Ended June 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Other local	\$	\$	\$ 23	\$ 23
State aid and grants			6,428,672	6,428,672
Federal aid, grants and reimbursements			52,914	52,914
<b>Total revenues</b>			<u>6,481,609</u>	<u>6,481,609</u>
<b>Expenditures</b>				
Capital outlay	8,136,289	7,960,986	7,915,072	45,914
Debt service:				
Principal retirement	253,525	253,525	253,525	
Interest and fiscal charges	67,582	67,582	67,582	
<b>Total expenditures</b>	<u>8,457,396</u>	<u>8,282,093</u>	<u>8,236,179</u>	<u>45,914</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(8,457,396)</u>	<u>(8,282,093)</u>	<u>(1,754,570)</u>	<u>6,527,523</u>
<b>Other financing sources (uses)</b>				
Transfers in			268,193	268,193
<b>Total other financing sources (uses)</b>			<u>268,193</u>	<u>268,193</u>
<b>Changes in fund balances</b>	<u>(8,457,396)</u>	<u>(8,282,093)</u>	<u>(1,486,377)</u>	<u>6,795,716</u>
<b>Fund balances, beginning of year</b>			<u>(382,696)</u>	<u>(382,696)</u>
<b>Fund balances, end of year</b>	<u>\$ (8,457,396)</u>	<u>\$ (8,282,093)</u>	<u>\$ (1,869,073)</u>	<u>\$ 6,413,020</u>



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## Statistical Section

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

### Financial Trends

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

### Revenue Capacity

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

### Debt Capacity

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

### Demographic and Economic Information

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

### Operating Information

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

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

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**Somerton Elementary School District No. 11**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 42,533,085	\$ 34,193,933	\$ 29,684,090	\$ 29,916,674	\$ 28,801,052
Restricted	2,861,095	4,524,671	2,480,003	1,084,236	760,084
Unrestricted	<u>(15,666,035)</u>	<u>(15,291,642)</u>	<u>(15,114,555)</u>	<u>(16,161,516)</u>	<u>(15,636,528)</u>
Total net position	<u>\$ 29,728,145</u>	<u>\$ 23,426,962</u>	<u>\$ 17,049,538</u>	<u>\$ 14,839,394</u>	<u>\$ 13,924,608</u>
	<b><u>2018</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Net Position:</b>					
Net investment in capital assets	\$ 28,289,039	\$ 27,331,950	\$ 25,829,583	\$ 26,309,187	\$ 25,585,686
Restricted	799,662	1,411,932	1,878,046	1,497,474	1,871,833
Unrestricted	<u>(16,813,518)</u>	<u>(17,535,853)</u>	<u>(17,579,403)</u>	<u>(17,209,286)</u>	<u>3,899,500</u>
Total net position	<u>\$ 12,275,183</u>	<u>\$ 11,208,029</u>	<u>\$ 10,128,226</u>	<u>\$ 10,597,375</u>	<u>\$ 31,357,019</u>

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

**Note:** The decrease in unrestricted net position during fiscal year 2015 is due to the implementation of the pension reporting standards.

**Somerton Elementary School District No. 11**  
**Expenses, Program Revenues, and Net (Expense)/Revenue**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Expenses</b>					
Instruction	\$ 19,874,641	\$ 18,054,629	\$ 14,985,208	\$ 14,515,164	\$ 12,494,588
Support services - students and staff	5,387,726	4,417,511	3,392,823	3,034,831	2,751,566
Support services - administration	5,080,560	4,131,992	3,217,071	3,200,035	2,987,777
Operation and maintenance of plant services	4,439,562	3,799,978	3,142,930	3,207,213	3,093,333
Student transportation services	1,437,847	1,156,249	778,917	825,628	717,713
Operation of non-instructional services	2,905,723	2,176,222	1,581,349	2,031,204	1,923,719
Interest on long-term debt	67,582	81,427	114,027	165,384	200,911
Total expenses	<u>39,193,641</u>	<u>33,818,008</u>	<u>27,212,325</u>	<u>26,979,459</u>	<u>24,169,607</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	27,414	70,642	23,648	220,903	86,126
Operation of non-instructional services	60,170	54,599	26,660	45,601	55,196
Other activities	253,158	207,652	71,140	130,119	69,294
Operating grants and contributions	11,868,425	12,133,706	6,995,205	5,668,060	5,621,444
Capital grants and contributions	8,961,954	6,399,935	796,893	515,631	556,938
Total program revenues	<u>21,171,121</u>	<u>18,866,534</u>	<u>7,913,546</u>	<u>6,580,314</u>	<u>6,388,998</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (18,022,520)</u>	<u>\$ (14,951,474)</u>	<u>\$ (19,298,779)</u>	<u>\$ (20,399,145)</u>	<u>\$ (17,780,609)</u>

(Continued)

**Somerton Elementary School District No. 11**  
**Expenses, Program Revenues, and Net (Expense)/Revenue**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Expenses</b>					
Instruction	\$ 11,191,005	\$ 10,405,754	\$ 10,671,007	\$ 10,540,636	\$ 9,464,038
Support services - students and staff	2,766,600	2,800,356	2,812,949	2,551,475	2,761,046
Support services - administration	3,035,116	2,925,715	2,766,137	2,708,177	2,554,025
Operation and maintenance of plant services	3,204,051	2,837,308	2,817,801	2,829,629	2,654,146
Student transportation services	668,428	600,158	663,345	773,000	736,912
Operation of non-instructional services	1,854,697	1,987,900	1,854,706	1,792,877	1,735,030
Interest on long-term debt	220,614	198,590	182,638	216,398	248,202
Total expenses	<u>22,940,511</u>	<u>21,755,781</u>	<u>21,768,583</u>	<u>21,412,192</u>	<u>20,153,399</u>
<b>Program Revenues</b>					
Charges for services:					
Instruction	164,118	66,420	181,919	61,433	64,815
Operation of non-instructional services	56,115	123,541	119,708	77,593	82,496
Other activities	55,386	92,897	77,491	95,229	187,911
Operating grants and contributions	5,682,417	5,580,612	5,300,142	5,175,783	5,298,959
Capital grants and contributions	178,658	112,647	233,494	45,278	29,919
Total program revenues	<u>6,136,694</u>	<u>5,976,117</u>	<u>5,912,754</u>	<u>5,455,316</u>	<u>5,664,100</u>
<b>Net (Expense)/Revenue</b>	<u>\$ (16,803,817)</u>	<u>\$ (15,779,664)</u>	<u>\$ (15,855,829)</u>	<u>\$ (15,956,876)</u>	<u>\$ (14,489,299)</u>

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

**(Concluded)**

**Somerton Elementary School District No. 11**  
**General Revenues and Total Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
<b>Net (Expense)/Revenue</b>	\$ (18,022,520)	\$ (14,951,474)	\$ (19,298,779)	\$ (20,399,145)	\$ (17,780,609)
<b>General Revenues:</b>					
Property taxes	2,395,101	1,557,486	3,263,006	2,542,576	2,581,360
Investment income	86,264	10,710	10,418	17,922	18,826
Unrestricted county aid		551,662	524,375	506,399	517,428
Unrestricted state aid	21,647,326	18,917,966	17,517,988	17,626,797	16,126,854
Unrestricted federal aid	195,012	291,074	193,136	226,516	185,566
<b>Total general revenues</b>	<b>24,323,703</b>	<b>21,328,898</b>	<b>21,508,923</b>	<b>20,920,210</b>	<b>19,430,034</b>
<b>Changes in Net Position</b>	<b>\$ 6,301,183</b>	<b>\$ 6,377,424</b>	<b>\$ 2,210,144</b>	<b>\$ 521,065</b>	<b>\$ 1,649,425</b>

(Continued)

**Somerton Elementary School District No. 11**  
**General Revenues and Total Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Net (Expense)/Revenue</b>	\$ (16,803,817)	\$ (15,779,664)	\$ (15,855,829)	\$ (15,956,876)	\$ (14,489,299)
<b>General Revenues:</b>					
Property taxes	2,511,860	1,906,399	1,524,110	1,539,994	1,434,373
Investment income	12,250	6,916	8,402	14,918	14,907
Unrestricted county aid	531,172	535,916	525,969	548,762	530,088
Unrestricted state aid	14,681,613	14,279,936	13,191,188	12,395,305	12,354,886
Unrestricted federal aid	130,901	130,300	137,011	174,149	114,464
<b>Total general revenues</b>	<u>17,867,796</u>	<u>16,859,467</u>	<u>15,386,680</u>	<u>14,673,128</u>	<u>14,448,718</u>
<b>Changes in Net Position</b>	<u>\$ 1,063,979</u>	<u>\$ 1,079,803</u>	<u>\$ (469,149)</u>	<u>\$ (1,283,748)</u>	<u>\$ (40,581)</u>

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

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

**(Concluded)**



**Somerton Elementary School District No. 11**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>	<b><u>2020</u></b>	<b><u>2019</u></b>
General Fund:					
Unassigned	\$ 4,413,793	\$ 2,922,965	\$ 3,118,988	\$ 2,493,795	\$ 1,539,337
Total General Fund	\$ 4,413,793	\$ 2,922,965	\$ 3,118,988	\$ 2,493,795	\$ 1,539,337
All Other Governmental Funds:					
Restricted	\$ 2,698,600	\$ 4,516,594	\$ 2,324,314	\$ 970,535	\$ 760,084
Unassigned	(1,869,073)	(1,204,114)	(400,568)	(177,236)	(767,096)
Total all other governmental funds	\$ 829,527	\$ 3,312,480	\$ 1,923,746	\$ 793,299	\$ (7,012)

(Continued)

**Somerton Elementary School District No. 11**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund:					
Unassigned	\$ 1,438,758	\$ 1,205,073	\$ 1,149,593	\$ 2,558,173	\$ 3,596,976
Total General Fund	<u>\$ 1,438,758</u>	<u>\$ 1,205,073</u>	<u>\$ 1,149,593</u>	<u>\$ 2,558,173</u>	<u>\$ 3,596,976</u>
All Other Governmental Funds:					
Restricted	\$ 816,440	\$ 1,454,859	\$ 1,778,173	\$ 1,462,069	\$ 1,830,204
Unassigned	(296,201)		(39,490)	(21,562)	(47,753)
Total all other governmental funds	<u>\$ 520,239</u>	<u>\$ 1,454,859</u>	<u>\$ 1,738,683</u>	<u>\$ 1,440,507</u>	<u>\$ 1,782,451</u>

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

**(Concluded)**

**Somerton Elementary School District No. 11**  
**Governmental Funds Revenues**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>
<b>Federal sources:</b>					
Federal grants	\$ 10,264,375	\$ 10,531,335	\$ 4,339,361	\$ 3,488,693	\$ 3,407,182
Impact Aid	58,478	43,714	54,892	52,502	63,178
National School Lunch Program	2,758,363	2,987,669	1,654,742	1,810,124	2,092,535
Total federal sources	<u>13,081,216</u>	<u>13,562,718</u>	<u>6,048,995</u>	<u>5,351,319</u>	<u>5,562,895</u>
<b>State sources:</b>					
State equalization assistance	19,283,167	16,271,859	15,822,458	15,938,347	14,501,161
State grants	548,198	1,032,729	859,787	1,231,520	250,316
School Facilities Oversight Board	6,428,672	3,801,667	233,146	396,142	
Other revenues	2,364,159	2,646,107	1,695,530	1,658,982	1,628,600
Total state sources	<u>28,624,196</u>	<u>23,752,362</u>	<u>18,610,921</u>	<u>19,224,991</u>	<u>16,380,077</u>
<b>Local sources:</b>					
Property taxes	2,366,835	1,682,372	3,226,862	2,540,008	2,544,984
County aid		551,662	524,375	506,399	517,428
Food service sales	60,170	53,209	16,749	45,601	55,196
Investment income	86,264	10,710	10,418	20,722	18,826
Other revenues	339,165	288,770	194,640	367,128	262,460
Total local sources	<u>2,852,434</u>	<u>2,586,723</u>	<u>3,973,044</u>	<u>3,479,858</u>	<u>3,398,894</u>
<b>Total revenues</b>	<u><u>\$ 44,557,846</u></u>	<u><u>\$ 39,901,803</u></u>	<u><u>\$ 28,632,960</u></u>	<u><u>\$ 28,056,168</u></u>	<u><u>\$ 25,341,866</u></u>

(Continued)

**Somerton Elementary School District No. 11**  
**Governmental Funds Revenues**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Federal sources:</b>					
Federal grants	\$ 3,479,974	\$ 3,468,825	\$ 3,497,057	\$ 3,308,731	\$ 3,395,455
Impact Aid	56,634	58,532	65,190	87,850	82,798
National School Lunch Program	1,946,845	2,015,281	1,879,326	1,767,111	1,791,049
Total federal sources	<u>5,483,453</u>	<u>5,542,638</u>	<u>5,441,573</u>	<u>5,163,692</u>	<u>5,269,302</u>
<b>State sources:</b>					
State equalization assistance	13,282,338	13,034,396	12,060,541	11,340,689	11,330,161
State grants	281,536	203,823	170,073	214,523	301,141
School Facilities Oversight Board		87,700	28,957		
Other revenues	1,376,496	1,157,840	1,130,647	1,054,622	921,477
Total state sources	<u>14,940,370</u>	<u>14,483,759</u>	<u>13,390,218</u>	<u>12,609,834</u>	<u>12,552,779</u>
<b>Local sources:</b>					
Property taxes	2,450,942	1,888,348	1,459,642	1,632,181	1,415,296
County aid	531,172	535,916	525,969	548,762	530,088
Food service sales	56,115	63,765	57,017	51,174	58,442
Investment income	12,250	6,916	8,402	14,918	14,907
Other revenues	291,693	302,106	346,230	200,070	329,914
Total local sources	<u>3,342,172</u>	<u>2,797,051</u>	<u>2,397,260</u>	<u>2,447,105</u>	<u>2,348,647</u>
<b>Total revenues</b>	<u>\$ 23,765,995</u>	<u>\$ 22,823,448</u>	<u>\$ 21,229,051</u>	<u>\$ 20,220,631</u>	<u>\$ 20,170,728</u>

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

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

**(Concluded)**

**Somerton Elementary School District No. 11**  
**Governmental Funds Expenditures and Debt Service Ratio**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30</b>				
	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 16,864,673	\$ 16,540,065	\$ 13,367,500	\$ 12,731,624	\$ 11,958,037
Support services - students and staff	4,991,318	4,396,682	3,303,377	2,919,021	2,882,675
Support services - administration	4,336,347	3,843,683	2,995,566	2,933,215	3,063,754
Operation and maintenance of plant services	3,647,932	3,243,676	2,619,355	2,701,419	2,725,414
Student transportation services	792,719	694,962	498,075	517,358	566,959
Operation of non-instructional services	2,673,931	2,099,688	1,520,277	1,957,436	1,919,992
Capital outlay	11,921,944	7,557,775	1,410,158	1,723,025	2,072,719
Debt service -					
Principal retirement	253,525	251,134	1,048,985	1,046,638	379,094
Interest and fiscal charges	67,582	81,427	114,027	165,384	200,911
<b>Total expenditures</b>	<u><u>\$ 45,549,971</u></u>	<u><u>\$ 38,709,092</u></u>	<u><u>\$ 26,877,320</u></u>	<u><u>\$ 26,695,120</u></u>	<u><u>\$ 25,769,555</u></u>
Expenditures for capitalized assets	\$ 9,628,593	\$ 5,838,491	\$ 685,928	\$ 911,166	\$ 1,777,277
Debt service as a percentage of noncapital expenditures	1%	1%	4%	5%	2%

(Continued)

**Somerton Elementary School District No. 11**  
**Governmental Funds Expenditures and Debt Service Ratio**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Expenditures:</b>					
Current -					
Instruction	\$ 10,451,243	\$ 10,107,260	\$ 9,490,058	\$ 9,170,133	\$ 8,629,810
Support services - students and staff	2,836,684	2,897,989	2,732,377	2,412,512	2,718,797
Support services - administration	3,022,407	2,979,252	2,681,654	2,578,428	2,503,128
Operation and maintenance of plant services	2,823,072	2,479,279	2,392,334	2,385,050	2,250,101
Student transportation services	508,805	503,024	454,968	539,660	575,872
Operation of non-instructional services	1,830,139	1,993,450	1,827,573	1,759,406	1,699,050
Capital outlay	2,417,610	2,656,871	2,043,577	2,418,775	638,616
Debt service -					
Principal retirement	376,791	1,106,517	1,259,962	1,050,047	791,854
Interest and fiscal charges	220,614	198,590	182,638	216,398	248,202
<b>Total expenditures</b>	<u>\$ 24,487,365</u>	<u>\$ 24,922,232</u>	<u>\$ 23,065,141</u>	<u>\$ 22,530,409</u>	<u>\$ 20,055,430</u>
Expenditures for capitalized assets	\$ 2,222,569	\$ 1,987,114	\$ 911,139	\$ 1,148,635	\$ 364,814
Debt service as a percentage of noncapital expenditures	3%	6%	7%	6%	5%

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

**(Concluded)**

**Somerton Elementary School District No. 11**  
**Other Financing Sources and Uses and Net Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting)**

	Fiscal Year Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (992,125)	\$ 1,192,711	\$ 1,755,640	\$ 1,361,048	\$ (427,689)
<b>Other financing sources (uses):</b>					
Insurance recoveries					1,017
Transfers in	585,087	675,240	549,655	395,097	463,629
Transfers out	<u>(585,087)</u>	<u>(675,240)</u>	<u>(549,655)</u>	<u>(395,097)</u>	<u>(463,629)</u>
Total other financing sources (uses)					<u>1,017</u>
<b>Changes in fund balances</b>	<u>\$ (992,125)</u>	<u>\$ 1,192,711</u>	<u>\$ 1,755,640</u>	<u>\$ 1,361,048</u>	<u>\$ (426,672)</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Excess (deficiency) of revenues over expenditures</b>	\$ (721,370)	\$ (2,098,784)	\$ (1,836,090)	\$ (2,309,778)	\$ 115,298
<b>Other financing sources (uses):</b>					
Capital lease agreements		1,870,440	725,686	929,031	
Insurance recoveries	20,435				
Transfers in	481,539	484,780	474,504	449,937	506,803
Transfers out	<u>(481,539)</u>	<u>(484,780)</u>	<u>(474,504)</u>	<u>(449,937)</u>	<u>(506,803)</u>
Total other financing sources (uses)					
	<u>20,435</u>	<u>1,870,440</u>	<u>725,686</u>	<u>929,031</u>	
<b>Changes in fund balances</b>	<u>\$ (700,935)</u>	<u>\$ (228,344)</u>	<u>\$ (1,110,404)</u>	<u>\$ (1,380,747)</u>	<u>\$ 115,298</u>

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

**Somerton Elementary School District No. 11**  
**Net Limited Assessed Value and Full Cash Value of Taxable Property by Class**  
**Last Ten Fiscal Years**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 17,478,402	\$ 14,275,478	\$ 11,917,581	\$ 12,327,013	\$ 11,024,102
Agricultural and Vacant	9,444,023	9,866,083	8,335,944	9,071,227	8,306,696
Residential (Owner Occupied)	45,497,118	42,540,493	39,128,788	37,460,263	34,734,629
Residential (Rental)	27,666,139	22,071,201	18,198,368	14,335,433	12,174,090
Railroad, Private Cars and Airlines	304,201	277,173	223,427	244,665	265,274
Certain Government Property Improvements	3,743	3,563	3,389	244	
<b>Total</b>	<b>\$ 100,393,626</b>	<b>\$ 89,033,991</b>	<b>\$ 77,807,497</b>	<b>\$ 73,438,845</b>	<b>\$ 66,504,791</b>
Gross Full Cash Value	\$ 1,240,656,784	\$ 1,100,208,070	\$ 974,853,897	\$ 857,113,312	\$ 797,084,254
Ratio of Net Limited Value to Gross Full Cash Value	8%	8%	8%	9%	8%
Total Direct Rate	3.77	2.23	4.54	4.02	4.29

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 9,296,642	\$ 9,372,600	\$ 9,564,117	\$ 9,502,432	\$ 10,283,237
Agricultural and Vacant	8,208,256	8,448,964	9,820,135	9,827,665	10,185,325
Residential (Owner Occupied)	31,937,140	29,367,242	27,812,505	28,705,708	30,882,679
Residential (Rental)	10,176,855	8,882,120	8,069,762	5,876,558	5,749,744
Railroad, Private Cars and Airlines	259,896	218,622	217,435	223,300	173,708
Certain Government Property Improvements					
<b>Total</b>	<b>\$ 59,878,789</b>	<b>\$ 56,289,548</b>	<b>\$ 55,483,954</b>	<b>\$ 54,135,663</b>	<b>\$ 57,274,693</b>
Gross Full Cash Value	\$ 721,973,982	\$ 644,676,351	\$ 515,010,137	\$ 594,489,129	\$ 620,349,276
Ratio of Net Limited Value to Gross Full Cash Value	8%	9%	11%	9%	9%
Total Direct Rate	4.67	3.75	2.66	2.81	2.93

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

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



**Somerton Elementary School District No. 11**  
**Net Full Cash Assessed Value of Taxable Property by Class**  
**Last Ten Fiscal Years**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	\$ 19,237,629	\$ 14,911,159	\$ 12,503,406	\$ 12,848,811	\$ 11,407,522
Agricultural and Vacant	11,015,116	11,318,279	9,244,390	9,833,121	8,883,842
Residential (Owner Occupied)	54,469,207	51,436,126	47,190,547	41,888,148	40,070,690
Residential (Rental)	33,255,204	26,642,241	21,860,569	16,258,957	14,387,300
Railroad, Private Cars and Airlines	391,713	352,752	277,214	297,288	315,072
Certain Government Property Improvements	4,582	3,703	3,464	257	
<b>Total</b>	<b>\$ 118,373,451</b>	<b>\$ 104,664,260</b>	<b>\$ 91,079,590</b>	<b>\$ 81,126,582</b>	<b>\$ 75,064,426</b>
Gross Full Cash Value	\$ 1,240,656,784	\$ 1,100,208,070	\$ 974,853,897	\$ 857,113,312	\$ 797,084,254
Ratio of Net Full Cash Value to Gross Full Cash Value	10%	10%	9%	9%	9%
Estimated Net Full Cash Value	\$ 1,278,022,483	\$ 895,489,842	\$ 780,410,917	\$ 683,105,759	\$ 634,796,382
Total Direct Rate	3.77	2.23	4.54	4.02	4.29

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Commercial, Industrial, Utilities and Mining	\$ 9,560,077	\$ 9,654,879	\$ 9,627,308	\$ 9,558,378	\$ 10,434,635
Agricultural and Vacant	8,853,833	9,183,276	10,513,691	10,549,132	11,316,858
Residential (Owner Occupied)	36,810,814	31,764,895	28,305,751	29,276,080	31,436,484
Residential (Rental)	12,030,373	10,050,175	8,359,240	5,956,836	5,787,485
Railroad, Private Cars and Airlines	298,581	232,093	220,974	224,999	175,020
Certain Government Property Improvements					
<b>Total</b>	<b>\$ 67,553,678</b>	<b>\$ 60,885,318</b>	<b>\$ 57,026,964</b>	<b>\$ 55,565,425</b>	<b>\$ 59,150,482</b>
Gross Full Cash Value	\$ 721,973,982	\$ 644,676,351	\$ 515,010,137	\$ 594,489,129	\$ 620,349,276
Ratio of Net Full Cash Value to Gross Full Cash Value	9%	9%	11%	9%	10%
Estimated Net Full Cash Value	\$ 569,443,544	\$ 506,082,026	\$ 460,546,458	\$ 437,711,464	\$ 464,729,390
Total Direct Rate	4.67	3.75	2.66	2.81	2.93

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

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

**Somerton Elementary School District No. 11**  
**Property Tax Assessment Ratios**  
**Last Ten Fiscal Years**

<u>Class</u>	<u>Fiscal Year</u>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Commercial, Industrial, Utilities and Mining	18 %	18 %	18 %	18 %	18 %
Agricultural and Vacant	15	15	15	15	15
Residential (Owner Occupied)	10	10	10	10	10
Residential (Rental)	10	10	10	10	10
Railroad, Private Cars and Airlines	15	15	15	15	14

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

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

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

**Somerton Elementary School District No. 11**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	<b>Overlapping Rates</b>									
	State Equalization	County	County Free Library	Flood Control District	Community College District	Yuma Union High School District	City of Somerton	District Direct Rates		
								Primary	Secondary	Total
2023		2.51	0.88	0.16	2.40	2.36	1.61	3.77		3.77
2022	0.43	2.51	0.91	0.24	2.44	2.39	1.61	2.23		2.23
2021	0.44	2.51	0.91	0.24	2.53	2.39	1.63	2.88	1.67	4.54
2020	0.46	2.53	0.91	0.24	2.57	2.62	1.66	2.25	1.77	4.02
2019	0.47	2.53	0.90	0.25	2.57	2.55	1.72	2.34	1.95	4.29
2018	0.49	2.50	0.90	0.28	2.49	2.70	1.69	2.49	2.17	4.67
2017	0.50	2.47	0.90	0.28	2.63	3.19	1.77	1.61	2.13	3.75
2016	0.51	2.41	0.90	0.28	2.55	2.77	1.75		2.66	2.66
2015	0.51	2.16	0.84	0.28	2.38	2.71	1.69		2.81	2.81
2014	0.51	2.06	0.84	0.28	2.22	2.78	1.49	2.08	0.85	2.93

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

**Note:** There was no state equalization levy for the year ended June 30, 2023.

**Somerton Elementary School District No. 11**  
**Principal Property Taxpayers**  
**Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Taxpayer</u>	<u>2023</u>		<u>2014</u>	
	<u>Net Limited Assessed Valuation</u>	<u>Percentage of District's Net Limited Assessed Valuation</u>	<u>Net Full Cash Assessed Valuation</u>	<u>Percentage of District's Net Full Cash Valuation</u>
Arizona Public Service Company	\$ 5,459,900	5.44 %	\$ 4,552,194	7.70 %
Southwest Gas Corporation	1,950,915	1.94	429,667	0.73
RL Jones Property LLC	1,009,003	1.01		
Reidel Holdings LLC	846,576	0.84		
Farm Credit Leasing	605,810	0.60		
Concord Holdings LLC	544,796	0.54		
Newport Hill LLC	520,031	0.52		
San Luis Trading & Logistics LLC	469,547	0.47		
Cocopah Indian Tribe	324,017	0.32		
Hall Michael	317,758	0.32		
Las Estrellas Development AZ LLC			307,211	0.52
Somerton Affordable Housing AZ, LP			279,153	0.47
Qwest Corporation			258,610	0.44
Union Pacific Railroad Co			224,999	0.38
Pen Holdings Real Estate FI LLC			212,634	0.36
Barkley Farms LTD Partnership			132,320	0.22
Leigh Stewart B Trust			130,858	0.22
Dorsing Doug and Connie JT			121,327	0.21
<b>Total</b>	<u><u>\$ 12,048,353</u></u>	<u><u>12.01</u></u> %	<u><u>\$ 6,648,973</u></u>	<u><u>11.24</u></u> %

**Source:** The source of this information is the Yuma County Assessor's records.

**Note:** On November 6, 2012, voters approved Proposition 117, an amendment to the Arizona Constitution. Beginning with Tax Year 2015 (Fiscal Year 2016), both primary and secondary taxes are levied against the net limited assessed value.

**Somerton Elementary School District No. 11**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Fiscal Years	Collected to the End of the Current Fiscal Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	\$ 2,399,494	\$ 2,328,035	97.02 %	\$	\$ 2,328,035	97.02 %
2022	1,652,572	1,606,024	97.18	29,806	1,635,830	98.99
2021	3,257,470	3,156,082	96.89	67,880	3,223,962	98.97
2020	2,618,267	2,519,129	96.21	86,168	2,605,297	99.50
2019	2,574,683	2,464,589	95.72	94,078	2,558,667	99.38
2018	2,510,596	2,406,246	95.84	90,118	2,496,364	99.43
2017	1,909,895	1,833,116	95.98	58,609	1,891,725	99.05
2016	1,480,086	1,410,760	95.32	53,646	1,464,406	98.94
2015	1,573,335	1,501,864	95.46	54,256	1,556,120	98.91
2014	1,443,202	1,345,943	93.26	79,452	1,425,395	98.77

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

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

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

**Somerton Elementary School District No. 11  
Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	General Obligation Bonds					Total Outstanding Debt				
	General Obligation Bonds	Less: Amounts Restricted for Principal	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Financed Purchases and Leases	Total	Percentage of Estimated Actual Value (Full Cash Value)	Per Capita	Percentage of Personal Income
2023	\$	\$	\$	%	\$	\$ 1,038,478	\$ 1,038,478	0.08 %	\$ 37	N/A %
2022						1,292,003	1,292,003	0.12	54	0.01
2021						1,543,137	1,543,137	0.16	65	0.02
2020						2,592,122	2,592,122	0.30	140	0.03
2019						3,638,760	3,638,760	0.46	199	0.05
2018						4,017,854	4,017,854	0.56	219	0.06
2017						4,394,645	4,394,645	0.68	244	0.06
2016	485,000	485,000				3,630,722	4,115,722	0.80	230	0.06
2015	945,000	460,000	485,000	0.08	27	3,679,998	4,624,998	0.78	260	0.08
2014	1,390,000	445,000	945,000	0.15	53	3,341,014	4,731,014	0.76	266	0.09

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

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

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

**Somerton Elementary School District No. 11**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2022**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to School District</u>	<u>Estimated Amount Applicable to School District</u>
Overlapping:			
Arizona Western Community College	39,500,000	4.87 %	1,923,650
Yuma Union High School District No. 70	61,903,000	5.16	<u>3,194,195</u>
Subtotal, Overlapping Debt			<u>5,117,845</u>
Direct:			
Somerton Elementary School District No. 11			<u>1,038,478</u>
Total Direct and Overlapping Governmental Activities Debt			<u>\$ 6,156,323</u>

**Direct and Overlapping General Bonded Debt Ratios**

Net Direct General Obligation Bonded Debt		
As a Percentage of Net Limited Assessed Valuation		0 %
Net Direct and Overlapping General Bonded Debt		
Per Capita	\$	180
As a Percentage of Net Limited Assessed Valuation		5.10 %
As a Percentage of Gross Full Cash Value		0.41 %

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

- Notes:** 1) Estimated percentage of debt outstanding applicable to the District is calculated based on a portion of the District's net limited assessed valuation as a percentage of the net limited assessed valuation of the overlapping jurisdiction.  
2) Outstanding debt as of June 30, 2022 is presented for the overlapping governments as this is the most recent available information.

**Somerton Elementary School District No. 11**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

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

Net full cash assessed valuation	\$ 118,373,451
Debt limit (10% of assessed value)	11,837,345
Debt applicable to limit	
Legal debt margin	<u>\$ 11,837,345</u>

**Total Legal Debt Margin Calculation for Fiscal Year 2023:**

Net full cash assessed valuation	\$ 118,373,451
Debt limit (15% of assessed value)	17,756,018
Debt applicable to limit	
Legal debt margin	<u>\$ 17,756,018</u>

**Fiscal Year Ended June 30**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Debt Limit	\$ 17,756,018	\$ 15,699,639	\$ 13,661,939	\$ 12,168,987	\$ 11,259,664
Total net debt applicable to limit					
Legal debt margin	<u>\$ 17,756,018</u>	<u>\$ 15,699,639</u>	<u>\$ 13,661,939</u>	<u>\$ 12,168,987</u>	<u>\$ 11,259,664</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Debt Limit	\$ 10,133,052	\$ 9,132,798	\$ 8,554,045	\$ 8,334,814	\$ 8,872,572
Total net debt applicable to limit			485,000	945,000	1,390,000
Legal debt margin	<u>\$ 10,133,052</u>	<u>\$ 9,132,798</u>	<u>\$ 8,069,045</u>	<u>\$ 7,389,814</u>	<u>\$ 7,482,572</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	6%	11%	16%

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

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



**Somerton Elementary School District No. 11**  
**County-Wide Demographic and Economic Statistics**  
**Last Ten Calendar Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>	<u>Estimated District Population</u>
2022	209,920	\$ N/A	\$ N/A	12.5 %	28,394
2021	207,318	9,169,548	44,299	12.9	24,012
2020	235,321	8,887,228	40,800	20.4	23,567
2019	229,957	7,818,246	36,570	14.3	18,500
2018	225,212	7,569,100	35,682	17.0	18,320
2017	221,648	7,212,166	34,752	17.0	18,320
2016	217,730	6,860,818	33,365	18.6	18,025
2015	214,991	6,449,702	31,574	21.8	17,900
2014	212,012	5,841,652	28,742	23.3	17,775
2013	209,323	5,529,669	27,483	27.7	17,775

**Sources:** The source of the "Personal Income" and "Per Capita" information is the Bureau of Economic Analysis.  
The source of the "Population" and "Unemployment Rate" information is the Arizona Office of Employment and Population Statistics.

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

**Somerton Elementary School District No. 11  
Principal Employers  
Current Fiscal Year and Fiscal Year Nine Years Prior**

<u>Employer</u>	<u>2023</u>		<u>2014</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
MCAS Yuma	7,112	10.58 %	6,825	9.95 %
Yuma Regional Medical Center	2,575	3.83	1,991	2.90
Yuma Proving Ground	2,336	3.47	2,093	3.05
Yuma County	1,400	2.08	1,336	1.95
Yuma Elementary School District No. 1	1,291	1.92	1,400	2.04
City of Yuma	1,283	1.91	1,200	1.75
Arizona Western College	1,200	1.78		
TRAX	1,050	1.56	1,262	1.84
Yuma Union High School District No. 70	962	1.43	1,000	1.46
United States Border Patrol	800	1.19	1,000	1.46
Date Pac, LLC			1,500	2.19
Total	<u>20,009</u>	<u>29.75 %</u>	<u>19,607</u>	<u>28.59 %</u>
Total employment	<u>67,250</u>		<u>68,591</u>	

**Source:** The source of this information is the Yuma County Chamber of Commerce and Greater Yuma Economic Development Corporation and Bureau of Labor Statistics.

**Somerton Elementary School District No. 11**  
**Full-Time Equivalent District Employees by Type**  
**Last Ten Fiscal Years**

	<b>Full-time Equivalent Employees as of June 30</b>				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Supervisory</b>					
Superintendent/Principals	8	6	6	6	6
Assistant superintendent/principals	3	2	2	2	2
Total supervisory	<u>11</u>	<u>9</u>	<u>8</u>	<u>8</u>	<u>8</u>
<b>Instruction</b>					
Teachers	155	158	154	154	154
Other teachers (adult)	2	2	2	2	2
Other professionals (instructional)	7	7	7	7	9
Aides	72	71	66	61	62
Total instruction	<u>236</u>	<u>238</u>	<u>229</u>	<u>224</u>	<u>227</u>
<b>Student Services</b>					
Counselors/Advisors	6	5	2	1	1
Nurses/Technicians	2	1	1	1	1
Total student services	<u>8</u>	<u>6</u>	<u>3</u>	<u>2</u>	<u>2</u>
<b>Support and Administration</b>					
Other classified	175	148	142	139	136
Total support and administration	<u>175</u>	<u>148</u>	<u>142</u>	<u>139</u>	<u>136</u>
<b>Total</b>	<u><u>430</u></u>	<u><u>401</u></u>	<u><u>382</u></u>	<u><u>373</u></u>	<u><u>373</u></u>

(Continued)

**Somerton Elementary School District No. 11**  
**Full-Time Equivalent District Employees by Type**  
**Last Ten Fiscal Years**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Supervisory</b>					
Superintendent/Principals	6	6	6	6	6
Assistant superintendent/principals	3	3	3	3	2
Total supervisory	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>	<u>8</u>
<b>Instruction</b>					
Teachers	146	144	142	141	137
Other teachers (adult)	2	2	2	2	2
Other professionals (instructional)	7	7	7	4	4
Aides	61	62	61	62	66
Total instruction	<u>216</u>	<u>215</u>	<u>212</u>	<u>209</u>	<u>209</u>
<b>Student Services</b>					
Counselors/Advisors	2	2	2	2	2
Nurses/Technicians	1	1	1	1	1
Total student services	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
<b>Support and Administration</b>					
Other classified	130	138	138	135	133
Total support and administration	<u>130</u>	<u>138</u>	<u>138</u>	<u>135</u>	<u>133</u>
<b>Total</b>	<u><u>358</u></u>	<u><u>365</u></u>	<u><u>362</u></u>	<u><u>356</u></u>	<u><u>353</u></u>

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

**(Concluded)**

**Somerton Elementary School District No. 11**  
**Operating Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30</b>	<b>Average Daily Membership</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Expenses</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Pupil-Teacher Ratio</b>	<b>Percentage of Free/Reduced Students</b>
2023	2,706	\$ 33,345,334	\$ 12,321	5.97 %	\$ 39,193,641	\$ 14,482	13.51 %	236	11.5	93.0 %
2022	2,651	30,818,756	11,627	29.91	33,818,008	12,758	27.32	238	11.1	87.0
2021	2,716	24,304,150	8,950	6.56	27,212,325	10,021	5.08	229	11.9	87.2
2020	2,829	23,760,073	8,399	2.64	26,979,459	9,537	11.47	224	12.6	87.2
2019	2,825	23,116,831	8,183	7.24	24,169,607	8,556	4.95	227	12.4	87.0
2018	2,814	21,472,350	7,631	1.74	22,940,511	8,152	4.72	216	13.0	84.0
2017	2,795	20,960,254	7,500	(1.84)	21,755,781	7,785	(8.36)	215	13.0	87.0
2016	2,562	19,578,964	7,641	8.59	21,768,583	8,495	6.26	212	12.1	86.4
2015	2,678	18,845,189	7,036	2.44	21,412,192	7,995	6.14	209	12.8	86.4
2014	2,676	18,376,758	6,868	(2.79)	20,153,399	7,533	(1.34)	209	12.8	86.4

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

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

**Somerton Elementary School District No. 11**  
**Capital Assets Information**  
**Last Ten Fiscal Years**

	<b>Fiscal Year Ended June 30</b>									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Schools</b>										
<b>Elementary</b>										
Buildings	25	23	23	23	23	23	22	22	22	22
Square feet	258,495	213,443	213,443	213,443	213,443	213,443	198,315	198,315	186,821	186,821
Capacity	3,000	2,500	2,500	2,500	2,500	2,500	2,333	2,333	2,168	2,168
Enrollment	2,342	2,072	2,072	2,072	2,335	2,072	2,072	2,072	1,867	1,867
<b>Middle</b>										
Buildings	13	13	13	13	13	13	13	13	12	12
Square feet	100,291	100,291	100,291	100,291	100,291	100,291	100,291	100,291	100,039	100,039
Capacity	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227	1,227
Enrollment	618	1,018	1,018	1,018	682	1,018	1,018	1,018	837	837
<b>Other</b>										
Buildings	7	7	7	7	7	7	6	6	6	6
Square feet	22,737	22,737	22,737	22,737	22,737	22,737	16,465	16,465	16,465	16,465
<b>Administrative</b>										
Buildings	1	1	1	1	1	1	1	1	1	1
Square feet	6,798	6,798	6,798	6,798	6,798	6,798	6,798	6,798	6,798	6,798
<b>Transportation</b>										
Garages	2	2	2	2	2	2	2	2	2	2
Buses	23	20	20	20	21	20	20	20	20	20
<b>Athletics</b>										
Football fields	1	1	1	1	1	1	1	1	1	1
Soccer fields	5	5	5	5	5	5	5	5	5	5
Baseball/softball	2	2	2	2	2	2	2	2	2	2
Playgrounds	6	4	4	4	4	4	4	4	4	4

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

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